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To: Cabinet

Date: 19 March 2012

Subject: 16+ Travel Pass Options Paper

Classification: Unrestricted

Summary	<p>It is proposed that the main element of the KCC Post-16 Transport Policy for 2012 will be a universal “Kent 16+ Travel Pass” (the Pass) for bus travel.</p> <p>The Pass will be available to Kent-resident learners in Years 12 and 13, and Year 14 students who are completing their 14 – 19 studies.</p> <p>It should be noted that 16-24 year-old learners with Statements of Educational Need or a Learning Difficulty Assessment (139a), will continue to receive assistance from KCC in line with the 16-19 Statutory Duty and existing KCC discretionary transport policy.</p> <p>The Pass is intended to provide support for learners to:</p> <ul style="list-style-type: none"><li>• meet travel costs to schools, colleges and work-based learning providers</li><li>• ensure Kent learning providers meet the requirements of Full Participation in learning to 18 years of age by 2015</li><li>• ensure fair access and maintain choice to post-16 provision for Kent learners</li></ul> <p>An assessment of the proposed options is provided below.</p>
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## Introduction

1. (1) The purpose of this paper is to provide an assessment of the options for a universal 16+ Travel Pass in Kent to provide eligible post-16 students with a subsidised travel pass, as part of KCC’s Post-16 Transport Policy for 2012.

(2) The KCC Post-16 Transport Policy for 2012 is being written against the backdrop of the need to fulfil the Authority’s responsibility to ensure Full Participation for all 18 year olds by 2015, the removal of the Education Maintenance Allowance (EMA) and introduction of the coalition government’s new 16-19 Bursary scheme.

(3) At the Kent County Council Meeting on 21 July 2011, the Council resolved “that the progress to date for the development of a subsidised Kent 16+ Travel Pass be noted and that further development of the 16+ Travel Pass will be done in partnership with the Kent Youth County Council and other stakeholders.” A trial has been undertaken during terms 1, 2 and 3 in the 2011/2012 academic year.

## Options

2. (1) It is envisaged that the Pass will allow the holder unlimited bus travel in Kent (and single stop journeys to Medway and East Sussex) including evenings, weekends and holidays. The typical value of each Pass is £750 per year. The actual value will depend on usage, and high usage of the Passes could incur costs at this level.

(2) Where a KCC subsidy of £230 per Pass is proposed, the cost to the learner is £520, less any further subsidy from the learning provider or employer.

(3) Where a KCC subsidy of £ 370 per Pass is proposed, the cost to the learner is £380, less any further subsidy from the learning provider or employer.

(4) If bus travel is not the most appropriate form of transport for a learner, it will be up to the learning provider to facilitate an alternative. KCC would continue to act as a broker to procure other transport at attractive rates, but as a paid-for service to learning providers.

(5) By asking for learning providers and employers to contribute to the costs of Passes, the financial risk of providing Post-16 Transport is spread. In 2011/12 schools, colleges and work-based learning providers in Kent received £2.4 million in bursary funding for Year 12 students in this transitional year. It is currently unclear what formula will be used for 2012/13 for bursary fund allocation, although the YPLA indicate that there is likely to be slightly less per head. Assuming 20% of bursary funding is allowed for discretionary use, approximately £900,000 should be available.

(6) Five alternative options have been considered for the operation of the Pass.

**a) Status Quo.** KCC spent £3.84 million (2010/2011) on travel for 16 – 24 SEN learners and learners exempt either in whole or part from travel costs. Approximately 2,800 learners were supported in this way in 2010/2011. Under this model the Post-16 Transport Policy would remain unchanged. However the cost to KCC for transport would rise over time given the increase in the age of participation and the expected inflation-plus rises in travel costs year on year.

**b) Withdraw Support.** KCC will no longer offer a Post-16 discretionary element to its Transport Policy. All Post-16 discretionary schemes will be withdrawn, with the exception of the transport needs for learners with Statements of Special Educational Needs up to 24 years of age. This would fulfil our statutory Duties, and save approximately £1.58 million in 2012/2013.

**c) Capped Subsidy Model.** KCC would determine how much in total it chooses to spend on Post-16 discretionary transport. It would determine a subsidy level for each Pass issued and issue only the number of Passes up to the total capped amount. Learning providers would contribute Bursary Funding and Learner Support funding, along with employer contributions, to reduce the final cost of the Passes to eligible learners. Financial risk to KCC is minimised as learning providers and learners meet all additional costs, outside of the capped subsidy contribution.

**d) Full Subsidy Model.** KCC would determine a subsidy amount per Pass. Unlike the capped model (c) above, KCC would issue as many Passes as there is demand for, to eligible learners. Learning providers and employers could further subsidise the Pass to reduce the cost to learners. This option carries a risk for KCC if take-up of Passes exceeds the available budget or costs escalate if Passes are used excessively. As this is a discretionary policy, extra costs would have to be borne by raising Council Tax or by making savings elsewhere. This option carries minimal risk for learning providers. At the ELS POSC meeting held on 16 September, 2010, Mr. Smith proposed, seconded by Mr. Wedgbury “that this Committee asks the Cabinet Member for ELS to note its preference, at this stage for the subsidised £520 model for the post 16 travel pass and awaits further consultation and results of the proposed trials”. That proposal was carried: 8 votes for, 0 against.

**e) Pre-paid Card model.** This is a subset of the Capped Model (c) above. If practical KCC would issue pre-paid “Oyster” type cards, which would be charged with the £230 or £370 KCC subsidy. Only as many cards as KCC could afford would be issued to learning providers, who would further charge the cards with whatever contribution they have chosen to make. A mechanism would exist for employers to do the same. Learners could monitor their usage of the Pass and would have to top it up themselves, if usage was excessive.

(6) Under options (c), (d) and (e) learning providers would have the responsibility of determining student eligibility for the subsidised Passes and administering the scheme from within their institutions. Interface with KCC would be via a web-based platform, based on the Freedom Pass model.

(7) Any learner who is not eligible for a contribution from their provider or employer would pay the full cost of the Pass in options (c), (d) and (e).

## **Transitional Issues**

3 (1) Students currently in Year 12 will have started their courses with a reasonable expectation that their KCC-facilitated transport arrangements will continue into Year 13. Some of these students may be disadvantaged by new Post-16 transport arrangements and some may prefer the new arrangements. To meet the expectations of the first group, it is proposed that the existing non-SEN KCC discretionary Post-16 transport arrangements should remain in place for a transitional year at a cost of £284,000k. It will be important to keep the new arrangements under review during the transitional year and determine the costs for future years on the basis of our monitoring of the scheme. We will ensure continuity for current 16-19 learners but may adapt the scheme in future to reflect changing needs.

## **Eligibility Criteria**

4. (1) Learning providers have indicated that they would welcome guidance from KCC on which learners should be eligible for additional financial assistance from Bursary Funding. It is recommended that learner eligibility for receiving a contribution to the Pass from learning providers should be as follows:

- a) A learner whose family income is not more than £16,190, who are on Income Support, Income Based Job Seekers Allowance, Guaranteed Element of State Pension Credit, Income Related Employment and Support Allowance or Child Credit, but not Working Tax Credit. It is recommended that they pay no more than 50% for the Pass, the balance coming from the KCC subsidy as described above and the provider or employer.
- b) A learner whose family income is between £16,190 and £20,817. It is recommended that they may receive a learning-provider contribution to the cost of the Pass, at a level set the learning provider, in addition to the KCC subsidy.
- c) A learner whose family income is above £20,817. It is recommended that they pay the full cost.
- d) Where a 16-19 year old apprentice falls outside these criteria, but can demonstrate hardship caused by travel-to-learn and travel-to-work pressures, then they can be treated as category (b) above. Employers should be approached for additional funding support.
- e) All eligible learners must demonstrate to their institutions that they have a genuine travel-to-learn need.
- f) While the learning-provider funding or employer funding that could be used to further subsidise each Pass is entirely discretionary, the guidance in (a) to (e) above is designed to assist in ensuring a standard level of subsidy for all learners in Kent.

## **Financial Implications**

5. (1) An estimate of costs of Passes moving forward to the 2014/15 academic year is attached as Appendix 1. For the 2012/2013 year an estimate of the transitional arrangements are costed in.

(2) Looking at the first full year of operation (2013/14) if KCC opts for a subsidy of £230 per pass, the model predicts that learners would buy a maximum of 3,200 Passes. If KCC opts for a subsidy of £370 per pass, then the model predicts that learners would buy a maximum of 4,500 Passes.

(3) If KCC chooses to adopt the Capped Subsidy model, it would choose the level at which it subsidises Post-16 Travel. From Appendix 1, it could limit its liability to the level of £800,000 for the £230-subsidy model, or £1.3million for the £370-subsidy model at 2013/14 prices

(4) If KCC chooses to adopt the Full Subsidy model, the average costings are the same, but KCC would be liable to meet the ongoing costs if usage of the Passes is high or other costs rise.

(5) Under either of the two models, learning providers and employers would expect to provide a total of approximately £145,000 to subsidise learners on the lowest incomes. However actual learner demand for Passes is not uniform across learning providers and demand for low income subsidies will be higher in certain areas. Learning providers can choose to pay more depending on their own learner support policies.

## Options Risk Assessment

6. (1) A risk assessment has been carried out by Business Strategy and Support. The criteria and scores for the risk assessment are attached as Appendix 2 and 3.

(2) Out of a potential score of 75, the Full Subsidy model, Capped Subsidy model and Status Quo score 45, 44 and 42 respectively.

(3) The Status Quo scores highly because it will allow rail and bus to be used, and therefore does not discriminate. This model does not offer savings as it is the current model.

(4) The Capped Subsidy model is differentiated from the Full Subsidy model by being slightly more sustainable (less risk to KCC and more risk to learning providers) but more discriminatory and makes less contribution to Bold Steps for Kent. The differences from the risk assessment are marginal. The differences in costings are also marginal.

(5) Withdrawing Support option scores 33. It represents a significant political risk. Although KCC has no statutory requirement to fund Post-16 Travel, existing provision has created an expectation. It would have a negative impact on the Raising Participation agenda in Kent.

(6) The Pre-payment Card has not been scored on the basis of a lack of detailed information available. This option has not been explored so far. As a sub-set of the Capped model, its score might reflect many aspects of this. However it could not be delivered by September 2012 as the physical infrastructure and legal framework are not in place within KCC or the bus companies to run the system.

## Legal Implications

7 (1) Under section 509AA of the 1996 Education Act, KCC has a duty to publish a Post-16 Transport Policy. The Kent Post-16 Transport Policy 2012 must be published by 31st May 2012, for September 2012, and reviewed annually.

(2) Section 509AB (1) of the 1996 Education Act imposes a requirement that the Post-16 Transport Statement should set out the extent to which the arrangements specifically support the needs of learners with learning difficulties and disabilities. The minimum assessment of these is as contained in the Section 139A assessment. The expectation from the YPLA guidance is that, since learners with learning difficulties may take longer to complete a programme of learning, then it will be "good practice" for KCC to extend the arrangements for the provision of transport until the learner has completed their programme, even if they have reached the age of 19. Existing KCC practice reflects this.

(2) Other than that described in 7(2) above, KCC has no legal obligation to provide subsidised Post-16 Travel.

## Proposals

8 (1) That KCC makes Post-16 Travel Passes available to learning providers at a cost of £520 per pass. This reflects KCC's wish to balance learner participation with

affordability within its Post-16 discretionary travel spend. This represents an average KCC subsidy of £230 per pass, operated under the Full Subsidy model detailed above. Learners would apply to buy their pass from their learning provider at a cost of no more than £520, with regard to the guidance in 8(2) and 8(3) below.

(2) That learners with a travel need and a household income of between £16,190 and £20,817 may benefit from a further subsidy payable by, and at the discretion of, their learning provider, reducing the cost to the learner of their Pass from between £260 to no more than £520.

(3) That learners with a travel need and a household income equivalent to the prevailing Free School Meal criteria(as described in 4(a) above), may benefit from a further subsidy payable by, and at the discretion of, their learning provider, reducing the cost to the learner of their Pass from £0 to no more than £260.

(4) That criteria outlined in 8(1) to 8(3) above be included in published Guidance to learning providers and employers. While it is recognised that there is no compulsion on learning providers to further subsidise their learners' travel costs, it is hoped that such guidance will encourage a uniform approach to contributions from learning providers and to promote an equality of expectation for all learners in Kent.

(5) That transitional arrangements be put in place to ensure that Year 12 learners who currently benefit from KCC-facilitated transport will continue to receive that assistance into Year 13 or until the completion of their course(s). Those who chose to may end their KCC-facilitated travel arrangements and apply to their learning provider for the new Post-16 Travel Pass.

(6) Costs for the proposed KCC subsidy detailed in the Full Subsidy Model above, be met from Post-16 transport provision within the published 2012/13 ELS Revenue Budget

(7) There is a legal duty on local authorities to consult annually on their post 16 transportation policy and therefore any determined policy is subject to change. The travel pass is subject to the outcomes of KCC's final determined Transport policy.

## **Recommendation**

8 Members of the Cabinet are asked to:

- (1) Discuss the proposals for a future 16+ Travel Pass as detailed in paragraphs 7(1) to 7(6) above
- (2) Note the comments from Education, Learning and Skills Policy Overview and Scrutiny.
- (3) Note the inclusion of the proposed 16+ Travel Pass within Kent County Council's wider Post-16 Transport Policy.
- (4) Agree that KCC makes Post-16 Travel Passes available to learning providers at a cost of £520 per pass operated under the Full Subsidy model subject to the outcomes of KCC's final determined Transport policy.

## **Mark Styles**

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Appendix 1:

Projected Costs to KCC of 16+ Travel Pass Scheme Options

	Status Quo		Full Subsidy Model			Capped Model		
	SEN	Discretionary	SEN	Value of Subsidy		SEN	Value of Subsidy	
				£370	£230		£370	£230
<b>2012/2013*</b>	£2,580,000	£1,400,000	£2,580,000	£1,350,000	£ 1,100,000	£2,580,000	£1,350,000	£1,100,000
<b>2013/2014</b>	£2,630,000	£1,440,000	£2,630,000	£1,326,000	£816,000	£2,630,000	£1,326,000	£816,000
<b>2014/2015</b>	£2,680,000	£ 1,470,000	£2,680,000	£1,352,000	£ 832,000	£2,680,000	£1,352,000	£ 832,000

	Do Nothing	Prepayment Card**		
	SEN	SEN	Value of subsidy	
			£370	£230
<b>2012/2013</b>	£2,580,000	£2,580,000	£2,580,000	£1,400,000
<b>2013/2014</b>	£2,630,000	£2,630,000	£1,326,000	£816,000
<b>2014/2015</b>	£2,680,000	£2,680,000	£1,352,000	£ 832,000

\* \*The Prepayment option will have significant set up costs. It would require a year to establish the scheme. Therefore the "Status Quo" would be required for one year.

For each year and each model, the total cost of Post-16 travel to KCC is the SEN column plus either the £380 column or the £ 520 column.

## Assumptions

- (1)\* Transitional Year. In 2011/12, the split between students in Year 12 with a KCC pass and students in Year 13 with a KCC Pass is 50%. Basing a costing on the 2010/11 KCC Post-16 discretionary travel spend of £1.36 million inflated by 2%, we will assume a maximum cost of offering a transitional scheme of £700,000 for 1,000 students.
- (2) Travel costs are inflated by 2% each year.
- (3) If a subsidy of £370 is applied, then between 4,000 and 4,500 learners will purchase a Pass. (Financial model supplied by KCC's appointed concessionary travel consultants)
- (4) If a subsidy of £230 is applied, then between 2,800 and 3,200 learners will purchase a Pass.
- (5) Actual uptake may vary considerably in specific areas, particularly at the lower subsidy level, due to existing commercial offer. E.g. Canterbury Megarider (Stagecoach) @£430 annually. Student Saver (Arriva) @ £ 460 annually for students at Hadlow, K College. Whilst not offering the same network freedom, these products could reduce demand where they meet need.
- (6) Small additional uptake assumed linked to payment instalment option
- (7) Variations to any of the scheme parameters/ and their consistency of operation, will affect the results.
- (8) No set-up costs have been built in.



**Appendix 2 - Risk Assessment Criteria and scores - summary**

Risk	Score				
	Option 1	Option 2	Option 3	Option 4	Option 5
Projected costs	3	4	4	4	No score
Will it make a saving?	1	4	3	3	
It is sustainable?	1	4	4	3	
Financial risk to KCC	1	5	3	2	
Cost of administration and set up	3	3	3	3	
Will schools/colleges/learning providers sign up to it (assumption that they will, affordability issues)	4	1	2	2	
Impact on Bursary Fund	3	4	2	3	
Type of transport covered (rail, bus, both)	5	1	3	3	
Does it enable full participation	3	1	3	3	
Can it be used outside of school term time/school hours?	1	1	3	3	
Does it enable choice	3	1	3	3	
Will users support it	4	1	3	3	
Will it discriminate	5	1	2	3	
Will it deliver BS4K?	3	1	3	4	
What is the political risk	2	1	3	3	
<b>Total</b>	<b>42</b>	<b>33</b>	<b>44</b>	<b>45</b>	

## Appendix 3 - Detailed Option Risk Assessments - Completed by Caroline Davis and Deborah Benton

### Post 16 Transport Options - Risk Assessment

#### Option 1 - Do Nothing (maintain the status quo)

Risk	Appraisal	Score																
Projected costs	<p><b>Estimated cost of Post-16 Travel 2011/12</b></p> <table border="1"> <thead> <tr> <th></th> <th>Colleges</th> <th>Schools</th> <th>Totals</th> </tr> </thead> <tbody> <tr> <td>Cost to KCC of all journeys</td> <td>£1.96m</td> <td>£2.49m</td> <td>£4.45m</td> </tr> <tr> <td>Current Income to KCC</td> <td>£0.32m</td> <td>£0.29m</td> <td>£0.61m</td> </tr> <tr> <td>Net Cost to KCC</td> <td>£1.64m</td> <td>£2.20m</td> <td>£3.84m*</td> </tr> </tbody> </table> <p>*Of this, £2.48m is spent assisting 790 SEN students (16-24) to travel to learn. £1.36m is therefore spent on 2,000 (16+) mainstream students from home to learning under the discretionary policy.</p>		Colleges	Schools	Totals	Cost to KCC of all journeys	£1.96m	£2.49m	£4.45m	Current Income to KCC	£0.32m	£0.29m	£0.61m	Net Cost to KCC	£1.64m	£2.20m	£3.84m*	3
	Colleges	Schools	Totals															
Cost to KCC of all journeys	£1.96m	£2.49m	£4.45m															
Current Income to KCC	£0.32m	£0.29m	£0.61m															
Net Cost to KCC	£1.64m	£2.20m	£3.84m*															
Will it make a saving?	No – under the status quo, KCC would continue to fund travel for students from low income families (in full or in part). Therefore no saving would be made on current figures.	1																
It is sustainable?	No - money has been set aside in the budget for this financial year but rising costs would make this a challenge and not sustainable in the longer term.	1																
Financial risk to KCC	Yes - as this is not capped there is a risk of potentially increased demand if learner household incomes reduce, due to the recession for example, or reduced demand if incomes improve.	1																
Cost of administration and set up	No - Already established so no set up costs, administration costs remain the same.	3																
Will schools/colleges/learning providers sign up to it (assumption that they will, affordability issues)	Yes	4																

Impact on Bursary Fund	Yes	3
Type of transport covered (rail, bus, both)	Both	5
Does it enable full participation	Yes (but not apprentices)	3
Can it be used outside of school term time/school hours?	No - limited to school hours	1
Does it enable choice	Yes	3
Will users support it	Yes	4
Will it discriminate	No	5
Will it deliver BS4K?	Yes, but not fully	3
What is the political risk	Maintaining the status quo will be difficult to argue for in current financial times, in addition, the POSC has debated a review of the scheme and agreed the need for the bursary fund to be used to support transport. There have also been a number of petitions and debates at Council and the Youth Council seeking changes to the current scheme.	2
<b>Total</b>		<b>42</b>

#### Option 2 - withdraw support

Risk	Appraisal	Score
Cost	Under the no subsidy model KCC only provides statutory travel support for 16-24 SEN learners costing £2.48 million. Projected costs: £2,893,104 (2012/13), £3,124,55 (2013/14), £3,374,516 (2014/15)	4
Will it make a saving?	Yes - under this option KCC would save the existing £1.36 million spent on post-16 transport and would have lower financial risks than under other options but is at a considerable reputational risk to the authority.	4
It is sustainable?	Yes	4
Financial risk to KCC	Yes - would have lower financial risks than under other options but is at a considerable reputational risk to the authority.	5
Cost of administration and set up	Just administration costs	3
Will schools/colleges/learning providers sign up to it (assumption that they will, affordability issues)	The Pass is operated in such a way that the full cost, between £650 and £750 per pass, is passed onto schools, colleges, and WBL learning providers. Schools, colleges and WBL learning providers can subsidise travel using Learner Support Funds, their own budgets and Bursary Funds, for eligible Learners	1
Impact on Bursary Fund	None, unless schools decide to use bursary for transport costs	4

Type of transport covered (rail, bus, both)	both	1
Does it enable full participation	No	1
Can it be used outside of school term time/school hours?	No	1
Does it enable choice	No	1
Will users support it	No	1
Will it discriminate	Yes - There is a risk of learner disengagement if schools, colleges and WBL learning providers pass on the full cost to individual learners.	1
Will it deliver BS4K?	No - doesn't support Bold Steps ambitions of tackling disadvantage and putting the citizen in control	1
What is the political risk	Significant. KCC along with most local authorities provide discretionary transport support alongside statutory responsibilities. Removing discretionary support, whilst achieving a significant saving will, is likely to lead to significant negative reaction from schools, young people, and parents. It will also impact on the delivery of BS4K and go against the desires of recent council debates, POSC and Youth Parliament debates.	1
<b>Total</b>		<b>33</b>

**Option 3 - Bus pass (capped subsidy model)**

Based on £520 per pass and 3,000 taking this up.  
 Currently 2,006 pupils use this.  
 Currently there are 2,578 pupils in years 11/12 with free school meals

Risk	Appraisal	Score
Cost	KCC will determine what resource it can afford to spend to support post-16 travel. KCC will continue to provide statutory travel support for 16-24 SEN learners costing £2.48 million. KCC could then set the cap at any level up to the current amount of £1.36 million currently used to fund travel. Pass would be bought by KCC for £750, selling them at £750 to learning providers. Learning provider would use the allocated KCC subsidy, bursary and learner support funds to sell the passes for £520 or less.	4
Will it make a saving?	Yes, dependent on level of KCC subsidy and cost of transition arrangements in 12/13, will save up to £200K in 12/13, approaching £600K by 14/15.	3
It is sustainable?	Yes	4

	Yes, but minimal compared to full subsidy model - risk is more evenly shared between KCC and learning providers. Any additional cost is covered by the provider and learner.	
Financial risk to KCC	Key financial risk is bursary level is unknown at this time, this will impact on ability of colleges to subsidise bus pass for other learners and for colleges and education learning providers to engage in the scheme.	3
Cost of administration and set up	Yes, but minimal impact	3
Will schools/colleges/learning providers sign up to it (assumption that they will, affordability issues)	Unclear - unlikely learning providers would commit to unlimited liability for learner travel costs, especially if they represent leisure travel, not school/college. 2012/13 Bursary levels will be reduced this year, final amount not year known.	2
Impact on Bursary Fund	Yes	2
Type of transport covered (rail, bus, both)	Bus	3
Does it enable full participation	No - capped number can have the pass	3
Can it be used outside of school term time/school hours?	Yes - but limited to bus use. Can be used outside of school hours	3
Does it enable choice	Yes, but only for bus users. However, it will enable pupils to have a wider choice of college, as in the current scheme they can only access transport support if they attend their nearest college/school, this will enable them to choose any college/school and still be able to travel to them.	3
Will users support it	Only focuses on bus users, not rail. Difficult to sell the concept to parents that they have a universal bus pass, but with continuing liability for travel costs.	3
Will it discriminate	Yes - against current rail users (FE college pupils)	2
Will it deliver BS4K?	Yes	3
What is the political risk	This option has a lower political risk than the uncapped model. KCC will set the budget limit available. Potential for negative press from colleges who have pupils that use trains to access learning. Also potential for negative press if cap level is reached and pupils in need have not been able to access the pass. Schools and Colleges will need to support and will need to be consulted as will impact on Bursary. There is also a retrospective cost element, with schools or parents facing potential larger bills at the end of the year if passes are used excessively.	3
<b>Total</b>		<b>44</b>

**Option 4 - Bus pass (£520 subsidised model)**

Based on £520 per pass and 3,000 taking this up.  
Currently 2,006 pupils use this.  
Currently there are 2,578 pupils in years 11/12 with free school meals

Risk	Appraisal	Score
Cost	Based on 3,000 users taking it up at a cost of £520 per pass. KCC will buy the passes from us companies for £750 then sell to the schools for £520, they can sell them onto the pupils at any price up to £520, depending on financial criteria; these costs will be met from learning providers Bursary and Learner support funds. Will cost £804,600 in 12/13.	4
Will it make a saving?	Yes, dependent on level of KCC subsidy and cost of transition arrangements in 12/13, will save up to £200K in 12/13, approaching £600K by 14/15.	3
It is sustainable?	Yes if demand does not exceed 3,000. If demand exceeds this, then there is an unknown financial risk as more users (and greater use of passes outside of school journeys) will push the cost beyond current budget levels.	3
Financial risk to KCC (open ended model)	This option carries a financial risk if take-up exceeds the 4,000 figure or if the actual cost of passes is more than £750 depending on individual usage. The potential impact of this risk is greater than risks in other options. A secondary financial risk is posed by the potential level of engagement by colleges and learning providers, which may be dependent on the level of bursary available to them (levels unknown at February 2012). This will minimise risk of impact on learning providers, but they will still have to bear some risk.	2
Cost of administration and set up	Minimal as admin costs are passed to school/college	3
Will schools/colleges/learning providers sign up to it (assumption that they will, affordability issues)	Unclear - unlikely learning providers would commit to unlimited liability for learner travel costs, especially if they represent leisure travel, not school/college. 2012/13 Bursary levels will be reduced this year, final amount not year known. This option carries minimum risk to learning providers.	2
Impact on Bursary Fund	Yes	3
Type of transport covered (rail, bus, both)	Bus	3
Does it enable full participation	Yes, however just aimed at bus users.	3
Can it be used outside of school term time/school hours?	Yes	3
Does it enable choice	Yes, but only for bus users. However, it will enable pupils to have a wider choice of college, as in the current scheme they can only access transport support if they attend their nearest college/school, this will enable them to choose any college/school and still be able to travel to them.	3

Will users support it	Yes	3
Will it discriminate	Yes (aimed just at bus users)	3
Will it deliver BS4K?	Yes	4
What is the political risk	Potential for more than 3,000 pupils to use the pass, increasing transport options for young people. However, it is unclear what the level of take up will be, and could exceed current projected levels (esp. if more than 4,000 passes are taken up); also unknown impact of unlimited journeys on cost of the card (initial results from pilot show a mixed level of use). Option carries minimal risk to learning providers; schools/colleges or parents, KCC takes all the risk if passes are used excessively. This risk is off set in part by the increase in choice that it will enable and by monitoring the level of use via reports from the bus companies.	3
<b>Total</b>		<b>45</b>

#### Option 5 - Pre-payment card

Risk	Appraisal	Score
Cost	Tbc	
Will it make a saving?	No - significant lead in time required (a full year to research the technological and legal implications. Bus companies would need to establish the relevant technology and there would be a capital cost to them doing so). If KCC went down this route we would need to operate existing Post 16 arrangements at the same time.	
It is sustainable?	No (new technology requires constant updating, research etc)	
Financial risk to KCC	yes	
Cost of administration and set up	Yes - KCC would have to comply with FSA regulations. Implications for KCC financial operations would need to be explored.	
Will schools/colleges/learning providers sign up to it (assumption that they will, affordability issues)	No	
Impact on Bursary Fund	Yes	
Type of transport covered (rail, bus, both)	Bus	
Does it enable full participation	No	
Can it be used outside of school term time/school hours?	No	
Does it enable choice	No	

Will users support it	Yes, but will need to consult on the model.	
Will it discriminate	Yes - against rail users	
Will it deliver BS4K?	No	
What is the political risk		
<b>Total</b>		