

# CHESHIRE EAST COUNCIL

## REPORT TO: CABINET

---

**Date of Meeting:** 30 April 2012  
**Report of:** Strategic Director, Places and Organisational Capacity  
Strategic Director, Children's, Adults and Family Services  
**Subject/Title:** Home to School Transport  
**Portfolio Holder:** Cllr Hilda Gaddum, Cllr Rod Menlove

---

### 1.0 Report Summary

1.1 With the Council facing unprecedented financial challenges there was a need to examine each area of discretionary activity to clarify whether continued funding could be sustained. It was within this context that a review of the Council's Home to School Transport Policy identified key areas of discretionary activity and support provided by the Council which were deemed no longer sustainable within the current financial climate. These areas included denominational transport and mainstream post 16 provision. It was intended to remove subsidies and/or increase charges, resulting in a projected reduction in expenditure of £0.989m.

1.2 These proposed changes to Home to School Transport were submitted to Cabinet on 4 July 2011. Cabinet agreed to delay implementation of the proposals until such time as a review had been undertaken of the potential impacts of changes to home to school transport for children with special educational needs, and for children currently entitled to support under the council's denominational and post-16 transport policies.

1.3 A joint Task and Finish Group was established to undertake a comprehensive examination of the detailed impacts of the policy proposals. The Task and Finish Group comprised members of both the Children and Families Scrutiny Committee and the Environment and Prosperity Scrutiny Committee, and reported to the Children and Families Scrutiny Committee. The Committee agreed to submit a majority report authored by the Task and Finish Group, and a minority report authored by a dissenting member of the Task and Finish Group. The committee endorsed the minority report. Cabinet have requested that officers give full consideration to both the minority report and the majority report and further recommendations be made. This report contains those recommendations.

## **2.0 Decision Requested**

### **2.1 Cabinet endorse the following recommendations**

2.2 Free transport will no longer be provided for children attending denominational schools through parental choice on the grounds of a parent's religion/faith; withdrawal of which to take place for all students – whether current recipients or future applicants – from September 2012. Exceptions are provided for secondary-school age children from low income families attending a choice of their 3 nearest qualifying schools between 2 and 6 miles from home, or up to a maximum of 15 miles to the nearest school preferred by reason of a parent's religion or belief, in accordance with statutory responsibilities.

**2.3 That the savings resulting from the withdrawal of entitlement on grounds of religion / faith in 2012/13 be redirected to provide one-off funding to the affected educational establishments.** It would be for each establishment to have freedom over how it uses this one-off funding to support alternative travel options to students. It is estimated that such savings would be of the order of £150,000, which would be distributed on an equitable basis to relevant establishments.

2.4 That a reduced devolved grant – £375,000 a year (equating to approximately 50% of current net expenditure) - be offered to all Sixth Forms and Further Education Colleges accepting Cheshire East resident students for post 16 mainstream transport subsidies. Each Sixth Form or College will determine the basis of support to each student taking account both the needs of the students and the establishments themselves. The respective grants to be awarded on the basis of the 2011/12 data and the efficacy of this to be reviewed yearly.

2.5 That the Council, in full partnership and consultation with parents, carers and special schools look at alternatives around SEN transport to improve outcomes by promoting a positive culture of independence for children, young people and families. In addition, the Council undertake further reviews of provision such as where transport is provided by way of the Education and Inspections Act (2006) and social care transport needs.

## **3.0 Reasons for Recommendations**

3.1 Full account has been taken of the Task and Finish Group deliberations and recommendations. The Task and Finish Group examined every aspect of concern raised by students, parents and schools. A significant factor in the Task and Finish Group deliberations is the perceived "fairness" or otherwise of continuing to support denominational education. As these are matters of personal conscience, it is inappropriate for officers to make recommendations in respect of these matters. This report should therefore be read in conjunction with the two reports previously submitted from the Task

and Finish Group to get a full understanding of the differing views expressed in the scrutiny of the proposals.

3.2 In relation to recommendations contained within the Majority and Minority reports, it is recommended that the original proposal to withdraw access to subsidised travel to denominational schools in September 2012 is pursued. However there is concern about potential disruption to the education of existing pupils at denominational schools and although there is not a legal requirement to phase in policy changes, it is a Department for Education recommendation (Chapter 6 section 138 Home to School Travel and Transport Guidance DfES 2007). From September 2012, the savings resulting from withdrawal in 2012/13 will be devolved to schools – on a one-off basis - to assist them in the creation of alternative travel arrangements.

3.3 This proposal reduces the impact on other non-faith schools that might otherwise see an increase in applications from pupils as result of the proposed withdrawal of transport. Finally this approach will provide an opportunity for all stakeholders to work together to develop sustainable travel options. However, in order to achieve the savings required this phasing cannot be extended to new entrant siblings of children currently in receipt of discretionary denominational subsidy. The Council will offer support and expertise will be made available by the transport service to assist in advising on alternative transport arrangements.

3.4 The legislation is clear that the Council is not obliged to offer free or subsidised transport to faith schools (except for those pupils who meet statutory eligibility criteria, such as families eligible for free school meals or in receipt of the maximum level of Working Tax Credit) and the Council has discretion whether it should do so. Because the Council has exercised this discretion to make this provision in the past does not mean that it is obliged to continue to do so, given the significant changes in resources and priorities.

3.5 The Council is also conscious of the need to be seen to act equitably between the parents of all pupils. It is not only those children from faith backgrounds who travel to denominational schools. A number of parents motivated other than by religion or belief have decided that a denominational school is the best setting for their child's education and have elected to send their child there. The current policy on discretionary travel results in one parent having to pay for their child's transport to the school of their choice whereas another parent receives it free or subsidised. Even taking into account the fact that one parent may not feel that they have a choice in the matter because of their faith, it still raises the question as to whether it is right (even though it may be lawful) to discriminate between parents in this way when both are simply trying to secure the most appropriate education for their respective child's needs.

3.6 In considering the proposed recommendations, the Council is also aware of the need to adopt a school transport policy that is fair and equitable to the majority of parents who do not elect to send their children to a faith school. Currently transport to faith schools is subsidised by the Council –

parents pay £314 per annum, whereas the cost to the Local Authority for each student averages in excess of £900 per annum. Denominational pupils receiving subsidised transport account for less than 2% of the 5-16 school population.

3.7 In relation to recommendation 2.4 it is recommended that the original proposal to withdraw access to subsidised travel to mainstream pupils accessing post-16 provision should be amended. Instead of withdrawing transport for existing recipients and declining further applications, Cabinet is recommended for reasons set out further in this report to adopt the proposal from the Task and Finish Group to continue to support young people who wish to remain in education beyond the statutory school age. Key amongst these reasons is the desire – articulated in the Council’s adopted Sustainable Community Strategy – to support young people and equip them with the skills and qualifications necessary to secure employment.

#### **4.0 Wards Affected**

4.1 All

#### **5.0 Local Ward Members**

5.1 All

#### **6.0 Policy Implications including - Climate change - Health**

6.1 Carbon dioxide emissions are likely to be adversely affected, albeit with a relatively moderate impact.

6.2 Should students undertake more active travel to and from school / college, this is likely to be beneficial in terms of long term health and wellbeing

#### **7.0 Financial Implications (Authorised by the Borough Treasurer)**

7.1 The Council’s adopted business plan for 2012-15 includes changes to home to school transport funding that these recommendations address. These changes are shown at Appendix 1.

7.2 The recommended changes to denominational transport provision will result in a reduction of expenditure of around £230,000 a year, or approximately £75,000 per school term. If implemented at the commencement of the academic year (ie September 2012) the resulting savings would equate to £150,000 in 2012/13, with £230,000 of savings in 2013/14 and subsequently. These savings are net of estimated additional costs relating to children who may become eligible for transport on statutory grounds and children who are currently entitled under the Education and Inspections Act (2006). It is proposed that in 2012/13, the savings resulting

from withdrawal of denominational entitlement be redirected to provide one off funding to establishments to develop alternative travel support mechanisms.

7.3 The changes to post-16 transport provision will result in a reduction of expenditure of £380,000 a year. If implemented in September 2012, the resulting savings would be £250,000 in 2012/13, with additional savings of £130,000 a year thereafter, equating to £380,000 a year. A mechanism for funding Sixth Forms and Further Educational Colleges will be established to devolve the remaining £375,000 a year on the basis of current Cheshire East-resident students in attendance.

7.4 Should Cabinet agree to the recommendation to review transport for children with special educational needs, it is likely that there will be resultant savings from the review. However, due to the nature of the transport provision for children with often complex and highly specialised needs, it is not possible at this stage to be certain what savings may potentially result. As a consequence, such savings have not been specifically factored-in to the overall council adopted business plan.

7.5 In summary the proposals if agreed will generate net savings of £250,000 in 2012/13 and the full year effect savings from 2013/14 of £610,000 per annum, after allowing for the funding devolved to the Colleges of £375,000 and the one off funding of £150,000 provided in 2012/13 to schools to help them identify alternative travel support arrangements. Further savings would be achieved from the review of transport for children with special educational needs and other children's transport. Reductions included within the Council's Business Planning processes to be achieved through the above and other proposals total £1.9m, with £1m to be achieved during 2012/13 and the full reduction of £1.9m from 2013/14 onwards. The funding gap to be considered as part of the review of other options is £750,000 in 2012/13 and £1.3m from 2013/14 onwards. In the first instance the review of transport for children with special educational needs will consider what reductions can be delivered whilst other options are considered and developed, including working with schools and the transport providers.

## **8.0 Legal Implications (Authorised by the Borough Solicitor)**

8.1 Under section 508B of the Education Act 1996, the Council is required to provide free transport for "eligible children", who are defined in Schedule 35B of the Act, where the Council considers it necessary for the purpose of facilitating attendance at school.

8.2 "Eligible children" include children:

- a) with special educational needs, disability or mobility problems;
- b) who cannot reasonably be expected to walk because of the nature of the route to school;
- c) who live outside walking distance and no suitable alternative arrangements have been made for them; and

- d) who are entitled to free school meals or their parents receive the maximum amount of tax credits.

8.3 In addition, local authorities have the discretion under other sections of the Act to make travel arrangements for those who are not “eligible children” and travel arrangements made under those sections do not have to be provided free of charge, subject to that charge being reasonable in the circumstances.

8.4 These include sections 508B and 509AD of the Act, which obliges the Council to take account, amongst other factors, the wishes of parents to educate their child at a school providing an education that conforms to the religion or denomination to which they adhere. However, in the case of *Regina v Rochdale Met Borough Council Ex parte Schemet* 1992 Mr Justice Roch stated:

*“The parent’s wishes were an important consideration but they were not the sole consideration and the education authority might conclude that they could make suitable arrangements for the child to be registered at a school closer to his home despite a conflict with the parents stated preference, provided the authority took account of that preference in reaching its conclusion”.*

8.5 In the recent case *R(R and others) v Leeds City Council / Education Leeds* (2005), free transport, religious education and the Human Rights Act 1998 were considered and the Court concluded that a decision to refuse free transport to a religious school was not a violation of Articles 2, 8 or 9 and that the only grounds for challenging such a decision could be on the irrationality of the decision to charge.

8.6 The definition of “religion or belief” includes a lack of “religion or belief”, the Council is also obliged to have regard to the wishes of parents who want their child to be educated in a non-denominational school because of their lack of “religion or belief”.

8.7 Some of the representations received assert that the proposals amount to unlawful discrimination against a family’s religion, but as the Council is able to demonstrate that it has taken account of the religion or belief of parents when reviewing its policy, it has complied with its statutory duty.

## **9.0 Risk Management**

9.1 There is a risk that parents / students will choose alternative educational establishments should transport subsidy be reduced. This may result in some children becoming eligible for transport on alternative statutory grounds – such as the nearest suitable establishment being located beyond the statutory walking distance. The assessment undertaken by officers of the likelihood of this occurring is low, and this has been taken into account in both this report and the “majority report” of the Task and Finish Group.

## **10.0 Background and Options**

### **10.1 The Joint Task and Finish Group majority report (“the majority report”)**

10.1.1 The Task and Finish Group met on 18 occasions, and received evidence from 20 witnesses. It considered in detail the issues raised throughout the whole of the review of home to school transport policy, including:

- The legislation surrounding home to school transport, statutory duties and powers
- How eligibility and entitlement decisions for transport supplied at taxpayer expense are made
- What discretionary additions to statutory provision the council currently adopts
- Financial analysis of the various policies and policy proposals relating to home to school transport
- Relationships and communications between various council teams with co-responsibility for transport
- Consideration of wider educational objectives in areas such as “NEET” priorities, parental choice, etc
- Modelling of likely impacts - should policies change – in areas such as school gate congestion, admissions changes etc.

#### **10.1.2 The Group’s conclusions were that:**

10.1.2.1 Removal of discretionary transport provision for post-16 transport and denominational reasons is both justifiable and justified.

10.1.2.2 Removal of discretionary transport provision for denominational reasons will not lead to adverse effects on the level of performance of schools.

10.1.2.3 That potential undesirable consequences of removal of discretionary provision are understood, and do not prevent adoption of revised policies.

10.1.3 The Majority Report makes a number of recommendations, recorded in sections 7 of that report, shown here for ease of reference:

“7.1 That discretionary denominational transport subsidies be removed for new entrants starting school in the 2013/14 academic year and subsequent years.

7.2 That the discretionary denominational subsidy be retained for new entrant siblings of children currently in receipt of the discretionary denominational subsidy.

7.3 That a reduced devolved grant of £375,000 per annum be offered to all Cheshire East Sixth Forms and Further Education Colleges for post 16 mainstream transport subsidies. The respective grants to be awarded on the basis of the 2011/12 data and the efficacy of this to be reviewed yearly.

7.4 That when the Council procures a new holistic education software system, transport management needs are considered so that home to school transport data that is linked with other core data can be produced automatically and on demand.

7.5 That the Council establish an overarching Integrated Transport Team in order to identify convergences (and synergies) between various transport policies.

7.6 That the Council investigate options around bus sharing and staggered start times for schools and colleges taking into consideration the possibility of altering public transport routes, times and capacity. The Council should continue to support schools and sixth forms in developing their school travel plans, as well as offering advice on issues linked to procurement and traffic congestion.

7.7 That the Council opens up discussions with parents about the possibility of increasing charges to help facilitate the retention of existing bus routes.

7.8 That the Council devolve the statutory transport budget to schools (both Primary and Secondary) where schools feel that they have the appropriate resources to manage it.

7.9 That the Council, in full partnership and consultation with parents, carers and social workers look at alternatives around SEN transport to improve outcomes by promoting a positive culture of independence for children, young people and families.

7.10 That the Council open up discussion with special schools with a view to integrating Independent Travel Training into the curriculum. “

10.1.4 At its meeting on 6 February 2012, Cabinet requested officers to consider the report and its recommendations, and in turn to make recommendations to Cabinet on these recommendations.

10.1.5 In response to these recommendations, the following points are made:

**10.1.5.1 Withdrawal of discretionary denominational entitlement to transport for new entrants from 2013/14**

There is no impediment to implementing this recommendation in the manner proposed in the Majority Report. However, Cabinet are recommended to take into account the financial circumstances of the authority, and whether earlier implementation of this recommendation is merited. In addition, withdrawal of entitlement solely for new entrants from 2013 would not yield significant savings to the authority until 2017/18 and subsequent years, as the requirement to provide transport for existing entrants until cessation of statutory education would require substantially similar levels of expenditure.

Cabinet are recommended to take into account that a longer period of notice of withdrawal also has merits in that it enable schools, parents and students more notification of the change and therefore a longer period of adjustment.

Similarly, ending provision for new entrants with retention of entitlement for current students would avoid potential changes of educational setting for current students.

Taking these factors into account, it is recommended that withdrawal of discretionary provision for new and existing students in September 2012 is the most appropriate course, noting the substantial savings anticipated from home to school transport costs in the Council's adopted business plan. Recognising the desire of schools to assist students find alternative travel arrangements, it is further recommended that the savings in-year be diverted to those schools. These savings are anticipated to be around £150,000 in 2012/13, and a mechanism for apportioning the funding to each establishment would be created to ensure the funding is allocated equitably.

#### **10.1.5.2 Preservation of entitlement for siblings**

It is the view of officers that – should Cabinet agree with the recommendation above to end entitlement for existing as well as new entrants - then this proposal in the Majority Report has no effect. Alternatively, should Cabinet decide to end entitlement for new entrants only, then clearly the matter of sibling entitlements must be considered.

The comments in 10.1.5.1 above apply to this recommendation, in that Cabinet must balance the level of continued funding this recommendation may require, against the desire to prevent undesirable consequences of a change in policy. Cabinet should take into account that it is highly likely that entitlement of this nature potentially extends for up to 15 years into the future, since a sibling born today may be entitled to transport under such a policy so long as they have siblings attending a primary / secondary school once they reach statutory school age. For this reason, there will be a substantial continuing call on the public purse and a level of inequity for a substantial period of time should Cabinet agree to the proposal.

It is therefore recommended to Cabinet that “sibling entitlements” not be adopted.

#### **10.1.5.3 Reduced, devolved grant for discretionary post-16 transport support**

The Majority Report has highlighted that there is no absolute statutory requirement for the council to financially support post-16 transport provision. It highlights the benefits from continuing to provide support, but has also recognised the competing priorities for funding facing the council. The recommendation in the Majority Report therefore is that financial support for post-16 transport – whilst viewed as an important factor taken into consideration by young people deciding whether to remain in non-statutory education that also affects both the choice of course and establishment – has to be viewed alongside other priorities and that a reduction in funding is justified. The Majority Report recommends that the level of funding be halved, with colleges and sixth forms assuming the role of assessing entitlements to the funding remaining.

Cabinet will wish to take into account the council's adopted Sustainable Community Strategy, which records the aspirations of the council in respect of business growth, supporting young people etc. It is recommended that – whilst no legal obligation exists to provide financial support for post-16 transport provision – there are sound reasons why such support is justified even in the light of the financial pressures facing the authority. Nevertheless, significant pressures do exist, and therefore full withdrawal is justifiable on the grounds that the funds released are able to be spent on alternative support strategies.

It is recommended that support for post-16 transport be devolved to colleges and schools in the manner proposed in the Majority Report, with the budget reduced by approximately 50%.

#### **10.1.5.4 Procure an alternative transport data management software suite**

The Majority Report notes that the Task and Finish Group encountered difficulties in accessing data surrounding their analysis of the numbers of students travelling, consequential costs of travel etc.

This results mainly from two factors: the time of year the analysis was expected to be undertaken, and the ICT currently in use. In terms of the time of year, September is the busiest month for operational changes to home to school transport, resulting from late applications for transport and other changes associated with the new academic year. The current ICT suite is shared with Cheshire West and Chester Council, and is a legacy of the County Council ICT strategy. In the view of the Transport Manager, whilst the system is an appropriate and effective system for day-to-day operational transport management, it is less effective when considerations of performance management, data extraction and report writing are taken into account. However, in order to provide - firstly – a standalone system solely for use by Cheshire East Transport and – secondly – fully integrates with Children's Services data systems – a substantial investment in both financial and human resources would be required.

It is therefore recommended that Cabinet require an ICT strategy to be developed that encompasses both Children's Services current and future data needs, and the consequential transport current and future data needs, identifying the likely investment required and the attendant benefits.

#### **10.1.5.5 Council adopt an overarching Integrated Transport Team to manage transport**

All transport requirements – whether related to home to school transport, children / adult social care transport, or public transport - are currently managed and procured through a single transport team. Whilst policy and budgetary responsibility remains devolved with the professional disciplines and responsibilities of individual portfolio holders, regular discussion of matters of mutual concern are held between individual portfolio holders and officers. Guidance is sought from the Transport Manager and his professional colleagues, particularly where policy areas overlap such as in home-to-school

and public transport policy, or over operational issues such as shared vehicle usage. Finally, with the ending of the shared service for transport with Cheshire West and Chester Council, it is the view of officers that a substantially more in-depth analysis of the transport needs of Cheshire East residents has resulted in policies and operational practices more suited to meeting local needs.

It is therefore the view of officers that the model for transport management proposed in the Majority Report is precisely the one that has been adopted with the introduction of Cheshire East Transport on 1 April 2011.

#### **10.1.5.6 The Council adopts revised transport management techniques, such as staggering school start and finish times, revised public transport routes etc**

The majority report recommends a number of potential options for consideration that may result in reduced transport expenditure. Some of these proposals require significant input from and agreement of schools, such as proposals to revise start and finish times (which can only be approved by school governing bodies). In addition, the report recommends further consideration of public transport, such as the opportunities for greater coordination of public transport with school transport.

Suggestions that would reduce transport expenditure are welcome, given the need to ensure that best value is obtained from the substantial financial resources spent in this area. An officer group has been established to examine all areas of expenditure and ideas for changes that would reduce expenditure, identifying good practice from other local authorities as well as suggestions for change from within Cheshire East, and these suggestions will be incorporated in the work programme of the officer review group.

#### **10.1.5.7 Discussions with parents take place over charges for retention of transport once subsidies are withdrawn**

The Task and Finish Group identified from their analysis that many parents expressed a view that they would prefer to pay for some form of transport rather than transport be withdrawn. As part of the development of alternative travel arrangements following the reductions in subsidy available to the council and the consequent withdrawals of public transport funding in late summer last year have demonstrated, the council has recent experience of how subsidy withdrawals work in practice.

Some parents appear to strongly desire a continuation of transport once subsidies are withdrawn, and are happy to pay a "market rate" to a bus or taxi provider to continue to secure transport. Other parents are unwilling or unable to pay, and therefore make their own arrangements for their child's travel to and from school. The market rate that appears to be required by a bus company to provide them with sufficient reimbursement to continue to operate is on average £150 - £180 per day per vehicle (or around £3 per day should a coach or bus operate at capacity). Some companies are willing to offer discounted fares for weekly tickets. Cabinet may wish to note that a significant proportion of the routes previously subsidised from the supported

bus budget now operate without subsidy, as a high proportion of users are prepared to pay a commercially viable fare for its operation.

It is therefore the view that - so long as sufficient numbers of students are prepared to commit to continuing to use the transport and pay the market rate required for the continued operation of the vehicle – bus transport in particular is likely to continue. Nevertheless, decisions by bus companies or parents remain their respective responsibilities, and whilst the council has a certain influence over such decisions, it is for each party to determine what is in their best interests. For this reason, it is recommended that one-off funding be devolved to schools to provide an element of financial resource to assist students develop alternative travel arrangements in conjunction with assistance from their respective school or college.

#### **10.1.5.8 Council devolve transport procurement to schools**

In the view of officers, there is no doubt that some schools may be equipped to procure and manage their own transport. Indeed, it is accepted that for post-16 transport provision, this is exactly what is recommended to Cabinet – that schools and colleges take over responsibility for this discretionary policy should Cabinet decide to retain an element of support for post-16 transport.

However, in respect of discharging the council's statutory responsibilities for children between the ages of four to sixteen, there are a number of obstacles to devolving responsibility to individual schools. For example, the following issues must be resolved:

- Can legal powers for discharging the statutory requirement on local authorities be devolved to schools?
- Who decides eligibility and entitlement?
- How would budget savings be divided – or how would budget overspends be funded?
- What legal relationships would be required to transfer the duty of care for safe and legal transport to school governing bodies? For example, the council's transport monitoring includes no-notice inspection of vehicles and drivers to ensure safe operation and regular timing and other checks to ensure contracts are operated effectively (a role each school would have to assume).
- Cabinet should note that officers are not aware of a single local authority in the United Kingdom that has devolved transport procurement to individual schools, and there is risk attached to the Council being an innovator in this regard.

Even should the obstacles to transferring to school-secured provision, there are concerns regarding the cost-effectiveness of schools securing their own provision:

- Schools are public bodies, and therefore must follow the same tendering processes as the council. It is unlikely that the tendering processes operated by individual schools are likely to yield substantial savings compared to those currently operated within Cheshire East Transport. Indeed, it is likely that costs would increase.
- Each school would have to have sufficient resource available to undertake tenders, including the creation of vehicle and route specifications, tender adverts, assessment and award of contracts, management of relationships with parents and contractors, application processes etc
- Some schools may be able to secure transport at lower direct cost; however, network aggregation effects are lost, which increase costs for other schools. The likely impact of this is that schools either have to replicate the coordination undertaken centrally, or costs overall will increase.

It is therefore unlikely that schools overall will be able to provide transport that is cheaper than that currently provided once all costs are accounted for. For these reasons, it is recommended to Cabinet that this approach not be pursued.

#### **10.1.5.9 A positive culture of independence be adopted in respect of children with special needs**

The Task and Finish Group identified that many local authorities have – sometimes radically – reconsidered their approach to transport provision for children with special educational needs. Some case studies were identified and examined during the Group's considerations, and such changes to travel arrangements have the potential to be adopted within Cheshire East.

Cabinet are asked to note the work done in other local authority areas to promote a culture that meets the transport needs of children whilst at the same time promotes independence from either council-provided or indeed parentally-dependent transport. The issues in respect of transport for children with special needs are complex, as they must be appropriate to the specific needs of each child, and are therefore highly user-centred. The Government is currently seeking views on overall health, education and wellbeing strategies for children with disabilities, including whether personal budgets (to be used at the discretion of parents and children) are appropriate. It is therefore timely for the council to review how best to meet current and - equally importantly -, future transport and travel needs of disabled children.

It is therefore recommended to Cabinet that a formal review of transport policies relating to children determined as having a special educational need be undertaken.

#### **10.1.5.10 Independent Travel Training be considered and discussions opened with schools**

In conjunction with the comments made above, Cabinet are asked to note that independent travel training is an integral part of promoting the overall wellbeing and independence for disabled children. As part of the review recommended above, it is further recommended that Independent Travel Training be incorporated in the review of support for children classed as having a special educational need.

### **10.2 The Joint Task and Finish Group minority report (“the minority report”)**

10.2.1 In addition to the majority report, a member of the Task and Finish Group drafted and submitted to the Scrutiny Committee a minority report. This report was not evaluated by the Task and Finish Group as a whole. At its meeting on 17 January 2012, the Scrutiny Committee decided to endorse the report and submit it to Cabinet.

10.2.2 The report – in essence – recommends to Cabinet that instead of making policy changes, the council should deliver “efficiency savings” that negate the need to change policy. This is perceived to be a very seductive argument; at its most basic form it recommends an approach that would not require any unpopular options to be pursued and replaces them with savings that are “painless” or easy to achieve.

10.2.3 However, the whole of the minority report is predicated on a premise that does not withstand detailed analysis. It effectively claims the following:

- Home to school transport cost reductions that need to be found in the coming year are £250,000
- Transport - as currently organised and procured - is inefficient, and that efficiencies are painless or cost-free to implement
- Schools are better able to find transport savings and do not require a coordination role
- Software systems will deliver substantial efficiency gains
- Any further changes require further consultation
- That other authorities have demonstrated cost reductions
- That representation from faith groups has been restricted
- That reduction or removal of entitlement to transport on faith grounds directly results in unfair impacts on the children and establishments concerned
- Unanticipated or negative side-effects result, such as an increase in the number of children entitled to transport on the grounds of unavailable routes or transfers from discretionary to statutory transport support
- Excellence of schools will be affected

Each of these issues is considered in turn below.

#### **10.2.4 “Home to school savings required are only £250,000”**

There is an implicit assumption in the minority report that the savings resulting from changes to denominational transport are the sole savings required in the coming 12 months. At around £200k - £250k, the expectation is therefore that relatively modest savings could be found to eliminate the need to amend current policies. However, the Council has recently adopted the Business Plan for the period 2012-2015, relevant summaries of which are shown at Appendix 1. Within this, there are significant budget challenges for the authority, including a budgeted reduction of around £1m pa for home to school transport arrangements in the current financial year. The base budget – once inflation for current home to school transport contracts has been taken into account – is therefore £1.5m lower than the 2011/12 base.

A robust plan has been constructed to ensure the council meets this significant challenge. The Council's adopted business plan illustrates the changes that are required in the coming 36 months in order to deliver the savings needed. Within this plan are savings anticipated from policy changes, in addition to more innovative and cost-effective planning and procurement of transport. In short, the budget challenge is such that it is inevitable discretionary provision will come under pressure in order to ensure the council discharges its statutory duties. It is therefore recommended to Cabinet that both denominational and post-16 discretionary policy changes will need to be implemented in line with the recommendations in the Majority Report if the council is to achieve its agreed financial plans.

#### **10.2.5 “Transport provision could be more efficiently planned and procured”**

It is accepted that no local authority can ever claim that its transport provision is 100% efficient. By its very nature, home to school transport planning requires constant change: children move into and out of the area, change schools, etc. If it is to be efficient, these changes in transport requirements have to be reflected in the way that transport is planned. The key to successful transport management is balancing the number of times children's transport arrangements change with the desire to secure a more efficient network design.

Local market conditions for transport, along with the impacts of wider transport industry pressures (such as changes in fuel prices or industry wage levels) dictate to a significant extent the ability of individual companies or the council to influence prices. It does not always follow that urban transport is either uniformly cheaper or more expensive than in less densely populated areas. In areas where there is a high degree of competition for transport (such as in urban areas) it may be that there are a high number of operators chasing few contracts, resulting in relatively low prices; conversely, there may

be operator power in urban areas who can secure relatively high prices. Local geography and demography determine the nature of the routes that can be realistically delivered. Lastly, historical decisions over entitlements, local school organisation and admission arrangements etc shape the transport network that is achievable.

The premise of the minority report is that any transport changes that seek to reduce the cost of transport are themselves cost free. They are not. The upheaval for children affected should not be underestimated. Changes should therefore be undertaken sparingly and only where the cost reductions clearly outweigh the impacts on the children affected.

Finally, in respect of inter-authority comparative exercises, a high degree of caution needs to be exercised. For the reasons outlined above – local market conditions, local geography and demography, school organisation, historical factors – even neighbouring authority comparisons can be highly misleading. The most appropriate mechanism for undertaking comparisons is peer-group benchmarking, which is undertaken in this instance by the Association of Transport Co-ordinating Officers. This benchmarking shows that the council is in the top quartile for cost issues such as management costs as a proportion of total transport expenditure, average cost per passenger journey etc. Since the ending of the Shared Service for transport in April 2011, it is likely that the proportion of management costs to transport has fallen further as a result of substantial staff cost savings and overhead reductions.

The assertion that the savings required can be released solely from more efficient working is therefore rejected, and Cabinet are requested to discount it.

#### **10.2.6 “Schools are better placed to organise transport”**

As outlined at paragraph 10.1.5.8 above, there appear to be insurmountable hurdles in adopting this approach, not least of which is the viewpoint of officers that instead of reducing costs, it is likely that once all costs are taken into account, overall costs would increase not decrease.

#### **10.2.7 “ICT systems could deliver substantial savings”**

The summary of the proposition is that local authorities had generated significant savings from introducing logistics software to aid route design and planning. The assertion has been made that there are examples of other authorities who – having introduced such software – had generated savings, and that Cheshire East should consider similar implementation.

On the limited evidence available, it is difficult for officers to comment on what savings other councils might have achieved without presenting an unfair or unrepresentative picture of how successful that other authority's efforts have been to implement more efficient transport networks. Without detailed knowledge of the specifics of local market conditions, previous and current average prices paid, network design efficiency before and after implementation etc. it is difficult to decide whether the implementation of the

software had a significant effect on costs of transport. In addition, the home to school transport policies of the authority referred to in the Minority report are incomparable with those of Cheshire East Council. For example, Cheshire East has no responsibility for Welsh language education; we do not offer choice of Church of England or Roman Catholic education; nor do we operate a catchment school system in the manner as the authority noted.

Nevertheless, officers made the following statements to the task and finish group:

- The council already uses very similar software to that suggested be used to review route planning. It is not clear what further savings might result from an alternative supplier of such software.
- Cheshire East's experience of this type of software is that it serves a very specific purpose – providing initial network designs – but that these must be “finessed” by appropriately skilled and experienced transport planners
- It is likely that the initial benefits from a “cold” implementation of software such as this demonstrate how inefficient the other authority's network design was prior to implementation, not how efficient it now is, nor how such savings translate to Cheshire East's particular circumstances
- Transport managers have considered whether the benefits of continuing to use the current planning-assistance software (or migrating to a different planning-assistance platform) are justified in terms of financial benefits, and have concluded that once the council ceases to operate its own internal fleet, such software is actually a hindrance to efficient operation of its external contract management

In summary, it is likely that far from a revised planning software package leading to increased efficiency and lower costs, it is likely to instead lead to the hindrance of transport planners in achieving best possible value for the authority. There is no justification or evidence for any claims to the contrary.

#### **10.2.8 “Further consultation is required before any change”**

The council undertook extensive consultation that triggered wide public debate around the proposed policy changes. No further consultation is required before implementing revised proposals as the implications for protected groups are now widely understood.

#### **10.2.9 “Other authorities have saved money”**

It is asserted that other local authorities have saved money relating to transport costs recently. What is unclear in the minority report is:

- Which authorities?
- How have they saved money – by changing policies, changing planning and other practices, or by procurement savings?
- What has been the impact of those savings?
- Are those authorities comparable with Cheshire East – our policies, geography, demography etc?

It is simply not the case that other authorities have delivered savings that Cheshire East has not. This assertion also does not recognise that in the 12 months since Cheshire East Transport has been in existence, well over £1.5m of savings in transport related costs have been generated, with a further £2m of planned savings to come in the next financial year.

#### **10.2.10 “Access from faith groups into decisions has been limited”**

At no time has access been restricted - indeed, this implies that only faith groups should have input into decisions that affect faith groups. Since the decisions made affect all taxpayers, and also have consequential impacts on other children, it is important that all viewpoints be reflected, not just those of faith groups. The widespread public debate that surrounded the consultation process demonstrates that full public engagement has taken place, and that a wide range of viewpoints has been included in the consultation summary provided to Cabinet.

In respect of selection of members for the task and finish group, it is believed that members were asked to nominate appropriate membership from the two Scrutiny Committees. Included within these two Committees are members with a wide variety of views, including those members representative of faith groups.

#### **10.2.11 “Impacts on establishments are unfair”**

It is accepted that any change in transport policy has an unsettling and destabilising effect – primarily against the passengers directly affected, but also on those establishments that are secondarily affected. The Task and Finish group took evidence from officers on the highways impacts that may potentially result, including issues such as school-gate congestion, road safety issues etc.

It is not accepted that this automatically places affected establishments in a worse position than other establishments. Instead, the proposed changes create a level playing field for all students and all establishments. By working with affected establishments, the impacts of the proposed changes are likely to be mitigated.

#### **10.2.12 “Undesirable side effects”**

It has been claimed that there are a range of undesirable side effects to the policy proposals, such as transfers from applications under discretionary policies to applications under statutory entitlements, or a substantial change to applications to individual institutions. However, this is not substantiated by evidence either of it already occurring in Cheshire East (eg as was claimed would occur when the County Council introduced a charge for denominational transport), nor in the large number of other authorities who have already implemented the discontinuation of denominational provision.

Investigations into other local authority experience after withdrawing denominational provision show that there are only moderate impacts on applications for denominational education. Once allowance has been made for the introduction of the Education and Inspections Act (2006) – which supports children from low income backgrounds with transport to school over and above their entitlements under the Education Act – there appears to have been minimal disruption to denominational school applications and consequential changes in applications to non-denominational school.

Potentially, there may be an increase in the number of applications to nearer schools which – if the route is deemed to be unsuitable for a child to walk accompanied by an appropriate adult – may result in the council taxpayer bearing the full cost of transport. Having undertaken an assessment of the likelihood of applications being made to alternative establishments and subsequent applications for transport that are deemed eligible, the worst case scenario identifies around 10-15 children who are likely to be receive transport wholly at taxpayer expense. The calculation of likely cost has been undertaken and is included in the *net* savings figure shown in section 7 of this report.

#### **10.2.13 “Excellence of schools will be affected”**

There is no evidence from either Cheshire East or other authorities that have withdrawn transport on denominational grounds that the quality of the education children receive has been adversely affected. It is highly unlikely that the quality of teaching, school leadership, pastoral care etc will be affected either by the mode of travel to school, or should students have to provide for their own transport needs.

### **10.3 Summary of recommendations to Cabinet in respect of the “minority report”**

It is recognised that the desire of both the member from the Task and Finish Group who drafted the report and the members of the Scrutiny Committee endorsing it is to find ways to eliminate the need to make changes to the council’s discretionary policies. The desire to ensure that more efficient ways of providing transport are sought is entirely in keeping with the challenges facing the authority - balancing the council’s financial resources with the many demands placed upon them. Nevertheless, the ability to find sufficient additional savings to negate the need to make policy changes is constrained.

It must be recognised that the benchmarking of Cheshire East transport provision shows it is already an efficiently managed and relatively low cost service. All efforts are being made to deliver savings over and above those delivered in its first 12 months of operation, and plans are in place to meet the budget challenge facing the council. If the minority report were to be adopted by Cabinet, it would call for additional savings equating to more than £750,000 over the business plan period to be found, from unspecified and unidentified policy changes elsewhere. Put simply: the proposals set out in

the minority report - whilst superficially attractive – are not considered to be achievable or affordable and should therefore be discounted.

For this reason, it is recommended that Cabinet is left with little option but to adopt the revised denominational policy recommended in section 2 above.

### **11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

Name	Chris Williams	Fintan Bradley
Designation	Transport Manager	Head of Strategy, Planning and Performance
Tel no	X71494	X71504
Email	Chris.Williams@cheshireeast.gov.uk	Fintan.Bradley@cheshireeast.gov.uk

### Agreed Budget Changes - Council Business Plan 2012-2015

Impact of policy and operational changes on annual budget is shown below:

<b>Policy / operational changes</b>	<b>Savings 2012 / 13 £'000</b>	<b>Savings 2013 / 14 £'000</b>	<b>Savings 2014 / 15 £'000</b>	<b>Total Savings £'000</b>
Statutory provision only – denominational transport	0*	230	0	230
Post-16 transport subsidy reduction	250	130	0	380
Savings yet to be identified including review of transport for children with SEN	750	540	0	1,290
<b>Net required savings</b>	<b>1,000</b>	<b>900</b>	<b>0</b>	<b>1,900</b>
*savings estimated from changes to denominational policy estimated at £150,000 in 2012/13, but diverted to provide one-off funding to affected establishments to develop alternative travel support arrangements				