



Title: **Needs & Redistribution Technical Working Group**

Paper: NR TWG 16 29 Transport Cost Drivers – A Rural Authority Perspective
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NOT A STATEMENT OF GOVERNMENT POLICY

There are a number of significant factors that impact Shropshire in relation to the funding of school, public and adult social care transport. I would expect these will also be issues for a number of other rural authorities. A combination of a sparsely spread population with little or no densely populated areas means there are few commercially viable bus routes operating within Shropshire. This also results in higher costs within the school transport area where there is a statutory responsibility to transport under 16 pupils to school if they live more than (for simplicity sake, let's say) 3 miles from their 'local' school, something that may not be an issue in even semi-urban areas where schools are generally located within the 3 miles statutory walking distance.

As a direct result of the sparsely spread population, school and public bus routes will be of a much longer length and take considerably more time than those in more urban developed areas in order to keep costs to a minimum. It is, therefore, highly unlikely that an operator would be able to operate such services on a commercial basis when taking account of the lack of potential income from fares (off peak travel would be limited as it is not seen as a viable alternative to the car).

There is no discretion for Home to School Transport and it is not possible to pass costs back to the school or to the parents; it is a local authority transport cost funded from net budget. Where a public bus route is in operation, pupils can use this. Often, however, a subsidised bus route needs to be created or enhanced, or individual taxis organised to enable pupils to be transported to school and back. The cost of meeting this statutory responsibility falls on the local authority – there are no grants (beyond a few very minor ones). Funding this type of transport costs Shropshire Council £10m every year; five times the amount we spend on supported bus services (over which we have discretion and have reduced spending year on year to meet available funding).

The note provided to the Technical Working Group as written suggests one of the three key cost drivers for transport is supported bus services, and as described this would suggest a cost of £2m for Shropshire. Reflecting the impact of transport on supported bus routes and other forms of transport for home to school responsibilities within the note, would more accurately reflect the total cost of £12m for Shropshire.

I would suggest, therefore, that this should be reflected within the note and taken into account within any resultant actions.

Points were made about the apparent relatively higher spend on transport in urban compared to rural areas. I would not argue with the points raised, but would just say that the cost and/or subsidy per passenger may be a useful consideration in understanding this, that the derivation of other benefits may be a factor to consider and ultimately that transport costs are by their nature discretionary – any authority can spend as much or as little as it considers it can afford on public transport. As a rural County, Shropshire should, in reality, spend far more on transport services to meet demand than it actually does, and in the recent past provided innovative demand responsive subsidised bus services to meet social inclusion concerns (albeit even this was for no more than two days per week). This service was decommissioned in 2013 as it was no longer affordable and we now operate a ‘safety net’ for transport in rural areas, relying on voluntary community transport groups to provide access for communities to essential services.

The Working Group on 10 November 2016 reached consensus on the need to reflect concessionary fares as a statutory responsibility, I would also argue that home to school transport warrants the same treatment as it too is a statutory service with very little options for alternative delivery and is beyond the control of the local authority. In Shropshire £2.5m is spent on Concessionary fares; around a quarter of Home to School Transport spending. While concessionary fares is an important statutory responsibility for rural authorities (given the demographic weighting towards older people), home to school transport potentially represents an even higher cost statutory responsibility.

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