Home-to-School Transport: A System at the Cross Roads
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Preface

This report is the result of a study carried out by the Commission during 1989 and 1990. The bulk of the work was carried out on the Commission's behalf by the Public Administration Research Centre led by its director, David Jackson with assistance from Philip Honour of the District Audit Service. The project was managed by Janet Roynon, also of the District Audit Service, and overseen by James Kennedy of the Audit Commission.

As part of the study, the Commission undertook a questionnaire survey of all local education authorities enquiring about the manner, extent and cost of home-to-school transport provision. 50 authorities responded in detail. The responses provide a recent and authoritative statement of the pattern of home-to-school transport in England and Wales. There were also detailed study visits to six authorities and visits to three further authorities to explore particular issues.

It is the Commission's normal approach to establish a consultative group of experienced practitioners in the field of the study. The consultative group established for home-to-school transport made a valuable contribution in the final stages of drafting this report, but responsibility for its contents lies entirely with the Commission.
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Summary

Every school day 900,000 pupils are assisted by local education authorities to travel from their homes to school or college. The total cost of the service in England and Wales is £280 million. The most common mode of transport is contract hire of buses and taxis closely followed by the provision of bus passes.

Controversy surrounds the service over the question of eligibility. Children are entitled to free transport if the journey between their home and school meets certain distance criteria or is judged unsafe. Disputes between local education authorities and parents are common. Such disputes have in part obscured the need for local education authorities to re-examine the means by which they satisfy the transport requirements of those children accepted as eligible.

The Commission recommends that local education authorities clearly delineate the separate roles of policy maker, budget holder, transport organiser and transport provider in the management of the service. Pilot work conducted in the authorities studied by the Commission indicates that savings in excess of £20 million could be realised nationally from improvements in efficiency without any change in the level of provision.

The principal legislation governing home-to-school transport was passed in 1944. Society has changed markedly since that date, as has the structure of the maintained education system. The home-to-school transport system is at risk of being left behind in the changes in the education system and society at large. This is unfortunate since it has a significant part to play. Parental choice of school is limited where the local education authority is prepared to transport children only to the nearest school or to schools of its choice. The modest network of collective home-to-school transport obliges parents whose children are ineligible to make their own arrangements, frequently using their own car. So schools are a significant cause of traffic congestion and milling traffic at the school gate can pose a safety threat.

Therefore the Commission recommends that the fundamental criteria underpinning the present home-to-school transport system should be reviewed. One possibility would be a policy of flat fares, thereby opening the system to more pupils, linked to abandonment of eligibility to free transport based on anachronistic walking distances.
Introduction: The Need for Review

1. Current arrangements for the transport of pupils from home to school are anachronistic. The laws which govern home-to-school transport were conceived for a society very different from that which exists today. Those laws have always attracted criticism but statutory changes since the 1944 Education Act have provided an inadequate response to tensions which now need to be addressed. And the arrangements which local authorities make to discharge their responsibilities are overdue for reconsideration.

2. The statutory context, set by the 1944 Education Act, is that local education authorities (LEAs) are required to provide free transport for a pupil of any age where they consider this necessary to facilitate his or her attendance at school or further education (FE) college. The Act does not define the circumstances which make free transport necessary; but for a pupil of compulsory school age, the school attendance provisions of the 1944 Act serve to make the distance between home and school one essential criterion. The Act also enables LEAs to assist other pupils with transport expenses. The objective behind these provisions was to ensure that no pupil was denied a suitable education because of his or her inability to get to an appropriate school or college, and to allow LEAs to make provision beyond that minimum in the light of their local priorities.

3. The objective behind the 1944 Act remains although society has changed markedly since 1944. Most conspicuously there has been a massive increase in car ownership. In 1961 31% of households owned a car (the 1961 census was the first to record car ownership) but by 1990, car ownership is estimated to have risen to over 60% (Exhibit 1). The greater availability of cars has

Exhibit 1

HOUSEHOLDS WITH AND WITHOUT REGULAR USE OF A CAR
An increasing proportion of families have the personal means of transporting their own children to school

Source: Department of Transport
made possible the transport of growing numbers of pupils between home and school in parents' cars. But for parents without cars or those whose cars are needed for transport between home and work, the difficulty of delivery of children to school without the assistance of the local authority has increased because of the decline of public transport. The density and intensity of public bus and rail services have reduced substantially since the last war. So changes in transport facilities since 1944 discriminate more sharply between those parents who enjoy greater personal ability to transport their children compared with those who have recourse only to the reduced public transport service. And parents' ability to pay for transport varies. Average prosperity has risen since 1944, but wide income variations remain.

4. Rising car ownership has not only led to more journeys by parents to deliver their children to and from school; it has also increased the risks of accident to children making the school journey. Home-to-school journeys in 1988 accounted for nearly a quarter of all accident casualties to under 16 year-olds*. Table 1 gives the numbers of casualties on the journey to and from school in 1988. It shows that accidents occur most frequently amongst pupils who walk or cycle and least often amongst pupils travelling by public transport. Bus-related accidents occur most often when passengers board or alight.

<p>| Table 1 |
| CASUALTIES ON THE JOURNEY TO AND FROM SCHOOL, GREAT BRITAIN 1988 |</p>
<table>
<thead>
<tr>
<th>Killed</th>
<th>Killed and/or Seriously injured</th>
<th>All casualties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pedestrian</td>
<td>44</td>
<td>1342</td>
</tr>
<tr>
<td>Pedal cyclist</td>
<td>5</td>
<td>251</td>
</tr>
<tr>
<td>2 wheeled motor vehicle</td>
<td>1</td>
<td>27</td>
</tr>
<tr>
<td>Car</td>
<td>6</td>
<td>111</td>
</tr>
<tr>
<td>Public service vehicle</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Department of Transport

5. Additionally there has been a change in public views about the need for accompanied transport, due to anxiety about safety from abduction or attack as well as safety from traffic accidents. It has been estimated that in 1971 more than 70% of 7-year-olds travelled to school unaccompanied but that in 1990 the proportion had fallen below 7%.** Parliament responded partially to the safety concern in 1986. It laid down a requirement that LEAs should have regard to the nature of the route which a pupil could reasonably be expected to take when determining the pupil's entitlement to LEA-arranged home-to-school transport. Exposure to risk from traffic or other environmental dangers are the usual criteria in interpreting these new responsibilities. Since the amendment did not address the parental concern that a child might not be safe in any situation outside the supervision of a trusted adult, the effect of this extension has been limited. There has been some increase in LEA-arranged activity but many parents whose children are not statutorily entitled prefer to accompany them to and from school.


** 'One False Move ... A Study of Children's Independent Mobility' by Hillman, Adams and Whitelegg published by PSI Publishing in 1990.
6. As well as social changes, there have also been developments in public policy relevant to home-to-school transport. Four points are particularly significant.

7. The first is the increased scope for parental choice of school and for student choice of college, brought about by a number of legislative changes from the 1980 Education Act to the 1988 Education Reform Act. Choice depends on the practical ability of clients to exercise it; it is severely curtailed for those who have no transport available. Some parents do not have the means to choose a school other than the nearest. Others rely on the LEA to transport their children; but this is to the school or on occasion a selection of schools determined by the LEA. The LEA remains a major determinant of school choice by virtue of its control over the home-to-school transport network.

8. Secondly, control over a child's educational experience is moving from the LEA to the school. Present schemes of delegation concentrate principally on the control of teaching resources. Most parents are concerned about questions of educational effectiveness, the process of learning and the standards of achievement by children. So schools which wish to make themselves attractive to parents are expected to focus their energies on these. Parents, particularly lone parents or couples who are economically active are also concerned about the ways in which schools look after their children. They are keenly interested in meals, transport and supervision after school hours.

9. The current extent and means of provision of these services vary. For example, it is up to LEAs to decide whether to provide school meals more widely than to those entitled to free meals. On the one hand, LEA provision of such services is under financial pressure in order to contain local taxation. On the other hand some governing bodies may wish to initiate or extend provision in order to attract pupils. And they may wish to use their schools' funding allocations to fund or subsidise such services. Therefore the development of local management of schools (LMS) raises the question of control over the non-teaching elements in the education budget, including home-to-school transport.

10. The third point arguing for the reconsideration of home-to-school transport policy is environmental concern about traffic congestion. In the absence of satisfactory LEA-provided home-to-school transport and public transport many parents use their own cars. Schools are a significant cause of traffic generation. Although the afternoon school peak precedes the normal journey from work traffic peak, the morning peak compounds it (Exhibit 2). The transport of children to school by bus reduces traffic congestion and air pollution from car exhausts. It also improves safety at the school gate where the milling of cars delivering children can be hazardous. One alternative would be an earlier start to the school day, following the 'continental' model. This development seems impossible and would not meet environmental objectives. As 'green' issues climb the ladder of public concerns, so the argument in favour of enhanced home-to-school transport by public means increases.

11. The pursuit of greater value for money in local government is a fourth reason why it is timely to reconsider the management of home-to-school transport. Over the last 20 years, local authorities have developed increasingly coherent approaches to their corporate management. There is scope for councils to review their entire transport provision and consider whether benefits exist from strengthening the links between home-to-school transport and other elements.
Exhibit 2

TRAFFIC FLOWS IN AND OUT OF TERM

The morning peak is aggravated by *home-to-school* journeys

![Traffic Flow Graph](image)

(1) Average weekday traffic flow 7th to 18th December 1990 (all schools and colleges open)
(2) Traffic flow 20th December 1990 (all schools and colleges closed)

Source: Traffic flow meter southbound lane of the Town Bridge, Bedford; courtesy Bedfordshire C.C.

such as social services transport and community transport. And the 1985 Transport Act requires authorities to obtain value for money from co-ordination of public transport and education transport.

12. Changes in society since 1944 and current policy concerns lead to potentially conflicting conclusions on home-to-school transport. Increased car ownership and the pressures on local taxation argue for a diminution in the service; concerns for the environment, demand for greater daytime child-care facilities, attention to child safety and enhanced parental choice argue for the extension of provision and relaxation of entitlement criteria. These tensions must be reconciled if home-to-school transport policy is to avoid inertia. (Exhibit 3 overleaf).

13. This report addresses these tensions at two levels. The immediate horizon is to consider how the home-to-school transport service can be improved to meet current pressures within its present terms of reference. There is certainly scope to improve the efficiency of present arrangements thereby releasing resources. But the report will also address a more distant horizon. Many of the pressures on home-to-school transport cannot be reconciled within present policy and practice. Despite improving present arrangements, LEAs will experience tensions which mean that dissatisfaction can only intensify. In the longer term, consideration needs to be given to the fundamental objectives of home-to-school transport, aligning them to other changes in the educational world.
Exhibit 3
THE PRESSURES ON HOME-TO-SCHOOL TRANSPORT
Home-to-school transport provision is stalled on a hill of conflicting forces
1. Current Arrangements for Home-to-School Transport

DUTY AND DISCRETION

14. The legal duty of an LEA is complicated. The first requirement is that the LEA should determine what home-to-school transport it considers necessary to facilitate the attendance of pupils at schools. But its conclusion must satisfy certain basic requirements. As a minimum the LEA must conclude that transport is necessary for a pupil of compulsory school age who satisfies three conditions:
— he or she lives in the LEA’s area
— the school at which he or she is registered is not within walking distance of home*, and
— no suitable arrangements have been made by the LEA for enabling the child to become a registered pupil at a school nearer to his or her home or for boarding the child at or near the school at which he or she is registered.

The LEA has a duty to make arrangements for the provision of transport for any child for whom transport is determined to be necessary. Any transport so provided must be free. When considering whether free school transport should be provided for a particular pupil, LEAs are required to take account (amongst other things) of the pupil’s age and the possible routes he or she might take between home and school.

15. The law leaves LEAs to assess the safety of routes. Following the judgement in 1988 in the case of R vs. Devon County Council ex parte George, LEAs also have to assess the practicality for parents of accompanying their children. Inevitably cases are often appealed. Outcomes of appeals can become precedents and thereby lead to unpredictable financial commitments.

16. LEAs can extend provision beyond that which is required of them and all do so in some fashion. They may pay the whole or any part, as they think fit, of the reasonable travelling expenses of any pupil who is not entitled to free school transport. Many continue to provide free transport after the age of 16 to those children who were entitled to it up to the age of 16, most provide support for parental choice of denominational schooling and some Welsh LEAs provide support for parental choice of Welsh-medium schooling. In certain authorities, discretion embraces other categories such as all children living in villages which are split by the normal distance rules. In addition, LEAs are required to consider the individual circumstances

* Section 39(5) of the 1944 Education Act defines walking distance as two miles for pupils under the age of eight and three miles for older pupils. These distances are to be measured by the nearest available route door to door, not necessarily by road.
of pupils not otherwise entitled to free transport when the parents present a case for assistance. Finally, fare-paying pupils include those who take up vacant places on transport provided for others.

MAGNITUDE, MEANS AND COSTS

17. The net effect of LEAs' interpretation of their duty and use of their discretion is the daily transport of about 900,000 pupils of whom 40,000 (4%) pay a fare*. Expenditure in 1988-89 was £280 million; about 2.4% of total LEA expenditure. The transport of secondary pupils is the largest call on resources, but special education absorbs almost a third of all expenditure. The cost pattern varies between different sorts of authority (Exhibit 4). In London and the metropolitan districts, transport of pupils to special schools dominates expenditure, as one would expect in an urban setting where few pupils live beyond the normal distance criteria. In the counties, where schools may have large rural catchment areas, the transport of secondary pupils asserts itself as the dominant cause of expenditure and the transport of primary pupils becomes significant.

Exhibit 4
PERCENTAGE OF OVERALL COST BY EDUCATION SECTOR
In metropolitan areas, the transport of children with special educational needs dominates

Source: Audit Commission questionnaire

18. Average figures for home-to-school transport obscure wide variations in emphasis and significance between LEAs. Over 80% of pupils attending special schools and special units are transported from home by the LEA (Exhibit 5) although the range is wide, from 24% to 96% (Exhibit 6). But home-to-school transport arranged by the LEA is significant for other education sectors. Given that primary schools are provided within most communities, it is not surprising that only a token proportion (only 3%) of primary pupils make use of LEA transport. Even so, the Commission survey identified two authorities transporting more than 10% of their primary pupils (Exhibit 6). If the current excess provision of primary school places leads to school

* These figures and the figures throughout this section, including exhibits 4, 5, 6, 7, 8 and 9 are drawn from replies to an Audit Commission questionnaire administered in late 1989. Returns (some only partially completed) were received from a representative cross-section of 28 counties, 15 metropolitan districts and 9 outer London boroughs.
19. Nationally 20% of secondary pupils and FE students use LEA-arranged transport. As in the primary phase, the extent of variation is striking (Exhibit 6). In two counties, half of the secondary pupils are transported by the LEA. In those counties LEAs remain a major influence on the practical ability of parents to exercise choice and of schools to compete freely with each other for pupils. Provision on this scale also adds substantially to central educational costs in
comparison with costs in other LEAs lacking the need or discretionary policy to transport a large proportion of pupils. Even though the geography of the LEA is a profound influence, LEAs have come to a wide range of conclusions in exercising discretion and in interpreting their statutory obligations.

20. LEAs transport pupils to school in four principal ways:
(a) Contract hire: undertaking transport via a contract with a private operator.
(b) LEA vehicles: owning the vehicles and providing drivers and escorts itself.
(c) Public transport passes: the purchase of passes for pupils to use normal public transport services.
(d) Financial support: providing parents or students with cash to enable them to make their own arrangements.

21. Just as there is substantial variation in the extent to which LEAs transport children, there is also substantial variation in the manner in which LEAs provide transport. All modes are in evidence for all sectors but the emphasis varies according to the type of pupil (Exhibit 7).

Exhibit 7
PERCENTAGE OF HOME-TO-SCHOOL TRANSPORT USERS ON EACH MODE OF TRANSPORT BY EDUCATION SECTOR
With the exception of further education, contract hire is the predominant mode of home-to-school transport

Source: Audit Commission questionnaire

22. Contract hire is the dominant choice by LEAs for all sectors of education with the exception of FE where public transport passes predominate. Indeed the use of public transport passes progressively increases with the age of the pupil from only 9% of primary pupils through 33% of secondary travellers to 69% of FE students. LEA vehicles are most commonly used in special education. (Table 2).
Table 2 LEAS WITH TRANSPORT FLEETS

<table>
<thead>
<tr>
<th></th>
<th>With own fleet %</th>
<th>Special educational needs only %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outer London Boroughs</td>
<td>89</td>
<td>56</td>
</tr>
<tr>
<td>Metropolitan Districts</td>
<td>67</td>
<td>60</td>
</tr>
<tr>
<td>Counties</td>
<td>75</td>
<td>29</td>
</tr>
</tbody>
</table>

23. Some LEAs use a number of different forms of transport; others use one almost exclusively (Exhibit 8). For example, half of metropolitan authorities rely almost exclusively on the provision of financial assistance to aid FE students, whilst the other half hardly make use of this means at all. Often taste and tradition explain these variations rather than any reasoned assessment of cost effectiveness.

Exhibit 8 MODES OF TRANSPORT FOR SECONDARY PUPILS TRANSPORTED UNDER LEA ARRANGEMENTS
There is no consistent conclusion on the choice of mode of transport between LEAs

Source: Audit Commission questionnaire

24. As well as variation in the extent of provision and manner of transport, there is a very wide disparity in the unit costs of transport between LEAs (Exhibit 9). This is to be expected. Costs vary according to the geography of the authority, the local contract vehicle hire market, traffic congestion and the degree of dispersal of its pupils and schools. Policy differences between LEAs also affect unit costs. Authorities with generous policies on eligibility are likely to have higher overall cost but lower unit costs because, in efficient authorities, unit costs should fall as the numbers transported increase. However, after discounting all such influences, a substantial degree of the variability in unit costs is due to differences in efficiency.

25. This survey confirms not only that local education authorities have substantial discretion in their interpretation of policy, but that they use it. There is extensive variation in both the extent and the manner of home-to-school transport provision between authorities.
Exhibit 9

DISTRIBUTION OF UNIT COST OF HOME-TO-SCHOOL TRANSPORT SERVICE FOR DIFFERENT SECTORS

There is very great variation in unit cost between authorities which can be explained only partly by differences in their circumstances.

Source: Audit Commission questionnaire

LEAs have considerable potential to interpret their own requirements and reconsider their policies. Many are doing so because of increasingly severe financial targets, but they must ensure that they arrive at coherent conclusions which acknowledge all of the policy pressures on home-to-school transport (Exhibit 3). LEAs also have a substantial opportunity to reconsider whether they are securing value for money. The following section provides LEAs with a model for the reconsideration of their arrangements.
2. The Home-to-School Transport System

26. Home-to-school transport is a relatively small element of LEA expenditure, but it is nevertheless a substantial and complex system in its own right. Whilst the issue of eligibility for assistance regularly attracts the attention of Education Committees, consideration of the best means of delivering the service has sometimes been neglected. This is unfortunate because decisions taken about eligibility can have significant consequences for the ability of the transport manager to cope in an efficient and economical fashion. In many LEAs, the home-to-school transport system has grown incrementally with little overall direction. But it is clear that home-to-school transport must be regarded as a single coherent system. There are four component rôles in its management (Exhibit 10):

(a) policy-maker;

(b) budget-holder;

(c) transport organiser;

(d) transport provider.

Exhibit 10
THE PROCESS OF HOME-TO-SCHOOL TRANSPORT
Home-to-school transport is an integrated system
27. LEAs which recognise the importance of all these rôles are well placed to secure good value for money in the provision of the service. Responsibilities should be assigned in a clear and unambiguous way although the budget holder and transport organiser are sometimes merged; LEAs which have confused or duplicated responsibilities are more likely to experience poor value for money and find it harder to adapt to changing expectations for the service.

28. The interpretation of relevant statute continues to evolve in the face of court decisions but it is evident that LEAs have considerable scope to exercise discretion over policy. No authority which has replied to the Commission’s enquiries confines its provision to the statutory minimum but no authority can afford to offer unrestricted entitlement to transport. So each LEA must make policy decisions (Exhibit 11).

Exhibit 11
POLICY CONSTRUCTION
The budgetary consequences of policy decisions must be assessed

29. LEAs can use home-to-school transport to facilitate parental choice, to extend eligibility generally or locally or to fill spare seats. They can also determine the mode of transport. One category of discretion is in respect of parental choice. 88% of LEAs which replied to the Commission’s questionnaire provide free transport for pupils attending denominational schools even where a ‘county’ school is nearer the pupils’ homes. Such provision is under review in some authorities as has been illustrated by the recent dispute between the Roman Catholic archdiocese of Westminster and Hertfordshire County Council. The dispute arose when Hertfordshire proposed to restrict the entitlement of pupils to free home-to-school transport on denominational grounds. The Roman Catholic authorities objected to the change and called upon the Secretary of State for Education to exercise his powers to direct the County Council not to implement the
planned restrictions. The Secretary of State was not prepared to do so. In Wales some LEAs meet parental choice by offering transport to a Welsh-medium school which is often further away than the nearest English-medium school. Some LEAs provide home-to-school transport to support the exercise of parental choice between grant-maintained and LEA-maintained schooling.

30. LEAs may extend eligibility for reasons of equity. Secondary school pupils are usually not treated differently below and above the age of 16; this interpretation sometimes extends to students at FE colleges. At the other end of the age range, pupils under the statutory age in primary classes are awarded the same entitlement as those of statutory age. But transport to nurseries or pre-school groups is usually provided only for social reasons and is organised by Social Services departments.

31. Many authorities apply lower minimum distances than the law requires. For instance some LEAs apply the three mile limit only at transfer to secondary school instead of at age eight. In all, the Commission found that 25% of LEAs apply shorter maximum distances than the statutory maxima in some aspect of their determination of entitlement. Similarly, for students with special educational needs, some LEAs apply blanket policies, providing transport for all pupils. Others adopt the sounder practice of determining transport provision according to pupils' individual needs.

32. The normal eligibility rules on distance can sometimes lead to 'split villages'. Where a majority of the pupils in a village are entitled to home-to-school transport on distance grounds, some LEAs determine that all pupils in the village are entitled to transport. Some LEAs have used enhanced home-to-school transport provision to pacify opposition to other actions. When closing schools, LEAs sometimes enter into commitments to provide transport to the designated alternative school even if the journey would not normally fall within the normal criteria; some of these commitments only apply to pupils on roll at the time of the closure.

33. Finally, 70% of LEAs provide transport to pupils who are not entitled to free transport when there are available seats. The LEA must set a fare for such pupils although it can give pupils a full or partial subsidy through its powers to offer financial assistance.

34. LEAs also exercise discretion in the manner in which they transport pupils. To promote pupil safety, most authorities specify maximum journey times, waiting times and earliest start times. All have policies about the nature and extent of provision of escorts. To reduce costs, some authorities determine that three pupils must share two seats, a choice only permitted in respect of pupils under 14.

35. In some cases escorts are provided only for pupils with special problems such as physical handicap or hyperactivity; in other cases, LEAs insist on escorts for broad categories of pupil e.g. primary pupils. Still others have policies which relate to the characteristics of the vehicle e.g. escorts on buses of more than 20 seats. Escorts can not only supervise conduct whilst travelling, but can also supervise boarding and alighting.

36. Different LEAs have widely differing policies but these tend to be products of history rather than of recent explicit policy choices. Policy reviews are hampered by difficulties LEAs find in predicting the financial consequences of changing policy. There is a dearth of reliable
data and, without supporting data, proposed service improvements are akin to writing a blank cheque while proposed reductions mean unpopularity in return for uncertain financial gains. The problem is incapable of a precise solution. Complete knowledge of the costs of policy changes is not possible because some key costs cannot be estimated accurately. For example, changed entitlement policies would lead to changed specifications and it is hard to predict the outcome of such changes on contractors’ tenders. But this problem should not be an excuse for inaction.

37. LEAs can do more to ensure that policy choices are well-informed. As a major service purchaser, they should be aware of the capabilities of actual and potential transport providers. Moreover there is scope to improve their records of pupil entitlement. All LEAs keep records of pupils and students who are to be transported to and from school or college. But in its fieldwork, the Commission encountered no instances of routine recording of the reason for entitlement of each passenger. Adding this item to the basic records would be straightforward because it must be known in order for entitlement to have been established. A data base of such information would assist authorities in assessing the cost sensitivity of possible policy changes.

38. The policy-maker rôle is properly invested in the LEA, which under current financial arrangements is responsible for the costs. LEAs are under pressure from parents to extend entitlement but are restrained by the consequences for local taxation. In order to make best use of available funds, Education Committees need to review their present policies. Ideally, they should be able to state the costs of providing a minimum statutory service as well as the additional costs, by category of pupils, which they have added in exercising their discretionary rôle.

39. In the absence of reliable cost information on policy alternatives, policy change is often driven by the decisions of Education Committees upon appeals by individual parents. LEAs need procedures for considering individual circumstances, but they must be attentive to the policy consequences of their individual conclusions. When faced with appeals for inclusion in the entitled categories, LEAs should be mindful of the consequences for precedent of their decisions. They must be provided with data on the cost consequences of individual decisions which they take. At the moment, many lack adequate data to be able to assess the financial consequences of their actions. They should take steps to remedy this situation.

THE BUDGET-HOLDER RÔLE

40. Policy must be translated into services. The bridge to implementation is the budget holder. The rôle of budget holder is to:

(a) determine which pupils and students are entitled to be carried within LEA policy;

(b) determine the transport requirement of individual entitled pupils (e.g. whether they require to be picked up from home, whether they require to be escorted) within LEA policy;

(c) monitor and control expenditure against budget;

(d) monitor quality and standards of service;

(e) report back to the policy maker on the implementation of policy to inform policy review.

(Exhibit 12).

41. The scope for executive action by home-to-school transport budget holders is circumscribed by policy. They cannot alter entitlement rules. Neither do budget holders need
Exhibit 12

THE LINKS IN THE SYSTEM

Each role has specific associated tasks; feedback is critical
to be involved in operational management. But budget-holders are in a key position to ensure that policy and operational management decisions are well-informed and to draw attention to the need for corrective action when problems are detected.

42. Many LEAs need to improve their procedures for dealing with those who leave or enter the home-to-school transport system, for instance when they move home, or transfer to a new school. Schools and parents are likely to exert pressure for the inclusion of pupils whose changing circumstances give them a fresh entitlement. But they may be less assiduous in urging the removal of leavers from the list. Unless budget holders secure this information, services may be provided to cater for pupils who are no longer entitled.

43. As a principal point of contact between management and clients, budget holders are best placed to oversee the procedures for monitoring the service and its costs. Monitoring the service includes responding to complaints from parents, teachers and operators but also entails positive action: meeting representatives of schools and reviewing operational data such as that on punctuality and numbers of pupils carried. In relation to cost, the budget holder should ensure that actual expenditure matches what was planned and should respond to any significant deviations of actual from planned expenditure.

44. Budget holders are usually either central sections covering the whole LEA or sections serving districts or areas of LEAs. In some LEAs, special units deal with a specific type of client, e.g. children with special educational needs. Each local authority must determine the best location for its budget holder rôle. What is critical is that the rôle be clearly described with responsibility assigned and separated from the rôle of transport organiser.

THE TRANSPORT ORGANISER RÔLE

45. Budget holders are often poorly equipped or disinclined to undertake the commercial design of transport arrangements and the negotiation of contracts. The rôle of transport organiser describes the specialist element of the client side – analogous to the functions of an architect or of a consulting engineer. Many LEAs fail to separate these functions and in consequence do not benefit from the specialist contributions which a professional transport organiser can offer.

46. The transport organiser is responsible for:
— deciding the modes of transport to be used;
— designing transport routes;
— procuring transport provision;
— deciding the allocation of escorts;
— operational monitoring of the service.

47. Transport organisation is the key to good management of home-to-school transport. Success in transport organisation involves carrying out a number of detailed tasks well. This is not a function where one single big idea will open up major improvements. But the aggregation of a number of small improvements can offer substantial benefits.

48. The transport organiser is an agent who interprets the budget holder's remit into a precise specification of the transport resources required, procures those resources through a series of
contracts, and then manages them to ensure that the services delivered to customers accord with the remit (Exhibit 13). An effective transport organiser will review regularly the services delivered on behalf of the budget holder and policy maker and will suggest or initiate actions as appropriate to increase service quality or reduce costs.

Exhibit 13
THE RÔLE OF THE TRANSPORT ORGANISER
Transport organisation is a complex professional task

49. Transport organisers who receive remits from budget holders in other services as well as from education also have the opportunity of considering the extent to which transport requirements from different sources can be reconciled. For example, particularly in rural areas, a home-to-school transport contract is sometimes used as a foundation upon which to construct further community or other public transport provision. This does not necessarily mean that co-ordinated organisation should necessarily result in provision shared between different users. But a co-ordinated organiser function helps to ensure that any worthwhile opportunities for co-ordination are not missed.

TRANSPORT MODE

50. The most widely used mode of transport is contract hire. The routes are operated either by external transport providers or by the LEA fleet. In some cases, organisers make agreements with colleges or schools under which the institutions arrange travel in return for reimbursement. Some parents are paid to provide travel, sometimes not just for their own children. For many pupils, the mode of transport is existing public transport, for which the LEA buys travel passes. Some LEAs also run registered public transport services themselves on the initiative of the home-to-school transport organiser, but always with the participation of the department concerned with public transport.

51. These options are very different from each other and it is important for organisers to be flexible about which to use. This is not always the case. In one authority studied by the Commission, entitled pupils who did not live close to a public service bus route were assigned to routes operated by the LEA’s own vehicle fleet. The possibility of using external bus operators was only considered when the LEA fleet had been fully assigned. An evaluation of alternative costs could well have concluded with a different solution.
ROUTE DESIGN

52. Where the chosen mode is used exclusively for home-to-school transport, the transport organiser has to design the routes. This includes:
   — selecting those pupils and students to be carried
   — choosing pick-up points and destinations
   — limiting the maximum time on the bus
   — determining maximum waiting time at school

Choosing the order in which pupils are to be picked up and deciding the details of the journey are more properly left for the operator to decide.

53. Too often, design exercises on networks are confined to incremental modifications of existing routes. Clean sheet designs are justified more frequently than they are undertaken. In one metropolitan district, two networks were produced in parallel for the same set of pupils with special needs. One network was built from a ‘clean sheet’, using a scatter diagram approach, while the other was worked out incrementally from the previous year’s network. When the LEA’s internal audit team compared the results, they estimated the costs of the clean-sheet network at 7% less than those of the incremental network.

PROCUREMENT

54. In all situations where formal tendering can be applied, it is the soundest approach to procurement. One study authority, with £2.7m worth of business, submitted its specification to tender instead of following its previous practice of negotiating contracts. The first tender yielded savings of some £300,000 a year; a subsequent exercise saved a further £150,000 a year.

55. To maximise the benefits of the contracting process, invitations to tender should leave as much freedom to contractors as possible. Although some contractors welcome non-binding suggestions, specific stipulations should be made of the quality of the service required but not of vehicle size or exact journey details. Creating opportunities for contractors to tender for a combination of contracts can be beneficial, providing a competitive environment is not lost. In one authority, two routes were tendered individually. One contractor proposed an arrangement to transport both groups of pupils in a combined operation. This arrangement was 6% less expensive than the best aggregation of individual bids.

56. Formal tendering is effective only in an environment where real competition exists. In some parts of the country, transport organisers report little competition for their work. Organisers can take action to foster competition. They can construct parcels of work, perhaps incorporating non-education transport, on which to invite tenders so that new providers will be attracted. Where existing contract periods discourage investment in vehicles, contract periods can be extended to give providers more time to recoup any necessary capital investment. Specialist equipment for passengers with physical disabilities can be hired from LEAs by transport operators. Some LEAs also maintain in-house transport fleets which serve as benchmarks against which to assess external bids.

57. There are cases where a tendering process is not feasible. In purchasing bus or rail passes and in offering grants and other payments to parents and schools, LEAs have to negotiate. But
the negotiating posture can be improved if the transport organiser is aware of the feasibility and costs of alternative public transport and contracted provision, and that awareness can itself be the product of a tendering exercise. Any subsequent choice between public and contract transport needs to have regard to the duty of local authorities to ensure value for money in public transport (1985 Transport Act). Where passes are purchased, they should be matched precisely to the LEA's requirements. By changing from weekly season tickets valid at any time during the week to tickets specifying precise journeys and times one authority obtained a £50,000 reduction in its annual rail bill.

58. In metropolitan districts and in London, separate negotiations with the public transport provider may not be feasible. Here the Passenger Transport Authority (PTA) covering the district or London Regional Transport (LRT) co-ordinate the remit from the LEA. The PTA's Transport Executive or LRT then incorporate the remits in the procurement process. Such education authorities should identify their requirements for home-to-school transport and should ensure that these are considered along with other requirements for public transport.

ESCORTS

59. Deciding whether a particular pupil or group of pupils should be accompanied by escorts is part of the budget holder function acting in compliance with policy. But it is for the transport organiser to decide how to meet that requirement. Even when the transport operator is a private contractor, the LEA may prefer to use escorts who are its own employees. LEA-employed escorts are generally found to be less flexible and more expensive than escorts employed by the operator. But it is easier to ensure that unsuitable people are not assigned to the work if the LEA employs them and it may be easier to train LEA employees in first aid and lifting of pupils. An LEA which decides to employ escorts is faced with the usual decisions on terms and conditions of service, including the level of pay. It must also decide whether the bus will collect and return the escort to his/her home or whether the escort will meet the bus at a pre-determined place.

MONITORING

60. The transport organiser should monitor information relevant to the operational management of the service. Procedures are needed to process complaints and to collate operator data. Service monitoring should include the physical inspection of vehicles and journeys as well as user surveys. In one authority a concern arose about home-to-school transport routes which are registered as local bus service contracts. Such routes serve both entitled and fare-paying passengers and in this authority were showing no income. An inspection revealed that the operator was collecting fares and not passing them on in accordance with the transport contract. Following this inspection, income began to flow to the authority from routes which had not been inspected as well as from the inspected route.
ACCOUNTABILITY

61. To operate effectively, the transport organiser needs close contact both with the users of the service, including parents and head teachers, and also with the local bus and taxi operators etc. He or she will need up-to-date information on the pupils to be carried and their travel requirements. A transport organiser must also have information on the costs and availability of transport in the area. With such information the organiser can influence the competitive environment within which the services are provided, for example to discourage cartels from forming, or to increase the availability of specially adapted vehicles.

62. The organiser therefore needs to be a transport specialist serving the education function rather than an education administrator working on transport. An organiser should identify all of the costs of the service including his own overheads. This will enable the education service to provide a professional service with properly attributed costs.

63. But the rôle does not need to be in the education service. At least one LEA has contracted out its home-to-school transport organisation to a private firm. Some transport organisers serve budget holders other than in the education service. For example, social services, social transport or community transport services all have requirements similar to those of the education services. And at least one LEA is considering the extension of its transport organisation to act on behalf of hospital clients. Whilst such structures offer potential for rationalisation of services, their establishment does not guarantee value for money. Councils should consider alternative structural arrangements and assess the potential benefits of co-ordinating all of their transport organiser function as part of their review.

THE TRANSPORT PROVIDER RÔLE

64. Most home-to-school transport is provided indirectly by LEAs. For the proportion which LEAs do operate, good practice has much in common with good practice in other Direct Services activities. Its management must be separate from the rest of the LEA and in particular the provider should have a separate trading account. The trading account should be set up so that cost comparisons between in-house and external providers are fair. Payments should be made to the provider on the basis of commercial prices and other terms agreed in the contract.

65. All this is now commonplace in most local authority direct service provision. But some LEAs still allow the in-house home-to-school transport operator to levy charges without any effective education department control. This is clearly unacceptable. Additionally some LEAs have scope to improve the efficiency with which invoices are submitted and paid.

SUMMARY OF STEPS WHICH LEAS SHOULD TAKE NOW

66. There is no single step which will ensure that home-to-school transport works well. Good practice involves discharging an integrated set of functions well. So LEAs should ensure that all of the functions are operated satisfactorily, integrated coherently and managed efficiently.

67. LEAs must develop reliable information on the costs of existing policies and practices as they reconsider priorities in response to pressure to implement safety and other improvements in their home-to-school provision. To ensure that schools receive the best possible service, home-to-school transport organisers need to be able to demonstrate their worth both to LEAs
and to institutions. Any gains in efficiency which they achieve offer LEAs the means to increase support to parents’ and students’ choice of school and college within the home-to-school system or to use the savings beneficially elsewhere.

68. The checklist of actions (Exhibit 14) which LEAs need to take to ensure that their home-to-school transport is satisfactory is:

1. identify all current statements of policy on home-to-school transport, compare practice with these statements and review the appropriateness of existing policy;
2. ensure that budgets for home-to-school transport are set in relation to the authority’s policy choices so that the service can be held to account against them;
3. ensure that members and senior education officers have relevant up-to-date information on the current performance of the service so that strategic monitoring can be undertaken;
4. clarify responsibility for each of the four rôles in home-to-school transport and establish a trading account to expose the costs of administration;
5. establish service-level agreements between the budget holder and the transport organiser;
6. carry out ‘clean sheet’ redesign exercises of routes at intervals (or for part of the LEA’s area each year);
7. wherever feasible, tender properly specified contracts to choose the transport providers;
8. review the use of LEA-operated transport provision; LEA transport should be used where it is the most economical alternative, where it serves to stimulate competition or where the private sector does not provide an alternative;
9. co-ordinate home-to-school transport provision with other types of local authority transport, wherever this is demonstrably beneficial, to home-to-school transport and to public transport.

Exhibit 14

THE 9 STEPS TO IMPROVE HOME-TO-SCHOOL TRANSPORT

LEAs will improve their service provision if they undertake a systematic review of the service.
Authorities which follow these basic but important steps can have confidence that their home-to-school transport system is logically structured. They will have provided the pre-conditions for securing value for money. They will also have laid the foundations for greater flexibility in meeting any future changes in the rôle of home-to-school transport.
3. Improving the Effectiveness of Home-to-School Transport

70. The implementation of the recommendations in the previous chapter should improve the economy with which home-to-school transport services are delivered. Valuable savings can be made. Audit work in individual authorities suggests that efficiency savings over the whole of England and Wales could exceed £20 million a year.

71. Authorities which review their policy may choose to extend or withdraw discretionary eligibility for their service. If the other recommendations of this report are implemented, the efficiency with which services are delivered will improve.

72. But, as the introduction illustrates, there are problems in determining the effectiveness of the service. Where authorities choose to provide only a basic service meeting the minimum statutory requirements effectiveness is simply the measure of the degree to which they succeed in complying with the law. If, however, authorities wish to include objectives such as parental choice of school, environmental impact, traffic congestion and pupil safety in their assembly of objectives, a minimum statutory service would be limited in effectiveness.

73. These wider objectives will be met only if more children are transported by collective means. Improved and extended public transport would assist in meeting the objective, but often this is a consequence of a vigorous home-to-school transport network, rather than its precursor. Moreover, some parents would not regard public buses as a particularly secure environment for their children.

74. Therefore the key way in which the tensions which stall home-to-school transport (Exhibit 3) can be resolved is through the expansion of collective home-to-school transport.

75. Parents will be more disposed to forego transporting their own children if they have confidence in a reliable, secure and inexpensive alternative. Improved economy in the delivery of the existing system may liberate some additional resources to expand the service, but alone will make only a modest addition. And in present circumstances a large addition to total expenditure on the service must be considered unlikely. The answer is therefore to devise mechanisms which enable home-to-school transport to expand, without incurring substantial, additional public expenditure.

76. From the point of view of parents and students, home-to-school transport has never been universally free. For example, parents of young children have been obliged to set aside the time to walk up to eight miles each day (two miles to and from school, morning and afternoon) or to make their own vehicular arrangements and meet the cost. The practice and expectation
has always been that many parents whose children are not entitled to LEA arranged transport would make their own arrangements at their own expense. Since 1944, the perceived need for children to be transported and to be escorted, has increased to meet safety concerns and to support wider choice of schools. Much of this increased need has been met by parents.

77. So parental contributions either of time or money or both are a major feature of home-to-school transport and always have been. This is a substantial employment of personal resources which limits parental freedom and constrains more cost-effective collective solutions. If these alternative resources could be marshalled into an integrated system with LEA funded transport, substantial opportunities would open up.

78. In the light of the discretion which local management of schools has provided there is greater scope for delegation of transport responsibilities to schools, although in some LEAs this might require formal modification of LEA schemes of local management. In its advice on local management of schools, the government has neither encouraged nor dissuaded such a possibility. Rather than consider the total delegation of the home-to-school transport budget to schools in an LEA's area, a mixed market might develop. The LEA as budget holder would purchase from the transport organiser a level of services determined by its policies and duties and, in particular, ensure that its responsibilities to secure the compulsory attendance of all children of school age are met. Schools could enhance that service at their discretion using either their delegated shares of the LEA budget, or parental contributions. The terms under which budgets are delegated to schools would appear to offer no impediment to schools using their monies to provide additional home-to-school transport and there is certainly no reason why schools should not co-ordinate parental demand. Indeed school- based extensions of LEA home-to-school transport provision already operate in a number of places.

79. Such a mixed market offers the prospect of coaxing some pupils out of cars and into environmentally preferable buses, since transport arranged for a school is likely to be collective. There need be no increase in costs to the LEA since its direct commitment would be subject to as much control as at present. The effect on parental choice is hard to predict. It is possible that new home-to-school transport provision would emerge, making choices of school possible which are currently infeasible. But to achieve this schools might reduce direct educational expenditure by diverting LEA funds to the purchase of transport.

80. Some schools would not regard the use of their schools budget for transport purposes as proper or desirable. Others, however, may see the opportunity of supplementation of the home-to-school transport budget as a means of attracting additional pupils to their school, thereby increasing their overall budget. The problem of shouldering additional administrative functions will be unwelcome in many schools, but supplementing the home-to-school transport network from school budgets need not lead to heavy administration for schools providing that they continue to take advantage of the transport organiser function of the LEA.

81. In terms of the resources available to the home-to-school transport system, the recognition of the freedom by schools to supplement the system will, at best, be patchy and may also be modest in terms of its overall impact. For vitality to be breathed into the home-to-school transport system a more comprehensive approach is necessary, including changes to the law.
82. Greater use of charging offers a possible way forward. Whenever charges are introduced their level and application are sensitive matters and in this case charging would create additional expenditure for large numbers of people. Previous reviews of home-to-school transport have recommended the adoption of flat fares. For any journey supported by the LEA, the charge would be identical regardless of the distance travelled. Such a practice would overcome the present distortion introduced by the two and three mile limits. It would open the system to more children, and thereby create a mechanism to attract additional resources through charges for home-to-school transport. If additional public resources are not invested in the home-to-school transport system, the level of an LEA’s flat fare would need to balance the use made of the service.

83. Abatement of this charge could be made for those in financial need. Means testing would be a substantial additional duty unless eligibility could be aligned with other benefits which are already means-tested. Bearing in mind the complex assessments already undertaken by local authorities in respect of community charge benefit and free school meals entitlement, there is clearly scope for further consideration of ways in which such a proposal could be made administratively feasible. An element of tapering in the rules on entitlement would be needed to minimise the danger of poverty traps. And availability of abatement would use up some of the funds raised through charging.

84. Such a proposal would require legislation and would also require careful evaluation beyond the scope of this study. In particular, there is no available evidence on three questions:
   (a) whether or not parents would stop transporting their own children if an enhanced but fare-charging collective service were made available;
   (b) the trade-off between support for free choice of school, levels of flat fare and LEA funding;
   (c) the practical problems of fare collection, given that many current contractors do not handle cash on their vehicles.

But if it were to succeed the consequence would be impressive. Further consideration by central government is merited as is some experimentation.

* * *

85. The preceding section sets out a number of policy matters. They are timely because present arrangements for home-to-school transport do not coincide with the Government’s policies towards parental choice. The Government’s last attempt to reconstruct the home-to-school transport system in the 1980 Education Bill was rejected by Parliament. Development in the last decade underlines the need for a further attempt. The preceding paragraphs set out approaches which merit consideration in a debate which should be revived.

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2. ‘Consultations on School Transport’ Consultative Document, DES, 1975
3. ‘School and Public Transport – A Charging Scheme’ Association of Public Transport Co-ordinating Officers, 1988
86. These ideas are essentially experimental. Some may not survive detailed evaluation. But it is clear that the current legal framework makes home-to-school transport anachronistic in the context of the English and Welsh education system and untypical against international comparisons. The agenda for central government should include a deeper evaluation of international practice than is possible within an Audit Commission study, as well as local experiments within England and Wales to assess alternatives.
Conclusion

87. For home-to-school transport to meet the needs of the 1990s, including the demand for greater choice of educational establishment and the parental concern about safety, additional services are needed. Improved efficiency will enable existing budgets to fund some enhancement of the network, but charges, levied through a flat fare scheme, look the most promising basis for service development; and, targeting of benefit is necessary to ensure that the benefit of free or assisted travel is enjoyed by those who need it.

88. This paper should revive the debate on these issues, but that debate should not obscure the need for LEAs to reconsider their present arrangements. The clear identification of the rôles of policy maker, budget holder, transport organiser and transport provider is critical to improved efficiency. The clarification of these rôles stimulates consideration of alternative players in whom they can be invested. The emphasis which this paper gives to the transport organiser rôle persists regardless of whether one is improving present arrangements or constructing new ones. LEAs should act now to compare their arrangements with this 'best practice' model.
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