

**COMMUNITY TRANSPORT ACTION PLAN WORKING GROUP PROGRESS REPORT**

- To:** Audit & Accounts Committee
- Meeting Date:** 31<sup>st</sup> October 2018 Special meeting
- From:** Duncan Wilkinson, Chief Internal Auditor
- Purpose:** To inform the Committee about the progress with implementation of actions in the Community Transport Action Plan.
- To highlight matters arising as part of the implementation of these actions, and invite the views of Committee members.
- Recommendation:** Audit & Accounts Committee is:
- a) requested to note and comment on the progress with implementation.
  - b) invited to express its views on whether the actions in the Action Plan are still considered appropriate, proportionate, and sufficient, and whether FH&E (the single board overseeing Fenland Association of Community Transport (FACT), Huntingdonshire Association for Community Transport (HACT) and Ely and Soham Association of Community Transport (ESACT)) following the implementation of these actions, may be considered a fit and proper organisation to contract with the Council.
  - c) The Committee is requested to consider the issues raised at 3.1.6 and 3.2.8.

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## **1. BACKGROUND**

- 1.1 There was a major review of Community Transport in Cambridgeshire, culminating in the public meeting on July 31<sup>st</sup> 2018. A twelve-page Action Plan, presented by the Chief Executive, was reviewed in detail. Additional actions were agreed during the meeting, and these have been added to a final full action plan.
- 1.2 During the meeting it was agreed that Audit & Accounts Committee would maintain oversight of the implementation of recommendations, to ensure they are carried out as planned. A working group open to all members of the Audit & Accounts Committee and the substitutes who attended the 31<sup>st</sup> July meeting was therefore convened, to review the implementation of actions.

## **2. CURRENT PROGRESS**

- 2.1 A copy of the full Action Plan is available at Appendix 1.
- 2.2 The full Action Plan consists of 66 actions. Of these:
  - 4 are ongoing actions with no expected end date (6%)
  - 46 are reported as complete, with evidence provided (70%)
  - 4 are reported as complete, awaiting evidence to be provided (6%)
  - 12 are reported as in progress (18%)
- 2.3 Paper copies of supporting evidence for the completed actions will be available from Internal Audit, for review on request by Committee Members.
- 2.4 All actions from the original Action Plan, as well as additional actions identified at the Committee meeting on the 31<sup>st</sup> July, have been incorporated in the current Action Plan being monitored. The Committee's views are invited as to whether these actions are still considered appropriate, proportionate, and sufficient.
- 2.5 The Committee's views are also invited regarding the question of whether FH&E, following the implementation of these actions, may be considered a fit and proper organisation to contract with the Council.

## **3. MATTERS ARISING**

### **3.1 Checks on member eligibility:**

- 3.1.1 The Action Plan which went to Committee on 31<sup>st</sup> July stated as an action (section 43):

*“Include in the revised Grant Agreement more detail around the expected checks of eligibility that recipients must undertake on new members. This should include some form of checking to independent documentary evidence to verify e.g. age, proof of address or other relevant documentation relating to the criteria under which membership is sought.”*

- 3.1.2 The Grant Agreement was updated accordingly, to specify that Community Transport

operators in receipt of grant are required:

*“...to ensure that all of their members meet the required eligibility criteria, i.e. that all passengers, through rural isolation or mobility difficulties, would have difficulty in accessing or using conventional buses. This may be through verification of identity documents, proof of address or other appropriate documentation.”*

- 3.1.3 A representative of the LGSS Internal Audit team has visited FH&E to verify their implementation of agreed actions. This has included a review of the implementation of a new membership process. The auditor found the process at the operator is as follows:
1. Prospective member completes and submits a membership form. This form includes confirmation of the reasons the individual needs to access the service, i.e. the reasons they have difficulty accessing alternative transport.
  2. The membership form is checked by FH&E staff.
  3. The prospective member is then contacted via telephone and a Telephone Confirmation Form is completed. This includes asking more detailed questions regarding access to public bus services or a car. As a result of this, the membership will be accepted, rejected, or referred for senior management review.
  4. If there are any uncertainties then the application is referred to the Head of Finance & Funding or the Head of Operations, who will contact the prospective member directly and make the final decision over membership.
- 3.1.4 Two community transport operators from a neighbouring county were contacted to ascertain their membership processes. One operator awarded membership on the basis of a telephone call; the other required prospective members to complete a membership form and then conducted a telephone call to verify eligibility.
- 3.1.5 The process in place at FH&E therefore appears to be in line with processes at equivalent operators elsewhere, although currently the operator is not conducting verification of documentary evidence as originally envisaged by the Community Transport Action Plan.
- 3.1.6 Members are requested to consider whether this process provides sufficient assurance over the eligibility of FH&E members.
- 3.2 Access to Membership Data and General Data Protection Regulations
- 3.2.1 The new Grant Agreement includes the requirements that membership data be shared with the Council on request for the purpose of grant monitoring, and that grant recipients must seek the consent of their members for the sharing of data.
- 3.2.2 FH&E have formally confirmed the right of Cambridgeshire County Council to access their membership data at their offices, for the purpose of verifying the membership process and to enable any future membership surveys or other contact with members to be overseen by the Council.

- 3.3.3 To date, FH&E have not informed their members that their data will be shared with the County Council for the purpose of monitoring the service provided. At the beginning of October 2018, members were sent a letter which was intended to ensure that FH&E were fully compliant with the new General Data Protection Regulations (GDPR). This stated that:

*“Your information will not be shared with any third parties and you have the right to request a copy of the information that we hold on you.”*

- 3.2.4 The Information Governance Team have advised that there is a lawful basis for FH&E to share this data with the Council, as FH&E are required to share the data under their grant agreement with CCC. However, at present the data sharing is not sufficiently transparent, as members have been informed that their data will not be shared with third parties, which is not correct. This constitutes a breach of the first principle of GDPR.
- 3.2.5 The advice of the Cambridgeshire County Council Information Governance team is that in order to ensure compliance with GDPR, FH&E should seek to inform all members of the data sharing which is planned to take place.
- 3.2.6 FH&E have proposed that they could address this issue, by issuing members with a privacy notice giving details of the data sharing and the organisation's relationship with the Council, when they next use the Dial A Ride service. They have indicated they would be willing to monitor which members had been given the information over time.
- 3.2.7 This proposed solution would have the drawback that the updated privacy information would not be received by all members at the same time, and members who do not use the service, but whose information remains on the database, would not be reached. FH&E have proposed this solution as a way to avoid having to undertake a costly mail-out to all members, as this has only recently been undertaken.
- 3.2.8 Members are requested to consider whether they feel FH&E's proposed solution is acceptable or whether the Council should require FH&E to undertake a second mail-out to members.

### 3.3 Community Transport/Commercial Vehicle Fleets

- 3.3.1 A query has been raised regarding whether or not the FH&E charitable Community Transport organisations are sharing vehicles with the commercial arms of the operation and, if so, whether this is legal.
- 3.3.2 As the vehicles are assets, they must be reported in the accounts of one organisation or the other and as such 'belong' to that organisation. Individual vehicles are operated under the terms of a Public Service Vehicle license or a Section 19/22 permit.
- 3.3.3 At present, FH&E maintain fixed asset registers, which have been viewed by a representative of Internal Audit. All vehicles are owned by the charitable arms of each entity (the Fenland Association for Community Transport Industrial and Provident Society, and the Huntingdonshire and Ely and Soham Associations for Community Transport Charitable Independent Organisations). It is understood that these vehicles are then hired out to the commercial organisations, with a charge made for use.

- 3.3.4 It therefore appears that the vehicles are not ‘shared’ between the organisations, but are hired out from one organisation to the other. The County Council is currently seeking absolute clarification from the Traffic Commissioner that this arrangement is acceptable.

**SOURCE DOCUMENTS**

<b>Source Documents</b>	<b>Location</b>
Community Transport Action Plan	Internal Audit Octagon 1, Shire Hall, Cambridge
Supporting Evidence File for the Community Transport Action Plan	Internal Audit Octagon 1, Shire Hall, Cambridge