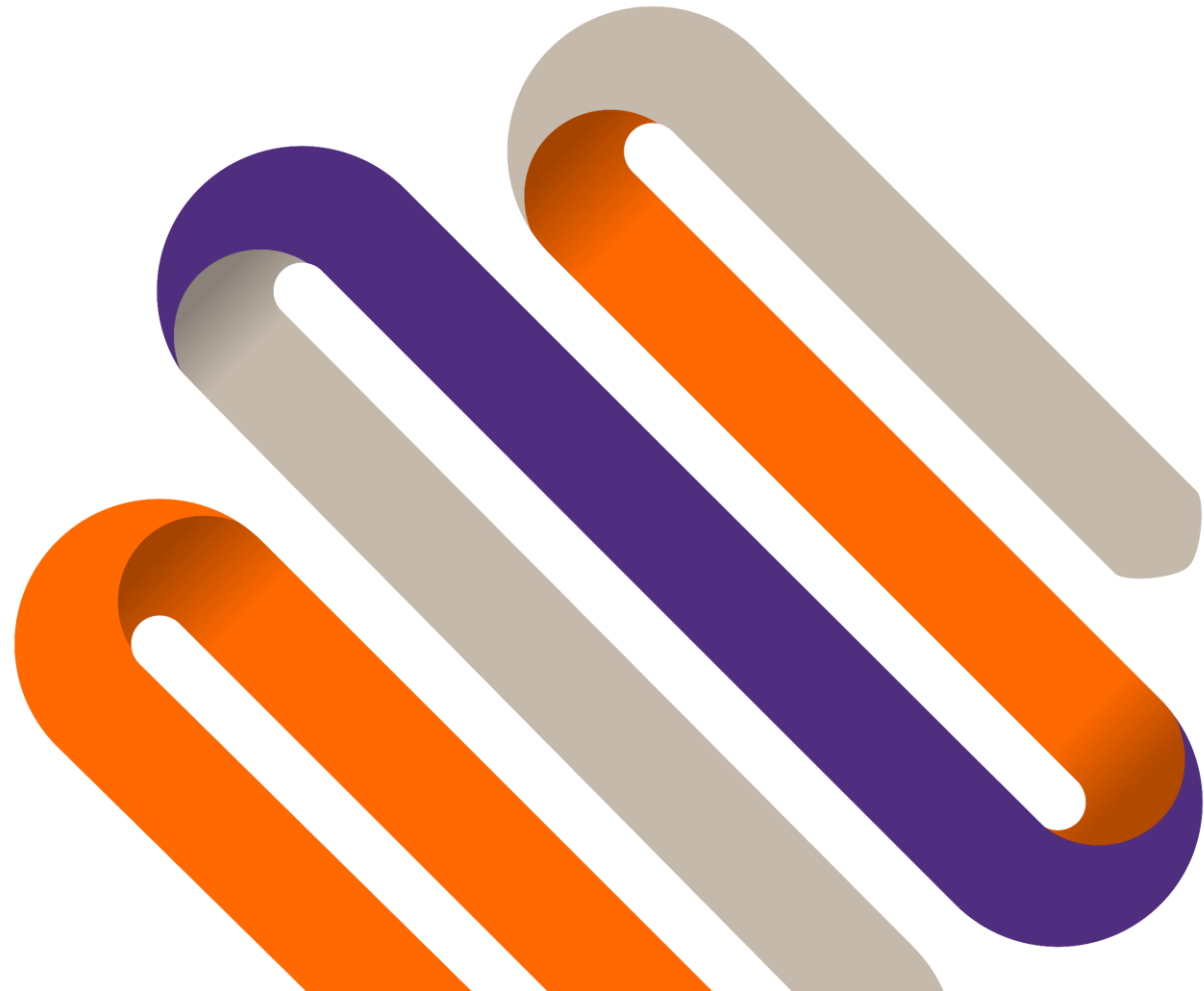


# Customer Segmentation

**Improving SEN and Social Care Transport**

1 November 2019



# Executive summary

## Understanding service users

### Scope of work

In January 2019, the Council commissioned Grant Thornton UK LLP to undertake a strategic review of SEN and Social Care Transport.

Given the complexity and scale of this project, we proposed to deliver this work in a single project, split across two defined stages. Our approach to completing this project supports the corporate aspiration to strategically align multiple workstreams currently underway across SEN and social care transport, and the Children's and HAC and Place Directorates. By drawing on a wide range of existing evidence and introducing new expertise alongside a robust forecasting model, our scope for Stage 1 of this project included:

- Creating a 5-year forecast of current and future demand;
- Mapping the Council's spend across different service areas and cost centres, benchmarking costs against local authorities and providing recommendations for a balanced recharging model in the future;
- Reviewing innovation across the transport sector; and,
- Outlining the strategic options available to the Council, considering opportunities for efficiency and new delivery models such as community ownership, direct payments, and integration with other statutory provision.

One recommendation resulting from Stage 1 identified the need for the Council to undertake a customer segmentation exercise, and a review of eligibility, to support the future redistribution of service users across a wider number of supportive interventions.

### **This report forms part of three deliverables;**

- i. A high-level summary report;
- ii. An interactive dashboard; and,
- iii. A cleansed data-set for the delivery team to use and manage customer data in the future.

### Customer segmentation in SEN Transport

Defined as groups of customers whose needs are similar to each other but different to those of the other groups.

The purpose is to meet customer needs better and allocate resources to greatest gain.

### First principles

- Criteria of segments need to be meaningful;
- We need to understand methods and bases; and,
- Segmentation should be seen as an organisational capability operating across functions

# SEND Transport

# Overview of current service users: All service users (i)

**Local authorities must ensure that suitable travel arrangements are made, where necessary, to facilitate a child's attendance at school.**

They must make arrangements to enable a child to travel to school for the beginning of the school day, and to return home at the end of the school day. They are not required to make arrangements for travel between institutions during the school day, or to enable children to attend extra-curricular activities and other commitments outside of school hours.

A local authority is not required to make home to school travel arrangements for an eligible child where, for example, suitable home to school travel is provided by someone else, such as the provision made available to children by Transport for London. Section 508B of the Act deals with the duty on local authorities to make such travel arrangements as they consider necessary to facilitate attendance at school for eligible children. Schedule 35B of the Act defines eligible children. In the Government's most recent consultation, eligible children are defined as:

## Statutory walking distances

- A child under the age of 8 is eligible for free home to school travel to their nearest suitable school if it is more than 2 miles from their home or, a child aged 8 years or over is eligible for free home to school travel to their nearest suitable school if it is more than 3 miles from their home.

## Special educational needs, a disability or mobility problems

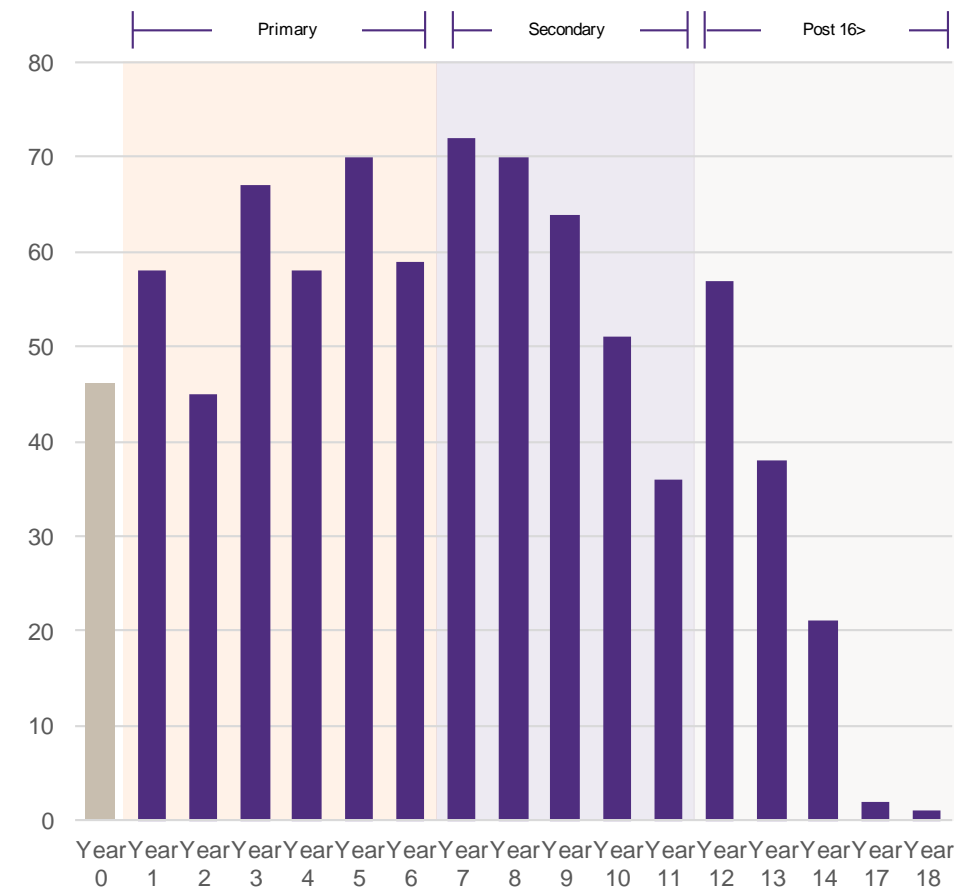
A child is eligible for free home to school travel if:

- they attend their nearest suitable school; and
- it is within the statutory walking distance of their home; and
- they cannot reasonably be expected to walk there because of their special educational needs, disability or mobility problems.

## Extended rights

A child is also eligible for free home to school travel if they receive free school meals or if a parent with whom they live receives maximum Working Tax Credit and when they meet a range of wider criteria.

**Chart 1: Number of service users, by school year**



# Overview of current service users: All service users (ii)

## A breakdown of existing service users

In total, there are currently **817 service users** in Tower Hamlets:

- 46 of those service users are of nursery or reception age;
- 357 are attending primary school;
- 293 are attending secondary education; and,
- 119 are attending post 16 education

Chart 2 on the right side of this page highlights the total anticipated spend on external transport, by setting. This is important for the Council to understand and monitor, as the Council's duty varies across different groups.

Regarding home to school transport, the Council's duty applies to children that are of compulsory school age. A child reaches compulsory school age on the prescribed day following their fifth birthday, or on their fifth birthday if it falls on a prescribed day. The prescribed days are 31 December, 31 March and 31 August. A child ceases to be of compulsory school age on the last Friday in June in the school year in which a child reaches age 16.

**In total, the Council is spending £469,118 on external transport for children under and over the compulsory school age.**

It is important for the Council to review the transport provided to these cohorts, to identify whether there is reasonable justification for the provision of service.

<https://www.gov.uk/government/publications/post-16-transport-to-education-and-training>

Chart 2: Expenditure on external transport across settings

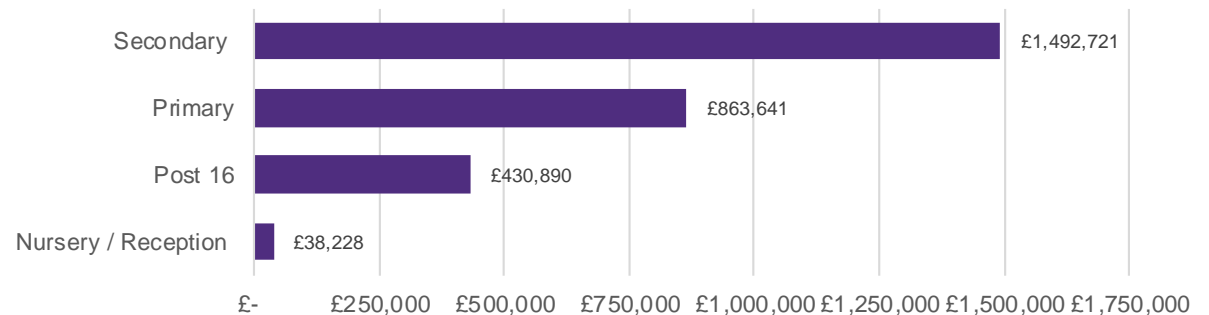
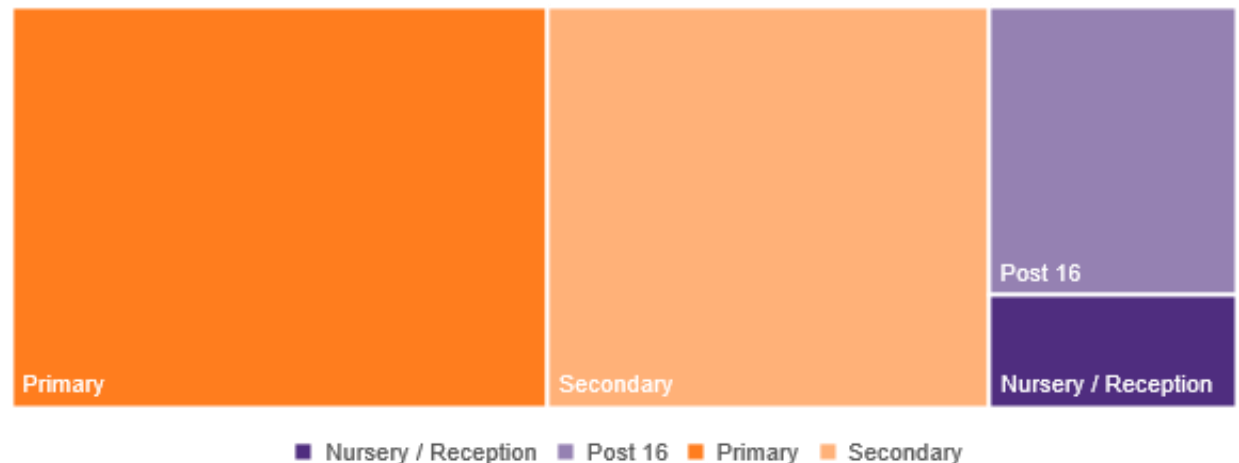


Chart 3: Composition of service users across settings



# Overview of current service users: All service users (iii)

## Children with special educational needs, a disability or mobility problems

In its revised guidance to local authorities, currently under [consultation](#), the Government is advising Councils that “when making transport arrangements for children with special educational needs, a disability or mobility problems, they will need to identify and take account of their particular needs and ensure that the transport they provide meets those needs. For example, children with a high level of need might require the support of a passenger assistant on their journey, or if a child uses a wheelchair, walking frame or other mobility aid, it may need to be transported with them.

A child’s needs may need to be reassessed from time to time, for example, as the child’s needs change or if any changes are made to the travel arrangements. Some children with special educational needs can find change distressing. Local authorities should therefore provide parents with as much notice as possible of any changes in a child’s travel arrangements”.

This revised guidance is important for Tower Hamlets for a number of reasons. Firstly, following stage 1 of the transport review, a number of specific recommendations have been made which could ultimately impact existing travel arrangements. For example, moving a child from a taxi onto an internal bus provided by the TSU. Secondly, in updating both the existing transport policy, and supporting internal service guidance, much more emphasis should be placed on the individual needs of children, and how these need impact the child’s ability to travel independently.

### Redbridge: Home to School Travel Assistance Policy

Children who live within the ‘statutory walking distance’ will not receive Council travel assistance, **except where they have a special educational need or disability which significantly affects their mobility, or there are exceptional circumstances**. In most cases, travel assistance for those who live outside the ‘statutory walking distance’ but who do not have a special educational need or disability will take the form of a Transport for London Zip Oyster Card. For children with a special educational need or disability, travel assistance will be offered based on an assessment of the individual’s mobility, but the distance from home to school may influence the type of travel assistance offered

Chart 4: Wheelchair and non-wheelchair users by setting

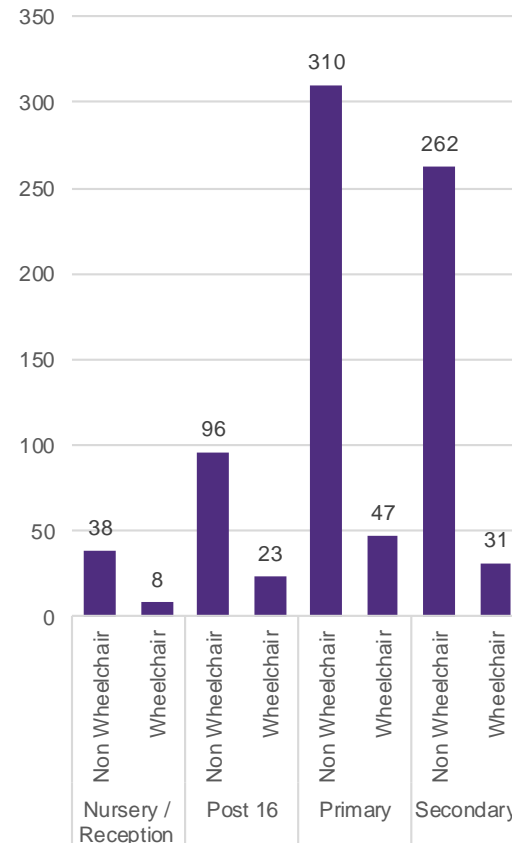
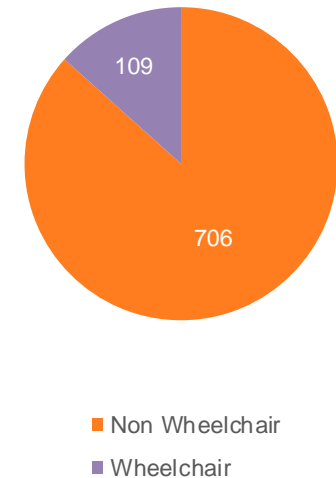


Chart 5: Wheelchair and non-wheelchair users, all service users



# Overview of current service users: All service users (iv)

## Understanding when a child is eligible

Without exception, parents and carers have a (legal) responsibility to ensure that their children attend school regularly, regardless of the child's special educational needs or disabilities.

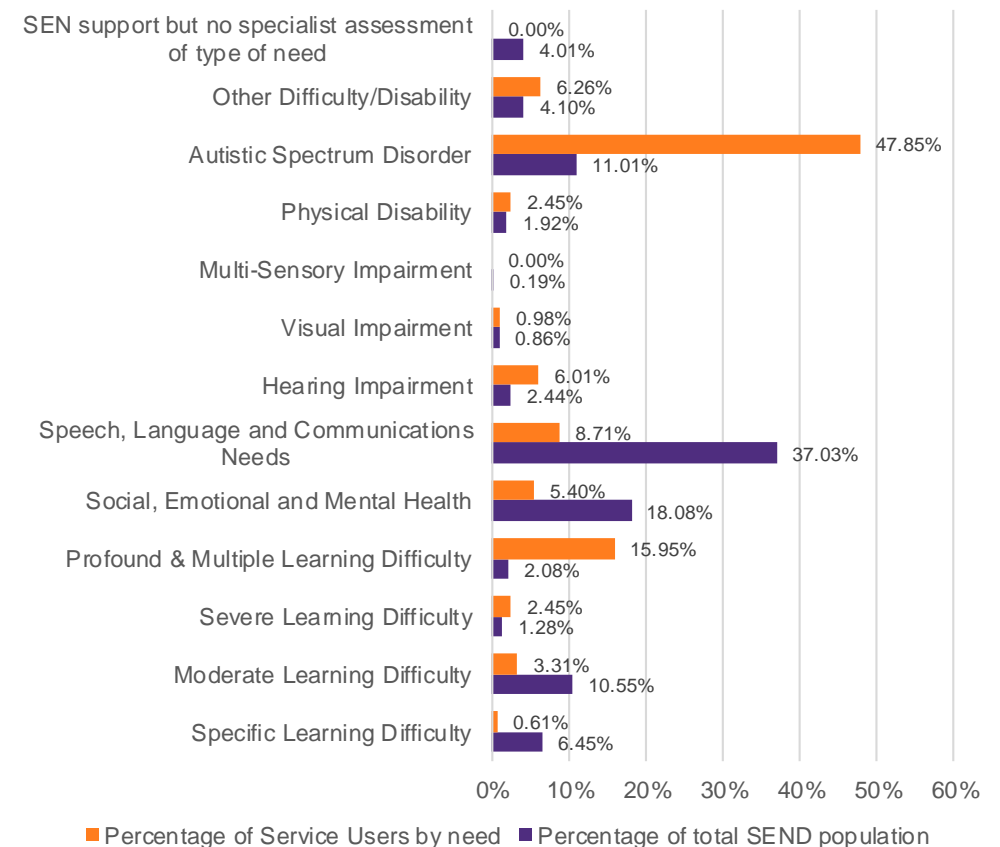
It is widely accepted and stipulated by many Councils, that wherever possible, parents and carers should seek to make arrangements for their child to attend school in the same way as parents and carers of pupils without an EHCP or SEN statement. This is viewed as an essential factor in developing the child's independence, social and life skills. Most children with an Education, Health and Care Plan (EHCP) or SEN statement do not require specialised travel assistance. Travel assistance for children with an Education, Health and Care Plan (EHCP) or SEN is usually offered based on the individual needs of a child.

In some situations, children who do not have an EHCP but have medical needs which affect their mobility may also be eligible for transport. To identify the specific needs of the child, it is expected that a revised referral and assessment pathway should answer the following questions effectively:

- What is the distance and complexity of the journey to and from school, and what are the public transport routes available?;
- Would the child have considerable difficulty in walking or using public transport due to their special educational needs or disability?;
- Does the child's special educational needs or disability rules out the use of free public transport, or is suitable public transport is not conveniently available? – for example wheelchair users, specialist seating, harnesses, head restraints or other specialist facilities;
- Does the child have emotional/behavioural difficulties that severely affect their ability to use free public transport or would the child be vulnerable and at risk of danger to themselves, or the general public, if they use public or other transport (accompanied as necessary)?;
- Would the child would be able to travel independently to school if suitably travel trained?

The following pages starts to outline a number of possible scenarios, using the information provided by the Council and filtering this data based on a number assumptions. The purpose of these scenarios are to highlight where the Council may wish conduct a more in-depth review of existing provision.

Chart 6: Percentage of service users by SEN category against needs of total SEND population, Tower Hamlets



# Overview of current service users: Internal service users (i)

## Identifying different cohort

Of the 590 internal service users in Tower Hamlets, 87 currently use some form of a wheelchair. There are currently 502 services user that are not identified as having a physical disability or needing to use a wheelchair. This starts to determine, at a high-level, where the Council may not have considered how the child's special educational needs or disability impacts their ability to access other forms of transport, such as schemes offered through Transport for London.

Chart 7 highlights that 29 service users accessing the internal service does not have a physical disability or use a wheelchair, but have a hearing impairment. Twenty-five of these children attend Culloden Primary School. 25 Children equate to the capacity of 1.6 busses. Which if they were free, could take on the responsibility of £150,000 worth of external routes.

The Council should review these cases methodically asking:

- Are they attending their nearest suitable school;
- Is the school within the statutory walking distance of their home (19 of the 25 are listing a living less than two miles away); and,
- Could the child be reasonably be expected to walk there, in the context of their special educational needs or disability, with or without additional training or support?

This methodology can then be applied across further cohorts, such as those with moderate learning disabilities. These groups have been outlined, by school, on the next page.

Chart 7: Number of service users by SEND category, excluding wheelchair users

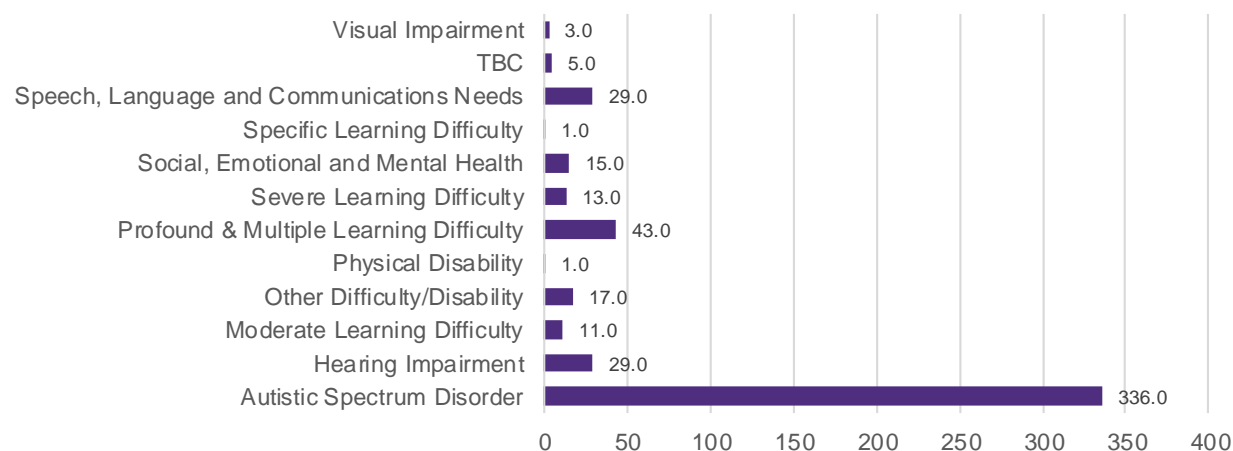
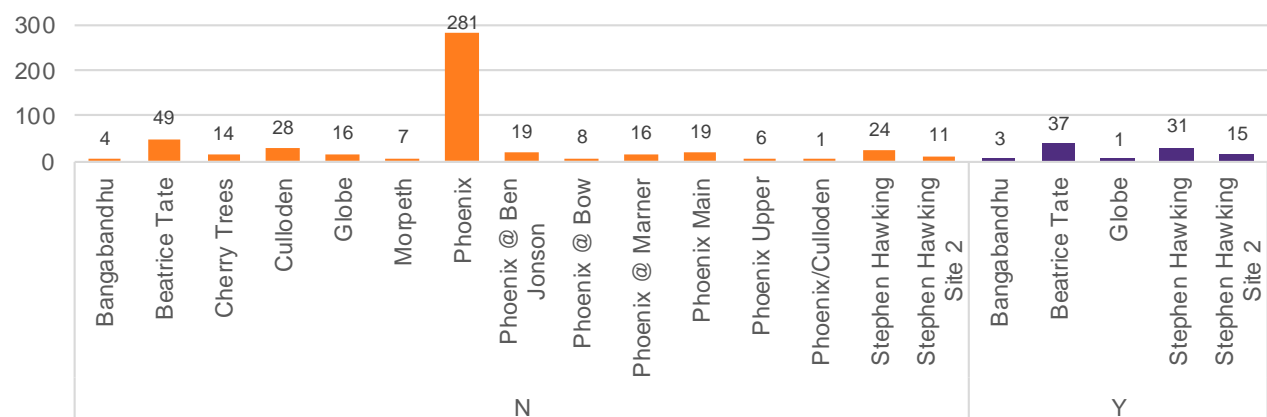


Chart 8: Wheelchair and non-wheelchair users by setting, internal





# Overview of current service users: Internal service users (ii)

Service users (excluding wheelchair users) by School and SEN Category	Number
<b>Bangabandhu</b>	<b>4.0</b>
Autistic Spectrum Disorder	2.0
Other Difficulty/Disability	1.0
Profound & Multiple Learning Difficulty	1.0
<b>Beatrice Tate</b>	<b>49.0</b>
Autistic Spectrum Disorder	2.0
Hearing Impairment	2.0
Moderate Learning Difficulty	6.0
Other Difficulty/Disability	6.0
Profound & Multiple Learning Difficulty	20.0
Severe Learning Difficulty	8.0
Speech, Language and Communications Needs	4.0
TBC	1.0
<b>Cherry Trees</b>	<b>14.0</b>
Social, Emotional and Mental Health	14.0
<b>Culloden</b>	<b>28.0</b>
Autistic Spectrum Disorder	1.0
Hearing Impairment	25.0
Other Difficulty/Disability	2.0

Service users (excluding wheelchair users) by School and SEN Category	Number
<b>Morpeth</b>	<b>7.0</b>
Autistic Spectrum Disorder	2.0
Other Difficulty/Disability	1.0
Severe Learning Difficulty	1.0
Visual Impairment	3.0
<b>Phoenix</b>	<b>281.0</b>
Autistic Spectrum Disorder	259.0
Hearing Impairment	1.0
Moderate Learning Difficulty	3.0
Profound & Multiple Learning Difficulty	1.0
Severe Learning Difficulty	3.0
Speech, Language and Communications Needs	11.0
TBC	3.0
<b>Phoenix @ Ben Jonson</b>	<b>19.0</b>
Autistic Spectrum Disorder	18.0
TBC	1.0
<b>Phoenix @ Bow</b>	<b>8.0</b>
Autistic Spectrum Disorder	8.0
<b>Phoenix @ Marnier</b>	<b>16.0</b>
Autistic Spectrum Disorder	15.0
Moderate Learning Difficulty	1.0
<b>Phoenix Main</b>	<b>19.0</b>
Autistic Spectrum Disorder	19.0

Service users (excluding wheelchair users) by School and SEN Category	Number
<b>Phoenix Upper</b>	<b>6.0</b>
Autistic Spectrum Disorder	6.0
<b>Phoenix/Culloden</b>	<b>1.0</b>
Autistic Spectrum Disorder	1.0
<b>Stephen Hawking</b>	<b>24.0</b>
Autistic Spectrum Disorder	1.0
Moderate Learning Difficulty	1.0
Other Difficulty/Disability	4.0
Physical Disability	1.0
Profound & Multiple Learning Difficulty	16.0
Severe Learning Difficulty	1.0
<b>Stephen Hawking Site 2</b>	<b>11.0</b>
Autistic Spectrum Disorder	2.0
Other Difficulty/Disability	3.0
Profound & Multiple Learning Difficulty	5.0
Speech, Language and Communications Needs	1.0
<b>Globe</b>	<b>16.0</b>
Hearing Impairment	1.0
Social, Emotional and Mental Health	1.0
Specific Learning Difficulty	1.0
Speech, Language and Communications Needs	13.0

# Overview of current service users: External service users (i)

## Identifying different cohort

Of the total 815 service users, 225 are currently transported through the external framework, at a total cost of £2,825,480 to the Council. There are currently 97 routes in operation across the framework, with the average cost per service user of £12,900.

Chart 9 on the right show the range of destinations travelled to, which is far higher than the internal service.

Chart 10: Internal and external service users

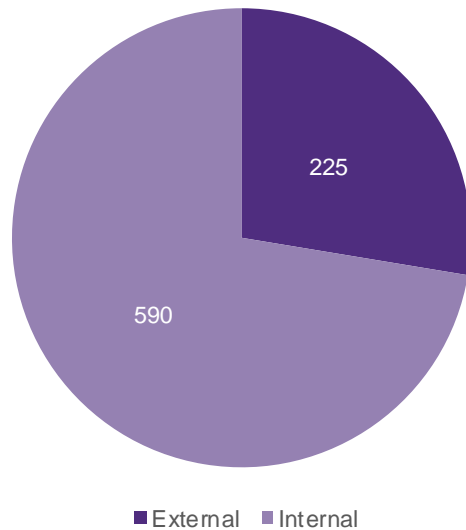
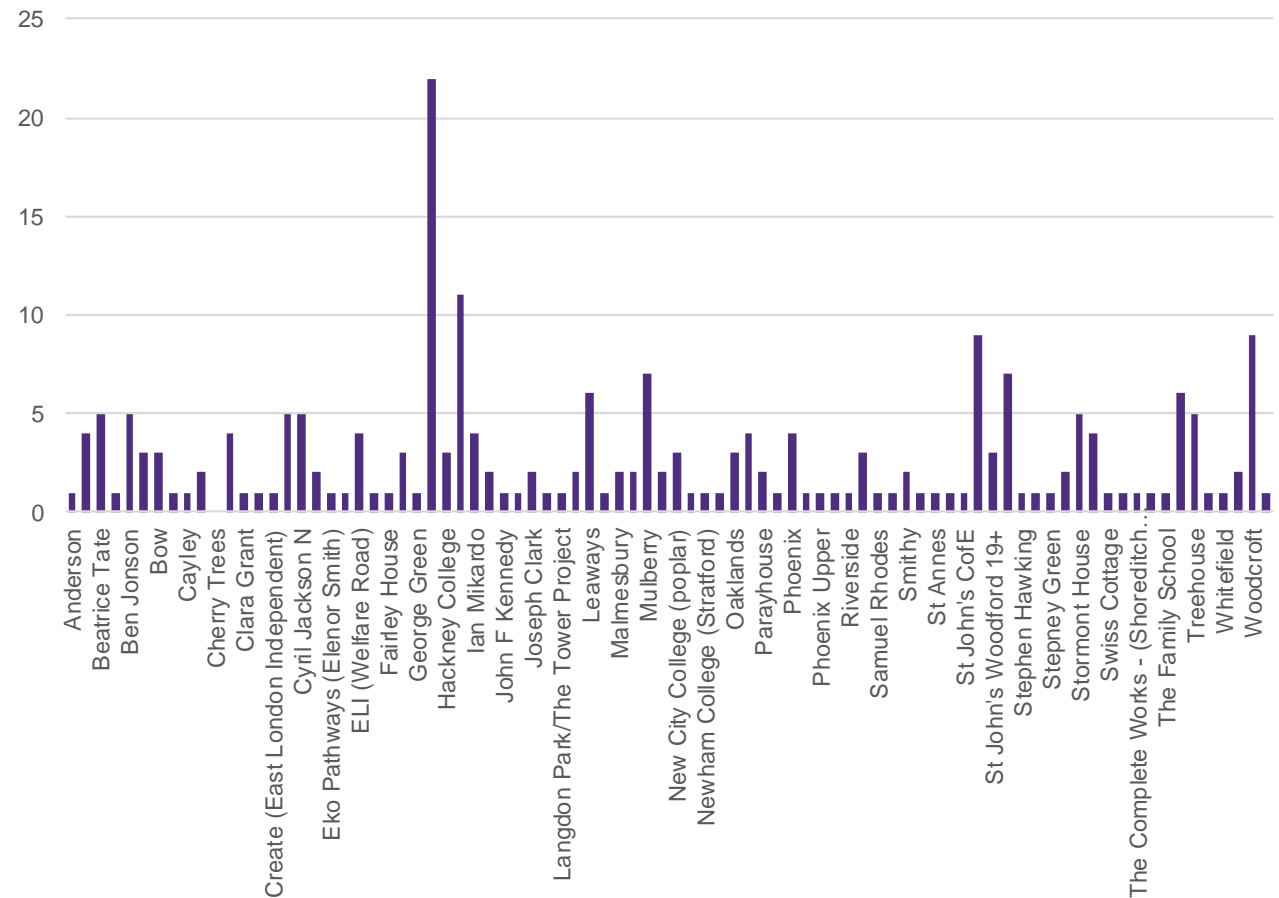


Chart 9: Number of service users by destination



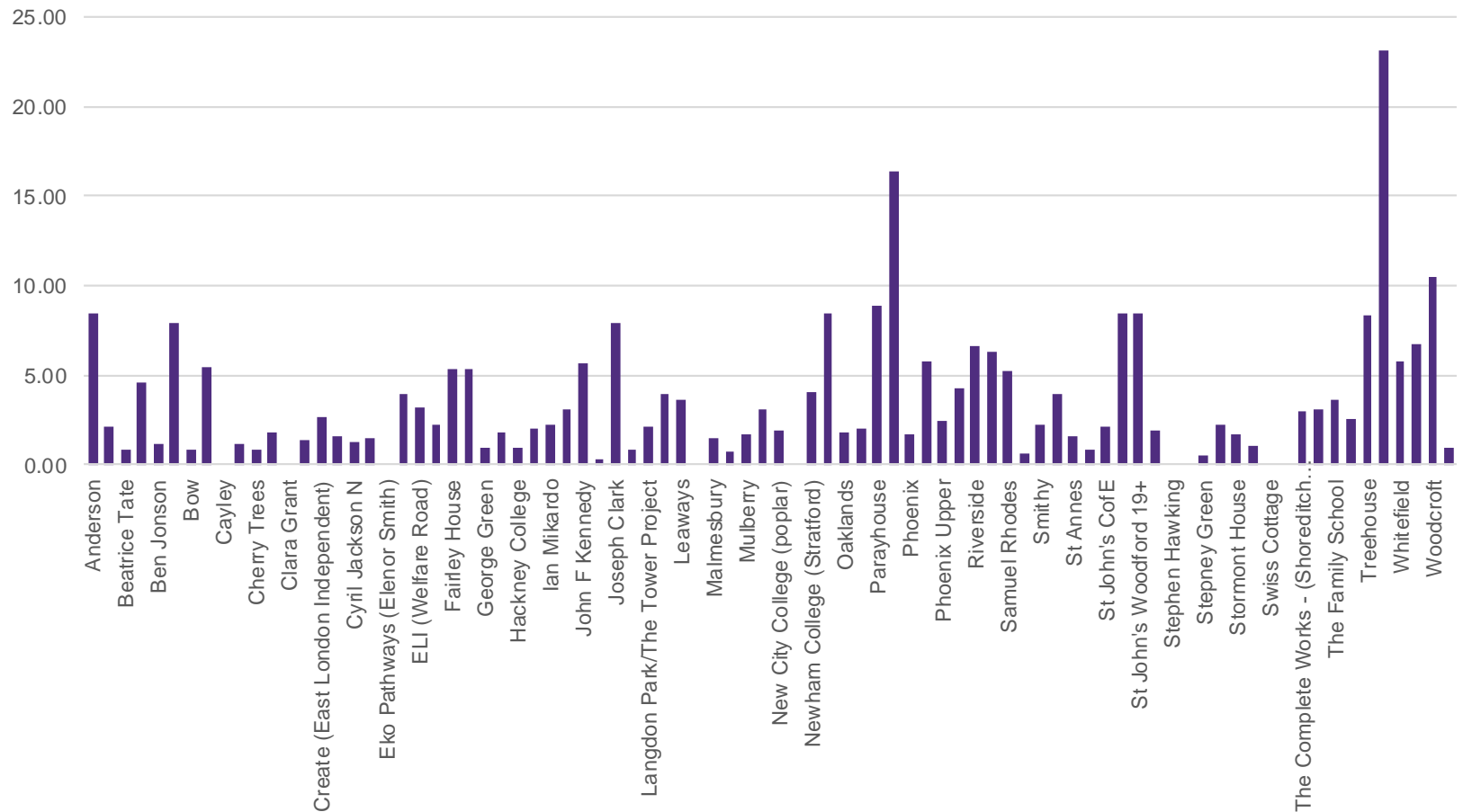
# Overview of current service users: External service users (ii)

## Distance

Chart 11 on the right shows the average distance travelled by service users to each destination. Understanding distance is critical, given than the limitations imposed by the statutory walking distances of 2 and 3 miles. Depending on age.

The following page breaks down usage of the external framework by those under eight and those over eight.

Chart 11: Average distance travelled by service user to access school.



# Overview of current service users: External service users (iii)

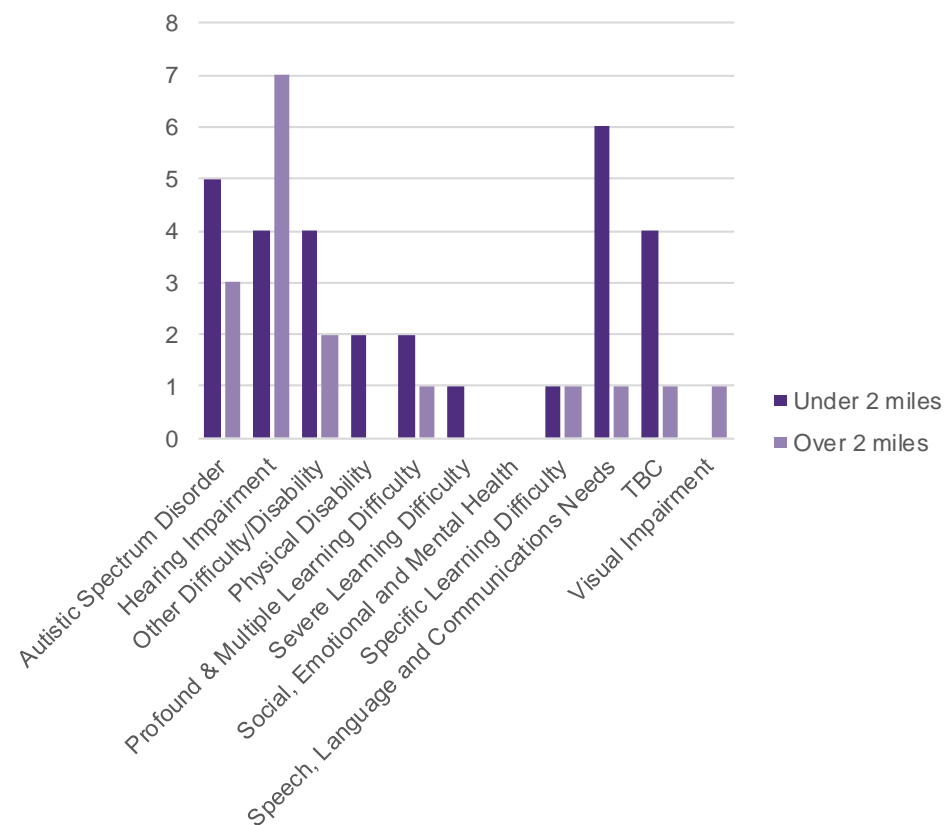
## Service users under eight

The majority of service users placed on external transport are over eight years old. Only 36 of the 225 children are under eight.

A child under the age of 8 is eligible for free home to school travel to their nearest suitable school if it is more than 2 miles from their home; 17 of the 36 children would meet this criterion, making them eligible for free home to school travel irrespective of their special educational needs or disability. However, spend across the remaining 29 children that live within 2 miles of their school still represents 13% of the total expenditure on external transport.

Row Labels	Under 2 miles		Over 2 miles	
	Number of children	Sum of Cost	Number of children	Sum of Cost
Autistic Spectrum Disorder	5	£ 65,550	3	£ 46,265
Hearing Impairment	4	£ 21,717	7	£ 58,843
Other Difficulty/Disability	4	£ 44,985	2	£ 33,820
Physical Disability	2	£ 36,733		
Profound & Multiple Learning Difficulty	2	£ 45,280	1	£ 10,640
Severe Learning Difficulty	1	£ 10,260		
Social, Emotional and Mental Health		£ 17,290		
Specific Learning Difficulty	1	£ 10,830	1	£ 11,400
Speech, Language and Communications Needs	6	£ 84,233	1	£ 5,130
TBC	4	£ 38,950	1	£ 19,760
Visual Impairment			1	£ 13,965
<b>Grand Total</b>	<b>29</b>	<b>£ 375,828</b>	<b>17</b>	<b>£ 199,823</b>

Chart 11: Number of service users (8 years old and under), by SEN Category



# Overview of current service users: External service users (iv)

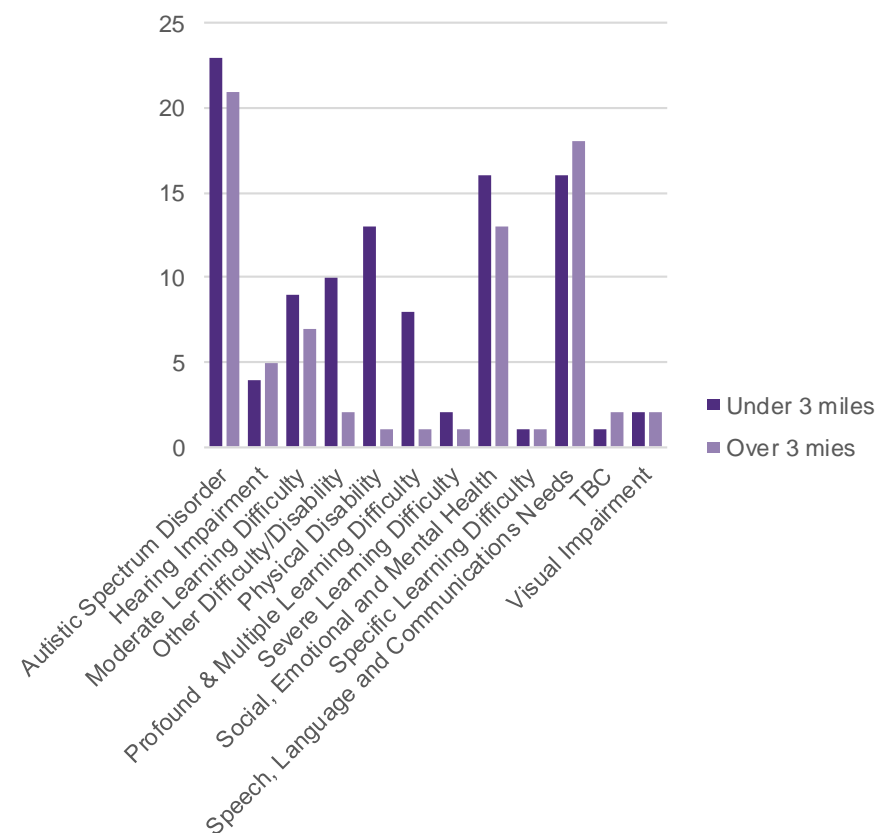
## Service users over eight

179 of the 225 children are eight years old or over, meaning to be eligible for free home to school travel, based on statutory walking distance, their nearest suitable school must be more than 3 miles away; 105 of the 179 children would not meet this criterion, making them only eligible for free home to school travel if special educational needs or disability meant that they could not reasonably be expected to walk.

Using children with a hearing impairment as an example, across these eight children, the Council is spending £45,310 per year on private taxis. The Council should challenge itself by asking whether the child can be reasonably be expected to walk there, in the context of their special educational needs or disability, with or without additional training or support?

Row Labels	Under 3 miles		Over 3 miles	
	Number of children	Sum of Cost	Number of children	Sum of Cost
Autistic Spectrum Disorder	23	£ 309,926	21	£ 303,602
Hearing Impairment	4	£ 23,593	5	£ 71,883
Moderate Learning Difficulty	9	£ 78,864	7	£ 86,830
Other Difficulty/Disability	10	£ 93,815	2	£ 56,810
Physical Disability	13	£ 111,620	1	£ 9,817
Profound & Multiple Learning Difficulty	8	£ 104,043	1	£ 27,550
Severe Learning Difficulty	2	£ 14,585	1	£ 9,880
Social, Emotional and Mental Health	16	£ 247,050	13	£ 263,600
Specific Learning Difficulty	1		1	£ 17,100
Speech, Language and Communications Needs	16	£ 139,867	18	£ 195,637
TBC	1	£ 3,945	2	£ 41,325
Visual Impairment	2	£ 15,675	2	£ 22,814
<b>Grand Total</b>	<b>105</b>	<b>£ 1,142,982</b>	<b>74</b>	<b>£ 1,106,847</b>

Chart 12: Number of service users (8 years old and over), by SEN Category



# Modelling the impact of direct payments

## Exploring the pilot scheme

In 2019/20, the Children's department are planning to undertake a pilot of SEN Personal Travel Budgets (PTBs) as, although there has been capacity in the past to offer this as a transport solution under the current policy, there has been limited take up. The children's commissioning have proposed that the PTBs are calculated on the straight-line distance between home and school for the days that the child attends school as outlined below. This means each PTB will be tailored to the specific needs of each family.

### Proposed bandings:

- Less than 5 miles: annual budget = £2,000
- 5-10 miles: annual budget = £3,000
- Over 10 miles: annual budget = £5,000

The value of conducting the segmentation exercise and refining the supporting data are highlighted clearly in activities such as this. The dynamic nature of the data used, and the number of variables included make for traditional methods to estimate the potential impact of transitioning to PTBs. With the revised dataset, the Council can quickly model the effect of implementing this revised offer and target those groups where they think they will have the most impact.

The table below highlights the budget that each of the proposed bandings would give families per school day. Chart 13 shows the number of external service users that would fall into each of these bandings and Chart 14 outlines the current spend on the external framework across each of the proposed bandings.

Proposed banding	£2,000	£3,000	£5,000
Budget per school day	£11	£16	£26

It is clear that, even modest targets, such as a 10% transition to PTBs could realise significant savings. It would be worthwhile for the Council to revisit the proposed bandings for its PTBs after the initial pilot. As the largest number of service users fall within the 'less than 5 miles' band, it could be beneficial to offer a slightly higher budget, in order to attract a greater number of service users.

Chart 13: Number of service users by proposed banding

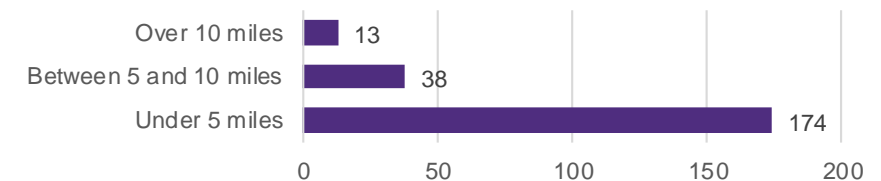
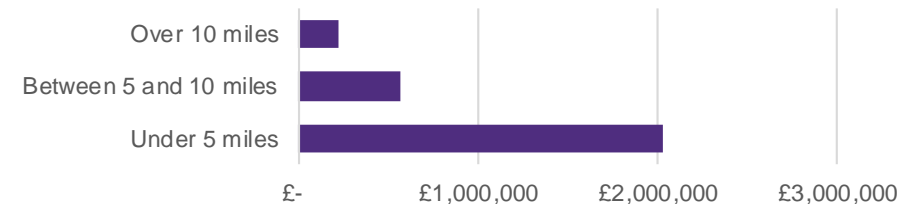


Chart 14: Current spend by proposed banding



	Current expenditure	Future expenditure at 100% PTBs	Future expenditure at 25% PTBs	Future expenditure at 10% PTBs
Under 5 miles	£2,031,977	£348,000	£87,000	£4,800
Between 5 and 10 miles	£566,643	£114,000	£28,500	£11,400
Over 10 miles	£226,860	£65,000	£16,250	£6,500
<b>Possible saving</b>		<b>£2,298,480</b>	<b>£574,620</b>	<b>£229,848</b>

# Emerging guidance on direct payments

## Exploring the pilot scheme

In the current Government guidance on Home to school travel and transport for children of compulsory school age, which is currently out for consultation, the following guidance is given on Personal Transport Budgets and Mileage Allowances:

- Where a parent has agreed to receive a personal transport budget or mileage allowance, it is for the local authority to determine how to administer this. Local authorities may require parents to provide copies of receipts and other supporting documentation.
- Monthly payments made by the local authority, to reimburse the cost incurred by a parent in providing a child's home to school transport on behalf of the local authority, will not be taken into account in a Universal Credit (UC) assessment.
- Any additional payments, e.g. to cover unexpected expenses relating to a child's home to school transport, may also be reimbursed, by the local authority. Such ad hoc payments to cover additional expenditure would be treated as capital in the UC assessment and the usual UC capital rules would apply.
- Payments provided in this way should not give rise to tax liability, but it is the responsibility of individuals to satisfy themselves that they meet HMRC's requirements. Guidance on tax liability can be found in the Employment Income Manual, EIM71100, on the government website [www.gov.uk](http://www.gov.uk).
- Local authorities must ensure that the travel arrangements they make take account of the needs of the child concerned. For example, it would not be appropriate to provide a pass for free travel on a service bus to a child whose special needs meant they would be unable to travel on a service bus.

# Emerging guidance on developing a suitable travel policy

In the current Government guidance on Home to school travel and transport for children of compulsory school age, which is currently out for consultation, the following guidance is given to local authorities wanting to review their transport policies:

A local authority home to school travel policy must contain a number of elements to be considered lawful. There are also a number of elements that a local authority home to school travel policy should include to ensure it is clear and easy for parents to understand. A list of the main elements is below, however, it is not an exhaustive list and authorities are free to add elements they consider necessary, provided they are lawful.

Local authorities may wish to use the list to help ensure their current policy is lawful, to support a review of their current policy, or to support the drafting of a revised policy.

- ✓ The policy includes a clear introduction explaining what the reader can expect to learn from the document.
- ✓ The policy clearly explains all four categories of eligible children (statutory walking distances; special educational needs, disability and mobility problems; unsafe walking routes and extended rights).
- ✓ Where a local authority has a separate policy document for a category of eligibility (for example, special educational needs) they should refer to this within the main policy document so parents may easily understand all the categories of eligibility.
- ✓ The policy includes information on how a parent can apply for home to school travel support.
- ✓ The policy clearly explains the terms that will enable a parent to understand whether their child is eligible for home to school travel support. This includes terms such as 'home address' and 'nearest suitable school'.
- ✓ The policy clearly explains how a child's eligibility will be assessed. This includes how distances will be measured and how route safety is assessed.
- ✓ The policy clearly explains that the eligibility of children with special educational needs, a disability or mobility problems will be assessed on an individual basis.

- ✓ The policy clearly explains the ways in which travel assistance is provided, for example, passes for public service buses, dedicated school buses, taxis.
- ✓ The policy clearly explains the circumstances in which it will consider providing home to school travel support on a discretionary basis. Where an authority has an automatic entitlement to discretionary travel for groups of children (such as long standing arrangements for catchment areas), this is clear in their policy.
- ✓ The policy clearly explains any other arrangements that are in place for children who are not eligible for free home to school travel, such as concessionary schemes. It may also be helpful to include information about any other sources of support or services a child may benefit from in terms of travel, such as relevant services offered by local bus service operators.
- ✓ The policy clearly explains how a parent may appeal the local authority's decision in response to their application for home to school travel support.



# Recommendations

# Next steps and actions: SEND customer segmentation

## SEND Transport

- It is important for the council to review the transport provided to cohorts where their disability is less likely to impact their ability to walk to school.
- Using children with a hearing impairment as an example, there are four children over eight and four children under eight currently receiving transport assistance. Across these eight children, the Council is spending £45,310 per year on private taxis.
- The council should again challenge itself by asking whether children currently in receipt of travel assistance can reasonably be expected to walk to school, in the context of their special educational needs or disability, with or without additional training or support?
- In undertaking a methodical reassessment programme, the council can identify whether there is reasonable justification for the provision of service;
- Equally, the council should address what provision it will be providing in the future for discretionary cohorts, for example, no school age children.
- It is clear that, even modest targets, such as a 10% transition to PTBs could realise significant savings.
- It would be worthwhile for the council to revisit the proposed bandings for its PTBs after the initial pilot. As the largest number of service users fall within the 'less than 5 miles' band, it could be beneficial to offer a slightly higher budget, in order to attract a greater number of service users.