

# Implications of evolving education policy for bus services and costs

*pteg* - Final report

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## **EXECUTIVE SUMMARY**

### **Background and purpose**

Nearly four million young people under the age of 25 live in the six metropolitan PTE areas of Tyne & Wear, Merseyside, Greater Manchester, West Yorkshire, South Yorkshire and the West Midlands. Half of these are of school age. School and college journeys represent a significant element of children and young people's travel - accounting for an estimated third of all their trips. Furthermore, these are made at peak hours, when they have the greatest impact on congestion, but any changes to the provision of transport for these journeys is often emotive and high profile.

Bus use in the metropolitan areas is high compared to elsewhere in the country, particularly so for teenagers and young people. There are an estimated 100 million school and college bus journeys per year in the PTE areas - about a third of which are commissioned by the Local Education Authorities (LEAs) under their school transport duties (for pupils with special needs or from low income households and/or over walking distance from school). In total, an estimated £200-250 million per year is spent on subsidising and supporting bus services for travel to and from school or college in their areas.

Education policy in England is undergoing considerable change. The traditional pattern of LEA-maintained primary and secondary schools catering for pupils within their local catchment area to the age of sixteen is rapidly being replaced, and this is expected to have profound impact on the demand for transport, including bus travel.

*pteg* has therefore commissioned this work to understand:

- what and how transport is currently provided for travel to school and college in the PTE areas,
- what are the policy changes that are affecting education delivery, and
- how will these affect demand for, and the delivery of, transport, and specifically bus travel in the PTE areas

Drawing on an analysis of available data including school transport expenditure and population projections, relevant literature and research as well as consultation with PTEs, representative LEAs and further education (FE) colleges, central government and church education councils, the research provides an overview of current stakeholders, their transport provision for young people, and an assessment of future likely scenarios and the implications of the for the PTEs.

### **The current situation**

#### **Whose responsibility?**

At the national level, the DfT is responsible for determining standards for transport with the Department for Education (DfE and its funding agencies) determining overall school transport entitlement criteria and funding education (whether directly to schools or via LEAs). In addition, in England a significant proportion of schools are linked to the faith organisations and therefore the Church Councils (Catholic and Church of England) also have a national advisory role. Locally, the 36 metropolitan districts, as LEAs, are responsible for the day to day management of education, including ensuring sufficient capacity and for admissions, and for central support services including school transport. At a local level, independent schools, academies and free schools (the latter two in the state sector but funded directly by DfE), FE colleges as well as local church dioceses have a role in the funding and delivery of local education, and individual schools and colleges may have an involvement in the arrangement of transport for their own students, as for example in the West Midlands.

At the city-regional level, PTEs have responsibility for supporting socially necessary bus services (and coordinating these with education and social care transport services to ensure value for money) and administering discretionary concessionary fare schemes that may be in place for young people in their area.

This research has highlighted that in practice, the day to day role of the PTEs in organising, funding and procuring transport to and from school or college varies - from ad hoc arrangements where it commissions no dedicated supported school services and its constituent LEAs retain responsibility for arranging their school transport by using their own fleet, contracting with local taxi/operators or purchasing season tickets from operators or the PTE for use on the public transport network, through to more formalised agency arrangements whereby the PTE plans and commissions services on behalf of the LEAs, as well as supporting dedicated school services for those not entitled to statutory transport.

To some extent, all the PTEs also have indirect involvement in school and young people's travel through travel training, behavioural change initiatives and safer travel partnerships with the police.

### **Who pays?**

Across the PTE areas, an estimated £200-250m of public expenditure is accounted for by travel to and from/school and college. The vast majority (70%) of this is LEAs purchasing transport (either from local taxi/minibus operators) for pupils with special educational needs or disabilities (SEND), which accounts for the majority of their expenditure due to the high cost of providing specialised transport for these pupils, or purchasing season tickets, which are usually subsidised by the PTE through their concessionary fare budget, for mainstream pupils who are eligible to receive transport because of the distance from school or low household income. The remainder is accounted for by PTE support to bus services for school travel and support of concessionary fare schemes for young people, a proportion of which is for journeys to/from schools and college.

### **Who gets transport?**

Surveys of LEAs suggest that 4-6% pupils in the PTE areas qualify for free school transport from their LEA, equivalent to an estimated 80,000 pupils (of which about 20-25,000 have SEND). However, overall, about 265,000 children travel to/from school by bus in the PTE areas, with the vast majority travelling on the mainstream public network, suggesting more than 180,000 young people travel on buses, with fares paid by parents and subsidised from the concessionary travel budget (and in some cases by schools/colleges).

### **Evolving education policies**

The project identified the main areas of education policy change, which are expected to affect travel demands:

- Special education - including the introduction of unified education, health and social care plans to replace statements of special educational needs, designed to take a more holistic approach to identifying and delivering services, and personalised budgets where existing expenditure will be delegated to individual parents/carers. Proposed national legislation will introduce educational requirements for those with special needs up to the age of 25;
- Mainstream 5-16 year olds - including the introduction and expansion of academies and free schools directly funded from the DfE; and
- Mainstream post 16 - with the raising of the participation age from 16 to 17 in 2013 and to 18 in 2015, and the major expansion of apprenticeships, all of which have an FE component.

The impact of these on bus travel in the PTE areas is summarised below:

Policy change	Why impact on transport	Scale of impact	Effect on demand for bus services
Personalised budgets	Fragmentation of ability to plan transport services – loss of economy of scale	Low – relatively small % of pupils affected	▶
Unified plans for pupils with special needs	Likely to encourage the use of mainstream transport by pupils with special needs	Low – relatively small proportion of pupils+ affected Likely to raise expectations to 25 yrs.	▲
Academies/free schools	Encourage choice of school (longer journeys?) Diminish role of LEA as more direct funding from DfE	Medium/High – will depend on how Academies exercise powers and role of wider Academy chains/trusts	▲
RPA	Two additional year groups in education/training	Medium – likely only to affect the 8% currently NEET as vast majority in education or training already.	▲
FE sector	Greater diversity of travel – diminishing role of LEA. Expansion of apprenticeships/more flexible learning	Medium – will raise pressure to meet needs of 16+ age group and greater complexity of journeys	▲

### Quantifying the effects of education policy changes on transport demands

The likely scale of impact of these policies on demands for transport will coincide with significant changes to demography (both in terms of the overall population numbers and their location) and personal, household and public sector finances.

**Demographics:** Although the overall population of young people is not expected to grow markedly in the next five years the composition is changing, with a fall in those aged 18-24, although more continuing in education. By 2020 there is projected to be a 10%+ increase in the number of primary and secondary school age pupils across the PTE areas, and several areas are already reporting pressure on primary school places. The main impact is expected to be on secondary school places in the next seven years, as the large cohort of primary age pupils moves through the education system. This will make managing admissions more difficult as spare capacity is removed, particularly if academies exercise greater powers over selecting and recruiting pupils, necessitating transport to more distant schools for more pupils. An estimated additional 70,000 children (across the six PTE areas) will require transport by bus by 2020, largely due to the rising school population, but exacerbated by the raising of the participation age and pressure on school places.

**Personal finances:** The recent austerity agenda has disproportionately affected young people, who have seen the withdrawal of benefits such as Education Maintenance Allowances for 16+s, a depressed job market and declining wages, resulting in a deterioration of their personal finances compounded, for families heavily dependent upon the welfare system, by parallel reductions in state benefits and tax credits<sup>1</sup>. This is expected to be exacerbated from September 2013 by the introduction of charges for further education courses, which consultees expected over time to be extended from the current age of 24 years to include younger students, and the introduction of further education loans. Consultees, particularly those from the FE sector, expressed

<sup>1</sup> the Welfare Reform Act 2012 brings in a range of benefit changes, including Universal credit, a benefit cap and changes to disability living allowance  
[http://www.turn2us.org.uk/information\\_\\_resources/benefits/news\\_and\\_changes/benefit\\_changes.aspx](http://www.turn2us.org.uk/information__resources/benefits/news_and_changes/benefit_changes.aspx)

It is unclear exactly how these will affect households and individuals, but likely that those in out of work households and lone parents will be affected: <http://www.ifs.org.uk/publications/6147>

concern at the growing deterrents for young people to participate in education and/or training and of diminishing travel horizons as the availability and cost of transport became barriers to participation.

**Local government finances:** Are expected to deteriorate further in the next five years, with an 8.6% cut to revenue expenditure planned for 2014/15, and a reduction in non-ring fenced areas (such local authority expenditure that excludes school based funding) by as much as 50% by 2020, resulting in inevitable cuts to the little remaining discretionary transport offered by LEAs for some post 16 students and to denominational schools, and even greater pressure on PTE discretionary expenditure, particularly child concessionary fares and supported bus services. As the potential for further cuts to discretionary services becomes limited, it is expected that authorities will have to take a much harsher line on what is defined as 'statutory' for home to school travel, particularly relating to SEND pupils, with greater emphasis on delegating responsibility via personalised budgets and travel training to move pupils onto mainstream transport rather than providing door to door specialist transport. Funding for school transport is expected to become more fragmented, with personalised budgets, and funding directly to academies, free schools and colleges rather than via the LEAs; or will be via skills/regeneration agencies for FE spending.

The rising demands for school transport will coincide with a withdrawal of LEA funding, placing additional pressure on the remaining concessionary fare budgets and on support for bus services no longer substantially underwritten by tickets for statutory school journeys previously funded by LEAs. Consultation revealed a widespread lack of awareness of the inter-relationship between LEA and PTE funding for education journeys, and the risk is that future policy decisions made by either could adversely affect the other.

#### **A likely scenario for 2020 – 'Situation 2020'**

These evolving education policies are expected to make additional demands on bus use in the PTE areas. The main pressure will be due to **population rises**, as the school age cohort is projected to increase by more than 10-15%, and in some areas by considerably more. In addition, the **participation age will increase** from 16 to 18 by 2015. Although the vast majority of young people are currently in education or training, this change will add to expectations of participation in learning and the availability for transport, as well increase the overall numbers in education/learning or work based training.

This rise in school and college rolls will be compounded by a **greater complexity in the pattern of school and college journeys**. Pressure on school capacity is already being seen in some areas in the primary sector, this is expected to continue through to the secondary schools by 2020. This lack of capacity is expected to be exacerbated by the increase in academies and free schools, which may reduce LEAs control overall admissions and result in requirements to bus children to schools other than their local establishment. The current trend of **consolidation and specialisation of FE colleges** is expected to continue, with campuses drawing from wider hinterlands, often requiring students to travel across their conurbation to access the course of their choice. The FE sector is also undergoing considerable change with the delivery of apprenticeships and more diverse courses, where the pattern of journeys is likely to be more complex than a traditional 9am-4pm school day.

**Declining personal and household finances** are likely to offer opportunities to increase bus use by young people, as they continue to be priced out of private car ownership and use and become more reliant on public transport for journeys to/from school and college. However, this is a cohort adversely affected by reductions in welfare benefits such as the withdrawal of the Education Maintenance Allowance, a deteriorating labour market at a time of growing pressure to participate in education/learning or developing workplace skills, where costs of transport and the availability of suitable public transport and fares offers will be major factors in enabling and facilitating their participation in education and work-based learning, and employment.

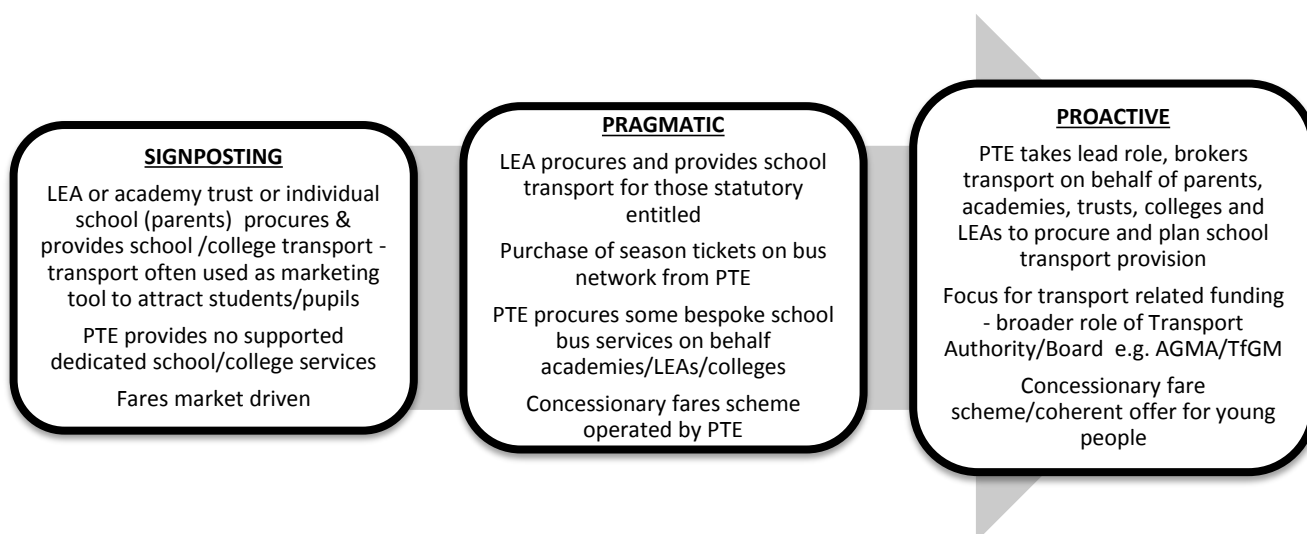
By 2020, there will be, on the one hand, continued downward pressure on personal, household and public sector finances, yet on the other rising demands for school journeys by bus, coinciding with a sharp rise in the

school population. The main funder and commissioner of those services is currently the LEAs. Given the projected decline in local authority expenditure, **LEAs will inevitably be forced to withdraw further** from this area of service delivery focussing their transport support on a smaller section of the school population, such as those with profound disabilities and/or low incomes. **Funding is likely to be fragmented** via individual academies, schools and colleges and to parents rather than allocated centrally via the LEA. It is anticipated this will leave a shortfall financially and organisationally, and a lack of awareness of the inter-relationship between PTE and LEA funding may result in particular pressures on PTEs. In some areas, proactive FE colleges and academies, especially new national chains/academy trusts, are expected to take a larger role - seeing transport as a marketing tool to compete with other providers. Public transport operators in some local areas may also take a commercial decision to provide services where it is financially advantageous to do so. Increasingly, it is expected that transport **support from central Government will be tied to delivery of outcomes** related to skills or employability, rather than based on per capita allocations as at present.

**Implications and options for the PTEs**

PTEs' role in the commissioning and delivery of bus (and other public transport) journeys to school and colleges is predicted to come under pressure as these factors combine, requiring a clear understanding of the roles and changing responsibilities for the delivery of such services and funding streams. PTEs would benefit from a better awareness amongst LEAs of the use of discretionary PTE spending to provide fare subsidies and support bus services for education journeys, and the impact changes to LEA funding and local policies will have on these.

However, changes also offer opportunities for the PTEs in terms of how they choose to position themselves to respond to this changing environment for example whether as an organisation that signposts parents and young people to other commissioners and providers, leaving the procurement of school and college bus services and fares offers/financial support to individual operators or education providers. Alternatively, PTEs may take a quasi-commercial role in managing the bus network for young people, acting as a broker on behalf of the emerging and wider range of transport commissioners - from individual schools and/or parents to academy trusts and colleges. In shaping their role in this new environment, PTEs may choose to be proactive in harnessing and drawing on wider funding streams such as those for regeneration, skills and employment, to provide a more coherent and consistent service and fare offer for young people in their area.





	What/why	Impact	Bus demand	Organisational change	Potential PTE Influence
Demographic	<ul style="list-style-type: none"> <li>➤ Increasing population overall in metropolitan areas</li> <li>➤ Birth rate risen/continues to rise. Immigration projected to rise, e.g. accession countries with local concentrations in city centres</li> </ul>	<ul style="list-style-type: none"> <li>➤ Secondary rolls expected to increased 10%+ will be expected to increase demand for bus journeys as % travelling by bus higher for secondary than primary pupils</li> <li>➤ &lt; 15-25 year olds</li> <li>➤ Shortage of places across areas will mean more likely to have to travel to more distant school</li> </ul>	<ul style="list-style-type: none"> <li>▲</li> <li>▼</li> <li>▲</li> </ul>	No	LOW
Economic	<ul style="list-style-type: none"> <li>➤ Weak macro economy &amp; reduced public sector expenditure</li> <li>➤ What is funded will be directed to schools/colleges and parents rather than via LEA central allocations, and/or linked to outcomes such as NEETs</li> <li>➤ Weak household and personal finances especially for young people as benefits withdrawn and job market remains weak</li> </ul>	<ul style="list-style-type: none"> <li>➤ Reduced funding via LEA will lead to ↓ discretionary transport/support - withdrawal of remaining denominational, post 16 transport etc and sharper focus on minimal statutory functions</li> <li>➤ Devolved transport budgets to parents - may be as cash or card - but likely to be accompanied by moves to reduce public expenditure. Concerns about safety standards.</li> <li>➤ ↓ car travel – shift to public transport esp by young adults as they are priced out of car ownership and use</li> </ul>	<ul style="list-style-type: none"> <li>▼</li> <li>▼</li> <li>▲</li> </ul>	<p>Significant - shift of responsibility from LEA to new academies/trust chains and colleges.</p> <p>Significant – direct purchase of transport by parent</p>	<b>HIGH</b>
Education	<ul style="list-style-type: none"> <li>➤ Reduced proportion of pupils with special needs receive statements, unified plans and expectation of special needs support/education to continue to 25 years</li> <li>➤ Raising participation age with increase school/college rolls</li> <li>➤ Academies/Free schools</li> </ul>	<ul style="list-style-type: none"> <li>➤ Encouragement to mainstream - emphasis on travel training, independence development - move from special/dedicated transport to public transport network</li> <li>➤ 16-18 in FTE will increase but likely also to emphasise and encourage participation up to age 25 (esp special ed), which will raise expectations for access to colleges</li> <li>➤ Greater complexity of journeys as schools fill up and bussing to more distant schools required. May be less cooperation between schools regarding admissions as less flexibility available and Academies exercise their powers more.</li> </ul>	<ul style="list-style-type: none"> <li>▶</li> <li>▲</li> <li>▲</li> </ul>	<p>Greater role of FE colleges and other agencies</p> <p>Significant – depending on scale of transfer to Academies</p>	HIGH

# 1. Introduction

## Background and aims

*pteg* represents the six Passenger Transport Executives (PTEs) - Greater Manchester (TfGM), Merseyside (Merseytravel), West Yorkshire (Metro), South Yorkshire (SYPTe), Tyne and Wear (Nexus) and the West Midlands (Centro). For many years *pteg* has been undertaking research into the travel needs and aspirations of young people, and prompting debate on how public transport use by young people can be encouraged. *pteg* has produced recent guides for young people and the bus sector on addressing their needs and working with them.

This research continues that theme, but is focussed on the education journeys that are made by young people to and from schools and colleges, and takes a forward look to assess what the likely demands on the bus network will be. Transport is often regarded as an enabling service - facilitating attendance at school, college, employment, leisure or social activities. However, the lack or unaffordability of transport can also constrain the effective delivery of other services - such as education and health, which are undergoing a period of notable change.

The specific aims of the project are therefore to:

- establish an understanding of the current population of young people and school pupils within the PTE areas including how they travel and the significance of education journeys;
- identify the current extent of education transport across the PTE areas, in terms of who is commissioning that transport, what type of transport is provided, its scale and, crucially, its cost;
- review the current issues and challenges that are affecting education transport demands and provision including providing an understanding of the policy changes that are likely to affect the PTE areas in the next five - ten years;
- identify likely future demands and costs and where pressures are expected to arise from; and
- point to a way (or ways) forward for PTEs.

## Methodology

This work was undertaken from late 2012 to April 2013, and has been based on a review of relevant data including travel to school data from the school census and national travel surveys, demographic statistics including Census 2011 data and population projections, and school transport expenditure information abstracted from the individual s251 returns<sup>2</sup> for each LEA. As there is no central data that collates the number of children receiving free school transport from the local authorities, an email request was sent to the 36 metropolitan districts for further local information on the numbers of pupils they provide with transport support.

The review of education policy has been drawn from published Government statements, relevant literature and discussion with local education authority and further education (FE) college staff. The opportunity has also been taken to gain a national perspective from discussions (by telephone, email and face to face) with key stakeholders, including special education pathfinders and national representative organisations, such as the Catholic Education Council.

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<sup>2</sup> Data on education expenditure required by Central Government under Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009

An understanding of the current organisational arrangements and likely future impact has been based on discussions with the following, and we are grateful for their enthusiastic contribution to the project throughout:

- PTE staff in each of the six areas and associate member Nottingham City Council;
- LEA staff in local authorities across the UK;
- the Catholic Council; and
- Manchester College.

From the initial consultation and review of the data was clear that the critical medium time horizon for the PTEs would be the next 5-10 years, and therefore the report focuses on trends during the period to 2020.

***Establishing a baseline - education  
travel in the PTE areas in 2013***

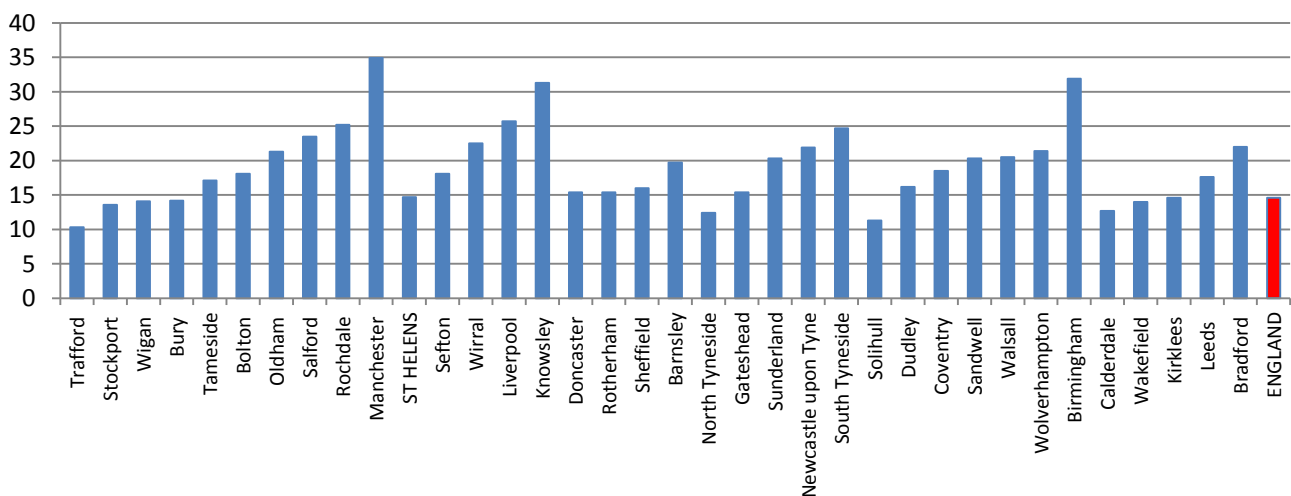
## 2. Young people in the PTE areas

There are an estimated 3.7 million young people aged under 25 years who live in the PTE areas in England and the six PTE areas account for nearly a quarter of all young people in England<sup>3</sup>. Young people (under 25 years) represent about a third of the total population in the PTE areas. Almost half of young people are of school age and there are nearly two million school pupils in the PTE areas, who attend more than 5,000 schools. The PTEs vary considerably in terms of size - with the West Midlands and Greater Manchester the largest, accounting for 467,000 and 422,000 pupils respectively. Overall, the PTE areas are younger and more ethnically diverse than the UK overall.

The metropolitan districts rank highly in terms of child deprivation, with only the districts of Trafford and Stockport below the English median proportion of households where children or the family is in receipt of certain means tested benefits. However there are wide variations between and within the PTE areas, with deprivation often highly concentrated even within districts, as illustrated by the figures below for free school meals.

The proportion of pupils in receipt of free school meals (FSM)<sup>4</sup> is often used as a proxy measure for levels of child poverty. In only eight of the 36 metropolitan districts was the level of FSM below the English average in 2011. Again there are wide variations even within PTE areas - with Manchester, for example, having more than three times the proportion of secondary school pupils in receipt of FSM than Trafford, and a similarly marked difference is seen between Birmingham and Solihull.

**Proportion of secondary school pupils in receipt of FSM Jan 2011, by district**



The majority of those aged 16 - 18 in the PTE areas continue into full time education or learning, however about 8% are termed NEETs i.e.- Not in Education, Employment or Training - and this proportion rises to more than double this if 18-24 year olds are included. These young people have been the focus of extensive policy

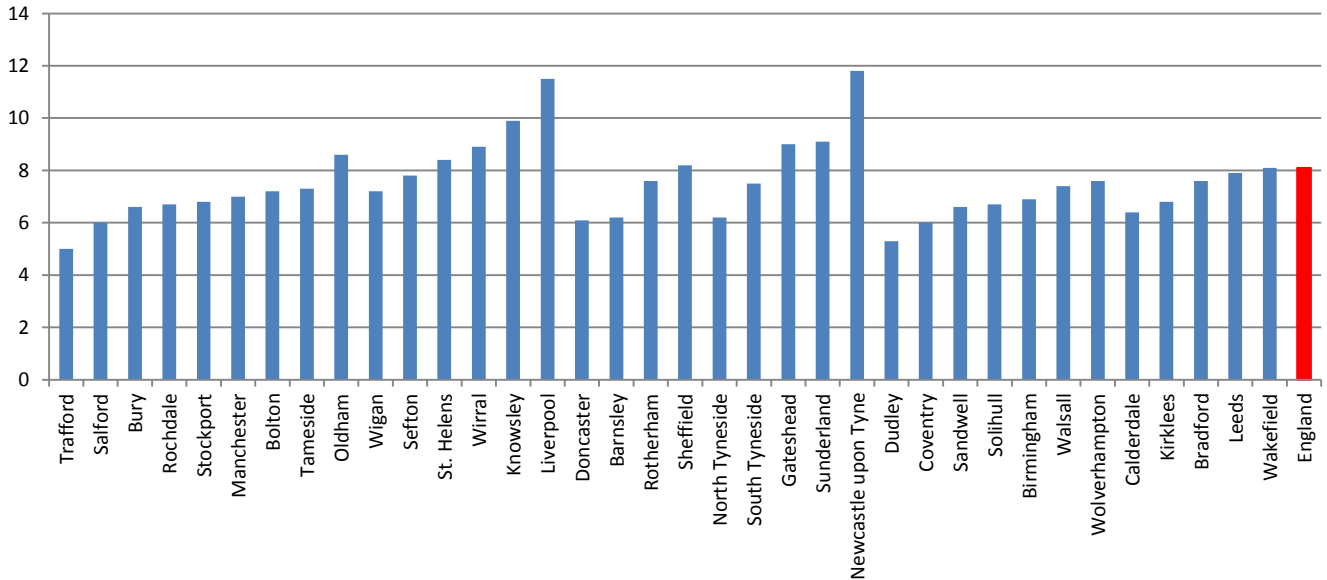
<sup>3</sup> To assist in the narrative, many of the data quoted in this report relate to the six PTE areas combined. The impacts on individual PTE areas can be approximately assessed by applying the % shares shown in the table on page 8.

<sup>4</sup> To qualify for free school meals households must be in receipt of Income Support, Income-based Job Seekers' Allowance, Income-related Employment and Support Allowance, Support under Part VI of the Immigration and Asylum Act 1999, the Guaranteed element of State Pension Credit or Child Tax Credit (provided they are not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190, as assessed by HMRC).

discussion relating to education, skills and transport, and there has been debate as to the influence the cost and availability of transport has on participation rates, choice of course and attainment by young people.

In January 2011<sup>5</sup>, there were more than 31,000 NEETs aged 16-18 in the PTE areas - although again there are wide disparities between individual local districts, as shown.

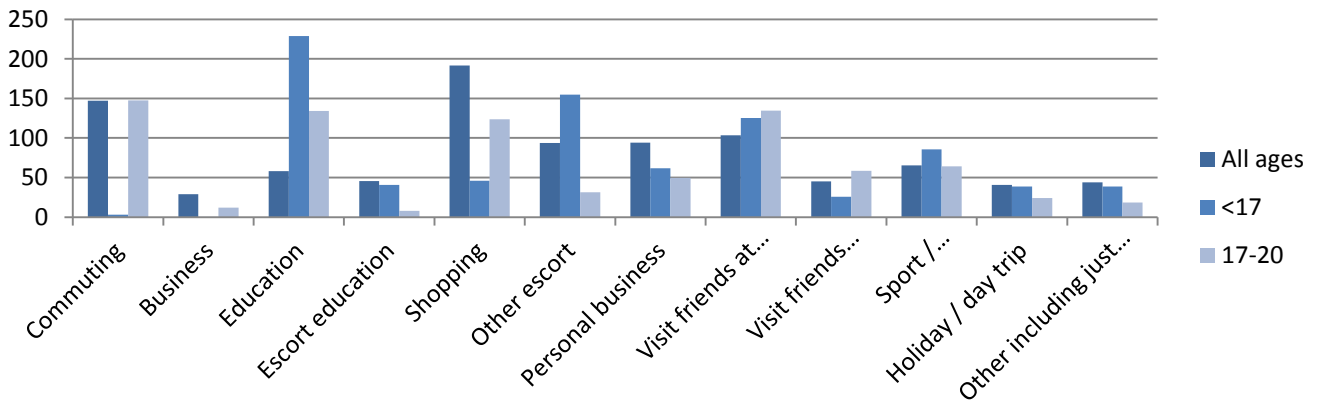
**Proportion of young people aged 16-18 termed NEET , by district, Jan 2011**



### 3. Young people's travel to school and college in the PTE areas

Travel to and from school or college represents a large proportion, typically almost a third, of all young people's travel, in terms of the number of trips. As expected, travel to and from school is an especially important journey purpose for those under 17 years of age<sup>6</sup>.

**NUMBER OF TRIPS BY AGE AND PURPOSE, 2010**



<sup>5</sup> DfE 16-18 NEETS by local education authority area, January 2011.

<sup>6</sup> DfT National Travel Survey 2010 Table 0611

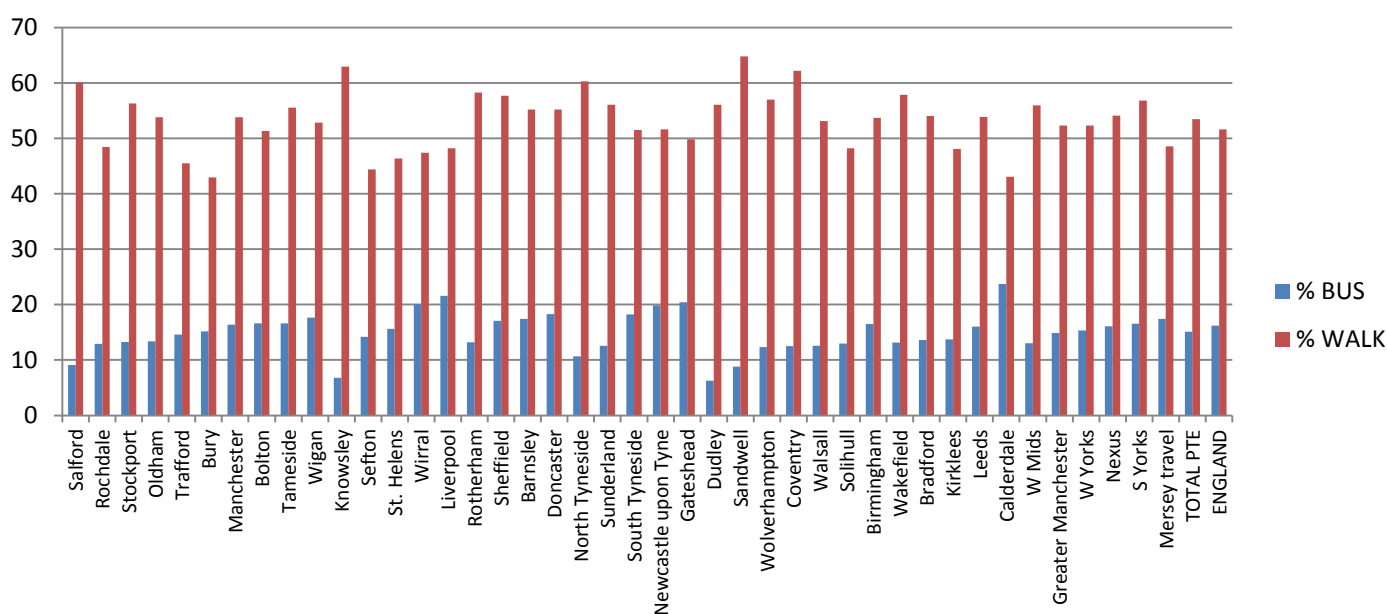
As these journeys to school and college usually occur at the peak time of the day they have a disproportionate impact on the local road network, traffic congestion, air quality and, critically for *pteg* and its members, on the demands for local bus services and the costs of bus (and other public transport) operations. Young people's travel needs also have an impact on the journeys and travel choices of family and carers, demonstrated by the level of education escort journeys, which affect wider household travel patterns.

Young people are heavily reliant on public transport, and particularly on local buses, with 17-20 years olds being the most likely of all age groups to use buses. Bus use peak sat about 129 bus trips per person per year for this age group - more than double the level of bus use by those aged 30-60.

Bus use by young people and children is particularly important for the school journey. Although a large proportion of pupils are able to walk to and from school in the PTE areas, 15% of young people travel to school by bus. For secondary age pupils this rises to nearly a third of all pupils, and a similar pattern is seen across the other urban areas, such as Bristol, Leicester and Nottingham. In the six PTE areas this is equivalent to about 265,000 children travelling to and from school by bus each day - representing up to more than 100 million bus journeys per year<sup>7</sup>, excluding parental journeys made to accompany children to/from school.

The level of bus use for the school journey shows marked differences across the PTE areas and by district - with the West Midlands having the lowest proportion and Merseytravel the highest. At individual district level the use of bus ranges from a low of 6% of pupils in Dudley to nearly a quarter in Calderdale. In part this reflects geography, with some authorities achieving high levels of walking as distances to school are relatively short, and therefore lower proportions travelling by bus would be expected but is also likely to reflect local policies, practice and availability/cost of public transport. These wide discrepancies between the PTE areas and within the areas would merit further investigation to determine whether particular factors around fares or marketing have contributing to achieving high levels of bus use.

**PROPORTION OF SCHOOL JOURNEYS BY BUS AND WALK, PRIMARY, SECONDARY AND SPECIAL SCHOOLS**



<sup>7</sup> Based on 2 trips x 192 school days per year

College-aged young people make considerable use of buses to travel to education, work-based learning or training. In addition to their current travel by bus, these young people are also potential public transport users of the future. There is growing evidence that today's teenagers are less likely to aspire to, or become driving licence holders or car owners than preceding cohorts. In part this is due to a steep rise in the costs of car ownership (notably insurance costs), but there is some evidence that it is also a lifestyle choice, that is also being seen in other Western Countries<sup>8</sup> emphasising that public transport is likely to be more relevant to this next cohort of young people .

The number of children and young people travelling to school by bus includes both those receiving free transport from their local education authority and those who are travelling at parental expense (in some cases subsidised by schools or colleges) on the local bus network. There is no central data retained on the number of children receiving free school transport, however a request was sent to the authorities to provide some basic data to try and enable a baseline to be determined. The responses from the local authorities indicated that the numbers (and proportions) are relatively low, with between 4 and 6% of their school populations qualifying for free school transport. Simple extrapolation of these numbers suggests across the six PTEs about 20-25,000 pupils are transported free to and from school because of special needs, and a total of about 80,000 qualify for free transport from the LEAs (about 25% of the total travelling to school by bus). Given that the overall levels of bus use for school journeys are known from the National Travel Survey, this infers that approximately three quarters of those travelling to school by bus in the PTE areas are either on commercial services, those supported by the PTEs or directly funded by colleges and schools themselves.

	<b>Total school pupils</b>	<b>Proportion of school pupils</b>	<b>Estimated total school pupils - bus users</b>	<b>"Statutory &amp; discretionary" Estimated travelling by bus at LEA expense</b>	<b>"Non entitled" Bus at PTE, school, parent expense</b>	<b>Total aged 15-25</b>
<b>Tyne and Wear</b>	165,000	9.0%	25,900	6,600	19,300	160,300
<b>Greater Manchester</b>	423,000	23.2%	59,100	21,100	38,000	370,500
<b>South Yorks</b>	200,000	11.0%	32,250	8,000	24,250	186,600
<b>West Yorks</b>	365,000	20.0%	53,100	16,500	36,600	329,000
<b>Merseyside</b>	206,000	11.3%	36,000	8,240	27,760	199,800
<b>West Midlands</b>	467,000	25.6%	58,000	19,000	39,000	388,800
<b>All PTEs</b>	1,826,000	100.0%	264,350	79,440	184,910	1,635,000
(of which approx. 22,000 special needs)						

<sup>8</sup> [http://www.thecarconnection.com/news/1077028\\_young-people-are-driving-much-less-but-not-for-the-reasons-you-think](http://www.thecarconnection.com/news/1077028_young-people-are-driving-much-less-but-not-for-the-reasons-you-think)



## 4. Responsibility for young people's travel to school and college in the PTE areas

Who commissions, organises, administers, provides and pays for school or college transport for young people in the metropolitan areas is complex, and largely historic. Local education authorities (LEAs) have specific transport responsibilities for the home-to-school journey for compulsory school age pupils who are in maintained schools. Further education colleges and independent schools may choose to make their own transport arrangements for many of their students, taking a commercial decision to encourage access to their establishments.

In addition, local bus operators take commercial decisions regarding certain routes, and PTEs generally provide fare concessions. In some areas, PTEs support some local bus services that specifically serve young people to ensure access to education, learning and training as part of their general network maintenance and design function.

		Government		Other
<b>National</b>	<b>DfT</b>	<b>DCLG/BIS</b>	<b>DfE (and Education Funding Agency (EFA))</b>	<b>Church Councils</b>
	➤ Safety standards - driver/vehicle/operator licensing	➤ RSG allocation to local authorities for revenue expenditure	➤ Overarching education policy	Advisory
	➤ BSOG/concessionary fares	➤ FE funding via Skills Funding Agency	➤ Direct funding to Academies/free schools	➤ Academy trusts
➤ Capital funding				
<b>Regional</b>		<b>PTE</b>		
		➤ Socially necessary bus services		
		➤ Administration of concessionary fares and tickets for entitled pupils on behalf of LEAs		
		➤ Procurement of services on behalf of LEAs - varies locally		
<b>Local</b>	<b>LEAs</b>	<b>Colleges</b>	<b>Academies and free schools/independent schools</b>	<b>Church - diocesan boards of education</b>
	➤ Statutory home to school transport	Independent and commercially-led-	➤ May provide own transport and may be competitive tool	➤ Management of church schools
	➤ Discretionary home to school transport	openly competing with each other and with LEA sixth-form provision		
➤ Admissions/duty to provide sufficient and appropriate education	➤ Transport a key competitive tool			

### Local education authorities

LEAs have a duty to facilitate attendance at school by eligible pupils<sup>9</sup> - and any transport provided for those pupils must be free of charge. Eligible pupils include those of compulsory school age (i.e. rising 5 to age 16), resident in the authority who:

- live more than walking distance (2 miles for under 8s and 3 miles for over 8s) from their nearest appropriate school (which may be in an adjacent authority);
- have a walking route within this distance that would be unsafe, even accompanied as necessary taking into account the age, and abilities (or disabilities) of the child;
- those who are in receipt of free school meals or maximum Working Tax Credit<sup>10</sup> and who are over two miles from the nearest appropriate primary schools, and those who live between 3 and 6 miles of

<sup>9</sup> Education Act 1944 as amended

school (which may be a choice of the three nearest) or up to 15 miles in the case of a denominational school.

In practice, in the majority of pupils in the metropolitan areas live within these statutory walking distances of their nearest schools, and a large proportion of pupils who qualify for free school transport do so as a result of their special educational needs or disabilities (SEND).

For those aged over compulsory school age the local education authorities' duties are more ambiguous. There is an overall duty on local education authorities to develop a sustainable modes of travel to school policy<sup>11</sup> (applying to pupils up to 19 years of age), and there is a duty to develop a post 16 transport policy<sup>12</sup>, which should set out what support and provision is available for students in their area. There is no explicit requirement that LEAs should provide free transport or subsidise fares, but any provision they do make should treat further education and sixth form colleges no less favourably than post 16 students in schools.<sup>13</sup>

The LEAs also have wide powers and are able to provide transport to pupils who would not be eligible, this can be either free or at a charge. Traditionally, LEAs have been relatively generous in using these discretions, with many lowering their walking distances or providing transport using spare places on vehicles used for eligible pupils, or transport to schools other than the local establishment, and to post 16 students; however these discretions have gradually been withdrawn in the light of financial pressures, particularly since the 1980s.

The main use of discretionary powers that continue in some authorities are:

- the provision of transport for pupils attending denominational schools (other than for those in receipt of benefits). Authorities such as Calderdale and Wirral continue to use this discretion, although in Calderdale this is up to a maximum distance of 12 miles; and
- for those aged 16-18 attending college or school sixth form.

A few authorities, such as Wirral and Trafford have retained selection at 11+ and have grammar schools. They therefore have more diverse transport arrangements, and Sandwell has complex arrangements for an academy school where the catchment and transport provision was designed to ensure equality of access from across the Borough. In addition, many authorities have taken a relatively generous interpretation of transport need arising from special educational needs or disability (SEND), for example some authorities automatically provide free home to school transport where a pupil is attending a special school or where the child has a statement of special educational needs, whereas others may undertake a more restrictive assessment.

In the LEAs, responsibility for assessing transport entitlement for mainstream pupils tends to be within the Admissions (or Benefits) teams of staff, as it is linked to availability of school places and catchment areas. For special needs transport it is usually within the SEND or statementing/assessment teams. For SEND pupils the general approach is that the LEAs procure transport (usually contracting with local taxi/private hire or minibus operators, or using their in-house fleet). For mainstream pupils the LEAs either purchase tickets via the PTE, or they have an agency arrangement with the PTE who then undertake the allocation of pupils and procure transport as appropriate.

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<sup>10</sup> At present it is unclear what implications the benefit changes being introduced will have on school transport entitlement

<sup>11</sup> Education & Inspections Act 2006

<sup>12</sup> Education Act 2002 Sch 19 amends Education Act 1996

<sup>13</sup> Further & Higher Education Act 1992

## PTEs

The PTEs have three main areas of involvement with education journeys by bus:

- they may, as agents for their LEAs, plan and/procure transport, or provide bespoke school services as part of the public transport network to meet the needs of eligible pupils;
- they have broad powers (but no duties) under the Transport Act 1985 to provide concessionary fare schemes for pupils aged 16-19 in full-time education in their area. (Local authorities also now have the general powers of competency under the Localism Act that enable them to provide concessionary fares for those if they choose to). These are supported by the power to procure socially necessary local bus services, which may include those providing appropriate levels of access to education, learning and training;
- other discretionary initiatives including travel training to encourage the use of the mainstream network by those with special needs; through behavioural change initiatives - many currently being supported by Local Sustainable Transport Fund projects; and through safe travel partnerships that targets crime and antisocial behaviour on public transport.

Within the PTEs, responsibility for young people's travel is often within network planning and procurement teams, however, the relationship between the PTEs and colleges, and their respective LEAs varies widely. In Greater Manchester the ten authorities have implemented a Combined Authority under the Local Democracy, Economic Development and Construction Act 2009, set up to co-ordinate key economic development, regeneration. The Greater Manchester Combined Authority (GMCA) was established on the 1 April 2011, and provides a coordinated approach to transport (although not school transport), but includes representation from the FE college and the LEA.

Our understanding of the main relationships between the PTEs and their constituent LEAs (for pupils of compulsory school age) is summarised as follows. This table includes only the main interaction between PTEs and their LEAs regarding the organisation and delivery of home-to-school transport. It is acknowledged that in practice the day to day involvement of the PTEs in meeting the needs of children and young people is often much wider and based on historic practice, or local arrangements that have arisen for specific issues. This is, therefore, a simplified assessment and the nature of local relationships vary within individual PTE areas according to the LEA, but the summary illustrates the wide variation in 'starting points' across the PTEs, and the complexity of current arrangements. Thus there is no single template that can emerge from this work, nor is there necessarily a 'best practice' example, even a composite one.

In some PTE areas there are long-standing and well documented agency arrangements in which LEAs purchase from the PTE the transport with the associated planning and administrative services. Those PTEs that operate such systems generally reported that they worked well, saved money and were to the mutual benefit of LEAs, PTEs and local operators.

	<b>TfGM</b>	<b>Metro</b>	<b>Centro</b>	<b>Merseytravel</b>	<b>Nexus</b>	<b>South Yorkshire</b>
<b>Entitled pupils</b>	LEAs generally have transport units that procure special needs contacts; and purchase bus passes for other statutory pupils from TfGM.	Agency agreement between each of the LEAs and Metro - Metro plan and procure transport – buses and taxis - on behalf of LEAs for all eligible mainstream pupils <sup>14</sup> .  Agency arrangement with some LEAs to plan and procure SEND transport.	No agency arrangement with individual LEAs.  Individual LEAs procure own home to school transport for mainstream and special needs pupils.	LEAs arrange their own home to school transport	No formal SLA but good working relationship with the districts.	SLA with the four LEAs, sets out reasonably precisely the roles of both parties. PTE procure mainstream transport for entitled pupils where the requirement is for a minibus upwards. Taxi procurement and special needs transport remains LEA function
<b>School/college specific services</b>	TfGM also run a network of 400 supported school bus services let on a gross cost basis, catering largely for non-statutory travel, with a separate three-tier fare scale.	Significant network of dedicated school bus services procured for the combined needs of statutory and non-statutory pupils	Historically a number of dedicated school bus services supported by the PTE e.g. Green Bus, but such services no longer operate.		260 dedicated school services - mainly historic - 30% of secured services budget	School transport considered separately from the socially necessary general network services, for which separate criteria.  Mostly commercial services for schools/colleges
<b>Other young peoples' transport</b>		Strong SchoolCard Plus ticketing product to enable full travel needs to be met by a single ticket.	PTE has active involvement in safer travel initiative.	PTE has an active involvement in promotion of travel training, and safe travel initiatives - liaising with the LEAs/schools.	CAT initiative to deliver an affordable daily fare and minimise interchange penalties.	

<sup>14</sup>

This arrangement has varied from time to time, with some LEAs changing their arrangements.

The six PTEs each provide a range of fare offers for young people through their local concessionary fares scheme. These are entirely discretionary in nature, and the absence of a fare scheme does not mean that commercially driven reductions in fare will not be offered (as both Centro and Merseytravel have demonstrated in recent years).

In practice, the LEAs who purchase transport for children who are entitled to free school transport usually do so at a concessionary fare - hence the actual costs of the transport for entitled pupils is being met in part through the LEA funding and in part via the concessionary fare element by the PTE. This work has highlighted the complexity of this inter-relationship between the funding of statutory home-to-school travel – an LEA responsibility – and the use of discretionary PTE concessionary travel budgets. However overall there appears to be limited understanding by LEAs of the role of the PTEs, how they are funded or the role of the concessionary travel provisions and how they relate to school travel (for entitled and non-entitled pupils). This lack of awareness and understanding of the interplay between these two funding streams is an area the PTEs may wish to explore further. It is likely that tensions at this interface that will grow in coming years as LEAs look to withdraw their funding and entitlements, moving pressure onto concessionary fare budgets. School and parental attention is likely to then focus on PTEs. The situation is further complicated by the laudable interventions of some PTEs, who often specify fares on supported school services that are simpler, and generally lower, than are available under their own concessionary travel schemes on commercial services.

It was outside the scope of this work to refresh the data on fares, expenditure and reimbursement arrangements. Work *pteg* commissioned from Scott Wilson Transport Consultancy concluded in 2010<sup>15</sup> concern about the need for simplicity in fare offers and that for those funding concessionary fares there was a lack of clarity about who was funding what and why; there was evidence of overlap between the responsible agencies, which led to uncertainty in the value being delivered as a result of public funding. This conclusion remains valid, and discussions with consultees for this work again reinforced the need to simplify the existing arrangements and the desire for a simple, unified and easily understandable fare structure for all young people.

Each PTE also has slightly different arrangements for establishing validity for entry into the concessionary fare scheme by young people for example, by acquiring a permit, usually in the form of a photo-identity card. There is some evidence that children and young people in PTE areas regard these photo-identity arrangements as being intrusive, particularly for school journeys, and that an important part of building mutual respect between young people and bus companies is being undermined by an over-officious operational policy and a poor attitude by staff to their customers<sup>16</sup>.

There are marked differences in the 'visibility' of the concessionary fare scheme to potential users, though there are no reliable comparative statistics available to indicate what the take-up of local schemes is. In general, children or young people can claim the relevant concessionary rate on all registered local services bus services that are available. This has caused problems, for example in the West Midlands where a number of independent schools have an extensive networks of "semi-dedicated" bus services arranged by Centro for their students, and nominal, adult, fares charged on such services. Such arrangements can have major impacts on the requirement for PTE expenditure via the local concessionary fare scheme, although we have not found evidence of similar issues in other PTE areas.

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<sup>15</sup> Para 2.3.1, Concessionary fares for young people, research study, Final Summary Report January 2010, Scott Wilson Transport Consultancy accessed via <http://www.pteg.net/Publications/Reports.htm>

<sup>16</sup> Young People's Thoughts on Child Poverty Policy, Child Poverty Action Group in association with Webb Memorial Trust, December 2012.

There are a number of commercial discounts for children and young people made available by local operators, and it is relatively common for operators to offer further education (FE) (and higher education (HE)) students commercial discounts from the standard adult fares. There may be scope for a more commercial attitude by bus operators allowing PTEs to adopt a more targeted approach in their use of discretionary concessions for children and young people to meet social needs more effectively. However the problems in implementing more effective solutions may not be easy to achieve, and the barriers to ensuring operators are fully commercial in their behaviour are significant.

A recent partial national review<sup>17</sup> highlighted the commercial opportunities open to operators to exploit the price sensitivity of the young people's market. This may reflect the disproportionate adverse impact of Government budget cuts on young people (for instance, declining part-time employment opportunities and withdrawal of Educational Maintenance Allowance (EMA)).

## Colleges

The FE sector is increasingly distinct from the LEA provision of transport, although there are some examples of collaborations and good practice - for example in Manchester a co-funded post shared between the College and the LEA means that there is a level of cooperation over planning resources and identifying needs.

Overall, most of the FE and sixth form colleges in the PTEs appear to rely on the general public transport offer within their area to meet the transport needs of students. There are, however, some notable exceptions where colleges are directly providing their own transport (others also reported provided funding for transport directly to students see below), such as:

- **Halesowen College, West Midlands** - operates 17 coach routes, offering free transport (irrespective of distance although priority given to those over 3 miles) providing an a.m., lunchtime and p.m. service; and
- **Bourneville College, West Midlands** - part-funds a local bus service operated by WMSNT from Bromsgrove to the college.

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<sup>17</sup>

A better deal for young people, Robert Jack, Passenger Transport, Issue 051, February 2013

## 5. The costs of young people's education travel in the PTEs

The overall public expenditure that goes into supporting young people's bus travel to school and college is fragmented, complex and often opaque, with a low level of awareness by stakeholders as to who is funding what, and where the inter-relationships occur. The funding that is available comes through a variety of national, regional and local funding streams and this section outlines the current arrangements.

### EMAs and bursaries

Nationally, there is some direct support to young people for transport costs via the bursary scheme. The previous Labour government introduced the Education Maintenance Allowance (EMA) of up to £30 per week in recognition of the costs of continuing in further education (including transport costs) and to encourage participation in education post 16. The EMA scheme was abolished in England with the Coalition Government's cuts and replaced by a means-tested bursary scheme of £180 million (compared with the EMA spend of £564m for 2010-11<sup>18</sup>) with effect from 2011. As yet, it is unclear how many pupils qualify for this new bursary support and how much impact it is having on transport choices.

### LEAs

The LEAs account for the majority of expenditure on young people's education transport. Education spending<sup>19</sup> is split between the Schools Budget and the LEA budget - the former including spending generally carried out at school level (whether devolved to the school or carried out by the LEA including early years provision, support for pupils with special needs, pupil referral units, etc). The LEA budget covers those central functions not specific to individual schools - including education psychology and home-to-school transport. In England, the LEA budget represents about 10% of the overall gross education expenditure. However, home-to-school transport is the largest single element of the LEA budget - representing over a quarter of LEA central expenditure (which makes it vulnerable to review as LEAs look to achieve savings).

The large majority of local education spending comes from Education Funding Agency (EFA), which is responsible for distributing revenue and capital funding for 3-19 year olds (3-25s for those with learning difficulties and disabilities) and for managing the school and sixth form college estate. The Dedicated Schools Grant is allocated to local authorities (and then to schools) from central government, although there are other sources of income in specific grants from central government. In recent years these specific grants have included specific allocations to provide additional home-to-school transport for those in receipt of benefits (which was a relatively recent addition to the duties on LEAs), and to develop sustainable travel policies. Overall, there is a trend with this Government away from hypothecated grants (such as the School Travel Bursary funding and sustainable travel initiatives) and LEAs have flexibility to allocate expenditure themselves.

Nationally, home-to-school transport represents about 2-3% of LEA gross education expenditure, this proportion has remained largely unchanged for many years as education expenditure overall has also risen. Transport for SEND pupils accounts for about 60% (about £600 million) of the national expenditure on home-to-school transport of £1,058 million in 2009-10.

Expenditure on home-to-school transport has risen markedly in the past twenty years - at about twice the rate of inflation since the 1980s, despite overall numbers of pupils transported by the LEAs remaining broadly level at about 1.1 million pupils nationally (England). In part, the increased costs appear to be due to improved standards (seat belts, etc) as well as the growing proportion allocated to SEND.

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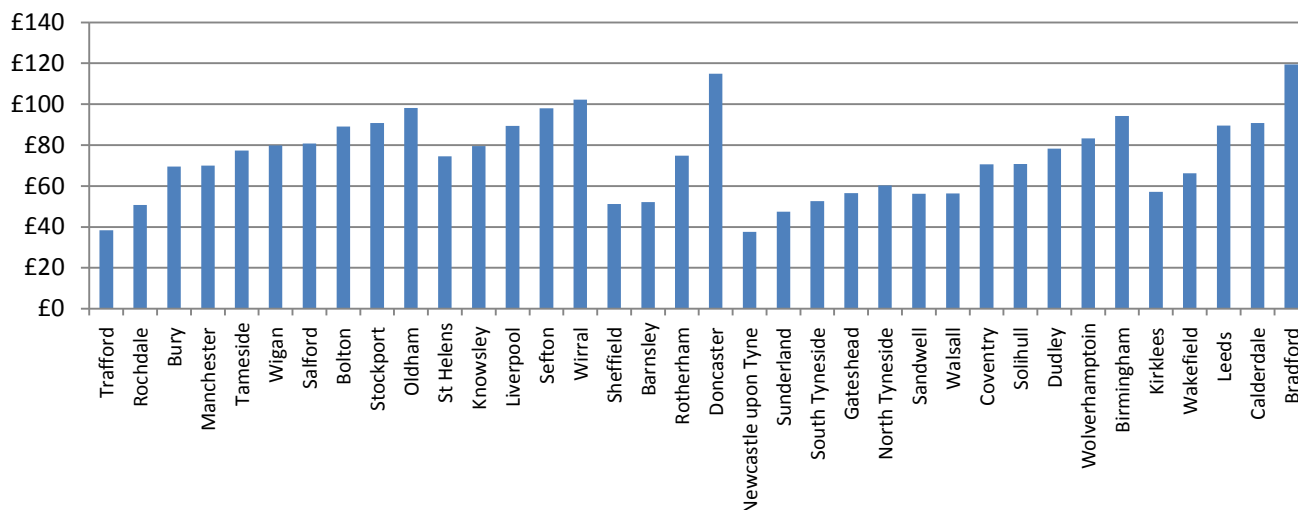
<sup>18</sup> DfE website

<sup>19</sup> LEA Spending SN/SG/5640 House of Commons Library

The budget information for 2012-13<sup>20</sup> shows that overall in the metropolitan districts £110 million was expected to be spent on special needs transport (including post 16) and a further £32 million on mainstream transport (including post 16). Each of the metropolitan districts typically spends about £2-4million p.a. on home-to-school transport.

Expenditure per capita ranges widely across the metropolitan districts and PTEs - from under £40 per pupil p.a. to over £100 in authorities including Doncaster and Bradford<sup>21, 22</sup>,

**Annual school transport expenditure/pupil, 2012-13**



The initial responses from our survey of the metropolitan LEAs regarding the costs of the home-to-school transport indicated that mainstream children's provision is costing the LEAs directly between £395 and £476 per pupil p.a.; and for SEND pupils the costs are £3,200 - £4,800 per pupil per year. (Of note is that whilst the special needs costs are comparable to the average for English LEAs overall, the mainstream costs of school transport are considerably lower at about £570 per pupil compared to typically around £700-£900 per pupil, inferring the level of cross subsidy between LEA and PTEs of approximately £150-£200 per pupil p.a. resulting from the use of concessionary fare charges to the LEAs).

## PTEs

The PTEs provide support of about £42m for child concessions (although it is not possible to differentiate school or college transport from bus and rail travel for other reasons). However, if the cost of mainstream transport in the metropolitan areas is similar to that seen in the LEAs more generally across England, this suggests that approximately £300-350 per year per entitled pupils is being accounted for by the concessionary fare support; and an estimated £10m<sup>23</sup> of the child concession budget is in effect cross subsidising the provision for pupils qualifying for LEA home-to-school transport.

Further PTE expenditure is accounted for by revenue support to operators to provide socially necessary services. Our consultation suggested that a substantial proportion of this is primarily or wholly for the purpose of facilitating access to schools and colleges, although criteria for supporting such services again varies between PTEs. In some areas this support is a mix of service and fares support combined.

<sup>20</sup> s251 Budget 2012-13, DfE

<sup>21</sup> Latest census data - January 2011 number of pupils

<sup>22</sup> Budget 2012/13, DfE

<sup>23</sup> Assuming 55,000 pupils qualifying for LEA free mainstream transport with an annual subsidy of approximately £150 -£200 p.a.



This suggests overall expenditure, including that spent or funded by LEAs, well in excess of £200m per year (excluding service support) across the English metropolitan areas for young people's travel to education. In the context of a combined revenue spend of about £1.3bn<sup>24</sup> operating revenue on public transport, this indicates that a significant proportion of total local public expenditure is accounted for by children's and young people's travel in the PTE areas.

## Further Education Colleges

FE colleges receive funding from the Education Funding Agency for students aged 16-19, and from the Skills Funding Agency (SFA) for older students. The SFA funding guidance explicitly states that the allocation for discretionary learner support includes hardship funding, although it also states that colleges "must not use the fund to make a block contribution to post-16 transport partnerships or routinely fund transport costs that are covered in the local authority's statutory duty for learners of sixth form age"<sup>25</sup>. In effect, this support should therefore go directly to students themselves, on a needs basis, for them to use to pay for individual fares.

Discussions with Manchester College confirmed that many FE colleges have stepped in with direct funding to low income students in place of bursaries, or have made decisions either to fund directly bus services.

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<sup>24</sup> <https://www.gov.uk/government/statistical-data-sets/bus04-costs-fares-and-revenue>

<sup>25</sup> Skills Funding Agency Funding Rules 2013/14 version 2

## *Evolving education policies*

## 6. Education provision and policies

This work was commissioned to look specifically at the impact of evolving education policies, and this section outlines how education is currently delivered and how this is predicted to change in the coming years to 2020.

The policy changes to education also need to be set against the context of wider local government and benefit changes, including changes to local government finance and structures. The impact education policy changes on transport demands will be compounded and affected directly by changes to the benefits structure, and wider local government finances. Finally, there are demographic changes unfolding that will markedly increase travel volumes, irrespective of any other policy shifts.

Issues relating to general funding and demographic changes are dealt with in the following chapter, allowing us to focus here on direct education policy-related impacts.

### Current provision

The 36 metropolitan districts LEAs have a statutory duty to ensure there is suitable and sufficient education in their areas. These individual local authorities in the PTEs vary in size from extremely small authorities such as South Tyneside and Knowsley with school populations of around 21,000 to Birmingham which, in January 2011, had 187,000 pupils.

The provision of education within the LEA areas has changed markedly in recent years, with growing emphasis on delegated funding from the Department for Education to individual schools (either directly or via the LEA), and greater autonomy for schools from the LEAs - most radically seen with the development of new and conversions to academy status and, more recently, the creation of free schools. LEAs, however, continue to retain responsibility for central support services such as education psychology and home-to-school transport.

#### **NUMBER OF SCHOOLS, BY SECTOR AND PTE (JAN 2011)**

	Nursery	Primary	Secondary	Special	PRU	Independent	All schools
<b>Greater Manchester</b>	19	853	164	63	30	129	1,258
<b>Merseyside</b>	13	399	89	44	8	27	580
<b>South Yorkshire</b>	6	415	73	25	13	23	555
<b>Tyne &amp; Wear</b>	21	326	66	32	9	20	474
<b>West Midlands</b>	44	778	181	65	28	88	1,184
<b>West Yorkshire</b>	13	723	129	31	15	71	982
<b>PTEs</b>	116	3,494	702	260	103	358	5,033
<b>England</b>	425	16,884	3,310	1,046	427	2,415	24,507

### Further education

The further education sector is independent of the LEAs, and individual further education and sixth form colleges are responsible for their own funding and delivery of courses. This growing separation of FE providers from the 'local authority world' has been further emphasised by the entry into the market of private sector providers and the reclassification of all FE colleges as private sector bodies, by the Office for National Statistics.

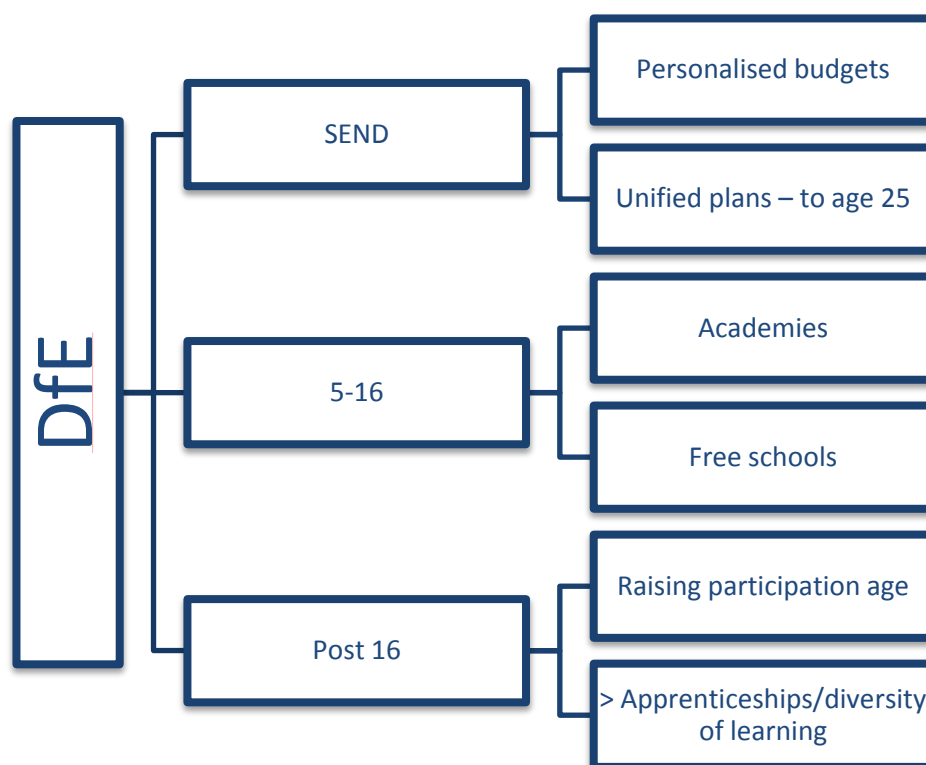
Overall, about 23% of 16-18 year olds continue into LEA school sixth forms and 40% of all 16-18 year olds are in further education or sixth form colleges. The remainder are in higher education establishments (10%), independent schools (5%), employment (6%) or apprenticeships (5%) or NEET<sup>26</sup>.

FE and sixth form colleges have been through a period of consolidation and expansion in recent years, and there is now typically only one single FE college covering a whole LEA area (and often the wider hinterland) meaning that for many students, their journeys are long.

### Evolving education policies

Discussions with consultees and review of the policy framework highlighted there are a number of major on-going and proposed changes to the delivery of education that are expected to have an effect on the demands for transport and travel across the metropolitan areas.

The main changes fall within three areas - special education & disability (SEND), the compulsory sector aged 5 - 16 years and the post 16 sector, as shown below.



Sponsored academies were introduced by the last Labour Government, however, the current Government has continued the academy programme and is encouraging the establishment of free schools and conversion of existing maintained schools to new academies, which are administered outside the local education authority remit, giving them greater autonomy and more direct funding in the belief that they will be more responsive to local needs and improve academic achievement.

<sup>26</sup> Association of Colleges College Key Facts 2012

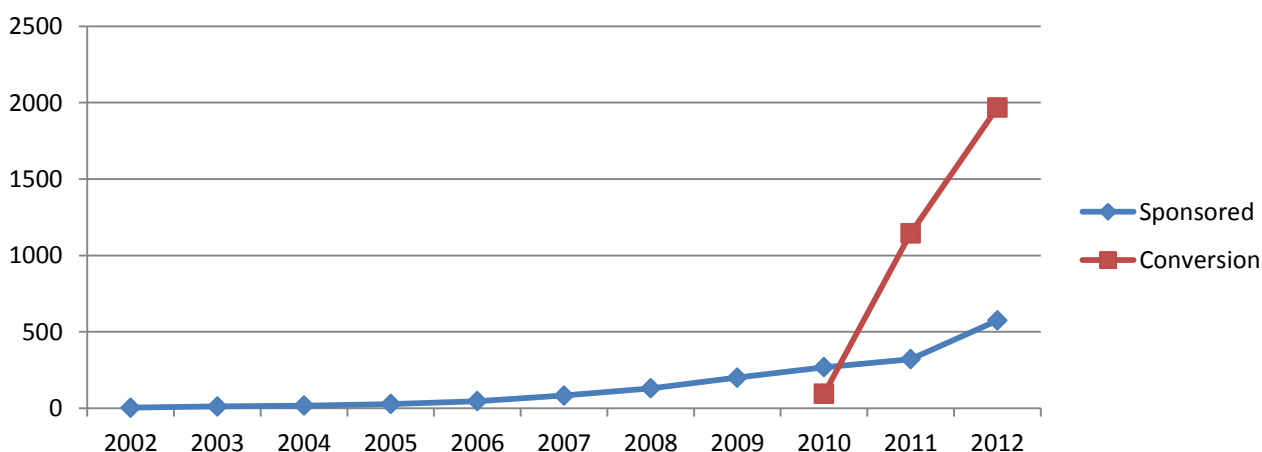
Academies are anticipated to grow in number (and influence) over the coming years. Although the introduction of academies does not change the entitlement criteria for home-to-school transport, they are likely to change school attendance patterns and journeys. There is some evidence that school journeys are gradually getting longer, a trend which greater selection and exercise of parental preference is likely to exacerbate. Discussions with the local education authorities and review of literature including the recent report by the Academies Commission<sup>27</sup> both indicate that the impact of academies to date has been relatively limited, with academies and local authorities cooperating on admissions, and no major transport issues have arisen. However, authorities (and the Academies Commission) envisage greater tensions as two factors combine as:

- academies exercise greater autonomy as they feel more confident in using their powers and, encouraged by chains of trusts, they may opt out of local authority services and instead look to their own organisations/corporate sponsors for central support, which may include transport; and
- pressure on school places becomes more challenging as populations increase, which will mean that nearest schools cease to have capacity resulting in longer journeys.

The introduction of academies (and free schools) also looks set to change the dominance of the LEAs and introduce new stakeholders with a role in managing/commissioning or procuring transport for young people, a changing landscape to which PTEs will need to make a considered response.

Free schools may also be encouraged as a means of both increasing capacity in areas where there is likely to be a growth of school aged populations. They are also being promoted in some areas as a means of delivering improved community cohesion<sup>28</sup>, or established within and by further education colleges. This could affect travel patterns as the new schools may have to draw from a wider catchment to deliver a mix of ethnic backgrounds.

**CUMULATIVE NUMBER OF ACADEMIES, ENGLAND, BY YEAR**



**Post 16 sector**

The raising of the participation age (RPA) will take effect making continuing in education or learning (or work based training) compulsory to the age of age 17 in 2013 and to the age of 18 in 2015, in effect addition to additional year groups to the compulsory school age cohort. In practice, the majority of young people are already in some form of education/learning or work based training, but continued development of

<sup>27</sup> Academies Commission (January 2013) Unleashing Greatness - getting the best from an academised system  
<sup>28</sup> New Coral College in Manningham Lane will be 'flagship' for free school, Telegraph & Argus, 16 June 2011

apprenticeships and work based learning is expected, diversifying the type of courses and placements that students will be attending and travelling to.

From September 2013, FE and sixth form colleges will be able to recruit directly full time 14 and 15 year olds onto their rolls, where the KS4 curriculum will be delivered alongside technical vocational qualification. This will accelerate the collaboration with local schools/colleges, but mean that journeys are likely to be more complex as travel is required to both the local school but (the often more distant) college, sometimes during the school day. It is anticipated that the LEA response will be to provide transport to the 'main base', with the other establishment, or individual, responsible for subsequent transport requirements.

### **Special educational needs & disabilities (SEND)**

The classification of, assessment, finance and delivery of education to SEND pupils is in the process of being altered fundamentally as central government tries to reduce the numbers of children defined as having special needs, and also brings together health, social care and education planning (and budgets), and with increased use of personalised budgets emphasises choice. Linked to the revision of special educational needs provision is the responsibility for LEAs to plan for young people up to the age 25<sup>29</sup>.

The implementation of personal travel budgets is gathering pace, and it is likely there will be major challenges as education and social care authorities further delegate budgets based on shared transport costs - calculating what these should be, ensuring they are accompanied with sufficient safeguards to require the monies to be allocated to transport e.g. via cards and maintaining quality of transport will all be major challenges.

Whilst primarily this will affect the special education needs sector, there could be a significant impact on PTEs who assist in this area, reducing the opportunities for transport coordinate and economies of scale from procurement. In short, the personal travel budget agenda is in direct conflict with the responsibility to ensure the efficient use of transport resources. However, it may also offer opportunities for development of travel training and transition to mainstream services.

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<sup>29</sup>

The Children and Families Bill is currently in the House of Lords and therefore still subject to revision.

## *Funding and demographic change*

## **7. Financial and demographic changes**

The impact of changes to education will be affected by local government financing, as well as demographic changes, and their impact on the local bus network and demands for transport will be exacerbated by population shifts as well as funding availability.

### **Local Government finance/structures**

Both the size of funding for local authorities, schools and colleges from central government, and the way in which funding is allocated are set to change in coming years. Local government has been subject to substantial cuts - representing a 9.3% reduction in two years in revenue spending, and the metropolitan districts have been among the worst hit. The latest settlement shows a 3.9% reduction for 2013/14 and a further 8.6% for 2014/15. Further cuts in later years are widely expected, with an inevitable and unwavering focus on discretionary budgets. However, there will be additional opportunities from changes to the allocation for public health, regeneration and enterprise funding:

Local authorities are also seeing a change in their remit with the Health and Social Care Act 2012. From April 2013 metropolitan districts (and other local authorities across the country) receive a ring fenced grant and have assumed public health functions from the former Primary Care Trusts. There are now new Directors of Public Health in post & Cabinet member leads are also expected to be nominated. It is expected that reduction in obesity, promotion of walking and road safety, air pollution, etc will all now fall under this new role, and the ring-fenced funding could, with the right approach, benefit public transport. In practice, discussions with authorities have suggested that much of the monies transferred for 2013-14 is already committed due to prior contracts/arrangements, and this highlights the need for discussions about subsequent years and potential transport interventions longer term.

Local Enterprise Partnerships, City Deals and area-wide initiatives particularly to address economic/skills issues are continuing, and transport remains a cross cutting theme, essential to support both access to work and learning. It has now been determined that a further 20 City Deals will move to approved stage during 2013 adding to the eight (Core City-based ones) approved during 2012. In PTE areas this will bring the Black Country, Coventry and Sunderland areas into within the ambit of City Deals meaning they will cover almost all the PTE areas.

There are planned 'apprenticeship hubs' for Bristol, Manchester, Leeds, Newcastle and Nottingham (from the first round of Deals), enabling these cities to boost apprenticeship numbers by supporting small and medium sized businesses to take on more apprentices with measures such as incentive payments. Overall, since the Coalition Government came to power there has been a general move away from hypothecated funding to local authorities, and especially in education, to allow for greater flexibility, however there also remains pressure on local authorities to devolve/delegate higher proportions of budgets to individual schools (and to individual citizens in some areas such as social care).

### **Universal credit/benefit changes**

The austerity programme has resulted in a radical overhaul to the benefit/welfare provisions, which has and continues to affect particularly young people. The level of support for post 16 year olds has declined following the withdrawal of the EMA, but it is anticipated that recent changes to Housing Benefit will also adversely affect young people. There is already speculation that FE loans may be extended to those aged 19-24<sup>30</sup>, a view echoed by discussions with college staff. The Universal Credit pilots are only now starting, and there may be

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<sup>30</sup> Times Educational Supplement 15th February 2013



significant numbers of losers amongst families with teenagers and young adults as a result of this new element of welfare policy delivery.

### Transport funding

It is likely that that transport themes from central government will centre around infrastructure investment (particularly road), to achieve longer term economic promotion. Ironically, this policy emphasis is expected to focus on a carbon reduction theme though the local sustainable development funding initiative, accompanied by some further capital funding to green buses.

The impact of reduced and refocused payment of Bus Service Operators' Grant (BSOG) has already affected the viability of commercial bus services, with Stagecoach having estimated a 1.5% increase in net costs as a result of the April 2012 changes. Whilst the opportunities associated with the DfT's plans for Better Bus Areas (BBAs) may bring some relief for the successful areas, this will have to be paid for by those who are not successful or do not apply for BBA status. It is unlikely that BSOG will escape further attention in future rounds of cuts and, with the reduction having been applied early in the current Spending Round, it would be unwise to assume that further bus service cuts can be escaped much beyond 2015. PTEs will also be under sustained, and possibly greater, pressure from their own individual districts regarding all forms of discretionary expenditure.

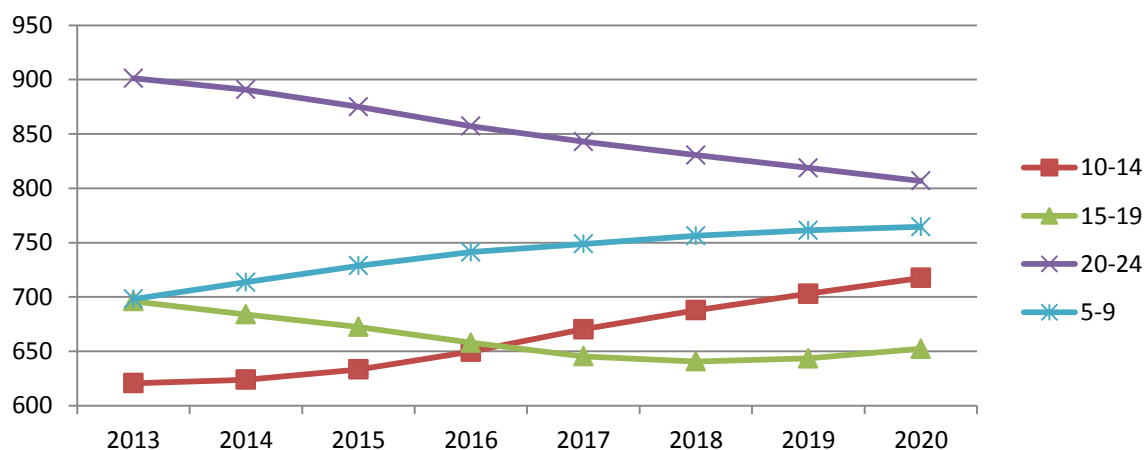
### Further education funding cuts

The Comprehensive Spending Review in Summer 2010 proposed a 25% cut in further education and skills expenditure for the three years to 2014/15, and further cuts are expected through to the next General Election in 2015 at least. The funding allocation for those under 19 in FE colleges is different, coming from the Education Funding Agency (EFA) and based on student numbers. However, it is also declining as the cohort falls.<sup>31</sup>

### Demographic changes

Over the next five years, the PTE areas are expected to see the overall population aged under 25 remain broadly unchanged, however the components of that group will see marked changes, which are expected to have significant impact on demands for bus travel across the metropolitan areas. As shown below, the 15-25 year old cohort is expected to decline through the period to 2020, but there will be a continued rise in the number of primary and secondary school age pupils.

**POPULATION PROJECTIONS, METROPOLITAN DISTRICTS, 2006-2020 BY AGE COHORT, 000s**



<sup>31</sup> Briefing on FE funding 2013-14 University and College Union

During the next seven years the population for all the PTEs, aged 5-9 is expected to rise by nearly 10%, but the cohort aged 10-14 is set to increase by almost 16%. However, this masks some wide variations at the local level, with West Yorkshire expected to see more than 11% growth in the number of 5-9 year olds and Greater Manchester, the West Midlands and West Yorkshire expected to see particularly high growth in the number of 10-14 year olds - as bus use increases as pupils move to secondary schools, expansion of this age group is of particular note.

**POPULATION PROJECTIONS BY LOCAL AREA, 000s AND COHORT TO 2018**

	Age	2013	2017	2020	% change
Greater Manchester	5-9	164.9	175.7	178.9	8.49
Merseyside	5-9	76.9	80.4	80.6	4.81
South Yorkshire	5-9	77.2	82.2	84	8.81
Tyne and Wear	5-9	59.6	63.1	63.9	7.21
West Midlands	5-9	177.6	191.7	195.9	10.30
West Yorkshire	5-9	141.9	155.6	161.3	13.67
<b>All PTE areas</b>	5-9	698.1	748.7	764.6	9.53
Greater Manchester	10-14	143.7	157.3	168.3	17.12
Merseyside	10-14	72.0	75.0	78.9	9.58
South Yorkshire	10-14	70.1	75.0	79.9	13.98
Tyne and Wear	10-14	54.5	57.4	61	11.93
West Midlands	10-14	155.1	168.7	181	16.70
West Yorkshire	10-14	125.2	136.8	148.4	18.53
<b>All PTE areas</b>	10-14	620.6	670.2	717.5	15.61
Greater Manchester	15-19	157.3	146.6	149.1	-5.21
Merseyside	15-19	81.8	73.7	73	-10.76
South Yorkshire	15-19	82.6	75.8	75.8	-8.23
Tyne and Wear	15-19	65.4	59.1	58.4	-10.70
West Midlands	15-19	168.6	158.3	161.6	-4.15
West Yorkshire	15-19	140.3	131.9	134.4	-4.21
<b>All PTE areas</b>	15-19	696.0	645.4	652.3	-6.28
Greater Manchester	20-24	205.7	190.6	182.7	-11.18
Merseyside	20-24	101.9	92.1	86.3	-15.31
South Yorkshire	20-24	103.6	98.4	93.9	-9.36
Tyne and Wear	20-24	87.8	81.5	76.9	-12.41
West Midlands	20-24	210.6	198.1	191	-9.31
West Yorkshire	20-24	191.7	182.2	176	-8.19
<b>All PTE areas</b>	20-24	901.3	842.9	806.8	-10.48

## *Scenario 2020*

## 8. Impact of evolving education policies on transport demands

### Education policy impacts

Overall, consultees and discussions highlighted a consensus that the education policy changes per se are likely to increase demand for bus use, but not significantly over the next five - seven years. However, these policy changes are expected to alter the relationships between schools, colleges, local authority and transport agencies with a diminishing LEA role in the commissioning of transport and a strengthening of the role of individual schools, colleges, parents and emerging academy trusts and chains of schools.

For pupils with special educational needs and disabilities the pressure towards personalised budgets could reduce the involvement of local authorities in planning transport and, unless allocated to card payment (such as Community cards in Merseyside), could result in transport expenditure being reallocated by households to other areas of spend, and diluting standards where parents opt to purchase from lower quality and cheaper providers. This could also reduce the opportunities to achieve economies of scale from transport planning a wider school network of routes. For students with SEND raising expectations of participation to age 25 are likely to be accompanied by pressure to make available transport to support this, but is unlikely to be matched by commensurate funding.

The move toward academies is expected to continue, but with 'conversion' academies rather than new sponsored establishments accounting for the majority of these. The introduction of academy chains/trusts where several academies are owned and operated by national or large scale organisations or consortia is expected to mean that these individual schools will look to their corporate sponsors/owners or trusts to provide centralised services previously bought back from the LEAs, and this could include transport.

The raising of the participation age is not expected to increase greatly the number of pupils continuing in education post 16, as the vast majority are already continuing into education or work based learning. The continued diversity of FE provision with the development of apprenticeships, the blurring of boundaries between school and college and the consolidation, mergers and development of independent further education colleges are all expected to fragment further the nature, location and timing of journeys with a traditional 9am and 3pm school day becoming less common.

The table below summaries the nature and scale of effect of these areas of education policy change:

Policy change	Why impact on transport	Scale of impact	Effect on demand for bus services
Personal travel budgets	Fragmentation of ability to plan transport services – loss of economy of scale	Low – relatively small % of pupils affected	▶
Unified plans for pupils with special needs	Likely to encourage the use of mainstream transport by pupils with special needs	Low – relatively small proportion of pupils+ affected Likely to raise expectations to 25 yrs.	▲
Academies/free schools	Encourage choice of school (longer journeys?) Diminish role of LEA as more direct funding from DfE	Medium/High – will depend on how Academies exercise powers and role of wider Academy chains/trusts	▲
RPA	Two additional year groups in education/training	Medium – likely only to affect the 8% currently NEET as vast majority in education or training already.	▲

Policy change	Why impact on transport	Scale of impact	Effect on demand for bus services
FE sector	Greater diversity of travel – diminishing role of LEA. Expansion of apprenticeships/more flexible learning	Medium – will raise pressure to meet needs of 16+ age group and greater complexity of journeys	▲

## Demographic impact

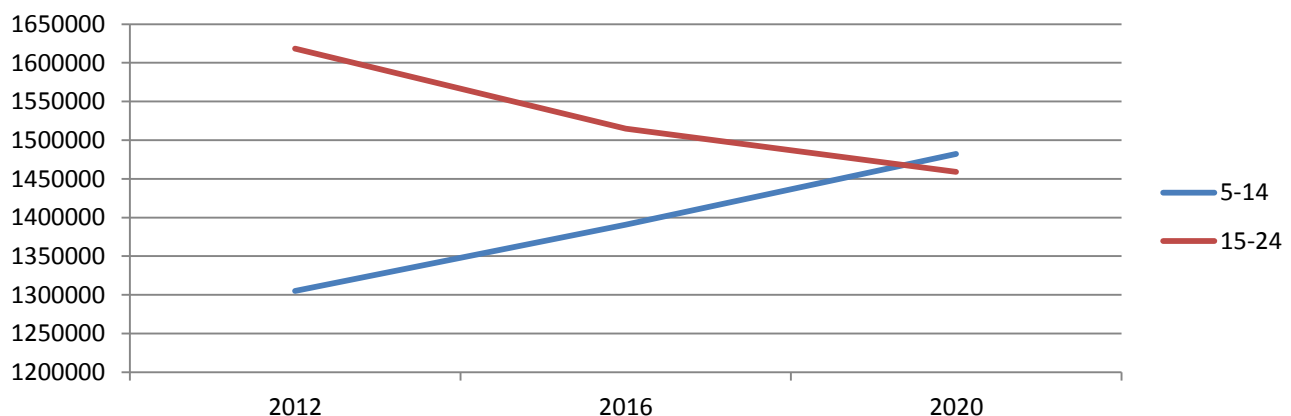
The major impact on future bus use for education journeys will be due to the population changes expected in the metropolitan areas.

Based on applying the population projections at individual PTE area and by cohort to existing levels of bus use, it is estimated that a further 35,000 school pupils will require bus travel by 2020 across the PTE areas. Given the current expenditure on young people's travel by public sector organisations up to an estimated £750 per student p.a. this equates to potential additional public expenditure of some £20-£25m by 2020 in current prices.

	% change 2012-2020	Bus users 2020 due to demographic change	Bus at LEA expenses 2020 due to demographic change	Bus - 'non entitled' 2020 due to demographic change
Tyne and Wear	9.50%	28,361	7,227	21,134
Greater Manchester	12.50%	66,488	23,738	42,750
South Yorks	11.30%	35,894	8,904	26,990
West Yorks	16.00%	61,596	19,140	42,456
Merseyside	7.10%	38,556	8,825	29,731
West Midlands	13.30%	65,714	21,527	44,187
All PTES	13.40%	299,773.	90,085	209,688

The older cohort in college is likely to decline over the period to 2020 - potentially reducing the level of bus demand for the teenage and early 20-24 year old cohort, however the rise in the 5-14 age group will be larger than the corresponding fall in the 15-24 age group.

### POPULATION PROJECTIONS PTE AREAS 2012-2020



Discussions with local authorities emphasised that it was not only the absolute number of additional pupils and students, but the location and nature of this demographic change that was also likely to have implications for school transport demands. There were concerns about the lack of available housing and the movement of, particularly, immigrant families through available housing stock which would continue causing rapid changes to school and transport requirements in some local areas. For example, often migrant families are being housed in city centre terraced housing, putting sudden pressure on the education system in specific areas, and then as they move to more stable accommodation wanting to maintain consistency of education for their children then requires transport back to the city centre. The impact of the removal of migration controls on Romanian and Bulgarian nationals in January 2014 may also lead to a modest further wave of immigration to the major UK cities over the next few years. The lack of central government forecasts for the population impact of the removal of these controls makes it difficult for authorities to plan, further exacerbating the problem.

Population change is also resulting in pockets of high growth putting pressure on primary schools in the next few years, and meaning that the lack of capacity will necessitate bussing children to schools other than the nearest, which are often within walking distance at present. The recent National Audit Office report on the primary school sector, highlighted the impact that this will have, focusing on the problems likely to be experienced in London and the many of the Core Cities<sup>32</sup>, where some LEAs see transport as a stop-gap 'solution' to their problems.

The decline in demand for travel to colleges is not expected to correspond with the fall in the size of the 16-25 age cohort. The University College Union predicts that "numbers may not drop partly because of the destruction of the youth labour market leaves few other alternatives than learning", and also due to the raising of the participation age and policies pursuing continuation in learning.

## **Impact of changes to benefits, entitlements and personal finances**

The introduction of the Universal Credit will amalgamate several streams of existing benefits, and is of relevance to transport as entitlement to school transport is currently linked to receipt of free school meals and working tax credit – as yet it is unclear what this will mean in practice for authorities or demand in the future. Discussions with local authorities highlighted the lack of clarity around the impact of the introduction of the new system of Universal Credit. It is also unclear how the policies on Housing Benefit payments (for instance through imposition of the 'bedroom tax/spare room subsidy') may affect school travel demands within cities. Families could be forced to find accommodation further from schools than they currently attend, conversely there are also discussions about transfers from London Boroughs to other regional urban areas as they are unable to house within the current allocations.

One local authority raised concerns that rising levels of poverty/falling incomes were prompting more parents to apply to local authorities for free school transport, and about the ability of families to pay for travel to school as economic conditions worsen. The Catholic Council also raised concerns that free school meals is a poor proxy for assessing entitlement to transport, with pockets of under representation. Examples they gave included poor white populations who are less likely to claim entitlements and Eastern European immigrants, who may claim no benefits but be on particularly low incomes and attending catholic schools.

Consultees were particularly concerned about transport availability and affordability for post 16s. The withdrawal of EMAs for post 16s has been replaced by a much-reduced bursary scheme and colleges reported stepping in to provide support for low income students. However, the impact on young people has been

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<sup>32</sup> Capital funding for new primary places, National Audit Office, March 2013

compounded by a more general withdrawal from discretionary transport provision by LEAs (and other benefits), which is expected to put particular pressure on young people's finances at a time of a new legislative requirement to participate in education or learning (or work). In some areas of the FE sector individual institutions are directly commissioning transport routes that are uncoordinated with local bus or other schools' services, and this is likely to continue as colleges see transport as a major offer to prospective students. A reasonable parallel can be drawn with the HE sector, where student offers are an important element of the battle to fill places. Furthermore, FE colleges are under added pressure from the withdrawal of grant-aided places for advanced skills training for the 24+ years market. As demand drops from 2013/14 as a result of students needing to fund directly their education/training costs, the battle for the core 16-19 market may intensify.

Our consultation highlighted concerns that student payment for courses would gradually filter down to younger students, leaving all 19+ student responsible for paying their own costs as they currently do in the HE sector, and that this was adding to a complex set of pressures - low availability of part-time work, reduced benefits, rising living costs, which were all adding to limiting young people's horizons and deterring them from participation. Considerable envy was expressed about free transport provision for young people in London, and the opportunities that free or considerably cheaper and simpler transport provision of fares could offer. Manchester College cited a pilot that had been proposed of offering free transport combined with randomly offered tickets to 'cultural' venues to encourage a widening of horizons and hence participation in education and employment.

## **"Perfect storm"**

The impact of evolving education policies themselves are not expected to have a large impact on the overall levels of demand for bus travel in the PTE areas by 2020, however, they are coinciding with a period of sharp growth in the school population, immigration, and compounded by a withdrawal and deterioration of available personal funding/finances especially for young people, that will place greater reliance on public transport rather than private transport. The rise in the school age population is also not offset by the older cohorts as they make proportionately fewer work trips than at present, as employment opportunities decline and a higher proportion continue in college.

The rapid rise in school population is expected to eliminate spare capacity in the school system, meaning that the impact of academies and free schools could be compounded. As the increase in the primary school population moves through into the secondary school system in the next five years the current adequate capacity in many areas will be eliminated. This is anticipated to result in growing tension over admissions policies. Authorities anticipate this could mean requirements for transport to schools other than the nearest. Tension is already being seen in Manchester at primary level where it took until January to accommodate all primary pupils for the 2012-13 academic year, and was met only by the ability to bring mothballed capacity back into use. This lack of capacity across the regions may generate greater interest in free schools and (expanded) academy conversions to meet parental demands.

If the raising of the participation age is assumed to result in the inclusion in the education system of at least 8% including those who are currently determined as NEET and those in employment where there is currently no training component, and a further 5% additional demand is presumed to be created as a result of the loss of spare capacity, requirements to transport to non nearest schools and loss of local schools within walking distances, estimated 2020 bus use for school journeys is as below.

**ESTIMATED DEMAND FOR BUS USE FOR SCHOOL/COLLEGE JOURNEYS, 2020 ASSUMING RPA AND ACADEMY EXPANSION, INCLUDING POPULATION FORECASTS**

	<b>Total bus users 2020</b>	<b>Bus users at LEA expenses 2020</b>	<b>Bus users - 'non entitled' 2020</b>
Tyne and Wear	32,160	8,200	24,000
Greater Manchester	75,400	27,000	48,480
South Yorkshire	40,700	10,100	30,600
West Yorkshire	69,850	21,700	48,100
Merseyside	43,700	10,000	33,700
West Midlands	74,500	24,400	50,100
All PTES	340,000	102,100	238,000

## **9. Implications for PTE funding requirements**

Estimates of additional bus demand taking into account education policy changes and population projections suggest up to an additional 70,000 young people travelling to/from school or colleges in the PTE areas by 2020. At current costs of provision that would equate to an additional £50m expenditure - a 20% increase on today's public expenditure levels of home to school transport and college transport expenditure.

However, spending restraint is expected to be by far the most significant driver of local authority policy over the next five years. The level of cuts (and quality of management in some small authorities) has raised issues of resilience and ability to carry out some function, and there have been recent Audit Commission claims of evidence of increasing financial stress in smaller unity authorities.

An 8.6% cut to revenue expenditure is planned for 2014/15, and a reduction in non-ring fenced areas (such local authority expenditure that excludes school based funding) by as much as 50% by 2020, resulting in inevitable cuts to the little remaining discretionary transport offered by LEAs for some post 16 students and to denominational schools. The rising demands for school transport will coincide with a withdrawal of LEA funding, placing additional pressure on the remaining concessionary fare budgets and on support for bus services no longer substantially underwritten by tickets for statutory school journeys previously funded by LEAs. Consultation revealed a widespread lack of awareness of the inter-relationship between LEA and PTE funding for education journeys, and the risk is that future policy decisions made by either could adversely affect the other.

It seems reasonable to plan on the basis of complete withdrawal of all discretionary LEA transport expenditure over the period up to 2020, although how authorities under greatest financial pressure reinterpret statutory entitlement as regards, for instance, safe walking routes, or levels of disability that merit assistance. Reports suggest that social care (for both adults and children) is a priority area for local authorities to protect given that local school-based spending is outside their control. Discretionary spending across all services will be subject to major retrenchment, with the possible exception of that relating to the promotion of local economic development, which will put great strains on any spending, other than curriculum, on children and youth services including travel to school and college.

As the potential for further cuts to discretionary services becomes limited, it is expected that authorities will have to take a much harsher line on what is defined as 'statutory' for home to school travel, particularly relating to SEND pupils, with greater emphasis on delegating responsibility via personalised budgets and travel training to move pupils onto mainstream transport rather than providing door to door specialist transport. Funding for school transport is expected to become more fragmented, with personalised budgets, and funding



directly to academies, free schools and colleges rather than via the LEAs; or will be via skills/regeneration agencies for FE spending.

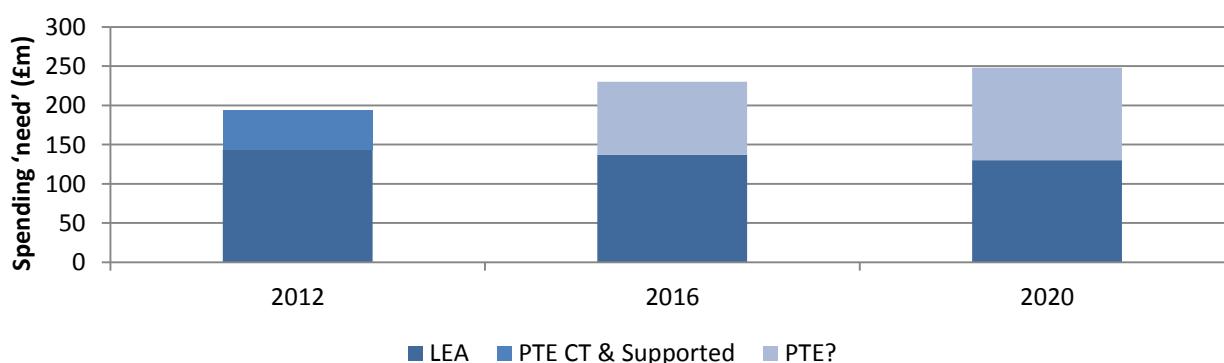
In addition to reductions in entitlement to free transport, there are expected to be pressures to achieve further economies from the provision of transport for eligible students, through reduced procurement costs (whether internal or external), pressure on local operators to reduce rates and potential reductions in quality of services e.g. fewer passenger assistants; as well as potentially a transfer of pupils from contracted taxis/small vehicles to utilising mainstream school services at lower unit costs (and therefore potentially transferring costs from LEA to PTEs).

Discussions with PTEs, local authorities and the Catholic Education Council confirmed a picture of continuing cuts to school transport budgets. The scope, the extent and the phasing of these is varying from place to place and depends on the extent of savings already wrung from the system, but the main areas for continued retrenchment include three areas of entitlement: denominational, post 16 and special needs. These would appear to be the main focus of attention in LEAs. Current examples include Stockport, which is moving away from an automatic entitlement of transport arising from attending a special school or having a statement; and Sheffield<sup>33</sup> and Leeds<sup>34</sup> where denominational transport is currently under review.

As the management of denominational schools (both Catholic and Church of England) is a diocesan matter, the response by the churches is expected to vary locally, for example in Wakefield the local Catholic diocese has stepped in to continue school transport, but in other areas this has not occurred. This could exacerbate differences in the level of transport available in local areas.

These changes are likely to mean that there is a gradual shift from children being provided with free home to school transport, to travelling at parental expense on the supported or commercial network and hence shifting the financial impact from the LEA to the PTE through additional pressure on the concessionary travel budgets. If demand increases as forecast, this would necessitate expenditure of some £250m p.a. If LEA expenditure declines as expected this will leave a large shortfall in funding, where as present this difference between the level of LEA funding available and the costs of home to school and college transport is largely met by the PTE concessionary fare subsidy.

#### **PROJECTED SCHOOL TRANSPORT EXPENDITURE SHORTFALL 2016 AND 2020**



<sup>33</sup> <http://postcodegazette.com/news/9002777053/councillors-poised-to-scrap-free-bus-passes-for-catholic-school-kids-AT-sheffield-all-saints-school/>

<sup>34</sup> <http://www.yorkshireeveningpost.co.uk/news/latest-news/top-stories/catholic-pupils-free-buses-hit-by-leeds-city-council-cuts-1-5423508>

## 10. Implications and tactical options for the PTEs

Overall, the PTEs are expected to experience large increases in demand for bus travel for education journeys, in part as a result of evolving education policies, but these will be compounded by a deterioration in the macro-economic environment, personal finances, rising expectations relating to post 16 and special needs pupils and large scale population change. There will also be a marked change in the role of current agencies and organisations involved in school and college travel, and a change to the relationships by education stakeholders with the PTEs.

The main impacts we envisage are:

- overall rising demand for bus travel by 5-9 and 10-15 year olds as the population in these cohorts increases, this will be combined with declining personal incomes resulting in reducing car ownership/use; increased immigration into city centres; schools at capacity therefore requiring transport to non-local establishments; greater choice and diversity encouraged and enabled by academies and free schools in certain areas.
- a reduction in LEA transport provision despite growing volumes (see above). It is widely expected that the LEAs will continue to retrench on the provision of discretionary transport, and take an increasingly hard line to defining what transport is necessary and what constitutes an individual's entitlement. At present LEAs who procure transport for entitled pupils via the PTE generally do so at subsidised rate (with the difference funded from the concessionary fare budgets) although they are often unaware of this. It is inevitable that concessionary travel budgets for children and young people will come under increased pressure as funding for entitled pupils is withdrawn by LEAs.
- as LEAs withdraw from providing free school travel, it is likely that in some areas Academy trusts, church organisations, or individual schools (colleges) or other institutions will become more involved in the commissioning of transport services for young people. This is likely to mean PTEs will have to improve their communication and liaise with a wider range of transport funders and commissioners. Overall, it is expected that the market place will become increasingly fractured, and coordination of services will be more difficult to achieve.
- changes to special education provision are unlikely to have major effect on the demands transport network as the numbers of pupils involved is relatively small. However, an expectation of support to age 25 years combined with withdrawal of LEA support is likely to mean this will become an emotive and high profile issues in future years. It is expected that expanded travel training and mainstreaming of pupils with special needs will be needed. As SEND transport across the PTE areas is generally seen as an "education" issue and transport procurement is largely the responsibility of the LEA, this is likely to have relatively little direct impact on PTEs, except with greater numbers moving to travel by bus independently (rather than by taxi), which will impact adversely on the cost of concessionary travel.
- the FE sector is continuing to change rapidly and facing considerable pressures that PTEs will need to be aware of. Young people are being adversely hit by falling incomes, withdrawal of benefits, a low hourly rate for apprenticeship places, a weak labour market, pressure to continue in education and learning and rising transport costs. These, combined with likely reductions in bus services, are major factors working against the key national and local emphases of ensuring continuation, participation, attainment and choice for young people, thereby reducing the social and economic costs associated

with NEETs. Pressure is expected to intensify on those cities that have already made ambitious promises under their City Deals to deliver on increased participation amongst 16-24 year olds. Pressure may therefore be put on PTEs to ensure that transport is not a restriction in the take-up of apprenticeship and training places – both through service and fare interventions - even though there is no statutory duty involved in this provision.

It is very difficult to predict the longer-term impact of the further public spending cuts that are widely expected to emerge from the next Spending Review. Economic commentators are indicating that the period of austerity will be considerably longer than predicted at the time of the last Review (immediately after the 2010 General Election), and *pteg* has itself highlighted the impact over the next decade in its recent work into the funding and affordability of free concessionary travel for older and disabled people<sup>35</sup>. The degree to which families are exposed to, or protected from, further cuts in Government spending will be critical in forecasting the impacts on educational and leisure travel by children and young people.

## PTE responses

What?	Who/relations hip change?	How?	Impact?	Potential PTE action/opportunity
<b>Retrenchment to statutory only provision for home to school transport</b>	LEAs & PTEs	<ul style="list-style-type: none"> <li>• More robust interpretation of policy;</li> <li>• Tighter needs assessment,</li> <li>• Withdrawal from post 16 transport</li> <li>• Withdrawal from denominational transport</li> </ul>	Demand on PTEs to secure additional/replacement services from colleges/school sixth forms and denominational schools for transport Shifting pressure from LEA budget to concessionary fare budget	Promote greater awareness of concessionary travel budget/interface with LEA provision
<b>Expansion of post 16 sector</b>	Colleges/FE providers (school sixth forms)	<ul style="list-style-type: none"> <li>• Development of apprenticeships, workplace learning</li> <li>• 2 additional years groups must participate in education</li> <li>• Presume NEETs participate - additional 10% demand</li> </ul>	Demand for post 16 ticketing structure that supports flexible access to learning/education  Additional demand for bus services to popular colleges/establishments	Opportunity for proactive marketing/simple ticketing structure for greater flexibility for students  Negotiations with new FE providers re new/supported services
<b>Development of academies and free schools and greater exercise of academies' powers</b>	School sector Academy trusts	<ul style="list-style-type: none"> <li>• Conversion of existing schools + new academies continues</li> <li>• Greater differentiation/parental preference exercised</li> <li>• LEAs attempting to manage excess school places/capacity in reduced LEA sector</li> <li>• Budget for transport retained by LEA but greater marketization by</li> </ul>	Greater complexity of journeys - will be likely to increase car use unless addressed by proactive marketing/bus services  Schools have greater freedom to plan provision - PTEs need to work with them to plan services if coordination to be	Opportunities for SLAs with academy trusts/schools acting as broker role to commission transport

<sup>35</sup>

<http://www.pteg.net/NR/ronlyres/8FE5E264-4721-4201-AEA2-3537F73679A1/0/CTbriefingfinal.pdf>

What?	Who/relationships change?	How?	Impact?	Potential PTE action/opportunity
		schools	achieved.  Potential for development of contracts directly with new school sector.	
<b>0-25 and special needs restructuring</b>	LEAs	<ul style="list-style-type: none"> <li>Shifting of students from special needs transport to mainstream to offset cost pressures</li> <li>Development of post 16 sector for special Ed</li> <li>Devolved budget to individuals</li> </ul>	<p>Pressure on PTEs to accommodate more students with lower level needs onto mainstream services and to encourage use of concessionary schemes rather than LEA transport.</p> <p>Need to develop new relationship with schools/carers/parents rather than LEAs to meet special ed transport needs if to maintain any transport coordination</p>	<p>Potential for business development - of travel training offer to enable mainstreaming of special ed transport</p> <p>Use and support of coordinated services - e.g. DRT/community transport/more flexible services</p>
<b>Reduction of child concessionary fares Removal of supported services targeted at schools/education journeys</b>	PTE/Operators /Trusts/Corporate sponsors	<ul style="list-style-type: none"> <li>Removal or reduction of overall offer</li> <li>Raises disparity of bus offer between areas/schools - equity arguments</li> </ul>	<p>Raises costs for LEAs and may remove advantage of joint working/ collaboration</p>	<p>Exploration of social value of child concessionary fares - new sources of funding/collaboration with operators and businesses, regeneration and skills agencies</p>

PTEs' role in the commissioning and delivery of bus (and other public transport) journeys to school and colleges will require a clear understanding of the roles and changing responsibilities for the delivery of such services and funding streams.

- PTEs would benefit from ensuring there is better awareness by LEAs of the use of concessionary travel subsidies and supported network for education journeys, and the impact changes to LEA funding and education policies will have on these. At present there is little understanding that PTE concessionary fare subsidises comprise up to a third of the cost of home to school transport for LEA entitled pupils or that the metropolitan districts contribute to that through other funding streams, and that cuts to one budget area may, therefore, not represent savings but rather a transfer of costs from one department to another or between LEA and PTE. The better understanding by PTEs themselves of the interaction between LEA policies, policies on supported (school) services and concessionary fare impacts lies in an important pre-requisite to raising awareness externally with LEAs and education providers;

- Clear policies for supported bus services arranged primarily for school pupils would assist in making defensible judgements as to what is 'socially necessary'<sup>36</sup>. This should be allied with careful consideration of fares policies on these services, and impact on admissions. Historic policies may not be sustainable in the medium term;
- The inevitable retrenchment on the costs of different concessionary fare policies would assist in good long-term decision making. Some PTEs have followed bold and successful policies on child fares that have grown the market and should now be supporting operators through improved adult patronage. In other areas, repeated fares rises well in excess of the rate of inflation have demonstrated how easy it is to turn significant proportions of an age cohort away from public transport. Operators have an important part to play in ensuring that attractive fare offers are made to a highly price-sensitive segment of the market.

However, the changes forecast also offer opportunities for the PTEs, in terms of potential new funding streams and transport commissioners. It will be for PTEs to determine how they choose to position themselves to respond to this changing environment, for example whether as an organisation that signposts parents and young people to other commissioners and providers, leaving the procurement of school and college bus services and fares offers/financial support to individual operators or education providers.

Alternatively, PTEs may take a quasi-commercial role in managing the bus network for young people, acting as a broker on behalf of the emerging and wider range of transport commissioners - from individual schools and/or parents to academy trusts and colleges. In such a role PTEs may choose to be proactive in harnessing and drawing on wider funding streams such as those for regeneration, skills and employment, to provide a more coherent and consistent service and fare offer for young people in their area.

One model might be that the PTEs act as the regional lead, developing a coherent strategy for transport for young people in conjunction with education providers, employers and other agencies. Operational staff would then respond to requests to arrange transport on behalf of individual parents (where they retain a personal travel budget), colleges, schools, academy trusts, or the local education authorities and planning and procuring services on clients' behalf.

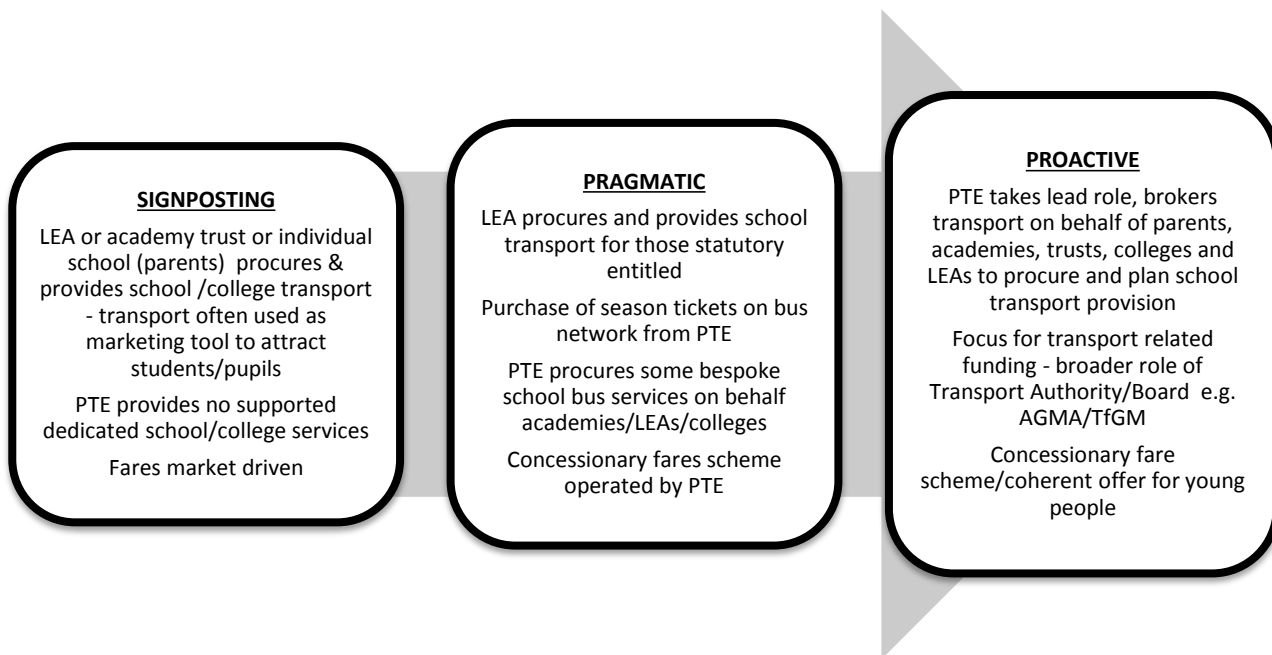
It is likely that having an overview of the public transport network and relationship with transport operators, PTEs would be well placed to secure the most cost effective transport solutions from a wide range of providers in the area including commercial services, supported network, bespoke/dedicated contracted provision, or utilising call off/framework contracts with local taxi/private hire operators or specialist transport services such as AccessBus or Ring and Ride where appropriate. Given their involvement in travel training PTEs are also well placed to ensure that transport solutions are the most inclusive available, and to encourage integration of young people with disabilities onto mainstream services.

Such an approach should offer savings to local authorities, by reducing the need for 'backroom' functions and enabling the development of shared services, as well a delivering a more coherent and consistent approach for transport users across the city regions. Building on SYPTE's and Metro's agency and SLA arrangements could form the basis for establishing clear protocols regarding data sharing, respective roles and responsibilities and payment mechanisms that include sharing of savings.

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<sup>36</sup> The approach taken historically by Nottingham City Council in planning transport alongside emerging academy proposals is a good example how Local Transport Authorities can actively seek to manage demand in an efficient way that contributes to accessibility of new facilities.

Many local authorities outside PTE areas have longstanding Integrated Transport Units that combine the planning and procurement of education, social care and local passenger transport with community transport planning and procurement, and some are seeing the move to regionalisation - for example in Northern Ireland and in Wales. A proposed brokerage role for PTEs could, however, see them taking a more proactive role than this, developing a lead across the education sector, by engaging with new commissioners such as Academy trusts and FE colleges or employers delivering work based training, and more diverse (non traditional transport) funding streams.



Overall, there is no universal ‘right answer’ to this unique set of challenges. Each PTE starts from a different position and needs to plan within its own local context. Different areas and organisations are already adopting their responses and strategies to deal with the changing education environment, and a summary of some alternative initiatives are included in Annex A. However, it would appear that overall more attention to medium-term planning and improved dialogue with local partners in LEAs and major educational providers will be a necessary common theme for the future. When combined with a fuller exploration of new funding opportunities that may arise through skills/training and economic development initiatives and though the municipalisation of public health issues, new opportunities may become evident for protecting and developing PTE services.

## Summary

	What/why	Impact	Bus demand	Organisational change	Potential PTE Influence
Demographic	<ul style="list-style-type: none"> <li>➤ Increasing population overall in metropolitan areas</li> <li>➤ Birth rate risen/continues to rise. Immigration projected to rise - e.g. accession countries with local concentrations in city centres</li> </ul>	<ul style="list-style-type: none"> <li>➤ Secondary rolls expected to increased 10%+ will be expected to increase demand for bus journeys as % travelling by bus higher for secondary than primary pupils</li> <li>➤ &lt; 15-25 year olds</li> <li>➤ Shortage of places across areas will mean more likely to have to travel to more distant school</li> </ul>	<ul style="list-style-type: none"> <li>▲</li> <li>▼</li> <li>▲</li> </ul>	No	LOW
Economic	<ul style="list-style-type: none"> <li>➤ Weak macro economy &amp; reduced public sector expenditure</li> <li>➤ What is funded will be directed to schools/colleges and parents rather than via LEA central allocations, and/or linked to outcomes such as NEETs</li> <li>➤ Weak household and personal finances especially for young people as benefits withdrawn and job market remains weak</li> </ul>	<ul style="list-style-type: none"> <li>➤ Reduced funding via LEA will lead to ↓ discretionary transport/support - withdrawal of remaining denominational, post 16 transport etc and sharper focus on minimal statutory functions</li> <li>➤ Devolved transport budgets to parents - may be as cash or card - but likely to be accompanied by moves to reduce public expenditure. Concerns about safety standards.</li> <li>➤ ↓ car travel – shift to public transport esp by young adults as they are priced out of car ownership and use</li> </ul>	<ul style="list-style-type: none"> <li>▼</li> <li>▼</li> <li>▲</li> </ul>	<p>Significant - shift of responsibility from LEA to new academies/trust chains and colleges.</p> <p>Significant – direct purchase of transport by parent</p>	<b>HIGH</b>
Education	<ul style="list-style-type: none"> <li>➤ Reduced proportion of pupils with special needs receive statements, unified plans and expectation of special needs support/education to continue to 25 years</li> <li>➤ Raising participation age with increase school/college rolls</li> <li>➤ Academies/Free schools</li> </ul>	<ul style="list-style-type: none"> <li>➤ Encouragement to mainstream - emphasis on travel training, independence development - move from special/dedicated transport to public transport network</li> <li>➤ 16-18 in FTE will increase but likely also to emphasise and encourage participation up to age 25 (esp special ed), which will raise expectations for access to colleges</li> <li>➤ Greater complexity of journeys as schools fill up and bussing to more distant schools required. May be less cooperation between schools regarding admissions as less flexibility available and Academies exercise their powers more.</li> </ul>	<ul style="list-style-type: none"> <li>▶</li> <li>▲</li> <li>▲</li> </ul>	<p>Greater role of FE colleges and other agencies</p> <p>Significant – depending on scale of transfer to Academies</p>	HIGH

## 11. Annex A

### INNOVATIONS AND PRACTICE ADDRESSING UP COMING EDUCATION POLICY CHALLENGES

The main themes and areas of challenge that we envisage for the PTEs in the next 5-7 years regarding education transport are:

- **special needs** - with a growing emphasis on the need to deliver travel training, and mainstream young people; the need to take a more coherent approach to planning support for young people with additional needs to the age of 25; and the challenges around personal budgets, which will mean PTEs are no longer dealing with only LEAs exclusively as the commissioners of transport services;
- **post 16 education**, which is changing rapidly due to the expansion of apprenticeships, further education becoming more diverse; pressures on financial support for 16+ students, and often long and more flexible journeys required;
- **academies, free schools and shortages of places** - were trends all authorities highlighted, with a rising number of young people in education and a shortage of school places, exacerbated by increasing exercise of choice and competition between schools; and a weakening of the oversight role in transport of the LEAs.

In our consultations in the PTE areas, we identified a number of areas of practice that the PTEs may wish to share or adapt, these included:

#### WITHIN THE *pteg* AREAS

##### Roles and responsibilities

- **SYLTE and Metro** both have clear arrangements with their constituent LEAs regarding their respective roles in education transport. SYLTE have set out Service level agreements that articulate expectations; reinforced by a regular liaison meeting with representatives from the LEAs, allowing more effective forward planning. At present this is only looking at short term forward planning, but could be adapted to take a more strategic look at future demands for bus travel.

##### Special needs

- There are several pathfinders for special educational needs currently testing out the provisions of the upcoming Children & Families Bill within the PTEs including **Coventry (Centro) and Calderdale (Metro)**. Coventry has been leading on the personal travel budgets initiatives, (and an upcoming seminar /workshop on implementing PTBs is planned, which may be of interest to the PTEs). Calderdale has a longstanding successful travel training initiative that is well embedded in the school curriculum, with a good working relationship between special schools, local bus company and local authority. Several of the PTEs including TfGM have well developed travel training initiatives that usefully could be used as the basis for a more consistent and proactive services on offer to young people with disabilities increasingly in control of their own transport budgets.
- **Merseytravel** has undertaken considerable work on integration and mainstreaming people with special needs. Its community card pilot offers a way of providing an effective offer for a personal travel budget that reduces the likelihood of spend on other than transport and offers a mechanism to control quality standards. It is a multifunctional smart card that can be 'loaded' with a personal budget that can then be used to make taxi journeys (or local bus journeys). Merseytravel report that 5,000 journeys have been made in the St Helen's pilot with a reduction in cost of 70%.



## Post 16

- One example of notable collaboration on post 16 transport was in **Manchester** - where the City Council and the local FE college have a jointly funded post that enable oversight of all post 16 education provision for young people, and provides liaison between local authority and local college. This person was an effective advocate for young people, with a remit that enabled her to spot gaps in provision. With a reporting to the combined authority, this also provided an effective means of reporting back issues.
- **Bristol** provides an example of the local LEP linking with authorities to deliver transport improvements, and where post 16 learner and access to education/training issues are part of this agenda. <http://www.westofenglandlep.co.uk/funding/city-deal>. It is likely that further funding will be linked to skills development/reducing NEETs etc and that liaison with the LEP will be key to PTEs accessing funding for such services.

## Academies, free schools etc

- **Nottingham City** provided an example of one pteg member area where there was a more integrated approach, providing a generally strong bus network citywide and integrated ticketing that could serve all schools, rather than building a network of school transport routes to specific establishments. Clearly, its unitary status here as both transport authority and local education authority helped.
- With LEAs with drawing denominational transport support, **Wakefield** provided an example of the role that liaison with the diocese/Church council could provide, in this case locally providing funding for services to continue.

## OUTSIDE PTE AREAS

Across the UK there are a number of initiatives that PTEs may wish to look at regarding tackling upcoming education policy challenges:

### Special needs

- the **pathfinders** nationally will continue, and PTEs would be advised to nominate a representative who could monitor, or at least receive a regular briefing on, progress of the Children & Families Bill and its likely impact, and opportunities it will offer. Some areas are already introducing Personal Travel Budgets at £2 per mile for young people with special needs. Providing information and support to enable individuals to know what offers/options across the network will be available to them e.g. dial a ride services, taxi contracts or use of mainstream services/travel training and to access this funding stream will be essential.

## Post 16

- there is considerable growth and development of FE colleges' and universities' own transport networks, that provides a template for a more proactive approach to post 16 travel, and where PTEs could effectively take a lead - having regional oversight and economy of scale in procurement. The **University of Hertfordshire**, for example, now operates its own public local bus services, and has a partnership with the local business community/local authority <http://www.unobus.info/>.

## Academies, free schools, etc

- There are increasingly examples of Academies and Academy trusts/University Technical Colleges (<http://www.utcolleges.org/>) taking the initiative to fund transport to their own schools/colleges (although currently they are not receiving funding for this from DfE), to encourage attendance and increase their offer to potential students. One such example is the **JCB academy in Staffordshire**. This approach is likely to increase and there is scope for PTEs to work with local colleges/UTCs and Academy trusts under SLAs to commission and plan transport services on their behalf.

## Brokerage

- Many of the shire authorities have integrated transport units, that (in theory) coordinate education and local bus service procurement. Some have taken a more proactive role in brokerage of local services that includes voluntary sector/community schemes/health transport etc - and there are examples of publications that have addressed this including pteg's recent *Total Transport work*<sup>37</sup> . .

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<sup>3737</sup> pteg (2011) Total transport - working across sectors to achieve better outcomes