

REPORT TO: CABINET MEMBER CHILDRENS SERVICES
DATE: 7 DECEMBER 2010
SUBJECT: POST 16 ANNUAL TRAVEL PASSES – POLICY REVIEW
WARDS AFFECTED: ALL
REPORT OF: STRATEGIC DIRECTOR, CHILDREN SCHOOLS AND FAMILIES
CONTACT OFFICER: MIKE MCSORLEY, EXT. 3428
**EXEMPT/
CONFIDENTIAL:** NO

PURPOSE/SUMMARY:

To refer comments from the Overview and Scrutiny Committee (Children’s Services) to the Cabinet Member in relation to the Post 16 Annual Travel Passes – Policy Review.

REASON WHY DECISION REQUIRED:

Cabinet Member for Children, Schools and Families requested the Overview and Scrutiny Committee (Children’s Services) to pre-scrutinise the item.

RECOMMENDATION(S):

It is recommended that:

1. The contents of the report be noted.
2. The resolution of Overview and Scrutiny be noted and Officers be asked to consider these views and their implications when a detailed report on the revised policy is presented in January 2011

KEY DECISION: No

FORWARD PLAN: Not appropriate

IMPLEMENTATION DATE: Following the “Call-In” period for the Minutes arising from this meeting.

ALTERNATIVE OPTIONS:**IMPLICATIONS:****Budget/Policy Framework:** Reflected within the original report.**Financial:**

<u>CAPITAL EXPENDITURE</u>	2009 2010 £	2010 2011 £	2011 2012 £	2012 2013 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

There are no financial implications arising directly from this report.

Legal: Reflected within the original report.**Risk Assessment:** Reflected within the original report.**Asset Management:** N/A**CONSULTATION UNDERTAKEN/VIEWS**

N/A

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability		√	
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy		√	
8	Children and Young People		√	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

None.

1.0 Background

- 1.1 At its meeting on 26 October 2010, the Overview and Scrutiny Committee (Children's Services) considered a report submitted by the Strategic Director of Children's Services in relation to Post 16 Annual Travel Passes (Report attached as Appendix A)
- 1.2 Appendix B sets out a revised recommendation circulated at the Meeting, which had been agreed by the Cabinet Member, Children, Schools and Families at his Meeting held on 26 October 2010.
- 1.3 Overview and Scrutiny Committee resolved the following:

That the Cabinet Member, Children, Schools and Families be recommended that the Policy for Post 16 Annual Travel Passes should stipulate that if the same course is available within a 3 mile radius of that Student's fixed abode (home) then the Student should attend that Further Education Institution.

(In accordance with Rule 18.5 of the Council and Committee Procedure Rules, Councillors Bradshaw and Byrom requested that their vote against the resolution above be recorded).

2.0 Issues for Consideration

- 2.1 There are a number of factors which will need to be considered if this requirement is to form part of a revised policy including:
 - Definitions of 'the same course' as most courses have differences in some aspects
 - Complexity and subjectivity involved in determining course content
 - Complexity of the Appeals process which would be part of the policy
 - Impact on the agenda for encouraging choice of provision
 - Complexity and cost of the administrative process
- 2.2 It is recommended that Officers investigate the above issues and report back as part of the report requested by the Cabinet Member at the meeting on 28th October, 2010.

3.0 Recommendation

- 3.1 It is recommended that:
 - 1 The contents of the report be noted.
 - 2 The resolution of Overview and Scrutiny be noted and Officers be asked to consider these views when a detailed report on the revised policy is presented in January 2011

Appendix A

REPORT TO: CABINET MEMBER CHILDREN SCHOOLS AND FAMILIES AND CHILDREN SCHOOLS AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE

DATE 26TH OCTOBER 2010

SUBJECT: POST-16 ANNUAL TRAVEL PASSES – POLICY REVIEW

WARDS AFFECTED: ALL WARDS

REPORT OF: PETER MORGAN
STRATEGIC DIRECTOR, CHILDREN SCHOOLS AND FAMILIES

CONTACT OFFICER: EDDIE SLOAN AND JANE CLARK

**EXEMPT/
CONFIDENTIAL:** NO

PURPOSE/SUMMARY:

In the context of a likely requirement to make a significant budget reduction in the Post 16 travel budget, this report provides the Cabinet Member and Overview and Scrutiny Committee with relevant information relating to the current Sefton Post 16 Travel Pass and Transport policy. It then recommends a revision of the policy to take into account the revision to the budget.

REASON WHY DECISION REQUIRED:

Review of current Transport Policy for Post 16 students in Sefton is required to ensure most effective use of available resources.

RECOMMENDATION(S):

It is recommended that:

1. The report be noted
2. That the Children's Schools and Families Cabinet Member:
 - a) Approves the recommended option, which continues to support lower income households
 - b) Requests that Officers consult on the proposals with Colleges, Sixth Forms, Connexions Service and Merseytravel.
 - c) Requests a further report, following consultation for final approval by 31st January 2011 in order to ensure that students can be made aware of the revised policy when considering their options.
3. That the Overview and Scrutiny Committee:
 - a) Endorses the recommended option.

KEY DECISION: No.

FORWARD PLAN: Not appropriate.

IMPLEMENTATION DATE: Following the expiry of the "call-in" period for the Minutes of the Cabinet Member meeting.

ALTERNATIVE OPTIONS:

Various options are outlined and discussed in the body of the report

IMPLICATIONS:

Budget/Policy Framework: None

Financial: The Post 16 Travel budget is £440,000, in 2010/11. The recommended option in the report will reduce this requirement by £140,000 in 2011/12 and will be subject to further review as the Council looks to make the required budget reductions over the next MTFP period.

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton Funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: None

Risk Assessment: Provision of Mainstream Post 16 Travel and transport provision is not a statutory requirement

Asset Management: Not appropriate.

CONSULTATION UNDERTAKEN/VIEWS

FD 541 The Interim Head of Corporate Finance and Information Services has been consulted and his comments have been incorporated into the report.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community			✓
2	Creating Safe Communities		✓	
3	Jobs and Prosperity			✓
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability		✓	
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy			✓
8	Children and Young People			✓

LINKS TO ENSURING INTEGRATION:

IMPACT UPON CHILDREN'S SERVICES TARGETS AND PRIORITIES:

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Comparison of current post 16 transport policies for Merseyside Authorities- Appendix A

POST-16 TRAVEL PASSES **(MAINSTREAM SCHOOLS SIXTH FORMS AND FE COLLEGES)**

1. Background

- 1.1 At their 8th July 2010 meeting Cabinet received a report entitled “Strategic Budget Review and Budget 2010/11” that outlined the impact of Government’s intention to reduce public expenditure by an average 25% over the next 3 years. The overall impact of these measures was to increase the predicted 3 year MTFP budget gap from ~£30m to ~£53m.
- 1.2 A number of savings options are being considered as the Council works towards ensuring a balanced budget position. One of these is a reduction of £200,000 in the Post 16 Mainstream Travel Allowance budget for next financial year. This budget is subject to further review during the next MTFP period.
- 1.3 In order to take account of the Cabinet budget changes and to ensure the available resource is appropriately targeted a review of the existing policy will be carried out.

2.0 Existing Policy

- 2.1 Sefton Council has historically operated a discretionary transport policy, which allows assistance with travelling expenses for post-16 students residing within Sefton. The existing policy for post-16 students travelling to either a school sixth form, Sixth Form College or a Further Education College stipulates that an annual travel pass will be issued to eligible students. Eligible students are Sefton residents living more than 3 miles away from an Institution that are attending. The Institution can be inside or outside of Sefton.
- 2.2 In Sefton, there are approx 8000 post- 16 students (aged 16-19). Annually, about 1500 of those students are assessed as eligible students for transport and issued with a travel pass. This is broadly 20% of the Sefton student population

The existing policy allows students to use public transport (bus and train) to attend a full time course at their choice of Sixth Form or FE Institution.

As the costs to the Authority for individual travel passes ranges from £200 up to £500 each per student depending on student age (plus number of zones, bus or train and distance etc.)

An annual compulsory contribution to the cost of a travel pass is also charged (£30 per student) for all eligible students. This equates to approx £45,000 annual income to the Authority, which is offset against the annual costs.

In addition to this the current policy also allows a panel of Senior Officers (who act as an appeals process/panel) to issue travel passes under exceptional circumstances.) Approximately 40 post 16 applications are

considered through this appeals process per annum.

3. Review options/Alternatives (Academic Years)

3.1 Retain existing /current policy

2011/12 Budget Required : £440,000

2012/13 Budget Required: £440,000

Risks: Budget may become inadequate in light of increased purchase costs of passes from travel operators.

3.2 Retain the current policy, but with an increase in the annual contribution from £30 to £60 per student

2011/12 Budget Required :£395,000

2012/13 Budget Required: £395,000

The net cost of providing passes to eligible students would be reduced by an estimated £45,000 (generated by extra income of £30 per student from 1500 students).

Risks: Impact on low income households with increased contribution.

3.3 Retain current eligibility criterion with policy adjustment to allow travel passes for Sefton Post- 16 Students attending Sefton Institutions only

Approx 20% of the 1500 post 16 students eligible for a travel pass currently travel to FE provision (including School Sixth Forms) outside of Sefton. Although the percentage is not exceptionally high, the travel passes for students travelling outside of Sefton are more expensive to issue.

2011/12 Budget Required : £390,000 (2nd yr students continuing)

2012/13 Budget Required : £340,000 (Full policy implementation)

Risks—Less Choice for students plus many of the students studying outside of Sefton may revert back to a Sefton Institution and still be eligible for a travel pass therefore increase the budget requirements significantly

3.4 Adjust eligibility to include Sefton students from low- income households accessing provision only within Sefton (allowing 2nd year students to complete existing courses under old eligibility)

Education Maintenance Allowance is the national benchmark used to assess low income households for post -16 students.

32% of the 8000 Sefton student population are eligible to receive the Education Maintenance Allowance.

This benchmark would be used to assess eligibility for a travel pass for Sefton Students.

This would allow students eligible for any level of Education Maintenance Allowance, (EMA) where the household income is under £30,800 that are travelling more than 3 miles to their Sixth Form or College within Sefton to be provided with a travel pass.

Using this formula, 32% of Sefton students that are currently eligible to receive a travel pass via distance would therefore be eligible students using a revised policy of low income households.

If we based the average price of a travel pass as £400 and use the 500 eligible students as a cohort then the full annual budget requirements from September 2012 would be £200,000. There would be no standard appeals process with this option.

Budget Required for 2011/12 £300,000

Budget Required for 2012/13: £200,000

Based on £200,000 (2nd and some third year students completing existing courses) and £100,000 for 1st Year revised policy eligible low income household students.

Taking in to account the new policy would only allow students to attend Sefton Institutions; the assumed eligible number of 500 eligible students may be reduced further.

Risks. Eligibility checks may delay application processing slightly

3.5 **Remove current policy and provision completely.**

Option 1- Phased Implementation

2011-12 Provision for Second Years / returning students only.

2012-13 no provision

This would allow those students access to a travel pass (in order to complete 2 yr courses such as A level and Diploma courses already commenced in 2010-11 under existing policy.)

Budget Required : 2011/12 £220,000

Budget Required : 2012/13 £ Nil, unless a small budget is retained for appeals

Risks ---Learner choice will be restricted by financial constraint and consequently achievement could suffer

Most of the vocational offer is at each northerly and southerly end of the

borough

Option 2 Provision removed completely in September 2011
2011/12 No provision at all for new or existing students

2011/12 Budget Required : £ Nil unless small budget is retained for exceptional cases e.g. LAC

2012/13 Budget Required £ Nil

Risks---- 2nd year and returning students unable to complete existing courses unless they pay full costs of travel

Many reasons why transfers to more local institutions cannot lead to course completion

3.6 **Reduce Budget by 50% and distribute the remaining allocated budget amount to School Sixth forms and Colleges within Sefton.**

An allocated amount could be given to each Institution. This would allow each Institution to add the Local Authority budget allocation to their existing Learner Support Funds which support students with financial hardship. The fund would be distributed directly to students directly (those most in need)

2011/12 Budget Required £200,000

2012/13 Budget Required £ 200,000

Risks---Budget not controlled centrally, no Local Authority audit for use of funds by individual Institutions

Favours institutions with greater cash flexibility to provide transport subsidies

4. **Resources within Service Area.**

Due to the current economic climate there has been a significant increase in applications for free school meals, travel passes and clothing allowances over the last 12 /24 Months. Additional resources have been used to administer the increase in applications

The adjustment or removal of the post 16 travel pass policy will reduce the workload sufficiently to allow means testing to be administered if it is considered.

5.0 **Recommended Way Forward**

5.1 In order to continue to support students from low income households and align policy with other Merseyside Authorities that currently provide any support (means testing); it is recommended that the option outlined in 3.4 above be adopted for September 2011 onwards. This will provide a policy for Post 16 Mainstream Travel which will allow the Authority to support

students from Sep 2011 with a reduced budget, and from Sep 2012 fully within the budget available. This policy will focus the available resource on those with most need.

- 5.2 This policy option will therefore not generate the full required budget saving until 2012 because of the transition from the old policy.
- 5.3 An Equality Impact Assessment has been carried out in relation to the proposed policy. The initial findings are that the policy should not disproportionately impact on any target category within the Equality Act. 2010
- 5.4 If Overview and Scrutiny approve this way forward Officers will undertake a consultation with stakeholders and submit a detailed report to the Sefton Overview and Scrutiny Committee on the preferred option and the results of this process. A final decision is required by January 2011 as this information needs to be publicly available for those making choices about post 16 education for the next academic year.

Appendix B

The Cabinet Member considered the report of the Strategic Director Children, Schools and Families providing information relating to the current Sefton Post 16 Travel Pass and Transport Policy and the possible revision of the Policy to take into account the revision to the budget.

RESOLVED: That

- (1) the recommended option which aligns Sefton with other Local Authorities and continues to support lower income households, be approved in principle and referred to the Overview and Scrutiny Committee (Children's Services) for their observations and recommendations;
- (2) officers be requested to consult on the proposals with colleges, sixth form, Connexions Services and Merseytravel; and
- (3) a further report be submitted for final Policy approval by 31 January 2011 in order to ensure students can be made aware of the revised policy when considering their options.