

AGENDA MANAGEMENT SHEET

Name of Committee

The Cabinet

Date of Committee

9th March 2006

Report Title

Report of the Review of Higher Education Student Finance Delivery in England

Summary

Following a review of the end-to-end delivery of Student Finance in England which was announced on 7th June 2005, a report was published on 1st February 2006 with an initial Ministerial statement supporting the centralisation of a role currently administered by Local Authorities.

For further information please contact:

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Would the recommended decision be contrary to the Budget and Policy Framework? [please identify relevant plan/budget provision]

No

Background papers

The Report of the Review of Higher Education Student Finance Delivery in England (DfES document published 1.2.06)

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

Other Committees

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Local Member(s)

.....

Other Elected Members

O&S Spokespersons for information:
Cllr Helen McCarthy – *“If a centralised system resulted in a better service for our students I might be able to support it. Past experience, however, shows that a centralised system results in long delays and great confusion. Our present system*

gives good value. If it ain't broke, etc...."

Cllr Richard Grant:

- *"regrets a further period of turbulence in this Service*
- *pays tribute to the work carried out by the Student Finance Section and their determination to continue to deliver high quality service to Warwickshire students despite changes in systems*
- *point needs to be made to government that local authorities like Warwickshire have a proven record in delivering quality student finance services and that this evidence would be a worthwhile benchmark for future delivery of a potential nationwide service."*

Cllr Jill Dill-Russell – no comments to make

Cabinet Member

Cllr John Burton – *"very concerning"*

Other Cabinet Members consulted

Cllr Izzi Seccombe – *"I am concerned that it appears that conclusions are being reached about what kind of Service delivery will be required before the outcome of the review and the trials being run will have reported back. I welcome Cabinet's views"*

Cllr Peter Fowler

Chief Executive

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Legal

Jane Pollard / Richard Freeth – *"fine"*

Finance

David Clarke, Strategic Director of Resources – no comments to make

Other Chief Officers

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District Councils

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Health Authority

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Police

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Other Bodies/Individuals

.....

FINAL DECISION

NO

SUGGESTED NEXT STEPS:

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet A further report will be provided to Members once the final Ministerial statement, expected Spring 2006, has been made
- To an O & S Committee
- To an Area Committee
- Further Consultation

The Cabinet – 9th March 2006

Report of the Review of Higher Education Student Finance Delivery in England

Report of the Strategic Director for Children, Young People and Families

Recommendations:

- (1) That Members consider the potential implications of the report on the Student Finance Section and service delivery in Warwickshire.
- (2) That a response to the Government's proposals be drafted for consideration by the Cabinet.

1. Background

- 1.1 Members will be aware that over the past few years the Government has introduced a programme of Modernisation regarding the administration of Student Finance. This programme introduced, amongst other things, a national computer system and standardised forms to eliminate inconsistencies between Local Authorities. Initial problems caused by the revised processes and failure of the computer system have now been significantly reduced.
- 1.2 The Minister of State for Lifelong Learning, Further and Higher Education, Bill Rammell, announced the terms of reference for a review of higher education student finance delivery on 7th June 2005.
- 1.3 The Review was to give consideration to further improvements to the administration of Student Finance, focussing on whether the partnership arrangements and systems put in place through Modernisation were fit for purpose.
- 1.4 In advance of the conclusion of the Review, the Department for Education and Skills announced that the service delivery models likely to be recommended in the Review should be piloted during the 2006/07 application cycle.
- 1.5 Warwickshire did not volunteer to be a pilot authority but a number of other authorities have volunteered and the three pilot models (centralised, partially centralised and local delivery) are now in place to commence operation in March 2006.

2. Current position

- 2.1 On 31st January 2006 the Secretary of State for Education announced the publication of the report of the review of Higher Education Student Finance Delivery in England.
- 2.2 A written statement on the report was also laid in Parliament on 31st January confirming that, in principle, Ministers accept the 44 recommendations made, in particular the emphasis placed on electronic applications.
- 2.3 The accompanying letter to Chief Education Officers states that “Ministers think there are strong arguments for centralising the delivery of application processing...This would mean removing this function from Local Authority Student Finance teams. Ministers take the view that centralisation is more likely to achieve the transformation in service delivery we are seeking: namely to deliver a consistent level of customer service and support; clear and simple accountability and value for money...We recognise that there will be concerns about the impact of this on LA Student Finance staff.”
- 2.4 The more detailed response to the report will be published in the Spring, but the review makes recommendations for implementation in 2006, 2007, 2008 and 2010 which indicate that partial centralisation will commence in February 2007 with full centralisation for the 2008/09 academic year (to be completed by Spring 2008).
- 2.5 The review offers three options for a single national organisation with responsibility for delivering Student Finance and implies that any local assistance should be provided by Universities and Colleges. For the 2006/07 application cycle pilots this function will be administered by the Student Loans Company from bases in Darlington and Glasgow.
- 2.6 The review recommends the publication of Local Authority Student Finance ‘league tables’ for the processing of applications during 2006, detailing variances between processing speeds and quality of service in Local Authorities. These variances have been included in the reasons behind the proposed centralisation.
- 2.7 Members will be aware that the Student Finance Service in Warwickshire has always maintained a high quality service to students and parents in the County. Clearly the proposed centralisation would take away the local element from the service. For many years work has taken place within the Section to improve customer focus and deliver a timely and comprehensive service to Warwickshire residents, including: the provision of information presentations within schools and colleges, evening surgeries for students and parents to have applications checked and documents certified, and a form collection service from schools. These services are over and above the provision of local advice and guidance and the availability of experienced staff within the office in Warwick. All local involvement will potentially be scaled down from 2007 and cease from 2008.

- 2.9 All staff within the Student Finance Section have been briefed and have been given the opportunity to comment on both the overall proposal and the 44 individual recommendations.
- 2.10 A response to the Department for Education and Skills is being drafted for agreement by the Cabinet.
- 2.11 In view of the ongoing uncertainty some staff have been recruited on a temporary basis but there are 10 permanent staff remaining for whom redeployment/redundancy options will need to be considered.

3. The way ahead

- 3.1 This latest Review brings yet another period of instability for Student Finance staff and it is anticipated that all Local Authorities will face the difficulty of staff retention during the period of transition.
- 3.2 This in turn may at times affect the delivery of the service to students in Warwickshire although every effort will be made to ensure that overall the service will continue to the highest level possible.
- 3.3 Talks will commence with Human Resources and Unions in preparation for further discussion and planning as required.
- 3.4 Work will now take place on implementing the recommendations for 2006. Whilst we await further guidance from the Department for Education and Skills on some elements, planning will take place within the Section to ensure that Warwickshire maintains a respectable position in the 'league tables' this year.
- 3.5 The Department for Education and Skills is currently re-drafting the Service Level Agreement between Local Authorities and the Department for the 2006 application cycle. Members will be aware that Warwickshire did not sign the 2005 version of this document. The content of this agreement will be scrutinised before signature in light of the turbulent period ahead.
- 3.6 It is anticipated that the transfer of the Student Finance function from Local Authorities to the single agency will bring with it a certain amount of media and political interest.
- 3.7 A further report will be presented to Members following the final Ministerial decision in Spring 2006.

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23rd February 2006