

Children and Families Overview and Scrutiny Panel

Wednesday, 22 March 2023, 2.00 pm, Lake View Room, County Hall, Worcester

Membership

Councillors:

Cllr Steve Mackay (Chairman), Cllr David Chambers (Vice Chairman), Cllr Dan Boatright, Cllr Kyle Daisley, Cllr Nathan Desmond, Cllr Matt Jenkins, Cllr Jo Monk, Cllr Tony Muir and Cllr David Ross.

Co-opted Church Representatives (for education matters)

Mr T Reid (Church Representative - Church of England)

Parent Governor Representatives (for education matters)

Mr M Hughes (Parent Governor Representative)

Agenda Supplement

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Date of Issue: Wednesday 15 March 2023

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CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY PANEL

22 MARCH 2023

HOME TO SCHOOL TRANSPORT UPDATE

Summary

1. The Cabinet Members with Responsibility for Highways and Transport and Education and the Strategic Director for Economy and Infrastructure and the Chief Executive of Worcestershire Children First (WCF), have been invited to the meeting to update the Panel on issues relating to Home to Schools Transport.

Background

2. Worcestershire County Council (the Council) has a statutory duty to provide Home to School transport for qualifying groups of pupils including more personalised arrangements for those with Special Educational Needs and Disabilities (SEND). The Council provides both statutory and some discretionary elements.
3. In March 2022, the County Council's Network (CCN) published a report - Home to School Transport: The Challenge to the Counties (attached at Appendix 1) that looked into the challenges of Home to School Transport in county council areas. This highlighted the long-term increases in demand for SEND transport, mostly using taxis and minibuses, a sharp rise in numbers of pupils with complex needs, and the impact of fuel and wage inflation on local authority budgets.
4. The war in Ukraine, driver shortages across public transport operators, cost of living increases and rising inflation have all become more significant since the CCN's report was published.
5. These challenges of growth in the market provide the Council with an opportunity to shift to a greater performance focus, including a full review of the current system.
6. This report aims to provide an update regarding the 2022/23 financial forecast for Home to School Transport and information regarding the Corporate Transport Review.

Current Financial Position

7. Home to School Transport is a demand-led service. Since the Period 7 (October month end) forecast was completed, there has been a continued increase in Mainstream and SEND pupils requiring transport. This has increased the number of transport contracts required (90% of which are for SEND).
8. Growth in pupil numbers has continued, resulting in, increased mileage, requirements for larger vehicles and additional Passenger Assistants.

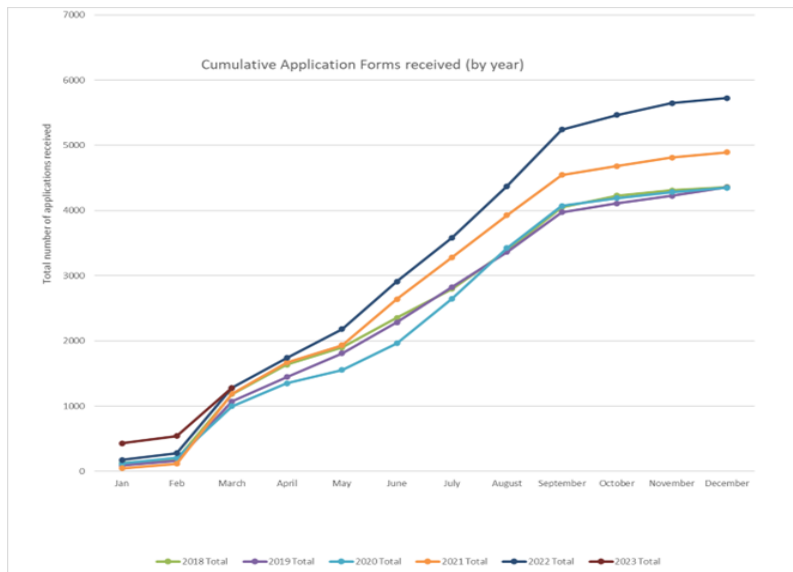
Traditionally, growth in the requirement for mainstream transport reduces after November which has not been the case this year.

9. The 2022/23 budget for Home to School Transport, held within WCF, is £18.5m. This covers both SEND and Mainstream Transport provision.
10. HTST has a forecast gross overspend of £4.6m at the end of December (Period 9) and this figure is predicted to rise. This is mainly due to current inflationary pressures on providers and increased demand for mainstream and SEND transport for pupils. This has resulted in increased prices for the service primarily, the impact of fuel and staffing costs.
11. The budget has been impacted by increased demand of more parents seeking to use mainstream transport post Covid-19 and more children receiving a transport package as part of their Education, Health and Care Plans (EHCP).
12. The agreed allocations are met from within the earmarked reserve for SEND transport (£0.4m) and an allocation from the Covid-19 grant reserve (£0.6m), which brings the net overspend to £3.6m at the end of December 2022

Service Area at December Period 9	Budget £	Forecast £	Variance £
SEND Children	10,375,500	13,072,917	2,697,417
Mainstream Transport	7,854,700	8,764,384	909,684
Looked after Children	267,300	273,875	6,575
TOTAL	18,497,500	22,111,176	3,613,676

Mainstream Transport

13. All new pupils requiring mainstream transport for the new academic year are required to apply to Transport Operations to assess eligibility under current Worcestershire Home to School Policies.
14. Late submissions during the summer means that assessments are delayed, reducing the ability to forecast, increasing financial implications and reducing the time available to source transport.
15. Previously, the total number of applications remained consistent, however in 2022 the first year-on-year increase was seen indicating continued growth as shown in figure 1.



SEND

16. There has been sustained growth in the population, with an increase in the number of pupils with SEND and the number of pupils eligible for travel assistance, including those with more complex needs requiring specialist provision. The increased demand creates a challenge in terms of the availability of places at settings within the County, resulting in the need to travel outside of Worcestershire to ensure their educational needs are met.
17. One of the key drivers of growing demand for transport has been legislative changes introduced by the Children and Families Act 2014, and the SEND eligibility age increasing from 18 to 25 years, this also impacts on the Dedicated Schools Grant (DSG). High Needs overspend and transport costs are not allowed to be charged to the DSG. The impact of the increase has been highlighted to the Department for Education (DfE) through the Delivering Better Value in SEND programme
18. The graph below in Figure 2 illustrates the increase in EHCPs in Worcestershire.

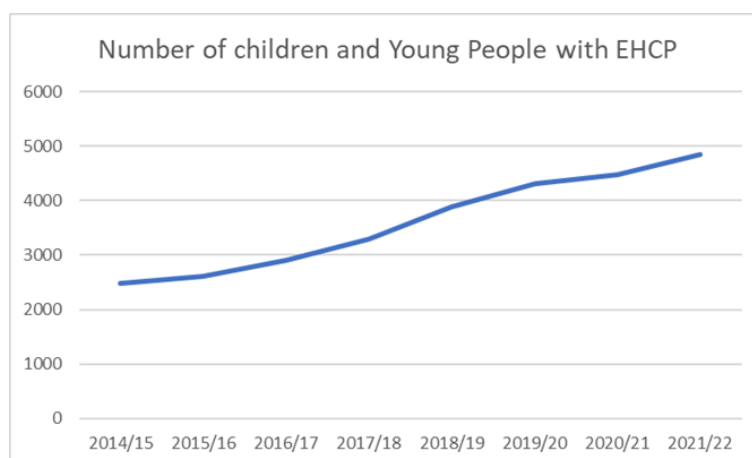


Figure 2 Graph to show the Increase in Education Health and Care Plans in Worcestershire

19. The graph in Figure 3 shows the increase in SEND pupils allocated transport.

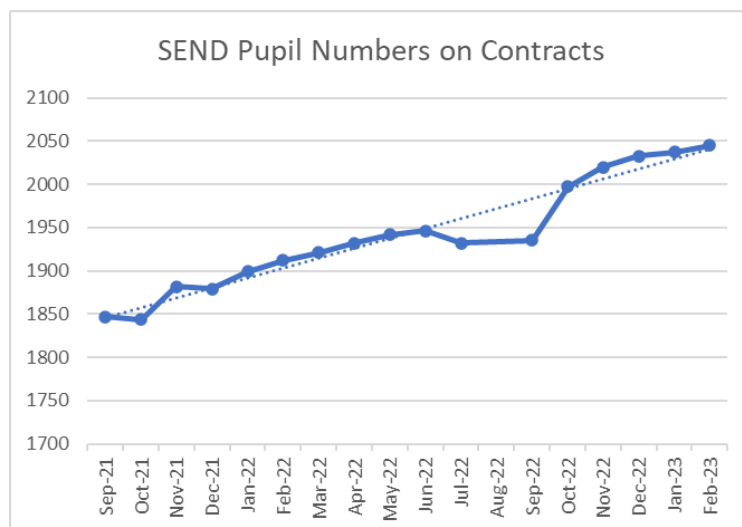


Figure 3 Graph to show SEND Pupils on Contracts Sept 2021 to Feb 2023

20. A key requirement to support planning is the ability to forecast, providing improved visibility of future demand, for example where individual taxis/transport is required to meet individual needs and the ability to offer block contracts where required.

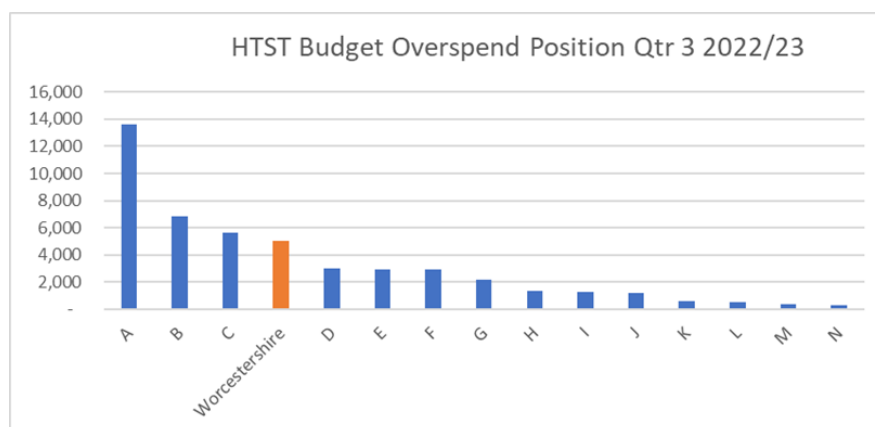
21. The main influences on the cost of Home to School Transport are:

- **Home to School Policy (Statutory Duty)** – The Council’s transport provision accords with The Education Act 1996. This includes provision of transport based on distance, the safety of the walking route or whether parents are on low income.
- **Home to School Policy (Discretionary and Post 16 Transport)** - Local Authorities also have a discretionary power to provide HTST for children who reside in their area who do not meet the eligibility criteria, referred to as ‘discretionary travel’. The Council, under the current home to school policy, provides areas of discretionary travel, including the provision of transport to nearest or catchment school, and assistance for Post 16 pupils.
- **Needs** – This includes the type of disability (linked to school location) as well as specific transport needs such as requirements for individual taxis or passenger assistants.
- **Pupil numbers (in and out of county)** – recent mainstream numbers have risen due to the cost-of-living crisis. As more developments are built more pupils become eligible for transport.
- **School locations / proximity** – Increasing number of SEND transport requests going to out of county schools, due to the current lack of school places in Worcestershire
- **Transport Market** – The number of operators in Worcestershire is diminishing due to inflation pressures as well as issues with labour supply.
- **Utilisation** – This includes the type of transport used, including the take-up of Direct Travel Payments as well as the number of pupils

- **Make / Buy** – Do we go to the transport market or look to provide a service internally?
- **Income** – Some transport costs are offset by charges made for non-statutory elements including Vacant Seats and Post 16 Transport.

Comparisons to Other Local Authorities

22. This position is not unique to Worcestershire and the chart below shows a number of authorities who have similar overspends at the end of Quarter 3 2022/23.



Current Action

23. As the majority of the remaining overspend is due to greater than forecast cost and demand arising from the global economic position and legacy of Covid-19, Cabinet, on 8 December 2022, approved the one-off use of reserves to fund the remaining forecast overspend for 2022/23, as it did for the other demand led areas across the Council.
24. There are actions underway to partly mitigate further increases in demand and price, including:
- SEND: As part of the decision-making process to determine the most appropriate placement for needs, WCF will consult with the Council, as transport provider, in considering the cost and duration of journeys for any child.
 - Placements and provision that include transport provision are now approved at a weekly Panel, chaired by the Director for All Age Disability, to ensure value for money.
 - All SEND staff have been informed that individual taxis can only be requested when absolutely necessary, and that this must be approved by a designated WCF manager.
 - Refresher policy awareness/ training is scheduled and has been provided by Transport Operations with all SEND staff.
25. However, these actions are not enough to fully mitigate the current financial position.

Corporate Transport Review

26. There will be a review of both mainstream and SEND growth and transport costs, and a Corporate Transport Review Project (the “Review”) has been established. This will work cross functionally with the Transport Service and WCF and involve key support services including the commercial team, project management and finance.
27. This includes a review of the following areas to identify opportunities for change as well as offering assurance, both now and in the future, that costs are appropriate, proportionate and have been mitigated as far as is reasonable:
 - Operations, systems, and procedural reviews.
 - Demand drivers/demand management review.
 - Forecasting and place planning review.
 - Commercial model and supply market review (Including Make v Buy).
 - Policy review and legislative framework (SEND and Home to School).
 - Schools engagement and policy review.
28. A comprehensive benchmarking exercise will be undertaken with statistically comparable Authorities. This is to support the identification of opportunities for development or offer assurance in respect of the current/proposed approach. This will involve visiting Authorities where HTST has been recently reviewed and options for improvement have been identified. This will assist in the identification of options for Worcestershire.
29. The Review will be carried out in phases, commencing with the analysis phase involving, undertaking research, data gathering, benchmarking and understanding the end-to-end processes. This will provide:
 - Better understanding across each of the areas identified above.
 - Clarity on the issues / perceived issues, their impact and proportionality.
 - Understanding of the broader contexts, supported by benchmarking.
 - Initial identification of opportunities and options / proposals.
30. The Corporate Transformation Team will lead the Review, and the terms of reference for the Corporate Transport Board have been revised to allow it to function as a cross functional steering group.
31. The Review Framework is shown below in Figure 5:

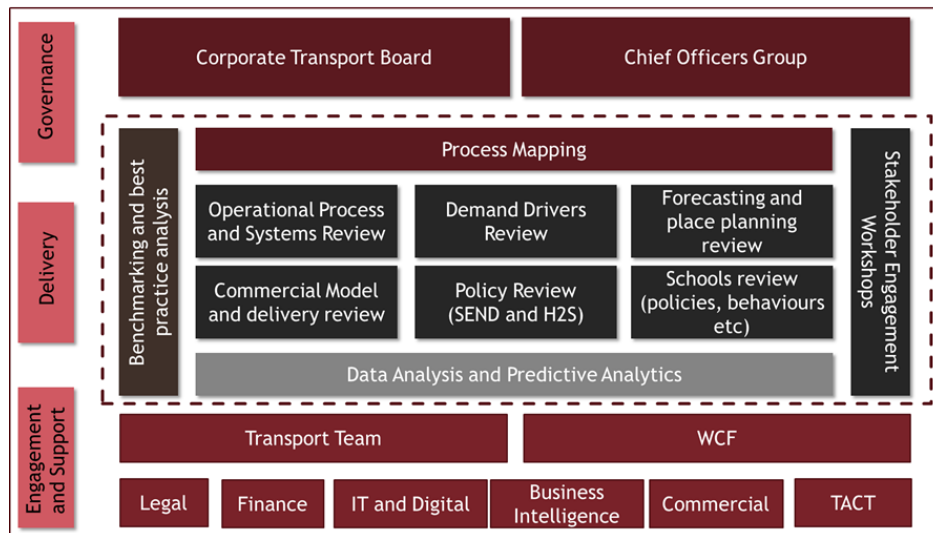


Figure 5 Corporate Transport Review Project Framework

32. As part of the Review, the following priority workstreams have been established during the analysis phase, which reflect the areas of focus outlined above:

- Operational Process and Systems Review
- Commercial Model and Delivery Review
- Benchmarking, Policy Review and Best Practice analysis
- School Review – Commissioning Requirements, Schools forecasting, Place Planning, Policies and Behaviours etc.
- Communication and Engagement

Next Steps

33. The immediate next steps of the Review are:

- Ongoing - Regular updates to the Council’s Chief Officer Group and Senior Leadership Team
- 31 March 2023 – meeting of the Corporate Transport Board
- April / May 2023 - Create improvement plans
- June 2023 - Present initial findings and high-level options Council’s Chief Officer Group and Senior Leadership Team

Purpose of the Meeting

34. The Panel is asked to:

- Consider and comment on the Home to School Transport update
- Agree any comments to highlight to the Cabinet Members
- Determine whether any further information or scrutiny on a particular topic is required.

Supporting Information

Appendix 1 – CCN Analysis March 2022, Home to School Transport: The Challenge to the Counties

Contact Points

Alyson Grice/Alison Spall, Overview and Scrutiny Officers, Tel: 01905 844962/ 846607
Email: scrutiny@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance) the following are background papers relating to the subject matter of this report.

[Agenda for Cabinet on Thursday, 8th December, 2022, 10.00 am - Worcestershire County Council \(moderngov.co.uk\)](#)

[All agendas and minutes are available on the Council's website here.](#)

CCN

A n a l y s i s

**Home To
School
Transport:
The Challenge
in Counites**



March 2022

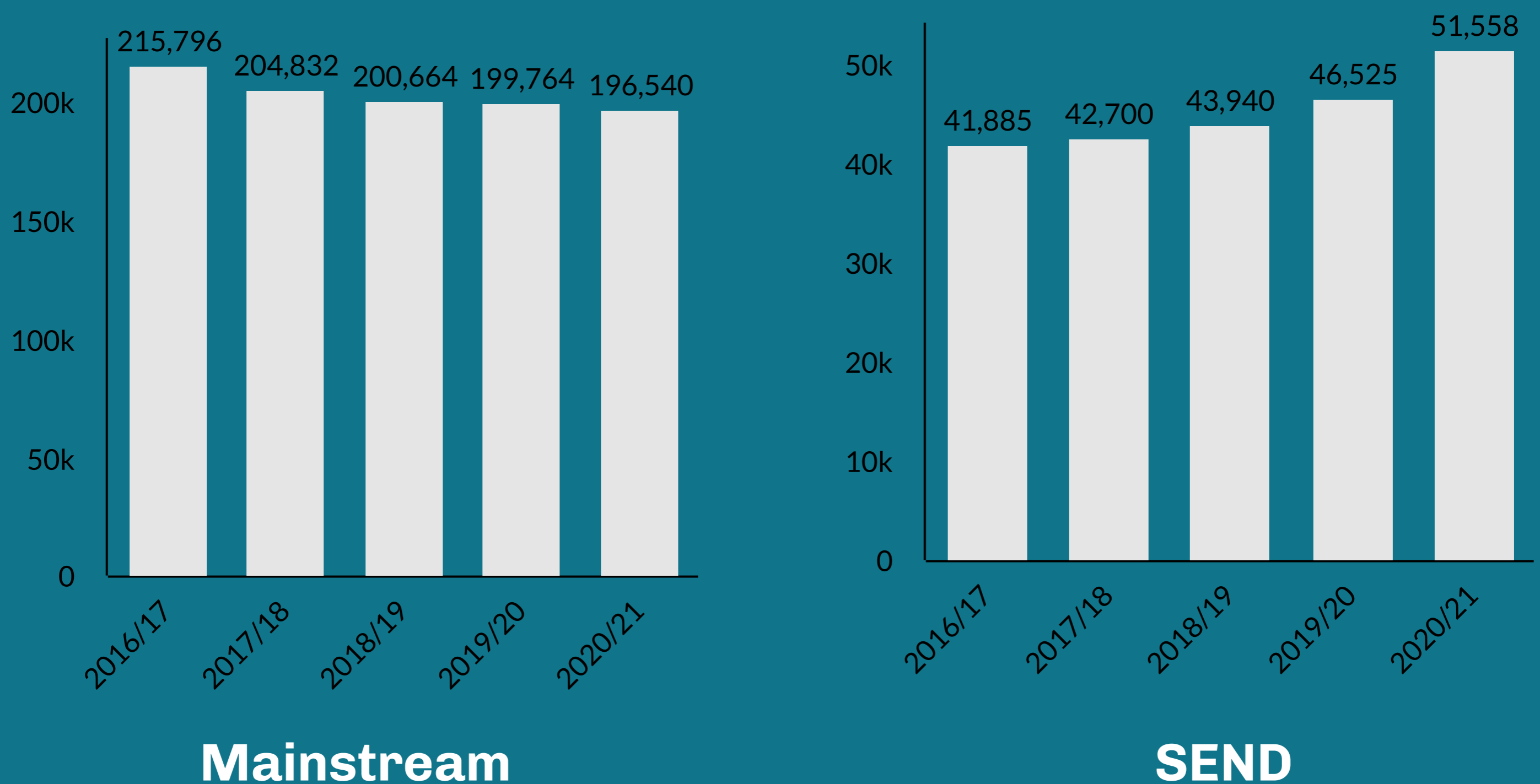
KEY FINDINGS

- The cost of delivering home to school transport services for the 28 county authorities that provided data for this report increased from £472.6m in 2016/17 to £555.6m in 2020/21. Those councils transported 248,000 pupils for free last year, of which over 51,000 were young people with special educational needs and disabilities (SEND).
- This increase has been driven by the costs of transporting SEND pupils, which has risen by 33% in just five years – from £260.5m in 2016/17 to £347m in 2020/21. On average, their spend on SEND school transport in 2020/21 was 11% of their total spend on children's services.
- This is attributable to a rise in young people becoming eligible for this service, with councils transporting over 10,000 more pupils in 2021 compared to 2017. In 2016/17, county authorities transported a total of 41,185. This rose to 51,558 five years later at the end of 2021.
- Councils also said that the costs of delivering these services have increased over this five-year period in this study, attributable to economic factors such as inflation and wage rises, but also an increasing amount of young people with complex needs who require specialist transport. The yearly average per-head expenditure on SEN home to school transport pupils has increased by £206 in just three years from 2018/19 to 2020/21.
- With fuel prices hitting record highs in March 2022, these costs are likely to rise. County authorities have told CCN that their transport providers are retendering for contracts early, and at prices up to 20% higher than last year. This places councils in the difficult position of having to either accept paying higher contract prices, or face having pupils unable to access free school transport. In some cases, this could mean they fail to fulfil their statutory duties. Local authorities said that the contractors most affected are smaller bus companies or private hire firms, and individual taxis.
- SEND home to school transport is arguably most affected by this situation. Due to their specific needs, many of these pupils require taxis, private hire vehicles, or minibuses. County authorities spent £254.2m on these types of transport in 2020/21 up from £184.4m in 2016/17.
- In a separate CCN survey specifically asking questions on SEND home to school transport, just one council out of 23 respondents said the expenditure on their SEND home to school transport was 'manageable. Over half (14) said it was 'unsustainable'.
- At the same time, county authorities' expenditure on mainstream home to school transport has remained flat over the five years. The 28 local authorities in CCN's data study collectively spent £212.1m in 2016/17, compared to £208.6m in 2020/21.



- This is not attributable to any stabilising of – or decline in – demand for this service. In the context where many upper tier local authorities are facing significant financial pressures, particularly in care and SEND services, councils have had no choice but to scale back eligibility for free school transport down to, or close to, the statutory minimum. This is shown in the number of pupils being transported – with 19,256 fewer pupils using mainstream home to school transport in 2020/21 compared to five years prior.
- In effect, mainstream and SEND home to school transport services are operating at opposite ends of the spectrum, as Figure 1 below shows. SEND school transport is seeing yearly increases in passenger numbers and substantive extra expenditure for county authorities, whilst in mainstream school transport councils are reducing eligibility to a minimum, as reflected in fewer passengers being carried each year.

Figure 1: Number of pupils carried - mainstream and SEND home to school transport



- This shows that CCN member councils had gone above and beyond in offering this eligibility to pupils in previous years, but budget shortfalls has meant this has had to be reduced as councils direct dwindling resources to statutory and frontline services.
- All areas of England are seeing population growth – which will impact on both SEND and mainstream home to school transport demand – the geographical nature of county areas mean that these challenges are more pronounced in those locations. However, CCN member councils are responsible for the largest and most rural parts of the country, and therefore more young people will hit the distance eligibility criteria than pupils in major cities and towns. As well as longer distances travelled, these factors mean that the cost of delivering these services is greater for county authorities.

INTRODUCTION

Every year, local authority home to school transport services carry hundreds of thousands of pupils who are eligible. A lifeline service for these young people, largely because of the distance they live or walkability to their school, providing home to school transport for eligible pupils is a statutory obligation for county councils and unitary councils. The delivery of this service is split across different local authority departments, from school admissions, special educational needs and disabilities (SEND) and commissioning.

In putting together this analysis, the County Councils Network (CCN) has sought to examine the cost-drivers and pressures in delivering home to school transport across the 36 councils in its membership. It is important to note this report addresses two related but distinct services:

a) mainstream home to school transport;

b) home to school transport for children with SEND

Owing to the different factors and statutory responsibilities which determine a council's role in delivering these related services, they are addressed separately, although comparisons are made. This report refreshes CCN's work on home to school transport, with the network publishing reports on both mainstream home to school transport and SEND school transport in 2018.[1] It seeks to raise issues highlighted by its member councils in the current climate, factoring in the impact of the coronavirus pandemic, and aims to highlight the range of challenges that county authorities are presently facing in delivering this vital service. It concludes by setting out a set of recommendations.

METHODOLOGY

The data used in this report was gained via a data questionnaire CCN undertook with its members during late 2021. Participants were asked for data on their home to school transport expenditure and demand over the period 2016/17 to 2020/21 and 28 councils submitted evidence – a 78% response rate. Furthermore, a separate survey was carried out by CCN in winter 2022, in which CCN asked for its members' views specifically on SEND home to school transport and the impact of the pandemic on their budgets. This survey received 23 responses – a 64% response rate.

[1] <https://www.countycouncilsnetwork.org.uk/exponential-rise-in-special-needs-pupils-leads-to-councils-spending-over-300m-on-transporting-young-people-to-school-last-year/>
<https://www.countycouncilsnetwork.org.uk/counties-warn-it-is-increasingly-difficult-to-subsidise-free-home-to-school-transport-due-to-rural-premium-on-delivering-services/>

WHO IS ELIGIBLE FOR HOME TO SCHOOL TRANSPORT?

Home to school transport services are a vital service for tens of thousands of young people in county areas. Those who are eligible must fulfil certain accessibility criteria, such as how far they live from their nearest school, or walkability, based on current guidance from the Education Act 1996.

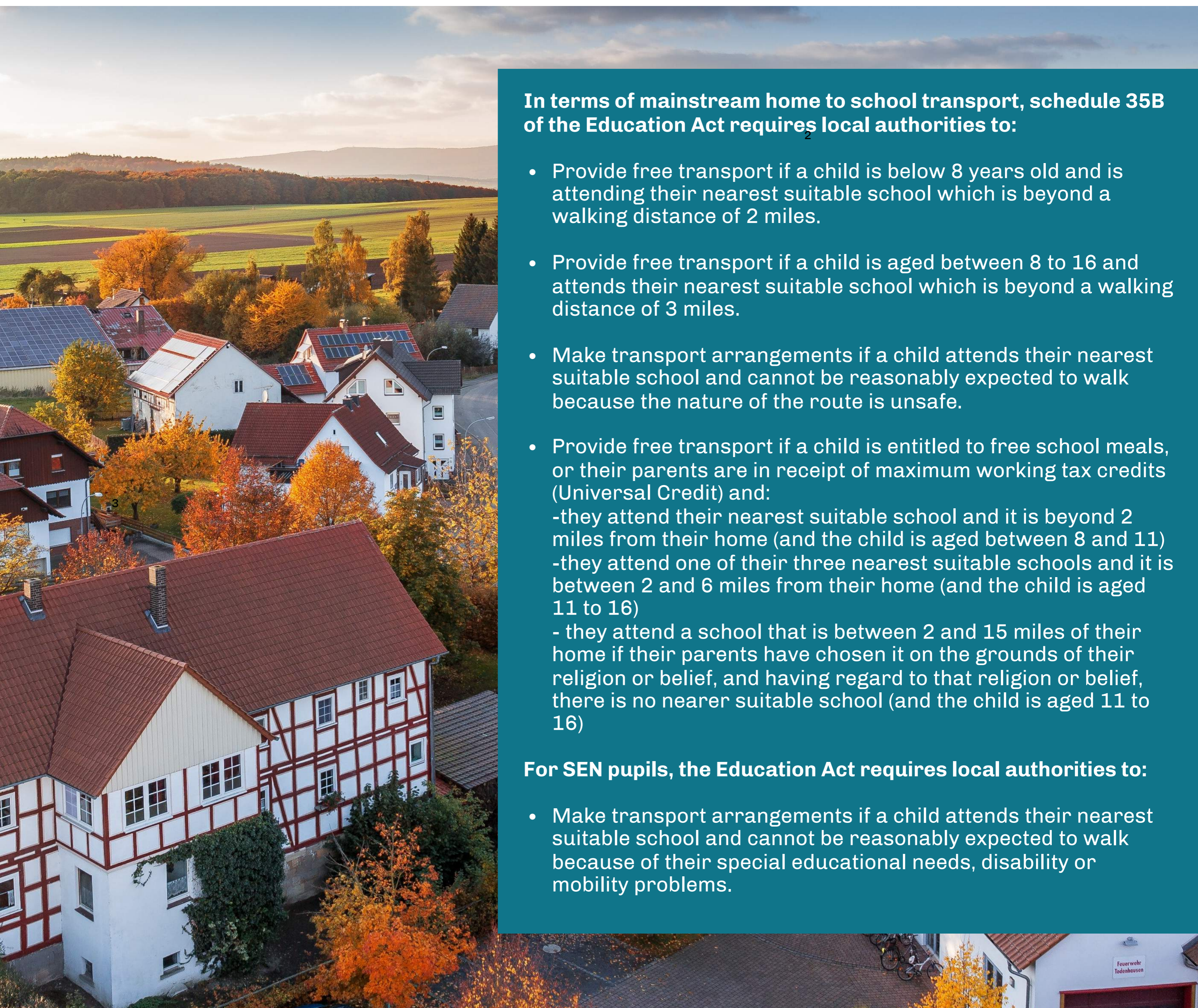
In practice this will impact on more pupils in county areas, as they are the largest and most rural parts of England. Encompassing both mainstream and SEND home to school transport, the 28 counties who provided data for this report carried a total of 237,000 pupils last year to their nearest school.

In terms of mainstream home to school transport, schedule 35B of the Education Act requires local authorities to:

- Provide free transport if a child is below 8 years old and is attending their nearest suitable school which is beyond a walking distance of 2 miles.
- Provide free transport if a child is aged between 8 to 16 and attends their nearest suitable school which is beyond a walking distance of 3 miles.
- Make transport arrangements if a child attends their nearest suitable school and cannot be reasonably expected to walk because the nature of the route is unsafe.
- Provide free transport if a child is entitled to free school meals, or their parents are in receipt of maximum working tax credits (Universal Credit) and:
 - they attend their nearest suitable school and it is beyond 2 miles from their home (and the child is aged between 8 and 11)
 - they attend one of their three nearest suitable schools and it is between 2 and 6 miles from their home (and the child is aged 11 to 16)
 - they attend a school that is between 2 and 15 miles of their home if their parents have chosen it on the grounds of their religion or belief, and having regard to that religion or belief, there is no nearer suitable school (and the child is aged 11 to 16)

For SEN pupils, the Education Act requires local authorities to:

- Make transport arrangements if a child attends their nearest suitable school and cannot be reasonably expected to walk because of their special educational needs, disability or mobility problems.



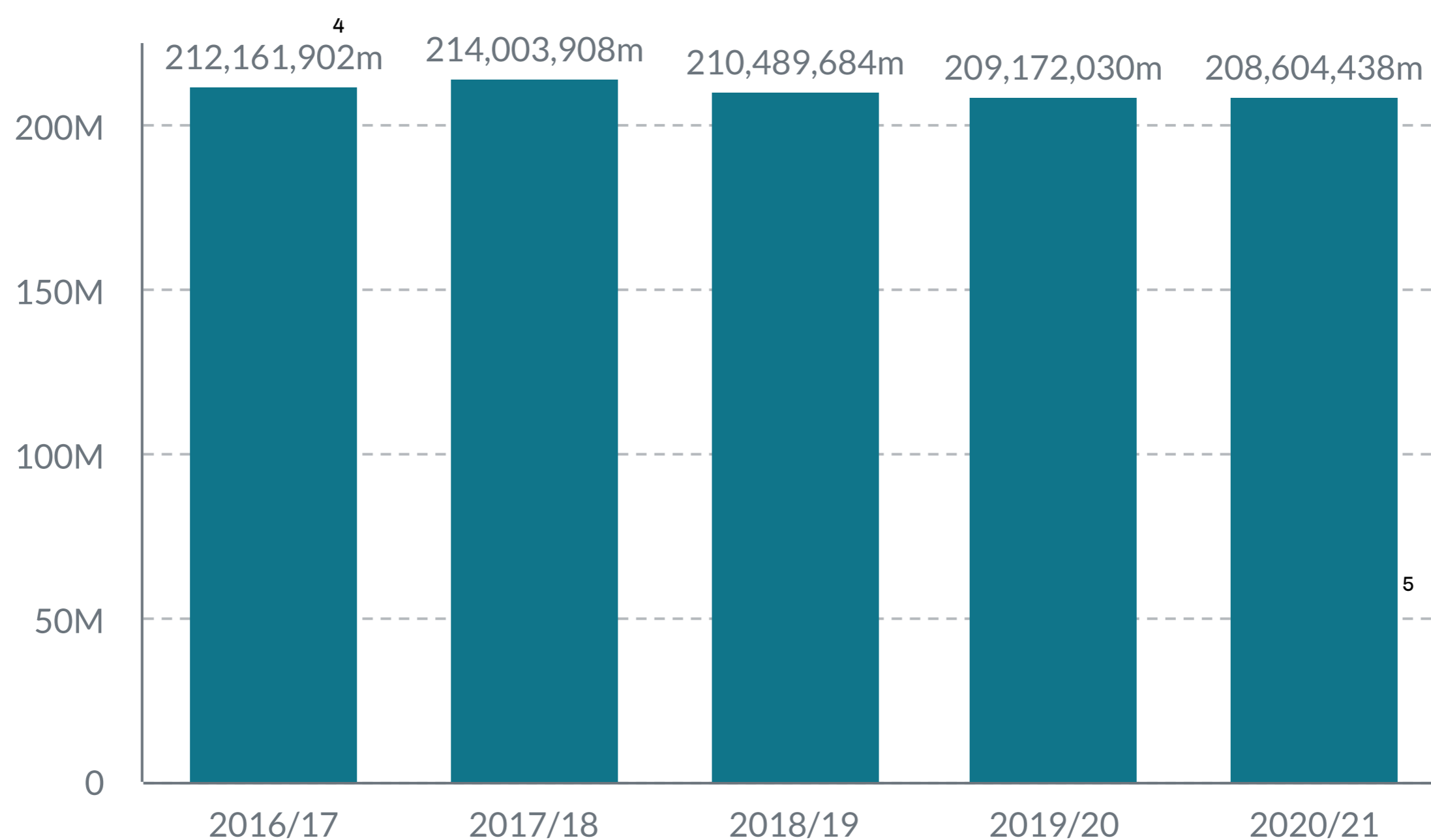
CCN ANALYSIS: MAINSTREAM HOME TO SCHOOL TRANSPORT

Mainstream home to school transport services are a substantial part of a local authority's budget, with CCN member councils responsible for transporting tens of thousands of pupils each year. In 2016/17, the 28 councils who supplied data spent £212.2m on mainstream home to school transport, whereas in 2020/21 they spent £208.6m.

However, this should not be construed as demand remaining static or declining. In every county area in the CCN membership, their population is projected to grow each year up to 2039, and their populations have increased over the five-year period of this study too. Nationally, the number of 5 to 16-year-olds educated in maintained schools in England rose by 242,711 in the period 2016/17 to 2020/21.

In addition, councils in some areas are increasingly concerned about new housing developments that are built in locations a significant distance to the closest school, bringing more young people into the eligibility threshold for free school transport. This is an important contributory factor to exacerbating the higher costs of delivering home to school transport in large rural county areas.

Figure 2: Expenditure on mainstream home to school transport services



The main reason that expenditure on mainstream home to school transport has remained flat over the last five years is that local authorities have had little choice but to scale back eligibility for free school transport for mainstream pupils, reducing services to, or close to, the statutory minimum.

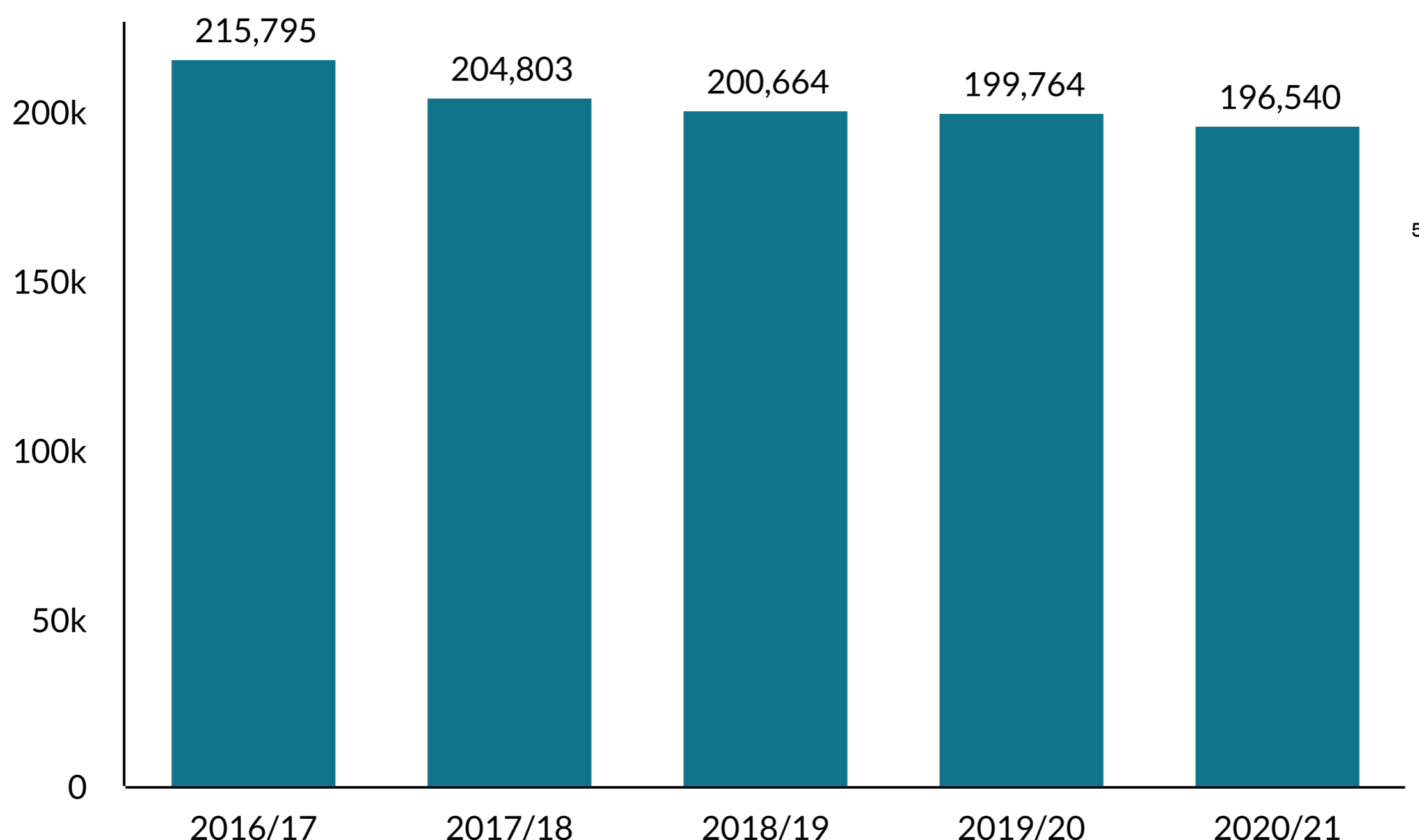
These decisions are often unpopular with local residents, but CCN has repeatedly warned about the 'difficult decisions' authorities have had owing to financial pressures. Over the last decade, councils have seen on average 40% of their grant funding reduced, with councils increasingly having to prioritise funding to frontline and statutory services, such as SEND home to school transport and social care.[2]

The financial picture for the years ahead also looks challenging for local government, despite an extra injection of resources for the sector in the October 2021 Spending Review. CCN analysis has shown that CCN member councils are facing a funding gap of £700m next year, which equates to £19.4m per local authority.[3]

This has meant some non-statutory functions have been scaled back, such as mainstream home to school transport being reduced to the minimum. This does show that county councils and unitary councils were going above and beyond their legal duties in home to school transport for many years (and many still do) in offering school transport to pupils outside the criteria.

This is shown in the decline in the number of pupils being accessing services over the last five years. In 2016/17 the 28 county authorities who submitted data for this report carried 215,796 pupils. Five years later, this figure was 196,540 – a decline in 19,256 pupils travelling on these services over that timeframe. This equates to a drop of 9%.

Figure 3: Number of mainstream pupils carried



[2] <https://www.countycouncilsnetwork.org.uk/counties-spend-two-thirds-budgets-care-services-new-report-warns-financial-sustainability-councils/>

[3] <https://www.countycouncilsnetwork.org.uk/provisional-local-government-finance-settlement-ccn-response-2/>

Data from 21 CCN members shows that the average yearly cost per-pupil for mainstream home to school transport has risen by £32 since 2018/19 to £1,029. Although this a relatively small increase (and the total per-person cost is much smaller than the per capita SEND home to school transport costs), the sheer number of people using mainstream home to school transport will have meant that for many local authorities their overall costs had increased to a significant degree.

As mentioned above, overall mainstream home to school transport expenditure has remained static over the period, so a mixture of more effective commissioning from county councils and unitary councils and those authorities reducing eligibility has helped keep the total cost stagnant.



CCN ANALYSIS: SEND HOME TO SCHOOL TRANSPORT

The data in this report shows that county authorities have seen yearly increases in pupils requiring SEND home to school transport, in large part fuelled by the increasing number of children becoming eligible for Education, Health, and Care Plans (EHCPs) and the increase in the number of pupils attending specialist schools.

Since 2015, the number of young people in receipt of these EHCPs in the 36 county areas CCN represents has risen from 100,020 in 2015 to 183,745 in 2021: an 83% increase. For the 28 county and unitary authorities who supplied data for this report, the number of EHCPs in their areas increased from 90,305 in 2016 to 155,932 in 2021 - a 72% increase.[3]

This increase is down to reforms in the Children and Families Act 2014, which expanded the eligibility of EHCPs.[4] CCN supports the aim of this reform but has warned of the unintended impact on local authority budgets, with the network's research last year highlighting that county councils and unitary councils project a £1.3bn deficit in their High Needs Block by 2023. The government announced an SEND Review in 2019[5] to set out potential solutions to these demand and cost issues, and there is an expectation that it will be published this year.

Under the government's 2019 guidance on home to school transport[6], a young person who applies for an EHCP is assessed within their individual plan as whether it is reasonable to expect them to walk to school, not only because of a physical disability but also other factors such as whether (for example) they lack a sense of danger. This would then entitle them to home to school transport provided by the local authority.

Whilst not every child in receipt of an ECHP is automatically entitled to free school transport, there is a direct correlation between the number of pupils being in receipt of these plans and the increase in travellers on SEND home to school transport. This suggests councils were approving more young people for SEND school transport every year, and that there was an increase in parental expectation for what councils could provide their child.

At the same time, county areas have seen a substantial increase in the number of pupils attending special schools. Individual pupils who are eligible for school transport provided by the local authority are entitled to transport to their nearest suitable special school. However, with more and more young people attending these schools, more and more are reaching capacity.

Many county authorities who provided evidence to CCN as part of this report said that when local special schools become full, the next nearest suitable special school could be several miles away – an issue exacerbated by the large rural and remote nature of many county areas. This adds costs to the local authority in transporting these pupils further afield.

[3] CCN analysis of Department for Education figures, accessible [here](#).

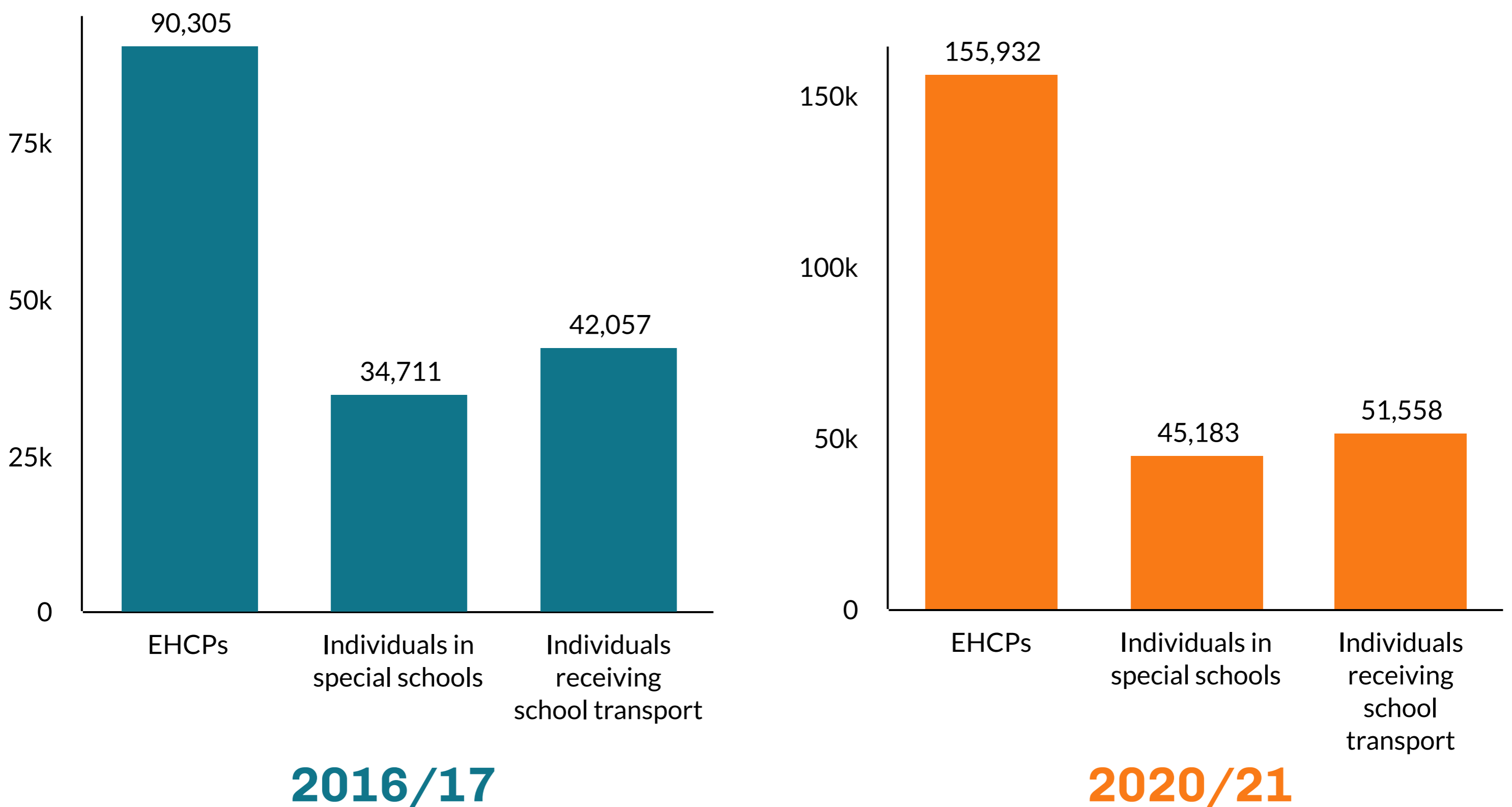
[4] <https://www.countycouncilsnetwork.org.uk/costs-of-special-educational-needs-services-could-break-council-budgets/>

[5] <https://www.gov.uk/government/news/major-review-into-support-for-children-with-special-educational-needs>

[6] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/772913/Post16_transport_guidance.pdf

Over the period 2016/17 to 2020/21, the number of pupils attending state-funded special schools in the 36 counties CCN represents has increased by 28% - from 42,057 in 2016/17 to 53,974 last year. Of the 28 councils who supplied data to this report, the percentage increase in young people attending special schools was higher at 30% - from 34,711 in 2016/17 to 45,183 in 2020/21.[7]

Figure 4: EHCPs, individuals attending special schools, and number of SEN pupils carried comparison

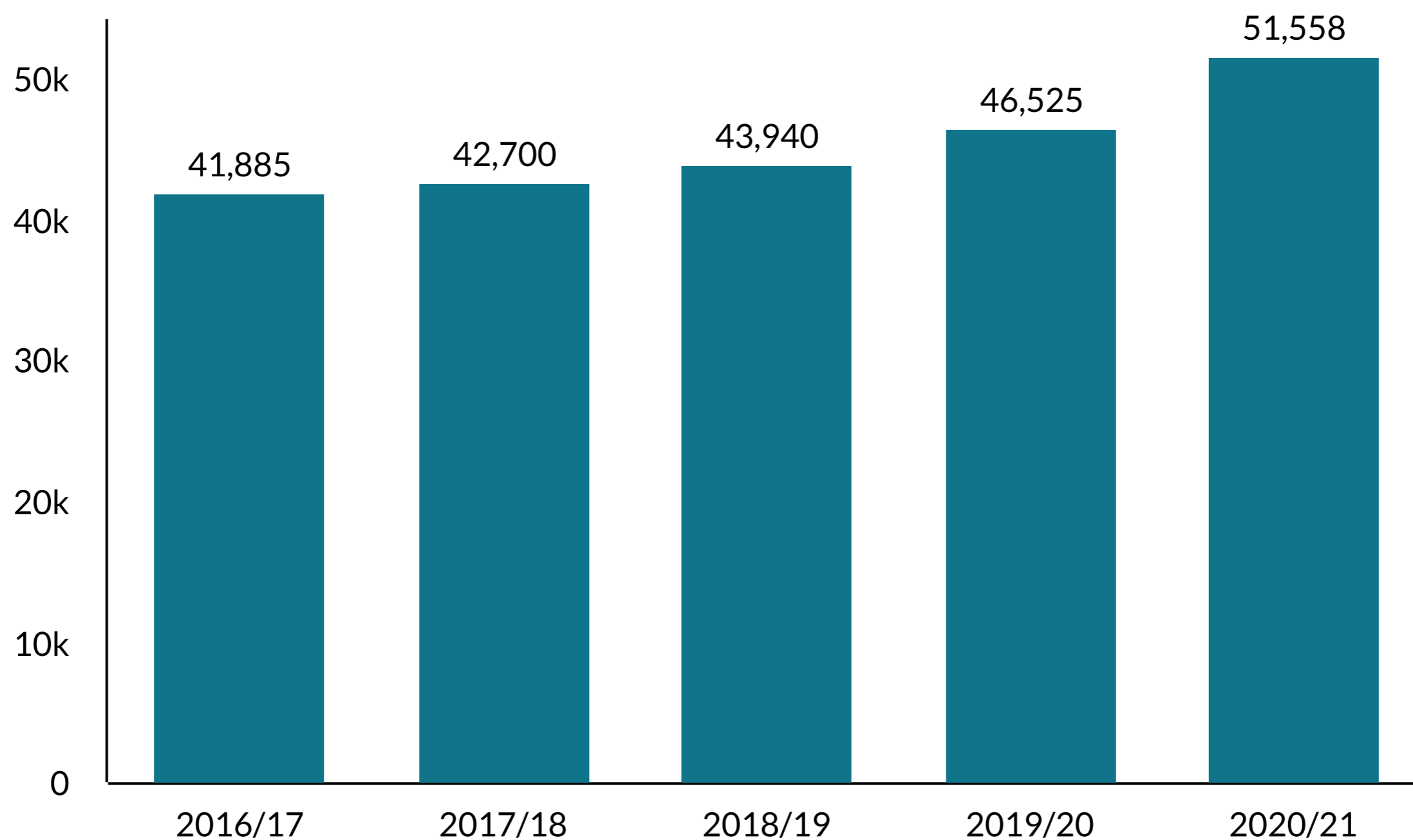


More broadly, county areas continue to see population increases every year, and each of the 36 counties that CCN represents are projected to see growth each year in people living in them. This trend could be increased by the pandemic, with well-documented anecdotal and polling evidence showing that people are moving out of cities and densely populated urban areas for properties in county and rural locations.

These factors are borne out in the numbers of SEND pupils travelling on home to school transport over the last five years. Data from 28 councils in the CCN membership shows that in 2016/17, there were 41,185 SEN pupils using the service, but by 2020/21 that number had risen to 51,558: a 25% increase. Based this evidence, it is likely that these increases will continue in future years.

[7] CCN analysis of Department for Education figures, accessible [here](#).

Figure 5: Number of SEN pupils carried



County authorities said that over the last few years, more young people with complex and specific needs were approaching their council for transport, and the nature of these individuals' needs, and circumstances were driving up costs. These could be individuals with very complex medical needs or those with challenging behaviour. Due to their specific needs, councils are unable to place these individuals on school buses and instead in more individualistic types of transport, such as taxis and minibuses.

As outlined above, the lack of adequate spaces in specialist schools were also cited as a contributory factor to increasing costs. One council said that a possible solution to this issue is to work more closely with those in education, so a child and their family are encouraged to attend the nearest appropriate school rather having to travel a significant distance. This should mean involving transport as an issue at the onset of the ECHP process, rather than at the end.

Other local authorities pointed out that a lack of market competition in the area, was contributing to rising prices in SEN transport. This is an issue that be made worse by some providers going out of business over the last two years of the pandemic. At the same time, inflation continues to grow and reached a 30-year high of 5.4% in January 2021. This, coupled with increases in the National Living Wage, will push up unit costs for councils.

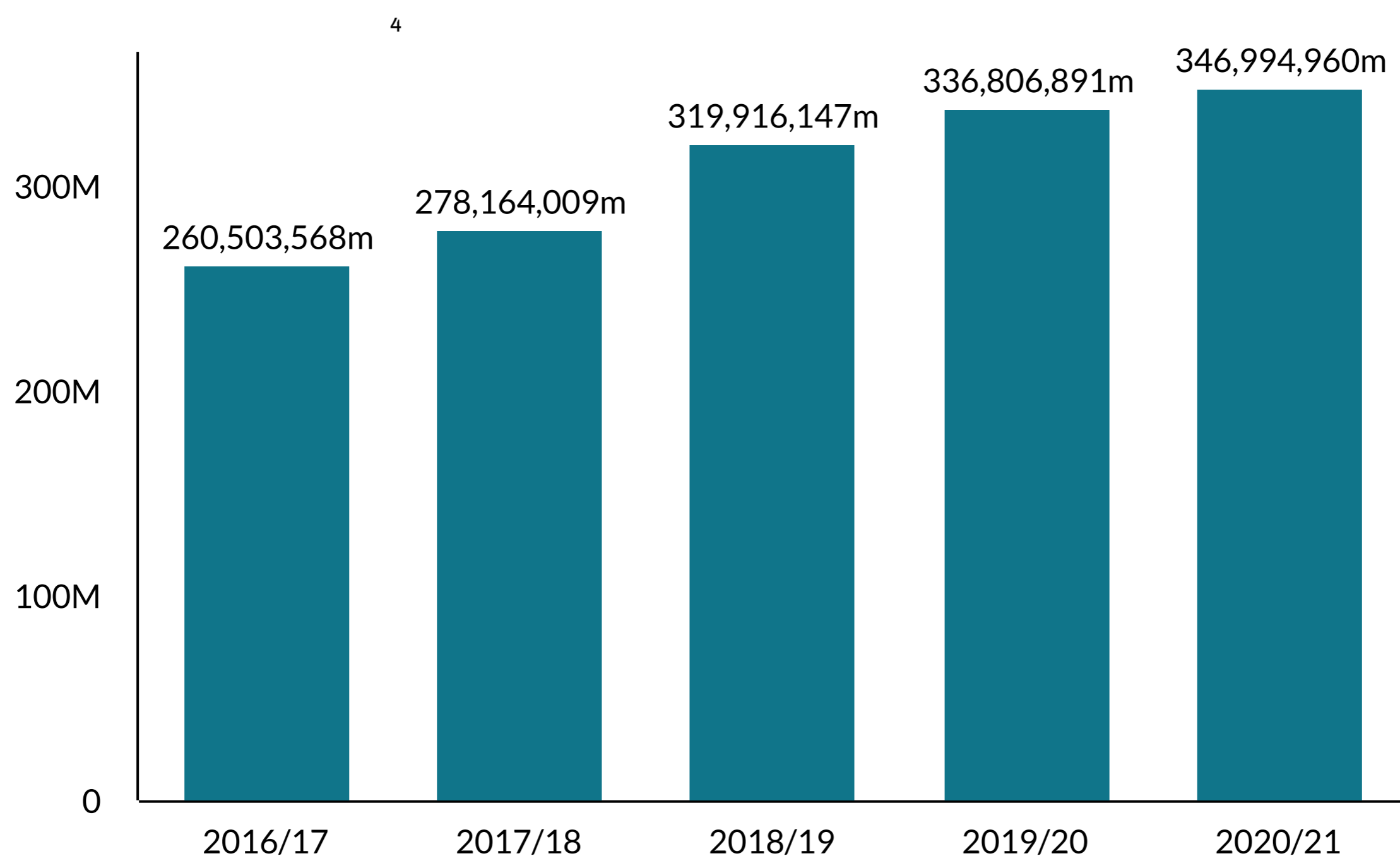
The four main factors that county authorities identified were driving up costs in SEND home to school transport are summarised as follows:

- Increased demand
- Young people presenting with more complex needs who require specific transport
- A lack of suitable local placements in specialist schools, meaning young people have to be transported further
- Inflation and other cost increases

As a result of these factors county authorities' expenditure on SEN home to school transport rose dramatically over the last five years, as Figure 6 below shows.

Data from the 28 councils who supplied information shows that their SEN home to school transport expenditure rose from £260.5m in 2016/17 to £346.9m in 2020/21: a 33% increase. To put this figure in context, it equates to around 11% of the average county authority's entire children's services budget.

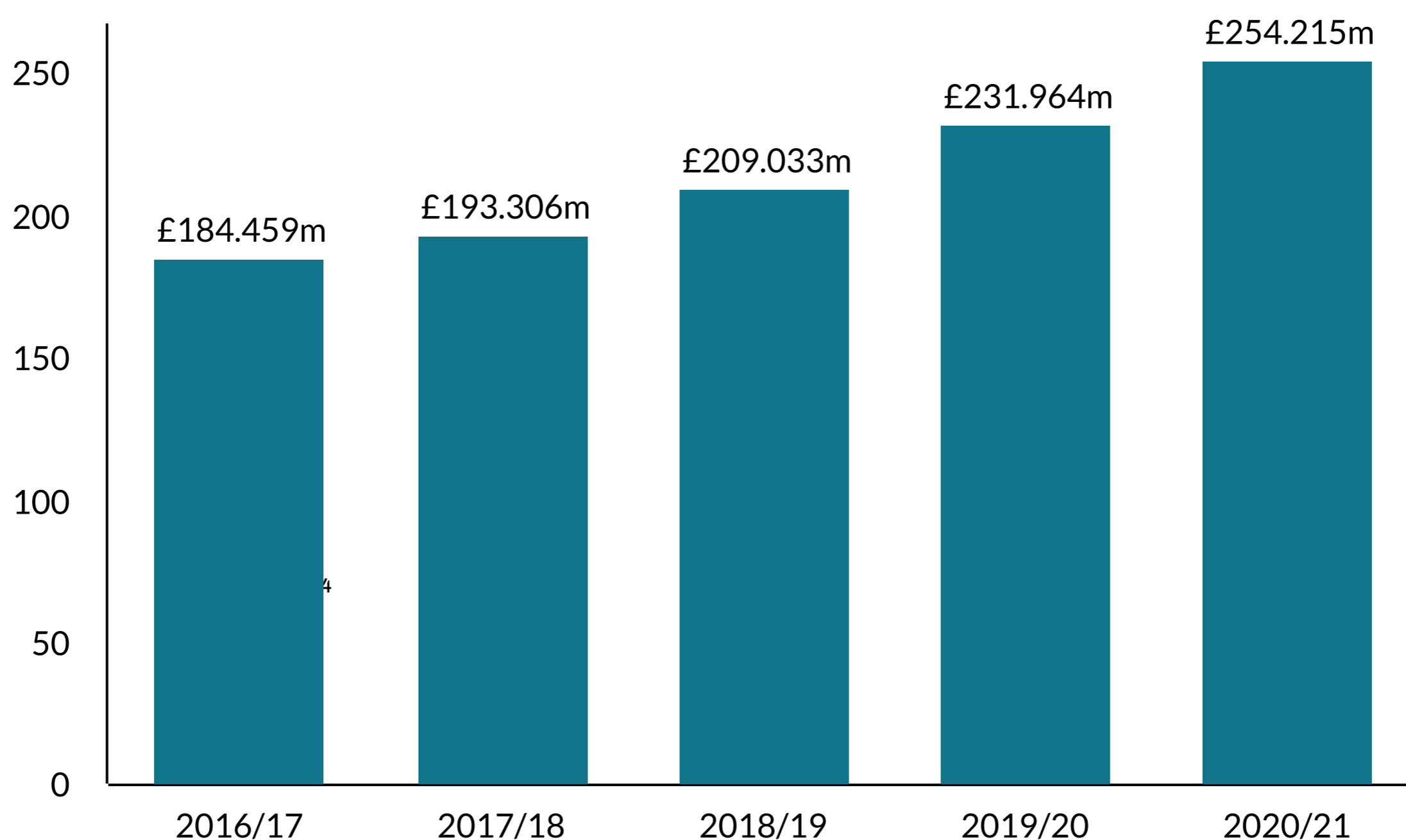
Figure 6: Expenditure on SEN pupils



In addition, the average yearly cost per SEN pupil increased from £5,893 in 2016/17 to £6,099 in 2020/21 – an increase of £206 per head. This data was based on information from 21 county authorities.

Furthermore, the nature of these individuals' needs means that some young people cannot be placed on school buses where councils can achieve financial economies of scale in mainstream home to school transport. In 2016/17, those 28 councils who supplied data spent £184.4m on taxis, private hire vehicles, and minibuses, which equates to 70% of their total SEN home to school transport spend. In 2020/21, they spent £254.2m on these vehicles, which equates to 72% of their total SEN home to school transport spend.

Figure 7: Expenditure on taxis, private hire, and minibuses for SEND home to school transport

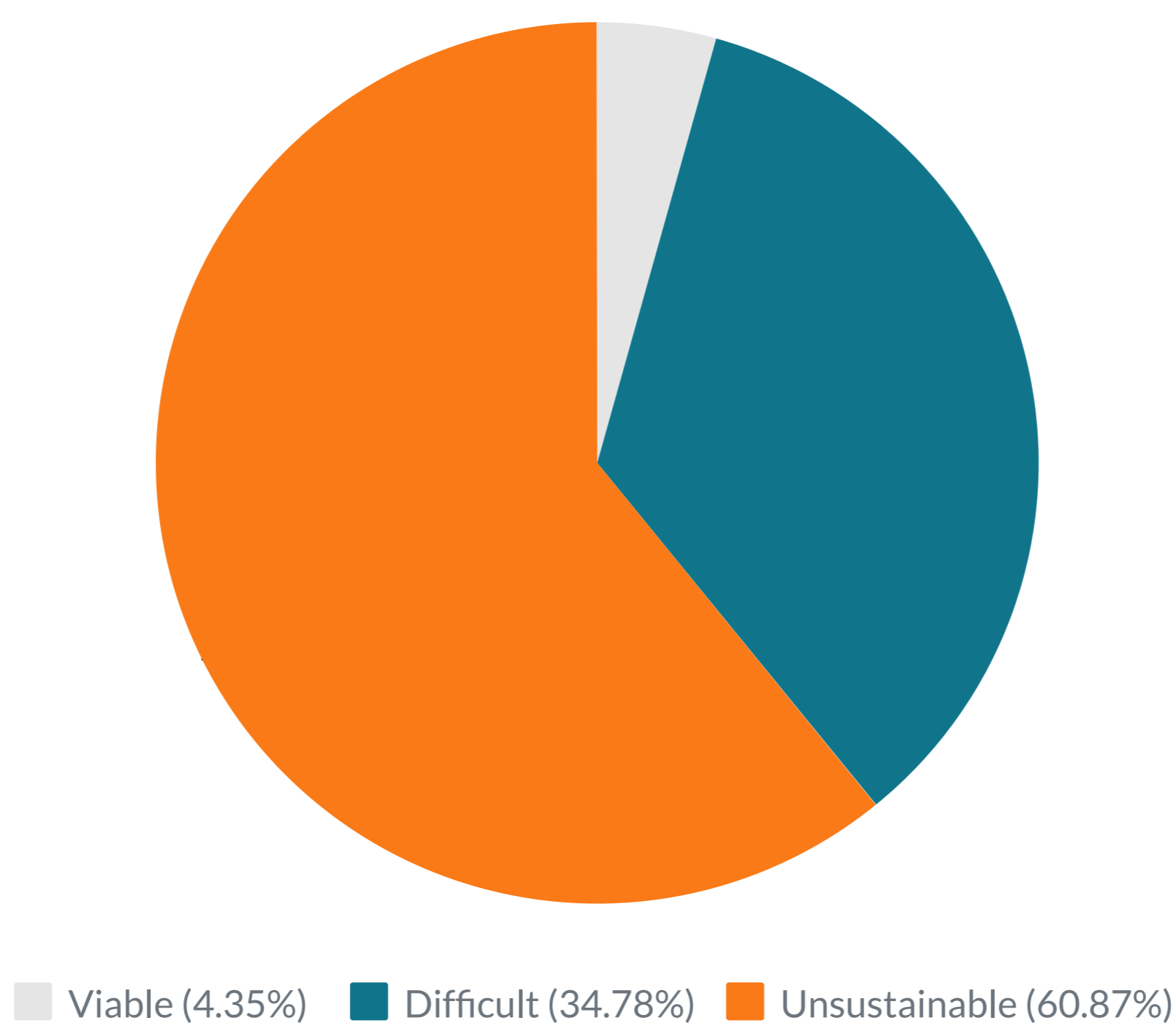


Some pupils with SEND are eligible for personal transport budgets, where the council pays that family a specific sum so they can arrange or finance travel to school, rather than travelling on a council-commissioned service. By and large, this applies to post-16 pupils where education happens at more flexible times rather than the traditional school day. Some authorities believe there could be efficiencies made within the system if they are able to roll out these personal budgets more widely, where there is parental support, but legislation currently limits this.

In light of the impact of the pandemic – which resulted in schools closing down for several months on two separate occasions – CCN also carried out a survey of its member authorities, exploring the impact of the pandemic on their home to school transport services, with a particular focus on SEND. This survey, carried out during winter 2021/22 received 23 responses – a 64% response rate.

Mirroring the data on increased expenditure, just one respondent said spending on SEN home to school transport over the last five years was 'manageable'. Over half of councils – 14 (61%) – said that the situation was 'unsustainable' for them.

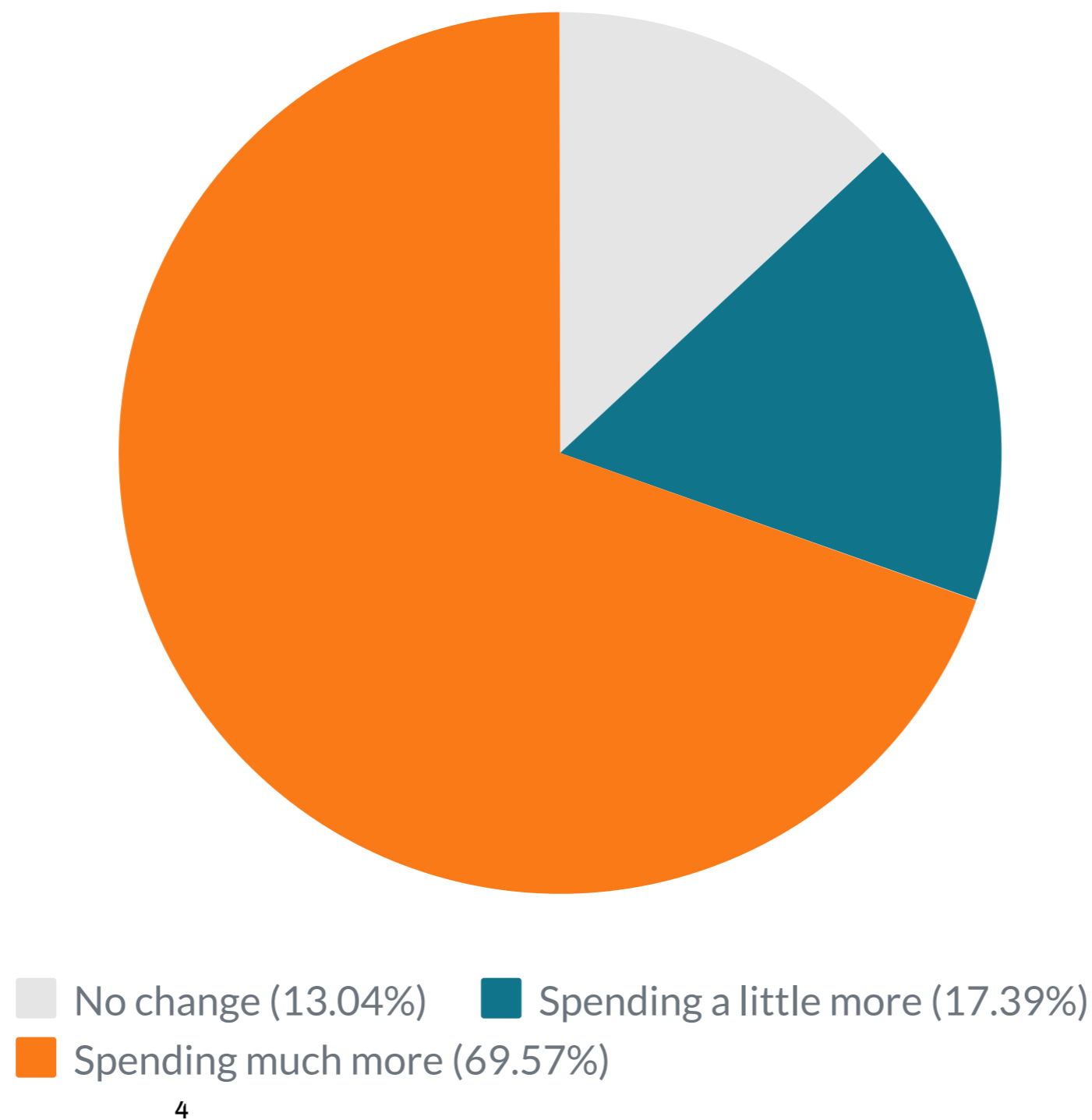
CCN survey: How would you describe your expenditure on SEND Home to School Transport over the past 5 years?



Providing SEND home to school transport is a statutory responsibility for local authorities, and the statutory minimum is defined as a young person who attends their nearest suitable school and cannot be reasonably expected to walk because of their needs. However even if it was possible to reduce eligibility, most local authorities would be unlikely to take up such an option given with the overwhelming belief that such a service represents the very essence of the role a local authority should be playing in its local community.

These issues have been made worse by the pandemic, with 16 (69%) councils saying they are spending much more on SEND home to school transport since the onset of the pandemic. This could be attributed in part to an increase in costs, such as inflation.

CCN survey: What has been the impact on your Home to School Transport spending post-Covid (based on normal pre-Covid trends)?



4

In October 2021, the government announced a programme of Catch-Up Schooling, aimed at offering extra lessons, usually after traditional school hours, to help prepare pupils for exams and to try and recoup lost learning time. The impact on this for home to school transport (both SEND and mainstream) has been mixed, according to the survey. In total, nine respondents (40%) said it had led to increased demand, with 14 (60%) answering that it had not created extra demand.

RISING FUEL PRICES

In March 2022, fuel prices reached record highs, with petrol prices on average reaching 1.67p a litre and diesel costing 1.79p a litre.[8]

These increases have had a significant impact on the costs for providers of home to school transport, whom local authorities commission to provide these services. As a consequence, in the first few months of 2022, county authorities have reported that providers are retendering for contracts early, with these retendered contracts coming back at up to 20% higher than previous contracts.

These local authorities have said that smaller coach and private hire companies, as well as individual taxi firms, are most impacted by fluctuating and rising fuel prices, as they do not have economies of scale of larger companies. This is likely to impact on SEND school transport the most, as due to the specific needs of these pupils, many of them require taxis, minibuses, or private hire vehicles. One local authority said that the cheapest bid for a route to a special school was £354 a day, whereas this would have cost £250 a day previously. Before these rises, the 28 county authorities that supplied data for this report spent £244m on private hire, taxis, and minibuses for SEND school transport in 2020/21.

Having set their budgets for 2022/23 already, this places counties in a difficult position. One authority said that it procures contracts worth £22m per year for both mainstream and SEND home to school transport, so even a minor rise would potentially cost hundreds of thousands. If a local authority chooses not to pay the higher rates being requested or retendered, this runs the risk of the provider pulling out of routes altogether, potentially impacting on thousands of pupils, many of whom the local authority will have a statutory duty to provide free transport for.

Some counties also said there was a slight risk of being unable to find a replacement contract because of market shortages - and therefore children cannot get to school. However, it is likely that many will have to pay the higher contracts or rates being requested, either by allocating extra money to their home to school transport budgets, or by reducing services - or both. To avoid this, the CCN is calling on the government to provide short-term funding support to local authorities to enable them - and providers - to get through this period where fuel prices are at their highest on record.

[8] <https://www.bbc.co.uk/news/business-60832115>

RECOMMENDATIONS

1

The government's long-awaited SEND Review must be published as soon as possible in 2022, and it must set out a sustainable solution - including funding - to address reasons and costs behind the rise in young people becoming eligible for EHCPs.

2

Councils should have an immediate injection of funding to support them to pay the higher contracts that transport providers are requesting because of record fuel prices increases.

3

As part of the SEND Review, schools should be better incentivised to support children with SEND to remain in mainstream schools so that they can be educated in their closest school. This means both councils and schools working in tandem to support this aim.

4

Any distribution of core funding to councils from the government should take into account the increased costs of delivering both SEND and mainstream home to school transport in large rural county areas.

5

The government's planning reforms programme should seek to establish a mechanism that better captures developer contributions, especially in two-tier county areas, so they can help fund school transport services, where the housing development is a significant distance away from the closest school.

6

The government should consider legislative changes that allow local authorities to roll out personal transport budgets more widely, if that council believes it is more efficient and this has support of parents.



COUNTY COUNCILS NETWORK

Founded in 1997, the County Councils Network is the voice of England’s counties. A cross-party organisation, CCN develops policy, commissions research, and presents evidence-based solutions nationally on behalf of the largest grouping of local authorities in England.

In total, the 23 county councils and 13 unitary councils that make up the CCN represent 26 million residents, account for 39% of England’s GVA, and deliver high-quality services that matter the most to local communities

The network is a cross party organisation, expressing the views of member councils to the government and within the Local Government Association.

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