

AGENDA MANAGEMENT SHEET

Name of Committee

The Cabinet

Date of Committee

7th September 2006

Report Title

Post-16 transport

Summary

Report asking Members to consider the future of supported post-16 transport for students.

For further information please contact:

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Would the recommended decision be contrary to the Budget and Policy Framework? [please identify relevant plan/budget provision]

No

Background papers

- Cabinet minutes 24.6.04
- Learning O&S Committee reports 23.9.04, 9.11.04 and 10.3.05
- Children & Young People O&S Committee reports 7.6.05 and 15.12.05
- Cabinet reports 26.5.05 and 25.5.06

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

Other Committees

Local Member(s)

Other Elected Members Cllr John Whitehouse – “noted”
C&YP O&S Spokespersons for information:
Cllr Helen McCarthy
Cllr Richard Grant
Cllr Jill Dill-Russell

Cabinet Member Cllr John Burton

- Other Cabinet Members consulted Cllr Izzi Seccombe
Cllr Alan Cockburn – *“approved for consideration”*
- Chief Executive
- Legal Victoria Gould – comments incorporated in the report
- Finance Virginia Rennie on behalf of David Clarke,
Strategic Director of Resources – comments incorporated in the report
- Other Strategic Directors
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals Senior Members’ Group 10.5.06
Leaders’ Liaison Group 8.6.06

FINAL DECISION **YES**

SUGGESTED NEXT STEPS:

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

The Cabinet – 7th September 2006

Post-16 transport

Report of the Strategic Director for Children, Young People and Families

Recommendation:

It is recommended that Members consider:

- either (i) the introduction of an increased charge of £275 paid by students for post-16 transport from September 2007 in order to meet the funding gap arising from the decision taken during the Authority's 2006/07 budget process not to fund forecast cost increases,
- or (ii) the phasing out of supported transport over the next two years.

1. Background

- 1.1 At their meeting on 25th May Cabinet considered the requirement to generate a further £220,000 to cover a shortfall in the Post-16 Transport budget (currently £1,015,323). This followed the decision made as part of discussions on setting the 2006/07 budget not to agree an additional £160,000 to cover a forecast increase in post-16 transport costs. This was due primarily to increased contract costs (including extra fuel costs) and increased demand. A further £60,000 was required to be found as an efficiency saving, as part of the Authority-wide 2.5% target.
- 1.2 In considering the difficult options available Members decided that this non-statutory provision was not a priority and declined to agree additional funding. The Children, Young People and Families Directorate has also placed efficiency savings targets on all those budgets without inescapable pressures (such as existing pension costs) on a pro rata basis. To fail to assign these savings targets would otherwise have resulted in staffing reductions and an unacceptable risk of under-funding statutory services. Therefore, overall a saving of £220,000 is required from the Post-16 Transport budget from the current financial year.
- 1.3 Members decided that the Task and Finish Group should not be re-convened to consider the options available.

2. Current position

- 2.1 Since 1994 students in Warwickshire have been able to receive transport to any school sixth form or college subject to payment of a termly or annual charge. There are currently 2,700 students travelling under this scheme, of whom c.2,400 pay the annual charge (the charge is waived for low income families). The charge for the academic year 2005/06 was £175 per annum per student. Warwickshire's policy is generous in comparison with many other authorities. Some offer no support while others have introduced higher charges.
- 2.2 The Task and Finish Group had recommended this charge (£175) and built in future increases of a minimum of the previous year's transport inflation rate plus a further 5% for a four-year period. This was agreed by the Children and Young People Overview and Scrutiny Committee in June 2005. The Group also agreed a further change to post-16 transport arrangements which became effective on a phased basis in September 2006. This change is significant as it will restrict supported provision only to those attending their 'nearest appropriate' establishment.
- 2.3 Because of the need to advise students and their parents of arrangements for September 2006, the charge was increased to £200 in line with the original recommendation of the Task and Finish Group. This will reduce the shortfall by some £35,000.
- 2.4 The remainder of the shortfall this financial year (£185,000) will need to be met from service reductions or from one-off under-spends elsewhere within the Directorate. However, a long-term solution is required from within the overall Post-16 Transport budget. Members will need to consider charges from September 2007 with a view to introducing significant increases, if they choose not to fund additional post-16 transport costs in the 2007/08 budget round.

3. Options

- 3.1 An increase in the current annual charge would bring in additional revenue. A table of options setting out the impact of various levels of charges is given below; it assumes the application of the increased charges to all students attending their nearest appropriate establishment:

Cost per annum	Full-year effect
£250	£180,000
£275	£240,000
£300	£300,000
£325	£360,000
£350	£420,000

- 3.2 Rather than increasing charges the Authority could decide to offer no transport support for first year students in September 2007 and phase out support altogether by September 2008. This option would be very contentious but would save in the region of £200,000 in the first year.
- 3.3 It is important that, whichever option is pursued, a decision is made before the end of the Autumn Term to give potential students notice of any change in policy prior to finalising their post-16 options.
- 3.4 Cost increases in this service are a result of demand changes as students choose different courses and providers offer different ones. Contract costs also rise, depending on routes, fuel costs and the local market. Therefore it is difficult to predict future years' cost increases accurately. Members should note that if subsequent years' cost pressures are not funded then charges to students will need to increase further in line with the table in paragraph 3.1.

4. Recommendation

It is recommended that Members consider:

- either (i) the introduction of an increased charge of £275 paid by students for post-16 transport from September 2007 in order to meet the funding gap arising from the decision taken during the Authority's 2006/07 budget process not to fund forecast cost increases,
- or (ii) the phasing out of supported transport over the next two years.

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23rd August 2006