



Department  
for Education

**Consultation Response Form**

**Consultation closing date: 19 June 2014**  
**Your comments must reach us by that date**

**Savings to the Education Services Grant for  
2015-16**

**Version 1 25/04/2014**

If you would prefer to respond online to this consultation please use the following link: [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations)

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

<b>Please tick if you want us to keep your response confidential.</b>	<input type="checkbox"/>
Reason for confidentiality:	

Name: Chris Baird	
Please tick if you are responding on behalf of your organisation.	<input checked="" type="checkbox"/>
Name of Organisation (if applicable): Herefordshire Council	
Address: Plough Lane, Hereford	

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications Division by e-mail: [consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk) or by telephone: 0370 000 2288 or via the Department's ['Contact Us'](#) page.

Please mark the box the best describes you as a respondent.

<input type="checkbox"/>	Maintained schools	<input type="checkbox"/>	Academies	<input checked="" type="checkbox"/>	Local authorities
<input type="checkbox"/>	Governors	<input type="checkbox"/>	Bursars	<input type="checkbox"/>	Parents
<input checked="" type="checkbox"/>	School forums	<input type="checkbox"/>	Trade union organisations	<input type="checkbox"/>	Other

Please Specify:

This response is from Herefordshire Local Authority and incorporates the views of Herefordshire Schools Forum

In responding to the questions in this consultation, we ask you to pay particular attention to any potential impacts on the protected characteristics set out in the Equality Act 2010 (sex, race, disability, age, religion or belief, sexual orientation, pregnancy and maternity, and gender reassignment).

## School Improvement

- 1 a) How could the clarification of the role of local authorities in school improvement in Section 4.2 help local authorities to make savings?

Comments:

The clarification should recognise the statutory roles and responsibilities of the Director of Children's Services and the Lead Member for Children's Services in relation to all children and young people in the local authority area, irrespective of where they go to school. However, this in itself would not help make savings but would acknowledge roles and responsibilities which the consultation currently does not appear to take into account.

- 1 b) Is further clarification or guidance from the Department on the role of the local authority in school improvement needed in order to have a clear set of expectations?

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

In practical terms we are still experiencing the need to have a role in school improvement across all state funded schools, even with a light touch approach for good and outstanding schools and with academies. Herefordshire is developing a School Improvement Partnership approach with all schools in Herefordshire that is founded on the principle of school to school support which is closely aligned to the DfE's view in 4.2. There is however a challenge in how strong leadership and governance across the whole school sector can be secured and it would be beneficial to have clearer expectations for schools and local authorities, that also incorporates academies and free schools.

- 1 c) In addition to the examples set out in Section 3.2 of the consultation document, how else could local authorities provide school improvement more efficiently?

Comments:

Herefordshire has already implemented the model suggested in 3.2 and has a very lean school improvement function, with the emphasis placed on school to school support. Critical to this approach is a clear understanding of performance in detail across schools and trends for

particular groups of pupils within a year and over time, sometimes across the local authority. This requires trust and cooperative agreements between schools, including the use of data.

- 1 d) What level of saving is it possible for your local authority to make on school improvement? If cost pressures on school improvement have changed recently, please describe below.

Comments:

Herefordshire has already taken out 60% staffing costs for school improvement and based on the section 251 figures spends £11 per pupil.

- 1 e) If your local authority's expenditure is above the median (£31 per pupil) for this service, can you help us understand why this is?

Comments:

Not applicable. However, we would seriously question the DfE's use of this data even if it is the only data available. The different ways costs are accounted for make any use of median and quartile data for particular cost centres unhelpful and not a sound basis for a consultation and change in funding level.

- 1 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (up to £19 per pupil)?

Comments:

We already are so any further cuts would have a significantly detrimental effect to this area.

## **Statutory and regulatory duties**

- 2 a) Which statutory and regulatory duties require greater clarification or guidance?

Comments:

It would be helpful to have a greater level of clarity across all aspects. The DfE should

recognise that reductions in a particular funding stream such as ESG may in actual fact transfer the funding requirement as a budget pressure to another budget area if a local authority has already taken action to achieve efficiencies.

- 2 b) In addition to the methods set out in the case studies in Section 3.2, how else could local authorities fulfil statutory and regulatory duties more efficiently?

Comments:

No comment beyond the suggestions in the consultation document

- 2 c) What level of saving is it possible for local authorities to make on statutory and regulatory duties? If cost pressures on statutory and regulatory duties have changed recently, please describe below.

Comments:

Herefordshire has already created a back office independent provider of services to which significant cuts have been applied

- 2 d) Do you think that the Department needs to change its expectations of local authorities with regard to statutory and regulatory duties in order for savings to be realised? If so, how?

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

Provide greater clarity on what the DfE expects to be covered at a school level

2 e) If your authority's expenditure is above the median (£48 per pupil) for this service, can you help us understand why this is?

Comments:

We are reviewing what has been coded to this area as the apportionment does not fully reflect the expectations in the consultation paper. For a sensible analysis the DfE must take account of economies of scale or the lack of for small LAs.

2 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£6<sup>1</sup> to £28)?

Comments:

Lack of economies of scale as described above. The national funding formula for schools recognises the issue of fixed costs for small schools. The same applies for small local authorities in terms of statutory and regulatory duties.

### **Education welfare services**

3 a) Why do you think there is such significant variation in spending on education welfare?

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<sup>1</sup> We do not know at this stage why this local authority has recorded a negative planned expenditure on this service and we will explore this during the consultation period.

Comments:

Variation is due to different approaches taken to the discharging of statutory responsibilities, the charging for some services, and the use of other funding streams. Herefordshire has combined the functions of some aspects of education welfare with other services to achieve efficiencies. This then loses the ability to attribute costs in this way.

3 b) How do you think local authorities could provide this service more efficiently?

Comments:

By working with schools to be clear about respective responsibilities. However, the key emphasis in this area should be on how to improve pupil attendance and engagement as the primary driver rather than focusing primarily on finance.

3 c) What level of saving could your local authority make to education welfare? If cost pressures on education welfare have changed recently, please describe below.

Comments:

None, we have already reduced the spend in this area to a minimum and no longer have a separate education welfare service in terms of education welfare officers. Other local authorities could do carry out the same repositioning of education welfare to achieve savings.

3 d) Is further clarification or guidance from the Department needed about our expectations in respect of education welfare services? If so, why?

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



3 e) If your authority's expenditure is above the median (£14 per pupil) for this service, can you help us understand why this is?

Comments:  
Not applicable

3 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (£0 to £9)?

Comments:  
Already delivered.

3 g) Do you agree that the duties required for this service are fulfilled by local authorities, and therefore should be covered by the local authority retained duties funding (set out in Section 6)? If not, which aspects do academies hold responsibility for and should therefore be paid for by the standard ESG rate?

<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<input type="checkbox"/> Not sure
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**Comments:**

In terms of tracking children missing from education, and safeguarding children in employment yes. However, the DfE is also suggesting that money for this area could be cut as well which is untenable given the cuts proposed to the ESG as well.

**Central support services**

4 a) Are there any reasons why local authority expenditure on central support services could not be significantly reduced, if not stopped altogether? Please give details below.

**Comments:**

Herefordshire has already stopped funding clothing grants, board and lodging grants, outdoor education including field studies, music services and visual and performing arts. The music service has been established as a social enterprise. Herefordshire is a high delegating local authority and spend in these areas are either covered directly through schools or via safeguarding services.

4 b) If you do not think this could be stopped altogether, how much of a saving could local authorities make to these services? If cost pressures on central support services have changed recently, please describe below.

**Comments:**

See above

4 c) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

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

Not all local authorities will be coding the same activity to this area. There is significant variation between local authorities in this area, and this is down to local decision making through councils democratic processes. There is therefore a balance between what would in effect be DfE central direction in terms of the use of money, and local decision making.

4 d) If your authority's expenditure is above the median (£6 per pupil) for this service, can you help us understand why this is?

Comments:

Not applicable.

4 e) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£10 to £1)?

Comments:

Surely bigger fish to fry than this if the average spend is £1 per pupil!!

## Asset management

- 5 a) Which services are your local authority funding under the 'Asset Management' heading?

Comments:

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Our asset management will be £40/pupil in 2014/15 m, which includes £35 of PFI- so a net £5 which is below national average.

- 5 b) Could your local authority join up asset management relating to education with asset management across all local authority services, if this is not already happening?

Yes

No

Not Sure

Comments:

Already have clear roles and responsibilities and achieved efficiencies. Still require key education knowledge. No evidence that there are savings to be made

- 5 c) Are there reasons why local authority expenditure on asset management, under the standard ESG rate, could not be significantly reduced if not stopped

altogether? If cost pressures on asset management have changed recently, please describe below.

Comments:

Already operating at minimum level.

5 d) If you do not think this could be stopped altogether, how much could local authorities save by delivering this service in a different way?

Comments:

Already funding at suggested minimum.

5 e) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

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

Clarification required on apportionment of PFI costs.

5 f) If your authority's expenditure is above the median (£7 per pupil) for this service, can you help us understand why this is?

Comments:

Not applicable once PFI costs removed.

5 g) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£1<sup>2</sup> to £3)?

Comments:

See above.

### **Premature retirement costs/ redundancy costs (new provisions)**

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<sup>2</sup> We do not know at this stage why this local authority has recorded a negative planned expenditure on this service and we will explore this during the consultation period.

6 a) Are there any reasons why schools could not take financial responsibility for redundancies? Please give details below.

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

Difficult to see how schools in financial difficulty or deficit can bear the extra costs of meeting redundancies as this will push the school further into deficit. However , we realise this is the academy model so presumably the DfE already have evidence that this will work.

An extra hidden cost of redundancy is the local government pension fund actuarial strain of releasing pensions early for redundant staff over age 55.

6 b) If you are a local authority that is funding early retirement, why are you not requiring schools to do so?

Comments:

Herefordshire does not.

6 c) If your authority's expenditure is above the median (£0 per pupil) for this service, can you help us understand why you are spending that amount and what prevents you from reducing your expenditure to £0?

Comments:

Falling rolls in schools requires a corresponding reduction of staff – avoidable and redundancies cost money.

Herefordshire has capped redundancy cost as set out in the DfE's consultation paper.

One of the statutory roles of the LA is to plan school re-organisations which will inevitably involve redundancy costs. Spend therefore will occur.

### Therapies and other health-related services

- 7 a) Given the high needs budget that local authorities have, and the improved joint working between health and education authorities which should result from the provisions within the Children and Families Bill, are there any reasons why funding for therapies and other health-related services should continue from ESG? If cost pressures on therapies and other health-related services have changed recently, please describe below.

Comments:

The Children and Families Bill has not addressed the longstanding issue of who pays for certain therapies (local authority and health) and it would be naïve to suggest that it has. Local authorities vary in terms of whether therapies are paid for or not out of ESG but any removal of ESG to pay for these therapies would either result in a cost shunt to other budget areas including the High Needs Budget, or a reduction in service. Health services are facing significant budget pressures which minimises their abilities to pick up costs of cuts elsewhere and can result in difficult relationship to address cost pressures across the whole.

- 7 b) Is there a need for further clarification or guidance from the Department about what local authorities are expected to provide in terms of therapies and other health-related services. If so, why?

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

Yes, because the Children and Families Act does not provide this. Has the DfE considered delegating some health budgets to schools and/or local authorities to purchase therapies?



- 7 c) If your authority's expenditure is above the median (£0 per pupil) for this service, can you help us understand why you are spending that amount and what prevents you from reducing your expenditure to £0?

Comments:

The issue is one of coding and we suspect this is true nationally.

### **Monitoring National Curriculum assessment**

- 8 a) What level of savings could local authorities make to this service?

Comments:

Already operating at a minimum

- 8 b) If cost pressures on monitoring national curriculum have changed recently, please describe below.

Comments:

Not applicable

- 8 c) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

Yes

No

Not Sure

Comments:

8 d) Given that some local authorities are charging for this service and not incurring any net expenditure, is this something your local authority could do? If not, please help us understand why.

Yes

No

Not Sure

Comments:

Will be explored.

### **How the savings will affect academies**

- 9 a) What level of saving could your academy make by adopting some of the strategies we have set out in Section 5 of the consultation document?

Comments:

- 9 b) Can you provide any additional examples of methods that academies can use to increase value for money from the ESG funding?

Comments:

9 c) What would be the consequences of a less generous protection in 2015/16 for academies against losses in ESG than the protection offered in 2014/15?

Comments:

9 d) What would be the consequences of reducing the academies rate of ESG to the local authority rate in 2015/16?

Comments:

## The local authority retained duties funding

10 a) What further savings could your local authority make from:

- i) education welfare services;
- ii) asset management; and
- iii) statutory and regulatory duties

As covered by the local authorities retained duties funding?

If cost pressures on the local authority retained duties have changed recently, please describe below.

Comments:

Herefordshire has already significantly reduced spending on all three areas as detailed above, which has affected both the local authority retained duties funding and the ESG. This is also in a wider context of local authority cuts which have significantly affected children's services and in particular early intervention and youth services.

10 b) Is further clarification or guidance about these duties from the Department needed in order to have a clear set of expectations? If so, why?

Yes

No

Not Sure

Comments:

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

**Please acknowledge this reply.**

E-mail address for acknowledgement: [cbaird@herefordshire.gov.uk](mailto:cbaird@herefordshire.gov.uk)

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

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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All DfE public consultations are required to meet the Cabinet Office [Principles on Consultation](#)

The key Consultation Principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before
- departments will need to give more thought to how they engage with and use real discussion with affected parties and experts as well as the expertise of civil service learning to make well informed decisions
- departments should explain what responses they have received and how these have been used in formulating policy
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

If you have any comments on how DfE consultations are conducted, please contact Aileen Shaw, DfE Consultation Coordinator, tel: 0370 000 2288 / email: [aileen.shaw@education.gsi.gov.uk](mailto:aileen.shaw@education.gsi.gov.uk)

**Thank you for taking time to respond to this consultation.**

Completed responses should be sent to the address shown below by 19 June 2014

Send by post to: Emily Barbour, Funding Policy Unit, Sanctuary Buildings, Great Smith Street, London, SW1P 3BT

Send by e-mail to: [esg.CONSULTATION.education.gsi.gov.uk](mailto:esg.CONSULTATION.education.gsi.gov.uk)