

SCHOOL & POST 16 TRANSPORT POLICY REPORT

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1.0 Summary

- 1.1 Shropshire Council provides assisted home to school transport for over 8,000 entitled pupils to Shropshire's primary, secondary and special schools as a statutory mandatory requirement. Furthermore, whilst the Council does not have to provide discretionary Post 16 (P16) college and sixth form transport assistance, it remains committed to support college and sixth form students via this scheme. The Council recognises the need to raise the participation age for further education and training and wishes to do all it can within its powers to continue to support student travel assistance to colleges and sixth forms. Currently the Council's discretionary transport charges are amongst the lowest in the country. Comparison of home to school transport expenditure for financial year 2009/10, totalling £10.3m, ranks Shropshire Council as the 2nd highest spending unitary authority (of 55 unitary authorities). This again reflects the support that the Council provides to pupils' and students' travel, as well as the rural and sparse profile of the county, and the need to procure school transport over large rural areas where commercial bus routes do not operate.
- 1.2 Elected Members, including those involved with the Scrutiny function, have identified the schools transport budget as one which needs to be better balanced. Savings have been achieved as an outcome of service reviews, rationalisations, better procurement and re-tendering which have achieved savings of over £420k in financial year 2010/11. The school transport budget, however, continues to overspend. Changes to current discretionary transport arrangements are therefore required. The global rising cost of fuel is a major factor in pushing transport costs higher, and there does not seem to be any reversal of this process likely in the longer term. The rising cost of crude oil and hence motor vehicle fuel requires users of the discretionary travel schemes to pay more. This report proposes an increase in post 16 student contributions from September 2012 and considers alternative travel options that, in consultation with students and education and training providers, may prove to be more beneficial to users and the Council.

- 1.3 The Council also operates a discretionary Temporary Seats Payment Scheme (TSPS) which provides concessionary transport for pupils not entitled to free travel (aged 5-16). Where parents take a decision to place their children at a non catchment (or non nearest) school, they will be required to pay the full costs of all their transport arrangements. Non entitled pupils who benefit from spare seats being available on contracted school buses mainly travel to such non catchment schools. This report proposes an increase in TSPS pupil contributions from September 2012 for those pupils who attend a non catchment area school through parental preference.

2.0 Recommendations

- (a) To consult in Autumn 2011 on increasing parent/student contributions for post 16 transport assistance, by 25p per journey to £1.17 (or £420 pa) wef September 2012, and by 28p per journey to £1.44 (or £520 pa) with effect from September 2013, for all student year groups.
- (b) To consult in Autumn 2011 on continuing to waive the post 16 transport charge for students whose families are in receipt of defined benefits.
- (c) To consult in Autumn 2011 on applying an annual administrative fee of £30 per post 16 student, including those on defined benefits who currently aren't charged, to cover the costs of issuing student travel passes.
- (d) To increase parental contributions for the concessionary Temporary Seats Payment Scheme (TSPS) by 50p per journey to £1.23 (or £468 per annum) from September 2012 just for pupils attending out of catchment schools. Also, not to offer any discounts for families with two or more children.
- (e) To apply an annual administrative fee of £30 per TSPS pupil, including those on defined benefits who currently aren't charged, to cover the costs of issuing pupil travel passes.
- (f) To continue to waive the TSPS contribution for transport for pupils on defined benefits.
- (g) To maintain the current TSPS transport charge levels of £279 pa (but price inflated from September 2012 and annually thereafter) for pupils attending their nearest/catchment area school.
- (h) For authority to be delegated to the Corporate Director - People, at the end of the Post 16 consultation period, and in consultation with the Leader and Portfolio Holder, to determine and apply the Post 16 policies and contribution rates.

3.0 Background

- 3.1 This Report seeks to progress the school transport item set out in the Cabinet Report on the Medium Term Financial Plan (Appendix III) of 9 November 2010 and sets out eventual potential savings for the Council. The proposals in this Report constitute an increase in student contribution rates as per the recommendations rather than a removal of the discretionary elements of school and college transport assistance.

Post 16 (P16) Transport

1. Currently there are 900 entitled students in the P16 scheme who make a financial contribution towards their bus ticket. Not all require a bus ticket for the whole of the academic year.
2. There are also 550 entitled students who don't pay as their families are in receipt of certain defined benefits and for this purpose the Council's definition is Child Tax Credit, where the annual income does not exceed £16,190, or Income Support or where the student's family is in receipt of Income Based Job Seekers Allowance or the student is in receipt of free meals.
3. Shropshire Council's gross expenditure on P16 transport was £960,000 in 2009/10. Income from student contributions is £200,000. If the previous Government P16 transport grant of £89,000 is accounted for, this spend comes down to a net figure of £671,000. However, the Grant is to disappear and this places even more pressure in this funding area. Council provided P16 Special Education needs (SEN) transport is not considered in this report and this will be maintained at no cost to students.
4. The student contribution rate is currently 73p per journey (or £262 pa) and will be 92p per journey (or £330 pa) from September 2011. One council in the region already plans a £1.83 per journey (or £660 pa) charge from September 2011, demonstrating just how low Shropshire's charges are by comparison. Increasing the rate from to £1.17 per journey (or £420 pa) from September 2012 would generate an estimated £140,000 full year saving. Increasing the charge further to £1.44 per journey (or £520 pa) from September 2013 would make additional annual estimated savings of £110,000. With this a new administrative student charge is proposed of £30, as an annual fee towards the costs of administering the scheme and providing travel tickets, payable by all students, including those entitled students on defined benefits who currently don't pay anything. The Council wants to make any changes as easy as possible for students and parents, and it will seek to make available whatever easier payment terms it can, including monthly payments. It is proposed that colleges, school sixth forms, students, student representatives and other stakeholders are consulted on these matters in Autumn 2011 and that all their views are considered as part of the decision making process.

5. A report on Council (Public) Bus Strategy for Shropshire has been considered by the Council. There is a small chance that there could be an impact on the viability of certain elements of the public bus network in Shropshire should fewer post 16 students elect to travel by bus as an outcome of the proposed rise in their contribution rate.
6. The breakdown of post 16 students in receipt of travel assistance in October 2010 was as follows:

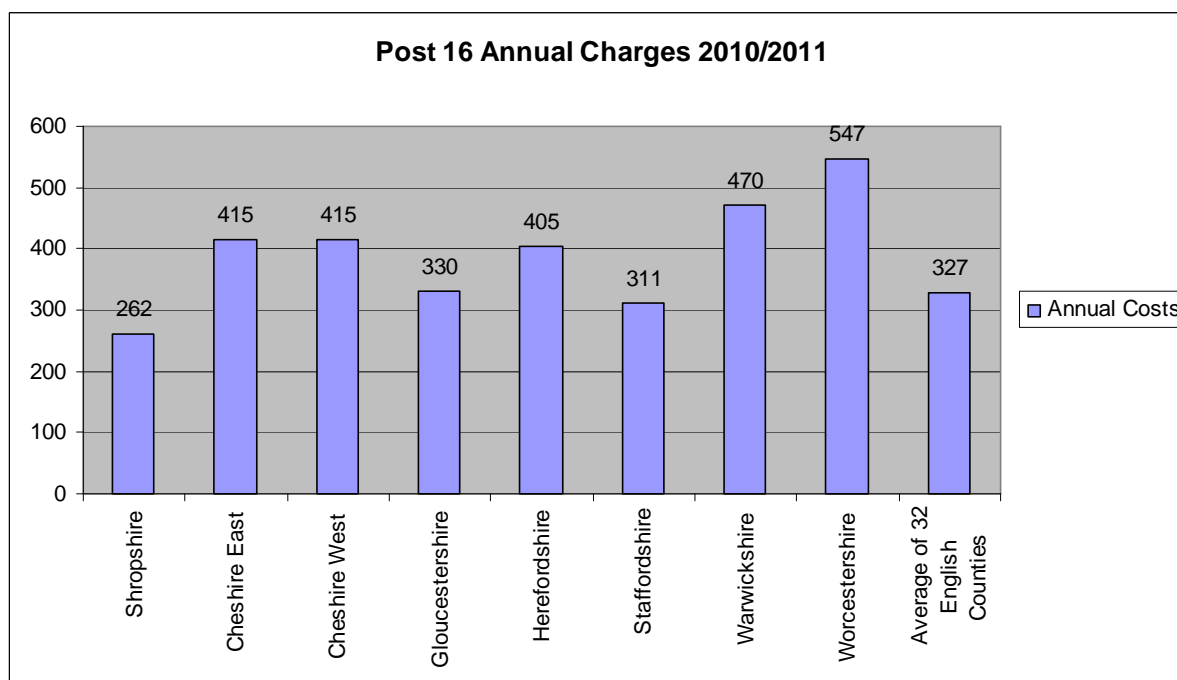
Post 16 Provider	No. of Paying Students at Oct 2010	No. of Defined Benefits Students at Oct 2010
Shrewsbury College	192	188
Shrewsbury Sixth Form College	237	50
Walford and NS College	147	126
Ludlow College	134	44
Shropshire Schools Sixth Forms	50	41
Out county colleges	140	101
Total	900	550

7. The Council's current policy is to annually increase Shropshire's student contribution level over and above inflation. Shropshire's level is lower than most councils that responded to a recent survey. Also, transport inflation runs higher than RPI. In September 2010 the P16 student contribution level was increased by 14% and in September 2011 by 26%.
8. The average cost of a bus ticket to the Council for P16 students is £662 per annum. Prices vary dependent upon the route and the operator. The lowest ticket cost to the Council is £300 per annum and highest ticket cost is £1,200 per annum.
9. It is hoped that the proposed increases in parent / student contribution rates will be partially mitigated following discussions that the Council is having with bus operators about providing more advantageous travel terms. One bus operator in particular is likely to be in a position to offer student ticket holders more travel benefits. Also, discussions have taken place with Shropshire further education colleges and the eight maintained secondary schools that operate sixth forms about this. Whilst the post 16 sector expects, on average, a 3% cut in Government funding in the forthcoming financial year, equalising the funding rate

that presently favours schools with sixth forms provides an added financial pressure, the Government have announced an £180m 16-19 Bursary Fund to help the most vulnerable young people continue in full time education. This will to an extent offset the loss of student education maintenance allowances that are currently used by some students to cover their travel costs. Some bursaries for the most vulnerable are guaranteed at £1,200 and schools and colleges will also be able to award bursaries to any student who faces genuine financial barriers to staying on in education and training, to help with costs such as transport, food or equipment.

10. Council officers have been exploring with bus operators the potential for changing commercial student travel fare schemes to improve the value, benefits and terms of payment. In particular, a major bus operator may offer a commercial annual bus pass that allows travel at any time of the day or week (24/7) for something in the order of £400 per annum for individual students and officers are discussing with them and whether they would be prepared to offer this to a large number of Shropshire students and also to the Council for its season tickets where appropriate. This is likely to leave some students in a better position than others, depending on which bus company they use. The Council want to help students as much as they can and their travel arrangements, and these are of concern to the Council.
11. There are several public bus providers in Shropshire and whilst most of these have not yet responded positively to officers' discussions about what extra travel benefits they may be able to offer entitled students, this matter is still being explored, as the council want to do all it can to help students and their travel arrangements. It is may be that some students will have better options than others, depending on where they live and which bus company is available to them, but we are seeking extra benefits for as many students as we can.
12. It may be that students are signposted away from the Council's scheme to more attractive commercial travel fare/ scheme alternatives. Most students attending 11-18 school sixth forms are unlikely to gain from any wider bus pass travel benefits, as they mainly travel on contracted buses (i.e. not public buses) operating at school times only, and there may well be few alternative transport options open to them.
13. Informal discussions have taken place with colleges in Shropshire regarding the potential for shared transport arrangements and any financial or other support they may be able to offer to help mitigate any charge increases for students. In these meetings with college principals the potential impact on colleges and their students of charge increases were discussed, including any mitigation that could be applied. However, particularly as college funding is also being impacted by Government spending cuts it is unlikely that they will be able to provide any funding to help the Council reduce any student charge increases.

14. Colleges are however interested in any commercial alternatives that could offer better value to their students. This is particularly so for Shrewsbury colleges where there is more likelihood of the major bus operator here providing a better value bus pass commercially, as described above. Should colleges wish to make their own arrangements to help students, Council officers will assist them in any way they can.
15. To explain the likely impact of any increased charges, a student travelling to college in Shrewsbury from its northern outskirts currently pays £262 per annum under the terms of the Council's existing post 16 travel policy. The full commercial bus fare is approximately £400 per annum. The student therefore is unlikely to apply for a P16 scheme ticket from the Council at any cost greater than £400. Under the new proposals the student is likely to leave the Council assisted scheme if the Council charge was over £400. Conversely, a student travelling from Whitchurch to Shrewsbury where public fares are £800 per annum is more likely to continue using the Council scheme, although paying a higher contribution, whilst it remains financially attractive to them.
16. P16 transport legislation requires a consultation period for any changes and publication of the Council's post 16 transport policy by 31 May for the start of the new academic year on the following September. Principals of colleges and Headteachers of 11-18 secondary schools have already been informally made aware that the Council has to explore future options for P16 transport assistance in light of the current budgetary difficulties, namely charge increases.
17. Shropshire's P16 current charge of 73p per journey (or £262 pa) is the lowest by comparison with other local authorities shown in the chart below. Even the new charge for September 2011 of 92p a journey (or £330 pa) is relatively low, given all the Councils shown in the chart will be significantly increasing their charges over those shown wef September 2011. The national average is 91p per journey (or £327 pa) per student. Shropshire therefore has the 2nd highest post 16 transport spend yet the lowest student contribution rate by comparison with others. One local council is already looking to increase their student charges to £1.83 per journey (or £660 pa) from September 2011.



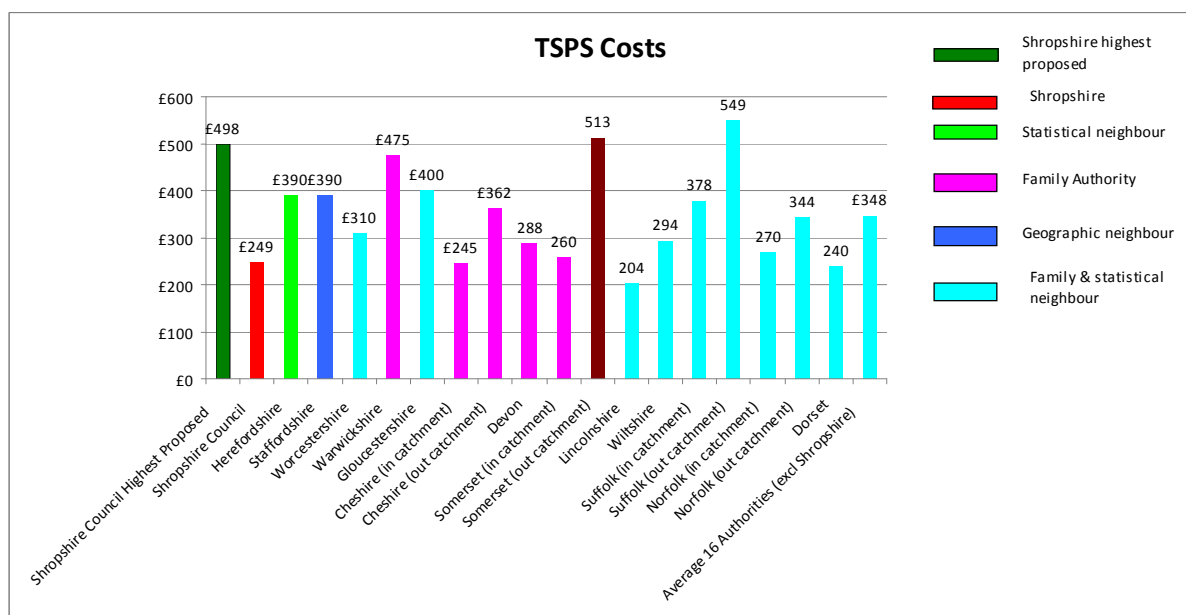
18. It should be noted that where post 16 students travel on Council school buses or Council subsidised public buses any constriction of demand caused by higher charges may not provide any immediate financial benefit to the Council, even in the long term on some routes i.e. if a school bus has to continue for other entitled pupils, two or three seats becoming spare will not generate any immediate savings to the Council. The likely impact of this has been included in the financial estimates in this report.

Temporary Seats Payment Scheme (TSPS) for Pupils Aged 5 to 16 Years

19. The Council operates a TSPS scheme on contracted school buses (not public services) provided for a few pupils (just 144) not eligible for free home to school transport, and mainly where parents themselves have expressed a preference for a school place at other than their catchment or nearest school. These few pupils use spare seats where they are available for a current parental charge of 66p per journey (or £249 pa), which is being inflated for September 2011 to 73p per journey (or £279 pa). Discounts are available for families with two or more children using the scheme. Whilst this scheme generates income of £30,000 per annum for the Council, it is no where near the full notional cost of the transport provided under the terms of the scheme, which is over £170,000 per annum.
20. Where parents have expressed a preference for other than their nearest/catchment school for their child, they have to make arrangements to fund and transport their children to school. If there is a suitable Council contracted school bus serving the school attended, parents may apply for a TSPS seat. Also, there are a very small number of pupils who use TSPS where they live within the 2 or 3 mile

walking distance of their nearest/catchment school. The parents may also apply to the Council for a TSPS bus seat in the same way, rather than organise their own arrangements to get pupils to school.

- 21 Other councils also operate similar schemes and their charges are shown in the chart below for 2010/11. Interestingly, some councils already differentiate between ‘in’ and ‘out of’ catchment applications. Also, many councils are likely to be addressing their budgetary issues and their costs shown here may well increase in 2011/12 and beyond.



22. The average notional cost of a TSPS seat on a school bus to the Council is £1,188 per annum. 144 pupils use the scheme. 48 attend primary schools and 96 secondary schools. Of the 144 TSPS pupils, 128 (89%) travel to an out of catchment school.

23. A breakdown of the 144 TSPS pupil numbers as at October 2010 is below:

TSPS Pupil Type	No.s Primary pupils 'in catchment'	No.s Primary Pupils 'out catchment'	No.s. Secondary Pupils 'in catchment'	No.s Secondary Pupils 'out catchment'	Total
Paying	9	38	4	87	138
Defined Benefits	0	1	3	2	6
Total	9	39	7	89	144

24. For these few pupils using the scheme and attending other than their nearest/catchment school, the Council may change the provisions of the scheme to increase the pupil contribution and charge a more economical rate for those pupils from September 2012. A charge of £1.23 per journey (or £468 pa) from September 2012 will closer match the notional cost of the seat of £3.13 per journey (or £1,188 pa), but still provide for a large Council subsidy to parents who have exercised

their preference for an out of catchment school. This would be a more equitable reflection of actual transport costs where parents elect that their children travel to a school which is not their nearest or catchment, and also be fairer to the many other parents who have to pay the full cost of transport to the such out of catchment schools, with no Council subsidy or help.

25. The Council could also apply an annual administrative fee of £30 for all TSPS pupils, including those on defined benefits who currently aren't charged, and those attending their catchment school, to cover the costs of issuing pupil travel passes and this would be consistent with the other discretionary travel scheme terms suggested in this Report, namely the post 16 scheme.
26. Moreover, the terms of the TSPS scheme determine that any seat allocated is of a temporary nature only and can be withdrawn at any time. All these pupils could alternatively attend their nearest/catchment school, subject to places being available. Most would receive free school transport to their nearest/catchment school should any parental preference determine this. The remaining few would live within the statutory walking distance of their nearest/catchment school. For pupils attending their nearest/catchment area school on TSPS, the existing scheme and transport charges could remain, at 73p per journey (or £279 pa), subject to seat availability, and be waived for pupils whose families were in receipt of defined benefits. The charge could be inflated annually by transport inflation + 4%.
27. Any charge increase and changes to the scheme could start in September 2012 and potential extra revenue in the 2012/13 academic year could be an estimated £25,000. It is likely that if there were any significant constriction of demand this estimate would not be achieved.

Financial Summary

28. The financial implications for the Post 16 and TSPS scheme proposals based on September 2011 charges of £330 and £279 pa respectively are:

Discretionary area	Increase charge per journey over previous year	New Charges per journey wef September 2012 & 2013 pa £	New Charges per year wef September 2012 & 2013 pa £	Estimated Net Effect pa on Council transport budget £
P16 student charge wef September 2012	25p	£1.17	£420	+£140,000
P16 student charge September 2013	28p	£1.44	£520	+£110,000
TSPS 'out catchment' charge wef Sept 2012	50p	£1.23	£468	+£25,000
P16 & TSPS Annual administrative fee for paying and benefits students wef Sept 2012	-	-	£30	(included in above savings)
Total estimated savings pa	-	-		£275,000

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Current policies are outlined on Shropshire Council's post 16 transport form (TRAN/16) and its TSPS form (TRAN/5). An EINA has been completed for the Report and will be updated after consultation.

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

Environmental Appraisal

These proposals move part of the balance of costs for the provision of elements of discretionary school and college transport from the Council towards transport users, but there is nothing inherent in the Report that leads to any specific environmental impact, although it is always in the gift of transport users to opt for less carbon friendly transport options, for instance.

Risk Management Appraisal

The risks in respect of increasing Post 16 college transport charges to student transport users will be considered during and following the consultation period.

In respect of the concessionary TSPS scheme for 11-16 aged school children, the risks of increasing the charges are that parents will seek alternative arrangements to transport their children to 'out of catchment' schools, thereby reducing not increasing Council revenue. Alternatively, this may reduce parents' scope to state preferences for 'out of catchment' schools, if transport away from their 'catchment' school becomes too costly.

Community / Consultations Appraisal

This Report recommends a consultation process with the Post 16 sector and students, prior to any decisions being taken to change existing arrangements.

Cabinet Member: Aggie Caesar-Hamden

Local Member

N/A (i.e. Shropshire wide services)

Appendix N/A