

# Understanding the drivers for rising demand and associated costs for home-to-school transport

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## Executive Summary

1. The purpose of this research, commissioned by the Local Government Association in May 2019 and supported by the County Councils Network, is to understand the drivers of increased pressures on home-to-school transport budgets; how councils seek to bring budgets under control; and what they need to support them to do this. We have also used evidence from our survey, fieldwork and national data to project forward possible demand and expenditure for home-to-school transport over the next five years.
2. Between 2014-15 and 2017-18 the total national spend on home-to-school transport has increased from £1.02 billion in 2014-15 to £1.08 billion in 2017-18 – an overall increase of 6.5%. The percentage of councils that are overspending their home to school transport budgets has consequently increased from 71% to 83%. The total national deficit on home to school transport now stands at £111 million<sup>1</sup>.
3. Increasing expenditure is being driven by the costs of providing transport for children with SEND. Expenditure on transport for children with SEND has increased by 13% for pre-16 children and by 68% for post-16. This is in comparison with a drop of 12% in spend on pre-16 mainstream transport and a drop of 27% in spend on post-16 mainstream transport. Transport for children and young people with SEND now accounts for 69% of all home-to-school transport expenditure<sup>2</sup>.
4. In comparison with expenditure, the total number of children receiving home-to-school transport actually appears to have fallen slightly over recent years. We can estimate, projecting from responses to our survey, that around 550,000 children and young people are currently receiving home-to-school transport for pre-16 SEND and mainstream, and post-16 SEND.<sup>3</sup> The net reduction masks an increasing trend in the number of children with SEND receiving transport compared with a reducing trend in mainstream transport.
5. There is very significant variation between local authorities on the amount that they spend per head of population on home-to-school transport and the percentage of children eligible for transport. The most significant factor underpinning these variations in expenditure is the size and rurality of different areas. Responses to our survey show that rural areas are transporting proportionally more children and young people for further distances than predominantly urban authorities. Our survey data also shows that for every type of pupil eligible for home-to-school transport (pre and post-16, SEND and mainstream) rural areas spend more per head than either their urban counterparts or the national average<sup>4</sup>.
6. Although both the numbers of children in mainstream home-to-school transport and expenditure on mainstream transport are falling, it would be misleading to conclude that demand for mainstream home-to-school transport is simply declining or that the cost of providing it is reducing without effort. In fact our research suggests that local authorities are experiencing a range of pressures which have the potential to drive up numbers of children eligible for

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<sup>1</sup> Based on analysis of Section 251: Budget and Outturn for 2017-18

<sup>2</sup> As above

<sup>3</sup> Isos Partnership survey – insufficient data was provided for post-16 mainstream numbers to determine a total number representative of the population

<sup>4</sup> As above

mainstream home-to-school transport which, thus far, they have managed to offset by reducing their local offer to, or close to, the statutory minimum.

7. The pressures experienced by local authorities, which can all serve to increase the number of children potentially eligible for mainstream home-to-school transport, include underlying population growth, new housing developments, increasing numbers of families in temporary housing, increasing numbers of looked after children, and the changing landscape of schools (in particular the closure of small schools). Many local authorities have managed these pressures by reducing their local eligibility criteria for home-to-school transport towards the statutory minimum. These decisions have been difficult to make and are often politically unpopular, but are borne from financial necessity.
8. Local authorities have also experienced a range of market pressures affecting the cost of providing mainstream home-to-school transport. These include commercial providers ceasing to offer public transport routes which are no longer profitable; commercial providers stopping trading reducing the pool of providers with whom local authorities can contract; minimum wage increases; and higher fuel costs. Local authorities are addressing these inflationary pressures through smarter commissioning with attention to both cost and quality, strategic reviews of routes and sharper income generation from unused capacity on buses.
9. The picture for SEND home-to-school transport is very different to that for mainstream transport. For SEND we have seen a significant rise in both the numbers of children in receipt of transport and the associated costs of providing that transport year on year. The growth in the number children with EHCPs is undoubtedly an important factor in increasing demand for SEND transport. Local authorities with low rates of children and young people with EHCPs are providing SEND transport to 25% fewer pupils per 10,000 population than those with high rates of EHCPs.<sup>5</sup>
10. The increasing complexity of needs of children with SEND was the second factor identified by local authorities in contributing to growing expenditure on SEND transport. This was particularly acute for two groups. Increasing numbers of children with complex medical needs or profound and multiple disabilities was creating demand for more costly forms of transport, for example specially equipped buses, and more skilled passenger assistants who could provide medical support in an emergency. At the same time, increasing numbers of children presenting with extremely challenging behaviour was leading to greater use of individual taxi journeys for this cohort.
11. The final factor that local authorities described is the fact that an increasing percentage of children with EHCPs are being educated in special schools and when local special schools become full, the 'nearest suitable school' is necessarily further afield. There appears to be a clear relationship between available capacity in special schools and spend on home-to-school transport. For local authorities which place many more pupils in special schools than the number of places they formally commission, the average spend per child or young person in receipt of SEND transport<sup>6</sup> is almost double that found in local authorities in which the number of commissioned places<sup>7</sup> is much closer to the actual number of children in special schools.<sup>8</sup>
12. Local authorities which have been most successful in containing the rising expenditure for home-to-school transport for children with SEND have taken a very strategic approach to commissioning

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<sup>5</sup> Statements of SEN and EHC plans, England, 2018 and Section 251: Outturn, 2017-18

<sup>6</sup> Isos Partnership Survey

<sup>7</sup> High needs: place allocations for 2017-2018

<sup>8</sup> Schools, pupils and their characteristics: January 2018

and provision of home-to-school transport; placed the long-term needs of the child at the heart of their strategy; have been disciplined in the execution of their stated policy and imaginative in coming up with creative options. Actions that help to mitigate cost pressures for SEND transport include taking a strong strategic approach to SEND and inclusion; establishing clear leadership of SEND transport planning and joining-up across teams; developing a menu of travel assistance options, skilfully facilitated with parents and schools; and working in partnership with schools and across services.

13. However, the research also identified clear limitations in what local authorities could do to reduce expenditure on home-to-school transport. Firstly, all the growth in home-to-school transport expenditure is being driven by increases in SEND transport. Without action to address the national policy and funding levers which are contributing to the rapid rise in children with EHCPs, local authorities have little opportunity to contain spending on SEND transport.
14. Furthermore, there is an unresolved tension at the heart of home-to-school transport policy between the responsibilities of parents in getting their children to school versus the expectations of parents in the level and type of assistance that local authorities can provide. There have been a number of high-profile judicial reviews which have found in favour of parents where local authorities have tried to reduce transport entitlements. In a similar vein, some of the local authorities engaged in our fieldwork highlighted examples of reforms and cost reductions that they had attempted to introduce but had relinquished in light of strong parental opposition.
15. In addition to these common pressures, rural local authorities as a result of longer distances, lower population densities, limited public transport networks and more sparsely distributed schools bear a disproportionate financial burden both in terms of the relative number of children and young people who are eligible for transport and in the cost per head of making transport available.
16. Finally, mainstream home-to-school transport is stable for now and reductions in this area have helped to offset the increased spend elsewhere. However, this position cannot be expected to last indefinitely. Survey and fieldwork evidence suggest that many local authorities are now at or close to the statutory minimums for mainstream transport provision and the market may not sustain ever-greater efficiencies driven through commissioning.
17. Looking ahead, we estimate that in five years' time expenditure on home-to-school transport might reach £1.2 billion. This is considerably more than is spent nationally on youth services, family support services or children's centres. It is therefore the conclusion of this research that, in the current funding context, continuing to provide home-to-school transport in the way it is currently delivered may not be financially sustainable. We have therefore suggested the following recommendations for consideration:

Local authorities, working with the Local Government Association and County Councils Network, should:

- Strongly promote the aspiration that children with SEND, wherever possible, should be educated successfully in their local school, and put in place the support for children, parents and schools to make that achievable.
- Establish clear strategic leadership across the multiple teams that contribute to SEND transport to ensure that placement and transport decisions are made together and that maximum value is achieved across combined budgets.



- Create the opportunities for a creative and mature dialogue with parents about transport options, with a presumption towards modes of transport that promote independence and reduce reliance on government-provided options.
- Find opportunities to share good practice in terms of decision-making and transport assessments, co-production of policies and guidance with parents, and creating a full and creative range of support options for travel to school.

#### National government should consider:

- Urgently reviewing the multiple policy and funding drivers which are contributing to the rapid rise in the number of children with EHCPs.
- Clarifying aspects of the home-to-school transport guidance which are ambiguous and contentious. Two key areas for greater clarity include transport responsibilities for children below statutory school age with a named provision on their EHCP and for post-16 provision. For post-16 guidance, if national government intends to continue to encourage post-16 transport policies to be set at local authority discretion, this level of discretion needs to be made consistent throughout the guidance and requires clarification across the different groups mentioned.
- Reflecting the disproportionate weight of expenditure on home to school transport borne by large rural local authorities in future local government funding arrangements.
- Fundamentally reconsidering the balance of parental and government responsibilities in providing transport to school. One option that might be considered would be to view home-to-school transport as a means-tested benefit rather than a universal entitlement for children who meet certain criteria. Under such a scheme, parents who have sufficient income could pay a pre-defined contribution towards the cost of locally provided transport or alternatively choose to make their own arrangements.

## Introduction

Home-to-school transport is a complex area of local authority statutory responsibility which involves teams across admissions, special educational needs, transport, procurement and commissioning. It is also an area which in recent years has come under significant financial pressure as a number of policy, demographic and market forces have led to rapidly growing expenditure, particularly in the transport provided for children and young people with SEND. This research project seeks to understand the range of factors that have come together to drive demand and spend over the past five years, and what local authorities have done to mitigate some of these challenges. It also will consider how demand might evolve going forward and how local authorities can be better supported in provision of home to school transport arrangements.

## Purpose of the research and methodology

In May 2019, Isos Partnership was commissioned by the Local Government Association (LGA), with the support of the County Councils Network (CCN), to carry out research to better understand the factors driving demand and spend on home-to-school transport, across SEND and mainstream provision, from 0-25 years old. Specifically, we were asked to:

- 1) To provide an analysis of what councils are spending on home-to-school transport, and what they are likely to spend in the future if current patterns of expenditure continue;
- 2) Develop a deeper understanding of the factors influencing the need to spend on home-to-school transport;
- 3) Identify the actions that local authorities are taking to decrease pressure on home-to-school transport budgets; and
- 4) Make recommendations for what local or national government might do differently to meet the transport needs of pupils in a more cost-effective way.

Through this project, we have looked at whether pressures on home-to-school transport budgets vary by characteristics of local authorities, including rurality, region, and population density. We have also brought together the data analysis, survey analysis and softer intelligence to provide a rough estimate of how demand and spend might be projected forward for the next five years.

An important question for the research has been to explore whether current guidance and statutory responsibilities in relation to home-to-school transport are still fit for purpose in the context in which local authorities are now operating. Current guidance is largely based on the Education Act from 1996 but the context in which local authorities are now operating is very different: pressures on high needs budgets are acute; local authorities have a diminishing direct role in providing schools; there is greater devolution of funding responsibilities to schools; and there is an increasing diversity of school types and parental choice driving different patterns of travel to school.

We carried out the research in three phases. Initially, we conducted a scoping exercise of existing publications, data and research relating to demands on home-to-school transport provision, to draw out key themes and identify datasets already available on the subject. As part of this scoping exercise, we assessed literature from the perspectives of both local authorities and service users. We considered the County Councils Network research into home-to-school transport (2018)<sup>9</sup>, the

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<sup>9</sup> County Councils Network, 'Home to school transport in county areas', (2016)  
<https://www.countycouncilsnetwork.org.uk/counties-warn-it-is-increasingly-difficult-to-subsidise-free-home-to-school-transport-due-to-rural-premium-on-delivering-services/>

Association of Directors of Children's Services national research (2016)<sup>10</sup>, the Campaign for Better Transport report on school transport (2016)<sup>11</sup>, the inquiry by the charity Contact into school transport for disabled children (2017)<sup>12</sup>, 'Home-to-school transport in contemporary schooling contexts' (2017) by University of Plymouth<sup>13</sup> and the research project on home-to-school transport by University of Leeds (2017)<sup>14</sup>. With regards to published data, we analysed budgets and expenditure reported in Section 251 returns since 2014.

Secondly, we constructed an online survey that was sent to all local authorities in England. It requested information on trends in numbers in receipt of home-to-school transport and average prices, arranged by eligibility criteria and package type, as well as questions around future challenges. We received 45 responses to the survey. We have further supplemented this survey with data shared with us by the Association of Transport Coordinating Offices (ATCO). The data generously provided to us dates back to 2015 and comes from a survey collected annually from all member local authorities. Since 2015, they have had a range of 43 to 51 respondents.

Thirdly, we carried out fieldwork visits to eight local authorities, where we spoke to Lead Members, Directors of Children's Services, Directors of Transport, Directors of Finance, and team leaders from Transport and SEN Departments. The purpose of the fieldwork was to unpack the key drivers in increased spend; how these challenges might change going forward; and how authorities seek to mitigate these challenges. To ensure a representative sample of local authorities to take part in the fieldwork we used published data to develop a sampling methodology which categorised local authorities as low, medium or high against two key variables:

- 2017-18 outturn spend per 0-19 capita on SEND and non-SEND transport
- Percentage increase in spend on SEND transport from 2012-13 to 2017-18

These two variables were chosen because we wanted to capture local authorities with a range of spending levels on home-to-school transport as well as including local authorities that had seen a large change in spend after the SEND reforms in 2014. Within the sample, we also ensured that we had a balance between urban and rural areas, large shires and smaller metropolitan boroughs and unitary authorities, geographical distribution, deprivation and percentage of EHCPs.

We are very grateful to the time and commitment to the research to all those who completed the survey and, in particular, to our eight fieldwork local authorities. These were Bristol, Islington, Hampshire, Lancashire, Leeds, Norfolk, North Yorkshire and Waltham Forest. We would also like to extend our thanks to our associate, Karina Kulawik, for her help and support with this research.

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<sup>10</sup> ADCS, 'Home to School Transport Position Statement and Cost Analysis', (2016),

<https://adcs.org.uk/funding/article/home-to-school-transport-position-statement-and-cost-analysis>

<sup>11</sup> Campaign for Better Transport, 'School Transport Matters', (2016),

<https://bettertransport.org.uk/sites/default/files/research-files/16.05.25.school-transport-matters.pdf>

<sup>12</sup> Contact a Family, 'Inquiry into school transport for disabled children', (2017),

[https://contact.org.uk/media/1144250/school\\_transport\\_8\\_september\\_2017.pdf](https://contact.org.uk/media/1144250/school_transport_8_september_2017.pdf)

<sup>13</sup> C. Gristy, University of Plymouth, 'Home-to-school transport in contemporary schooling contexts: an irony in motion', (2017)

<sup>14</sup> Cerebra and School of Law, University of Leeds, 'Local Authority Home to School Online Transport Policies: Accessibility and Accuracy', (2017)

## The legislative underpinning for home-to-school transport

The provision of home-to-school transport is based on two sets of statutory guidance, one of which relates to school-age pupils<sup>15</sup> and one for 16-25 year olds.<sup>16</sup> The guidance for school age pupils is based on broad eligibility criteria, last reviewed in 2014, but originating from legislation in 1996. The guidance for the post-16 group was updated more recently in January 2019.

Provision of home-to-school transport for school-age pupils is based around age, special educational needs, distance criteria and additional extended rights based on free school meals and working tax credits. The local authority is expected to write a transport policy using discretion to interpret the eligibility of children beyond the statutory minimum. According to Schedule 35B of the Act, local authorities are required to:

- Provide free transport if a child is below 8 years old and is attending their nearest suitable school which is beyond a walking distance of 2 miles.
- Provide free transport if a child is aged between 8 to 16 and attends their nearest suitable school which is beyond a walking distance of 3 miles.
- Make transport arrangements if a child attends their nearest suitable school and cannot be reasonably expected to walk because the nature of the route is unsafe.
- Make transport arrangements if a child attends their nearest suitable school and cannot be reasonably expected to walk because of their special educational needs, disability or mobility problems.
- Provide free transport if a child is entitled to free school meals, or their parents are in receipt of maximum Working Tax Credit, and:
  - o they attend their nearest suitable school and it is beyond 2 miles from their home (and the child is aged between 8 and 11)
  - o they attend one of their three nearest suitable schools and it is between 2 and 6 miles from their home (and the child is aged 11 to 16)
  - o they attend a school that is between 2 and 15 miles of their home if their parents have chosen it on the grounds of their religion or belief, and having regard to that religion or belief, there is no nearer suitable school (and the child is aged 11 to 16)

The statutory guidance for post-16 transport is more open to local authority discretion. The national guidance refers to two main groups – adult learners and young adults – that are linked to the age groups 16-19 and 19-25, with and without EHCPs. Within these age groups, a distinction is made for young people who are either continuing a course that was started before their 19<sup>th</sup> birthday or for those that started a course after their 19<sup>th</sup> birthday. The guidance is split between an explanation of the eligibility criteria for these groups and the ability of a local authority to charge individuals for use of transport. There is wide-ranging discretion for a local authority to produce their own transport policies, but whatever they decide are their thresholds, these have to be easily accessible in their post-16 transport policies, published on the local offer. Overall, eligibility to transport arrangements across these groups is up to the local authority but underpinning their decisions must be the duty to ensure that learners are able to access the education and training of their choice. For learners with EHCPs,

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<sup>15</sup> Department for Education, Home to school travel and transport guidance, (2014), [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/575323/Home\\_to\\_school\\_travel\\_and\\_transport\\_guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/575323/Home_to_school_travel_and_transport_guidance.pdf)

<sup>16</sup> Department for Education, Post-16 transport and travel support to education and training, (January 2019), [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/772913/Post16\\_transport\\_guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/772913/Post16_transport_guidance.pdf)

these arrangements must be reviewed when a young person moves from compulsory schooling to post-16 even if the young person remains at the same educational institution.

This guidance, across pre and post-16, is applied universally to all local authorities, regardless of local authority type, public transport availability, population density or rurality.

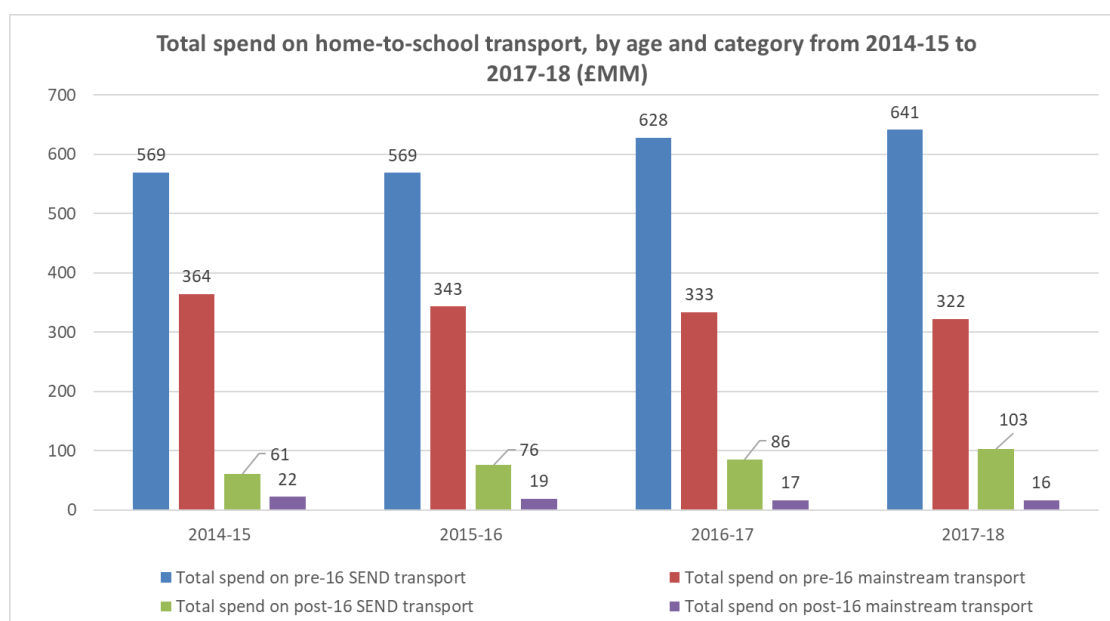
Throughout the course of this project, we have tried to unpack how different local authorities have interpreted the eligibility criteria, how interpretation and local offers have changed with increasing demand and how the universality of the guidance can create uneven pressures across the country.

## Part 1: Expenditure on and number of children in receipt of home-to-school transport

Based on an analysis of Section 251 budget and outturn statements, the total spend on home-to-school transport has increased from £1.02 billion in 2014-15 to £1.08 billion in 2017/18 – an overall increase of 6.5% (see Figure 1). However, this headline figure masks very different trends in terms of expenditure for pupils eligible for home-to-school transport on the basis of ‘mainstream’ criteria (for example distance to school) and those eligible for homes school transport on the basis of their special educational need.

Expenditure on transport for children with SEND has increased by 13% for pre-16 children and by 68% for post-16. This is in comparison with a drop of 12% in spend on pre-16 mainstream transport and a drop of 27% in spend on post-16 mainstream transport. Consequently, the percentage of expenditure on home-to-school transport for children and young people with SEND has increased from 62% in 2014-15 to 69% in 2017-18. This is in line with the ADCS ‘Survey of Local Authority Spend, 2015/16’ (2017), which outlines that in 2015/16 local authorities spent almost £1 billion on home-to-school transport and that 64% of spend, based on the local authorities that responded to their survey, was on SEND transport.

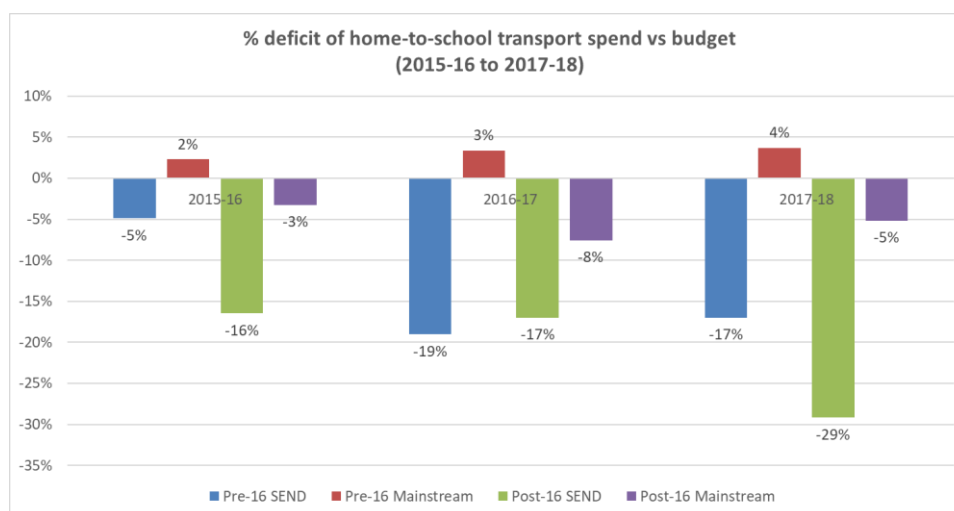
Figure 1 - Total spend on home-to-school transport from 2014-15 to 2017-18 (£MM)



The overall rising costs of home-to-school transport have had an impact on the ability of local authorities to manage within the budgets they have allocated for this area of provision. Again, an analysis of S251 budget and outturn statements from 2015-16 to 2017-18 (Figure 2) shows that the overspend, nationally, for SEND transport has considerably increased since 2015-16, with the percentage deficit for spend on pre-16 SEND transport increasing from 5% to 17%. The percentage deficit for spend on post-16 SEND transport has also increased from 16% to 29%.

For mainstream transport, there is nationally a small budget surplus for pre-16 (4%) and a moderate deficit post-16 (reducing from 8% in 2016-17 to 5% in 2017-18). Across the total home-to-school transport budget, the percentage of local authorities recording an overspend increased from 71% of local authorities in 2015-16 to 83% in 2017-18.

Figure 2 - % deficit of home-to-school transport spend vs budget (2014-15 to 2017-18)



To understand what is driving these overall trends in expenditure we need to understand the relationship between the numbers of children and young people eligible for home-to-school transport and the costs associated with transporting these children. There is no nationally published data on the number of children in receipt of home-to-school transport or unit costs of travel, so the following analysis is based on returns submitted by local authorities to our survey and to the ATCO survey.

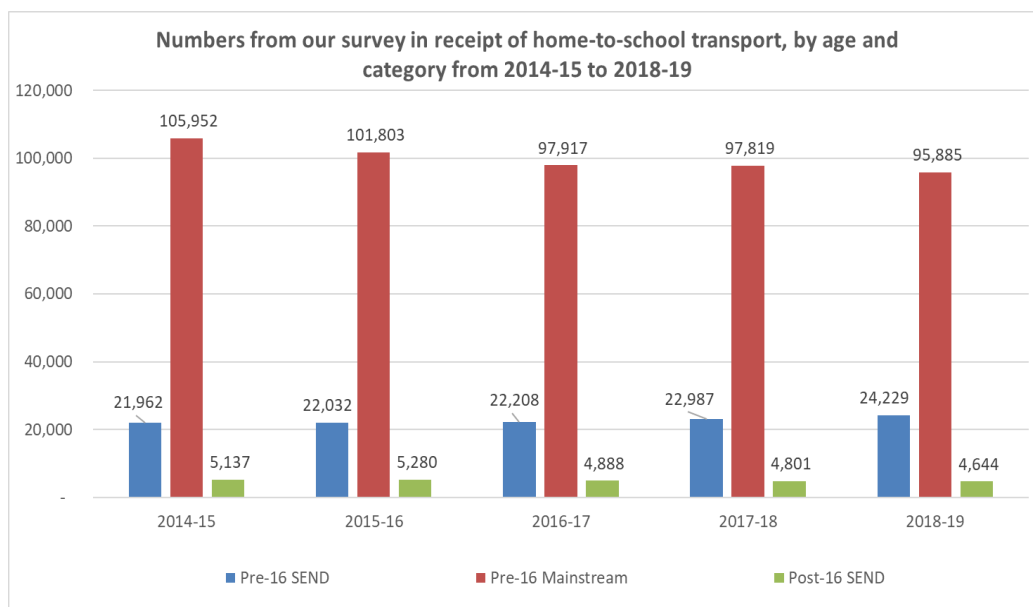
### Numbers in receipt of home-to-school transport

While overall expenditure on home-to-school transport has increased, our survey suggests that the total number of children and young people in receipt of pre-16 mainstream and all SEND home-to-school transport in the local authorities which replied to our survey has decreased from 133,051 in 2014-15 to 124,758 in 2018-19 (Figure 3). This is based on responses from 26 local authorities which provided answers for the number of children in receipt of pre-16 transport (SEND and mainstream) and post-16 SEND transport for the period between 2014-15 and 2018-19. Too few local authorities provided information on the number of young people eligible for post-16 mainstream transport so we have excluded this category from our analysis.

When taken as a percentage of the 0-25 population, total numbers in receipt of home-to-school transport (both SEND and mainstream) have gone down from 3.9% in 2015-16 to 3.2% in 2018-19 in

responding local authorities.<sup>17</sup> A similar direction of travel is exhibited in the data provided by ATCO. In the period between 2016 and 2018, numbers in receipt of mainstream transport dropped from 102,000 to 96,000 and numbers in receipt of SEND increased from 16,000 to 19,000, for the 18 local authorities that consistently responded across the period.

Figure 3 - Numbers from our survey in receipt of home-to-school transport, by age and category from 2014-15 to 2018-19

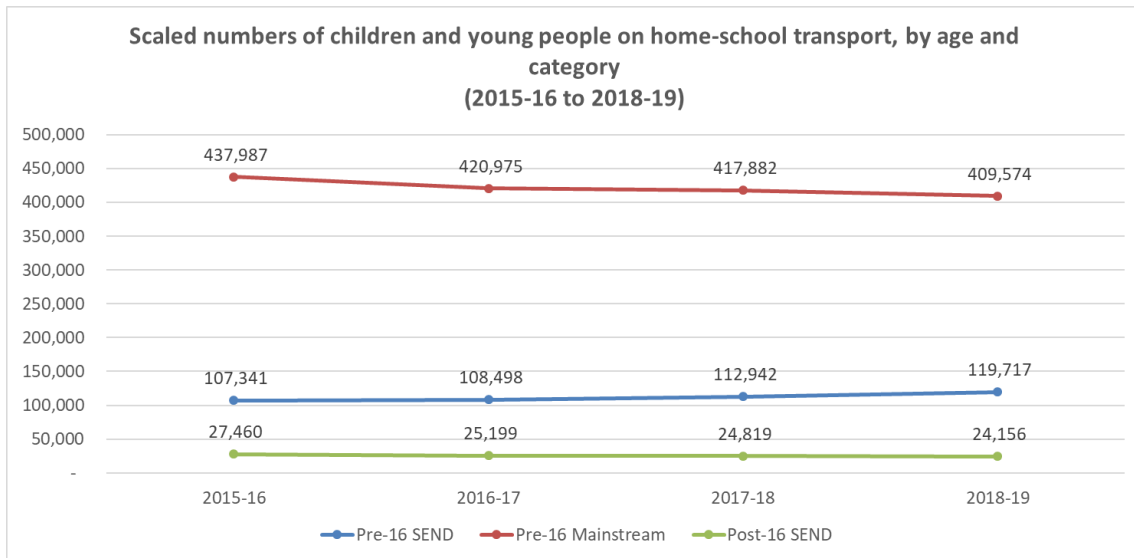


We have used the data from our survey to project the national picture. This suggests that in 2018/19 there may be around 550,00 children and young people in receipt of home-to-school transport across pre-16 SEND and mainstream and post-16 SEND, as shown in Figure 4 below:<sup>18</sup>

<sup>17</sup> This percentage is based on the total numbers in receipt of home-to-school transport in 2015-16 as a proportion of the 0-25 population represented by the local authorities who provided an answer. This represents 32 local authorities in 2015-16 and 39 in 2018-19.

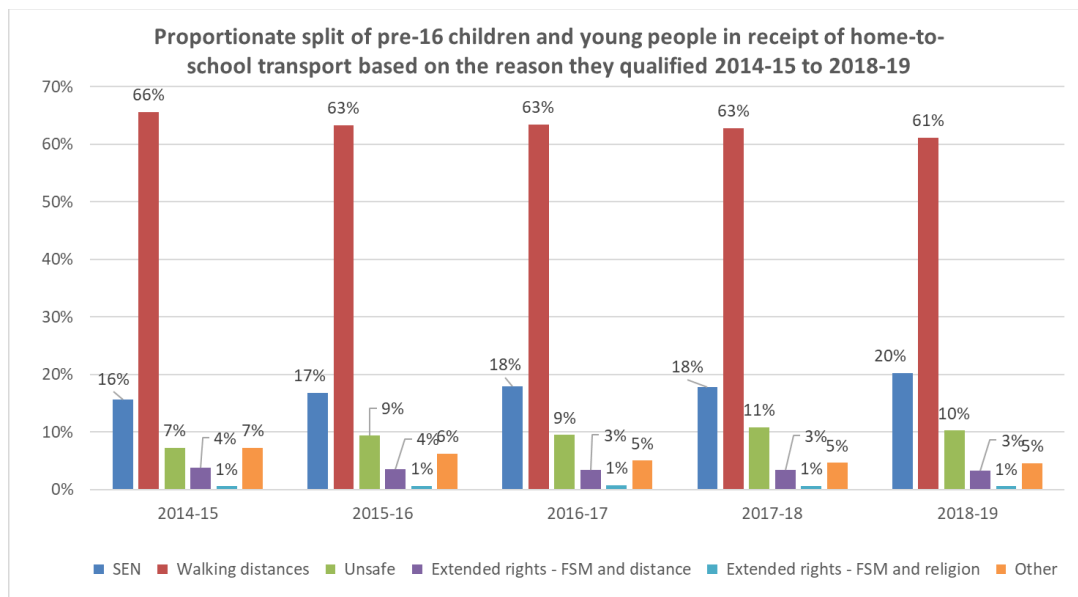
<sup>18</sup> To scale up numbers in receipt of home-to-school transport from our survey responses, we categorised local authorities by rurality and calculated numbers in receipt of transport as a proportion of the population – one proportion for rural and one for urban. We then scaled this up to national rural and urban populations and summed the final number together. We undertook this method as our sample of local authorities from the survey had a disproportionate number of rural local authorities compared to the national split.

Figure 4 - Scaled numbers of children and young people on home-to-school transport, by age and category (2015-16 to 2018-19)



It is clear that the overall reduction in the numbers of children and young people in receipt of home to school transport is being driven by falling numbers of children receiving mainstream transport and falling numbers of young people receiving post-16 SEND transport, partially offset by increasing numbers of children in receipt of pre-16 SEND transport. We are seeing a shift since 2014-15 in who is receiving support and why (see Figure 5). Based on data from our survey outlining qualifying criteria for children and young people pre-16, the percentage of children qualifying under 'walking distances' has fallen from 66% to 61% while those qualifying under SEN have increased from 16% to 20%.<sup>19</sup>

Figure 5 - Proportionate split of pre-16 children and young people in receipt of home-to-school transport based on the reason they qualified 2014-15 to 2018-19



The increasing number and percentage of children eligible for SEND transport explains why the overall expenditure on home-to-school transport is rising at a time when overall numbers are falling. In general, the average cost of providing transport for a school age child with special educational needs

<sup>19</sup> Based on answers from all 46 local authorities that responded to our survey.

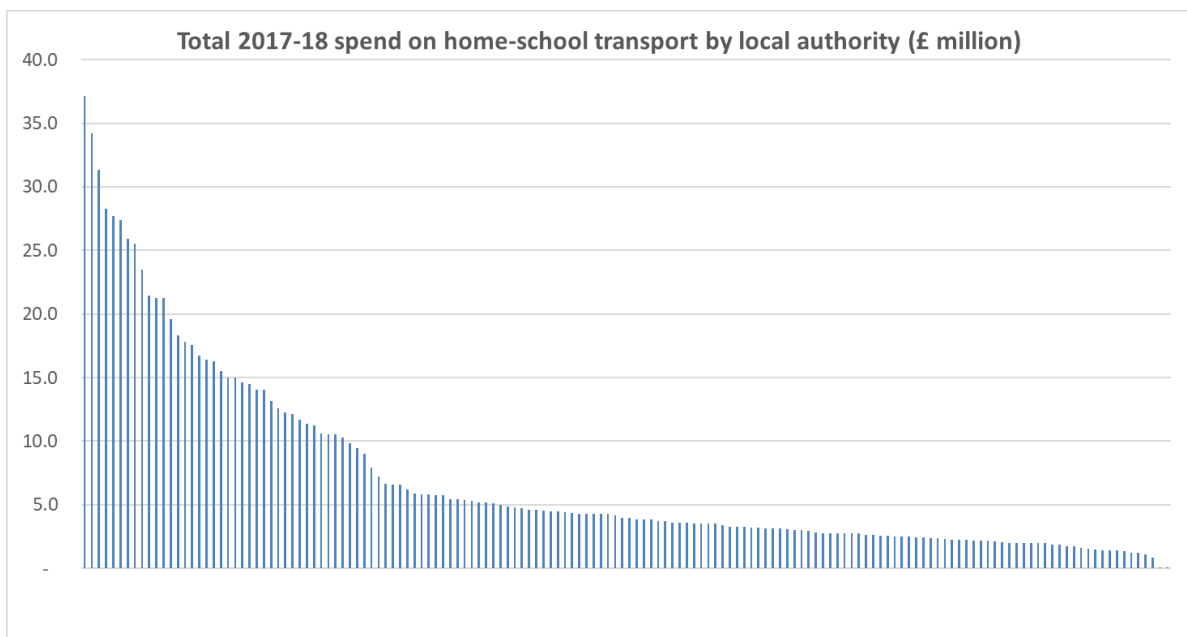


is £5,400 per year, compared with £1,200 per year for the average child eligible for mainstream transport. The effect of unit costs on expenditure are particularly acute when one considers the group of young people eligible for post-16 SEND transport. As shown in Figure 1, the expenditure on this group has increased by over £40 million in the last four years, but the number of young people post-16 with SEND in receipt of home-to-school transport has declined slightly in the same period. This points to the complexity of needs exhibited by the young people receiving transport and the high unit cost of putting in place suitable transport options. In comparison, the year on year percentage decrease in number of children and young people in receipt of mainstream transport pre-16 is largely in line with percentage decrease in spend on pre-16 mainstream transport, with a 10% and 12% drop respectively since 2014-15

### Differences between local authorities

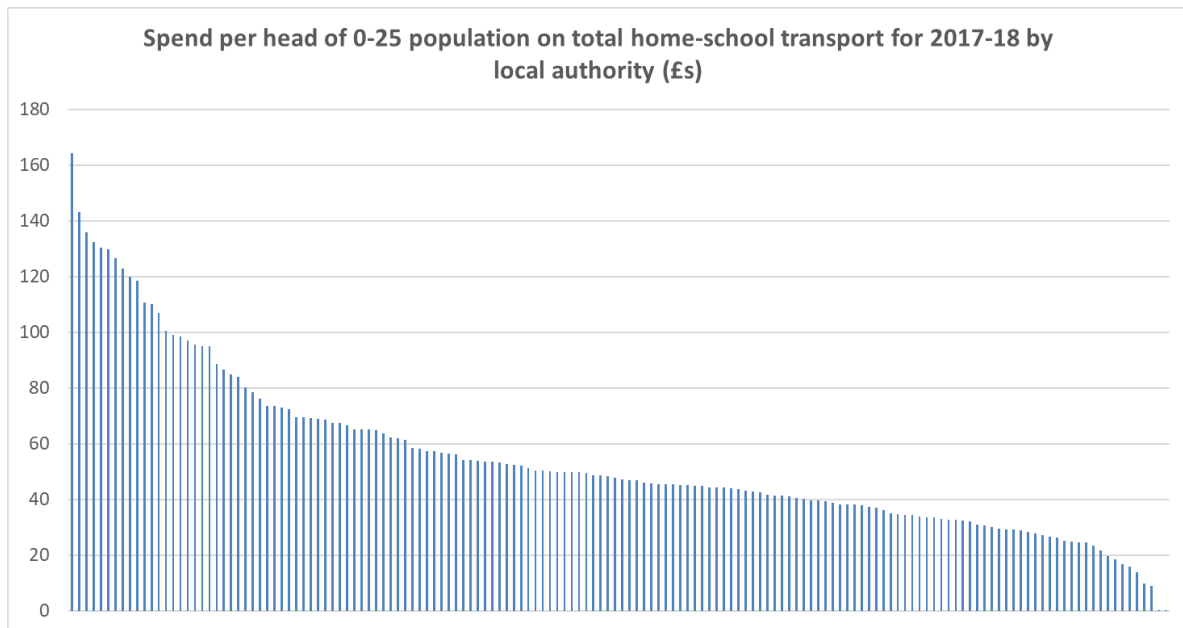
There is very significant variation between local authorities on the amount that they spend per head of population on home-to-school transport and the percentage of children eligible for transport. Figure 6 and Figure 7 below show both the total spend on home-to-school transport in 2017-18 and spend per head of population by local authority. This shows a range in total spend of £37 million, with per head figures ranging from £164 to £9.

Figure 6 - Total 2017-18 spend on home-to-school transport by local authority<sup>20</sup>



<sup>20</sup> Section 251: Outturn, 2017-18

Figure 7 - Spend per head of 0-25 population on total home-to-school transport for 2017-18, by local authority<sup>21</sup>

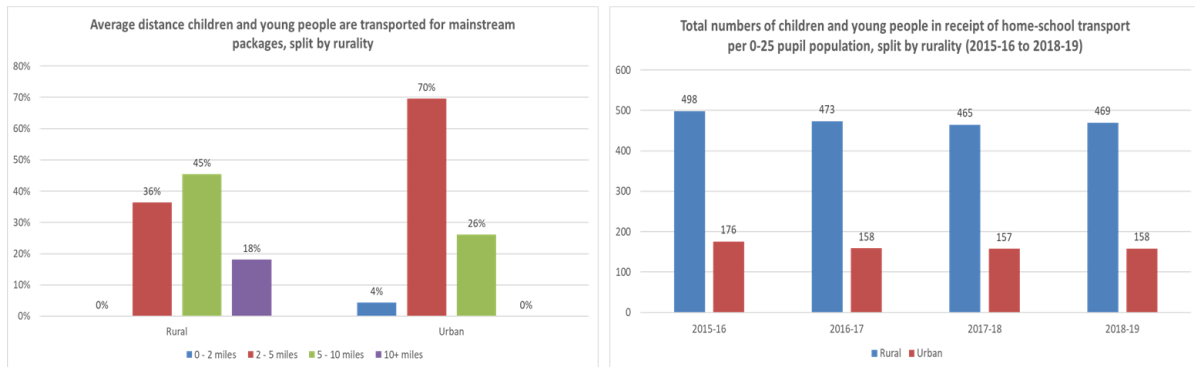


Arguably the most significant factor underpinning these variations in expenditure is the size and rurality of different areas. This was an important theme in the published literature and was echoed strongly in our fieldwork and survey. The University of Plymouth study (2017), Campaign for Better Transport Report (2016) and County Councils Network Report (2018) demonstrate that pupils in rural areas tend to travel longer distances to get to school. The County Councils Network report emphasises this point – if part of the eligibility criteria is based on pupils under 8 receiving free transport if they live 2 or more miles away from the most suitable school and likewise 3 miles for over 8 years, there will undoubtedly be higher numbers of pupils who are eligible in rural areas. The University of Plymouth study (2017) suggests that although pupils in urban areas are more likely to attend a school other than their nearest, they inevitably still tend to travel shorter distances than those in rural settings.

Analysis of Section 251 returns and responses to our survey highlight the unique pressures associated with home-to-school transport that come with being a largely rural authority. Survey responses from 34 local authorities show that rural areas are transporting proportionally more children and young people for both SEND and mainstream provision for further distances than predominantly urban authorities. This is illustrated by Figure 8 below.

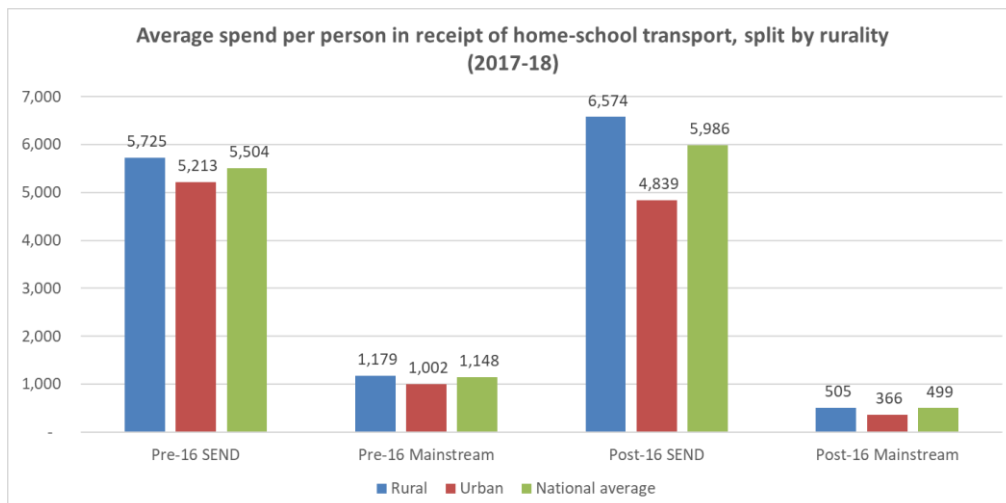
<sup>21</sup> Section 251: Outturn, 2017-18 and Section 251: Population Numbers

Figure 8 - Average distance children and young people are transported for mainstream packages, split by rural, and Total numbers of children and young people in receipt of home-school transport per 0-25 pupil population split by rurality (2015-16 to 2018-19)



Our survey data also shows that for every type of pupil eligible for home-to-school transport (pre and post-16, SEND and mainstream) rural areas spend more per head for those in receipt of home-to-school transport than either their urban counterparts or the national average (Figure 9):

Figure 9 - Average spend per person in receipt of home-school transport, split by rurality (2017-18)



A broad range of reasons underpinning these differences in eligibility and expenditure between rural and urban areas, beyond the pure impact of size and population density, are explained in the following sections relating to demand for mainstream and SEND transport.

The other, perhaps more unexpected, difference between local authorities' spending patterns to emerge from an analysis of the data was the high spend per child with SEND in receipt of home-to-school transport in London, compared with other areas. This is illustrated in Figure 10 and Figure 11 below which shows that expenditure per child in London for both pre-16 and post-16 SEND transport was very high and that this was also reflected in higher than average unit costs for different forms of transport.

Figure 10 - Average spend per head in receipt of home-school transport, split by local authority type (£, 2017-18)

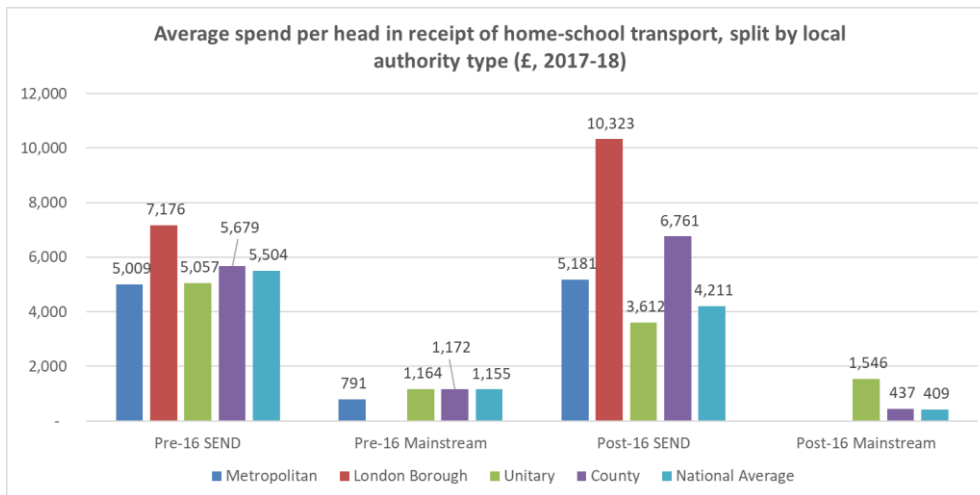
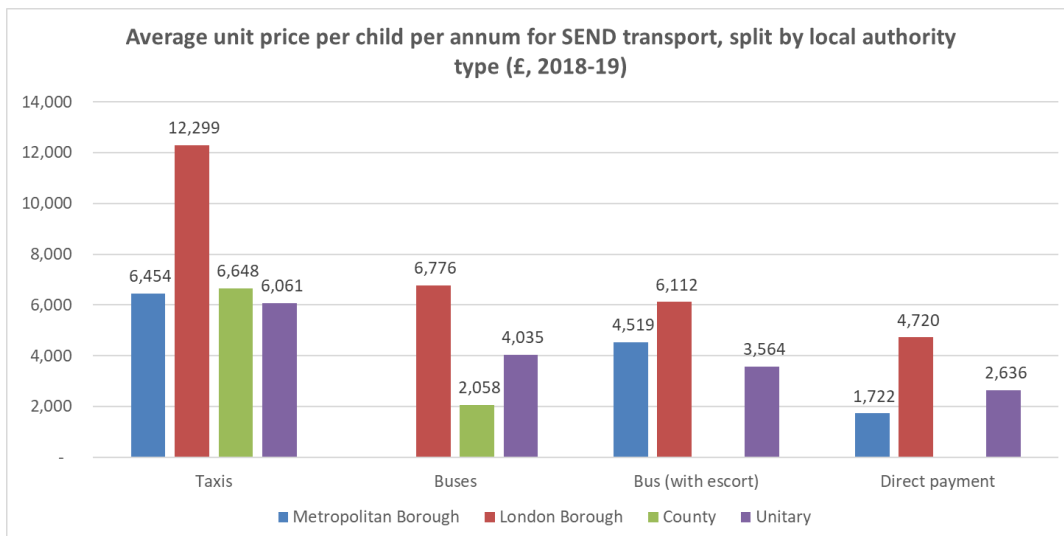


Figure 11 - Average unit price per child per annum for SEND transport, split by local authority type (£, 2018-19)<sup>22</sup>



These figures need to be treated with a significant degree of caution as we only received responses on unit costs from four London boroughs so the sample is small and may be skewed. Nonetheless, our fieldwork yielded some plausible explanations that might shed light on this variation. One issue is the distinct nature of mainstream and SEND transport in London Boroughs. Since Transport for London subsidises all pre-16 mainstream transport, SEND home-to-school transport becomes a discrete entity and where other local authorities might be able to merge mainstream and home-to-school transport provision, either by bundling contracts or by sharing actual vehicles for SEND and mainstream students alike, London authorities are less flexible in their ability to blend commissioning across provision types thereby increasing unit costs for SEND transport. The second factor is that London Boroughs have the lowest number of children and young people receiving SEND transport per head of population out of all local authority types. This no doubt reflects the excellent availability of public transport which makes it easier for young people with mild to moderate SEND to travel independently or with limited assistance. Those for whom transport is provided, therefore, are likely to be those with the most complex needs and hence the highest unit costs. Thirdly the basic cost of procuring taxis or specialist

<sup>22</sup> Chart excludes categories for which fewer than 3 local authorities provided both numbers of children in receipt and average unit costs in 2018-19.

buses is likely to be higher in London than elsewhere. Finally, local authorities in London have pointed to the impact of contextual safeguarding issues in relation to home-to-school transport, with increasing numbers of young people for whom transport arrangements are being designed to prevent certain young people going to the same schools or in the same vehicles as risks around gang activity and potential criminal exploitation become more widespread.

This brief analysis of the available data shows that the number of children receiving mainstream home-to-school transport and expenditure for this type of transport have decreased in tandem over the last five years. At the same time demand for SEND transport and the associated costs have risen sharply. The net impact is that overall expenditure on home-to-school transport has risen by £66 million nationally. To put this in perspective, expenditure on home-to-school transport now equates to 25% of total expenditure on high needs or 15% of total expenditure on children's social care. The data also shows some significant variations between local authorities in their levels of expenditure, with the higher costs of providing transport in rural areas being particularly pronounced. The following sections attempt to explain these trends in greater detail through a more forensic analysis of the factors influencing both mainstream and SEND home-to-school transport.

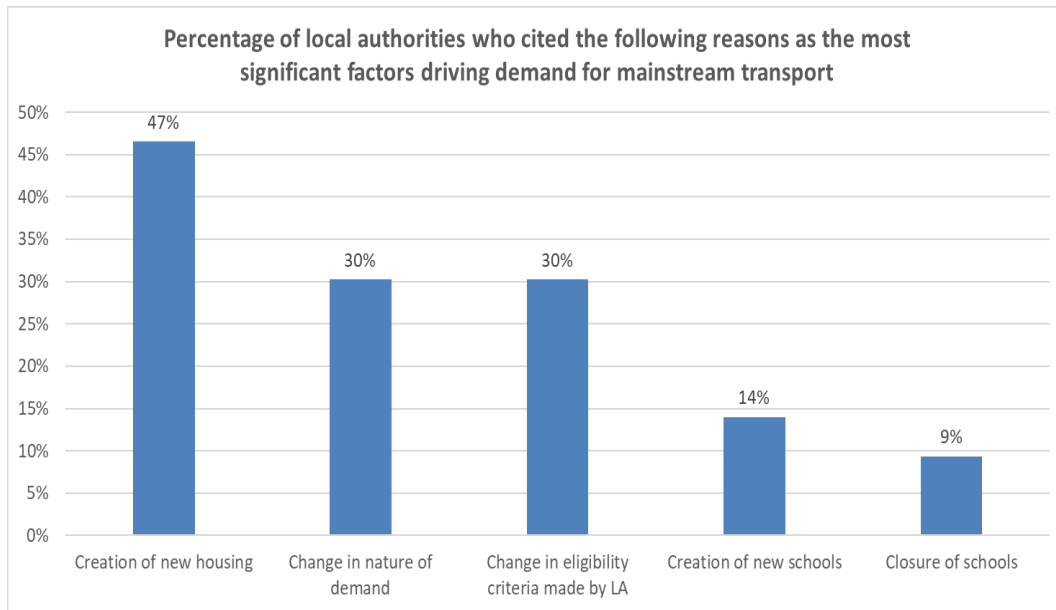
## Part 2: Explaining the underlying factors influencing mainstream home-to-school transport

Our national projection, based on our survey, suggests that the number of children receiving pre-16 mainstream home-to-school transport has reduced by around 6% in the last 5 years. Furthermore, national expenditure on both pre and post-16 mainstream transport has declined since 2014-15. The majority of our fieldwork local authorities described the area of mainstream home-to-school transport being 'broadly stable' overall. However, it would be misleading to conclude that eligibility for home-to-school transport is simply static or declining or that the cost of providing it is reducing without effort. In fact, our fieldwork and survey suggest that local authorities are experiencing a range of pressures which have the potential to drive up numbers of children eligible for mainstream home-to-school transport which, thus far, they have managed to offset by reducing their local offer to, or close to, the statutory minimum.

### Factors affecting the number of children eligible for and receiving mainstream transport

As part of our survey we asked local authorities to reflect on the factors which had affected demand for mainstream home-to-school transport in recent years either positively or negatively. Figure 12 below summarises their responses:

Figure 12 - Percentage of local authorities who cited the following reasons as the most significant factors driving demand for mainstream transport



In the following sections we use the fieldwork evidence that we collected in eight contrasting authorities, as well as evidence from our survey, to help explain the factors which shed light on the number of children receiving mainstream home-to-school transport, and the work that local authorities have done to mitigate and reduce demand pressures in this area. The issues identified include population growth, housing, the changing landscape of schools, and the changing characteristics of the underlying population.

### Population growth

Between 2014 and 2019 the number of 5 to 16-year-olds educated in maintained schools in England has grown by 485,000 (around 6%).<sup>23</sup> This automatically creates a larger pool of pupils who might be eligible for home-to-school transport. However, population growth is not evenly distributed and, in some areas, it is a far more pressing issue than in others. In one of our fieldwork areas, for example, the total number of children educated in the local authority had increased by 11,500 (10%) between 2014 and 2019.

Some fieldwork local authorities also pointed to a growth in in-year movement of pupils as a key pressure on mainstream transport. The Office for National Statistics cited that net international migration into England in mid-2018 was 275,000, which was 6,000 higher than the average for the past five years and 45,000 higher than last year.<sup>24</sup> Many of these will be families, arriving at different times of the year. When families move into an area halfway through the year, their nearest, local school can often be full and this can therefore result in more children being placed at schools further from their home. This increases the possibility that they qualify for home-to-school transport under walking distance or unsafe routes criteria.

<sup>23</sup> Schools, Pupils and Their Characteristics, January 2014 and January 2019

<sup>24</sup> Office for National Statistics, Population Estimates for the UK, England and Wales, Scotland and Northern Ireland: mid-2018, (June 2019),

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/mid2018>

## Housing

Population growth has also led to an increase in housing developments, which pose their own unique challenges to local authorities providing home-to-school transport. It is telling that around half the local authorities which responded to our survey cited new housing as a factor contributing to changing demand for home-to-school transport. After a period of limited building between 2010 and 2014, England has recently seen a large uptake in the number of new housing developments, dominated by private enterprise. Since 2014, there has been a percentage increase of number of permanent dwellings being built per year by 40%, from 117,810 to 165,210.<sup>25</sup> Private enterprise developments make up 82% of these builds. Some of the areas engaged in our fieldwork described how these developments can be set up without due strategic regard for access to schooling and the consequential implications for home-to-school transport budgets. This was particularly acute in County Councils because although developers are expected to pay a community levy to contribute to either the building of new schools or transport provision to schools, some councils pointed out that this grant is often sent to district authorities whereas home-to-school transport costs are borne at County level. Some local authorities which had benefitted from significant large-scale housing developments also explained that this had created a positive environment for families to move to the area which, while being a welcome contributor to the strength of local communities, had led to increasing spend on transport.

At the other end of the spectrum, insufficiency of housing is creating a different set of pressures. The growth in families held in temporary housing for increased periods of time is also leading to increased demand for transport. According to parliamentary statistics, December 2011 marked the end of the long-term downward trend in the number of households in temporary accommodation. At the end of December 2018, it was found that 83,700 households were in temporary accommodation, which includes 124,490 children.<sup>26</sup> When families are housed within a commutable distance every effort is made to ensure that the children can attend their original school to provide continuity, but this may still be some considerable distance from their new address. The amount of time families are housed in temporary accommodation is also increasing, thus posing a real long-term problem for local authorities. This growth in transient and vulnerable populations contributes to an increasing demand for home-to-school transport in some areas.

## The changing landscape of schools

Around 14% of local authorities who responded to our survey cited the creation of new schools, for example new Free Schools opening, as a factor contributing to changing demand for home-to-school transport. This was a less dominant issue in our fieldwork authorities but a number of local authorities responding to our survey cited the creation of new schools in areas that were previously poorly served for school places in alleviating demand for home-to-school transport. This points to the importance in strategically planning the location of new schools.

Conversely, 9% of survey respondents cited closure of schools as a factor in increasing demand. Our fieldwork suggested that, again, this was particularly an issue for some of the larger rural counties. Pressure on school budgets in recent years mean that some local authorities have had to take the decision to close small rural schools that have become financially unsustainable. This alleviates pressure on the Schools Block of the Dedicated Schools Grant but creates a knock-on pressure on

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<sup>25</sup> Ministry of Housing, Communities and Local Government, Live tables on house building: new build dwellings, (July 2019), <https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>

<sup>26</sup> House of Commons Library, Households in temporary accommodation, (2019) <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN02110>

home-to-school transport budgets as more children will have to travel further to school and may become eligible for transport under the walking distance criteria.

A further facet of the changing landscape of schools is the increasing number of schools that have chosen to become academies. One of the consequences of this change is that local authorities are seeing greater variety in term times and school start and finish times than they had done previously. Some local authorities were anxious about what this might mean in future about demands on mainstream home-to-school transport budgets. While it would not increase the number of children eligible, it has the potential to increase the number of separate routes that have to be commissioned and reduce the opportunity for sharing transport between multiple schools.

#### The changing characteristics of the underlying population

30% of authorities responding to our survey suggested that changes to the underlying characteristics of their pupil population were impacting on the numbers eligible for home-to-school transport. In a number of local authorities responding to the survey the growing number of looked after children was cited as a significant issue. For many of these children and young people every effort is made to maintain their educational provision if their foster or residential placement changes, but this can often result in long, costly and often individual transport needing to be made available.

The other changing dynamic for local authorities was changing numbers of children and young people qualifying for transport on the basis of free school meals. Nationally the population of secondary age children eligible for and receiving free school meals has remained largely stable at between 12% and 14% of numbers on roll over the last four years,<sup>27</sup> but in individual local authorities there can be quite dramatic variation – the biggest single local authority percentage decrease between January 2014 and January 2018 was 3.2%, whilst the biggest increase was 11.7%.

#### What local authorities have done to address pressure on numbers of pupils

##### Changing eligibility criteria

It perhaps seems surprising that given the range of potentially inflationary pressures outlined above the number of children accessing pre-16 mainstream transport appears to be consistently falling. This can be explained, to a large extent, by changes made by local authorities to the eligibility criteria for mainstream home-to-school transport in their local transport policies. According to our survey, 30% of the local authorities responding suggested that they had made changes to their eligibility criteria and that this had affected demand for transport. In their comments many local authorities explained that they had amended their home-to-school transport policies to bring eligibility for mainstream transport in line with statutory minimums.

Based on our fieldwork, and supporting evidence from other published research, this is the most significant factor that we can identify in explaining the reducing number of children receiving mainstream home-to-school transport and hence the reducing levels of expenditure. As the Campaign for Better Transport outlines, many local authorities have reduced their offer of mainstream home-to-school transport since 2010 to the statutory minimum, thus reducing the overall number of pupils in receipt of home-to-school transport arrangements. In total, they estimate that 27% fewer pupils are receiving home-to-school transport than was the case in 2008. This is reinforced by evidence that we gathered from our fieldwork authorities. Out of the six non-London local authorities that we visited at least five had changed their mainstream home-to-school transport policy within the last three years to remove some provision that went beyond statutory entitlements. Some of the main ways in which

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<sup>27</sup> Schools, Pupils and their Characteristics, 2015 and 2019



individual areas had reduced the number of children eligible for home-to-school transport, or the number of routes commissioned, included:

- Reviewing the safety of existing routes to school and reclassifying routes which had previously been seen as unsafe, in light of recent improvements.
- Making physical changes to unsafe routes such as installing bridges, traffic crossings or pedestrian walkways to make them safe.
- Removing discretionary elements from local transport policies such as transport provided for parents choosing Faith Schools or Grammar Schools.
- Changing travel policies to stipulate that travel will only be provided 'to the nearest school' rather than a wider definition such as schools within a designated catchment area.
- Removing provision for travel to multiple sites (for example for pupils attending more than one provision).
- Removing provision for travel to more than one home address (for example pupils who reside for part of the week with their mother and for part of the week with their father).
- Tightening up criteria for collecting children from central pick-up points.

Changes of this nature could have a significant impact -in one fieldwork local authority, for example, the number of children eligible for mainstream home-to-school transport had reduced from 3,200 to 900 between 2014/15 and 2018/19 largely as a direct result of changes to the local home-to-school transport policy. In some cases, changes to the substance of local transport policies were also accompanied by changing the names of their policies and their teams, from 'home-to-school transport' to 'assisted travel' of variants thereof. Although this might seem merely cosmetic, some local authorities explained that a change in name could help reinforce the idea that parents also had responsibilities in getting their children to school and that door-to-door 'transport' would not always be provided when a local authority could discharge its statutory responsibilities through more limited travel assistance.

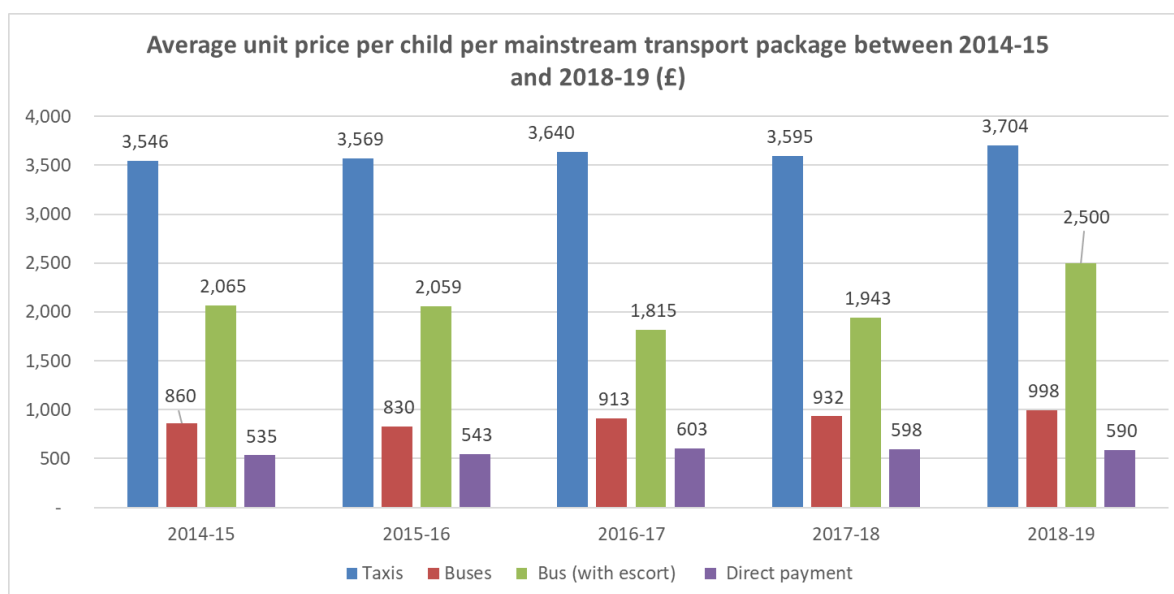
It was also clear that local areas were making quite significant changes to their post-16 mainstream eligibility criteria. The national guidance for this aspect of home-to-school transport policy is much less concrete than the corresponding pre-16 guidance and leaves more room for local discretion. Accordingly, a large proportion of the fieldwork authorities had contracted their models to provide no transport but providing some subsidies on public transport.

We engaged a number of lead members through the fieldwork who explained that decisions to reduce the eligibility criteria for home-to-school transport in line with the statutory minimum was not a decision that they took lightly. It was often politically unpopular and could cause significant short-term disruption and expense for families. However, it was a decision that they felt duty-bound to take in light of the significantly rising costs of SEND home-to-school transport, where local authorities found they had less discretion to make changes, combined with overall pressure on children's services budgets. In short, these were decisions taken through financial necessity.

### [Factors affecting or changing the unit costs for mainstream home-to-school transport](#)

Understanding the trends in expenditure for home-to-school transport depends not just on the numbers of children receiving transport but also the unit costs of doing so. Data from our survey suggests that the average unit price per child receiving mainstream home-to-school transport has increased slowly but consistently, across different forms of transport over the last four years, as shown in Figure 13 below:

Figure 13 - Average unit price per child per mainstream transport package between 2014-15 and 2018-19 (£)



Across all forms of transport average unit costs per child in receipt of mainstream transport has increased from £1,045 in 2014-15 to £1,163 in 2018-19. Our survey and fieldwork suggest that local authorities have been experiencing significant inflationary market pressures which have, to some extent, been ameliorated by local authority attention to smarter commissioning and sharper charging arrangements.

#### Market pressures affecting the cost of mainstream home-to-school transport

One of the key themes that emerged through our fieldwork was the financial pressure on commercial bus services leading to the ending of unsustainable public transport routes. Our fieldwork suggested that this was a particularly acute issue in rural areas and was exacerbating the limited coverage of public transport and increasing the need for home-to-school transport. The Campaign for Better Transport demonstrates that between 2010 and 2016, local authorities in England and Wales have cut £78 million in funding for bus services and have reduced or withdrawn 2,400 bus routes.<sup>28</sup> With fewer public transport routes available, more children and young people may need to be transported on specifically commissioned school bus routes rather than subsidised on existing public transport. This comes at a higher cost per child.

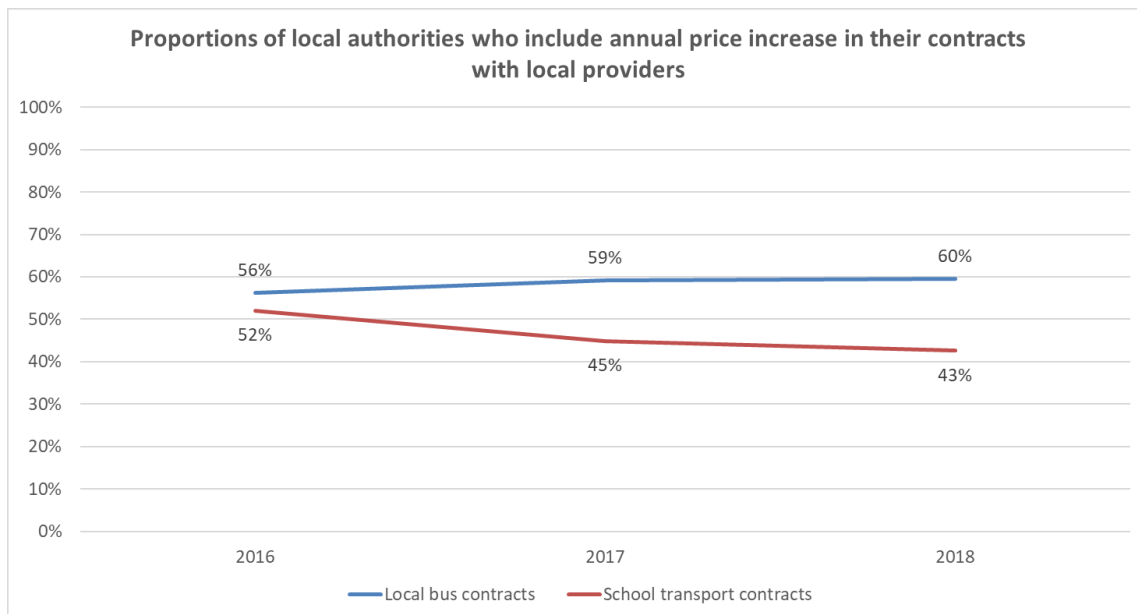
A second related factor is the number of bus companies which have ceased trading. This leads to fewer providers competing for contracts which can limit the ability of commissioners to negotiate on price. The ATCO survey records the local authorities who have had to remove or replace contracts early due to the closure of commercial bus services – it shows that consistently over the past 3 years, an average of 42% English local authorities responding to the survey had to find replacement contracts due to a removal of a commercial bus service. With low margins for providers, in some areas there may be little incentive for providers to continue operations which can have implications for further contract negotiations.

Unit price is also driven up by broader contextual factors. Local authorities have pointed to minimum wage increases, cost of fuel and vehicle costs all contributing to increased costs of contracts.

<sup>28</sup> Campaign for Better Transport, 'Buses in Crisis', (2015)  
<https://bettertransport.org.uk/sites/default/files/research-files/buses-in-crisis-2015.pdf>

Interestingly the ATCO survey showed that the proportion of local authorities building annual price increases into their contracts with local providers for school transport had dropped from 52% to 43% since 2016, as shown in Figure 14 below. This may be an indication of local authorities' efforts to control the price of home-to-school transport, but also potentially destabilises the cost-effectiveness for providers of operating certain routes and exacerbating some of the issues outlined above around the precariousness nature of the market.

Figure 14 - Proportions of local authorities who include annual price increases in their contracts with local providers



### Actions that help to mitigate cost pressures for mainstream home-to-school transport Sharper commissioning

In the majority of local authorities we visited through the fieldwork, the mainstream transport requirements would be determined either by a strategic lead for Home School Transport within the local authority or by the lead responsible for admissions and then the detailed commissioning and day to day interactions with the transport providers would be handled by the local authority's integrated transport team. In a small number of authorities, responsibilities for commissioning and funding transport arrangements were shared between the local authority and the Combined Authority which was used as a mechanism to facilitate joint planning between different authorities. In our survey, we asked who was responsible for strategic oversight of transport, commissioning contracts and who held budgetary responsibility to get an understanding of the teams involved. Based on respondents, 51% of local authorities kept all three functions within the same single team – whether that be the transport team, broader Children's Services team, or contracted out to a third party. 40% of respondents had two of these functions in the same team and only 9% of local authorities split these functions across three different teams. The most common teams to be involved were transport and broader Children's Services.

It was apparent, both from the survey and from discussions with Integrated Transport team leads, that local authorities have deployed a wide range of different commissioning mechanisms to gain maximum value for money from mainstream transport contracts. Different local areas appeared to have reaped benefits from different approaches, which may be in part a reflection of the prevailing market conditions and the volume of transport being commissioned. It is therefore not possible to say

which approaches are likely to deliver the greatest benefits. However, some of the different commissioning approaches being used by local authorities which they felt had created additional value are listed below:

- Most of the local authorities engaged in the fieldwork were undertaking regular and wholesale reviews of routes to make sure that they were achieving maximum efficiency in filling buses, reducing transport distances where possible, and combining pick-ups and drop-offs in a strategic way. A number of authorities had invested in mapping software that could enable route reviews to be carried out more frequently and with fewer person-hours than traditional more manual methods.
- The counterpart to regular and effective route reviews was tendering contracts in a flexible way that would enable local authorities to make sensible adjustments to the number of buses, journeys or routes a provider would be asked to make, within an agreed price tolerance, so that the transport provision on offer could respond to changes in demand. Some local authorities, for example, described being able to have strategic discussions between providers that could create more sensible allocations of routes which might have a win-win outcome for both the local authority and the provider.
- Some local authorities in the survey spoke about moving towards or trialling either dynamic purchasing systems or e-tendering systems. These can include a variety of flexible contracting approaches, for example, automated systems where providers can bid for individual routes.
- A number of local authorities were also trialling contracting where they only paid for seats used – contractors were expected to provide registers of attendance from which the local authority would assess the regular non-attendees to see if they required alternative packages and if they could be replaced by either a paying individual or another eligible student.
- In many London local authorities, boroughs are working together trying to jointly commission transport and jointly manage unit costs. This is easier given size of London boroughs and traditions of cross-boundary working, but examples of joint commissioning and planning are also developing in combined authorities
- Finally, local authorities described experimenting with different contract lengths. On this topic local authorities were trying to weigh up a number of conflicting considerations. Longer contracts sometimes provided the opportunity to lock-in a better price by giving providers more certainty of future income but could lead to local areas being tied in to a particular pattern of provision which may become less efficient over time as the journeys pupils make need to change. Conversely shorter contracts provide more opportunity for review but can also lead to instability being 'priced in'.

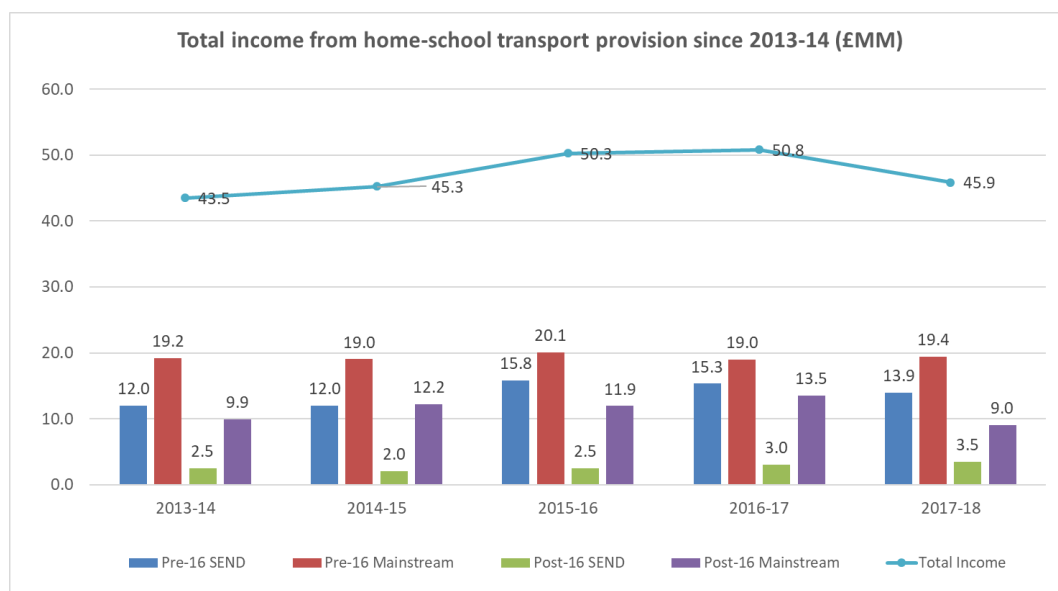
Evidence from both our fieldwork and our survey point to the important role that really effective commissioning can have in controlling the other factors that might lead unit costs of mainstream home-school transport to increase. However, local authorities were also at pains to point out that commissioning is as much about quality as cost. Some local authorities described how, if contract prices are driven too low, the quality of the service may suffer in terms of punctuality and reliability and can lead to false economies with considerable officer time being taken up with dealing with complaints and potentially ending up having to retender services at increased cost. Others described the importance of including agreed quality measures in contracts to ensure the continued value of what was being provided. Too extensive a focus on driving costs down can also result in the reduction of the number of providers operating in an area, as few are able to absorb such low cost. An increasingly limited market can see an increase in costs over time too.

A further issue that was raised in one fieldwork authority was the extent to which councils' interpretation of procurement legislation might limit or hamper the discretion of commissioners to make sensible strategic adjustments to contracts without the need to undergo a formal retendering exercise. There appeared to be some differences between local authorities in their interpretation of the degree of flexibility within contracts that was permitted within existing procurement legislation.

### Income generation

Alongside more strategic, sharper commissioning, a trend increasingly seen in local authorities is the increase in income generated by charging children and young people who do not qualify for transport. Some areas have set this up on a termly bus-pass basis, whilst others had a walk-on setup for any seats not used that day. Apart from a decrease in income generated in 2017-18, published data has shown a steady increase in total income generated by home-to-school transport (Figure 15). When comparing income generated between 2013-14 and 2016-17, the biggest growth came in post-16 mainstream provision of +36%, +28% growth from pre-16 SEND transport and +22% for post-16 SEND transport.

Figure 15 - Total income from home-school transport provision since 2013-14 (£MM)



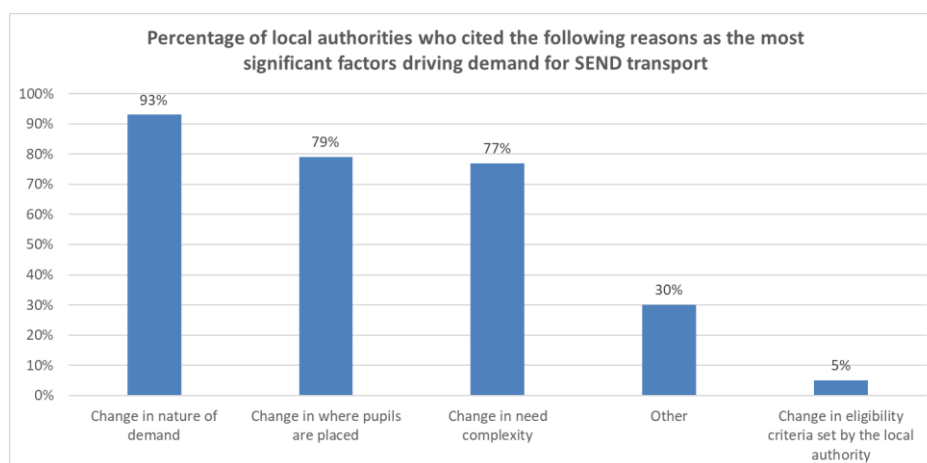
## Part 3: Explaining the underlying factors influencing SEND home-to-school transport

For mainstream home-to-school transport we have described an emerging context of mild to moderate inflationary pressures affecting the demand for transport and costs of providing transport which have been offset by reductions in discretionary local eligibility criteria (above statutory minimums) and a strong focus on achieving value for money through contracting and income generation. The picture for SEND home-to-school transport is very different. Here we have seen a significant rise in both the numbers of children in receipt of transport and the associated costs of providing that transport year on year. The following sections aim to set out both the factors that are contributing to the increasing spend on transport for children with SEND and the range of strategies that local authorities have deployed in controlling this expenditure.

## Factors leading to increasing spend and demand for SEND home-to-school transport

In our survey we asked local authorities about the most significant factors driving changes in demand for SEND home-to-school transport (Figure 16). Nearly all local authorities cited the changing nature of demand, by which they meant increasing numbers of children with EHCPs, as a significant contributory factor. Over three-quarters of respondents also cited where children are placed and complexity of needs as significant factors. The following sections explore these three important drivers of demand in greater detail, as well as highlighting the role of market forces in increasing unit costs.

Figure 16 - Percentage of local authorities who cited the following reasons as the most significant factors driving demand for SEND transport



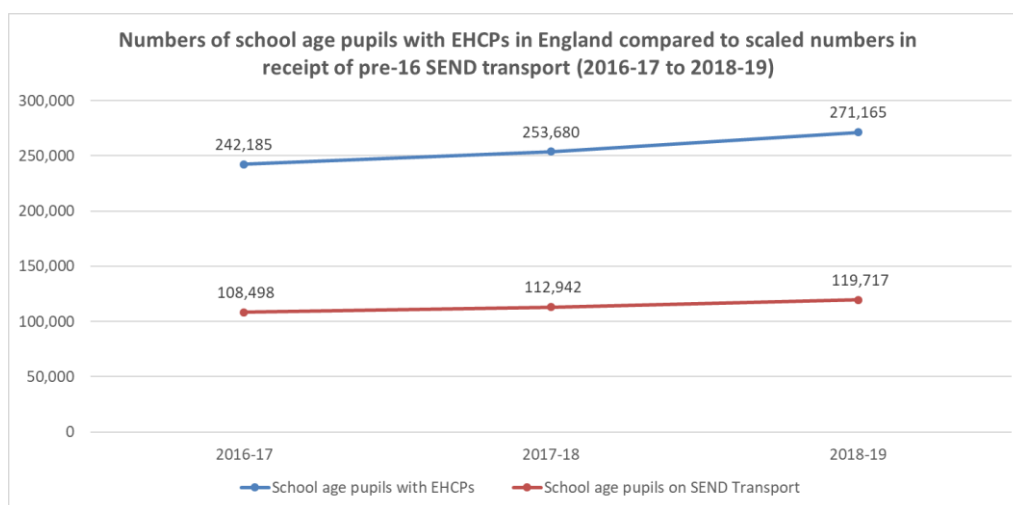
### Increasing numbers of children with Education Health and Care Plans (EHCPs)

Data published by the Department for Education shows that between 2014 and 2018 the number of children and young people with an EHCP or statement of SEND increased by 35% from 237,111 to 319,819.<sup>29</sup> This is in stark comparison with the previous five years (2010 to 2014) in which the number of children and young people with statements or EHCPs increased by just 4%. Any analysis understanding the demand for SEND transport is incomplete without a consideration of the increasing pressures on the high needs system.

Figure 17 below shows how the rising numbers of children with EHCPs correspond with the rising numbers of children and young people in receipt of home-to-school transport due to special educational needs. Though year on year percentage and absolute increases are steeper for numbers of EHCPs, the direction of travel is directly comparable. It is worth noting here that according to the guidance, an EHCP does not entitle a child to home-to-school transport provided by the local authority, and the divergence in numbers of EHCPs versus numbers in receipt of transport reflects this fact. Similarly, the difference between the number of children with EHCPs in a local authority and the number of children in receipt of SEN transport can be due to variations in how local authorities interpret the guidance: in their definition of nearest suitable school and in their interpretation of whether the child would otherwise be unable to access education if unassisted.

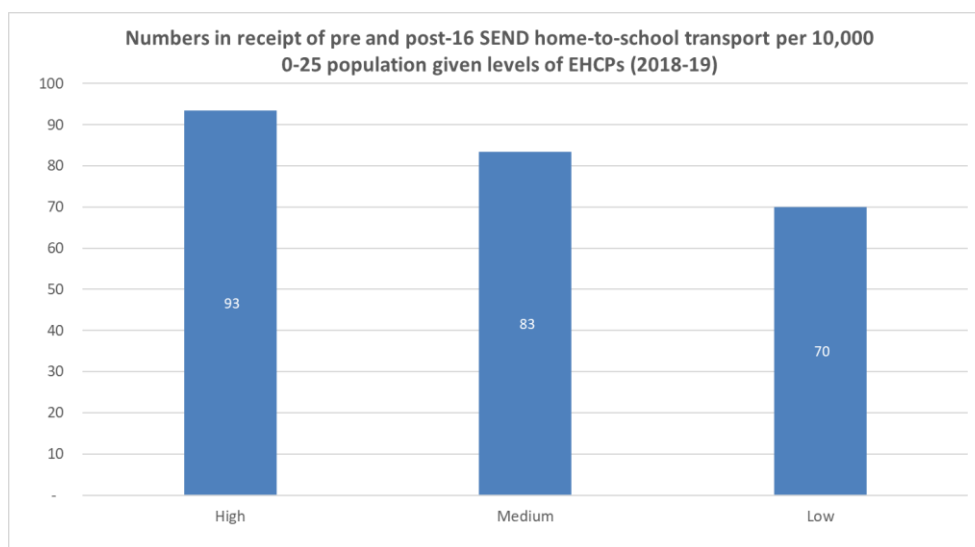
<sup>29</sup> Statements of SEN and EHC Plans: England, 2018

Figure 17 - Numbers of school age pupils with EHCPs in England compared to numbers in receipt of pre-16 SEND transport (2016-17 to 2018-19)



At an individual local authority level, the relationship between EHCP levels and the number of children and young people accessing transport is clear. Figure 18 shows the local authorities with low numbers of EHCPs per population provide SEND transport to 25% fewer pupils per 10,000 population than those with high rates of children and young people with EHCPs.<sup>30</sup>

Figure 18 – Numbers in receipt of pre and post-16 SEND home-to-school transport given high/medium/low proportions of EHCPs per local population (2018-19)



Although the guidance is clear that the fact of having an EHCP does not, in itself, provide entitlement to assistance with transport many local authorities pointed to the impact of the Children and Families Act in raising parental expectations for what local authorities could and should provide for children with SEND. These raised expectations, according to local authorities, can often apply to transport as much as to educational provision. Working with parents constructively and collaboratively to determine the extent of parental responsibilities with regard to transport versus local authority responsibilities for transporting children with SEND remains an ongoing challenge.

<sup>30</sup> SEN2 2010-2018 and Population figures from Section 251: Pupil Numbers, 2018

### Increasing complexity of needs

The next important factor driving increasing expenditure on SEND home to school transport is the increasing complexity of needs experienced by children and young people. Through the survey conducted as part of Isos Partnership's report for the LGA on high needs spending - *Have we reached a tipping point? Trends in spending for children and young people with SEND in England (2018)* - local authorities were asked what were the most significant factors that were leading to demand or cost pressures on the high needs budget.<sup>31</sup> Out of ninety-one responses, nearly a third of local authorities pointed to the greater complexity of need contributing to pressures.

The same phenomenon is driving increased expenditure on home-to-school transport. Local authorities which engaged in the fieldwork explained clearly how greater numbers of children and young people with more complex needs were coming to their attention and requiring transport solutions which were more bespoke and higher cost. Local authorities identified two particular groups of children for whom this was the case: children with very complex medical needs and children and young people with very challenging behaviour.

For those with complex medical needs, local authorities described the range of physical adaptations that may need to be made to vehicles to keep children and young people safe and comfortable during their journeys to school. Local authorities also described how, for those with life threatening medical conditions, much more highly skilled and trained Passenger Assistants needed to be provided with transport (either on buses or in taxis) to be able to provide appropriate care in the case of a medical emergency.

The second group of pupils identified by local authorities as contributing to increasing costs of home-to-school transport were those exhibiting challenging behaviour. Since 2012/13, there has been a rise in the number of permanent exclusions of 67% and a rise in fixed term exclusions of 43%.<sup>32</sup> Of the children and young people permanently excluded in 2016-17 with a special educational need, 61% had social, emotional and mental health as a primary need and of those who were fixed term excluded, 54% had social, emotional and mental health as a primary need.<sup>33</sup> At the same time, there has been a general rise in more complex SEMH and behavioural needs, with the number of children and young people on either SEN Support or with an EHCP with a primary need of SEMH or ASD increasing by 22% and 46% respectively since 2015.<sup>34</sup>

The impact of these trends on transport are multiple. Firstly, with more permanent exclusions comes more demand for placements in a local area's Pupil Referral Unit (PRU) or alternative provision. Typically, the locations of such provision are likely to be further afield than a child's previous local school and more children will therefore become eligible for transport. Local authorities also face particular challenges for those young people whose alternative provision may be carried out on multiple sites. Providing individual and bespoke transport to these settings increases the chance of the young person attending but comes at a significant financial cost. A number of authorities, not just in London, identified an increasing cohort of young people who could not be transported together or could not be educated together due to significant concerns around gang affiliation, criminal exploitation or violence. Again, the impact for this in transport terms is more individual journeys and

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<sup>31</sup> Local Government Association, 'Have we reached tipping point? Trends in spending for children and young people with SEND in England', (2018), <https://www.local.gov.uk/have-we-reached-tipping-point-trends-spending-children-and-young-people-send-england>

<sup>32</sup> Permanent and Fixed Period Exclusions in England: 2016 to 2017

<sup>33</sup> Permanent and Fixed Period Exclusions in England: 2016 to 2017

<sup>34</sup> SEN in England: January 2015 and SEN in England: January 2019



higher costs. Finally, local authorities also explained the need to make provision for a growing cohort of young people whose extreme behaviour on transport put either themselves, the driver or other road users at risk. In those cases, local authorities had little choice but to commission individual taxis with one or more Passenger Assistants in place at a very high unit cost.

Increasing distance travelled due to school occupancy and distribution of specialist provision  
So far, we have considered how demand and spend on SEND transport is heavily influenced both by the increasing number of children and young people with EHCPs and by the increased complexity of need. Both these factors in turn are driving changes to where children and young people with SEND are placed, and this is itself having a major impact on expenditure on transport. This was cited as an important factor by 79% of authorities which responded to our survey. Most local authorities in our fieldwork echoed this point, outlining that more children with EHCPs are being educated in special schools and when local special schools become full, the 'nearest suitable school' is necessarily further afield. This is particularly acute if no available local special schools are deemed adequate for a child and the child is sent to an independent or non-maintained special school, possibly out-of-county or borough. Furthermore, a number of local authorities reflected that because children are often placed in special schools on an individual basis, as and when a suitable space becomes available, the net result is sub-optimal in transport terms. Local authorities described how children might be being transported from opposite ends of an authority in different directions, because that happened to be where the space was available at the time when they needed it. Once a pupil is well established in a school there will often be little appetite to move them purely for transport reasons.

The effect of special schools which are full is particularly challenging for counties because the distance to the next nearest suitable provision may be very great indeed. A number of counties described how difficult it was even to combine journeys for pupils because to do so would make journey times unacceptably long, again leaving them with few options other than solo taxi provision. Local authorities which had set up 'area special schools' which could cater for a wide range of needs fared somewhat better in being able to control their transport costs, but those which had a number of very specialist provisions which catered for particular or discrete needs could frequently find themselves transporting individual children for an hour or more each way hugely contributing to home to school transport expenditure. It is worth noting, as set out in Figure 19, that rural areas use taxis for transporting children and young people with SEND much more frequently than urban areas and the average unit costs per child (Figure 20) are considerably higher in rural areas for taxi transport than other forms of transport.

Figure 19 - Percentage split of package types used in provision of SEND transport, split by rurality (2018-19)

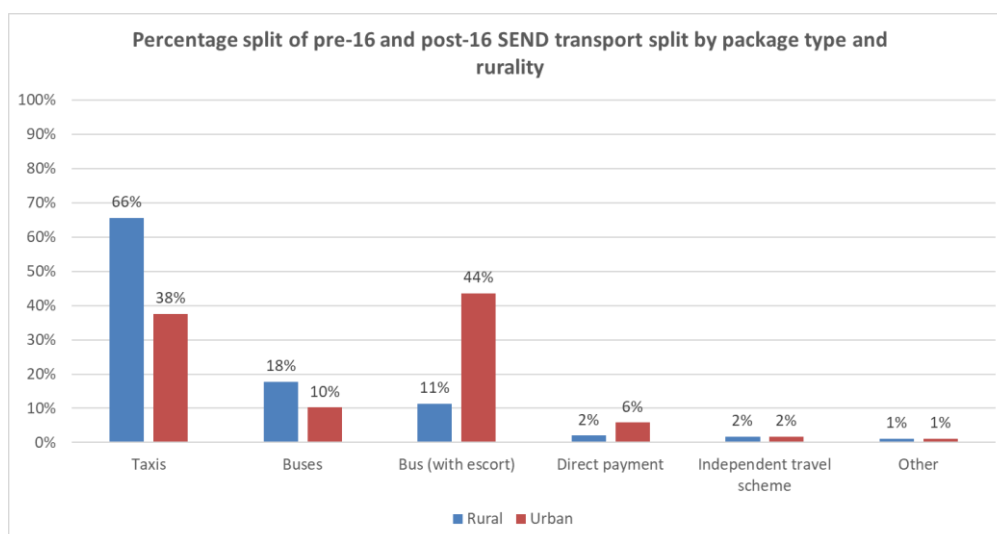
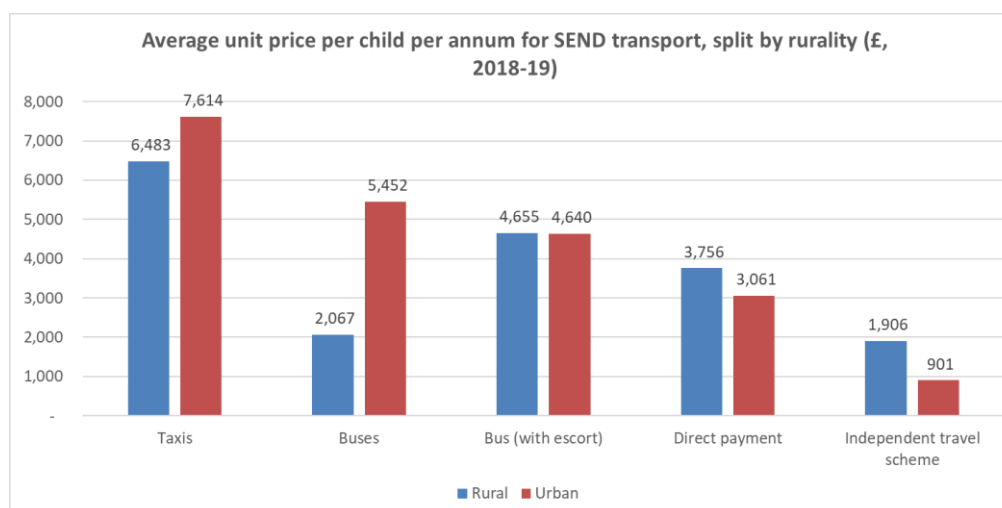


Figure 20 - Average unit price per child per annum for SEND transport, split by rurality (£, 2018-19)



We used the data from our survey and published data to further test the hypothesis that the limited spare capacity in special schools is a significant contributory factor to high expenditure on home-to-school transport. We found that when looking at the relationship between number of special school places commissioned versus the number of pupils placed in special schools, local authorities who place considerably more pupils than places commissioned tend to have a higher spend on SEND transport. For local authorities which place many more pupils in special schools than the number of places they formally commission, the average spend per child or young person in receipt of SEND transport is £7,738. This compares with £3,440 per child in local authorities in which the number of commissioned places is much closer to the actual number of children in special schools.<sup>35</sup> This supports the argument that full local special schools drive up spend, because it shows that local authorities with more special schools at, or over, capacity might have to transport children further afield. Similarly, when analysing the relationship between spend and placements in independent or non-maintained specialist schools (INMSS), spend on SEND transport is somewhat higher per child for local authorities that have higher proportions in INMSS. For local authorities with high proportions of children with EHCPs placed in

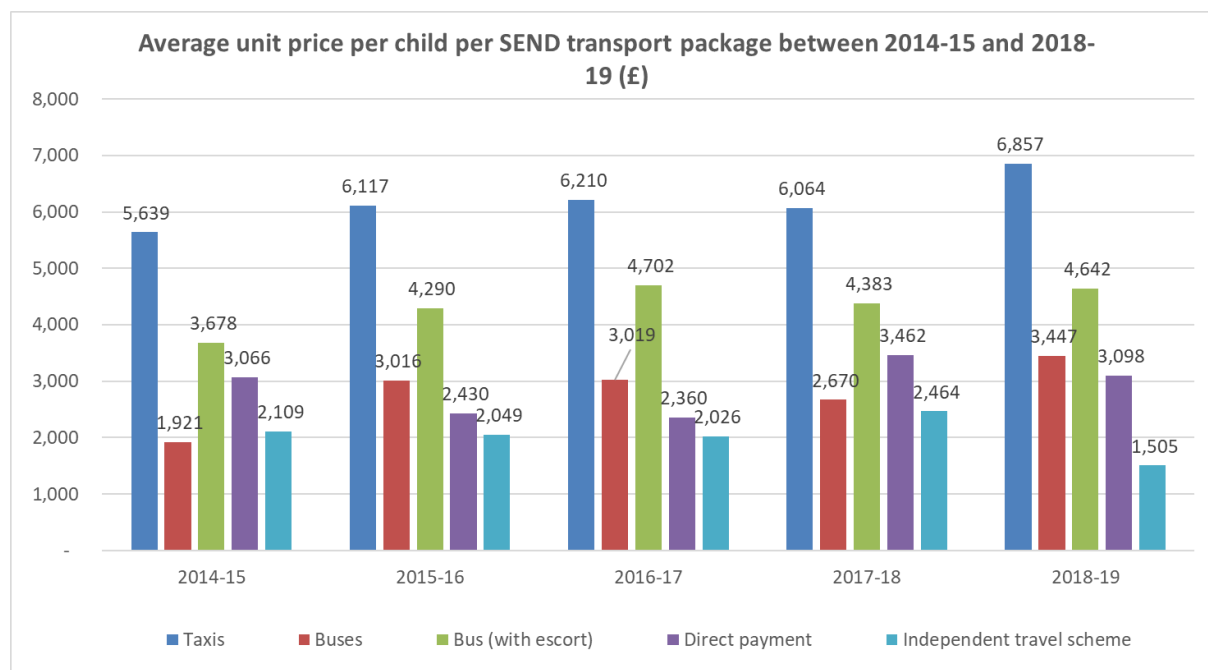
<sup>35</sup> High needs: place allocations for 2017-2018 and Schools, pupils and their characteristics: January 2018

INMSS, the average spend per child on SEND transport is £5,842 compared to £5,428 for local authorities with low proportions.<sup>36</sup>

#### Market forces within the SEND transport sector

As is the case for mainstream transport the average unit price (per child per annum) for SEND transport has increased over the last 5 years from £4,561 to £5,379. Within this overall trend, there have been some significant increases for particular types of transport. In particular, the unit cost per child of bus travel (both with and without an escort) has increased quite significantly. Taxi unit costs have also seen a substantial increase over the period.

Figure 21 - Average unit price per child per SEND transport package between 2014-15 and 2018-19 (£)



There are a number of possible reasons for this unit cost increase for taxi and bus journeys. In terms of transport by taxi, some local authorities which took part in our fieldwork described the difficulties that they experienced in commissioning sufficient taxi capacity, with some companies choosing not to bid for the work. This could leave local authorities with a smaller pool of providers and fewer opportunities to limit cost increases. This point is echoed by the ATCO survey which traces how the number of tenderers per local bus contract vary. For SEND transport contracts, it shows that the average number of tenderers per contract has decreased from 7 to 5 since 2017.

Many authorities also indicated that requiring providers to be compliant with the Public Service Vehicle Accessibility Regulations (PSVAR, 2016) though incredibly important, forces up unit price. PSVAR-compliance applies to buses with more than 22 passenger-capacity and requires that, amongst other things, there is sufficient space for a wheelchair, priority seats for disabled passengers, and audible and visible signals to stop a vehicle and/or to request a boarding device. This has led to increased unit prices for many authorities as the pool of suitable, fully compliant buses has reduced and because the process to become compliant requires major, costly alterations to fleets. With an

<sup>36</sup> Statements of SEN and EHC plans, England, 2018 and Section 251: Outturn, 2017-18

increase in multi-sensory impairment cases of 204% since 2014,<sup>37</sup> PSVAR-compliance and adequately equipped transportation becomes ever more vital to transport children safely.

### Actions that help to mitigate cost pressures for SEND home-to-school transport

Those local authorities which appear to have been most successful in containing the rising expenditure for home-to-school transport for children with SEND have taken a very strategic approach to commissioning and provision of home-to-school transport; placed the long-term needs of the child at the heart of their strategy; have been disciplined in the execution of their stated policy and imaginative in coming up with creative options. Actions that help to mitigate cost pressures for SEND transport include taking a strong strategic approach to SEND and inclusion; establishing clear leadership of SEND transport planning and joining-up across teams; developing a menu of travel assistance options, skilfully facilitated with parents and schools; and working in partnership with schools and across services. These are each explored in greater detail below.

### The strategic approach to SEND and inclusion

Local authorities were clear that managing the costs of SEND transport must start with a strategy for how to ensure that as many children with SEND as possible are educated successfully in their local schools in a way that meets their needs and enables them to thrive. This means developing a successful graduated response in the mainstream sector to support children with SEND. This, in turn will help alleviate pressure on maintained special schools creating more opportunities to place children in special schools close to home and reduce reliance on more distant or INMSS provision. Some local authorities were looking towards a capital investment strategy to create more capacity in local special schools, others were looking to review the designation of particular schools to better meet the presenting needs of children in a particular area and others were strategically considering the creation of SEND units or resourced bases attached to mainstream schools to enable more children to be educated closer to their families. However, local authorities were also wary of simply creating additional provision, recognising that if not commissioned effectively it could lead to more children who might otherwise be successfully educated in mainstream provision moving into the special sector, creating additional pressures on both the high needs block and the transport budget. None of the solutions set out above are easy, and there are considerable obstacles local authorities face in reshaping their provision for SEND and developing deeper approaches to inclusion in mainstream settings. Nonetheless, relentlessly pursuing an aspiration for good local provision for as many children with SEND as possible was an extremely important basis for managing the associated costs of transport.

### Clear leadership of SEND transport planning and join-up across teams

The second strategic consideration is how well local authorities were able to establish coherent and joined up ways of working between those who set the SEND transport policy, those who make decisions about individual pupil placements, those who make decisions about the award of transport assistance and packages and those who commission the actual transport.

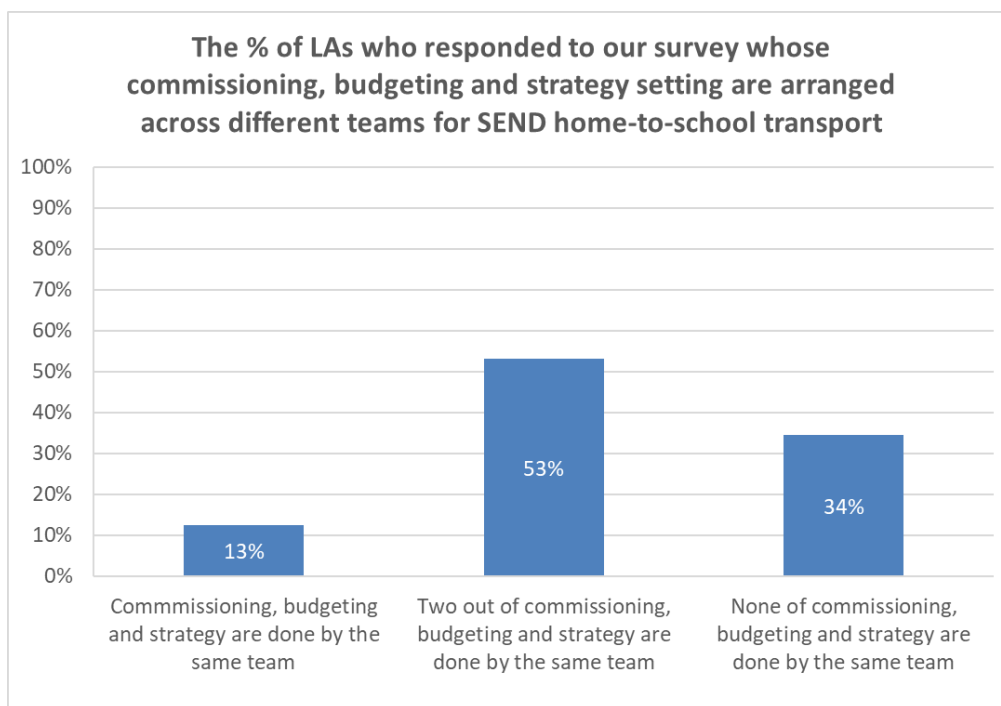
It appears to be a feature of the delivery of SEND transport that strategy, commissioning and budget holding functions tend to be split across multiple teams. When we asked local authorities how these functions were organised through our survey, thirty-two local authorities responded to this question and 53% of these stated that only two out of the three commissioning, budgeting and strategy functions for SEND transport were found in the same teams, whether that be a transport team, SEND team, broader Children's Services team or contracted out to a third party. In fact, when aggregated,

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<sup>37</sup> SEN in England: January 2014 and SEN in England: January 2019

87% of respondents show that these functions are carried out by at least two or three different teams, as shown in Figure 22 below:

Figure 22 - Percentage of local authorities who responded to our survey whose commissioning, budgeting and strategy setting are arranged across different teams for SEND home-to-school transport



This split of key functions across different teams can inevitably cause a lack in strategic join-up and communication, unless united through a strong central leadership function. Some local authorities spoke of the importance of keeping the budget for home-to-school transport within the SEND team so that the cost of transport is always a routine part of placement decisions. However, according to our survey, less than half of respondents (44%) had commissioning and budgeting decisions taking place in the same teams. Though having budgetary responsibilities in the same team as commissioning or placement decisions is not vital, building the ability of teams to talk to each other, free up funding, share understanding of cost implications and plan strategically is key to a well-planned system that does not leave expensive transport packages unchallenged. Transport can be better integrated into strategic decisions in several ways. For example, a number of local authorities had done considerable work with SEND teams to build into placement planning a process that looks at associated costs of travel when identifying a suitable school and ensuring that individual travel arrangements are then regularly reviewed.

On the flipside, local authorities where there is a disconnect between SEND teams and transport commissioners have cited the lack of join-up as a key contributor to increasing requests and the awarding of more expensive transport provision. In some cases, this was because the cost of travel arrangements was not always sufficiently taken into account when decisions were being made as to where to place a child. In other cases, those who were awarding transport packages were not sufficiently skilled in understanding the specific needs of the child and might, by default, opt for a more expensive package (such as an individual taxi) because it appears to be a lower risk option. Finally, some local authorities also drew attention to situations when those making day to day decisions simply did not have sufficient perspective on the cumulative budgetary implications of such decisions.

### *A menu of travel assistance options, skilfully facilitated with parents and schools*

Many of our fieldwork authorities argued that successfully managing SEND transport budgets within the current policy and funding context depends on the quality of the initial conversations with young people and families. A number of authorities were able to point to the critical importance of having effective transport advisers in place who were able to accurately assess and moderate applications for transport, and discuss with both young people and parents how travel assistance might be provided and how that might evolve over time. Conversely, where local authorities did not have a meaningful dialogue with parents and young people embedded within the process for determining transport arrangements, this could lead to very expensive packages emerging as a result of limited assessments of a child's needs, adversarial relationships with families or more formal challenge through Tribunals or other legal processes.

Importantly, some local authorities had been successful in setting out and communicating effectively what 'assistance with travel' means in local policy terms and resetting expectations away from the assumption that bus or taxi transport would be provided for children with SEND as a matter of course. In one local authority they had set out a very clear hierarchy of transport offers which they would discuss with parents. They started from the basis that wherever possible the parent would be able to support the child or young person in travelling to school. If this was not possible then they would explore options around independent travel training or providing a parental allowance. Only if these options had been considered and found to be unfeasible would commissioning a place on a bus be considered. Taxi travel was then seen as the option of last resort.

Such an approach tends to be more effective where there is genuine and meaningful dialogue with families that enables them to see the potential benefits of some of the options under consideration. A number of local authorities, for example, described the importance of promoting and developing independence for young people on the pathway to adulthood, and the critical contribution that becoming an independent traveller might make to that goal. In some authorities, objectives around independent travel training were written into EHCPs making the learning ambition explicit. Similarly, some local authorities were able to describe the positive difference that personal allowances for travel had made for some young people, by enabling them to have a more consistent and familiar travel experience with their parent or main carer (as opposed to being in a taxi with many different drivers) and arriving at school more ready to learn.

Being able to have a facilitated dialogue with parents around travel does depend on having different options available, and for these to be strategically embedded within the service. It should be acknowledged that some local authorities had not found independent travel training or personal allowances to have made a significant difference to the cost of transport as it had not enabled them to take children out of taxis or commissioned buses in sufficient numbers. It is therefore worth reflecting on what can increase the impact of these schemes.

### *Independent travel training*

The premise of independent travel training (ITT) is providing young people with SEND with the skills to enable them to travel to school safely on their own using public transport. It depends, therefore, on having an adequate public transport infrastructure in place to allow the journey to be made simply and time-efficiently. It is therefore more likely to be used widely in more urban areas where the density of public transport is greater. Nonetheless, a number of counties were able to use independent travel training successfully in parts of the authority. Findings from our fieldwork suggest that ITT is likely to be more effective when it is strategically embedded within the local authority's approach (i.e. it is routinely considered for all young people with sufficient maturity and ability to

complete the training); when the decision is made in partnership with both families and schools and reinforced at home and through the curriculum; where the emphasis is on promoting independence and developing life opportunities rather than cutting costs; when there is really robust risk assessment in place that ensures everyone feels safe; and when the training and assessment is carried out by skilled practitioners, on the actual transport routes that the young person will be using, with sufficient time and iterations for the young person to develop their confidence, capacity and skills.

### *Personal allowances*

The purpose of personal allowances is to provide financial assistance to parents or carers to enable them to take responsibility for transporting their child to school. Our fieldwork suggested that these arrangements tend to achieve greater take-up among parents and deliver greater cost-savings to the local authority when discussion around personal allowances is a strategic starting point rather than a secondary option, when there is sufficient scope and creativity to allow parents to set the scope of the allowance and how they would want to use it, and when there are clearly defined parameters for the upper limit that might apply. In one local authority, for example, they were willing to agree parental allowances up to the limit of the next cheapest available transport option that the local authority could secure for the child in question.

Evidence suggests that parents can choose to use allowances in a number of ways, from covering their own direct costs of transporting the child to school through to making their own taxi arrangements. Some local authorities, for example, suggested that parents could secure much better rates than local authorities by dealing directly with taxi companies as individuals rather than through a corporate contract. It is worth noting here, however, that one local authority had encountered an issue where a personal allowance for travel was deemed to be income and resulted in a parent's universal credit being reduced. This was an isolated incident and was resolved by the local authority but suggests that there may be benefit in setting out clearer guidance for how personal allowances can be set up in way that ensures they are not deemed as income for either tax or benefit purposes.

### *Working in partnership with schools and across services*

Finally, a number of local authorities are looking at working differently in partnership with schools and across services to explore alternative ways of providing transport. One option that has been used successfully in some areas is devolving home-to-school transport budgets to schools to enable them either to make their own commissioning arrangements or develop and run their own transport. In some cases, local authorities found that if a school was commissioning all of their transport from one provider, they were better able to negotiate contract prices than the local authority could. In some of the local authorities to which we spoke, SEMH special schools in particular were often keen to take up the offer of devolved transport budgets because they found that by having greater control over the choice of drivers and passenger assistants and by employing people who were skilled in working with young people in these roles, they experienced less disruption on journeys to school and better attendance. However, in other areas, schools were nervous of taking on both the administrative burden and the financial risk of organising such arrangements.

A second facet of how local authorities were working with their special schools around the transport agenda was in negotiating staggered school start and finish times that might enable more effective use of buses to serve multiple schools. Some local authorities have also offered to support special schools in offering Breakfast Clubs to enable flexible drop-off and pick-up times to aid working parents and increase the number of parents able to bring their child to school.

Finally, local authorities are also working across services to maximise the use of, and in some cases increase, their in-house fleet provision. For example, one local authority described how it is

considering working across SEND and adults social care to explore how existing local authority minibuses could be deployed more cost effectively if adjustments were made to school starting times and to the timing of transport to adult day care provision. This ties into the point made by Contact in their inquiry 'School transport for disabled children' (2017) around smart commissioning to ensure better usage of existing fleets. Contact suggests the blending of commissioning to use the same fleet to deliver services to different client groups to utilise vehicles during down-time and altering school start times so local authorities can use half the number of vehicles to drop the same number of children.

### What limits local authorities' capacity to contain spending pressures on home-to-school transport?

This research suggests that through clear attention to eligibility requirements, smart commissioning, strong strategic leadership of the SEND agenda, effective working across service boundaries and with schools, and more creative and earlier dialogue with parents, local authorities are able to mitigate some of the increased spending pressures on home-to-school transport. However, there is a limit to what local authorities can achieve. Nationally expenditure on home-to-school transport has increased by £66 million in four years, and the national level of deficit in this area – the extent to which local authorities have collectively overspent their budgets – stands at £111 million in 2017-18. It is therefore worth reflecting briefly on what limits the capacity of local authorities to control spending pressures in this area.

First of all, it must be stated again, that all the growth in home-to-school transport expenditure is currently being driven by increases in expenditure on SEND transport. There are considerable policy, funding, demographic and societal pressures which, in combination, are fuelling the unprecedented rise in the number of children with EHCPs, the increasingly complex presentation of their needs, and the crisis in special school capacity. These have been well documented in a number of research studies and all, to a greater or lesser extent, sit outside the control of individual authorities. All these factors are fuelling the increased expenditure on SEND transport.

Secondly, there is an unresolved tension at the heart of home-to-school transport policy between the responsibilities of parents in getting their children to school versus the expectations of parents in the level and type of assistance that local authorities can provide. There have been a number of high-profile judicial reviews which have been found in favour of parents where local authorities have tried to reduce transport entitlements. In a similar vein, some of the local authorities engaged in our fieldwork highlighted examples of reforms and cost reductions that they had attempted to introduce but had relinquished in light of strong parental opposition. Existing ambiguities in the guidance and mismatches between statutory requirements for SEND and statutory requirements for transport can make these disputes more difficult to resolve. For example, while there is no legal obligation to provide transport to children below statutory school age, some local authorities had come under very strong pressure from parents to provide transport assistance to a nursery school named on a child's EHCP if that was beyond statutory walking distances.

Thirdly, there are further unresolved tensions between some of the broader strategic aims of local authorities and schools and the need to limit expenditure on home-to-school transport. For example, putting in place a good transport offer for young people at risk of poor attendance, attending multiple alternative provision sites, or getting back into college post-16 after a period of being NEET can all help with furthering the educational outcomes and life-chances for those young people, but they all require investment in transport on the part of the local authority over and above statutory requirements.



In addition to these common pressures, rural local authorities as a result of longer distances, lower population densities, limited public transport networks and more sparsely distributed schools bear a disproportionate financial burden both in terms of the relative number of children and young people who are eligible for transport and in the cost per head of making transport available.

Finally, mainstream home-to-school transport is stable for now and reductions in this area have helped to offset the increased spend elsewhere. However, this position cannot be expected to last indefinitely. Survey and fieldwork evidence suggests that many local authorities are now at, or close to, the statutory minimums for mainstream transport provision and the market may not sustain ever-greater efficiencies driven through commissioning. This strongly suggests that local authorities might be fast approaching a limit to the reductions that might be made in mainstream transport expenditure, which will serve to exacerbate the pressures on SEND transport spending.

## Part 4: Future projections

Having considered a general picture of increasing demand and expenditure, we have also considered how these trends will continue going forward. Built into our assumptions for predicting future demand are the messages we received from survey respondents around their confidence in their abilities to balance budgets for mainstream and SEND transport (Figure 23). The broad trend shows that local authorities were much more confident in their ability to balance budgets for mainstream transport, with 71% of respondents either very or quite confident. This compares to 84% of respondents either not very confident or not at all confident in their ability to balance budgets for SEND transport.

Figure 23 - Percentage of local authorities and their confidence around their ability to balance SEND and mainstream home-to-school transport budgets over the next five years

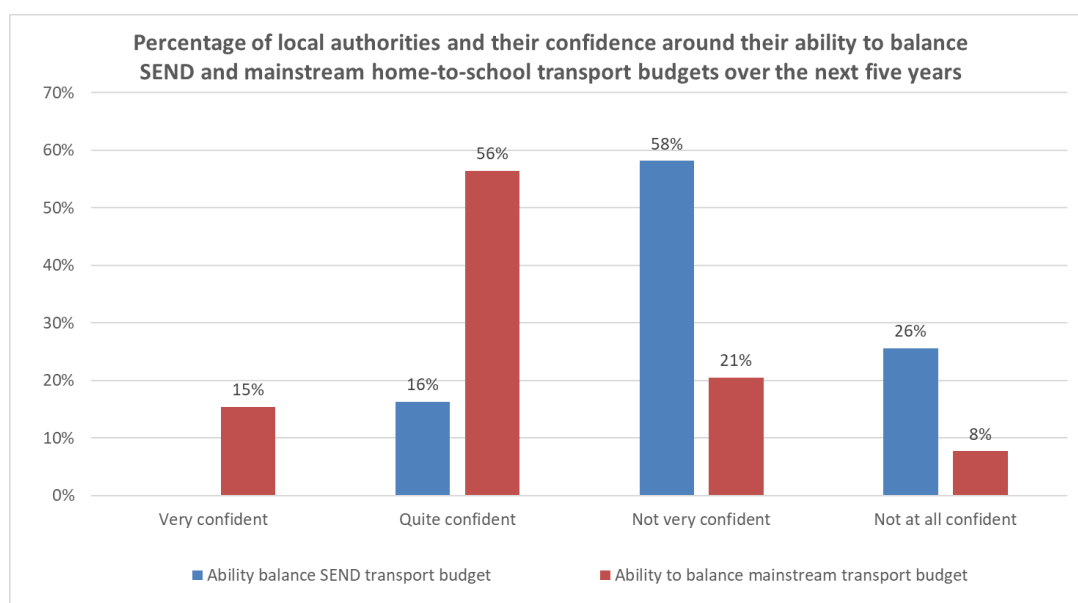


Figure 24 and Figure 25 suggest a potential direction of travel of numbers in receipt and possible expenditure on home-to-school transport based on a linear regression of historical data<sup>38</sup>. For Figure 24, we have scaled up the numbers provided by the local authorities who responded to our survey. When scaling up numbers in receipt of home-to-school transport, we split our survey respondents into

<sup>38</sup> As before, too small a sample size of local authorities provided a response on numbers of post-16 mainstream young people in receipt of transport. We felt forecasting off a sample size of 11 local authorities was unrepresentative of national trends and would therefore present a skewed picture.

rural and urban local authorities and calculated the numbers provided as a proportion of the rural/urban population. We then scaled this up to population size for rural and urban populations across 152 local authorities. We adopted this technique because 46% of our survey respondents were from rural counties – this compares to a national proportion of 28%, and therefore, we did not want numbers on transport in rural areas to skew our dataset on a national level. Considering the greater discretion a local authority has in interpreting the guidance for the provision of mainstream home-to-school transport, we have predicted that the greatest pressures will be found in SEND. Based on our survey (Figure 23), 84% of respondents were either not very confident or at all confident in their ability to balance SEND transport budgets for the coming year and therefore, for pre-16 SEND, it is reasonable to assume that both numbers and spend will increase.

For pre-16 SEND, we are expecting to continue to see expenditure rising more quickly than the numbers of young people in receipt of transport. For example, we are predicting a 5% increase in numbers in receipt of pre-16 SEND transport but a 21% increase in money spent on SEND transport – in part driven by increasing unit price. For post-16 SEND, we have seen numbers stabilise and decrease since 2015-16. Therefore, we expect this trend to continue as local authorities tighten their offers to provide only for young people who otherwise would not be able to access education without transport provided by the local authority. Since we expect the remaining cohort of young people receiving transport to be only young people with complex needs who require costly transport arrangements, we expect spend to increase.

For mainstream, we expect numbers and spend to decrease both pre and post-16, with the drop off predicted to be much more considerable at post-16 as local authorities continue to reduce and tighten their offer to the statutory minimum. We have generated two predictions for pre-16 mainstream. Scenario 1 is based on linear regression analysis of historical trends which show numbers continue to fall. However, if we amend this based on field work and survey returns, we expect for the numbers to drop slightly in the next year as remaining authorities reduce their offer down to statutory minimum and then it will flatline as no further reductions can be made. In terms of predictions, given a degree of error, we would expect the future numbers mainstream transport recipients to be between these two scenarios.

These predictions are corroborated by responses to our survey questions around how local authorities anticipate mainstream and SEND home-to-school transport spending will evolve over the next five years. When considering trajectories for spend on SEND home-to-school transport, 84% of local authorities expected spending to increase. This is compared to only 43% of local authorities for mainstream home-to-school transport spend. Conversely, the bulk of local authorities (55%) anticipated that spending on mainstream home-to-school transport would remain relatively stable over the next five years. These sentiments back up what we heard from our field work and the broader data trends, and we have aimed to build these into our predictions.

These projections should be treated with considerable caution, however they suggest that, in total, the number of children and young people receiving home to school transport is likely to remain relatively stable over the next five years (between 520,000 and 550,000 depending on the extent to which mainstream numbers continue to fall or reach a plateau). However, due to a rising proportion of children and young people with SEND receiving transport, these projections suggest that expenditure on home-to-school transport may increase by £127 million over the next five years to £1.2 billion nationally, or by £183 million to £1.3 billion, if flatlining is assumed for pre-16 mainstream transport.

Figure 24 - Scaled and predicted numbers of children and young people on home-school transport by age and category (2015-2023)

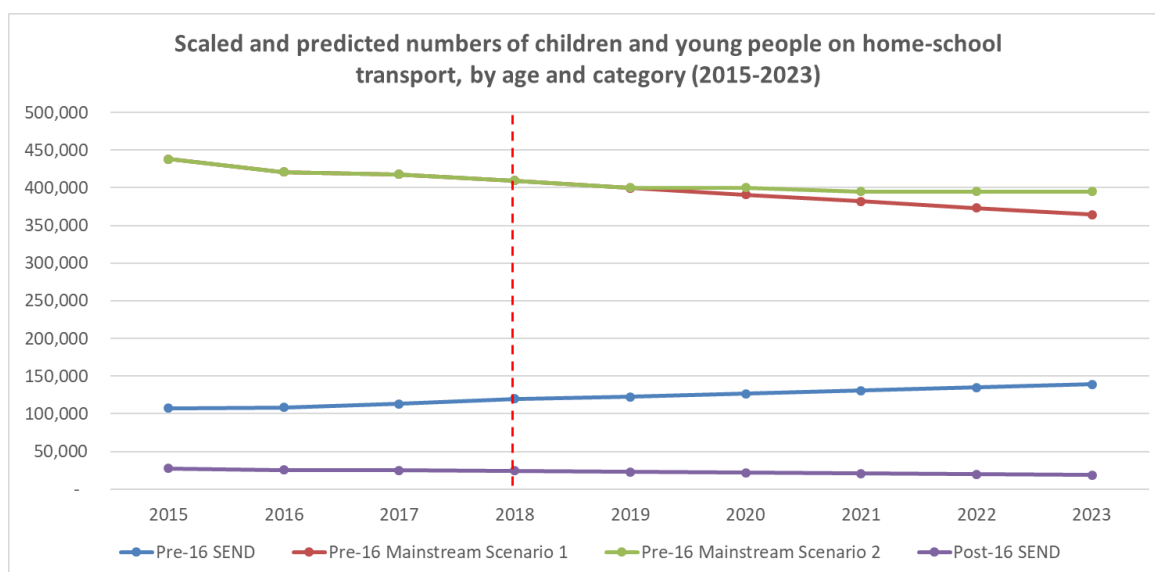
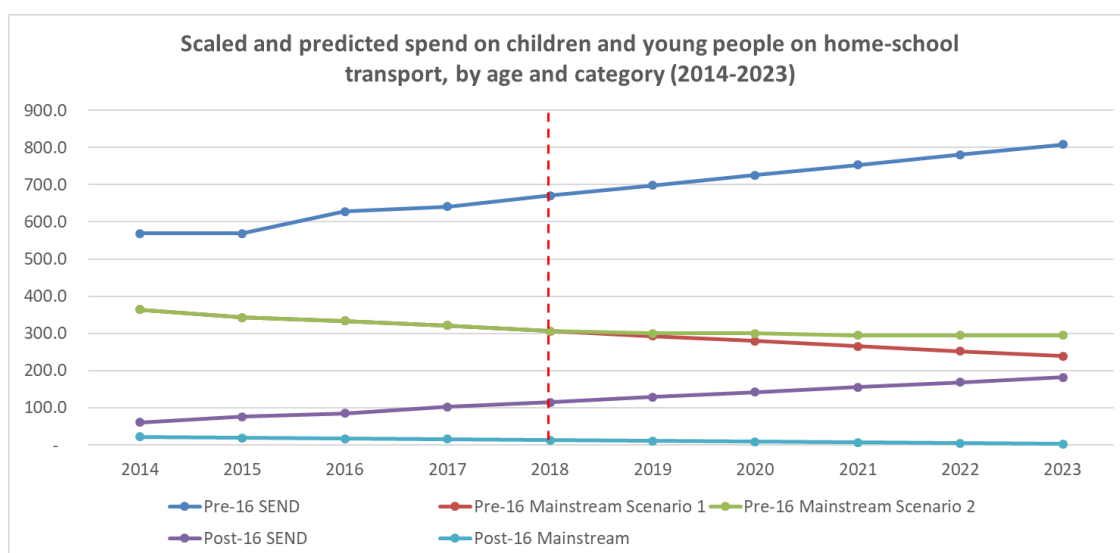


Figure 25 - Scaled and predicted spend on home-school transport by age and category (EMM, 2014-2023)



## Conclusion

In 2017/18 considerably more was spent by local government on transporting children to and from school than was spent on children’s centres, family support services or youth services. In some County Councils, where the costs of transporting are disproportionately high, their home-to-school transport budget is almost as big as their entire children’s social care budget.

The large majority of expenditure on home-to-school transport, and the element that is fuelling the increase in expenditure, comes from providing transport for children and young people with SEND. Increases in both the number of children requiring transport and the overall cost of provision are being driven by the rapidly growing number of children and young people with EHCPs, the increasing complexity of need and a critical shortage of places in special schools which mean that children need to be transported further to reach their nearest suitable school. Until some of the underlying policy and funding issues which are contributing the unprecedented rise in children with EHCPs are

addressed at a national level, the upwards trajectory for expenditure on home-to-school transport is likely to continue.

The very considerable spend in recent years on home-to-school transport comes with an opportunity cost. Home-to-school transport is funded from Council's core funding. Every pound that is spent on transport is a pound that could be spent on improving support to families, or intervening early with children at risk of neglect, or funding better access to educational psychologists for children with SEND. This is not to downplay the importance of providing safe, good quality transport to ensure that children can access their education provision, but at a time when Children's Services are facing critical funding shortages it is surely right to pause and reflect on whether the balance of responsibility for providing transport remains right in the current context in which local government is working. Arguably, the statutory responsibilities for transport were constructed for a different era and may now need to be redesigned. It is not clear that continuing to deliver home-to-school transport in the way it is done now will be financially sustainable going forward.

This report therefore suggests a number of recommendations for local government to continue to implement strategies that have potential to limit the increasing expenditure on home-to-school transport and for central government to reassess some of the core policies and statutory duties which underpin this area of local government responsibility.

## Recommendations

Local authorities, working with the Local Government Association should:

- Strongly promote the aspiration that children with SEND, wherever possible, should be educated successfully in their local school, and put in place the support for children, parents and schools to make that achievable.
- Establish clear strategic leadership across the multiple teams that contribute to SEND transport to ensure that placement and transport decisions are made together and that maximum value is achieved across combined budgets.
- Create the opportunities for a creative and mature dialogue with parents about transport options, with a presumption towards modes of transport that promote independence and reduce reliance on government-provided options.
- Find opportunities to share good practice in terms of decision-making and transport assessments, co-production of policies and guidance with parents, and creating a full and creative range of support options for travel to school.

National government should consider:

- Urgently reviewing the multiple policy and funding drivers which are contributing to the rapid rise in the number of children with EHCPs.
- Clarifying aspects of the home-to-school transport guidance which are ambiguous and contentious. Two key areas for greater clarity include transport responsibilities for children below statutory school age with a named provision on their EHCP and for post-16 provision. For post-16 guidance, if national government intends to continue to encourage post-16 transport policies to be set at local authority discretion, this level of discretion needs to be made consistent throughout the guidance and requires clarification across the different groups mentioned.
- Reflecting the disproportionate weight of expenditure on home to school transport borne by large rural local authorities in future local government funding arrangements.

- Fundamentally reconsidering the balance of parental and government responsibilities in providing transport to school. One option that might be considered would be to view home-to-school transport as a means-tested benefit rather than a universal entitlement for children who meet certain criteria. Under such a scheme, parents who have sufficient income could pay a pre-defined contribution towards the cost of locally provided transport or alternatively choose to make their own arrangements.