

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.

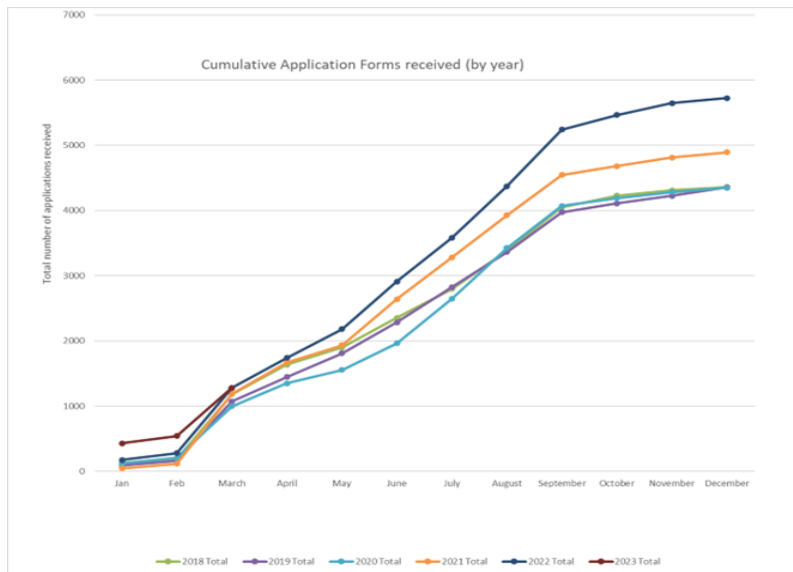
Traditionally, growth in the requirement for mainstream transport reduces after November which has not been the case this year.

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.

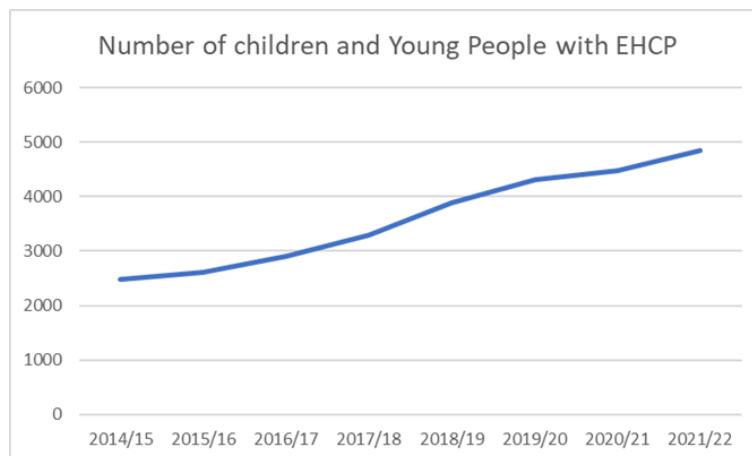


Figure 2 Graph to show the Increase in Education Health and Care Plans in Worcestershire

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

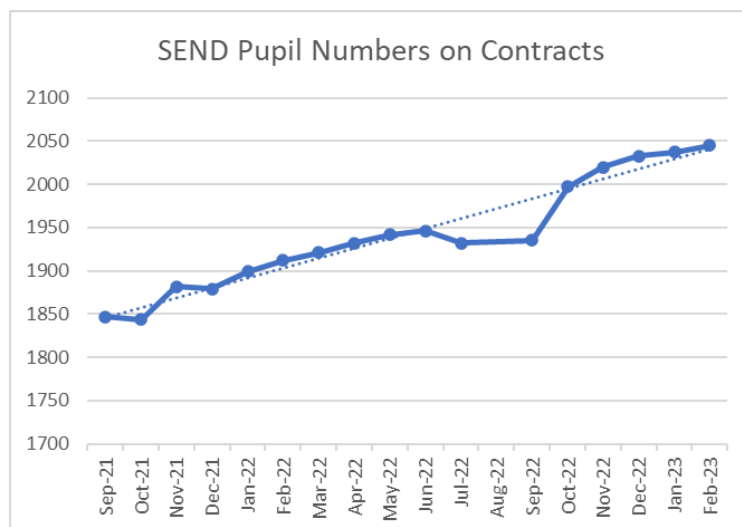


Figure 3 Graph to show SEND Pupils on Contracts Sept 2021 to Feb 2023

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.

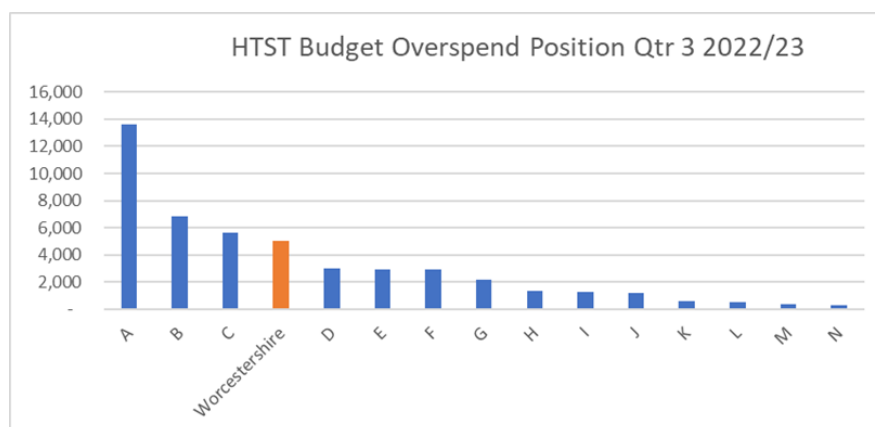
21. The main influences on the cost of Home to School Transport are:

- **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:

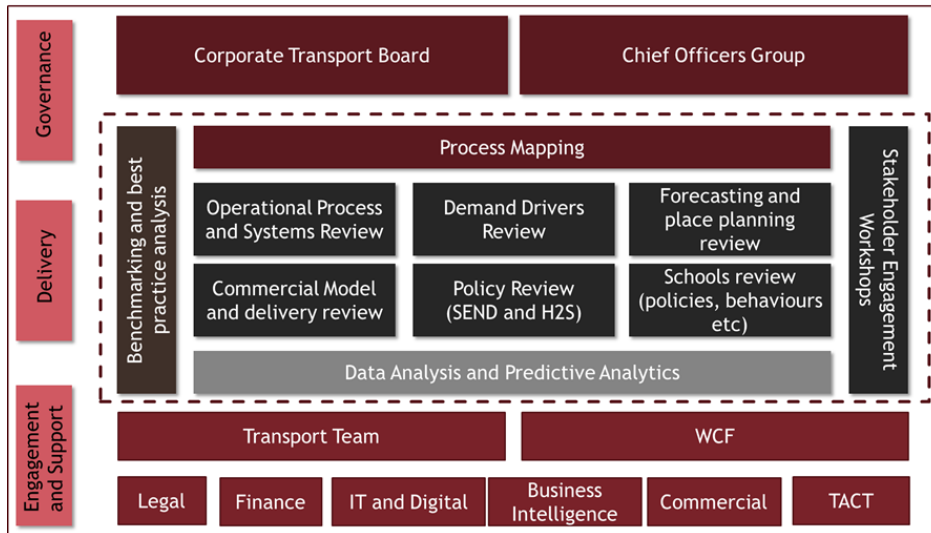


Figure 5 Corporate Transport Review Project Framework

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

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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.](#)