

Overview and Scrutiny Committee

Thursday, 19 January 2023

Home to School Bus Transport Update

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Monitoring/Assurance
Is this a Key Decision?	No
Has it been included on the Forward Plan of Key Decisions?	Not a Key Decision

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Executive Summary

SYMCA have committed up to £5.1m of reserves to supplement existing budget and to protect school bus services from September 2022 to the end of the academic year in July 2024. This follows a commercial decision by bus operators to remove a significant proportion of the commercial school bus network, requiring SYMCA to intervene and ensure the network, as far as was reasonably practicable, remained in place.

This paper provides Overview and Scrutiny members with background as to the current arrangements, what our statutory obligations are and what options are available once available reserves are exhausted.

What does this mean for businesses, people and places in South Yorkshire?

Buses currently carry 11.5m child journeys per year for the purposes of education, training and leisure. The provision of non-statutory school buses allows a significant number of pupils to continue to access education where they may not have any viable or reasonable alternative to make the journeys during term time.

Without these services, it is likely that many children would be forced to either walk, rely on parents driving them (thereby increasing congestion at times of day which already struggle with road space) and potentially see an increase in absenteeism or habitual late arrival.

Longer term the availability (or lack of) home to school bus services could impact on the demand for local schools and adversely affect the Local Authorities and Multi-Academy Trusts in trying to accommodate demand within the finite resources available at each educational establishment.

Recommendations

That Overview and Scrutiny members consider the points raised in the paper and provide officers with any comments thereafter.

Consideration by any other Board, Committee, Assurance or Advisory Panel

None

1. Background

1.1 During 2021/22 in South Yorkshire, around 11.5m journeys are made by young people aged under 18 on the bus network to access education, training and leisure activities.

Whilst a proportion of these make use of the general commercial network for education purposes in the morning and afternoon, a significant number make use of dedicated school buses which are scheduled and routed purely for the purposes of getting children to and from school and college each day of the academic year.

1.2 There are three primary groups of school bus services provided in South Yorkshire

1. Statutory home to school transport for those pupils who live more than a prescribed distance (but also cater for some non-statutory pupils)
2. Dedicated school services which carry, in the most part, non-statutory pupils
3. General network services which are not allocated to a specific school but nonetheless carry pupils to and from school.

Local Education Authorities have a statutory duty (contracted to SYPTTE/SYMCA) to provide home to school transport for a relatively small number of pupils for whom a journey to their allocated school is, as a general rule, more than two miles' walk (via a safe and available walking route) below the age of eight, and more than three miles (again via a safe and available walking route) if aged between eight and sixteen. SYCMA issue bus tenders for these services each year to provide sufficient bus capacity to carry these statutory pupils.

In the absence of SYPTTE/SYMCA as the Transport Authority, the Local Authorities would be otherwise responsible for the transport of these pupils and in 2021/22 around 377,000 of these "Zero Fare" trips were made on the network.

1.3 Before 2017, the majority of these dedicated school buses were provided by a commercial operator called BrightBus, at their own commercial risk. SYPTTE at the

time reimbursed this operator through child concession payments and this provided sufficient income to make their operations commercially viable.

1.4 However, BrightBus took the decision to cease trading at the end of July 2017 thereby putting the provision of school services at risk. SYMCA was however able to agree that the majority of the school bus network was taken over by First South Yorkshire starting in September 2017 on a commercial basis, in addition to the commercial school services already operated by them.

1.5 Prior to September 2017, SYPTE incurred an annual net cost of no more than £0.78m to provide the statutory school bus network with the remaining being run commercially. As part of the transfer of services to First South Yorkshire, SYPTE agreed at the time to additional payments to provide transitional support on some of the new routes being provided. Furthermore, all bus operators continue to charge, irrespective of service type, the child notified fare of 80p per trip and claim reimbursement from SYMCA for revenue foregone. This notified fare (currently applicable to all residents aged under 22) was last increased from 70p to 80p in September 2016 and has not changed since.

1.6 These arrangements were sustained for a number of academic years. However, following the Covid-19 pandemic and its impact on bus patronage, First South Yorkshire formally took the decision and notified SYMCA in March 2022 to de-register the remainder of their commercial school bus operations. Given the relatively short notice of their decision, SYMCA were faced with either allowing a significant proportion of the school bus network to disappear or make available emergency funding to protect the network in the short term. Through engagement with SYMCA stakeholders it took the latter decision. This resulted in the allocation of £5.1m of reserves to protect the majority of the school bus network until September 2024.

1.7 In September 2022, some school services were not replaced on a like for like basis and there were some service reductions. Where pupils could make straightforward use of the general bus network (commercial and tendered) to fulfil their trips this approach was used.

A very small proportion of secondary aged children have lost single journey options and now have to interchange, although additional capacity for these trips has been provided where necessary. Those with a “Zero Fare” pass are not impacted financially and those non-statutory pupils can access day, week and 28-day tickets for the same or similar cost to direct travel costs they had before.

1.8 A summary of the annual costs incurred for provision of school bus transport is provided below.

	2016/17	2017/18	2018/19	2019/20	2023/24
Concessions	£2.22m	£1.48m	£2.71m	£3.52m	£4.30m
Zero Fare Income ¹	-£2.04m	-£2.49m	-£1.63m	-£1.55m	-£1.55m
Tenders	£0.68m	£0.74m	£0.79m	£0.96m	£3.77m
Tenders Income ²	-£0.07m	-£0.08m	-£0.09m	-£0.08m	-£1.00m
Total	£0.78m	-£0.35m	£1.78m	£2.85m	£5.52m

1. Income received from Local Authorities for children for whom they have a statutory duty to provide transport (as set out in 1.2 above).
2. Income generated from fare receipts from certain tendered school services.

Note that costs and income for 2020/21, 2021/22 and 2022/23 are not included as they contain Covid-affected years, during which academic services were disrupted and when additional funding from the DfE was provided to provide additional capacity using school buses due to social distancing restrictions.

2. Key Issues

- 2.1 Given the amount of public subsidy being used to protect the current network and the resulting run down of limited reserves, the continuation of existing services within the current funding constraints and existing parameters is not affordable in the medium term.
- 2.2 As outlined above, the use of existing reserves will be exhausted no later than September 2024 for the start of the 2024/25 academic year. A decision is therefore required on what options are available to SYMCA to transition from current funding arrangements to a future sustainable model.
- 2.3 Discussions have already commenced with SY Local Authorities as to the future budget implications resulting from the existing arrangements, and there remains an option to increase the Transport Levy to contribute in part to additional costs from September 2024.

Consideration could also be given to policy choices that could generate savings. These choices would inevitably be difficult, based on changes to provision or the cost to farepayers, but remain an option.
- 2.4 There remains an option to further incrementally reduce parts of the dedicated school bus network and encourage pupils to make use of commercial general network services, as well as considering other means including active travel. In practice however this will only afford a modest reduction in costs and will clearly still impact on those students who rely on a given service. In addition, this assumes that there is sufficient capacity on the general network to still allow them to fulfil their journey where in practice this might not be the case, taking into account reductions in capacity and frequency. Pupils may also lose direct connections from home to school and therefore need to take more than one bus to attend school, thereby potentially increasing their costs. We should note that some direct school journeys are not practical or even possible on the local bus network if the school service was not provided.
- 2.5 Board members should note that the issue has been further compounded by an increasing number of pupils not attending their nearest school through parental choice or through intervention from the Local Authority to ensure capacity and demand is spread around their area. This means there are significantly more pupils who are not eligible for free home to school transport but are still at a sufficient distance from their school to have otherwise qualified.

Post-16 travel to sixth forms and colleges also places demand on the school services with those continuing at the same or nearby establishment.

3. Options Considered and Recommended Proposal

3.1 Option 1

Continue to engage with Local Authority colleagues on the policy options available to SYMCA to ensure that an appropriate transition away from a dependency on use of reserves for home to school transport is achieved.

3.2

In doing so, this is likely to place an increased overall cost on SYMCA, and this can be fulfilled through policy decisions on use of funding, levels of Transport Levy contributions and wider decisions on allocations of funding at individual budget levels within transport.

3.3 Option 1 Risks and Mitigations

The substantive risk is the inability to continue to provide current (and future, including inflationary pressures) levels of school bus service through insufficient available funding. This can only be mitigated through dialogue between SYMCA and Local Authority officers and elected members to ensure a suitable outcome is achieved.

Board members should be assured that we have already raised these concerns as part of the budget setting process for 2023/24 with Chief Executives and Leaders, and as we have time available to continue to develop an agreed way forward (given the risk does not materialise until September 2024), it is recommended to continue to engage with stakeholders on this matter.

3.4 Option 2

SYMCA could accept that when the existing reserves funding is exhausted, it only retains school bus services for which it (passported from the Local Education Authority) has a statutory duty to provide.

3.5

In practice, this would see a significant reduction in the availability of capacity on the school (and general) bus network and would undoubtedly mean many pupils would struggle to attend education consistently. It would also place greater pressure on their parents to possibly drive them to school, thereby adding to road congestion and possibly impacting on their own employment.

3.6 Option 2 Risks and Mitigations

The risk with this option is the significant reduction in services available. There are few mitigations in place for this risk other than an assumption that pupils are able to continue to fulfil their journey to school or college by other means.

3.7 Recommended Option

Option 1.

4. Consultation on Proposal

4.1

At this time, formal public consultation is not required. However as outlined in Option 1 above, continued and wider engagement with stakeholders is recommended to ensure that we have an agreed approach to the funding of school services from September 2024 and this is inherently included in the budget setting process for the financial year concerned.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Existing reserves are planned to protect services through to the end of the academic year in 2023/4 (i.e. July 2024). In order to agree a mechanism to continue to fund these services from September 2024, decisions on funding allocation need to be made as part of the budget setting cycle for the financial year 2024/25.
- 5.2 The process for agreeing the 2024/25 transport budget (linked to the Transport Levy) typically begins in the August of the prior year, so in this instance August of 2023. A series of budget engagement activities take place from then through to December 2023, with budget being approved at the MCA Board in January 2024.

6. Financial and Procurement Implications and Advice

- 6.1 The Protection of Priority Services reserve, which has been earmarked for the purpose of dealing with interventions such as this, will have been exhausted by summer 2024. This therefore limits the MCA's capacity to further protect bus services unless alternative funding options can be agreed.
- 6.2 The report refers to the option of increasing the transport levy to continue to support these services. At current levels, this would require an annual increase of around 5%. This does not take account of the impact of inflation, or other priorities toward which the MCA Board would wish to target additional resources. The MCA is also cognisant of its constituent member authorities' own budgetary pressures, and this has been acknowledged as part of the 2023/24 business planning process. The 2024/25 business planning process will consider this pressure alongside other policy choices.

7. Legal Implications and Advice

- 7.1 The Education Act 1996 establishes the Local Education Authority's duty to provide home to school transport in specified circumstances. There is no legal obligation to provide home to school transport beyond the requirements of the Education Act and these are provided on a discretionary basis by SYPT/SYMCA.

8. Human Resources Implications and Advice

- 8.1 There are no immediate or direct HR implications as a result of this paper.

9. Equality and Diversity Implications and Advice

- 9.1 Whilst there are no direct equality and diversity implications as a result of this paper, the decisions regarding future funding of school services inevitably have an equality dimension to them given it primarily affects people of school age. Given age is a protected characteristic, in due course an equality impact assessment of any decision should be expected.

10. Climate Change Implications and Advice

- 10.1 Whilst there are no direct climate change implications as a result of this paper, as outlined in 3.5 above, any significant reduction in school bus service capacity and

provision will almost inevitably result in an increase in private car use on the regions roads, thereby increasing congestion and vehicle emissions.

11. Information and Communication Technology Implications and Advice

11.1 There are no immediate or direct ICT implications as a result of this paper.

12. Communications and Marketing Implications and Advice.

12.1 Fixing public transport is a priority for the MCA. The options set out in the paper will require careful handling to demonstrate that the MCA has a plan to improve public transport, if necessary through additional cost to the taxpayer or travelling public, though this may incur some short term reductions in service or changes to priorities.

List of Appendices Included:

None

Background Papers

None