

The potential lost generation- impact of reductions in 16-19 rural transport and learner support.

Background

Learners living in remote rural areas are very dependent on transport or residential bursary support to access an appropriate range of provision. The transport costs of these learners are often but not always supported by local authorities and dependant on geographical sparsity the impact of these differing policies can vary substantially. Local Authorities currently have a duty to identify what is required to enable students to access the education and training of their choice and to ensure appropriate provision is made, however this does not extend to a duty to fund the necessary transport provision. We understand that the statutory guidance to Local Authorities regarding post 16 transport is currently under review by the Department for Education.

Residential bursaries for 16-19 and 19+ learners are available on a means tested basis for learners where daily travel would be impractical. This funding is made available by the Young Peoples Learning Agency (YPLA) and Skills Funding Agency (SFA). This support is again critical in areas with widely and sparsely dispersed populations it is also critical for more specialist subject areas where often the provision is only available on a regional and sometime national basis.

The issues

Transport support as an area of discretionary expenditure for local authorities has been under significant pressure for some time and with the current budget cuts the expectation in colleges is that this will be a target for cost savings. Already there is a wide disparity between what local authorities provide ranging from free travel to no subsidy however the impact on the more geographically dispersed rural areas of a lack of funding support coupled with the low average wage economies operating in some of these areas will have a dramatic impact on participation.

Residential bursaries are funded by the Young Peoples Learning Agency and Skills Funding Agency for 16-18 and 19+ respectively. They support a relatively small number of learners and therefore reductions could be seen as having little impact; however the impact on individuals, specific subject areas and certain colleges could be very severe.

Colleges have already been expected to make efficiency savings in the current academic year and will see a higher level of unit funding reduction over the next 4 years covered by the CSR. College's ability to fund shortfalls in local authority 16-19 transport will be severely reduced over this time period.

One of the oft cited solutions to the transport cost and availability issues is to take learning to the student either through local delivery centres or via Open Learning approaches. The latter approach does not work well with many 16-18 year olds who need more social contact and support and the former is often disproportionately expensive due to small group sizes and limited utilisation of facilities. In sparsely populated rural areas this would not provide a solution as most students would still be required to travel. There is a further implication of forcing individuals to study in the immediate locality by lack of realistic transport opportunity and that will be the impact on more specialist and or technical subject/industry areas. The capital and revenue costs of dealing with this type of provision effectively forces it to be delivered for a larger catchment and the implications for

industries such as agriculture or engineering could be severe if the current routes for recruitment are lost.

The impact

On learners

Learners from more remote rural areas will have less choice and in some cases this will lead to an increase in NEET levels. In many rural areas there has been a pernicious problem with lack of aspiration over many years partly due to the young person's perception of there not being a range of job opportunities available in their immediate geographical location and training/education opportunities not being realistically available to them due to a lack of access. In more recent years through a concerted approach of 14-16 vocational learning whilst at school and more effective approaches to rural transport we have increased participation and progression substantially. Currently individual learners are contributing half of the costs of this transport in Norfolk (£398 per annum) under current proposals this would increase to over £780 per annum and at the same time many would lose their entitlement to an Educational Maintenance Allowance. The impact will be exacerbated for those on low incomes as they have been able to get additional support with transport costs (the current contribution rate is halved to £179 for those on low incomes) and or residential bursaries coupled with the fact these families are least likely to be able to provide alternative transport. Learners with Learning Difficulties or Disabilities could be the most severely affected as they currently pay the same contribution rates as any other student (outlined above) but the full unsubsidised cost in Norfolk for these learners would be circa £3,000 per annum per student.

Learners wishing to study more specialist areas will either be precluded from doing so due to travel constraints unless they live local to provision or will be financially penalised for so doing. This will create a further perverse impact in terms of subjects like agriculture where there are substantial skills shortages but for many reasons (but predominantly financial) there are limited locations for study particularly at level 3 and beyond.

There is likely to be a further impact on individuals as many of the operators of rural bus routes depend on the post 16 funding to make the route viable. Withdrawal of post 16 transport funding is likely to lead to the closure of many of these routes which will lead to a further reduction in the opportunity for fee paying students to access training and a wider loss of rural public transport.

On institutions/providers

We believe the impact of very significant reductions in post 16 transport and bursary funding could be catastrophic for some providers. The scale of the impact will depend on a number of circumstances:

- The nature of the catchment areas, the more rural and geographically dispersed the more significant the impact.
- The location of the college, more rurally located and or in more sparsely populated areas the more the impact.
- The more specialist the college, the larger the catchment covered and consequently a disproportionate impact.

The potential impact on institutions is extremely serious, funding follows learners and therefore if large numbers of learners are unable (or perceive they are unable) to attend college then this funding will be lost. In some cases large numbers of learners could be lost and these losses are likely to be spread across the institution rather than focussed on specific courses. This impact will increase the cost per remaining learner and limit an individual college's ability to recover the cost of its overheads, this is likely to destabilise the often smaller institutions serving rural areas and specialist colleges. These impacts clearly further impact on an institutions ability to fund an increasing share of any transport budget shortfall.

Summary

The importance of this financial support is critical in terms of ensuring young people in rural areas are not subject to discrimination based on where they live. Learners will have less choice and not being able to attend colleges could substantially challenge the government's ambition for full participation in full time education or training to age 18 by 2015. Individual learners' career choices will be affected as a result and this could have very specific negative issues in terms of recruitment to more technical and or specialised industries. Some of these industries are already experiencing acute skills shortages at skills levels 3+.

The loss of Educational Maintenance Allowances will further reduce the capacity of individuals to fund their own travel costs and we would expect this to have a further impact on numbers recruited and retained.

The impact of a loss of transport funding and the consequential loss of learners could have catastrophic impacts on colleges with very rural dispersed populations and this would be further exacerbated in specialist landbased colleges.

The impact of cuts in transport or residential bursary allocations is likely to destabilise many specialist institutions causing a sufficiency and adequacy issue and further exacerbating skills shortages in areas such as agriculture and agricultural engineering.

Colleges are also expecting cuts in their funding for adult learners (over age 19) of circa 25% and significant but not yet quantified cuts in funding for 16-19 year olds. These reductions coupled with the potential loss of funding support for transport and residential bursaries are the recipe for a "perfect storm" with colleges having little ability to mitigate the impacts to the combined impacts.

Case Study: Impact on Easton College, Norfolk

Easton College is a specialist landbased, sport and public services college with around 4000 students in total of which circa 1000 are 16-19 full time, 100 19+ full time, 140 higher education, 600 14-16 school students attending one day per week from over 40 high schools. Around 120 students have significant learning or physical disabilities. The college has up to 122 students in halls of residence with further adult students in houses on the college estate; around 100 of the resident students are under the age of 18. 544 students receive travel passes and travel daily from a large catchment as illustrated below:

In the current academic year some £1,860,157 of FE funding for predominantly full time students receiving travel support would be lost if they did not attend. Most of these learners would be under the age of 25.

The approximate cost of providing transport for students to the college is in excess of £700 per annum per learner. Learners contribute (£358 per academic year full rate £179 for those on low incomes) Students with special needs who are not yet able to use public transport (a key part of their training is to complete the TITAN to develop their ability to travel on public transport) cost approx £3000 per learner per annum and are subject to the same student contribution as any other learner. The college will contribute £100,000 to the costs of these student transport costs this academic year to provide specific routes to more remote rural areas with lower post 16 participation rates.

Currently (21/10/10) 52 students out of 108 full time students in residence are in receipt of residential bursary with some 63% of these learners receiving support at the higher level due to low levels of family income.

Residential bursary allocations are as follows: 16-18 YPLA £86,370 19+ SFA £58,458

Sensitivity analysis

The following analysis provides an indication of the impact on the college at different levels of loss of learner numbers and related teaching funding as a result of the withdrawal of funding for transport and residential bursaries;

Reduction due to:	Original Budget	@100% reduction in learner numbers £'000	@75% reduction in learner numbers £'000	@50% reduction in learner numbers £'000	@25% reduction in learner numbers £'000
Transport		(1,860)	(1,395)	(930)	(465)
Residential bursary		(223)	(167)	(111)	(56)
Total		(2,083)	(1,562)	(1,041)	(521)
Impact on overall college financial status					
Income	12,538	10,455	10,976	11,497	12,017
Expenditure	(12,512)	(12,412)*	(12,412)*	(12,412)*	(12,412)*
Surplus/Deficit	26	(1,957)	(1,436)	(915)	(395)
Impact of further "FE" funding reductions					
16-19 Assumes 7% reduction#	5,894	(413)	(413)	(413)	(413)
19+ Assumes 25% reduction in funding#	804	(201)	(201)	(201)	(201)
Impact on whole college surplus/(deficit)		(2,571)	(2,050)	(1,529)	(1,009)

All at 2010/11 prices *Assumes a £100k saving in college transport cost contribution # Assumes no change in rates applying to any apprenticeship provision

