



CABINET – 14TH OCTOBER 2015

SUBJECT: CCBC EDUCATION TRANSPORT – MTFP 2015/18 UPDATE

REPORT BY: CORPORATE DIRECTOR, EDUCATION & COMMUNITY SERVICES

1. PURPOSE OF REPORT

- 1.1 To receive a Medium Term Financial Plan (MTFP) update following the outcome of reports to Scrutiny Committee on 20 May and 7 July 2015.

2. SUMMARY

- 2.1 The report considered options in assisting the Local Authority to meet its obligations in respect of the 2015/18 MTFP to achieve a 20% general reduction in overall spend which notionally provides for a £1.3m reduction.
- 2.2 The range of discretionary home to school and college transport services are outlined in Appendix 1 to the report. These were considered in detail at the Special Scrutiny Committee on 19 June 2014 and again on 20 May 2015.
- 2.3 At Scrutiny on 20 May, Members agreed to receive further information on ET1 (post-16 mainstream), ET2 (review of walking distances), and ET11 (review of hazardous routes – negligible or low risk) and these were considered by Scrutiny on 7 July 2015.
- 2.4 Any changes made to education transport policy are covered by the Learner Travel (Wales) Measure 2008 that states that a local authority must agree and publish the information before 1 October of the year preceding the start of the academic year they will apply from.

3. LINKS TO STRATEGY

- 3.1 The work of the Education Transport Service contributes to a number of the Councils key strategic priority areas and plans including 'Caerphilly Delivers: The Single Integrated Plan 2013-2017', in particular with respect to:
- **Prosperous Caerphilly** – supporting local people to improve their employment opportunities and compete for work.
 - **Learning Caerphilly** – providing access to a range of resource, facilities, and services that underpin basic skill development, qualification attainment, and access to materials that support improved educational achievement among residents of all ages.

4. THE REPORT

- 4.1 Members acknowledged that the Council has one of the most generous discretionary transport policies for home to school and college transport in Wales and most authorities have reduced, or are in the process of reviewing, their provision in the difficult current financial climate.

Consultation

- 4.2 Whilst the Learner Travel Wales Measure and the revised operational guidance issued in June 2014 makes it clear that if a local authority decides to change or remove the discretionary transport provision it provides, it must publish the information before 1 October of the year preceding the academic year in which the changes will come into force, neither is prescriptive about the process local authorities must follow.
- 4.3 It is apparent from recent legal challenges and in some cases, full judicial reviews against Councils over changes proposed or confirmed with regards to discretionary services, that Councils have adopted wider and more formal consultation processes, as lack of proper and effective consultation has been a critical factor in challenge or review.
- 4.4 It is proposed that the options to remove / revise discretionary policy within the county borough follow a timetable that allows for meaningful consultation and feedback from parents, pupils, schools and other stakeholders.
- 4.5 To do this effectively, it is recommended that options are developed during the autumn term, with a view to full consultation taking place during the spring term 2016, with any initial changes introduced from September 2017, requiring formal confirmation of revised policy to be published before 1 October 2016.

Charging

- 4.6 The position across the 22 LAs in Wales is mixed in relation to charging, varying from 50p - £3.50 per day, with many LAs providing a travel grant to partially offset costs as an alternative.

Post-16 Transport (ET1)

- 4.7 Members supported the introduction of a fixed parental contribution for post-16 students.
- 4.8 Education Maintenance Allowance (EMA) is a financial scheme applicable to students and those undertaking unpaid work-based learning in Wales, Scotland and Northern Ireland and aged between sixteen and nineteen whose parents have a certain level of taxable income. It applies to those doing, or applying to do, at least 12 hours of guided learning on further education courses in school sixth forms, sixth form colleges and Further Education colleges. The weekly payment for the scheme is £30, paid every 2 weeks directly to the student. This is payable if:
- household income is £20,817 or less if the student is the only young person in the household; or
 - household income is £23,077 or less if there are any additional young people eligible for child benefit in the household.
- 4.9 If any parental contribution was reduced for low income families, this would reduce the savings possible and hence directly impact upon the MTFP target reductions.

- 4.10 The following table illustrates the potential annual income levels based on various daily charges and also identifies the effect of not charging for those students in receipt of EMA:

Charge per day	Total Estimated Income Per Annum	
	No Concession	Full Concession for EMA
£	£'000	£'000
1.00	500	400
1.50	750	600
2.00	1000	800

- 4.11 In view of the overall 20% budget reduction target, Scrutiny on 7 July were recommended to consider the £1.50 daily charge (no concession) option. This would result in an estimated income of £750,000 per annum. Scrutiny Members opted to support the £1.50 daily charge but with full concession. This would have the effect of reducing the proposed saving by £150k per annum.
- 4.12 In addition to the proposal to charge, post-16 policy would be aligned to any changes in distance for secondary pupils aged 11 to 16 (see below), so the discretionary 2 mile limit would revert to the statutory 3 mile limit. In addition, the following would be proposed:
- Cap the upper age limit – to cease the provision at the end of the academic year in which the student reaches their 19th birthday.
 - Introduce a cap on overall transport costs of £500 per student (less agreed annual charge).
- 4.13 Appendix 2 illustrates the situation across the other 4 Gwent authorities as regards Post-16 students. 3 of the LAs offer a travel grant and Monmouthshire does not provide any EMA concessions.

Statutory Walking Distances (ET2)

- 4.14 Members agreed on 20 May to support the recommendation of increasing the walking distances to the statutory 2 miles (Primary) and 3 miles (Secondary) from the existing policy of 1½ miles (Primary) and 2 miles (Secondary).
- 4.15 In relation to a move towards statutory distances, there were 2 options which Members could consider:
- remove discretionary provision in its entirety; or
 - make an appropriate daily charge.
- 4.16 Under the 1st option, the Council would be obliged to retain provision for existing pupils in the relevant phase of education (e.g. Primary, Secondary 11-16), so the savings would have a long lead time before they were realised.
- 4.17 Should a charging option be considered, Members were advised of the following possible range of options they could consider:

Charge per day	Total Income at FSM Charges of								
	£ -	£ 0.25	£ 0.50	£ 0.75	£ 1.00	£ 1.25	£ 1.50	£ 1.75	£ 2.00
£	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1.00	166	177	188	198	209	-	-	-	-
1.25	208	219	229	240	251	261	-	-	-
1.50	250	260	271	282	292	303	314	-	-
1.75	291	302	312	323	334	344	355	366	-
2.00	333	343	354	365	375	386	397	407	418

- 4.18 In view of the 20% MTFP target reduction, Members were recommended to propose a daily charge of £1.50 with full concession for FSM students which would generate an estimated income of £250k per annum. Scrutiny Members opted for the £1 daily charge which would generate an estimated £166k per annum income.
- 4.19 Additionally Members agreed to provide a further exemption of a maximum of 4 years for the two 21st century schools projects, namely Y Gwyndy and Islwyn West schools instead of the recommended 2 years exemption. This change would reduce the savings target by an estimated 50k.

Hazardous Walking Routes (negligible or low risk) (ET11)

- 4.20 Members supported re-assessing the routes based upon the updated Welsh Government guidance issued in 2014 as below:

<u>Route</u>	<u>Assessment</u>
• The Rise, Llanbradach to Coed y Brain Primary	Negligible
• Llanfach to Abercarn Primary	Negligible
• Wattsville to Cwmfelinfach Primary	Negligible
• Hollybush to Markham Primary	Negligible
• The Rise to Lewis Girls Comprehensive	Low
• Croespenmaen to Rhiw Syr Dafydd Primary	Low
• Pwyllypant to Coed y Brain Primary	Low
• Penybryn to Lewis Girls Comprehensive	Low

- 4.21 Local authorities are under a legal duty to assess the travel needs of learners who walk to school. In Wales, the guidance was reviewed and revised by the Minister and published in June 2014. Details were circulated to Scrutiny Members.
- 4.22 The review of low / negligible routes would be developed having regard to the new guidance. The potential annual saving in this area is £91k.
- 4.23 Details of the present and anticipated transport policies of the other 4 Gwent LA's are illustrated in Appendix 2.
- 4.24 There was also reference in the Scrutiny report to a notional £10 of the EMA amount relating to transport. The DfES issued guidance in 2003 that students are expected to contribute a reasonable proportion of their EMA towards transport costs. This should not normally exceed a third of their EMA.

5. EQUALITIES IMPLICATIONS

- 5.1 Equality Impact Assessments would be produced as part of the next stage in the formal review process. Where required, the detailed Equality Impact Assessments undertaken would form part of subsequent reports to Members for their information and consideration.

6. FINANCIAL IMPLICATIONS

- 6.1 Based upon a general reduction of 20%, the MTFP notionally provides for a £1.3million reduction.

6.2 The recommendations to Scrutiny on 7 July were to propose to consult on the following:

<u>Discretionary Item</u>	<u>Annual Estimated Income £'000</u>
• Post-16 (daily charge of £1.50 with no concessions)	750
• Statutory distances (daily charge of £1.50 with full concessions for FSM students)	250
• Hazardous routes (low or negligible risk) up to	91

6.3 Members were previously advised of a £250,000 saving to the base budget as a result of new mainstream contracts from January 2015.

6.4 A notional £50,000 saving would be delayed based upon the officers suggestion of a further 2 year protection for the two 21st century schools developments.

6.5 The net effect of all of these proposals would result in an annual saving of circa £1,300,000 in line with the MTFP.

6.6 The Member Scrutiny recommendations would have the effect of reducing the MTFP target by a further circa £284,000 as follows:

<u>Proposal</u>	<u>Saving Reduction £'000</u>
• Post-16 EMA full concession based on a daily charge of £1.50	150
• Statutory distances. Proposal for full FSM concession and daily charge of £1 rather than £1.50	84
• Added protection re 21 st century schools. 4 years rather than 2 years	50
	284

6.7 This would have the effect of reducing the MTFP proposals from £1,300,000 to £1,016,000 in a full year.

7. PERSONNEL IMPLICATIONS

7.1 There are no direct personnel implications.

8. CONSULTATIONS

8.1 The views of all consultees listed have been incorporated in this report.

9. RECOMMENDATIONS

9.1 Members to consider the proposals outlined, the impact of the proposed amendments and recommend the policy changes proposed for consultation as part of the MTFP process.

9.2 Members to consider the outcome of the consultation process in due course in order to make policy decisions in readiness for the 2017/18 academic year.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To enable Cabinet Members to consider the Education Transport Service's review options in assisting the Council to meet its obligations in respect of the 2015/18 Medium Term Financial Plan.

11. STATUTORY POWER

- 11.1 1996 Education Act.
- 11.2 Learner Travel (Wales) Measure 2008.

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Appendix 1: List of Discretionary Home to School/College Transport Services
Appendix 2: Transport Policies (4 other Gwent LAs)

Background Papers: Scrutiny Committee: 19 June 2014
: 20 May 2015
: 7 July 2015

Learner Travel Statutory Provision & Operational Guidance June 2014.