

Children and Young People Programme Board

Agenda

Tuesday 6 September 2011

11.00 am

Conference Hall,
Mary Sumner House,
24 Tufton Street,
London
SW1P 3RB

To: Members of the Children and Young People Programme Board
cc: Named officers for briefing purposes

LG Group Children and Young People Programme Board
6 September 2011

There will be a meeting of the LG Group Children and Young People Programme Board at:

11.00am on Tuesday 6 September 2011, in the Conference Hall, Mary Sumner House, 24 Tufton Street, London SW1P 3RB

Attendance Sheet

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

Apologies

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.

Labour: Aicha Less: 020 7664 3263 email: aicha.less@local.gov.uk
Conservative: Angela Page: 020 7664 3264 email: angela.page@local.gov.uk
Liberal Democrat: Evelyn Mark: 020 7664 3235 email: libdem@local.gov.uk
Independent: Group Office: 020 7664 3224 email: independent.group@local.gov.uk

Location

A map showing the location of Mary Sumner House is printed on the back cover.

LGA Contact:

Lucy Ellender Tel: 020 7664 3173 Fax: 020 7664 3232;
e-mail: lucy.ellender@local.gov.uk

Carers' Allowance: As part of the LGA Members' Allowances Scheme a Carer's Allowance of up to £5.93 per hour is available to cover the cost of dependants (i.e. children, elderly people or people with disabilities) incurred as a result of attending this meeting.

Hotels: The LG Group has negotiated preferential rates with two hotels close to Local Government House – the Novotel (020 7793 1010), which is just across Lambeth Bridge and the Riverbank Park Plaza (020 7958 8000), which is along the Albert Embankment. When making a booking, please quote the LGA and ask for the government rate.

http://www.parkplaza.com/hotels/gbriver?s_cid=se.bmm2175

<http://www.novotel.com/gb/hotel-1785-novotel-london-waterloo/index/shtml>

Agenda

Children and Young People Programme Board

6 September 2011

11.00 am

Mary Sumner House

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1.	Welcome and Introductions		11.00
	<ul style="list-style-type: none"> • Membership • Terms of Reference 		
2.	Youth Policy and NYA improvement Support	7	
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3.	Arrangements for the inspection of Local Authority Children's Services: Ofsted Consultation	17	
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4.	What should the Board's focus be for 2011/12?	27	
	Lunch		13.00
5.	Children and Young People Programme Plan 2011/12	29	13.30
6.	The Challenges for the next year - ADCS	43	
	<ul style="list-style-type: none"> • Matt Dunkley, Chair of ADCS 		
7.	Board Business		14.30
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	Close		15.00

Date of Next Meeting: 20 October 2011, ExCel Exhibition Centre (National Children and Adult Services Conference)

Children and Young People Programme Board

Date: 19..8.11

Children and Young People Programme Board - Membership 2011/2012

Councillor	Authority
Conservative (6)	
David Simmonds [Chairman]	Hillingdon LB
Paul Carter	Kent CC
David Pugh	Isle of Wight Council
Baroness Shireen Ritchie	Kensington & Chelsea RB
*Derrick Murphy	Norfolk CC
*Robert Light	Kirklees MBC
Substitutes:	
*Cllr Susie Charles	Lancashire CC
*Roy Perry	Hampshire CC
*John Osman	Somerset CC
Labour (5)	
Rita Krishna	Hackney LB
John Merry CBE [Vice Chair]	Salford City
Catharine Grundy	Birmingham City
Paul Lakin	Rotherham MBC
Anne Burns	Cumbria CC
Substitutes:	
Ebrahim Adia	Bolton MBC
Catherine McDonald * TBC	Southwark LB
Liberal Democrat (2)	
David Bellotti	Bath & NE Somerset Council
*Liz Green [Deputy Chair]	Kingston upon Thames RB
Substitutes:	
*Kath Pinnock	Kirklees MBC
Independent (1)	
*Apu Bagchi [Deputy Chair]	Bedford Council

* new member/substitute

Children and Young People Programme Board

Terms of Reference

The purpose of the Children and Young People Programme Board is to provide strategic oversight of all the LG Group's policy and improvement activity in relation to children and young people including education, social care and family support services in line with the LG Group priorities.

Programme Boards should seek to involve councillors in supporting the delivery of these priorities (through task groups, Rural and Urban Commissions, Special Interest Groups (SIGs), regional networks and other means of wider engagement); essentially operating as the centre of a network connecting to all councils and drawing on the expertise of key advisors from the sector.

The Children and Young People Programme Board will be responsible for:

1. Developing a thorough understanding of council priorities and performance in the areas of responsibility, using strong networks and robust information.
2. Helping to shape the LG Group Business Plan by ensuring the priorities of the sector are fed into the process.
3. Overseeing a programme of work to deliver the strategic priorities set by the LG Group Executive, covering lobbying/campaigns, research/policy, good practice, improvement support and events – as specified in the business plan, taking into account linkages with other policy boards where appropriate.
4. Representational and lobbying activities on behalf of the LG Group and responsibility for the promulgation of activity through public statements in its areas of responsibility.
5. Building and maintaining effective relationships with key stakeholders.

The Children and Young People Programme Board may:

- Appoint members to relevant outside bodies in accordance with guidance in the Political Conventions.
- Appoint member champions where appropriate (who must be a current member of the Board) on key issues, with responsibility for liaising with portfolio holders on key issues that require rapid response/contact with councils.

Item 2

Youth Policy and NYA Improvement Support

Purpose of report

For information.

Summary

This report provides members with an update on the work of the National Youth Agency. Fiona Blacke, Chief Executive of the NYA will be attending the meeting to discuss their work.

Recommendation(s)

That the Board notes the report.

Action

LG Group officers to action as necessary.

Contact officer:

David Pye

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Lead Analyst LGAAR: Professional Services

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Item 2

Youth Policy and NYA Improvement Support

Background

1. The National Youth Agency (NYA), as part of its work commissioned by the Local Government Group, has launched a new programme to support local authority young people's services. *Routes to Success – Supporting the Change Journey for Young People's Services* is a free package of materials and opportunities for senior local authority youth work managers, commissioners and members, which has been developed by the NYA.
2. The package provided by *Routes to Success* has been created by building on the success of five pilots, held in Sheffield, Leeds, Gateshead, Shropshire and Croydon. Each area has supported the development of this offer through sharing the challenges, knowledge and learning each of them gained through this work.
3. NYA's current work plan for the coming year is attached as **Appendix A**.

Routes to Success programme

4. The activity from the NYA, since their last report to the Board on the *Routes to Success* programme, includes:

Strand 1: Foundation Strand

5. Their 'Supporting Services for Young People' Community of Practice now has approximately 120 members representing close to 60 local authorities and councils. On 1 September 2011, Peter Mucklow Deputy Director Young People's Division (Department for Education), will be hosting a 'hot seat' on the Government's forthcoming youth strategy paper. They have also produced and distributed the first of our 'new look' Edge magazine.

Strand 2: Tailored Support

6. They have now agreed to offer a package of tailored consultancy to 12 further local authorities (bringing the total number of local authorities benefitting from our offer to 19). They have extended their original offer of tailored support (within existing overall budget) to 21 councils. This means that there will be a final round of applications in October. The 12 local authorities benefitting in this latest round of consultancy will be: Barnet, Bolton, Bournemouth, Brent, Cumbria, Haringey, Islington, Leicester, Medway, Oxfordshire, Peterborough and Suffolk.

Item 2

Strand 3: Emerging themes and development

7. The NYA ran a successful commissioning master class in June based around their new draft guidance and the toolkits that they have produced. The resources have been produced with the involvement of four local authorities – Tower Hamlets, Sefton, Southwark and Nottinghamshire. They have also agreed to work with Cumbria, Liverpool, Bolton and NE Lincolnshire on the NYA's Peer to Peer Assessment Programme.

Strand 4: Policy and Advocacy

8. Group membership for the overarching Routes to Success Support and Challenge Group has now been finalised – membership includes four local authorities, Ofsted, Confederation of Heads of Young People's Services and the DfE. The first meeting will be in September.

Conclusion and next steps

9. The NYA will continue to work with the LG Group to ensure that councils are fully supported.

Financial Implications

10. There are no financial implications from this report.

Appendix A



**Proposed Work Plan
LGA top slice grant 2011- 2012**

Support offer for local authorities

March 2011

NYA Support offer for local authorities

1. Introduction

These proposals set out how NYA will be support local authorities in the transformation of their local offer to young people. Working with and through the LG Group we can help to ensure councils are equipped to do this efficiently and effectively.

The main features of the proposal are:

- **a new sector-led improvement and development offer to councils that draws on a pilot with five authorities**¹ which we ran between December 2010 and March 2011, and builds on our wider LGA work programme during 2010-11.
- **Significantly reduced costs** from the 2010-11 level. We provide an optional programme which increases the grant request to just over £1m, although we recognise this is higher than the 50% reduction in the grant.
- **Support for councils in their response to Government priorities**, including the wider commissioning of services, engagement of the private sector in supporting young people, and making the Big Society a reality.
- Shaping of national youth policy (including the **Youth Green Paper**) particularly through the policy strand of the proposal by building on NYA's relationship with the **DfE as its strategic youth partner** (with NCVYS).
- A communications programme that emphasises the partnership between LG Group and NYA so councils can see clearly relate the top-slice investment with benefits, including **free consultancy, resources and events**.

2. Programme background

Over the past year the NYA's own drive towards efficiency, coupled with a much more focused and strategic use of top-slice funding, has put the organisation in an excellent position to lead and shape sector-led improvement in partnership with the LG Group. We understand that the role of councils is changing and that they are facing significant challenges in shaping their local offer for young people. Radical budget reductions mean tough decisions about the services that can, and should be provided in the future. Councils need to know what works and what will lead to the best outcomes for young people, longer-term.

¹ Croydon, Sheffield, Gateshead, Leeds and Shropshire

NYA Support offer for local authorities

Young people themselves are facing huge challenges in many aspects of their lives from succeeding in school and securing a place in further or higher education or finding a job, to finding their place in society, building positive relationships and maintaining their own physical and emotional wellbeing. These challenges come at the same time as significant reductions in public expenditure. New policies are bringing about major revisions in the way councils and their partners deliver the vital youth services that support young people's well being, particularly with a focus on supporting early intervention with vulnerable young people. In some places services are simply being cut but in many more there is a strong ambition to find new ways of delivering the support and opportunities that young people need.

From our work with councils we know that to meet the challenges of delivering services to young people in the new environment they need expert and specialist support in a range of areas that include:

- rigorous approaches to local needs assessment and evidence-based targeted intervention;
- effective commissioning and the development of a more contestable market for publicly funded services;
- supply chain development and local capacity building, including within business communities;
- quality assurance/improvement driving cost effectiveness and value for money;
- effective contract management; measuring returns on investment; and,
- leveraging additional resources and securing new forms of social finance including payment by results.

We will deliver a tailored and flexible package of support working with and through the LG Group, using our own directly employed staff and associates, and drawing on the expertise that exists within the sector itself.

This programme builds on a pilot devised in partnership with the LG Group and five councils (Croydon, Sheffield, Gateshead, Leeds and Shropshire) under the 'Unified Offer'. It drew together a range of NYA products and services we have developed with the LG Group over a number of years. This offer now becomes the **Youth Service Transformation Programme**.

The principles that underpin the programme are:

- flexibility and responsiveness, adaptable to the needs of individual local authorities;
- sector-led, driven by the experiences of local authorities;

NYA Support offer for local authorities

- a supportive offer, that will build capacity in the sector through learning and on-line networks;
- an offer which is freely available and accessible to all local authorities;
- evolution and development over time, taking into account new learning from across the sector;
- helping councils and their partners, stakeholders and service users to work together more effectively and efficiently;
- promoting quality, building on the knowledge and expertise of the NYA, and driving real service improvement at local level;
- transferring the knowledge that exists within councils through to the shaping of policy.
- Maximising the connections NYA brings with other partnerships including through the DfE Strategic grant and the private sector.

3. The 2011-12 work programme

3.1 Key elements of the programme

The work programme we are proposing consists of four elements, which make up and inform the Programme for Transformation. The proposed elements are set out below.

A universal offer

This will be available to all local authorities in England, free of charge. It will include the development of a diagnostic tool to help services understand where support is needed most, leading to a 'menu' of improvement products and services; frameworks and toolkits to support quality, commissioning and participation; and, specialist guidance around workforce development. The universal offer will be accessible via a new *Community of Practice* – an online gateway hosted by the LG Group which houses up-to-date information on policy and practice, promoting sharing, and guiding access to the different strands of the universal offer.

A targeted offer

The targeted strand works with councils who are in need of additional or specialist support. This includes consultancy advice, training and peer support, all tailored to individual circumstances. NYA will work with a

NYA Support offer for local authorities

small number of councils each year, identified through the diagnostic tool as benefiting from this additional support, at no cost to them.

Emerging themes and development

This strand ensures that the NYA offer remains current and flexible. It develops new products and services and responds to the needs and issues identified by councils accessing the universal and targeted strands.

Where appropriate we will build on NYA's Youth Strategy role with DfE – for example by leveraging the learning and expertise on social finance into the LG Group work programme and vice versa. In 2011-12 we believe key themes will be:

- Effective commissioning of youth services through greater market contestability;
- Peer-to-peer assessment
- Engagement of private sector in resourcing of services for young people.

Policy support and advocacy

This element ensures there is a strategic interface between the work undertaken by the NYA in partnership with the LG Group and key influencers such as the DfE and local strategic leads. It ensures synergy between the work of the NYA and the LG Group policy teams and provides the LG Group with specialist knowledge to work on areas including the Youth Green Paper and other Government consultations.

3.2 Table of Activities and Costs

A table more fully exploring the main activities under each element of the work plan, including costs, will be available at the meeting.

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**Arrangements for the Inspection of Local Authority Children's
Services: Ofsted Consultation**

Purpose of report

For discussion and direction.

Summary

In July, Ofsted launched a consultation on new arrangements for the inspection of children's services, which will come into effect from May 2012. A number of changes to the current inspection regime are proposed, which take into account the recommendations of the Munro Review. Miriam Rosen, appointed Her Majesty's Chief Inspector of Education, Children's Services and Skills in July 2011, will attend the Board meeting to discuss the proposals. A summary of the proposals and key issues which Board members may wish to raise with the Chief Inspector are set out in this report. A fuller summary of the future plans for children's services and schools, supplied by Ofsted is attached at **Appendix A**.

Recommendation(s)

The Board is invited to discuss with the Chief Inspector the proposals in the Ofsted consultation and give a steer to officers to assist the development of an LG Group response, which will be submitted by 30 September.

Action

Officers to take account of members' comments and circulate a draft of the LG Group's submission to the Office Holders for approval prior to submission.

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Arrangements for the Inspection of Local Authority Children's Services: Ofsted Consultation

Background

1. In July, Ofsted launched a consultation on new arrangements for the inspection of children's services, which will come into effect from May 2012. Ofsted has provided a summary of the future plans for children's services and schools which is attached at **Appendix A**.
2. A number of changes to the current regime are proposed, which take into account the recommendations of the Munro Review related to inspection:

The inspection framework should examine the effectiveness of the contributions of all local services, including health, education, police, probation and the justice system to the protection of children.

The new inspection framework should examine the child's journey from needing to receiving help, explore how the rights, wishes, feelings and experiences of children and young people inform and shape the provision of services, and look at the effectiveness of the help provided to children, young people and their families.

3. The consultation also follows an Education Select Committee inquiry in October 2010 on the role and performance of Ofsted, to which the LGA provided written and oral evidence. This evidence, alongside feedback from local authority advisers, is informing the development of our consultation response, the deadline for which is 30 September. The final draft will be cleared by Office Holders prior to submission.

Proposals

4. The consultation includes three sets of proposals, covering:
 - 4.1 Universal inspection of child protection;
 - 4.2 Children in care; and
 - 4.3 Monitoring inspections.

Universal inspections of child protection

5. These will all be carried out on an unannounced basis and will last up to two weeks. Councils have long argued that announced inspections impose a

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disproportionate burden in terms of the resources required for preparation. It will be important to ensure that new arrangements do truly lead to a reduced burden in practice.

6. The consultation outlines that there will be a focus on the child's journey and that identification of needs and early help are within the scope of child protection inspections. This focus on outcomes as opposed to compliance with process is in line with the Munro review and also reflects the emphasis given to early help for families in current policy thinking. It is proposed that inspectors will make a judgment on whether different action would have been more effective and avoided the need for a child to enter the formal child protection system. This has the potential to lead to inspectors viewing all situations with 20/20 hindsight, which risks engendering defensive social work practice. It should also be recognised that a difference of professional opinion between Ofsted and local authority social workers does not necessarily mean a wrong decision was taken.
7. The new arrangements will give full consideration to the effectiveness of contributions of all local services, including health, education, police, probation and the justice system. This is a welcome recognition that these services play a key role in identifying and providing early help alongside councils; however, it is unclear how this will be robustly measured given that multi-inspectorate inspections are not proposed.
8. Central elements of inspection will be the experiences of individual children and the effectiveness of help provided for them, achieved through case tracking and visits. There is also increased emphasis on direct observation of practice. The focus on practice and outcomes, rather than compliance with process, may have implications for the necessary experience and expertise of inspectors.
9. The current range of judgements will be replaced by:
 - 9.1 Overall effectiveness
 - 9.2 Capacity to improve
 - 9.3 Effectiveness of help provided to children, their families and carers
 - 9.4 Quality of practice
 - 9.5 Leadership and management
10. In order to achieve greater proportionality, it is proposed that the frequency of inspection is varied, depending on performance. It is suggested that, following a baseline being established, this might be 18 months to two years for inadequate services; three years for satisfactory services; and five years for good or outstanding services.

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Children in Care

11. Ofsted believes that inspection should retain a significant focus on services and outcomes for children in care, but are unlikely to be able to resource a universal cycle of inspections. It is therefore proposed that a sample of approximately 20-25 local authorities are inspected annually, covering different types e.g. across a spread of urban and rural areas. These would take place with a short notice period and last for one week. Various issues will be taken into account when deciding which local authorities will be inspected, including outcomes of inspections and concerns identified through performance data.

Monitoring Inspections

12. Where Ofsted finds that services for child protection or children in care are inadequate, a further full inspection will normally be undertaken within 18 months. Within a year of the first inspection, undertaking a focused monitoring inspection to evaluate progress will be considered. They will normally be undertaken with either the agreement of the local authority or at the request of DfE, carried out on an announced basis in most cases with results published.

Link to sector-led improvement

13. One of the key issues still to be resolved is how the revised inspection arrangements will link to the sector-led improvement work being developed by the Children's Improvement Board (CIB). The CIB's work programme is set out in **Appendix A to Item 2** in the Board Business Agenda. Whilst the consultation makes no proposals on this, it does request views on how inspection can most effectively add value to and draw value from other elements of performance improvement, including local authority self-evaluation, supported by sector-based peer review and challenge.

14. There are many elements to this, but in particular, there would appear to be a question as to whether the sample inspections for children in care, monitoring inspections or judgements on capacity to improve should be informed by results of peer reviews and to what extent. In addition, moving the focus of inspection to practice may have implications for broader improvement issues that the sector might wish to take a lead on. There is a meeting between the CIB and Ofsted on the 8 September to discuss these issues further.

School inspections

15. Earlier this year, Ofsted consulted on proposals for inspection arrangements for maintained schools and academies from January 2012. The new

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framework is designed to deliver a focus on the quality of teaching and learning, backed by excellent leadership and management, and good discipline and behaviour. In practice, this means that schools will be judged on a smaller number of core aspects than before, but these will be examined in greater depth. The changes are intended to result in more streamlined inspections, with fewer judgements and grades, leading to sharper reports on the quality of education provided by schools and the most important aspects of their performance.

Financial Implications

16. There are no financial implications from this paper.

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Appendix A

Ofsted: Future plans for the inspection of children's services and schools

Children's services

1. The current inspection programme has two elements: a three year programme of full announced inspections of safeguarding and looked after children's services; and an annual unannounced inspection in each local authority of contact, referral and assessment arrangements in respect of child protection. The three year programme will be completed in July 2012; the second round of unannounced contact, referral and assessment inspections will be completed by the end of March 2012.
2. On 27 July 2011 Ofsted published a consultation document setting out its proposals for the inspection of children's services from mid 2012. These arrangements will replace both programmes described above. The full consultation document can be found on the Ofsted website (<http://www.ofsted.gov.uk/resources/arrangements-for-inspection-of-local-authority-childrens-services>).
3. These proposals build on the strengths of our existing inspection programme and take forward some key themes arising both from the experience of that programme and from the recommendations of the Munro review of child protection. Some of the main features of the proposals are:
 - 3.1. In future all inspections of child protection services will be unannounced. The inspection team will be on site for two weeks.
 - 3.2. The main source of inspection evidence and the main basis of inspection judgements will be the experiences of individual children and the outcomes they achieve, and an evaluation of the effectiveness and impact of the help provided for them. Case tracking, the detailed examination of the journeys and experiences of individual children, is already a core element of inspection methodology; the majority of inspectors' time in future will be devoted to these activities.
 - 3.3. As part of case tracking, inspectors will spend time meeting with the children and their families themselves as well as the front-line professionals and managers concerned.
 - 3.4. The direct observation of practice, for example through the observation of social work visits and direct work with children and of multi-agency working, for example through the observation of child protection case conference, will be a central element of the inspection.
 - 3.5. The nine graded judgements we currently make on a safeguarding inspection will be replaced by just four: capacity for improvement; the

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Appendix A

effectiveness of the help provided to children, their families and carers; quality of practice; and leadership and management.

- 3.6. In addition to a universal programme of child protection inspections, we propose to inspect a sample of services for children on care of approximately 20-25 authorities a year.
4. The consultation runs until 30 September 2011. At the beginning of September, we will be writing to local authorities seeking volunteers to take part in piloting the new inspection framework later in the year. The final framework will be published by the end of December, and the first of the new inspections will take place by the end of May 2012.
5. Under the Education and Inspections Act 2006, Her Majesty's Chief Inspector is required to conduct an annual assessment of every local authority with children's services responsibilities, and award a rating. The Government have announced their intention to repeal this legislative requirement. However it remains in place for 2011 and, given the requirements of the legislative process, is likely to do so also for 2012.

Schools

6. Revisions to the present inspection framework for maintained schools are required in response to the changes in Government policy set out in the White Paper *The importance of teaching*, and proposals contained in the current Education Bill. In February Ofsted published a consultation document setting out its proposals for the inspection of maintained schools and academies from 1 January 2012. During the summer term 150 pilot inspections were carried out. The consultation responses on the new inspection framework were generally very positive, and the pilot inspections carried out in June also provided a secure basis to proceed with the main proposals for the new framework. The evaluation report on the consultation and the pilot inspections, setting out our responses to the issues raised and indicating our proposed way forward will be published on the Ofsted website in early to mid September.
7. In summary the revised school inspection arrangements from January 2012 will give particular priority to:
 - 7.1. judging the quality of the school by making four key judgements
 - 7.2. evaluating the achievement of pupils and of different groups of pupils, assessing the extent to which schools ensure that all pupils, including those most at risk, succeed
 - 7.3. evaluating the quality of teaching with an emphasis on lesson observation
 - 7.4. evaluating the behaviour and safety of pupils, including –

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Appendix A

- 7.4.1. their attitudes to learning and conduct in lessons and around the school, and
 - 7.4.2. their behaviour towards, and respect for, other young people and adults and their freedom from bullying
 - 7.5. the impact of leadership and management on improving pupils' outcomes and on the quality of teaching
 - 7.6. the extent to which the school promotes pupils' spiritual moral, social, and cultural development including the contribution made to this by the curriculum
 - 7.7. focusing in particular on the teaching of early reading and standards in reading and literacy
 - 7.8. taking account of self-evaluation as presented by the school
 - 7.9. checking schools' procedures for safeguarding – keeping children and young people from harm – and evaluating pupils' ability to assess and manage risk appropriately and keep themselves safe
 - 7.10. promoting improvement: inspectors make specific and detailed recommendations based on their diagnosis of the school's strengths and weaknesses
 - 7.11. fostering the engagement of headteachers, school staff and governors in the process of inspection so that they understand the judgements made
 - 7.12. gathering, analysing and taking into account the views of parents, pupils and staff
8. Ofsted will publish the key inspection documents on its website on 30 September. This will coincide with a central London launch led by HMCI and the Director, Education and Care. A further five dissemination conferences have been arranged between 3 and 14 October in major cities. Headteachers from a range of schools, local authority representatives, key user and engagement groups and DfE officials will be invited. In addition we have offered an Ofsted speaker to attend a meeting of headteachers and governors in any local authority that requests a presentation on the new inspection framework.

Item 4

What should the Board's focus be for 2011/2012?

Purpose of report

For discussion and direction.

Summary

Members are invited to discuss their thoughts on what the Board's focus should be for 2011/2012. There will be a further opportunity to reflect on the detail of the current CYP programme plan under Item 5, following lunch.

Recommendation(s)

That Members discuss their priorities for the coming year.

Action

LG Group officers to action as necessary.

Contact officer: Helen Johnston
Position: Head of Programmes
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Item 5

Children and Young People Programme Plan 2011/2012

Purpose of report

For discussion and direction.

Summary

This report summarises the main issues in relation to the Board's current programme plan for 2011/12 and provides short briefings on current priorities. The current work programme for the Children's Improvement Board is set out in **Appendix A of Item 2** in the Board Business Agenda will also be relevant to the discussion.

Recommendation(s)

That Members discuss their priorities for the coming year.

Action

LG Group officers to action as necessary.

Contact officer: Helen Johnston
Position: Head of Programmes
Phone no: 020 7664 3172
E-mail: helen.johnston@local.gov.uk

Item 5

Children and Young People Programme Plan 2011/2012

Background

1. The draft Children and Young People Programme Plan is attached as **Appendix A**. The new meeting cycle gives the Board the opportunity to re-examine the Board priorities for the coming year and decide the direction they will take.
2. Also attached as **Appendix B** is a briefing on the current Board priorities, which provides a brief snapshot of the current state of play. These priorities were agreed in the LG Group Business plan for 2011/12 and focus on achieving greater devolution for local government and helping councils to tackle the challenges facing them in improvement, productivity, the implementation of the Munro Review and education reforms. A key part of this is the work done by the Children's Improvement Board (CIB) which is dealt with under **Item 2** in the Board Business Agenda.

Appendix A

Programme Plan

Children and Young People Programme

Business Plan Outcome: Supporting and advocating for the sector on reforms in education, role in children's health, safeguarding, youth justice, provision of sector based support and achieving increased productivity.

Project outcome Indicator - (benefit to sector)	Project	Project outputs (Could relate to policy, lobbying and/or improvement)	Timescales
Councils have a strong strategic council role in education	Council role post White Paper publication SEN/LLDD/alternative provision Schools Capital and Revenue Funding Education Improvement Support RPA/Careers guidance/employment/YPLA Liaison	Lobbying, briefings, communications. Lobbying, briefings, communications. Lobbying, briefings, communications. Development of improvement offer Lobbying, briefings, communications	To end of financial yr To end of financial yr To end of financial yr To end of financial yr To end of financial yr
Children's 'health' is a priority in the planned change to the health service	Influencing the NHS changes to make sure they take account of children's health issues and give councils a role in commissioning Concentrating on high priority issues of teenage pregnancy, drugs, alcohol, obesity, poor housing, child poverty	Lobbying, briefings, communications Lobbying, briefings, communications	To end of financial yr To end of financial yr
Front-line staff are freed up	Munro Implementation, including making	Lobbying, briefings, communications	To end of financial yr

<p>from unnecessary bureaucracy to allow them to spend more time with children and their families through influencing the implementation of the Munro review</p>	<p>the links to the development of community budgets Family Justice Review</p>	<p>Lobbying, briefings, communications</p>	<p>To end of financial yr</p>
<p>Children's services are provided with improvement support for Children's Safeguarding</p>	<p>Lead Member Development Development of the safeguarding offer</p>	<p>Development of improvement offer Development of improvement offer</p>	<p>To end of financial yr To end of financial yr</p>
<p>Councils understand and are implementing their role in reducing youth offending and the use of custody for young people</p>	<p>Working with YJB on transferring responsibility to councils Youth Offending Team Improvement</p>	<p>Lobbying, influencing, relations mgt, communications. Development of improvement offer</p>	<p>To end of financial yr To end of financial yr</p>
<p>Councils are able to reconfigure their youth services</p>	<p>National Youth Agency Youth Green Paper</p>	<p>Relations mgt Lobbying, influencing, relations mgt, communications</p>	<p>To end of financial yr To end of financial yr</p>
<p>Improvements in children's services are made through delivery of a new sector led improvement and support programme (funded through 10.5m DfE grant).</p>	<p>Providing LG Group support to develop the programme Providing children's policy support to LG Group work on community budgets</p>	<p>Briefings, communications, , establishing financial systems Lobbying, influencing, relations mgt, communications.</p>	<p>To end of financial yr To end of financial yr</p>

Appendix B

LG Group Children and Young People Programme Board Briefing on the Board's priorities for 2011/12

Achieving greater devolution for local government	Helping councils tackle their challenges through:
<ul style="list-style-type: none"> • education reforms – lobbying for the powers and funding that councils need to support their strong strategic role in education as proposed in the schools White Paper • ensuring that children's 'health' is a priority in the planned change to the health service • working with the Youth Justice Board to support the council role in reducing youth offending and the use of custody for young people. 	<ul style="list-style-type: none"> • developing a sector-led improvement and support programme, supported by £10.5m of funding won from DfE • influencing the implementation of the Munro Review of child protection to free up front-line staff from unnecessary bureaucracy to allow them to spend more time with children and their families • supporting councils to take on a more strategic role in education • supporting councils to achieve increased productivity.

[Taken from *Your Local Government Group*
(<http://www.local.gov.uk/services>)]

1. The council role in education

The first major Act passed by the new government following the 2010 General Election was the Academies Act 2010, which makes it easier for schools to become academies. Since then, the number of academies has increased from approximately 200 to 800 (the total number of schools in England is about 24,000). Academy schools have a number of additional freedoms from national restrictions as compared to schools maintained by local authorities and they are funded directly by central government, via the Young People's Learning Agency (YPLA).

Our current position

We have been lobbying for a strong continuing role for councils in an education system where schools have increasing autonomy, so were pleased that the Schools White Paper *The Importance of Teaching* proposed a strong, strategic role for councils in local education "as champions for parents and families, for vulnerable pupils and of educational excellence".

Next steps for the LG Group

In our report *Local freedom or central control II*¹ we argued that it is for councils, in discussion with local schools, to define what their education role should be locally, to reflect local decisions and priorities. We are now working to develop a programme to support councils in their new role in education.

2. Schools funding

In the Schools White paper the government made a commitment to radically reform schools funding to produce a fairer system. The current funding formula is heavily based on historical spend by authorities in 2005-6 (when the last major reform took place) and produces significant variations in the per-pupil funding between different authorities. Schools capital financing is also being reformed, following the ending the Building Schools for the Future (BSF) programme.

Our current position

We support the ambition to move towards a fairer national funding formula for all schools. However, we have argued that the new system should retain an element of local flexibility, involving a discussion between councils and local schools, to make sure that the national funding formula can take account of local needs and priorities. On capital, we have welcomed the proposal in the James Review that schools capital should be allocated through a single flexible budget in a local area. We opposed the recommendation for a central procurement body, following the experience of the central bureaucracy associated with the BSF programme.

Next steps for the LG Group

The government ***Consultation on school funding reform***² has now been published and accepts the case for a degree of local flexibility in the allocation of schools funding. It also rejects the proposal for a central capital procurement body. We are working closely with the Association of Directors of Children's Services (ADCS) to produce a strong case for the maximum local flexibility in the reformed system.

¹ http://www.local.gov.uk/c/document_library/get_file?uuid=69cb9125-7aff-4366-88c1-3ca48d24d58b&groupId=10161

² <http://www.education.gov.uk/consultations/index.cfm?action=consultationDetails&consultationId=1765&external=no&menu=1>

3. Children's services improvement

DfE have committed £10.5 million this year for a sector-led programme for children's services improvement. This substantial investment is leading the way on the development of a robust sector-led model for local government improvement.

Our current position

A Children's Improvement Board (CIB) has been established to oversee the delivery of the improvement programme. The CIB is a partnership Board, with a single representative from the LG Group, ADCS, the Society of Local Authority Chief Executives (SOLACE) and the Department for Education (DfE). It is currently working on developing the key elements of a sector-led improvement offer, including agreed data sets/indicators; a self-evaluation tool; peer support and challenge; and regional brokers to allow councils to access the appropriate improvement support where improvement needs have been identified.

Next steps for the LG Group

This is currently a work in progress but good progress is being made, with all of the key elements expected to be in place by the end of the summer. If we can demonstrate the success of a sector-led approach to improvement in as sensitive and difficult an area as children's services, it will greatly strengthen our arguments about the benefits of such an approach across the local government sector.

4. Children's Safeguarding peer challenge programme

The LG Group's Children's Safeguarding peer challenge programme has been developed over the past two years.

Our current position

The key purpose of the peer challenge programme is to help local councils fulfill their safeguarding responsibilities. Twenty six challenges have been delivered so far this year and there are 13 more booked for autumn 2011. The programme is delivered by LGG in partnership with ADCS, the Centre for Excellence and Outcomes (C4EO) and the Social Care Institute for Excellence (SCIE). It is complementary to initiatives by SOLACE to support chief executives in this area and the work of the National College for Leadership of Schools and Children's Services to support Directors of Children's Services. LG Group lead on the recruitment, training and accreditation of officer and member peers. Currently there are 153 officer peers and 25 member peers with two further accreditation centres for 32 peers planned for the autumn.

Next steps for the LG Group

The Children's Safeguarding peer challenge programme will now form part of the wider CIB sector-led offer. Councils are entitled to a free Children's Safeguarding Challenge every three years.

5. The Munro Review of Child Protection

Last year the Government asked Professor Munro to conduct an independent review of child protection. The final report was published in May 2011, with a series of recommendations designed to reform the system. The Government response largely accepted the recommendations, although with some caveats on timing, resource and certain details still to be worked through.

Our current position

The Review has a welcome emphasis on increasing the scope for professional judgment and reducing overly burdensome central prescription and bureaucracy so that social workers can spend more time with children and families. This is something councils have long argued for. It also recognises that other services e.g. health and schools have a role to play.

Next steps for the LG Group

Local government had significant input to the Review and this is expected to continue through implementation. This will be a long-term reform and there is much work to be done to ensure its success. It will be particularly important for LG Group to influence the Government's consideration of early help provision and to ensure safeguarding is a central consideration in health reform.

6. The Family Justice Review

The interim report of the Family Justice Review, published for consultation in March identified that the system is under huge strain; the average case took 53 weeks in 2010 and this is likely to rise significantly. Lengthy delays are not only financially costly, but also detrimental to children's well-being. Numbers of cases have risen in recent years, but this is not the sole reason for delays. The way the system operates also has an impact and the interim report makes recommendations designed to address this. A challenge for local authorities to improve care planning and court skills of social workers has been raised by the Review.

Our current position

LG Group wrote to the Review endorsing the consultation response submitted by ADCS. The letter specifically welcomed the focus on the needs of children in the system and proposals to reduce delays and their associated harm. It highlighted that the courts have an essential role to play in safeguarding and that it is vital to get reform right for children, young people and families.

Next steps for the LG Group

The proposals are likely to be resisted and lobbied against by the judiciary and other stakeholders. The final report is due in the autumn and it is likely that LG Group would need to lobby Government if the recommendations are to be implemented. We will also work with the Social Work Reform Board on addressing the concerns raised about social workers' skills.

7. Youth remand proposals in the Legal Aid, Sentencing and Punishment of Offenders Bill

The Bill, published in June, paves the way for the transfer of funding responsibility to councils for young people held on remand and will give this group of young people 'looked after' status. Related provisions aim to reduce the number of young people remanded to custody.

Our current position

LG Group supports the devolution of youth custody budgets in order that councils have an incentive to invest in prevention. It will be essential, however, to ensure that the full, true costs are transferred to local authority budgets. We agree that children in custody should be effectively supported, but have concerns that automatically giving them all full 'looked after' status may not be the most appropriate or proportionate route to achieve this. It would also have significant financial implications for councils. Cllr David Simmonds gave evidence to the Bill Committee on this issue, highlighting our concerns.

Next steps for the LG Group

We are liaising with the Youth Justice Board and ADCS on the details of the transfer; financial modelling to ensure the responsibilities are fully funded; and support for councils to prepare for these new responsibilities. We are exploring options for effective and proportionate local authority support for young people remanded to custody.

8. Young Offender Education

From September 2010, councils have had a duty to secure education for young offenders. The contracts for these services, which end in July, are held by the Young People's Learning Agency (YPLA) and are due to transfer to councils from April 2012. The Ministry of Justice is again considering interim and long term solutions for funding and commissioning.

Our current position

A YPLA (or other central body) role in allocating funding represents an unnecessary layer of administration. Councils already have the responsibility to secure education provision for young people in custody and are well placed to commission these services, building on relationships with local education providers. Moreover, they have committed resources in preparing for the transfer of contracts. Councils will need time and resources to pursue the option of commissioning new providers; a long-term solution therefore needs to be agreed as soon as possible.

Next steps for the LG Group

LG Group will continue to work with the relevant local authorities and to make the case for councils to be given this commissioning role.

9. Children's Health

Children's health services have traditionally been viewed as one of the Cinderellas of the health service³ and there is a danger that children's health issues will be overlooked in the new public health proposals contained in the Health and Social Care Bill.

Our current position

Councils and their partners need to work together at a local level to address issues such as safeguarding; commissioning services for children; meeting the particular needs of vulnerable children and young people; and integrating health and social care. So the LG Group has been working with stakeholders to identify shared priorities and to share ideas for a support programme for councils and local partners. The Group has also been lobbying during the passage of the Health and Social Care Bill to seek clarity on how each component part of the NHS architecture, and in particular the NHS Commissioning Board and Clinical Commissioning Groups, will be held accountable for safeguarding issues.

Next steps for the LG Group

This piece of work is in its early stages of development but it will remain a key priority for the Board for the remainder of the year.

10. Children and Young People with Special Educational Needs and Disability (SEND)

The DfE Green Paper *Support and Aspiration: a new approach to special educational needs and disability*⁴ proposes earlier intervention and support for those with SEND; a single assessment and 'Education, Health and Care Plan'; and devolving resources to create 'personalised budgets'. To explore the proposals in the Green Paper further, DfE and the Department for Health have launched a 'Pathfinder project', offering up to £150,000 per council applying in partnership and with PCTs and voluntary and community organisations.

Our current position

In our response to the Green Paper we supported the proposals for a single assessment and Education, Health and Care Plan and for extending personalised budgets to some aspects of SEND. However, we have stressed that many councils are already working to achieve the aims described in the Green Paper, but find their ability to do so is restricted by bureaucracy, legal impediments and lack of clarity about responsibility and funding.

Next steps for the LG Group

We are seeking to influence the development of the Pathfinder projects to reflect a sector-led approach to improvement, so they can make a meaningful contribution to helping local government improve the delivery of its services, as well as providing information to Government. We are negotiating our involvement in awarding the bids, the evaluation of the projects and how their good practice will be shared.

³ *Getting it right for children and young people*, Kennedy Review, September 2010: http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/@ps/documents/digitalasset/dh_119446.pdf

⁴ <https://www.education.gov.uk/publications/standard/publicationDetail/Page1/CM%208027>

11. Young people's participation in education, employment and training

The Apprenticeships, Skills, Children and Learning Act 2010 raised the age of compulsory participation by young people in some form of education or training to 17 by 2013 and 18 by 2015. This means that by 2015 even young people that have left full-time education and are employed will have to be in a job with training up to the age of 18. The Act gave councils the statutory duty to 'secure that enough suitable education and training is provided' for young people over compulsory school age but under 19 and gave councils powers to enforce the raising of the participation age.

Our current position

Following the General Election, the new government made a number of changes that have significantly changed councils' direct powers and access to funds to deliver on this new duty. Changes to 16 – 19 funding mean that funds to FE and sixth form colleges now flow via the YPLA directly to colleges (rather than via councils), reducing the ability of councils to influence the patterns of post-16 provision. The current Education Bill will end councils' responsibility for providing universal careers advice to all young people through Connexions, which was seen as a key tool in encouraging wider participation – schools and sixth form colleges will now have this duty. And the commencement of councils' powers to enforce compulsory participation has been delayed.

The implications of these changes is still being worked through, but LG Group is working with DfE to ease the transition to the new arrangements, including a careers summit for councils in July and work with the Department on pilots with 16 councils to explore the council role in delivering the rise in the participation age.

Next steps for the LG Group

The raising of the participation age will coincide with a period of increasing youth unemployment and the Children and Young People Board is working with the Economy and Transport Board to develop a new programme of work to support councils in both these areas. This will build on the Group's *Hidden Talents* work⁵, adapting it to the new policy landscape.

⁵ <http://www.lga.gov.uk/lga/core/page.do?pagelId=2109543> (login required)

Item 6

**The Challenges for the next year - the Association of Directors of
Children's Services (ADCS)**

Purpose of report

For information.

Summary

This report provides members with an introduction to the work of the Association of Directors of Children's Services (ADCS). Matt Dunkley, Chair of ADCS will be attending the meeting to discuss their policy priorities as well as areas in which the LG Group and ADCS can work together in the coming months.

Recommendation(s)

That members note the report; comment on and discuss the presentation and consider the areas in which the LG Group and ADCS can work together in the coming year.

Action

LG Group officers to action as necessary.

Contact officer: Helen Johnston
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Item 6

The Challenges for the next year - the Association of Directors of Children's Services (ADCS)

Background

1. The Association of Directors of Children's Services Ltd (ADCS) is the national leadership association in England for statutory directors of children's services and their senior management teams.
2. Their members hold leadership roles in children's services departments in local authorities in England. Working in partnership with other public agencies and through the Children's Trust, ADCS's members work to achieve a personalised and joined-up service for children, whatever their identified needs.
3. The Association is led by its members and through the contributions of its members, ADCS provides a collective voice for professionals in children's services leadership roles on policy, practice and resourcing of the wide variety of services available to children, young people and their families.
4. The Association works closely with the LG Group, Ministers, Government officials, the community and voluntary sectors and other professional bodies on designing and delivering integrated services for children and young people, inspection and developing the children's workforce, among other issues.
5. ADCS's work is undertaken through a comprehensive policy committee structure that spans the full remit of the statutory director of children's services and through a welcoming regional branch structure. Through its national network of expert professional leaders, ADCS provides invaluable support and advice to colleagues.

Policy Priorities for 2011/12

6. ADCS's policy priorities for the coming year are:
 - 6.1. Establish and articulate a distinct, coherent and clear role for the local authority in relation to:
 6. 1.1. Special Educational Needs
 6. 1.2. School provision and school improvement

Item 6

- 6. 1.3. Child protection (implementing Munro).
- 6.2. Champion the needs and voice of children and young people in the reorganisation of the NHS and the provision of local health services and local government services;
- 6.3. Deliver a rigorous model for sector-led improvement and support in children's services.

Conclusion and Next Steps

- 7. Mat Dunkley, Chair of ADCS, will be attending the meeting to discuss their policy priorities for the coming year as well as to examine the areas the LG Group and ADCS can work together more closely in the coming months.

Financial Implications

- 8. There are no financial implications from this report.

Board Business Agenda

Children and Young People Programme Board

6 September 2011

14.30 pm

Mary Sumner House

	Item	Page	Time
1.	Schools Funding Update	49	14.30
2.	Children's Improvement Board Update	79	
3.	NFER Update	87	
4.	Minutes from the Last meeting	91	
5.	AOB		
	Close		15.00

Date of Next Meeting: 20 October 2011, ExCel Exhibition Centre (National Children and Adult Services Conference)

Item 1

Schools funding update

Purpose of report

For discussion and direction.

Summary

This report updates members on recent developments in schools funding issues.

Recommendation(s)

That members note this report.

Action

Officers to continue to provide updates to the Board.

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Item 1

Schools' Funding Consultation

1. The second stage consultation was published on 19 July. The LG Group put out a detailed briefing which is attached as **Appendix A**. The consultation will run for 12 weeks until Tuesday 11 October.
2. It makes detailed proposals for a new national funding system; which will **begin to be introduced either from 2013-14 or from 2015-16**. For 2012-13 the current 'spend plus' system will continue although the DfE may issue an exemplification of shadow amounts based on the new formula. The Government has dropped any proposal for a national funding formula with no authority discretion, although exactly how much discretion there will be is not yet clear.
3. Discussions with DfE officials will be continuing through the Task and Finish Group of the Ministerial Advisory Group, which will now be chaired by Cllr Simmonds, and the officer and official School Funding Implementation Group. The LG Group will also work with advisers and the ADCS on a response.

Capital

4. The Government also published a consultation document on its response to the James Review; this also runs until October 2011. At the same time they made announcements of £500 million more basic needs capital in 2011-12 and a for a new PFI-based school rebuilding programme targeted at schools in the worst condition.
5. The LGA briefing on the schools funding announcements covers the main points of the consultation document; the key points are:
 - 5.1. The Government agrees with the James Review that there is a case for collecting basic needs data. It is consulting on what data should be collected.
 - 5.2. It agrees that they should move towards a single capital pot for allocating funding over the longer term, but the Government wants to consult more on how all local interests will be taken into account. It is also consulting on whether some of the ring-fenced programmes currently managed centrally should be ring-fenced programmes managed locally.
 - 5.3. The James review recommends a national procurement body. The Government is consulting on this and would like views on how current local or regional procurement arrangements provide better value for money for certain types of projects.

Item 1

- 5.4. The Government has announced that they will move to procure standardised national designs for schools - both for new, rebuilt and extended schools. There will be a further consultation on the schools' premises regulations.
6. The LG Group will consult with member authorities before drafting its response. There may also be further discussion at the Capital and Revenue Task and Finish Group.

Academies funding

7. As reported previously £148 million in 2011-12 and £265 million in 2012-13 is being removed from formula grant to pay for central education functions for academies. 23 authorities commenced legal action on the 2011-12 top-slice, with a further 6 authorities being given leave to join them. The authorities agreed to stay the legal action following the Secretary of State's agreement to reconsider the amount of the transfer for 2011-12 and 2012-13. This consultation was published on 19 July, with a four week deadline responses. Despite a letter from Baroness Ritchie the Government refused to extend this timetable.
8. The Chairman's covering letter (**Appendix B**) and the LGA's response to the consultation attached as **Appendix C**, shows our serious concerns about the methodology the government propose to adopt, which is not in accordance with the Government's own New Burdens Doctrine. This is because they still propose to calculate the top slice to be removed from local government on the basis of the additional amounts to be paid to academies as opposed to the actual savings in local government, which are substantially lower. The LGA's response provides detailed evidence of this.
9. In elaborating its response, the LGA worked with 32 member authorities, of all types, and with different numbers of academies, to estimate the real savings as well as the additional costs to authorities of setting up academies. We also worked with an independent firm of auditors (KPMG) in reviewing some of the savings, although given the time period it was not possible to extend this beyond four authorities.
10. The Government's response to the consultation is expected within the next month.

Financial Implications

11. None specific to this report.

Appendix A

School Funding Announcements

LGA Briefing



The Government have made a series of announcements on school funding, covering:

- [Schools capital funding;](#)
- [Schools revenue funding;](#)
- [The transfer from formula grant to take account of academies' central functions.](#)

Headlines

Capital

- The government is allocating an additional £500m for basic need for school places in 2011-12.
- There will be a new £2bn privately financed school rebuilding programme targeted at schools in the worse condition.
- The government has launched a consultation on the response to the James Review.
- The government has decided not to change its decision on the six authorities which challenged it on the Building Schools for the Future decision.

LGA view

- *We welcome the additional £500m for basic needs and the new privately funded schools capital funding and await further details.*
- *We welcome the proposal that schools capital should move towards being allocated through a single flexible budget in a local area as opposed to tightly controlled central ring-fenced budgets.*
- *Local authorities are able to set up their own structures to consult with partners, perhaps through Schools Forums. The way to ensure that local plans remain light touch is not to impose central requirements on them.*
- *We are glad that the Government is not going ahead with the proposal to introduce a central procurement function and has said it does not want to override existing regional arrangements.*
- *We can see the case for standardised designs but it should be up to local areas whether or not to use them; they should not be imposed.*

Schools funding

- A new consultation has been launched on detailed proposals for a new schools funding system, to begin from 2013-14, following the earlier consultation in April.
- The consultation contains details of future funding proposals for the Pupil Premium, early year's provision and High Need Pupils.
- It also considers the responsibilities of local authorities, schools and Academies in relation to central services.

Briefing

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LGA view

- *We share the government's ambition to move to a fairer schools funding system which is transparent in its calculation and easier to understand.*
- *The current system, based largely on historical patterns of spending by councils in 2005-6, is unsustainable and impossible to justify.*
- *We think that the current 'two stage' funding calculation, with a national allocation to local authority areas, followed by a discussion between councils and schools, involving schools forums, on how to distribute funding locally, is a strength of the current system that needs to be retained.*
- *We welcome DfE's acknowledgement that a rigid national formula, set in Whitehall, will not be able to take account of justifiable variations in spending to reflect local circumstances, needs and priorities.*
- *Academies should be funded on the same basis as maintained schools and the basis for any additional funding should be transparent.*
- *We do not see a case for an expanded role for the Education Funding Agency. Local authorities should fund both schools and academies.*

Academies' central functions top-slice

- The government is consulting on its reconsideration of the appropriate top-slice to remove from formula grant in 2011-12 and 2012-13 to take account of savings from academies' central functions.

LGA view

- *Despite the greater number of academies we do not think there is any case for taking back still more money from authorities. Instead, we believe that on a true assessment of the likely savings it is probable that the proper outcome of this consultation should be additional funding for 2011-12, paid by way of an additional grant, and a reduction in the overall funding takeaway originally proposed for 2012-13.*
 - *Any transfer should be based on clearly demonstrable savings to authorities not additional grant ('LACSEG') given to academies to replace central functions.*
 - *The cost of academy conversions to local authorities also needs to be taken into account. Unfortunately, the consultation does not consider this.*
-

Further Information

Capital Funding

- The Government has published its response to the James Review on schools capital in the form of a consultation document. **The consultation runs until October 2011.**
- **In parallel they have made announcements about more schools capital for 2011-12.** £500m extra for basic need provision and a new privately financed school building programme worth around £2bn in up front construction costs
- The consultation on the James Review includes a number of recommendations:
 - The government agrees with the James Review that there is a case for **collecting basic needs data**. It is consulting on what data should be collected.
 - It agrees that they should move towards a single capital pot for **allocating funding** over the longer term, but the Government

wants to consult more on how all local interests will be taken into account. It is also consulting on whether some of the ring-fenced programmes currently managed centrally should be ring-fenced programmes managed locally.

- The James review recommends a national procurement body. The Government is consulting on this and would like views on how current local or regional procurement arrangements provide better value for money for certain types of projects.
- The Government has announced that they will move to procure standardised national designs for schools - both for new, rebuilt and extended schools. There will be a further consultation on the schools' premises regulations.

Revenue Funding

- The schools revenue funding consultation will run for 12 weeks until Tuesday 11th October. It makes detailed proposals for a new national funding system; which will **begin to be introduced either from 2013-14 or from 2015-16**. For 2012-13 the current 'spend plus' system will continue although the DfE may issue shadow amounts based on the new formula.
- The DfE propose a **new national funding formula**. This will be paid to local authorities who will then agree with Schools Forums the funding of schools, and academies, in their area. This formula will be calculated either at school level or at local authority level. They are not proposing a national formula for individual schools without local flexibility.
- The **new formula** will contain elements relating to a flat rate basic entitlement, deprivation (where DfE would prefer to use a measure such as free school meals), protection for small primary schools in sparse areas, an area cost adjustment for areas with high labour costs and a factor relating to English as an Additional Language.
- The DfE is proposing to **reduce the number of formula factors** which can be used in local authorities' own school funding formulae. This would be limited to a basic entitlement per pupil, funding for additional educational need (such as deprivation and SEN), business rates, site specific factors (such as split site, PFI and rental costs) and lump sums for schools. They are also consulting on possibly setting a range for the weighting between primary and secondary funding.
- **Academies** would be funded through the new Education Funding Agency, either through authorities calculating budgets for all schools and then telling the EFA how much academies should be paid or through the EFA working it out through applying local authority formulae. This latter approach would not be greatly different to what happens at the moment – however the current time-lag for academies funding would be removed.
- **Schools forums** would continue, possibly with more powers, but would have to be representative of all schools, including academies.
- The **EFA** could be given new functions to check compliance of local formulae or to act as a review body for schools and academies regarding decisions by local authorities.
- It would be proposed to **move to the new formula over a period**. In the first year they propose to continue with the minimum funding guarantee which is -1.5% per pupil each year. This could possibly be lower in future years to allow more progress to a new formula.
- Outside the main Schools Block there would be also be blocks for High Needs Pupils, for early years and for central services. **It is not proposed that there should be any ring-fencing of these blocks within the total Dedicated Schools Grant**, although the existing rules constraining increases in the central services block would continue.
 - The **High Needs Pupils** block would be paid to local authorities

and would consist of a basic amount (which could be set at £10,000 per pupil) plus amounts for resident young people in receipt of Disability Living Allowance.

- The **Early Years** block would be based on similar formulae to the main Schools Block. The DfE may consider simplifying local formulae and targeting disadvantage to a greater extent.
- The **Central Services** block would include those central services funded by DSG, such as admissions. There would also be a block to be funded from outside DSG through the CLG funding system. Some functions such as home to school transport, cannot be delegated to academies. Others such as financial accounts and audit and school improvement would be within academies budgets and so would be withdrawn from CLG funding. The Government propose moving away from basing this on S.251 budget returns. Instead it could be based on a formula which could be similar to the current relative needs formula or one which more accurately reflects where academies are located.
- The **Pupil Premium** would remain separate for the time being, although the aim is to incorporate it into deprivation funding eventually. There are two options for distribution based on free school meals eligibility in the last 3 or 6 years.

Academies Funding Transfer for 2011-12 and 2012-13

- This consultation is a revisiting of the basis for the academies transfer from formula grant. It aims to respond to the challenges made by local authorities of the basis on which the original transfer decision was made. **The Government says its aim is that both maintained schools and academies are funded fairly and equitably.** The document provides a revised basis for working out the transfer, but says that this should not predetermine the decision on any level of reduction from formula grant. **The consultation is a 4 week consultation and closes on 16th August.**
 - The document claims that authorities are double funded for functions which it saves on when schools convert to academies - so this should be top-sliced from their formula grant. **The first year for which funding was top-sliced was 2011-12.**
 - The original basis of the top-slice as announced in the settlement did not take account of the pattern of academies in authorities but was simply a pro-rata division of DfE's estimate of the appropriate total. **DfE now say that it would be possible to take a different approach which reflected the pattern of where academies are located.**
 - The consultation states that DfE will have regard to the New Burdens Doctrine, which says that when a function is transferred from local to central government that there should be a financial transfer. However **DfE admit that they do not hold enough data to work out the precise savings to local authorities**, so they still propose to do it on the basis of the additional LACSEG (Local Authority Central Support Equivalent Grant) paid to academies. **The LGA's initial assessment is that the reasoning by which DfE has arrived at this proposal – which is indicated to be the Department's provisional view – is fundamentally flawed.** However, based on the higher number of schools converting, DfE estimate the costs of this additional LACSEG as £360-375m in 2011-12 and £580-680m in 2012-13. The DfE consultation does not, however, take account of the costs to authorities of academies converting. Local authorities are also asked to provide any evidence of impact under the Equalities Act.
 - **A more detailed briefing on this topic will be provided for member authorities shortly.**
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Further information: For further information on this briefing, please contact Ben Kind, LGA Public Affairs and Campaigns Manager on 020 7664 3216 or ben.kind@lga.gov.uk

Rt Hon Michael Gove MP
Secretary of State for Education
Department for Education
Sanctuary Buildings
Great Smith Street
London
SW1P 3BT

16 August 2011

Dear Michael

CONSULTATION ON THE ACADEMIES FUNDING TRANSFER

I am sorry that the first letter you receive from me in my new capacity is quite so negative but it reflects very serious concerns throughout local government.

On 19 July your department issued a consultation on the basis for the decision on the amounts of funding to be transferred from local authorities in 2011-12 and 2012-13 in respect of central services for Academies and Free Schools. A period of just four weeks has been allowed for this consultation, and this has already been the subject of correspondence between Baroness Ritchie and yourself.

As you know, a great many local authorities considered that the originally proposed funding transfers of £148m for 2011-12 and £265m for 2012-13 were excessive. A number of authorities took legal action following the finalization of the 2011-12 Local Government Finance Settlement, and this has resulted in your reconsideration of the matter.

Our member authorities have therefore been greatly perturbed to see that the consultation paper contemplates the possibility of very substantial increases, rather than reductions, in the Academies Funding Transfer amounts. Most regrettably, your department's consultation document fails to recognize the weight of evidence that the original methodology for the calculation of the funding transfer was fundamentally flawed, and you appear to reach a view that substantially the same methodology should now be applied, but using new information about increased numbers of Academy conversions.

This approach is a matter of the most serious concern to our member authorities, irrespective of political control or the enthusiasm with which the Academies programme has been taken up by their local schools. As our consultation response attached

demonstrates, the proposed methodology for the funding transfer is in a number of respects manifestly unsound. It fails to accord with the government's recently published New Burdens Doctrine, ignores a substantial weight of evidence about the net savings that are likely to be realizable when maintained schools convert to academies, fails to take proper account of equalities issues and reflects a number of errors of principle in its calculations. Furthermore, it appears to take no account of an earlier assurance of yours to Baroness Ritchie that you would not renegotiate the funding transfers to reflect higher or lower than predicted numbers of academies.

It will come as no surprise that the proposals in the consultation document are regarded as profoundly unsatisfactory by authorities with relatively few academies. I do, though, need to leave you in no doubt that the proposals are viewed with equal dismay by authorities where large numbers of schools have converted to Academy status with their active support and assistance. Authorities that have spent considerable amounts of time and money ensuring that significant numbers of their schools are enabled to move rapidly to Academy status are deeply concerned that they may now face a further removal of funding that is not merely unjustified but potentially so severe that it could result in significant pressure on council tax or other vital local services.

Along with other leading members of the Association, I would be very happy to meet with you and Eric Pickles to discuss what might be done to resolve the situation. I am in the meantime sending a copy of this letter and of our consultation response to Eric.

Yours sincerely

Cllr Sir Merrick Cockell

Appendix C

Consultation on the basis for the decision on the appropriate amount of Academies Funding Transfer for 2011-12 and 2012-13

Response of the Local Government Association

1. This is the response of the Local Government Association (LGA) to the consultation issued on 19 July 2011 on the basis for the decision of the appropriate amount of funding transfers from local authorities for 2011-12 and 2012-13 to reflect the creation of Academies. A funding transfer of £148m was incorporated in the Local Government Finance Settlement for 2011-12 and a transfer of £265m is incorporated in the provisional Settlement for 2012-13 that the government has already published.
2. The LGA understands that the government's reconsideration of the funding transfer amounts has followed legal action taken by a number of local authorities in relation to the amount included in the 2011-12 Local Government Finance Settlement.
3. The LGA notes that the consultation is stated to have as its purpose: "to set out the evidence the Secretary of State will use to consider the appropriate level of transfer and the proposed basis for calculation of the transfer"¹. It is therefore extremely surprising, and a cause of the most serious concern to the LGA and its member authorities, that the consultation document:
 - a. whilst acknowledging that the government does not hold the objective data required to make a proper assessment of savings resulting from the transfer of maintained schools to Academy status, continues to assert that the cost of providing LACSEG – the Local Authorities Central Services Equivalent Grant – represents a suitable proxy measure, in the face of overwhelming evidence that this is not the case;
 - b. fails to acknowledge or take into account the significant one-off costs that local authorities incur when maintained schools transfer to Academy status;
 - c. whilst purporting to recognise the need to provide certainty and stability for local authorities about their levels of funding, discusses this issue only in relation to the allocation of the overall funding transfer amounts between authorities, and fails to mention an assurance given in writing to the LGA by the Secretary of State for Education, that "if the number of new academies is higher or lower than we predicted we will not seek to renegotiate the amount transferred because that would create more instability in the funding arrangements"².

¹ Paragraph 3 of the consultation document

² Letter dated 31 January 2011 from Rt Hon Michael Gove MP to Baroness Shireen Ritchie

4. The LGA considers that, unless these serious failings are corrected, the decision on the funding transfer taken following consultation will result in significant additional costs falling on council tax payers and will breach local authorities' legitimate expectation that, in the light of the government's New Burdens Doctrine³, funding transfers should reflect only genuine savings in local authorities' costs.
5. The LGA notes that the Department for Education has taken a provisional view that the reconsidered decision on the funding transfer is unlikely to have equalities implications. The Department's view is considered to be misplaced, and this response provides appropriate supporting evidence.
6. The LGA and its member authorities are concerned at the short time scale for the consultation, particularly as the Department for Education has now acknowledged that it does not hold sufficient objective data to make a properly considered estimate of savings that are likely to be realised by local authorities as a result of schools converting to Academy status. The limited timescale allowed has meant that a large number of member authorities' opportunities to respond to the consultation has been restricted. The consultation has taken place during the school holidays so it has not been possible to involve schools, and in many authorities key members of staff with expert knowledge of local schools finance issues have, entirely understandably, been absent.
7. The LGA considers that the appropriate basis for the calculation of the funding transfer should be an independently verified assessment of savings realisable by local authorities, net of the additional costs related to transfers of schools to Academy status. In this response we propose different ways in which this basis could be applied in relation to decisions about local authority funding. In the short time available for consultation it has not been possible for a fully considered assessment of savings to be prepared. However, it is clear that the LACSEG-based figures of £360m-£375m for 2011-12 and £580m-£680m for 2012-13 set out in paragraphs 51 and 53 of the consultation paper would represent massive over-estimates of the appropriate funding transfers.
8. Our response is structured as follows:
 - a. The evidence that is required to be taken into account to ensure that the funding transfer is calculated in accordance with the legitimate expectation set by the New Burdens Doctrine.
 - b. The inappropriateness of the Department for Education's use of s.251 returns to arrive at a LACSEG-based proxy measure of savings.
 - c. Alternative ways of working out the transfer which the LGA thinks could reasonably estimate the correct savings net of costs.
 - d. Equalities implications.
 - e. The way forward, including implications for local authority funding in 2011-12 and 2012-13 and the manner in which assurances already given in relation to stability of funding should be taken into account.

³ <http://www.communities.gov.uk/publications/localgovernment/newburdens2011>

- f. Other issues, including splitting of pensions deficits.

The funding transfers and the New Burdens Doctrine

9. Paragraph 2.1 of the New Burdens Doctrine states that “To ensure that the pressure on council tax is kept down, the net additional cost of all new burdens placed on local authorities...by Central Government must be assessed and fully and properly funded”. It is made clear that “Savings from reduced burdens should be discussed with the local authority associations and agreed ... in the same way as the costs associated with new burdens”⁴. The Doctrine states that general efficiency savings within local authorities are not an appropriate source of funding for new burdens⁵, and that transfers of funding from local government in respect of savings should not exceed a proper measure of the net savings to local authorities⁶. It also emphasises the importance of providing adequate time for likely costs/savings to be properly assessed⁷, and the desirability of independent corroboration of estimates of costs/savings⁸.
10. The new policies introduced by the Academies Act 2010 represented, as the consultation document notes, a significant change. It might therefore be reasonably expected that there would, in accordance with the New Burdens Doctrine, be timely and full consultation with local authorities and their representative association. It would also be reasonable to expect that, given the amounts of the funding transfers originally proposed, the Department for Education would have taken steps to obtain objective data to allow for an assessment of savings that would stand up to independent scrutiny and validation. Neither the original nor this second consultation has met those reasonable expectations. In the opinion of the LGA, the New Burdens Doctrine needs to be properly applied in order to assess the estimated savings, and additional costs of the Government’s academies policy. It is unreasonable and irrational to proceed on any other basis.
11. The premise of the consultation document is that the services for which LACSEG is being paid are double funded⁹. The LGA considers, on the basis of evidence that it has obtained from its member authorities, that there is no direct correlation between the cost to the Government of providing LACSEG and the savings that authorities actually make. Even if there is some saving, that does not amount to ‘double funding’. The consultation document goes on to assert that the cost to the DfE of the so-called ‘double funding’ is £151m per annum. It may well be that the academies programme is costing more money, but this is a reflection of the new government policy and there is no basis for an assumption that local authorities’ costs have as a result been reduced by the same amount.

⁴ Paragraph 5.23 of the New Burdens Doctrine

⁵ Paragraph 5.24 of the New Burdens Doctrine

⁶ Paragraph 5.28 of the New Burdens Doctrine

⁷ Paragraph 5.20 of the New Burdens Doctrine

⁸ Paragraph 5.22 of the New Burdens Doctrine

⁹ Paragraph 14 of the consultation document

12. The consultation document refers¹⁰ to the original estimation in the Impact Assessment of 26 May 2010 of the impact of the Academies Bill 2010 on the savings that local authorities could make. At that time it was stated that “as the marginal cost of providing support to an additional school will be close to zero for the vast majority of local authorities...therefore we assume that the saving to the local authorities will be negligible.” Although the Department now states that the figures in this estimate are understatements it does not refer to any evidence and does not provide a way of reconciling its previous statement to Parliament in the 2010 Impact Assessment and the provisional view now taken in the consultation document¹¹, that ‘it is reasonable to conclude that local authorities should be able to make savings which are ... commensurate with the cost to DfE of providing LACSEG’. The conclusion that the Department now draws is considered by the LGA to be completely unsupported by evidence, and irrational.
13. The consultation document states¹² that “the cost of LACSEG to DfE ... **will inform** the Secretary of State’s estimate of the appropriate reduction to local government funding” (emphasis added). A critique of the Department’s calculation of LACSEG per pupil figures is provided below. However, the apparent preconception on the part of the Secretary of State that the cost of LACSEG to DfE should have relevance as measure of the funding transfer, as opposed to a reasonable estimate of the savings to local authorities, is contrary to the New Burdens Doctrine. This is a matter of great concern to the LGA.
14. It is of equal concern that, in various other places, the consultation document either purports to play down the importance of the New Burdens Doctrine or misapplies the Doctrine. Paragraph 27 of the consultation document states, that “although the main focus of the New Burdens Doctrine is on transfers from central to local government it also makes clear that when a function is transferred from local authorities to central government a financial transfer may be made to the relevant Department”. This is misleading. It is clear that the New Burdens Doctrine applies to savings from transfers of function away from local government just as it does to transfers of functions to local government. The focus of the New Burdens Doctrine is on the avoidance of additional pressure on council tax levels as a result of government policy change, not on one particular kind of policy change resulting in transfers of responsibilities to local government.
15. Paragraph 28 goes on to state that the government will take account of the extent to which the costs to Academies who have to undertake the transferred functions without support to local authorities are analogous to the savings which can be made to local government through no longer having to provide functions to Academies, and the income which can be generated by local authorities through selling their services to Academies; this is also referred to in paragraph 32. This approach does not accord

¹⁰ Paragraph 17 of the consultation document

¹¹ Paragraph 34 of the consultation document

¹² Paragraph 25 of the consultation document

with the New Burdens Doctrine as the question of how academies are remunerated for additional functions is a separate matter, and an irrelevant one in the absence of a clearly evidenced connection with savings to local authorities.

16. Paragraphs 28 and 32 also refer to income which can be generated by local authorities through selling their services to Academies. The Department states that it proposes to “take into consideration the opportunity for additional income when estimating the savings which local authorities will make ...”. This approach is not in accordance with the New Burdens Doctrine as, firstly, whether Academies will purchase services from local authorities is largely outside authorities’ control and in any event:
 - a. costs may be incurred in setting up a buy-back service, and administering it, which will have to be borne by the authority; and
 - b. experience has shown that this only happens for a limited number of services; for example school improvement.
17. Paragraphs 29-31 of the consultation document discuss the basis on which local authorities are funded for education services. It is noted that funding is predominantly on a per pupil basis. Paragraph 30 states that there is little evidence of a direct link between pupil numbers and spend per pupil, going on to state that the size of a local authority explains only 3% or 1% of the variance in spend per pupil respectively. This indicates, the document asserts, that there are not necessarily economies of scale in practice as pupil numbers fall and that a local authority can be expected to reduce its own spend on central services.
18. The data behind this statistical assertion are not stated, and it is therefore not possible to test its robustness. However, figures for Local Authority budget LACSEG per pupil for the academic year 2010-11 have been published¹³ and analysis of this data indicates a statistically significant inverse correlation between the Local Authority LACSEG per pupil amount and the number of pupils in the authority, at both primary and secondary levels. In other words, an authority with larger numbers of pupils is more likely to report a relatively lower Local Authority LACSEG per pupil amount. This contradicts the view expressed in paragraph 30 of the consultation document that there are not necessarily diseconomies of scale as pupil numbers fall. In fact, on this alternative analysis, the potential diseconomies of scale are substantial, particularly for larger authorities¹⁴. However the LGA would argue that the extent to which there are economies of scale is an empirical question to be determined by measuring the evidence of how local authorities deal with reductions in

¹³ Details at

<http://media.education.gov.uk/assets/files/xls/l/lacseg%20numbers%20for%20local%20authorities.xls>

¹⁴ As an example, an authority with 40,000 secondary school pupils might be expected to report 2010-11 Local Authority LACSEG per pupil of £260.86 (based on 2009-10 budget data). If 1,000 pupils moved to an academy school, the implied **maximum** saving per pupil is only £171.16. Given the practical issues discussed elsewhere in this paper, the actual saving immediately realisable would be expected to be considerably less.

pupil numbers. This is an integral part of the correct application of the New Burdens Doctrine.

19. On the basis of its analysis in paragraphs 25-32 of the consultation document, and after noting that central government does not hold sufficient appropriate objective data from which it could straightforwardly estimate savings for local authorities, the Department takes a provisional view that local authorities should be able to make savings which are commensurate with the reduction in responsibilities which a transfer of schools to academy status entails and which is commensurate with the cost to the DfE of providing LACSEG. Therefore the Secretary of State proposes to calculate the appropriate reduction in local authority funding on the basis that it should reflect the cost to the DfE of providing LACSEG.
20. As the comments above have demonstrated, the analysis by which the Department reaches this view is fundamentally flawed. It fails to pay proper regard to local authorities' legitimate expectation that the funding transfer will be assessed with proper regard to the New Burdens Doctrine and it reaches conclusions on diseconomies of scale that do not accord with reasonable analysis of the available evidence. In summary, the LGA disagrees with the conclusions drawn because:
 - a. The DfE has not presented any objectively justifiable evidence that local authorities should be able to make savings as a result of no longer having to provide some services to academy schools;
 - b. Further, if there are any savings, the DfE has not presented any evidence (nor reasonable justification) for its conclusion that the savings are commensurate with the reduction in the responsibilities and the cost to the DfE of providing the LACSEG; and
 - c. The conclusion is merely an assertion, relying on flawed statistical analysis, that the Academies Funding Transfer should reflect the cost of LACSEG to the DfE without any consideration being given to the fairness and reasonableness of the approach.
21. Even if the Department's conclusion was a reasonable one, it would not represent a satisfactory basis for derivation of the appropriate funding transfer because it fails to take account of a number of evidential factors, raised by our member authorities, that would imply lower realisable levels of savings. These factors include the following:
 - a. Evidenced diseconomies of scale.
 - b. Evidence that maintained schools which are now becoming or applying to become academies are usually higher performing than the average schools in the area; therefore these schools may have less need for central services. This reflects both the policy to allow good and outstanding schools to convert first and experience that, in practice, schools with higher levels of need are more reluctant to leave the support of the local authority. In short, converting schools tend to carry a lower than average share of central costs.
 - c. Local authorities may have entered into contracts with third parties for the provision of some of the services concerned and the terms of

those contracts may not allow for the contractual price payable to be reduced, or reduced on a proportionate basis, where it is no longer necessary to supply the services to a particular school.

- d. Significant one-off costs associated with Academy conversions.

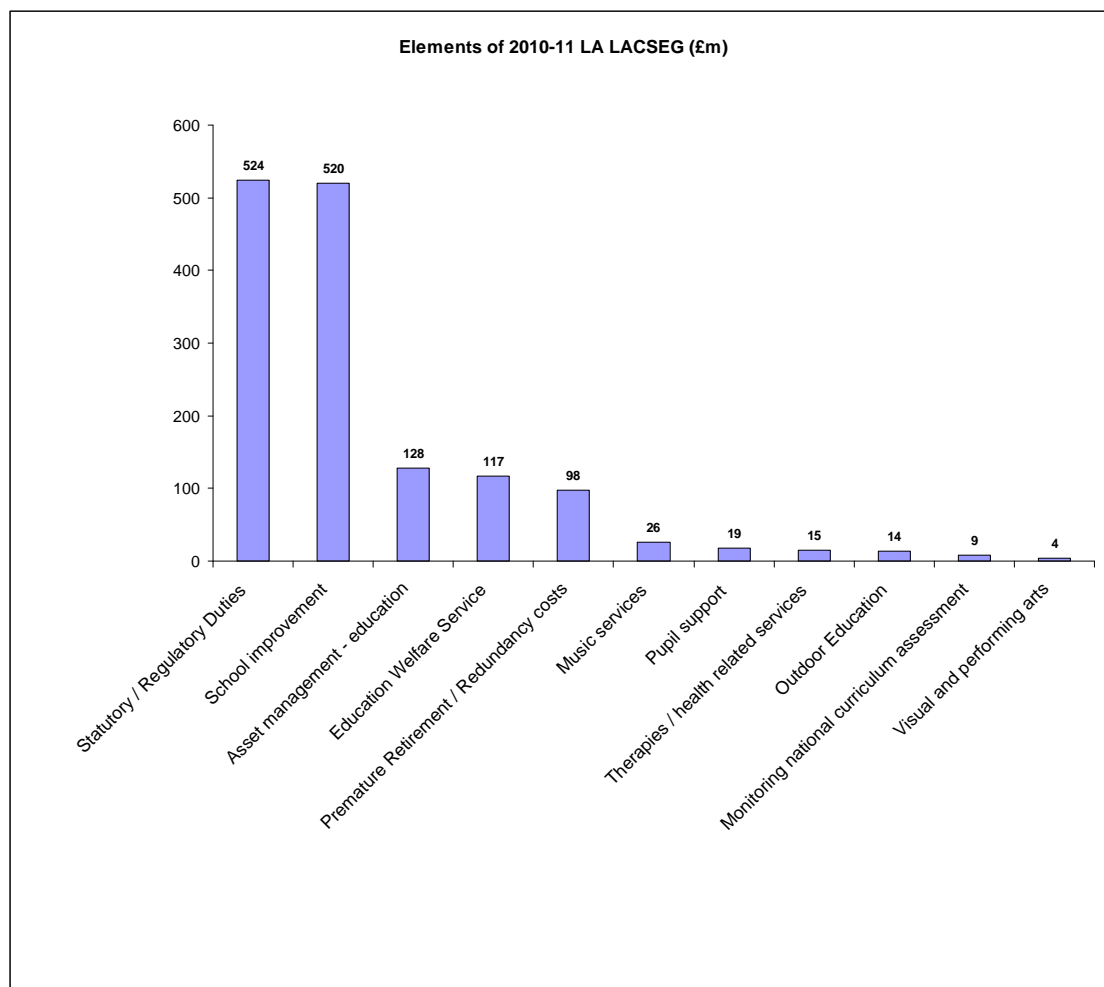
Inappropriateness of the proposed LACSEG based measure of savings

22. In the following section we explain why the proposed LACSEG based method of estimating savings is inappropriate for the purposes of applying the New Burdens Doctrine.
23. The Department's estimate of LA LACSEG per pupil is derived using a complex calculation that takes into account certain budgeted spend figures from an itemised return of budgeted local authority spend on schools services (the S251 return). Annex A of the Department's consultation paper sets out the various elements of the S251 return. Those taken into account for LA LACSEG are marked "Y" in the "LACSEG Relevant" column of Annex A and are marked "LA" in the column that distinguishes between items funded through the ring-fenced schools grant and items funded by local authorities through their general resources. In certain cases the calculation uses the authority's estimate of its gross expenditure. In other cases the authority's estimate of expenditure net of related income is used. For all lines of expenditure relevant to LA LACSEG, only 90% of the reported total is used for LACSEG purposes.
24. DfE perform these calculations of LACSEG amounts for the purpose of determining funding to be allocated to academies. So far as the LGA is aware, there is no independent research that establishes whether, on a line-by-line basis, the estimated amounts correctly fund, inadequately fund or over-fund academies. The figures are estimated by authorities on the basis of their overall costs but are not subject to detailed audit. They vary considerably from year to year and from authority to authority.
25. In 2010-11 LA LACSEG was estimated to amount to £1.462m in total. This is 90% of the relevant lines in the S251 return¹⁵ subject to adjustment, as stated in the DfE methodology statement for LACSEG, to take account of special factors affecting a small number of individual authorities.
26. The LGA has been unable to ascertain from DfE the basis for the 90% factor. When the question was asked at the consultation meeting on 29th July the answer given was that this was the method that had been adopted for LACSEG for pre-2010 academies.
27. For the reasons explained earlier in this response document, the LGA does not accept that DfE's LA LACSEG per pupil estimates constitute an appropriate foundation for the calculation of savings to local authorities. Budget estimates of unit cost are not reliable indicators of potentially available marginal savings available if the relevant functions have to be performed for smaller numbers of pupils following Academy conversions. However, additional compelling reasons why purported savings estimates

¹⁵ <http://media.education.gov.uk/assets/files/xls/b/budget%20summary%202010%2011.xls>

based on overall LA LACSEG per pupil figures are inappropriate become clear when the constituents of LA LACSEG are examined. It should be stressed that where, in any of the constituent lines of expenditure, a funding reduction is made that is greater than that appropriate under the New Burdens doctrine then authorities as a whole will have to reduce services or, at least in theory, increase council tax.

28. The following chart shows how the relevant LACSEG services are broken down. The figures are taken from the 2010-11 S251 budget return.



29. As the Chart shows, two elements dominate the overall level of LA LACSEG – Statutory / Regulatory duties (£524m) and School Improvement (£520m). These two elements cover more than 70% of the total. A further three elements are also significant: Asset Management (£128m), Education Welfare Services (£117m) and premature retirement and redundancy costs (£98m). The top five elements cover almost 95% of total LA LACSEG.

30. Based on comments from authorities the LGA would make the following observations on the particular lines used to derive LA LACSEG (numbers in brackets relate to the S251 budget return for 2010-11).

- a. **Statutory / Regulatory duties** (Net) (90%) (7.0.1) - (35% of the total)
 These are functions which the local authority must perform to comply with legislation and regulation. Large parts are only marginally, or not affected at all by the scale of Academy conversions. The s.251 return does not split between the various statutory and regulatory duties and therefore cannot isolate those elements of cost which are relevant to academies. Examples of costs included under this heading where it is not possible to identify any material savings as a result of Academy conversions are
- i. Functions of the Director of Children's Services – a large part of which relate to their statutory safeguarding and Every Child Matters roles;
 - ii. Strategic planning – this is not a service to be carried out by academies;
 - iii. Revenue budget preparation and other finance matters – authorities have told the LGA that it is difficult to separate out services which relate to children's services rather than education – there are also fixed costs which will not change.
 - iv. Retrospective membership of pension schemes – which it would not be appropriate to expect schools to meet the cost from the schools' budget share.
 - v. Legal services relating to the functions of the authority – this is not relevant to academies as legal costs to schools are all delegated.
 - vi. Expenditure on the authority's functions on the Standing Advisory Council on religious education constituted by the authority; this is not a function which academies have.
 - vii. Expenditure on making pension payments other than in respect of schools.
- b. **School improvement** (Gross) (90%) (2.1.9) (35% of the total) This funding is directed to supporting schools with low/failing standards. In most authorities good or outstanding schools would not be in receipt of this service, and hence a disproportionate level of funding will relate to schools that are not eligible for academy status. In 2010-11 this may include a share of some LA standards grants which will subsequently have been devolved to schools.
- c. **Asset Management – education** (Net) (90%) (2.2.1). (9% of the total)
 This is an authority wide responsibility. A number of authorities will have included costs for Building Schools for the Future schemes in 2010-11; any method of reduction based on average LA LACSEG will allocate a share of this funding to academies; this would be likely to represent double funding for academies and an unjustified reduction in local authority funding.
- d. **Education Welfare Services** (Gross) (90%) (2.1.8) (8% of the total)
 There have been no savings as a result of conversion of schools to academies. Most authorities already operate the non statutory elements of this function as a buy back service. What remains is

largely a statutory service, for example prosecutions for non attendance and issuing of child employment permits, which has to be provided irrespective of schools converting to academies.

- e. **Premature retirement and redundancy costs** (Gross) (90%) (7.0.2). (7% of the total) This budget will reflect decisions based on affordability, having regard to 2009-10 and 2010-11 funding levels. It is not justified to assume that similar levels of expenditure would be affordable for years post-CSR 2010.
 - f. **Music Services** (not Standards Fund supported) (Net) (90%) (2.2.3) (2% of the total)
 - g. **Pupil support** (Gross) (90%) (2.1.2) (1% of the total)
 - h. **Therapies and other health related services** (Gross) (90%) (2.0.3). (1% of the total) This is focussed on a small number of schools and pupils; it does not reduce pro-rata when schools become academies.
 - i. **Outdoor education** including Environmental and Field Studies (not sports) (Net) (90%) (2.2.5) (1% of the total) One authority has told us that this provision is used only by primary and special school pupils; but a share of it is being allocated to secondary academies
 - j. **Monitoring national curriculum assessment** (Gross) (90%) (7.0.7) (1% of the total)
 - k. **Visual and Performing Arts** (other than music) (Net) (90%) (2.2.4) (less than 1% of the total)
31. This analysis clearly demonstrates that, in relation to the five most significant elements of LA LACSEG making up almost 95% of the total, the Department's underlying assumption that 90% of costs in effect follow the pupil, and can therefore be saved by a local authority when schools convert to Academy status, is completely unjustified.
32. A further point, and one that may go some way to explaining the wide differences in LA LACSEG per pupil figures between authorities, is that the s.251 return was never intended to be used to calculate the amount of funding for LACSEG purposes. The DfE guidance is not comprehensive and there is no detailed audit of the returns to ensure consistent treatment between local authorities. Different local authorities may take different views, entirely consistent and in accordance with the guidance, on questions such as where to account for grants to the local authority which are passed on to schools, and gross and net expenditure.
33. The DfE has assumed a standard reduction of 9% in 2011-12 and 15% for 2012-13 on 2010-11 figures. Authorities have told the LGA that they have, as a result of general reductions in local authority funding, taken steps to review their spend on centrally provided services and have in practice made much higher reductions than this. This is evidenced by the Department's own estimates of LA LACSEG which reduce from around £305 per pupil in 2010-11 to £220 per pupil in 2011-12 – a reduction of more than 25%. Furthermore, the Department's LACSEG figures for any particular year are calculated using information from budgets for the previous year and therefore do not represent estimates that are in line with

budgets for the current year: they are a year out of date. Even if the DfE's methodology was in other respects valid, therefore, the appropriate per pupil figures to be used would be of the order of £200 (£220 less 9%) for 2011-12 and £187 (£220 less 15%) for 2012-13.

34. There are, though, demonstrable further errors in the calculation proposed in the consultation document. Paragraph 38 of the document purports to explain the basis on which the average per pupil amount of LA LACSEG has been calculated. However, on the evidence of the authority by authority figures that DfE has published for the Section 251 returns for 2009-10 and the related LACSEG calculations, the per pupil averages of £304 (primary) and £306 (secondary) are derived by taking the arithmetic mean across all authorities of individual authorities' average LA LACSEG per pupil. The figures calculated according to the Department's stated methodology are in fact lower, because of the impact of economies of scale for larger authorities, and are £281 (primary) and £275 (secondary). The position on the figures based on Section 251 returns for 2010-11 is similar. The consultation document claims that an average figure of around £220 is appropriate. In fact, applying the department's stated methodology to the figures shown on authorities' Section 251 returns, the correct average is £207.¹⁶

Different ways of working out the appropriate transfer

35. The consultation document refers in passing to DfE's consideration of other methods of calculating savings to local authorities, but does not provide any detailed evidence of the methods which may have been investigated. As the preceding sections of this response have shown, the application of the method proposed by DfE would not deliver results that accord with the policy set out in the New Burdens Doctrine. Even if that were the case, it has been demonstrated that the proposed LA LACSEG based calculation is based on invalid underlying estimates, reflects major errors of principle and produces overall estimates of savings that are clearly grossly excessive.
36. The LGA and its member authorities accept that a practicable and workable means of estimating the appropriate level of funding transfer is necessary. We therefore now go on to consider some possible ways in which the transfer could be established.
37. Two methods which could be used are briefly described below. Because of the limited time allowed for the consultation, it is not possible at this stage to produce estimates of the amounts of transfer that would result from the application of these methods. However, both methods are based on the use of appropriate objective data. The LGA regards it as essential that the DfE should obtain such objective data. It is not an acceptable answer to assert that the data is not currently held, or difficult to obtain, and to use those difficulties as an excuse for falling back on a

¹⁶ However, even that figure is inappropriate as a measure of marginal savings, because of the issue of economies of scale. LGA modelling suggests that, based on 2010-11 Section 251 return data, the **maximum** theoretical saving as pupils are transferred to academies is no more than £163 per pupil and will in practice be considerably less.

methodology that is plainly wrong. The LGA has therefore, within the limited time available, explored with a number of its member authorities what savings are likely to have been achieved at individual authority level. The findings from this work are reported on later in this response.

38. **Recoument basis** This was discussed briefly with the Secretary of State at the Children and Young People's Board in January 2011; the LGA also outlined it as a possible method at the meeting with DfE on 29th July 2011.

- a. This would require a calculation to be made when any LA school converts to an academy of the actual savings. This would be calculated by the LA and verified independently – this could be by the authority's auditors.
- b. Initially it would be worked out on a part year basis; it would be then be repeated every year as part of working out the overall budget.
- c. It would take into account both savings and costs to the authority. The latter could be expected to arise from the costs of conversion, at least in the first year.
- d. The agreed total sum would be recouped from the authority by the DfE, or, depending on the precise arrangements which apply to school funding, from the Education Funding Agency. If the sum was negative due to the higher costs of conversions the DfE would pay an additional grant to the authority under the New Burdens Doctrine.
- e. If this was agreed the transfers from formula grant of £148m in 2011-12 and £265m in 2012-13 should be returned to authorities. This could be by specific grant to avoid having to reopen the 2011-12 and 2012-13 local government finance settlements

39. **Unit costs – based on actual savings** A method based on establishing actual savings at individual authority level would arguably be the fairest, but it would involve a deal more administrative work for authorities, and would need to be applied retrospectively. An alternative approach, that might allow a forward looking estimate of overall savings to be calculated, would be based on a calculation of an average overall unit cost saving which fairly applies the principles of the New Burdens Procedure. The aim would be to identify a national net unit cost of verifiable savings from authorities, which could then be multiplied by the number of pupils in academies to get a fair sum for the transfer.

40. This might be derived from a costing exercise based on work with a representative sample of authorities of different types (i.e unitary and county), in different geographical region, and with different numbers of academies.

41. The LGA has examined the feasibility of such an exercise, working initially in detail with four local authorities of different types and with markedly different numbers of academy conversions, and drawing on summarised information provided by 32 of its member authorities. The following are the initial findings:

- a. Authorities with no or few academies do not have significant savings. This is because, as mentioned in the LACSEG section above, services may be targeted at schools which are not academies or because any economies of scale do not materialise, at least not in 2011-12 or 2012-13. Typically once the conversion costs mentioned below are taken into account there is a net cost for academy conversions in year 1.
 - b. Authorities with more academies may have savings, which should be capable of being costed by a robust costing exercise. One large authority with a lot of academies (not part of the sample group of 32) reports that its actual rate of budgeted spend per pupil is £85 in 2011-12 and £68 in 2012-13; this compares with the proposed DfE holdback of £304 per secondary pupil for the period April to August 2011 and £219 per secondary pupil for the period August 2011 to August 2012. Another authority, which expects by 2012-13 to have had academy conversions covering around 40% of its school population, has tentatively estimated savings per pupil, before conversion costs, of around £22 per pupil by 2012-13.
 - c. Conversion costs for local authorities can be significant; these are legal costs; staffing issues, land and legal matters, and contract issues. These are doubly complicated if the school was built under a PFI scheme. Authorities have told the LGA that conversion costs for a single academy can be as high as £30,000 although there may be economies of scale as more academies convert. A typical range appears on evidence we have seen to be of the order of £10,000 - £15,000 per school.
 - d. Many authorities, in drawing up their S251 returns, allocate proportionate shares of central costs to schools functions. These apportioned costs can be substantial and relate to areas of the authority's business that are not directly involved with academies. Such elements of cost do not represent realisable savings.
42. The LGA considers that, in arriving at an estimate of the realisable savings to authorities from academy conversions, the Department should take into account conversion costs and, in relation to savings, distinguish between:
- a. realisable cash savings, which arise where funding is clearly directly related to pupil numbers;
 - b. realisable opportunity savings, where reduced demand for a particular service of a general nature may allow savings to be realised over time; and
 - c. apportionments of general costs that do not give rise either to immediately realisable or to opportunity savings.
43. In reports made to the LGA, a total of 15 authorities out of 32 indicated that they expected by the end of 2011-12 to have fewer than 5% of their pupils in schools that had converted to Academy status. 11 of these authorities said that they expected to have made no savings by the end of 2011-12. For the remaining four, estimated savings ranged from around

£17.50 per pupil to around £47.50 per pupil. These figures are of savings before related costs of academy conversions.

44. The remaining 17 authorities that reported details had considerably greater experience of conversions of schools to Academy status. The group included 3 London Boroughs, 7 shire counties, 3 metropolitan districts and 4 non-metropolitan unitary authorities. The authorities estimated that by the end of 2011-12 they would have between 9% and 47% of their pupils in schools that had converted to Academy status. Estimated savings per pupil varied from zero to £67.80 per pupil, with the highest level of savings achieved by an authority that expected by the end of 2011-12 to have around one third of its pupils in schools that had converted to Academy status.
45. Analysis of the data as a whole suggests that there is a positive, albeit weak relationship between the percentage of pupils in converted academies by the end of 2011-12 and assumed savings. The average savings per additional pupil amount to just over £15. Trend analysis suggests very tentatively that it is unlikely that savings much above £70 per pupil would be achievable even with very high levels of Academy conversions.
46. Qualitatively, savings were reported most frequently in the following areas
 - a. Education welfare services (14 out of 32)
 - b. School improvement (13 out of 32)
 - c. Statutory and regulatory duties (8 out of 32)

No authority reported that savings were being achieved in the areas of premature retirement costs or national curriculum assessment.

47. These practical findings by individual local authorities are entirely consistent with the analysis of LA LACSEG figures considered earlier in this paper, which noted that on the basis of LA LACSEG data across the entire spectrum of local authorities, the maximum theoretical savings would only be of the order of around £163 per pupil at 2010-11 funding levels – a figure that would be expected to reduce significantly for 2011-12 and 2012-13 given the general reductions in local authority grant funding.

Equalities implications

48. The DfE's view is that the reconsidered decision is unlikely to have equalities implications. This is because, as paragraph 61 of the consultation document asserts, for the vast majority of authorities the amount of the reduction in funding will be less than the total of savings through no longer providing services to Academies and income from selling services to Academies. The Department states, secondly, that as formula grant is not ringfenced it will be up to each local authority to allocate any shortfall as between different services.
49. The LGA finds this reasoning surprising. The Department's assertion that most authorities will make savings, through no longer having to provide services to Academies or by generating income from academies, that exceed the amount of the funding reduction is not supported by any

evidence. Furthermore, earlier in the consultation document (paragraph 34) it is stated merely that savings are “commensurate with” the reduction in funding. As has been demonstrated by the evidence in this response, even that lesser claim is manifestly unsupportable.

50. The LGA further regards the DfE’s consideration of equalities issues in paragraph 61 as insufficient to discharge the department’s duties under the Equalities Act for the following reasons
- a. Although formula grant is not ringfenced, the underlying assumption of the transfer in funding is that it should be possible for an authority’s expenditure on central education services to be reduced accordingly. Therefore, particularly in the light of DfE’s admission that some authorities will suffer an overall loss of funding, the Department should consider the equalities implications of a reduction in expenditure
 - b. The nature of central education services are such that some of them are likely to be of particular importance to groups directly within the contemplation of the equality legislation or to disadvantaged communities
 - c. If local authorities see a reduction in funding for providing central services to maintained schools, and academies find themselves in a preferential situation, this could have equalities implications if the pupil populations of these two types of school differ in their gender and ethnic origin or in the number with special educational needs. Evidence collected by the LGA as part of the costing exercise above suggests that this is the case.
 - d. Finally, although the LGA is not here promoting any one distribution methodology, we would note that the approach taken to the Academies in the 2011-12 and 2012-13 local government finance settlements does have equalities implications since it is the authorities with the highest relative needs indicators which have the highest proportional transfer.
51. These conclusions are supported by evidence from a number of member authorities. One large authority in what is usually considered one of the more prosperous parts of the country, in which around half of secondary schools have converted to Academy status, has comprehensively analysed the main socio-economic indicators for pupils in the two groups of schools. It finds that, in its maintained schools, children are significantly more likely to be eligible for free school meals, have another language than English as their first language, and have a SEN statement. Children living in wealthy areas within the authority are significantly more likely to attend Academies than maintained schools: the reverse is true of children living in the most deprived parts of the authority’s area. In the light of this evidence it is clear that a transfer of funding on the pro-rata basis that the Department is proposing will operate to the disbenefit of more disadvantaged groups in society.

Implication for the 2011-12 and 2012-13 local government finance settlements

52. The arguments in this response, and the costing exercise set in motion, suggest strongly that there are no grounds under the new burdens doctrine for removing £148m in 2011-12 and a further £265m in 2012-13.
53. We note that the consultation document says in paragraph 24 that, for 2011-2, the calculation of the appropriate reduction in local authority funding will not necessarily determine whether any additional reduction in local authority will be effected, and if so, how it will be done. The meaning of this is not clear and the corresponding position for 2012-13 is not stated.
54. The LGA considers that any further reduction in formula grant would be a breach of its, and authorities' legitimate expectation that the amount of formula grant for 2011-12 and 2012-13 would not be reduced. This expectation was created by the letter from the Secretary of State for Education to Baroness Ritchie of 31 January 2011 in which he states "but if the number of new academies is higher or lower than we predicted we will not seek to renegotiate the amount transferred because that would create more instability in the funding arrangements."
55. There is, furthermore, the overall matter of the desirability of stability of funding for local authorities. The consultation document touches on this in paragraphs 21-24 but only in relation to issues relating to the allocation between authorities of an estimated overall saving.
56. Local authorities appreciate the stability and certainty provided by a multi-year grant settlement. Such settlements should not be disturbed without good reason. When, as is the case here, the relevant Secretary of State has put on record an assurance that funding decisions originally reflecting a particular estimate of the rate at which policy implementation proceeds will not be revised if that estimate proves to be higher or lower than estimated, that assurance should be honoured, as authorities have a legitimate right to expect. At the time of the consultation on the proposed 2011-12 Local Government Finance Settlement, a great many local authorities expressed serious concerns, backed by evidence, that the funding transfers in respect of Academies for 2011-12 and 2012-13 were grossly excessive.
57. Many authorities were aware of the assurance in the Secretary of State for Education's letter to Baroness Ritchie, dated 31 January 2011, that that "if the number of new academies is higher or lower than we predicted we will not seek to renegotiate the amount transferred because that would create more instability in the funding arrangements". Authorities were extremely disappointed that the government, against a weight of evidence presented in consultation, decided not to reduce the 2011-12 and proposed 2012-13 amounts of funding transfer. In considering the appropriate action in response to that decision, authorities took into account the clear assurance that the settlement was intended to deliver certainty and stability in funding. Accordingly, whilst a number of authorities decided to take the legal action that has prompted this reconsideration of the matter, a good number of others amongst our member authorities, although

disappointed by the government's decision, accepted it. In determining what should now be done, it is essential that the government should respect the legitimate expectations and interests of those authorities that decided, having regard to the Secretary of State's assurance, to accept the original decision. Equally, authorities that can evidence that they have suffered funding reductions that are considerably in excess of the amounts that are appropriate having regard to the New Burdens Doctrine, and that put excessive pressure on council tax, should be compensated.

58. The LGA's conclusion based on the evidence set out in this consultation response is that it would be contrary to authorities' legitimate expectations under the New Burdens Doctrine for funding reductions to be taken that reflect savings per pupil of more than a range £15-£70 per pupil; and that, for authorities expecting relatively low levels of academies conversion, the per pupil funding reduction should be at the lower end of that range. Even on the Department's revised forecasts for conversions of schools to Academy status, that would result in a funding reduction for 2012-13 at a level below the originally proposed £265m.

Other issues

59. There are a number of issues concerning the Local Government Pension Scheme which affect non-teaching staff at academies. The Local Government Group wrote on 18th April to Noreen Graham at DfE.

60. Amongst the matters raised in that letter is the issue of the apportionment of any funding deficit. There are two main ways that a share of any funding deficit could be allocated:

- a. the academy could only be attributed with a share of the deficit that applies to those current LGPS staff who transfer to the academy, or
- b. the academy could be attributed with a share of the whole deficit i.e. that applying to current LGPS staff who transfer to the academy and that attributable to deferred and pensioner members.

The second option is "fairer" on the basis that it recognises the local authority will lose funding in respect of the provision of education services but will remain responsible for the pension liabilities of former education staff whose benefits will not transfer to the academy.

61. There has yet to be an answer to this letter from DfE.

62. Authorities have raised concern about the carbon tax, where academies will be considered within the local authority total. There is no clear way to recover this tax from academies, although some authorities may have made arrangements.

Local Government Association

August 2011

Item 2

Children's Improvement Board Update

Purpose of report

For discussion and direction

Summary

This report provides Members with an update on the work of the Children's Improvement Board.

Recommendation(s)

That Members note the report.

Action

LG Group officers to action as necessary.

Contact officer: Liz Hobson
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Item 2

Children's Improvement Board Update

1. The grant letter from the Department for Education setting out the grant funding offered for the period July 2011 to March 2012 has now been signed. LGID is administering the grant on behalf of the Children's Improvement Board (CIB). At the last meeting of the Board, members asked to be provided with more information about the CIB's work programme. A copy of the draft work programme is attached (**at Appendix A**), which is subject to further discussion at the meeting of the CIB on 14 September.
2. At the July meeting the Board also discussed the governance arrangements for the CIB. A report on governance has since been commissioned from Dr Clive Grace who will be making recommendations to the CIB at its meeting on 14 September. The CIB is aware of the need to establish strong governance for the programme and the work in progress will provide options for consideration.
3. Work has also been underway to set up a framework contract through which the CIB can tender for specific services as and when they are required. This framework will be used to secure a number of services that are currently being provided in the short term through a single tender arrangement with C4EO and with Serco. CIB has agreed that this arrangement will cease at the end of October by which time a framework contract will be in place and services will have been secured through a competitive process.
4. The services to which this are expected to apply are:
 - 4.1. Provision and development of data profiles and knowledge and intelligence to support the self assessment, improvement planning and peer challenge work in which all councils will engage.
 - 4.2. Expansion of the supply of sector data specialists to support self assessment work.
 - 4.3. Recruitment and supply of sector specialists to contribute to support packages for individual councils, to peer reviews, and to policy implementation work.

Policy implementation

5. Nine local authorities have been selected as pathfinders for payment by results from a large group of over forty applicants. The pathfinders will focus on the core purpose of children's centres: to improve child development and school readiness among young children and to reduce inequalities. The scheme will explore the potential to join up with other payment by results schemes being developed across Government. Pilots are due to be launched in up to 21 more local authorities in the autumn, with a view to rolling out the system nationally by 2013.

Item 2

6. Discussion is also underway on how the planned DfE support offer on Families with Multiple Problems (in the context of Community Budget initiatives) can be fully integrated within the sector support model. Further discussions are taking place on how a number of other policy implementation issues, including productivity work and a youth offer and the implementation of the Munro recommendations, can be delivered through the sector led work. This is likely to drive further requirements for support products and services.

Inspection

7. As indicated in **Item 3**, “Arrangements for the inspection of Local Authority Children’s Services” the CIB is meeting Ofsted on 8 September to discuss their how inspection can add value to and draw on the sector led approach to improvement.

Financial Implications

8. There are no financial implications from this report.

Appendix A

WORK PROGRAMME FOR CHILDREN'S SERVICES SECTOR LED IMPROVEMENT SYSTEM

Deliverable 1: Leadership of the system			
	Task/Activity	Outputs	Dates of activity
A	Establish a leadership team and management structure to deliver the priorities of the Children's Improvement Board	<ul style="list-style-type: none"> Scope office needs and produce a detailed delivery plan for the programme in 2011/12 Director for Children's Services Self Improvement, including on costs Core delivery team to support delivery of the programme system delivery. Subject to scoping exercise but estimate based on salary and on costs of at least 1x Programme Manager; 2x Project Support Officers; 1x contract manager; 1x project co-ordinator. Running costs and overheads to run the programme including meetings, events, training, stakeholder engagement, communications, publications, procurement, legal fees, research (e.g. the governance project) and direct travel costs for the core delivery team 	<p>July – Aug 2011</p> <p>July - Mar 2012</p> <p>Sept 2011 - Mar 2012</p> <p>July 2011- March 2012</p>

Deliverable 2: Commission services & products to support universal engagement with self-assessment & improvement planning			
	Task/Activity	Outputs	Dates of activity
A	Provision of support for self- assessment & improvement planning	<ul style="list-style-type: none"> C4EO to provide & develop: <ul style="list-style-type: none"> data profiles knowledge & intelligence to support self-assessment & improvement planning knowledge & intelligence for peer challengers 	<p>July – Oct 2011</p> <p>July – Oct 2011</p>

		C4EO to recruit, train and deploy sector specialists, including data specialists	July – Oct 2011
		C4EO to collate & validate local practice	July – Oct 2011
		C4EO to maintain evidence base to inform practice development	
		Total C4EO	
		<ul style="list-style-type: none"> Procurement of above services through competitive tender 	Nov - Mar 2012

Deliverable 3: Commission peer led support and challenge			
	Task/Activity	Outputs	Dates of activity
A		<ul style="list-style-type: none"> Fund an entitlement for all councils to receive a specialist children's peer review 	July 2011 - March 2012
B		<ul style="list-style-type: none"> Ensure sufficient sector specialists to contribute to peer reviews. Fund support & training for initial cohort of peer challengers 	July 2011 - Mar 2012 Sept – Dec 2011

Deliverable 4: Commission support to address priority needs identified through peer challenge, peer review and inspections			
	Task/Activity	Outputs	Dates of activity
A		<ul style="list-style-type: none"> Set up an immediate brokerage service to work with the priority needs of early adopters. 	July - Sep 2011

B		<ul style="list-style-type: none"> Employ an Associate Director of Commissioning & Brokerage 	Oct 2011 - Mar 2012
		<ul style="list-style-type: none"> Employ a team of national & local associate brokers 	Oct 2011- March
		<ul style="list-style-type: none"> Tender a framework contract to enable the purchase of improvement support from external providers and the cost of drawing down the support. 	July 2011 - Mar 2012
		<ul style="list-style-type: none"> Ensure through a backfill payment scheme, a supply of sector specialists available to contribute to improvement support. & policy implementation – see deliverable 5 below 	July 2011 - Mar 2012

Deliverable 5: Commission support for policy implementation work

		Task/Activity	Outputs	Dates of activity
A	To provide assistance on maintaining sufficient Sure Start Children's Centres	<ul style="list-style-type: none"> At the request of LAs: <ul style="list-style-type: none"> Provide challenge and advice to LAs' in their planning to meet sufficiency duties Support and advise LAs on best practice options for delivering services to the most vulnerable children within the resources available 	<ul style="list-style-type: none"> Work with trial areas in 2011-12 to: <ul style="list-style-type: none"> define appropriate local data sets, determine baseline data; and develop national baseline measures; begin to develop systems and processes for local payments by results; test out shadow budget for children centres, taking account of the various local approaches/governance structures currently in place and being developed; share progress on a regional basis with non-trial LAs. 	July - Oct 2011
B	To shortlist, support and evaluate trial local authorities for Sure Start Children's Centres payment by results			July 2011 – March 2012

		<ul style="list-style-type: none"> • Include policy implementation work in framework contract (see deliverable 4 above). 	July 2011 – March 12
		<ul style="list-style-type: none"> • Ensure through a backfill payment scheme, a supply of sector specialists available to contribute to policy implementation. 	Jul 2011 – Mar 2012

Deliverable 6: Development and mobilisation of the system

	Task/Activity	Outputs	Dates of activity
A		<ul style="list-style-type: none"> • Establish an early adopter programme to test and evaluate 3 key elements of the system – universal participation in self assessment & peer challenge, tackling performance risks & support for intervention LAs. 	July – Dec 2011
		<ul style="list-style-type: none"> • Mobilise full participation in the system. 	Sep – Dec 2011
		<ul style="list-style-type: none"> • Collate feedback from stakeholders, evaluate learning and review system design for 12/13 	Dec 2011 - Feb 2012
B		<ul style="list-style-type: none"> • Devolve appropriate commissioning budgets following first phase of early adopter work. 	Oct 2011 onwards

Item 3

NFER Update

Purpose of report

For information

Summary

This report provides members with an update on the work of the NFER.

Recommendation(s)

That members note the report.

Action

LG Group officers to action as necessary.

Contact officer:

David Pye

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Item 3

NFER Update

Background

1. Since the last Children and Young People Programme Board meeting, activity has continued on the LG Group funded NFER programme.
2. Reporting activity has been a primary focus of the programme in July and early August. The suite of three SEN projects have all been signed off and are currently in the publication process with a target publication date of 12 September.
3. Following a request for some minor amendments to the text, we are now finalising the *National Census of Local Authority Councillors in England 2010* report. Two reports on the *Devon Multi-Agency Safeguarding Hub* have been published as has *How to Replicate and Sustain Effective Practice*. The *Promoting Engagement in Education, Employment and Training – Pilot Project Evaluation* has been signed off by LG Group with a target publication date for early autumn 2011.
4. *Safeguarding Children – Council Responses to Laming* has been submitted to the LG Group as a final report and *Mapping IAG Sources for CYP Professionals, Local Government Officers and Elected members* has been signed off and a request has been made by the LG Group to now publish this report. Four proposals have been submitted to the LG Group including, two additional SEN projects looking at Alternative Provision and Lead Members Views on Personalised Budgets.

Conclusion and next steps

5. NFER hope to engage elected members in the personalised budgets work and would welcome any support members of the Children and Young People Programme Board are able to give.

Financial Implications

6. There are no financial implications from this report.

Item 4

Note of decisions taken and actions required

Title:	Children and Young People Programme Board
Date and time:	12 July 2011, 11.00am
Venue:	Westminster Suite, Local Government House, Smith Square, SW1P 3HZ

Attendance

Position	Councillor	Council
Chairman	Baroness Ritchie	Kensington & Chelsea RB
Vice chair	John Merry CBE	Salford City
Deputy chair	David Bellotti	Bath & NE Somerset Council
Members	Ken Meeson	Solihull MBC
	David Pugh	Isle of Wight
	Rita Krishna	Hackney LB
	Gloria Cawood	Somerset CC
	Martin Candler	Stockport MBC
	Paul Lakin	Rotherham
	Catharine Grundy	Birmingham City
	Ivan Ould	Leicestershire CC
	David Simmonds	Hillingdon LB
	Paul Carter	Kent CC
Substitutes	Gillian Ford	Havering LB
Observers	Anne Burns	Cumbria CC
	Ebrahim Adia	Bolton
Apologies	Chris Townsend	Mole Valley DC / Surrey CC

Item	Decisions and actions	Action by
1.	<p>Children’s Improvement Board (CIB)</p> <p>Helen Johnston introduced the report and set out the work of the ‘Early Adopter’ authorities that will test specific components of the model, including the effectiveness of sector led improvement support in councils subject to Improvement Notices as a result of DfE intervention.</p> <p>Cllr David Simmonds, who attends the CIB on behalf of the Board, discussed the future governance arrangements for the CIB and the proposal for a single narrative joining up the improvement work for both Adult’s Services and Children’s Services through the “Taking the Lead” programme.</p> <p>Members agreed that it was important for the Children and Young People Programme Board to have a strong cross party presence on the CIB and approved of the joint approach through “Taking the Lead”.</p> <p>Members felt that a transparent process was needed for the appointments to regional leads as it was key that the lead was well known within their area. Members also raised concerns over the political balance of the current regional leads. It was noted that the original source of the leads were the old IDeA member networks and that this would be looked at again.</p> <p>The LG Group would be the accountable body for auditing purposes. The CIB would be subject to the same audit procedures as other grant funded programmes.</p> <p>Action: The work programme for the CIB would be included in the next update to the Board at the September meeting.</p>	<p>Lucy Ellender</p>
2.	<p>Finance update</p> <p>The report gave an update on schools, capital and Academies funding.</p> <p>It was noted that there would be a second stage of consultation on schools funding soon. Members questioned the amount of local flexibility that councils would have in the proposed new system in relation to schools funding saying that it was key to producing an effective service.</p>	

Members discussed Schools Forums and their effectiveness and proposed that they should be retained in any reformed school finance system.

Action:

Officers to coordinate the LG Group's response to the Schools Funding Consultation and report back to the Board.

Mike Heiser

3 Education Update

Members raised the issue of the new rules on Published Admission Number (PAN) proposed in the government consultation of the schools admissions codes. The proposals within the paper to give schools not under local authority control the power to change their PAN without the approval of the council. They felt that a proper process for agreeing the expansion or reduction in a schools' size should be applied to all schools including academies. Concerns were also raised about how this could disproportionately affect vulnerable children.

Members discussed the proposed provisions for the establishment of new schools and the possible issues this created for school reorganisation.

Members agreed that careers guidance needed to be impartial in order to be of maximum benefit to pupils. It was confirmed that there was currently an amendment proposed to the Bill that reflected these comments.

Action:

Officers to liaise with Officer Holders on the LG Group response to the consultation on schools admission codes.

Ian Keating

Officers to get clarification around the provision of new schools from DfE for the September meeting

Ian Keating

4. Other Business Report

NFER and NYA update

Members agreed that they would like to have a more detailed presentation about the NFER and NYA work in the future.

National Children and Adult Services Conference

The session for the Children and Young People Programme Board to meet the Secretary of State for Education would be taking place on Thursday 20 October.

Legal Aid, Sentencing and Punishment of Offenders Bill

Cllr David Simmonds sought the views of the Board on the proposals in the Bill to have all young people on remand automatically being given “looked after” status. Members discussed the new proposals and agreed that the full implications of “looked after” status needed to be understood by the Commons Committee considering the Bill. Any additional costs to councils would need to be fully funded.

LG Group Annual Conference

Baroness Ritchie thanked all Board members who had chaired or attended sessions at the conference for making them successful.

Actions:

NFER and NYA to be invited to attend a future Board meeting to discuss their work plans. **Lucy Ellender**

5. Note of the last meeting: 31 May 2011

Agreed.

6. Community Budgets

Paul Martin, the Chief Executive of the London Borough of Wandsworth attended the meeting to give members an introduction in to the work that Wandsworth was currently undertaking on community budgets for families with complex needs.

Members discussed the budgetary issues currently facing local government and the possible benefits that community budgets can offer in this climate, as well as the potential difficulties involved in pooling budgets across different agencies.

Members thanked Mr Martin for his presentation.

7. Children’s Commissioner for England

Dr Maggie Atkinson, the Children’s Commissioner for England, and Ross Hendy the Commissioner’s Director of Policy introduced the Members to their work, including the Inquiry into School Exclusions, Youth justice, child protection and safeguarding and looking at barriers and encouraging uptake of the available support.

Members agreed that many of the Commissioner’s priorities



reflected the main priorities of the Board.

Members thanked Dr Atkinson and Mr Hendry for attending the meeting.

Date of Next Meeting: 6 September 2011, 11.00 am



Directions & Map to Mary Sumner House, 24 Tufton Street, Westminster, SW1P 3RB

Mary Sumner House

24 Tufton Street, Westminster, SW1P 3RB

Public transport

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- 87** Wandsworth - Aldwych **N87**
- 3** Crystal Palace – Brixton - Oxford Circus

Bus routes - Horseferry Road

- 507** Waterloo - Victoria
- C10** Elephant and Castle - Pimlico - Clapham Common
- 88** Camden Town – Whitehall – Westminster - Pimlico - Clapham Common

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