

Minutes of Leader Decision Making Session held on 5 October 2010

Present: Councillor Alan Farnell (Decision maker)

Officers: John Betts – Head of Corporate Finance
Sheila Hancox- Head of Warwickshire Education Business Partnership
Virginia Rennie – Group Accountant, Budget and Technical
Janet Purcell, Executive and Member Support Manager

1. General

(1) Members Declarations of Personal and Prejudicial Interests

None

(2) Minutes of the meeting held on 9 September 2010

Resolved

That the minutes of the meeting held on 9 September be agreed as a correct record.

2. Response to Consultation on Changes to the Allocation Formulae for Social Care Grants

Councillor Alan Farnell considered a report of the Strategic Director of Resources that proposed a response to the consultation on changes to the allocation formulae for three social care grants. Virginia Rennie advised that, although merging of the grants may be preferable in the long term, the Government proposals were not welcome as they stood. The response therefore suggested that the grants would be best distributed outside the Formula Grant System. This response was in line with that of the Society of Chief Treasurers and the Local Government Association.

Resolved

That Warwickshire County Council's response to the Department of Health's Consultation on Changes to the Allocation Formulae for three Social Care Grants be as set out at Appendix 1 to these minutes.

3. Response to Consultation on Local Government Formula Grant Distribution 2010

Councillor Alan Farnell considered a report of the Strategic Director of Resources that proposed a response to the Government's consultation on changes to the Local Government Formula Grant Distribution. It was noted that the proposed response took account of the likely effect of change for the County Council (although the actual impact is difficult to predict) but was also consistent with previous submissions made by the authority, was supporting the options that are technically valid and based on the most up-to-date data available.

Resolved

That Warwickshire County Council's response to the Local Government Finance Formula Grant consultation be as set out at Appendix 2 to these minutes.

4. Response to Consultation on Local Transport Capital Funding

Councillor Alan Farnell considered a joint report from the Strategic Director of Resources and Strategic Director of Environment and Economy and noted that the response suggested that funding should be focussed on maintenance rather than growth or improvement whilst resources are constrained and that allocations should be made according to need.

Resolved

That Warwickshire County Council's response to the consultation on Local Transport Capital Funding be as set out in Appendix 3 to these minutes.

5. Response to Consultation on Revenue Support Grant Top-slice for Improvement Services to Local Authorities

Councillor Alan Farnell considered a proposed a response to consultation on the Revenue Support Grant Top Slice for Improvement Services. Virginia Rennie advised that the response supports the principle of a single top-slice and considers that it should reduce the costs of support, remove centrally imposed restrictions and promote the ability of local government to decide how best to use the resource. It also recommended that the Local Government Improvement and Development be the body that allocates future funding.

Resolved

That Warwickshire County Council's response to the Revenue support Grant Top-Slice for Improvement Services to Local Authorities Consultation be as set out in Appendix 4 to these minutes.

6. Response to Consultation on skills for Sustainable Growth and A Simplified Further Education & Skills Funding System & Methodology

Councillor Alan Farnell considered a report of the Strategic Director of Environment and Economy setting out a proposed response to two Government's consultations relating to sustainable growth and skills funding. It was proposed that the response form part of the Coventry, Solihull and Warwickshire Partnership response. Sheila Hancox explained that the response supported a simplified system and reduction in the number of bodies with whom colleges have to work and looked to employers and training providers working closely together to meet local need and with funding targeted at those who most needed it (and not necessarily in providing formal training). Councillor Alan Farnell agreed the response, noting that the Local Enterprise Partnership would need to have a role in this.

Resolved

That Warwickshire County Council’s contribution to the Coventry, Solihull, Warwickshire Partnership’s response be as set out in Appendix 5 (Skills for Sustainable Growth) and Appendix 6 (A Simplified Further Education and Skills Funding System and Methodology) of these minutes.

7. Response to Consultation on School Funding 2011/12: Introducing a Pupil Premium

Councillor Alan Farnell considered a proposed response to this consultation as set out in a report from the Strategic Directors of Resources and Children, Young People and Families. John Betts advised that the proposal for a pupil premium may be of benefit to Warwickshire. It was noted that the Schools Forum would also be sending a response.

Councillor Alan Farnell approved the response but requested that the response included a request for clarification on the position of academies and free schools.

Resolved

That Warwickshire County Council’s response to the Department for Education Consultation on School Funding 2011/12 be as set out in Appendix 7, subject to the addition of a request for clarification regarding the position of academies and free schools.

8. Any other items of business

None

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Leader

The meeting rose at 9.45 am

Response to Consultation on Changes to the Allocation Formulae for Social Care Grants

Introduction

We would like to thank the Department of Health for this opportunity to respond to the Government's consultation. We believe that all three grants should be distributed outside the Formula Grant System. The Four Block Model, as it currently stands, is not fit for purpose. Elements based on judgement effectively wipe out the distribution of funding indicated by evidence-based formulae.

Learning Disability Commissioning Transfer Grant

Do you have any comments about the options? For example, about your reasons for choosing a particular option, issues you would like to draw to our attention or an alternative suggestion for allocating the grant.

Ideally, we would prefer to see the Learning Disability Commissioning Transfer Grant distributed by means of a formula based on data collected independently of local authorities.

However, given the number and size of the variations when compared to the locally reported figures, it is evident that the Younger Adults Adult Social Care Relative Needs Formula does not provide an adequate basis for the distribution of the grant. Distributing the grant by means of this formula would arbitrarily advantage or disadvantage most authorities, leading to significant changes from the current funding. The variances range from a reduction of 80% to an increase of 971%. We therefore support option LDT1 which distributes the grant according to the value of the current arrangements.

It is unlikely that a client group transferring from the PCT to a local authority would share the same characteristics as any of the local authority's existing client groups. Therefore, it is equally unlikely that any of the current formulae will serve as a fair mechanism by which to distribute this grant.

It is our view that, in such a situation as this, the funding should be distributed via a non-ringfenced specific grant until such time as a distribution model can be developed to direct funding in a satisfactory manner.

In the longer term we would urge that the Government continues to maintain funding for individuals with learning disabilities. Findings from the Centre for Disability Research suggested sustained and accelerating growth in the numbers of adults with profound multiple learning disabilities between 2009 and 2026. Continued specific funding will ensure there are sufficient resources for new clients who would previously have been supported by the NHS in long stay institutions.

Preserved Rights Grant

Do you have any comments about the options? For example, about your reasons for choosing a particular option, issues you would like to draw to our attention or an alternative suggestion for allocating the grant.

As with the Learning Disability Commissioning Transfer Grant, we would prefer to see the Preserved Rights Grant distributed by means of a formula based on data collected independently of local authorities.

However, given the number and size of the variations when compared to the 2009 caseload figures, it is evident that the Adult Social Care Relative Needs Formulae do not provide an adequate basis for the distribution of the grant. Distributing the grant by means of these formulae would arbitrarily advantage or disadvantage most authorities and lead to significant variances from the 2009 caseload distribution. The variances range from a reduction of 74% to an increase of 1,402%.

It is our view that, in such a situation as this, the funding should continue to be distributed via a non-ringfenced specific grant until such time as a distribution model can be developed to direct funding in a satisfactory manner. In the meantime, using 2009 caseload figures is preferable because the caseload figures maintain a much stronger link between the grant and the expenditure which it is intended to fund. We therefore support option PR1.

It is also worth noting that the CLG Consultation on the future of the Formula Grant includes the Older People's element of the Adult Social Care RNF as an element which is subject to change. Changes to the formula may impact on the indicative figures provided in this consultation and lead to a distribution even further removed from the current spending need. This adds further weight to the arguments supporting separate funding in the short / medium term.

AIDS Support Grant

Do you have any comments on our proposal to allocate the AIDS Grant as part of a multi year settlement?

Allocating the AIDS Support Grant as part of a multi year settlement is preferable as it will provide a consistent level of funding throughout the spending review period and facilitate better service planning. Furthermore, the relatively small size of the grant argues against the need to review the distribution on an annual basis.

Do you have any other comments regarding the options? For example, about your reasons for choosing a particular option, issues you would like to draw to our attention or an alternative suggestion for allocating the grant.

As with the previous two grants, we would prefer to see the AIDS Support Grant distributed by means of a formula based on data collected independently of local authorities.

Both options included in the consultation meet this criteria. However, it is clear that the Younger Adults Relative Needs Formula does not provide an adequate basis for the distribution of the grant. Allocations made according to this formula would arbitrarily advantage or disadvantage most authorities and lead to significant variances from the distribution of need. When compared to allocations based on the most recent data from the Health Protection Agency, the variances range from a reduction of 80% to an increase of 1,283%.

It is our view that the most recent data from the Health Protection Agency provides a more accurate and appropriate basis for the distribution of the grant. We therefore support option ASG1.

Leader Decision Making Session – 5 October 2010 Minutes- Appendix 2

Local Government Finance Formula Grant Distribution - Response to the Consultation Paper from Warwickshire County Council

05 October 2010

Andrew Lock
Formula Grant Review Team
Communities and Local Government
Zone 5/J2
Eland House
Bressenden Place
London SW1E 5DU

Dear Mr Lock,

Local Government Finance: Formula Grant Distribution Consultation Paper – 2010

Warwickshire County Council would like to thank the Department for Communities and Local Government for the opportunity to respond to the above consultation. We have addressed the questions in the order that they appear in the consultation but would also like to separately highlight our views on the Four-Block Model and the forthcoming local government finance review.

In view of the likelihood of reduced resources it is more important than ever that funding allocations are made using a robust distribution methodology. We, along with almost all of local government, have consistently opposed the continued use of the Formula Grant distribution mechanism, the Four Block Model, as it is not fit for purpose. Elements of the model based on judgement can effectively wipe out the distribution of funding indicated by evidence-based formulae. This is discussed in greater details under the specific consultation questions. We look forward to a more comprehensive review of grant distribution in the forthcoming local government finance review, which will take place in 2011.

Chapter Three: Adults' Personal Social Services

Question One: *Do you agree that we should update the Low Income Adjustment (OPPSS1)?*

We believe that up-to-date data is a fundamental element of the distribution formula and therefore support Option OPPSS1.

Chapter Four: Police

Question Two: *Do you agree the activity analysis should be updated and a three year average used instead of the current two year average (POL1)?*

We believe that up-to-date data is a fundamental element of the distribution formula and therefore support Option POL1

However, we continue to be concerned over the impact formula changes have on authorities that do not hold responsibility in that area. Options POL1 through to POL4 illustrate this concern where the County Council, without police responsibility, would lose on all the options.

Question Three: Do you agree that the log of weighted bars per 100 hectares indicator should be used in place of log of bars per 100 hectares indicator (POL2)?

We believe that the log of weighted bars per 100 hectares indicator is a more accurate method of aggregating data on the level of crime recorded at community safety partnership level to force level and therefore support POL2.

Question Four: Do you agree that the three elements of Additional Rule 2 Grant mentioned in Chapter 4 'Police' paragraph 19 should be rolled into Principal Formula Police Grant (Main Grant) and therefore distributed as through the Police Allocation Formula (POL3)?

We believe that local authorities should have the freedom to allocate resources in accordance with local needs and priorities. Therefore, in principle, we support POL3.

Question Five: Do you agree with that the whole of the Rule 2 grant should be rolled into Principal Formula Police Grant (Main Grant) and therefore distributed as through the Police Allocation Formula (POL4)?

We believe that local authorities should have the freedom to allocate resources in accordance with local needs and priorities. Therefore, in principle, we support POL4.

Chapter Five: Fire & Rescue

Question Six: Do you agree that the expenditure data used to determine the coefficients should be updated (FIR1)?

It is in the interests of formula distribution to have the most up-to-date datasets driving the formulae and we support CLGs endeavours to update the formulae at opportunities and therefore support Option FIR1.

Question Seven: Should annual cashable efficiency savings be added to the updated expenditure data used to determine the coefficients (FIR2)?

We understand the purpose of the option for adding annual cashable efficiency savings to expenditure base data would be to overcome the perception that authorities are in some way penalised for making efficiency savings. However, some areas may have found it easier to make efficiency savings because they started from a less efficient base. They may have simply moved towards being as efficient as other areas, therefore directing additional funding to them would only subsidise their less efficient starting point.

We believe including efficiency savings data would introduce an inconsistency with other blocks, which we could not support. We also have reservations that Annual Efficiency Statements are a reliable data source since there is little audit of them, resulting in efficiency savings being identified, measured and recorded differently across local authorities. Furthermore, with the Government's drive to reduce the reporting burden on Local Government, there may be an issue relating to the future availability of data from Annual Efficiency Statements.

In relation to the revised formula, we have reservations regarding the increased weight of 'length of coastline' since there is no reason to believe that all areas with more coastline are more efficient and therefore require additional funding.

For all the reasons outlined we are strongly opposed to option FIR2.

Question Eight: Would you prefer either FIR3 or FIR4 as an alternative to the current risk index?

We support updating the Fire Risk Index and recognise the value in using readily available, and therefore updatable, factors. However, administrative convenience should not override the role of the formula to measure need, which under these options attributes the number of fire incidents to a series of deprivation indicators. In particular we believe factors that drive the level of traffic incidents attended by the Fire and Rescue Services should also be included as part of the analysis.

Chapter 6: Highways Maintenance

Question Nine: Do you agree that the daytime visitors' component of daytime population per km should be removed? (HM1)

Due to being unable to agree a suitable replacement in previous Formula Reviews for the Daytime Visitors component of Daytime Population, the component is over 20 years old. We feel that it would be sensible to remove this element, which would only undermine the efforts of including timely and robust datasets.

Question Ten: Do you agree that the expenditure data used to determine the coefficients should be updated? (HM2)

We believe that up-to-date data is a fundamental element of the distribution formula and therefore support Option HM2.

Chapter Seven: Environmental, Protective and Cultural Services

Question Eleven: Do you agree that foreign visitor nights is a suitable replacement for day visitors in the district-level and county-level EPCS RNFs (EPCS1)?

We do not support replacing the daytime visitors' indicator with foreign visitor nights. It does not constitute a suitable replacement as daytime visitors and foreign visitor nights are measuring different cost drivers, for different populations of visitors. It assumes that all foreign visitors only drive additional costs for the authority where they stay overnight, rather than also including where they travel to during the day. It would result in massive distributional swings during what is expected to be a very tight settlement.

Question Twelve: Do you agree that the new GIS-based flood defence formula should be used (EPCS2)?

Question Thirteen: Do you agree that the new GIS-based coast protection formula should be used (EPCS3)?

We recognise and support the Government's efforts to move away from indicators of expenditure in the formula. However, the work on the Flood Defence sub-block appears to have been developed in isolation of other service formulae. Whilst successful replacements may not necessarily be available for other service formula, this does lend weight to our concerns raised in our response to Consultation Question 7 that there is a conflict of principle in the treatment of expenditure data in different sub-blocks.

Despite these reservations overall we give tentative support to EPCS2 and EPCS3.

Chapter Eight: Area Cost Adjustment

Question Fourteen: Do you agree with the proposal to update the weights given to the labour cost adjustment (ACA 1)?

We feel that this option supports the key principle, supported throughout this response, that where possible the most up-to-date data should be employed.

Chapter Ten: Scaling Factor

Question Fifteen: Do you think that the scaling factor for the central allocation should be close to one, so that equal importance is attached to the amounts above and below the minima?

Question Sixteen: If so, would you prefer Ministers to be able to set judgemental weights for the Relative Needs Amount, as in option CAS1, or the Relative Resource Amount, as in option CAS2?

The Four-Block Model is able to adjust the emphasis put on authorities' ability to raise council tax through equalisation of the need and resource blocks. Whilst we support equalisation in principle, we have continually stressed the importance of publishing the agreed principles behind any need or resource equalisation exercise. Without such information how can we measure the success of the exercise if we do not know what we were equalising against or for?

Once again, we reiterate our calls for Local and Central Government to come together to hold a wide-ranging debate on the principles for further need and resource equalisation.

Chapter Eleven: Floor Damping Levels

Question Seventeen: Over the next Spending Review period do you think that the floor level should be set close to the average change or such that it allows some formula change to come through for authorities above the floor?

We believe that the floor level should be set such that it allows some formula change to come through for authorities above the floor.

Additional Question: Do you think we should treat the City of London as two notional authorities for floor damping purposes (Option DAMP1)?

This additional question is the result of a partial plea from a single authority to suit their local circumstances, whilst they would benefit from the police block's relatively high floor level. We believe that any such changes should be made based on statistical and formulaic arguments and not according to the level of elements set at Ministers' discretion. Furthermore, whilst such a change would be similar to the treatment of the GLA, the separation of the GLA has a statutory basis and members are mindful that similar arguments could apply to Education/PSS authorities who also have fire responsibilities, such as Warwickshire.

Chapter Twelve: Transfers and Adjustments

Question Eighteen: Which of the four options for removing concessionary travel from lower-tier authorities' do you prefer (CONCF1, CONCF2, CONCF3, CONCF4)?

Question Nineteen: Which of the six options for rolling in concessionary travel to upper-tier authorities' do you prefer (CONCF5, CONCF6, CONCF7, CONCF8, CONCF9, CONCF10)?

The 2007 consultation on the Formula Grant distribution methodology also contained options for distributing concessionary fares funding via Formula Grant. Our response to this consultation confirmed that we did not support the transfer of any funding, either existing specific/special grants or funding for 'new burdens', into the current distribution mechanism. It was our view that, in such a situation as this, new funding be distributed via un-ringfenced specific grant until such a time as the distribution model could direct funding in a satisfactory manner.

From the outset the Government confirmed that the 2010 review of the formula would update the existing system. This has left no opportunity, in the short-term, to address the fundamental flaws in the Four Block Model. As a result exemplifications for the transfer of lower-tier concessionary travel funding (both existing Formula Grant and Special Grant monies) again illustrate how massively flawed the Four-Block Model is.

Government has dictated that the relative block sizes are to remain unchanged, unless a specific exercise of equalisation is to be carried out. This only leaves the Shares of Tax Base as the remaining judgementally controlled element to direct formula grant allocations, now that the RNF formulae are no longer able to. It is therefore unsurprising that it is not possible to adequately direct funding between hundreds of local authorities simply by adjusting 4 figures.

Since no measures have addressed the problems in the Four Block Model, the concerns of the 2007 review remain. Furthermore the Government's continued use of the flawed Four-Block Model serves to undermine the time and effort spent by both Central and Local Government investigating, researching and consulting on new formulae. We are also concerned that the consultation on Formula Grant distribution notes CLG will be developing further proposals for distributing concessionary fares funding. Since the results of this work were not ready in time for the publication of the consultation document, we will not have the opportunity to comment on them. It is therefore of little consequence which option local government select, as funding is highly unlikely to follow the same pattern of distribution.

We feel that it would be most sensible to remove concessionary fares Formula Grant from lower-tier EPCS via option CONCF2. In light of the Ministers recent announcement that a full review of local government finance will take place in 2011, we believe it would be opportune to delay adding these monies to upper-tier EPCS until Central and Local Government can agree on a more practicable, less opposed and more transparent method of Formula Grant distribution. In the meantime both funding streams should be directed to upper-tier authorities via unringfenced Special Grant.

Despite all our significant concerns detailed above, of the options presented we would prefer CONCF6, using the new concessionary travel formula. However, we reserve our position to change our support for any option once CLG have completed their work as we will need to consider the further options that may be available at this point.

Question Twenty: *Should concessionary travel have its own sub-block?*

Whilst we do not feel there is an overriding case for a separate Concessionary Fares block, we would like to take this opportunity to reiterate our support for the Society of County Treasurers long-running campaign for the establishment of a separate Waste Management block that will properly recognise the growing and significant waste disposal costs for members.

Question Twenty-One: *Do you agree with the methodology for adjusting the base position for unadopted drains?*

No comment.

Chapter Thirteen: The Incapacity Benefit and Severe Disablement Allowance Indicator

Question Twenty-Two: *Do you agree that the incapacity benefit and severe disablement allowance indicators should use quarterly data rather (DATA1)?*

We support the use of quarterly data in incapacity benefit and severe disablement allowance indicators since this should help to overcome any distributional turbulence caused by fluctuations in annual datasets.

Chapter Fourteen: Replacing the Children's Income Support Benefit Indicator

Question Twenty-Three: Do you agree that children in out-of-work families receiving Child Tax Credit (CTC) should replace the current children of IS/(IB)JSA claimants (DATA2)?

We believe the Children in Out-of-Work Families Receiving Child Tax Credit (CTC) indicator would be a sensible replacement for the Children's Income Support Benefit indicator. Using a three-year average would also smooth the distributional turbulence caused by annual anomalies.

Chapter Fifteen: Student Exemptions and the Council Tax Base

Question Twenty-Four: Would you prefer that May data only is used for the student exemptions adjustment in the taxbase projections (DATA3)?

We do not support Option DATA3, which would use May data to calculate the level of student exemptions in the Taxbase for RSG Purposes. We acknowledge that the existing October data may not capture the final level of exempt properties since it is so early in the academic year when students may not have yet registered. However, conversely, simply using May data would lead to providing a snapshot of exempt properties that have not been exempt for the full year. We continue to support an option in the 2007 Formula Review that proposed employing an average of the two datasets.

Chapter Sixteen: Updating Data on Low Achieving Ethnic Groups

Question Twenty-Five: Do you agree that the new definition of secondary school pupils in low achieving ethnic groups should be used (DATA4)?

We support Option DATA4. It would therefore provide a timely update and improve the formula's relevance to current service need.

Leader Decision Making Session – 5 October 2010 Minutes- Appendix 3

Local Transport Funding – Response to the Consultation Paper from Warwickshire County Council

05 October 2010

Local Transport Funding Consultation
Department for Transport
Great Minster House, Zone 3/14
76 Marsham Street
London SW1P 4DR

Dear Sir,

Local Transport Funding Consultation Paper - 2010

Warwickshire County Council would like to thank the Department for Transport for the opportunity to respond to the above consultation. We have addressed the questions in the order in which they appear in the consultation paper.

Question 1 - The only change that the Department is considering in either of the two formulae in advance of this year's Local Government Finance Settlement is the option to disregard road condition in the maintenance block formula. What are consultees' views on this approach?

It is the view of this Authority that road condition data should be disregarded and that maintenance block should be allocated based on road length alone. It is considered this is the fairest way to allocate finite resources given the lack of ring fencing for most funding allocations.

Question 2 – What are consultees' views on possible longer term changes to the formulae, in particular on the comments above on potential developments to the IT Block?

Data for factors such as carbon emissions and cycling will be expensive to obtain and are likely to be unreliable indicators. It is considered, by this Authority, that the disbenefits of adding additional indicators far outweigh any potential benefits.

Question 3 – Do consultees agree that there should be a data refresh?

It is important that where data is used to determine funding allocations it should be reasonably up to date. A data refresh is therefore supported.

Question 4 – Do consultees have any comments on the refreshed data as set out in Annex G?

We have no specific comments to make on the refreshed data.

Question 5: Do consultees wish to see transitional arrangements to mitigate the impact of the data refresh, and if so, what should these be?

We strongly believe that in order to represent need accurately and fairly, the formulae for both the IT and HM Blocks must be run using accurate and up-to-date data. Any consideration of transitional arrangements to mitigate the effects should only be considered when there are significant levels of contractually committed cost that authorities' will incur, irrespective of the level of funding they receive.

We do not believe this is the case for capital funding of local transport. By their very nature capital projects funded through this mechanism are relatively small and are usually completed within the financial year. The work is primarily contracted out to third parties on a project by project basis, resulting in a relatively small proportion of capital costs being committed for several years ahead. Therefore the justification for transitional arrangements – that authorities cannot scale down or up their operations in time - does not hold. In these circumstances we do not support transitional funding, especially as it would come from scaling back allocations for authorities who have been “under funded” because out-of-date data has been used in the past.

It should also be pointed out that the impact of any updating of the underlying data will be more than outweighed by the impact of any changes to the quantum of funding available as the result of the Government's plans to close the deficit in the public finances. Any transitional arrangements for data changes will therefore be largely superfluous.

Question 6 – Do consultees agree with the Department's approach for merging funding for structures on the Primary Route Network and for detrunked roads within the maintenance block formula from 2011/12?

For the reasons articulated, in the consultation paper, the Department's approach is supported by this Authority.

Question 7: Would local authorities prefer to receive funding as grant or supported borrowing, and what are consultees' views on the priorities for paying out grant if there is a mix of grant and supported borrowing?

Our strong preference is to receive funding as grant rather than supported borrowing.

The current four-block model for providing revenue support for capital financing costs incurred as a result of taking up supported borrowing is wholly inadequate. For an authority like Warwickshire the “actual” support received by the time scaling factors, relative resource amounts, judgement and damping have been taken into account is less than 7% of the additional costs. We have argued strongly in response to the consultation on the distribution of Formula Grant that the likelihood of reduced resources makes it more important than ever that funding allocations are made using a robust distribution methodology. We, along with almost all of local government, have consistently opposed the continued use of the Formula Grant distribution mechanism, the Four Block Model, as it is not fit for purpose. Elements of the model based on judgement can effectively wipe out the distribution of funding indicated by evidence-based formulae.

As a consequence of the way the formula Grant system works there is a clear financial benefit, to authorities, to receive capital funding as grant rather than supported borrowing. Therefore any split between supported borrowing and capital grant must be fair.

Therefore we would argue that capital grant should, in the first instance be allocated to spending that is less discretionary. A level of maintenance spending is, by its very nature,

unavoidable. Also the life of many maintenance treatments is less than 25 years. Borrowing is more applicable to improvements which generally will add to the asset and have a life of more than 25 years, as this is the period of time which the Formula Grant system purports to allocate grant for the capital financing costs of supported borrowing. For both these reasons we believe there are strong arguments to justify that the majority of capital grant funding highway maintenance.

Also we believe there should be no difference in the type of funding provided due to the nature of the authority or how its transport functions are organised. We believe the prioritisation of capital grant towards IT Block payments to Integrated Transport Authorities (ITAs) and authorities preparing joint Local Transport Plans should stop.

Authorities like Warwickshire and, more importantly, our council taxpayers should not be penalised (by having allocations as supported borrowing, funded via council tax, and not capital grant) because of the different structures for delivering local transport services in other parts of the country. If ITAs have to receive all their capital funding as grant then this should result in reduced capital grant allocations to those authorities that are part of the ITA arrangement and not spread across all authorities.

Question 8: What are consultees' views on the option to allocate the IT and maintenance blocks solely to Integrated Transport Authorities in the six Metropolitan Areas?

We have no strong opinion either way on this issue and would ask that the views of the ITAs and their member authorities are taken into account.

Our only comment of significance would be that whatever option is chosen it has no impact on either the level of allocations or the type of financial support for capital received for authorities that are not part of ITAs.

Question 9: Should Metropolitan Areas and other areas producing Joint Local Transport Plans be allowed to retain the flexibility to vire IT Block funding between authorities as permitted in the last funding settlement?

We have no strong opinion either way on this issue and would ask that the views of the ITAs and their member authorities are taken into account.

Our only comment of significance would be that whatever option is chosen it has no impact on either the level of allocations or the type of financial support for capital received for authorities that are not part of ITAs.

Question 10: Do consultees have any other issues they would like to raise about the calculation or distribution of the integrated transport or highways maintenance blocks, including on the overall size of the blocks relative to other capital funding and relative to each other?

Given anticipated financial constraints we recommend that resources should be prioritised on maintenance allocations and that allocation of grant should shift from integrated transport to maintenance. It is acknowledged that block allocations are not ring fenced and that Authorities are free vire resources. However, a change to allocation priorities by DfT will be a useful reinforcement at the local level of the priority that should be given to maintenance whilst resources are constrained.

We would also like to iterate our comments made in response to the specific questions, that allocations should be made according to need and that the measurement of need should not

be open to distortion as a result of local policies on the allocation of available capital spend by individual local authorities.

**Revenue Support Grant Top-slice for Improvement Services to
Local Authorities - Response to the Consultation Paper from
Warwickshire County Council**

05 October 2010

Richard Daniels
Local Transformation, Improvement and Efficiency
Communities and Local Government
Zone 3/J2
Eland House
Bressenden Place
London SW1E 5DU

Dear Mr Daniels,

**Revenue Support Grant Top-slice for Improvement Services to Local Authorities
Consultation Paper – 2010**

Warwickshire County Council would like to thank the Department for Communities and Local Government for the opportunity to respond to the above consultation.

We support the principles of the proposal for future RSG top-slice funding as set out in Annex A to the consultation letter. We believe that allocating the resource through a single funding body will provide opportunities for economies of scale thereby reducing the costs of support. The removal of centrally imposed restrictions that would accompany such a move is also consistent with our belief that local government should be responsible and accountable for its own actions and finances. We believe local government is best placed to decide how to gain maximum value from the use of this resource.

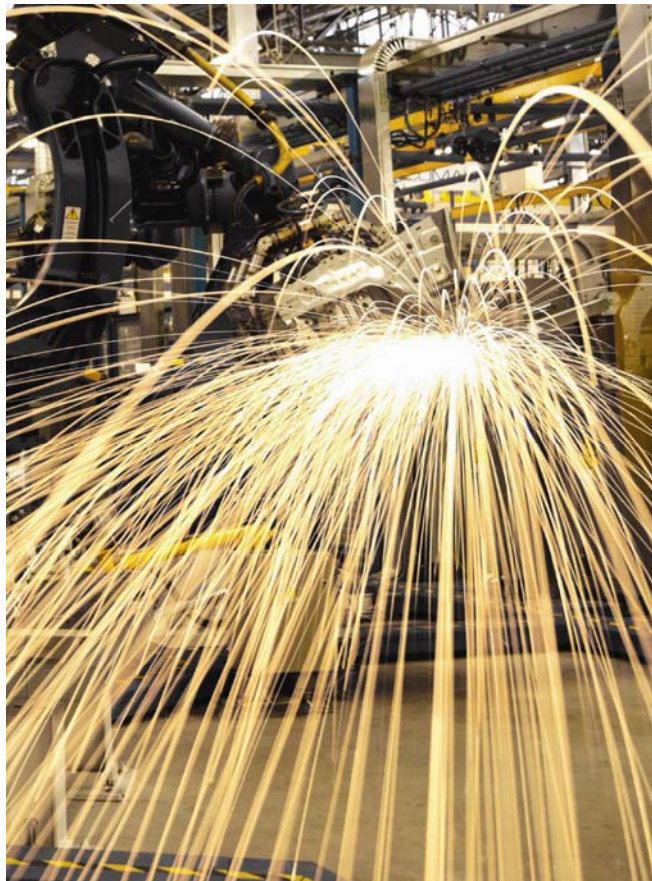
Those organisations currently funded through the top-slice work to support, promote and improve local government. Their remits, whilst wide-ranging, have a focus of delivering improvement in local government. It is this need to maintain focus that underpins our decision to **support the allocation of future funding to be through the LGID**. We believe the LGA has too wide a remit/brief, as a body representing its various constituencies and that the interests of local government, would be better served by utilising a body with a remit more closely focused on the improvement of local services.

BIS | Department for Business
Innovation & Skills

**SKILLS FOR SUSTAINABLE
GROWTH**

Consultation response form

JULY 2010



Skills for Sustainable Growth response form

If you are unable to use the online comments boxes to record your responses, please complete the questionnaire below and send it to:

Atif Rafique
Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET

Phone: 020 7215 1910
Email: skills@bis.gsi.gov.uk

The Department may, in accordance with the Code of Practice on Access to Government Information, make individual responses available on public request.

The closing date for this consultation is 14 October 2010.

Name: Louise Richardson

Organisation (if applicable): Coventry, Solihull & Warwickshire Partnership Ltd

Address: First Floor, Tower Court, Courtaulds Way, Coventry, West Midlands, CV6 5QT

Please tick the option below which best describes on whose behalf you are responding:

<input type="checkbox"/>	General Further Education College
<input type="checkbox"/>	Sixth Form College
<input type="checkbox"/>	Charity or social enterprise
<input type="checkbox"/>	Training Organisation
<input type="checkbox"/>	Local Government
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Large employer (250+)
<input type="checkbox"/>	Medium employer (50 to 250 staff)
<input type="checkbox"/>	Small employer (10 to 49 staff)
<input type="checkbox"/>	Micro employer (up to 9 staff)
<input type="checkbox"/>	Trade union or staff association
<input checked="" type="checkbox"/>	Other (please describe): Sub-Regional Economic Development Partnership

Principles for a skills strategy

1. We welcome views on these principles and whether there are others we should consider.

Welcome the focus on;

- Greater involvement of employers in shaping the demand for skills.
- More empowerment of learners to access the learning they want and need to enable them to progress.
- Learning contributes to tackling poverty and deprivation in a holistic way.
- Learners and employers having access to high quality, impartial information. We think this should include advice and guidance.
- Greater freedom for college and training providers to respond to employer and local demand. We believe there should be measures to hold them to account to demonstrate they are doing this at a local level ie through LEPs or County Council.
- A move to ensure that a proportion of public funding is targeted at those who are most in need and who have least benefitted from learning opportunities in the past. The remainder is spent on a best return.
- All learning being supported whether it is for improving skills, employability or learning for its own sake. Learning supports individuals and communities to help themselves and builds the social capital essential to support the big society.

2. How can we further simplify the skills system, including the number, roles and responsibilities of the many organisations working in the system?

(original response doesn't answer question)

Reduce number of public sector bodies that colleges and other providers have to work with to deliver skills

Reduce, simplify and clarify who does what in the system.

Formal recognition of LEP to identify local skills needs

3. In view of the current fiscal deficit, what areas of public investment in skills could be reduced and where could private investment be increased? What are the main constraints on changing the balance between public and private investment and how could these be overcome?

(Original response doesn't take into consideration the QCF and doesn't answer the question of constraints.)

Change culture in the assumption that Central Government pays for all training.

Employers recognise the value of upskilling staff.

Individuals recognise the return of investment in improving their own skills.

A respected and credible training offer

4. How could the Apprenticeship programme be improved? What can be done to increase the proportion of apprentices progressing to Level 3 and beyond? What and how should employers contribute to Apprenticeships?

We believe both learners and employers value apprenticeships. We need to tell the story better, an example from our area is that one provider of engineering training has identified that most of the chief executives of small and medium sized engineering companies started life as apprentices, his message is "if you want to be a chief Executive of an engineering SME the best and fastest way is to do an apprenticeship".

We need to make it easier for more small businesses to offer apprenticeships through the removal of HR burdens associated with them. Fiscal incentives to small and medium sized businesses to offer apprenticeships could also be considered. We also need to ensure that employers are properly informed about apprenticeships opportunities through access to clear information about the benefits of participation.

There also needs to be more (technical?) and higher level apprenticeships with clear progression routes.

5. We welcome views on how best to support people who might in time benefit from an Apprenticeship but who do not currently have the skills to begin one.

We believe that answer lies in employer incentives to minimise the risk to an employer from employing and offering experience to an individual who is not the most qualified but has aspiration and a positive attitude. There are many thousands of stories of young people who were given a chance with an employer, grew in confidence and developed the skills and attitude to do their apprenticeship.

Clear progression routes must be included in the Work Programme.

The National Curriculum must offer a clear route to those learners where Apprenticeship is the appropriate option.

6. We welcome views about progression from Level 3 Apprenticeships into higher education, including whether there is demand for Higher Apprenticeships at Levels 4 and 5.

Refer to Aimhigher WOT Group (via Phil Dent, Aimhigher)

7. How should we ensure that training leads to real gains in skills, knowledge and competence and not just the accreditation of existing skills?

A key challenge to this issue is that the OFSTED framework for inspection of training providers has the strongest emphasis on accreditation and attainment. It does not give the credit that is deserved for developing strong work attitudes and the employability skills that employers need and demand.

Consideration must be given to baseline assessment of individual learning needs and linking to funding when accrediting prior learning.

8. How can we incentivise colleges and training organisations to offer a flexible and cost-effective 'needs-led' offer for people who are out of work or at risk of becoming unemployed?

We must design provision so it meets the unemployed person's individual agenda rather than it being something that is done to an individual. As soon as learning become fun or at least "not a humiliation" it becomes desirable. The most common heard phrase from unemployed people with low skills is "I didn't do well at school OR school and me didn't get on, I hated it". If we personalise learning and put on programmes that fit / meet their needs then learners will want more. It will cost more to provide learning in this way but will save much more because drop-out rates will reduce and achievement and progression will be higher.

Introduction of a points led system for those most in needs which would give increased funding to providers.

One set of paperwork for all Government-funded learning.

9. How can we encourage colleges and training organisations to make the transition from learning to work as smooth as possible, enabling progression in the workplace, as well as to further learning?

(Original response doesn't answer the question

:

Strengthening partnerships between trainers and employers via the LEP.

10. How can we better promote enterprise education in further education colleges and throughout the training system?

Make competencies that relate to enterprise a core part of training programmes and consult with Centres of Curriculum Excellence on programme development.

Funding and entitlements

11. Should Government continue with an entitlements based approach? How can we ensure that Government money is targeted where it is needed most and where it will achieve most value?

Yes, promoting the aims of Life Long Learning that should not be age bound.

Helping individuals and employers choose the learning they want

12. How can the learning market be made to work more efficiently, effectively and economically and to be more responsive and accountable to demand by individuals and employers, while also delivering value for money?

Introduction of a national database linking all provision. This should include a method of recording learner feedback.

13. We welcome views on how best to ensure employers are able to shape the skills system to meet their needs.

Employers working proactively with their Sector Skills Councils and greater involvement of SMEs with Sector Skills Councils.

14. We are interested in views on what more might be needed to make the system responsive to employer needs.

The system has the potential to be responsive but greater understanding is needed by employers and deliverers of the QCF and how to maximise its use to the benefit of all

There will need to be more focus on leadership and management development to support business growth and to help business have the skills to exploit new markets. More bite sized learning approaches could help fill skills gaps.

15. Which qualifications have most value for employers and learners? Which do not have value? How do we evolve the Qualifications and Credit Framework so that it focuses on the former and removes the latter?

The Coventry & Warwickshire Chamber of Commerce Survey July 2010, and the Annual Employer and Skills Survey both show that customer service, managerial and technical skills (especially in manufacturing) are needed. The survey also showed that 'work preparedness' is particularly important amongst young and unemployed people. It is not just vocational qualifications that are important, but also the softer people skills such as management and customer service type skills that are valued and needed.

Rate of return analysis required for every qualification.

16. How can we improve the accessibility and quality of careers information, advice and guidance services for adults?

LMI should be applied when giving IAG services but LMI should reflect community policies and working patterns in geographic . Consideration should be given to future as well as current economic need.

We welcome the new Next Step service and its strong focus on the labour market. There is still a need to "join up" careers information, advice and guidance service for young people with the service for adults. We believe the strong emphasis on quality coming from government backed up by OFSTED inspection framework will soon result in improvements to quality of delivery. One simple thing we could do would be to encourage providers of learning to refer learning who are not clear on learning they want to do and why to the adult careers services, currently this rarely happened because the providers is concerned that they will receive advice about other learning opportunities with different providers hence the provider could loose a customer.

17. We welcome views on the vision for lifelong learning accounts, and their potential usefulness.

We believe the vision for lifelong learning accounts is a good one. To make it a success it will require greater collaboration between key stakeholders and consistency of advice nationally. c

18. We welcome views on approaches to informing learners and employers including how better information can be made available while reducing bureaucracy.

We believe there should be one national data base OR every provider web-site is hyper linked to all the others. Our experience is that potential learners want to be able to simply get the answers to the following questions;

- What qualifications / courses are on offer?
- How much do they cost? What help is available to pay for them?
- How many people who previously did the course passed / failed / didn't finish?
- What difference did it make to those learners who've done the course?

Refer to Q12 re single national database.

Giving colleges and training organisations the freedom to respond

19. We welcome views on our planned measures for simplification and freeing colleges and training organisations.

Comment will be made via our response to the consultation paper on 'A Simplified FE and Skills Funding System and Methodology

20. How can we enable colleges and training organisations to be more efficient and responsive to the needs of employers, learners and their community but without adding new layers of control by local bodies?

Remove statutory obligations

21. What mechanisms could we use to hold colleges and other training organisations to account for their performance in responding to employers' needs and for prioritising training that adds real economic value?

Service users should holding training providers to account via rate of return analysis as in response to Q15.

Incentives to train in priority areas

22. Do we need a framework that will enable and encourage employers and individuals to invest in training in priority areas and for colleges and other training organisations to provide appropriate courses?

Introduction of fiscal incentives where appropriate. Subsidised training programmes for sectors where there is economic need.

23. Should we promote training innovation, particularly in rapidly changing or wholly new areas of the economy? If so, how might we do this?

The Local Enterprise Partnership should identify new growth areas for which there should be extra financial support to help the college and training organisations with new start up costs for new provision.

24. How can we ensure employers can access high quality labour market information?

The key is to make it simple. Each LEP should have a local labour market information website for use by employers, teachers, lecturers, advisors etc which has simple information. It will need robust content but will need to be written and presented in an accessible style.

Each LEP to input into a national LMI website to reduce burden on employers.

Encouraging a more productive workforce

25. What would enable businesses to use skills as a driver of productivity and business improvement?

Show rates of return for businesses and fiscal incentives to encourage investment in skills.

26. We welcome views on ways in which businesses can be encouraged to increase the UK's leadership and management capability to create better run and more highly performing businesses.

Answer as Q 25

Reinvigorating adult and community learning

27. How could we encourage the development of productive partnerships with third sector organisations?

- The Coventry Partnership's Economy, Learning, Skills and Employment Theme Group plays an important role in building strong and sustainable partnerships across services, with other public sector services and learning providers, and with the third sector organisations that are often the most effective at reaching the people who have had the fewest opportunities in the past. Such partnerships will be a key catalyst in helping the Big Society to take shape and supporting the most disadvantaged individuals to progress in their lives.

This second bullet is descriptive and not an answer

- The third sector has an increasing and important role to play in learning and skills. There are many examples of effective models of collaborative partnership in the skills sector. These play on the key strengths of the various partners, with third sector organisations providing the connections with and support for vulnerable groups.

Adult and Community Learning Services are a natural partner for the Third Sector. We have a similar ethos and are working in the same local communities. Partnerships go from strength to strength in spite of some major issues. These include imposed constraints such as increasing bureaucracy, quality assurance processes, inspection and funding restrictions.

We are still concerned that this may only be seen in terms of college based provision. Many of our third sector partners struggle with that context which is so different from ours. It would be good to have recognised the diversity of the work we do, particularly in regard to community development. We bring funding and practitioners to these partnerships, which are brokered in a relationship which focuses on actual need.

ACLs exist because of the expertise of all staff in working with communities and individuals. We are used to meeting the needs of learners and communities and not working to our own agenda. We are a key player in developing communities.

We want to continue to work within local authorities, linking with Local Strategic Partnerships. We can bring more than just literacy, numeracy and language skills to our work. We also offer wider aspects of employability such

as assertiveness and social skills and have a successful record of engaging with employers in Warwickshire, albeit on a small scale.

Our service is working effectively already but would welcome opportunities to develop and embed a sustained response. We would welcome a future based in a culture of continuous improvement and reflection and responsiveness to need.

28. We welcome views on new ways that colleges could be used to support the community.

Access to employability, including welfare to work provision; support for 'first steps' learning (including Pre-apprenticeship training); offering progression to apprenticeships, Level 2 and beyond; and securing effective support to enable marginalised or vulnerable groups to undertake learning which successfully supports access to labour markets.

Workforce development, supporting employers and employees in developing skills, knowledge and understanding to enhance business success; individual opportunity in existing jobs and career development and social mobility through learning programmes offered in and outside the workplace; supporting trade union learning indicatives' and encouraging new and emerging enterprises through initiatives to foster innovation and entrepreneurship.

A locus for creating and sustaining social capital by fostering critical and informed engagement with social, political and moral issues; in the words of the Prime Minister, "broadening the mind, giving people self-belief, strengthening the bonds of community". In this way colleges contribute to a tolerant participative democracy that encourages appreciation and participation in the arts, sports and cultural activities as well as community engagement.

29. How could adult and community learning be reinvigorated? We especially welcome ideas for how businesses and others could be encouraged to engage in supporting local community learning to help create local ownership and momentum.

Ensure continuation of safeguarded learning by:

Putting purchasing power in the hands of learners (including people retired from the labour market) through lifelong learning accounts.

Running a programme of innovative demonstration projects – not only in colleges but also in the third sector bodies and local authority services to develop capacity for Big Society indicatives, focussing on family learning and learning for active citizenship.

Supporting those who have particular needs to be met before they are likely to find paid employment.

Measuring success

30. We welcome views on those indicators of success would be most useful to you or your organisation.

(Unsure how to hold any establishment to account for any of the measures suggested).

Measure by success rates, learner satisfaction, rates of return.

Do you have any other comments that might aid the consultation process as a whole?

Please use this space for any general comments that you may have.

Comments on the layout of this consultation would also be welcomed.

Leader Decision Making Session – 5 October 2010 – Minutes Appendix 6

BIS | Department for Business
Innovation & Skills

A Simplified Further Education and Skills
Funding System and Methodology

Consultation Response Form

July 2010

Simplified Further Education and Skills Funding System and Methodology Consultation Response Form

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

The closing date for this consultation is 14/10/2010

Please return completed forms to:

Jessica Ward
FE & Skills Investment Directorate
Department for Business, Innovation and Skills
1 Victoria Street
London
SW1H 0ET

email: fe.fundingreview@bis.gsi.gov.uk

Please can you tick a box from a list of options that best describes you as a respondent. This allows views to be presented by group type.

<input type="checkbox"/>	General Further Education College
<input type="checkbox"/>	Sixth Form College
<input type="checkbox"/>	Charity or social enterprise
<input type="checkbox"/>	Training Organisation
<input checked="" type="checkbox"/>	Local Government
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Local Government
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<input type="checkbox"/>	Small employer (10 to 49 staff)
<input type="checkbox"/>	Micro employer (up to 9 staff)
<input type="checkbox"/>	Trade union or staff association
<input type="checkbox"/>	Other (please describe):

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

Question one: paragraphs 12 and 13

In paragraphs 12 and 13 we describe a proposed streamlined FE system based on principles of a marketplace with empowered informed customers, trusted colleges and training organisations, a focus on outcomes and a minimal role for Government intervention.

Q1. We welcome views on whether these are the right principles for a streamlined FE and Skills system - are there any others?

Yes, the principals seem appropriate.

But along with LEA FEA we “broadly support the key elements of the proposed system listed in paragraph 13. However, we have some reservations as to whether more time might be required in some cases for full implementation of the proposed establishment of a single route for adult public funding”.

Question two: paragraphs 12 and 13

Following paragraphs 12 and 13 we would also like to identify further areas requiring simplification.

Q2. We welcome views on whether there are other areas of the wider FE and skills system that should be focussed on to simplify systems and processes and reduce burden?

Yes, with the exception of SSC's, the other government bodies in this arena tend to confuse issues rather than help, we need a clearer description of who does what and the list should be minimal if we are to keep to the principal of Self Governing provider base

Question three: paragraph 14

In paragraph 14 we described the potential for extending a single budget approach for post-19 provision to include other areas such as programmes for the unemployed and the current Adult Safeguarded Learning budget.

Q3. We welcome views on the benefits of extending the current approach to a single post-19 funding stream and whether there are alternative models to consider.

Support establishment of a single post-19 budget as a medium term goal, but recommend that ACL budget remains ring fenced until thinking around the creation of the Big Society has crystallised and gained momentum and pending the development of a structured approach to enable ACL to contribute fully to the achievement of the Big Society.

In summary ACL in Warwickshire would welcome the introduction on a single adult budget for post 19 learning as long as due regard is given to equitability and that such a budget is protected, at least in the short term, to enable the continuation of learning in our County. We would ask, though, that the contribution which ACLs make across a variety of national and local agendas is recognised and sustained. We would wish to continue to work with our partners (both third Sector and corporate) in order to meet the needs of our most vulnerable learners, by giving them both the hope and the skills for a better future.

Question four: paragraph 16

In paragraph 16 we ask for feedback on the benefits of giving colleges and training organisations a funding envelope covering the Spending Review period (subject to responsiveness and quality of provision).

Q4. Would a funding envelope covering the Spending Review period support improved delivery and performance - if so to what extent?

Yes **No**

ACL would support this. The current funding arrangements leave little time for planning and do not coincide with local authority budget setting, etc.

Extremely important to ensure thorough curriculum design and the sureties that courses (if appropriate) are going to continue to run.

Question five: paragraphs 17 and 18

In paragraphs 17 and 18 we describe an alternative approach to routing funding previously given to the Learning and Skills Improvement Service (LSIS) to colleges and training organisations.

Q5. We welcome views on how the sector should take the lead in determining the funding allocated for LSIS and the broad parameters of how this is spent.

No Comment

Question six: paragraph 21

In paragraph 21 we examine some of the issues surrounding funding for the most disadvantaged learners, and explore options for ensuring the funding system supports and does not act against supporting the most disadvantaged.

Q6. We welcome views on how we can ensure the funding system supports the sector in responding to the needs of the most disadvantaged.

Rate each QCF qual with a rate of return and then apply funding proportionately. Instigate a National website holding details of all provision in England, make it contractual that Colleges and providers keep it up to date on an annual basis and then allow users to leave ebay style feedback against it.

Pay a premium for vulnerable learners, including the unemployed, those on low incomes and people with learning difficulties and disabilities.

Questions seven and eight: paragraph 24

In paragraphs 21 - 24 we describe possible future systems in which the level of public subsidy is differentiated according to the type of learner, or the type of learning.

Q7. We welcome views on whether the approach to public subsidy should be differentiated.

.Yes, and differentiated on the need of the labour market based either on England plc data or with the LEP's at a local level determining from a preset list which quals are needed most on their patch.

Q8. We welcome views on whether employers should be accommodated through different measures within the funding system based on their size

Yes, but more around better support for small companies (50 or less employees rather than just cutting the really big ones.

Question nine: paragraph 27

In paragraphs 25-27, we set out how we could implement the recommendation made by the Independent Review of Fees and Co-funding in FE in which it was suggested that public funding should follow and match the choices and private co-investment contributions of learners and employers.

Q9. We welcome views on the practical implications of taking into account the need for optimising co-investment and the need for simplification.

Whilst the principle and theory are sound, the process could increase the bureaucracy for all involved

Question ten: paragraph 30

In paragraph 30 we explore options for streamlining the approach to fee subsidies including: establishing a nationally defined group or learners eligible for full fee subsidy, using a learner premium to encourage providers to cater for certain groups of learners and supplementing a national approach with a locally-determined bursary scheme.

Q10: We welcome your views on streamlining the way in which we currently support learners' additional needs including what (if any) aspects of current arrangements should remain.

If you introduce local bursary style system you are significantly increasing the public administration, a Learner Premium, simila to the pupil premium seems logical.

ACL in Warwickshire has never received separate funding for additional learner support. We would welcome it. Many of our learners have declared disabilities. Warwickshire has an ageing population, and many of our learners wishing to join informal learning classes have disability needs. The service experiences a lot of financial strain supporting these. Although the growth of a volunteering base in the County is helping, we still need to purchase equipment and software, and ensure that our teaching staff are trained to offer appropriate support.

Question eleven: paragraph 34

In paragraphs 31-34 we set out the need to balance supporting the flexibility of the Qualification and Credit Framework against the reduced funding available.

Q11. We welcome views on targeting funding where it will have the most impact; what elements of the Qualification and Credit Framework should be eligible for funding and why?

Have each qual on the QCF have a rate of return on it that can be used to target funding.

Question twelve: paragraph 40

In paragraphs 35-40 we describe a possible future system in which we move away from funding on the basis of estimated costs of delivery towards a price model based on funding for outcomes delivered

Q12. We welcome views on the benefits of moving to a more price-driven system; including how we would mitigate against the risk of focusing too much on a single outcome at the expense of the quality and relevance of the learner experience.

Some learning is about the journey, not just the outcome – a qualification can be a useful skill learnt or it can be a bit of paper, outcomes should include customer satisfaction – we need some feedback method so prospective new learners or employers can see the worth of what they are proposing to buy.

Question thirteen: paragraph 41

In paragraph 41, we examine different means of delivering Further Education, through e-learning and the efficiencies this can bring.

Q13. Are there any other barriers to the sector delivering more efficiently and effectively?

Yes No

Location/transport issues.
Historic 'ways of working' of some Colleges/providers
Employers believing training has ever been 'free' – the culture of offering 'free' NVQs etc has been extremely damaging to any value of training.

Question fourteen: paragraph 42

In paragraph 42 we set out options for how we could streamline the current approach to rate setting, including bands of funding levels based on the size of the qualification on the Qualification and Credit Framework, the characteristics of the learner or a combination of the two.

Q14. We welcome views on whether there are alternative approaches that could be considered (including maintaining the status quo) which meet the principles of simplification and value for money; if so, how might they work?

No Comment

Question fifteen: paragraph 44

In paragraph 44, we discuss possible changes to the way the programme weighting is used, perhaps with a standard programme weighting applied across a sector subject area.

Q15. We welcome views on how this might be achieved, and whether its benefits would justify the change

Benefits would be justified if it could focus on the skills needed for the workforce locally.

Question sixteen: paragraph 48

Paragraphs 47 and 48 discuss the possibility of there being a different but related basis for determining funding rates for Apprenticeships compared with other provision

Q16. Should there be a different approach to setting rates for post 19 Apprenticeships?

Yes No

It should follow the same principles for the funding for 16-18 yr old Apprenticeships.

Standard assumptions seem sensible.
Need to involve SMEs more with SSCs and also ensure there is genuine feedback from learners and employers about provision being offered.

Question seventeen: paragraph 51

In paragraphs 49-51 we describe a possible future system in which the provider factor is more transparent.

Q17. We welcome views on whether there are other elements of the provider factor that could be removed / simplified in light of the proposed approach to allocations, rates and funding?

No Comment

Question eighteen: paragraph 52

In paragraph 52 we describe possible future systems for funding allocations, with option 1 including adjusting the overall budget based on the previous year's delivery, adjusted for quality and responsiveness, and option 2 including core and marginal funding.

Q18. We welcome views on the options – including how we could use the approach to marginal funding to reward good performance in delivering quality outcomes in response to learner and employer needs.

Option 2 sounds better, but would increase the process administration and might damage partnerships at a local level.

Question nineteen and twenty: paragraph 55

In paragraphs 53-55, we describe how currently 8% of Skills Funding Agency funding goes to 778 providers with allocations of less than £1m, and suggest an approach to minimum contract levels to reduce the number of direct contractual relationships between colleges and training organisations and the Skills Funding Agency.

Q19. Should some areas of provision and/or types of provider be exempt from minimum contract levels?

Yes No

Local Authorities should not have to subcontract through a provider
Any minimum contract value should include YPLA funded delivery otherwise some large 16-18 FL providers who have smaller adult work could suffer and that could affect the 16-18 provision.

Care needs to be taken to ensure a MCV would not eliminate small specialised providers from the market or put barriers up to new entrants.

We agree with the following statement from LEAFEA:

“LEAFEA recognises that the Skills Funding Agency needs to streamline its operations in the interests of cost and efficiency and appreciates that in many instances a system of minimum of contract levels will be a useful approach to this. At the same time such a move will see a greater concentration of power in the hands of fewer and larger organisations – which is surely contrary to the ideals of the Big Society. Nevertheless, we see no obvious reason why the ASL budget per se should be exempted from this approach if it is adopted but we do envisage considerable difficulties if the approach were to be applied to local authorities in their role of Skills Funding Agency contract holders.”

Q20. We welcome views on what the “right” minimum level might be.

If a minimum contract value is a given, £1000000 sounds right, but needs to include any 16-18 government funded provision –the more sensible route would be to have 1 government funding body for all skills training not delivered in schools – potentially including HE as well given a lot of Colleges and training providers now deliver Foundation degrees.

Question twenty-one: paragraph 57

In paragraphs 56 and 57 we describe a possible future system involving sub-contracting and actions to ensure this is efficient and mitigate any risks.

Q21. We welcome views on the risks of greater sub-contracting, what can we and the sector do to minimise those.

We believe sub contracting could have a serious effect and remove from the market some smaller, more specialised providers, but also put a barrier to new providers entering the market.

A move on the part of the Skills Funding Agency from managing a large number of small contracts to monitoring the management of an equally large number of small sub contracts is unlikely to achieve the sort of streamlined approach intended.

Question twenty-two: paragraph 66

In paragraphs 61-66, we describe a system in which colleges and training organisations are accountable to learners and employers through provision of information, including on outcomes.

Q22. Do you think it would be reasonable to expect this information to be publicly available on a monthly or quarterly basis?

Monthly Quarterly

From contract management Monthly makes sense, but public do not need this so frequently.

Question twenty-three: paragraph 68

In paragraphs 67 and 68 we reflect on the impact of changes in the consultation on the potential to reduce data burdens for colleges and training organisations.

Q23. We welcome views on the extent to which the proposals in this document help to reduce the burden of data collection? Are there other areas that need attention?

Yes, the differing paperwork and processes used for skills programmes funded from DWP through JCP than that of DBIS.

Question twenty-four: paragraph 69

In paragraph 69 we describe a payment system for colleges and training organisations with introduction of automated contract adjustment.

Q24. We welcome views on whether there are other changes that would promote simplification and better value for money.

If only contracting with bodies over £X Million, why have different funding models between Colleges and Providers?

Question twenty-five: paragraph 72

In paragraphs 70-72 we describe a possible future system in which a single audit framework using internal and external audits colleges and training organisations are already required to use remove the need for Skills Funding Agency audit.

Q25. We welcome views on the existing aspects of the audit approach that would need to be included in a framework for use by external auditors? Are there alternative approaches to build on existing practice?

The SFA has responsibility for the Audit of the FE Estate – however in some cases these Colleges are over 80% 16-18 provision, better communication is needed with the LA who are responsible for commissioning the 16-18 provision to ensure they are fully aware of any Audit findings that could affect the 16-18 provision.

Question twenty-six: General

As a general question:

Q26. We welcome views on whether there are any other areas not covered in this document that could realise significant efficiencies if we simplified or streamlined.

Merge the YPLA and SFA responsibilities into 1 body so we have 1 funding body and not 2 separate government agency's / bodies when we are trying to get something resolved.

Question twenty-seven: General

As a general question

Q27. Are these changes suitable to be taken forward specifically for 19+ provision?

Yes No

Need to include 16-18 non school provision so colleges, providers and LA's are only dealing with 1 system.

Question twenty- eight: Implementation

As a general question

We would welcome your views on the key considerations that we need to take into account when implementing any changes.

Ensure no loss of service to the customers – the learners and employers.

Do you have any other comments that might aid the consultation process as a whole?

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply

Consultation on School Funding 2011-12: Introducing a Pupil Premium

Consultation Response Form

The closing date for this consultation is: 18
October 2010

Your comments must reach us by that date.

If your enquiry is related to the policy content of the consultation you can contact either:

Juliet Yates on: telephone: 020 7340 8313 e-mail:

juliet.yates@education.gsi.gov.uk, or

Ian McVicar on: telephone: 020 7340 7980 e-mail:

ian.mcvicar@education.gsi.gov.uk

If you have a query relating to the consultation process you can contact the Consultation Unit on telephone: 0870 000 2288 or email:

consultation.unit@education.gsi.gov.uk

Please select **ONE** category which best describes you as a respondent:

<input type="checkbox"/> School	<input type="checkbox"/> Schools Forum	<input type="checkbox"/> Governor Association
<input type="checkbox"/> Teacher	<input type="checkbox"/> Local Authority Group	<input checked="" type="checkbox"/> Individual Local Authority
<input type="checkbox"/> Teacher Association	<input type="checkbox"/> Other Trade Union/Professional Body	<input type="checkbox"/> Early Years Setting
<input type="checkbox"/> Campaign Group	<input type="checkbox"/> Parent/Carer	<input type="checkbox"/> Other

Please Specify:

Warwickshire County Council

1 Do you agree it is right to give a higher premium to areas that currently receive less per pupil funding? [Paras 24 - 27]

Yes

No

Not Sure

Comments:

Warwickshire would support this approach as currently it receives a relatively low level of funding from the Department for Education, despite facing many of the same pressures as other, better funded authorities. Whilst the proposal to equalise funding levels for deprivation is welcome, Warwickshire would also hope to see a more fundamental review that acknowledged historical levels of investment in education raised locally whilst ensuring that relative levels of total education funding need to be brought closer together to ensure that all pupils have a basic entitlement.

2 What is your preferred deprivation indicator for allocating the pupil premium? [Paras 29 - 50]

<input type="checkbox"/> FSM - in year	<input type="checkbox"/> FSM ever - 3 year	<input type="checkbox"/> FSM ever - 6 year
<input type="checkbox"/> Out of Work Tax Credit	<input type="checkbox"/> ACORN/MOSAIC	<input type="checkbox"/> Other (not listed)
<input checked="" type="checkbox"/> Not Sure		

Comments:

Although there are drawbacks to the Free School Meals indicator, Warwickshire would support its continuation, but has no particular view on how to calculate the indicator. However, if FSM is to be used, eligibility irrespective of parental responses, should form the basis of the measure. We are also keen to emphasise that any proxy measure of additional educational needs due to deprivation needs to be sensitive enough to identify pockets of deprivation in a larger Authority. Any approach which creates an average across a broad and complex area as any County Council is not adequate. For example in Warwickshire we need to support pupils from a wide variety of backgrounds including those from the 10% most disadvantaged (based on Index of Multiple Deprivation 2007).

3 Do you agree the coverage of the pupil premium should include Looked After Children? [Paras 51 - 54]

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

Warwickshire strongly supports this proposal, given the current attainment levels (both nationally and locally) of this particular group. However, it would be keen to ensure that there is some sort of direct accountability to ensure that schools spend scarce resources on the pupils for which it is intended.

4 What are your views on the operation of the Looked After Children element of the pupil premium? In particular, how might the funding arrangements work at

local authority level for pupils educated outside of the local authority with caring responsibility? [Paras 55 - 60]

Comments:

Warwickshire supports the extension of the coverage of the pupil premium to Looked After Children, but has no strong views on the precise operation of the funding arrangement.

5 Do you think the coverage of the pupil premium should be extended to include additional support for Service children? [Paras 61 - 66]

Yes

No

Not Sure

Comments:

Warwickshire strongly supports this proposal. Authorities need to sustain school provision near barracks and need to be able to provide security of funding to these schools. This principle should also apply to provision of places for 3 and 4 years olds where nurseries may need to be maintained for periods when numbers of children fall.

6 Should the pupil count for three year olds, used to allocate DSG for 2011-12, reflect actual take up or continue to reflect a minimum of 90% participation where lower? [Paras 75 - 76]

Actual Take-Up

90% Minimum

Not Sure

Comments:

Warwickshire takes the view that all authorities have now had sufficient time to encourage take up to 90% and the financial distribution should not disadvantage those authorities who have focussed on this area by effectively subsidising those authorities who have not placed due emphasis on the importance of early years.

7 Should the pupil count used to allocate DSG for 2011-12 continue to reflect dual subsidiary registrations for pupils at pupil referral units? [Paras 77 - 78]

Yes

No

Not Sure

Comments:

Warwickshire has encouraged dual registration as a mechanism for ensuring appropriate support for those pupils who require such an approach. It seems sensible to ensure that only main dual registration should be funded, as subsidiary registration is unlikely to require the same level of funding.

8 Do you support our proposals for additional support for schools catering for Service children? [Para 79]

Yes

No

Not Sure

Comments:

No further comments (beyond that highlighted in response to Question 5).

9 Do you support our proposals for home educated pupils? [Para 80]

Yes

No

Not Sure

Comments:

No further comments.

10 Do you think that there should be a cash floor at local authority level in 2011-12? [Para 85]

Yes

No

Not Sure

Comments:

Warwickshire has consistently criticised the Minimum Funding Guarantee (MFG) for running counter to local priorities (as expressed in the local schools formula) and this acts as a cash floor for schools, so we continue to lobby for its abolition. However, there must be recognition that removing the MFG (or any other funding) takes time, so to avoid undue turbulence, an immediate withdrawal of any cash floor is not appropriate for 2011-12.

11 Have you any further comments?

Comments:

Warwickshire would support the general continuation of the "spend plus" methodology as historically some Local Authorities such as Warwickshire had put more of their own money into education (than that estimated necessary by Whitehall) and for that funding to be directed elsewhere is perceived here as unfair. Local levels of investment in school funding are an example of 'localism'. If resources are redistributed then Warwickshire pupils should not be disadvantaged, as local taxpayers have previously paid to contribute to this level of education.

It is important that Authorities are given an indication of the impact of the proposed funding changes as soon as possible in order to support planning for individual schools and support services.

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, would it be alright if we were to contact you again from time to time either for research or to send through consultation documents?

Yes No

All DfE public consultations are required to conform to the following criteria within the Government Code of Practice on Consultation:

Criterion 1: Formal consultation should take place at a stage when there is scope to influence the policy outcome.

Criterion 2: Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

Criterion 3: Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

Criterion 4: Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

Criterion 5: Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.

Criterion 6: Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

Criterion 7: Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

If you have any comments on how DfE consultations are conducted, please contact Donna Harrison, DfE Consultation Co-ordinator, tel: 01928 794304 / email: donna.harrison@education.gsi.gov.uk

Thank you for taking time to respond to this consultation.

Completed questionnaires and other responses should be sent to the address shown below by 18 October 2010

Send by post to: School Funding Consultation 2011-12, Funding and Technology Unit, Department for Education, Level 3, Sanctuary Buildings, Great Smith Street, London SW1P 3BT.

Send by e-mail to: dsg.consultation@education.gsi.gov.uk