

MEETING	Education and Economy Scrutiny Committee
DATE	12 December 2024
TITLE	Education Transport
REASON TO SCRUTINISE	A strategic audit into over-spending/under-funding in education transport.
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1. Why it needs scrutiny?

1.1 This report is presented at the request of the Education and Economy Scrutiny Committee in light of the fact that Education transport claims one of the Education Department's largest budgets and consequently the need to rationalise spending in this area requires attention. It is an area which has been overspending historically, and is consequently subject to a Strategic Review to identify and understand the reasons for the overspending, what has been achieved to date in response to the situation, as well as new options under consideration to mitigate the situation to the future.

2. What exactly needs scrutiny?

2.1 The purpose of this report is to explain the background and rationale for the historical overspending, to report on progress and the actions that have been taken in response to the situation, as well as to present options being considered in terms of future education transport arrangements to try to rationalise and reduce costs where practicably possible.

3. Background

3.1 The Learner Travel (Wales) Bill 2008 (the Bill) sets out the legal framework specifically applicable to travel and transport provisions for learners travelling from home to school in Wales; with 'Statutory Provision and Operational Guidance' (The Guidance) published in 2014.

3.2 The Bill states that local authorities must:

- Assess the travel needs of learners in their authority area;
- Provide free transport from home to school for learners of compulsory school age attending primary school who live two miles away from the nearest suitable school;
- Provide free home to school transport for learners of compulsory school age attending secondary school who live three miles away from the nearest suitable school;
- Assess and meet the needs of 'looked-after' children in their authority area;

- Promote access to Welsh-medium education and faith schools;
- Promote sustainable modes of transport.

3.3 To meet the requirements of the Bill, by means of a Service Level Agreement, the Integrated Transport Unit in the Environment Department is responsible for planning and procuring learner transport provision on behalf of the Education Department. The Education Department is responsible for funding the transport provision, with the Integrated Transport Unit responsible for administering the provision on a county-wide basis. The Transport Unit has a responsibility to deliver transport provision in accordance with policies, applicable legal and regulatory requirements, as well as to deliver a good quality, consistent and cost-effective service. The purpose of the Integrated Transport Unit is to deliver integrated transport arrangements across Council services to ensure effective and efficient transport arrangements. The Integrated Transport Unit arranges and procures learner transport for the following:

- Primary, secondary and special schools
- ABC Units
- Primary and secondary Language Immersion Centres
- Llechen Lân
- Post-16 transport to schools and colleges
- Out-of-county transport

3.4 This transport is provided via a range of vehicles, including dedicated school buses, minibuses, and taxis provided by third party transport operators. In addition, a number of learners and students are provided with a 'travel pass' to use public transport where this suits their circumstances. A travel assistant is also provided where necessary based on an assessment of learners' needs.

3.5 A range of factors over the years mean that the provision of education transport becomes increasingly costly to fulfil, such as:

- Re-tendering bus provision every 5 years results in significant cost increases due to inflation, as well as increased costs to the provider in having to meet additional safeguarding requirements on buses over the years which is reflected in the prices of the tender process;
- Increased costs to provide taxis over the period, with regular tendering processes for them resulting in the costs of the contracts increasing regularly reflecting the market price consistently;
- Increased costs to provide transport for learners attending our special schools over the period from £739,000 in 2017/18 to £1.5m in 2018/19. This does not include learners with additional learning needs who attend mainstream schools.
- Lack of provision in some areas of the county resulting in increased costs to provide transport from other areas to meet the requirement;
- Learners' demand for transport increases annually for various reasons.

3.6 Recent national discussions suggest that authorities across Wales are facing the same challenges regarding increased education transport costs, and the picture is very similar across rural Welsh counties with similar geographical challenges to Gwynedd.

3.7 The table below shows the budget for Gwynedd's education transport since 2016/17, together with the actual expenditure to meet education transport requirements over the same period:

	Taxis and trains			Buses			Total		
	Budget	Actual	Over/(under) expenditure	Budget	Actual	Over/(under) expenditure	Budget	Actual	Over/(under) expenditure
2016/17	2,064,210	2,038,424	-25,786	2,554,540	2,582,690	28,150	4,618,750	4,621,113	2,363
2017/18	2,021,500	2,223,188	201,688	2,558,770	2,545,402	-13,368	4,580,270	4,768,590	188,320
2018/19	2,335,140	2,471,034	135,894	2,609,570	2,805,616	196,046	4,944,710	5,276,650	331,940
2019/20	2,342,610	2,516,348	173,738	2,821,950	2,884,973	63,023	5,164,560	5,401,321	236,761
2020/21	2,323,850	1,969,468	-354,382	2,931,910	2,560,678	-371,232	5,255,760	4,530,145	-725,615
2021/22	2,615,480	2,790,864	175,384	3,149,730	3,092,720	-57,010	5,765,210	5,883,585	118,375
2022/23	2,841,050	3,147,025	305,975	3,279,460	3,521,664	242,204	6,120,510	6,668,690	548,180
2023/24	2,743,340	3,427,763	684,423	3,646,240	4,457,345	811,105	6,389,580	7,885,109	1,495,529
2024/25 - estimated	3,907,460	3,752,712	-163,579	4,182,150	4,758,976	576,826	8,089,610	8,511,688	413,247
2025/26 - estimated	3,461,260	3,718,067	256,807	4,246,210	4,801,060	554,850	7,707,470	8,519,127	811,657

3.8 The education transport budget seen in the table above has increased by £3.1m since 2016/17 due to inflation and permanent bids to the Council by the Education Department to meet the increase in costs to provide transport over the period in question. However, costs have increased by £3.9m, which still leaves an estimated deficit of £812,000 for 2025/26.

3.9 Focusing on recent times, in 2023/24 education transport overspent by £1.5m, on a budget of £6.4m. This was mainly due to implementing a process to re-tender school buses during the year, the impact of the economy generally, along with increased costs for bus providers associated with accessibility requirements. Furthermore, there is increasing pressure on the requirement for taxis, mainly related to Additional Learning Needs.

3.10 In response to the overspend, the Council provided the Education Department with a permanent additional budget of £895k, and a one-off budget of £895k for 2024/25 only. This means there is no overspend this year, giving the Education Department the opportunity to identify opportunities for trying to rationalise the costs associated with providing education transport. At the same time, it must be recognised that implementing modifications to transport contracts and changing the way we provide education transport is a matter that will take some time to implement and fully see its impact.

3.11 Based on current contract data, the cost of providing education transport for the 2025/26 financial year is forecast to be £8.5m. The cost can be divided into 2 main categories, namely spending on bus contracts of £4.8m and spending on taxi contracts of £3.7m. Based on these costs, an £812k overspend on education transport is forecast in 2025/26. The overspend includes additional costs that are outside the Department's control, but

the schemes implemented to save money (detailed in Section 4 of the report) may slightly reduce amount of overspending anticipated above. However, it is intended to submit a one-off bid to the Council for 2025/26, alongside the intention to continue to identify money-saving opportunities.

- 3.12 In light of the above, the Education Department has appointed an Education Transport Manager since April 2024 to ensure a dedicated resource to be able to respond to the situation, and in the same period education transport has been the subject of a Strategic Review and a work programme has been created to focus on creating practical solutions to the challenges faced in education transport.

4. Work Programme and Savings

4.1 Work Programme

- 4.1.1 Below is an outline work programme created to respond to the education transport overspending situation and in an attempt to try to rationalise future costs. This outline work programme sets out what has been achieved over the last 6 months, recognising that it is early days as this is exactly the period that this programme and the Education Transport Manager have been in place:

Education Transport Work Programme	Progress to date
Update the Education Transport Policy and Equality Impact Assessment	An initial draft of the Education Transport Policy has been drawn up. Once the draft Policy is complete, it is intended to consult on it. This policy will meet the statutory requirements in the same way as the existing policy. In parallel, an Equality Impact Assessment has been produced.
Review existing education transport contracts to identify efficiency savings	This is ongoing work, and below are examples of what has already been achieved (see 4.2)
Identify an education transport pilot scheme that would be able to be implemented in conjunction with a Language Centre	Initial pilot scheme partially implemented this term (see 4.2)
Identify an education transport pilot scheme that could be implemented in conjunction with a special school	Initial discussions have been held with Ysgol Hafod Lon and potential opportunities have been identified, but further work to be undertaken aiming to start a pilot in Spring 2025. (see 4.2)
Revisit ALN learner transport arrangements	The process of revisiting the timetable for identifying the transport needs of ALN learners has commenced to ensure the best conditions for tendering the provision to ensure value for money.
Consider the affordability of Post-16 Education Transport with the abolition of the 16+ Travel Pass	Initial discussions have taken place with Grŵp Llandrillo Menai.

Renewable Electric Vehicles	A grant application submitted to the Welsh Government by the Council for financial support to purchase 2 electric minibuses, which would provide potential opportunities to provide education transport in an alternative way.
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4.2 Savings

4.2.1 Review of Education Transport Contracts

4.2.2 Ysgol Dyffryn Ogwen Catchment Area Savings

All education transport contracts for the Dyffryn Ogwen catchment area were reviewed and it was identified from the school admissions data that the number of learners eligible for transport had fallen for September 2024, as the table below shows:

No.	Route	Number (September 23)	Number (September 24)	Current Bus Capacity
450	Mynydd Llandygai	26	13	45
466	Talybont/Llanllechid	7	6	16
449	Rhiwlas/Tregarth	52	54	56

The above figures identified opportunities to make potential savings on education transport provision in the area. It was possible to make savings by re-tendering contract 466 as an 8-seater taxi contract, along with combining a contract that already operated from the Llanllechid area to Ysgol Dyffryn Ogwen. By ending contract 466 and reducing the capacity of 450 by re-tendering, a one-year saving of **£27k** was made on Ysgol Dyffryn Ogwen bus contracts for the period from September 2024, as shown in the table below:

No.	Route	Annual Cost September 2023	Annual Cost September 2024
450	Mynydd Llandygai	£34,964.00	£30,360.00
466	Talybont/Llanllechid	£22,440.00	£00,000.00
YDO56	Llanllechid – Ysgol Dyffryn Ogwen	£3,040.00	£ 3,040.00
	Annual Total	£60,444.00	£33,400.00

4.2.3 Dyffryn Nantlle Catchment Area Savings

All Ysgol Dyffryn Nantlle catchment area education transport contracts were reviewed and it was identified from the school admissions data that the number of learners eligible for transport had fallen for September 2024 on the 300 school bus route in the Nebo and

Llanllyfni area. From September 2024, the 300 school bus contract was abolished and the two contracts were combined with service 14. An annual saving of £29,600 was made from September 2024.

No.	Route	Annual Cost September 2023	Annual Cost September 2024
300	Nebo/Llanllyfni to YDN	£29,600.00	£00,000.00
14	Capel Uchaf to YDN	£6,040.00	£6,040.00
	Annual Total	£35,640.00	£6,040.00

See the new current timetable below:

Tudweiliog - Trefor - Pwllheli							14
Llun i Sadwrn			Monday to Saturday				
Côd/Code:	SH	NS	Sch	Sch	MWF	NS	
Tudweiliog	...	0715	...	...	...	1748
Ederm	...	0722	...	...	...	1753
Morfa Nefyn	...	0725	...	...	...	1756
Nefyn	...	0728	...	...	...	1800
Pistyll	...	0733	...	...	...	1805
LLITHFAEN	...	0738	...	...	...	1810
Llanaelhaearn	...	0743	...	...	...	1815
TREFOR	...	0748	0755	...	...	1820
Clynnog Fawr	...	...	0800	...	1110R	...
Capel Uchaf	...	...	0805	...	1115R	...
Tai'n Lon	...	...	0810	...	1120R	...
Pant Glas	...	...	0823	...	|	...
Nazareth	...	...	0825	...	|	...
Nebo	...	...	0830	...	|	...
Llanllyfni	...	...	0835	...	|	...
Penygroes	...	...	0837	...	|	...
Ysgol Dyffryn Nantlle	...	...	0840	...	|	...
Clynnog Fawr	...	...	...	...	1125R	...
TREFOR	...	...	...	...	1135	...
Llanaelhaearn	...	...	...	...	1139	...
Pencaenewydd	0816	...	...	0855	1144	...
Llangybi	0821	...	...	0858	1148	...
Llanarmon	0824	...	...	0902	1152	...
Chwilog	0827	...	...	0906	1155	...
Y Ffôr	0831	...	...	|	1203	...
Rhos-fawr	0834	...	...	|	1205	...
Pwllheli, Ysbyty Bryn Beryl	|	...	...	|	1207	...
PWLLHELI, Gorsaf Bws/Bus Station (C)	0840	...	...	0920	1213	...

4.2.4 Combining public transport and education transport

As part of the process of reviewing the numbers, another education transport route was identified in the Dyffryn Nantlle catchment area, where the numbers of learners eligible for education transport had dropped significantly. A public bus service was already travelling on a similar route, with capacity available in the vehicle that would meet the requirement in the context of education transport. It was decided to abolish the school bus contract saving this cost. The public transport travel route was adapted to transport learners from September 2024, making an annual saving of £30,000.00.

4.2.5 Pilot Projects

4.2.6 Bangor Ogwen Catchment Area Pilot Project

To find further savings in education transport, we looked at opportunities to make use of the Council's fleet vehicles. Significant savings could certainly be made in combining transport already operating, whether within Education or other departments. In mapping the existing provision in the Bangor and Dyffryn Ogwen catchment areas, a suitable vehicle was identified at Canolfan Dydd Plas Hedd in Maesgeirchen, Bangor. The minibus is located at this centre and its purpose is to collect and take adults to the Day Centre in the morning and take them home in the afternoon, with the driver employed by the authority in the Adults Department.

4.2.7 We looked at the possibilities of using this vehicle to provide education transport in the same area. Following a detailed mapping exercise, a suitable transport route was identified to take learners to the Language Immersion Unit on the site of Ysgol Tryfan, Bangor. The Day Centre's vehicle and driver are used to this end, initially picking up learners from their homes in the Bethesda and Bangor area and taking them to the Language Unit. Subsequently, the adults are collected from their homes and taken to the Day Centre. The same is done in the afternoon, combining timetables to get the best value for money.

4.2.8 This pilot demonstrated the clear potential there is to trial similar projects, making consistent and wider use of the Council's fleet vehicles. Savings were made by operating the transport directly ourselves as a Council, with departments working together on the timetables to ensure the most efficient use of the Council vehicle, whilst also ensuring an appropriate transport service for users.

4.2.9 Schools Pilot Project

With the fact that taking learners to Ysgol Pendalar and Ysgol Hafod Lon is now costing the Education Department over £1.5m a year with costs continuing to increase, we must look at whether there are alternative ways of providing transport to our special schools. As a result, we hope to collaborate on a new transport project between the Education Department, the Integrated Transport Unit, fleet officers and energy officers, with a view to having a pilot project with Ysgol Hafod Lon operational during the Spring Term 2025.

4.2.10 We are looking specifically at a pilot project that would involve the need to invest in electric vehicles as a starting point, (and a national grant is available to reduce an element of the cost of procuring electric vehicles). If successful, these vehicles could be used to transport learners to and from Ysgol Hafod Lon on a daily basis, as well as being available to provide other transport services in the area during the day.

4.2.11 Impact of 16+ Travel Pass changes

There is an increase in the number of learners attending post-16 colleges, and as a result the demand for transport is increasing which is resulting in additional costs for the Education Department. Furthermore, the capital investment by Grŵp Llandrillo Menai on their sites has increased the capacity of those sites, and as a result of the investment, there have been changes to the college sites over time resulting in the need to transport

a number of learners on dedicated college buses, with fewer being transported by public transport.

5. The Well-being of Future Generations (Wales) Act 2015

- 5.1 The aim of the Well-being of Future Generations (Wales) Act 2015 is to improve the social, economic, environmental and cultural well-being of Wales. The Act places a well-being duty on public bodies which is aimed at delivering the seven well-being goals by following the five ways of working.
- 5.2 The Act places a welfare duty on the Council to carry out sustainable development work by working in conjunction with the 'sustainable development principle'. This means that the impact on people in the future needs to be considered when making decisions.
- 5.3 In terms of **collaboration** and **including** others, we collaborate cross-departmentally and with schools to find creative solutions to rationalise the costs associated with providing education transport. We will also consult on the draft Transport Policy in the Spring Term 2025.
- 5.4 In terms of the **long term** and looking to the future, we are already aware of the changes in demography facing the County and are adapting and planning education transport provision in response to that to rationalise the costs, ensuring the affordability of transport provision to the future. We are also in the process of updating the Education Transport Policy which will continue to meet the statutory requirements of the Bill, but we also hope that the revised Policy will provide further clarity to users over the coming years.
- 5.5 In order to **prevent** problems from arising or worsening in the future, we will continue to collaborate cross-departmentally and with schools to ensure affordable education transport provision, continually reviewing and evaluating our provisions to prevent problems arising or worsening in the future.

6. Impact on Equality Characteristics, the Welsh Language and the Socio-Economic Duty

- 6.1 Alongside updating the Education Transport Policy we are also producing an Equality Impact Assessment, and it is planned to consult on the Education Transport Policy inviting comments on the Equality Impact Assessment at the same time. We will take into account all comments received as part of the consultation and adjust the Education Transport Policy and the Equality Impact Assessment as appropriate in light of the comments received.

7. Next Steps

7.1 The Strategic Review into education transport will continue to seek to rationalise the costs associated with providing transport for learners. Over the coming period, it is planned to move forward with the following:

- Consultation on the Education Transport Policy
- Review Education Transport Contracts to find further savings (ongoing)
- Identify and implement pilots to reduce costs associated with providing education transport (ongoing)
- Transfer successful pilots into permanent transport arrangements
- Consider opportunities to rationalise the costs associated with the 16+ Travel Pass

