

Education Transport Budget Savings

Report of the Head of Service – Education and Learning

It is recommended that Children's Scrutiny:

- Note the success so far on the school transport route review programme and savings
- Note the actions the work of the Transport Coordination Service (TCS) to reduce the impact of Personalised Transport for passengers with Education, Health and Care Plans (EHCP)
- Note the finding of the Devon Audit Partnership
- Considers the conclusion that the budget pressure of £5.6million cannot be achieved

1. Summary

Following a request at the Budget Children's Scrutiny Committee on 18 January, this report sets out an update on the school savings programme up until the end of month one, April 2022, in the 2022/23 financial year.

Based on a recognised and previously successful method of producing savings, a target of £1million was set out within the Education Transport budget for 2022/23. There is a process already in place to review outcomes of this target.

There was a further £5.6million identified as a budget pressure set out as a "Transport Review". This review is linked to reducing the impact of personalised transport for children with an EHCP. Due to increasing demand for EHCP's the delivery of this this additional budget pressure has been identified as high risk.

2. Introduction

In the preparation of the 2022/23 Mid Term Financial Strategy (MTFS) a request for funding to meet growing demand and increased costs, specifically related to personalised transport, was unsuccessful. By the time of 2022/23 budget preparation, the funding gap was identified as totalling £6.6million. This was based on the current level of demand and anticipated growth of 7% in passengers with an EHCP requiring personalised transport.

TCS were asked to reinstate the route review and Independent Travel Training (ITT) programmes, with anticipated savings of £1million to mitigate the pressure.

In addition, as part of a further review of the MTFS pressures, TCS was tasked to identify savings to offset the remaining £5.6million.

It is apparent that this level of savings will only be met in conjunction with the actions identified within the Dedicated Schools Grant (DSG) Safety Valve Intervention Programme and DSG Deficit Management Plan. Within these plans the 0-25 SEND team will need to consider the wider cost implications of personalised transport

when making placement decisions. This should include taking into account the distance travelled by passengers to new placements and the opportunity to review existing placements when additional special school places have been provided across the County. This should be a workstream to form part of the DSG management plan.

These actions would reduce the volume and cost of pupils transported through Personalised transport arrangements, in particular, long single occupancy taxis journeys.

The Personalised transport budget currently provides transport for 2,236 passengers at an average cost of £11,169 per annum. To meet the required £5.6 million savings, we would need to reduce pupils on Personalised transport by 22%, an average cost of £8,664 per student or 501 pupils.

TCS are trying to achieve network review savings against a backdrop of a failing market, with both bus and taxi contractors handing back routes, and exceptional levels of price inflation on new contracts due to fuel and cost of living increases. Important factors include:

- The unit cost across all transport sectors continues to rise due to the high level of inflation which has a big impact on the sector.
- Early contract terminations, for example in April 2022 19 contracts were handed back early. The additional cost of this contract surrenders, on retender, was £106,476, a 21.06% increase in contract rates.
- To mitigate further terminations a 4%, rather than 2%, increase on contract rates has been offered but for many operators this is not sufficient.
- The increasing requests for individual transport arrangements is taking up capacity and reducing competition for individual taxi routes
- The contract rate increases for coach routes to secondary schools is higher – for the four routes terminated in April the average cost increase on a like for like basis is 40.13%

Where a route is surrendered early the review team are looking at options for amalgamating routes or reducing the size of vehicles which helps keep the increased costs down.

3. Proposal/actions

Since February 2022, TCS has dedicated three Officers to reviewing networks and the Independent Travel Training Team is now back up to full strength with four Officers.

The full year effects Savings achieved through network reviews in April 2022 stood at £568,500. Being the first month of the new financial year this is both a full year and in year effect of the savings achieved. A further update on what has been achieved in the second month of the year can be given at the committee. At the time of writing £131,000 has been programmed so far.

The programme for Independent Travel Training for the full year has now been put in place with savings, or avoidance of additional cost, projected to be £323,000 for the 2022/23 financial year.

Taking into account the savings achieved so far, the target for route reviews and Independent Travel Training for 2022/23 has been increased from £1million to £1.391million. This is despite the significant pressures identified in section 2 above.

Transport savings will only be fully realised once the strategic plans relating to SEND, either through the DSG Deficit Management Plan or other SEND improvement plans are realised. We are not yet able to forecast what transport savings may be achieved in the new academic year.

Transport has not always been considered within the overall decision-making process. It must be included at the earliest opportunity and form part of the overall decision about a placement. The Head of the TCS and the SEND Strategic Director have been working together to ensure transport officers are more embedded in the overall decision-making process. This includes:

- Transport Officers sitting on all relevant panels
- Transport being part of the decision-making programme for capital investment for additional places in special schools and resource bases.
- Supporting reset work for new special school places
- Reviewing abortive transport costs for students not attending
- Working with parents on personal arrangements
- Minimising children not attending their nearest or designated school unless there are wider multi agency concerns.
- Ensuring that where a school is parental preference this is reflected in the EHCP.

Any savings will take time to embed as there has to be sufficient capacity within the Special School provision to allow new placements in appropriate schools to be made closer to home.

Due to the level of risk the Devon Audit Partnership were commissioned to report on the impact of the increased costs for home to school transport.

This has come up with the following recommendations and management actions to follow up:

- it is apparent that the risk on the risk register attributed to the Transport Team to achieve a £5.5 million saving in 2022/23 for SEND transport will not be achieved. The risk needs to be reviewed and revised to take this into account and ensure the risk reflects all areas that need to be involved in achieving the saving.
- Actions have been identified within the Safety Valve Intervention Improvement and Budget Recovery Plan and the School Transport Pressure Scrutiny briefing note by both the Transport Team and the Interim Deputy and SEND Strategic Director to plan to achieve savings in this area. These actions require time to start to take effect and as such Internal Audit will seek to look what, if any, progress has been made against the action plan later in the year.
- Further to the request made at the Children's Scrutiny Committee on 18 January to explore approaches taken by other authorities for an in-house school transport service they have advised that this is explored to understand other options potentially available.

- Recognising that transport is part of the wider SEND system the transportation needs of the child are not taken into consideration until after the right provision has been decided on. The Transport Team need to be part of the early decision-making process in-regards to what is the right provision, to allow for any potential savings in transport costs to be identified and realised.

4. Options/Alternatives

Due to the level of risk to the County Council's revenue budget we cannot continue to see year on year rising expenditure but there are limited other options:

- The Education Transport policy is reviewed on an annual basis and is down to the statutory minimum except for primary children between the ages of 8 and 11 where the statutory walking distances increases from 2 to 3 miles.
- Charges for Post 16 students and Concessionary passengers have not been increased for several years and will be reviewed for the 2023/24 academic year.
- A review of inhouse services and whether this could be expanded, as previously highlighted by this committee and the Devon Audit report.

5. Consultations/Representations/Technical Data

The Education Transport policy goes through an annual consultation process linked with the admissions strategy and policy.

6 Strategic Plan

Transport is a cross-cutting area across all areas of the Council's strategic plan playing a key role in ensuring access to key services, including Education and Learning.

It is strongly linked to the themes of stronger communities, the climate emergency, and a financially secure Council.

7. Financial Considerations

The Education transport budgets were set in 2022/23 as below:

Home to school transport	£14,544,000
Post 16 transport	£0
Personalised Transport	£19,780,000
Total	£34,324,000

The outturn position for School Transport as reported at Month 1 is an overspend of £6.95 million (includes the £5.6 million unfunded pressure) and adverse price variances since budget prep. This is after the £1.39 million savings that have been identified and included in the forecast.

8. Legal Considerations

Devon County Council has a statutory duty to provide school transport. This includes those students with special educational needs (SEN) who are deemed eligible for transport as defined within the Education Act 1996. A small number of young people receive free transport Post 19.

If a single school is named in the EHCP the local authority has a duty to provide the transport. This includes those which may be some distance from the home address. This includes where a specific school is the one which meets individual need or is the nearest school with available places. For example, a child in the South Hams may have to travel into Exeter every day where that is the nearest appropriate school.

9. Environmental Impact Considerations (Including Climate Change)

Providing sustainable, efficient transport is crucial to reducing the County Council's carbon footprint. Network reviews which reduce the number of vehicles required help achieve our goals, as does children attending their most local suitable provision rather than travelling longer distances

10. Equality Considerations

The annual review of the County Council's Education Transport Policy takes into account its responsibilities. This includes an updated Impact Assessment.

11. Risk Management Considerations

The home to school transport continues to present financial pressures for the County Council which will impact on the delivery of other services.

The projected budget pressure on the Education Transport budgets identifies the school transport budget pressure as remaining at high risk. The recent Devon Audit Partnership report recognises this and that the risk should be reviewed with some urgency.

12. Public Health Impact

None

13. Conclusions

The Transport Coordination Service has a strong track record of managing transport contracts and driving down costs. This includes reviewing routes, providing more sustainable transport options, minimising the number of single occupancy transport and working with parents to provide their own transport.

TCS has tried to place itself at the heart of the decision-making process, whether it be individual placements for children or longer-term strategic placement planning.

Taking this into account, TCS has made good progress on achieving savings through the route review programme. However, the combination of transport market pressures and the projected growth in the number of SEND passengers requiring transport, means that the expectation that the Transport team can review transport and save £5.6million on top of existing savings targets is unachievable.

Dawn Stabb
Head of Service – Education and Learning

[Electoral Divisions: All]

Cabinet Member for Children's Services and Schools: Councillor Andrew Leadbetter

Head of Service: Dawn Stabb

Local Government Act 1972: List of Background Papers

Contact for Enquiries: Damien Jones

Tel No: 01392 383244 Room: Matford Offices, County Hall