

# PERTH AND KINROSS COUNCIL

## Environment and Infrastructure Committee

20 March 2019

### Auchterarder Community Facilities Fund

#### Report by Executive Director (Housing and Environment) (Report No. 19/80)

This report seeks the determination of an application for funding from Auchterarder Community Bus Group for a contribution of £ 150,000 towards an Auchterarder Town Bus Service. The requested funding would be phased over a four year period. The application meets the Fund's criteria. Income projections indicate that the Fund could support this application and would still be able to support a range of other projects. The views of local elected members and the Community Council have been sought, which need to be taken into account when determining this application.

#### 1. BACKGROUND / MAIN ISSUES

- 1.1 The Auchterarder Expansion Development Framework was published in February 2008 this was adopted by the Enterprise and Infrastructure Committee (Report No. 14/370 refers) as Supplementary Guidance to the Local Development Plan in September 2014.
- 1.2 That document set the framework for subsequent planning applications and defined the infrastructure requirements associated with this major expansion to the settlement. It has been acknowledged that the identified scale of development will have an impact on the level of existing service provided by community facilities. To mitigate this impact as the development progresses, one of the measures included in the Framework is a contribution of £1,000 per open market housing unit to be made to the Council by the developers up to a total of £600,000 towards an Auchterarder Community Facilities Fund.
- 1.3 In line with the section 75 Legal Agreements that are attached to the consented developments, the fund will be used for the sole purpose of providing Community Facilities, the meaning of which is set out in the agreements as:  
*“such public facilities within the settlement boundary of Auchterarder, the provision of which the Council, at its sole discretion, believes would improve the amenity of the public realm, including without prejudice to the foregoing generality, car parking facilities, a public hall, adaption of existing school changing room facilities to permit access to the pitches forming part of the Sports Facilities, a public library, new or enhanced public transport services, improvements to the core path network and recycling facilities.”*
- 1.4 It is intended that the Fund will be spent over the lifetime of the development as the demand on the settlement's community facilities increases. It is also

intended that the Fund be used to support a range of projects that will benefit the community in Auchterarder.

- 1.5 Procedures for recording contributions received; distributing contributions towards the provision of community facilities; and reporting these details in an open and accountable way were agreed by the Enterprise and Infrastructure Committee (Report No. 16/375 refers). These procedures include reports on funding received and allocated each year; and procedures for the allocation of funding. Requests for funding up to £50,000 are delegated to the Executive Director (Housing & Environment). Where the amount sought exceeds £50,000, this needs to be referred to the Environment and Infrastructure Committee. The procedures also include provision where future contributions to the fund may be ring-fenced for projects, in addition to what has already been provided through the Fund.

## **2. PROPOSALS**

- 2.1 The Committee is asked to consider and determine an application for funding from Auchterarder Community Bus Group, which is a charity that was set up to provide a new public transport service in that area. The application is for the sum of £150,000 over a four year period. This is sought as a contribution towards a project to provide an Auchterarder Town Bus Service that would operate within Auchterarder's settlement boundary, it includes the major expansion to the settlement with the new housing developments at Castlemains, Kirkton and Townhead.
- 2.2 The purpose of the bus service would be to support community development, both in respect of existing communities in the town and new communities in the new expansion areas. The service would benefit not only the new communities in the three expansion areas at Castlemains, Kirkton and Townhead, but would also connect them to existing housing areas and to services in the town centre.
- 2.3 In terms of meeting a demand, the group believe that the proposed bus service would assist people in need by reason of age, ill health, disability or residential isolation, it would help them to access local services and facilities, as well as support community life.
- 2.4 The proposed bus service would concentrate on the Strathearn and Strathallan Local Action Plan (LAP) priority area of Accessibility of Services and Community Transport, within the wider Community Plan Strategic Objective of Supporting People to Lead Independent, Healthy and Active Lives. The LAP specifically prioritises that action is required to research and establish a community transport initiative in the Strathearn and Strathallan area to make it easier for people to access activities, particularly older people and young people. The applicant highlights that the number of older people living in the area is increasing, as is the number of households comprising one person.

- 2.5 Community-led demand for enhanced public transport provision was the main reason for the formation of the Auchterarder Community Bus Group. Its initial community-wide survey (undertaken in the town in autumn 2017) produced 230 responses. A copy of the survey and an analysis of the responses have been provided by the applicant. It is included in the appendix to this report.
- 2.6 The applicant reports considerable community support, including from St Margaret's Health Centre and the adjacent community hospital, and highlights that the survey found that social isolation is an issue for some residents. The proposed community bus service would make possible some everyday activities such as shopping or going to a medical appointment.
- 2.7 The applicant undertook an options appraisal of potential transport solutions, the outcome of which was for the Auchterarder Community Bus Group to procure a suitable Public Service Vehicle (PSV) licensed bus operator to deliver the proposed service. Initially at least, this is not expected to be provided commercially and its operation will require financial support. The need for financial support to meet the business costs of operating a town bus service is to be expected as the costs are significant. The only income streams that a commercial operator could access are bus fares and the Bus Service Operator's Grant. In addition the group's contract with the bus operator would need to factor in cost of the vehicle, fuel, insurance, driver and maintenance of the vehicle. The amounts sought by the applicant in the first two years are consistent with these costs.
- 2.8 The applicant proposes an initial four year business plan, with the first two years focusing on introducing the bus service. In years three and four, the applicant's focus will shift to ensuring its future stability by concentrating on fundraising. By this time, the fundraising efforts would be complemented by an increasing stream of fares revenue.
- 2.9 The Auchterarder Community Bus Group will specify the key operational requirements to be met, using the outcome of the community survey as its reference. The service would be open to all and its routing would be subject to consultation with community organisations, the Community Council, and local elected members. An indicative routing has been included in the appendix to this report and the applicant proposes investigation of extending this, subject to practicality and passenger usage. The service would specifically target residents who face difficulties in accessing local services. It is proposed to facilitate onward travel to Perth and Stirling using the existing local bus network and a joint ticketing initiative. Free travel would be available for those eligible for National Entitlement Cards as usual through the Scottish Government's bus travel concession scheme. The National Entitlement Card provides the holder with free transport on registered bus services throughout Scotland. However, the operator only receives 56.9% of the single adult fare for the journey made. This claim is submitted to Transport Scotland. The electronic ticket machine on board would be capable of providing data on usage of the service. It would be useful for the Council to receive the usage figures both for audit purposes of how the grant is being used, and for general data collection on local bus service usage.

- 2.10 In terms of the amount of the £150,000 funding request, the applicant has requested this should be phased over four successive years, allocated as set out in the following table:

<b>Year</b>	<b>Amount sought</b>
2019/20	£ 50,000
2020/21	£ 50,000
2021/22	£ 25,000
2022/23	£ 25,000
<b>TOTAL</b>	<b>£150,000</b>

- 2.11 The applicant proposes to use the grant funding as a contribution to support the operation of the new town bus service, which would be a registered local bus service. The key operational requirements of the service are proposed to be incorporated in a specification that would be put out to tender as part of a formal procurement process. The applicant will not know the best price tendered for operating the service until the tender has been issued and the bids received. However, as stated above, the amounts sought by the applicant to operate a town bus service are consistent with these costs in years one and two. Until the outcome of the procurement exercise is known, it is not possible to accurately predict the exact level of financial support that would be needed, particularly for years three and four where the level of support sought is predicted to be less.
- 2.12 As the service is to be tendered, the applicant would not own the bus. As a result there would be no assets to dispose of should the service prove unsuccessful and require to be withdrawn at some point in the future.
- 2.13 In addition to the provision of the bus service itself, the applicant anticipates that the requirement for promotional activity and contributions towards roadside infrastructure would be met from the fund.
- 2.14 In terms of financial support from other sources, the applicant has applied or intends to make one-off applications to a number of other funding bodies as follows:

<b>Funding Body/Fund Name</b>	<b>Amount</b>	<b>Status</b>
Perth and Kinross Council, Funding For New Transport Initiatives in the Community	£ 10,000	Application approved
Perth and Kinross Council, Community Investment Fund	£ 35,000	Application submitted, decision anticipated March/April 2019
NHS Tayside, Community Innovation Fund	£ 25,000 over three years	Application submitted, decision anticipated April 2019
Friends of St Margaret's	Circa £ 100,000	In discussions, application being prepared for submission in April 2019

<b>Funding Body/Fund Name</b>	<b>Amount</b>	<b>Status</b>
<i>Auchterarder Common Good Fund</i>	<i>Circa £ 15,000</i>	<i>Application will be considered for years 2-4 depending on outcome of the initial four funding bids</i>
<i>Auchterarder &amp; District Community Trust</i>	<i>Circa £ 35,000</i>	<i>Application will be considered for years 2-4 depending on outcome of the initial four funding bids</i>
<i>Other local Trust Funds and potentially the Big Lottery Fund</i>	<i>Not known</i>	

### **Consultation and Assessment**

- 2.15 Based on the information provided by the applicant, it is clear that the project meets the fund criteria. The views of the Council's Public Transport Unit have been sought and the town bus service will connect new communities in the three expansion areas to existing housing areas and to services in the town centre. In addition it will provide a valuable public transport function in response to a community-identified need. Council officers consider it is an unmet need, over and above all the other benefits, and could encourage modal shift as well as reduce the number of parked cars in Auchterarder High Street. In line with the agreed procedures, a committee decision is required to determine this application since the amount sought exceeds £50,000.
- 2.16 In terms of consultation carried out on the application, the views of the Auchterarder and District Community Council and the local elected members were sought, in line with the Fund's operating procedures. These views require to be taken into account when determining this application.
- 2.17 The Auchterarder and District Community Council considered the application at its meeting on 31 January 2019. The Community Council's view is that the application should be supported, subject to regular monitoring.
- 2.18 There are three local elected members, one of whom is also a Trustee of the Auchterarder Community Bus Group and has therefore understandably not offered views on the application. The other two local elected members have expressed support for the application.
- 2.19 In terms of the fund balance, there is £ 128,000 in the account. The Council has received contributions totalling £ 178,000 and £ 50,000 was allocated to phase 1 of Provost's Walk. In addition, the sum of £ 100,000 has been agreed and earmarked as a contribution from the fund to phase 3 of Provost's Walk (Report No. 18/367 refers).
- 2.20 Predictions on future contributions are based on the level of contributions to date along, with an estimate of the rate of open market completions at the three development sites. For this year and coming years, officers anticipate an income of £66,000 and £68,000 respectively. This is based on estimated completions and an assumption that house building at the three large development sites proceeds with regular contributions made to the Fund from

the respective developers. Of the £66,000 estimated income for 2018/19, contributions of £18,000 have already been made, and further contributions will become due on remaining open market completions at the end of the financial year.

- 2.21 The following table sets out the fund's anticipated income for this year and next, with potential disbursements to known projects and projected surplus available to fund a range of other projects.

	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
<b>Balance brought forward</b>	<b>£ 128,000</b>	<b>£ 94,000</b>	<b>£ 112,000</b>	<b>£ 128,000</b>	<b>£ 169,000</b>
Potential and known projects					
Provost Walk phase 3 application already agreed	£ 100,000				
Auchterarder Town Bus Service application		£ 50,000	£ 50,000	£ 25,000	£ 25,000
<b>Total estimated disbursements</b>	<b>£ 100,000</b>	<b>£ 50,000</b>	<b>£ 50,000</b>	<b>£ 25,000</b>	<b>£ 25,000</b>
<b>Income</b>					
Future contributions (estimated)	£ 66,000	£ 68,000	£ 66,000	£ 66,000	£ 66,000
<b>Balance carried forward</b>	<b>£ 94,000</b>	<b>£ 112,000</b>	<b>£ 128,000</b>	<b>£ 169,000</b>	<b>£ 210,000</b>

- 2.22 At this point, therefore, it is anticipated that the fund will be capable of supporting requested projects, including the application under consideration. It is also likely that a range of other projects could be supported in the future.
- 2.23 As mentioned above, the rate at which contributions are received into the account depends on the rate at which housebuilding continues at the three framework sites. If contributions are not received as predicted, for example if the predicted rate of housebuilding is not as forecast, then future contributions to the fund may be ring-fenced for projects but disbursements from the fund may not be made until sufficient funds exist in the account.

### **3. CONCLUSION AND RECOMMENDATION**

- 3.1 As the project meets the Fund's criteria, the Committee is required to determine this application taking account the views of the consultees, given the level of funding requested.

- 3.2 The report notes that the Auchterarder Community Bus Group was established in response to a community-identified need for enhanced public transport provision in the town. It is supported by the Local Action Plan. The development will bring identified benefits to the new communities in the three expansion areas of Castlemains, Kirkton and Townhead, connecting them to existing housing areas and to services in the town centre.
- 3.3 It is recommended that the Committee:
- i) considers and determines a grant request of £ 150,000 over four years by Auchterarder Community Bus Group, towards the cost of the Auchterarder Town Bus Service, subject to available monies within the fund; match funding availability and satisfactory income generation from fares revenue.

#### Author

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#### Approved

Name	Designation	Date
Keith McNamara	Depute Director (Housing & Environment)	18 February 2019

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan	<b>Yes</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>Yes</b>
Workforce	<b>None</b>
Asset Management (land, property, IST)	<b>None</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>None</b>
Strategic Environmental Assessment	<b>None</b>
Sustainability (community, economic, environmental)	<b>None</b>
Legal and Governance	<b>None</b>
Risk	<b>None</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>Yes</b>
<b>Communication</b>	
Communications Plan	<b>None</b>

### 1. Strategic Implications

#### Community Plan / Local Outcome Improvement Plan.

- 1.1 The Perth and Kinross Community Planning Partnership brings together organisations to plan and deliver services for the people of Perth and Kinross. Together the CPP has developed the Perth and Kinross Community Plan, which outlines the key things we think are important for Perth and Kinross.
- (i) Giving every child the best start in life
  - (ii) Developing educated, responsible and informed citizens
  - (iii) Promoting a prosperous, inclusive and sustainable economy
  - (iv) Supporting people to lead independent, healthy and active lives
  - (v) Creating a safe and sustainable place for future generations
- 1.2 It is considered that this report on an application for funding from the Auchterarder Community Facilities Fund will contribute to the following objectives:
- (iii) Promoting a prosperous, inclusive and sustainable economy
  - (iv) Supporting people to lead independent, healthy and active lives
  - (v) Creating a safe and sustainable place for future generation



## Corporate Plan

- 1.3 The Council's corporate plan sets out objectives that provide clear strategic direction, inform decisions at a corporate and service level, and shape resources allocation. This report impacts on the following Corporate Plan Priorities.

- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

## **2. Resource Implications**

### Financial

- 2.1 Anticipated income for the next two years is outlined in paragraphs 2.20-2.23 of the report.
- 2.2 The amount requested is £150,000 from the Auchterarder Community Facilities Fund, which is an earmarked Reserve, administered by the Council in accordance with the approved Financial Regulations and in line with the legal agreements upon which it is founded.
- 2.3 The overall value of the Fund will be £600,000. Contributions of £178,000 have been made to the fund; and one payment of £50,000 has already been made from it. The current value of the Fund is therefore £128,000 however, it should be noted that a sum of £100,000 has been agreed and earmarked for disbursement leaving only £28,000 free at the time of writing (pending further developer contributions), which will become due on remaining, open market completions at the end of the financial year.
- 2.4 The procedures for recording contributions received; distributing contributions towards the provision of community facilities; and reporting these details in an open and accountable way were agreed by the Enterprise and Infrastructure Committee (Report No. 16/375 refers) and summarised in paragraph 1.5 of this report. The procedures include provision where future contributions to the fund may be ring-fenced for projects. Future contributions may therefore be allocated towards the provision of community facilities, but funds may not be disbursed in advance of those contributions being received.

### Workforce

- 2.5 There are no workforce implications.

### Asset Management (land, property, IT)

- 2.6 There are no land, property or information technology implications.

### 3. Assessments

#### Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The Equality Impact Assessment undertaken in relation to this report can be viewed clicking [here](#).
- 3.3 The report and proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- (i) Assessed as **not relevant** for the purposes of EqIA

#### Strategic Environmental Assessment

- 3.4 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.5 The matters presented in this report have been considered under the Act and no further action is required as it does not qualify as a Policy, Proposal or Strategy, as defined by the Act and is therefore exempt.

#### Sustainability

- 3.6 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:
- in the way best calculated to delivery of the Act's emissions reduction targets;
  - in the way best calculated to deliver any statutory adaptation programmes; and
  - In a way that it considers most sustainable.
- 3.7 The report does not have a direct impact on sustainability or climate change as it provides detail of an application for funding received.

#### Legal and Governance

- 3.8 No legal and governance implications are identified.

#### Risk

- 3.9 This report provides details of an application for funding received in respect of the Auchterarder Community Facilities Fund. There is no significant risk to the Council. The source of funding has been agreed through a section 75 legal agreement and the Council decides how it is distributed to identify projects. There are minor risks that the lack of fund collection does not allow suitable projects to be supported, or that the funds are not used within five years and are returned

#### **4. Consultation**

##### Internal

- 4.1 The views of the Local Elected Members and the Convener of the Environment & Infrastructure Committee were sought, in line with the Fund's operating procedures.
- 4.2 Two of the Local Elected Members expressed support for the application, with the third being a trustee of the Group.

##### External

- 4.3 The views of the Auchterarder and District Community Council were sought, in line with the Fund's operating procedures.
- 4.4 The consultation response from the community council was supportive of the application, subject to regular monitoring.

#### **5. Communication**

- 5.1 This report provides details of an application for funding received in respect of the Auchterarder Community Facilities Fund. The target audience for this report is therefore the fund contributors (the developers of the Auchterarder Framework Sites) in respect of reporting their financial contributions, and the potential recipient of funding (Auchterarder Community Bus Group).
- 5.2 While no specific communications are required to target the key audiences of this report, the report may be of interest to other community groups in Auchterarder that may be considering funding applications of their own. It may also have wider public interest in terms of how the fund is collected and used. The Council's website includes an information page to raise awareness of the fund and how to make an application to the fund.

#### **2. BACKGROUND PAPERS**

- 2.1 This section should list the documents that have been relied on in preparing the report, other than those committee reports already referenced within the main body of the report. All documents must be kept available by the author for inspection by the public for four years from the date of the meeting at which the report is presented.

2.2 Auchterarder Expansion Townhead and North East Development Framework  
March 2008

### **3. APPENDICES**

3.1 Appendix 1 – Application form and supporting information.