



AGENDA

CABINET SCRUTINY COMMITTEE

Wednesday, 23rd May, 2007, at 10.00 am Ask for: **Peter Sass**
Darent Room, Sessions House, County Hall, Telephone **01622 694002**
Maidstone

Refreshments will be available from 9.45 am. County Councillors who are not Members of the Committee but who wish to ask questions at the meeting are asked to notify the Chairman of their questions in advance.

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

A. COMMITTEE BUSINESS

- A1 Substitutes
- A2 Minutes - 25 April 2007 (Pages 1 - 8)
- A3 Cabinet Scrutiny Committee - Standing Report to May 2007 (Pages 9 - 16)
- A4 Directorate Business Plans 2007/08

Further to Minute 70 the Chairman and Spokesmen recommend that the business plans of the following units should be subject to detailed consideration by the Committee during 2007/08:-

- 1 *Kent Highway Services (E&R)*
- 2 *Libraries and Archives (Comms)*
- 3 *Community Safety (Comms)*

B. CABINET/CABINET MEMBER DECISIONS AT VARIANCE TO APPROVED BUDGET OR POLICY FRAMEWORK

No items.

C. CABINET DECISIONS

- C1 DfES Consultation on Schools, Early Years and 14-16 Funding (Pages 17 - 30)

Mr J D Simmonds, Cabinet Member for Education and School Improvement; Mr N J D Chard, Cabinet Member for Finance; Ms L McMullan, Director of Finance; and Mr K Abbott, Director, Finance and Corporate Services, Children, Families and Education Directorate, will attend the meeting at 10.10 am to brief the Committee on this consultation.

C2 Other Cabinet Decisions

Any Member of the Committee is entitled to propose discussion and/or postponement of any other decision taken by the Cabinet at its last meeting.

(Members who wish to exercise their right under this item are asked to notify the Head of Democratic Services of the decision concerned in advance.)

D. CABINET MEMBER DECISIONS

No items.

E. OFFICER AND COUNCIL COMMITTEE DECISIONS

No Officer or Council Committee decisions have been proposed for call in but the Committee may resolve to consider any decision taken since its last meeting by an Officer or Council Committee exercising functions delegated to it by the Council.

(Members who wish to propose that the Committee should consider any Officer or Council Committee decision are asked to inform the Head of Democratic Services of the decision concerned in advance.)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services and Local Leadership
(01622) 694002

Tuesday, 15 May 2007

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL

CABINET SCRUTINY COMMITTEE

MINUTES of a meeting of the Cabinet Scrutiny Committee held at Sessions House, County Hall, Maidstone on Wednesday, 25 April 2007.

PRESENT: Dr M R Eddy (Chairman), Mr D Smyth (Vice-Chairman), Mr A R Bassam, Mr R B Burgess (substitute for Mr C T Wells), Mr C J Capon, Mr B R Cope, Mrs T Dean, Mr J B O Fullarton, Mr C Hart, Mr C Hibberd (substitute for Mr A H T Bowles), Mr E E C Hotson, Mr P W A Lake, Mr C J Law, Mrs M Newell, Mr R J E Parker, Mr J E Scholes and Mrs P A V Stockell.

IN ATTENDANCE: Mr J Wale, Assistant to the Chief Executive and Mr S C Ballard, Head of Democratic Services.

UNRESTRICTED ITEMS

66. Minutes
(Item A2)

RESOLVED that the Minutes of the meeting held on 21 March 2007 are correctly recorded and that they be signed by the Chairman.

67. Informal Member Group on “Kent – What Price Growth?” – 26 March 2007
(Item A3)

RESOLVED that the notes of the meeting of the Informal Member Group on “Kent – What Price Growth?” held on 26 March 2007 be noted.

68. Informal Member Group on Budgetary Issues – 12 April 2007
(Item A4)

RESOLVED that the notes of the meeting of the Informal Member Group on Budgetary Issues held on 12 April 2007 be noted.

69. Cabinet Scrutiny Committee – Standing Report to April 2007
(Item A5 – Report by Assistant to the Chief Executive)

RESOLVED that the report on the actions taken as a result of the Committee’s decisions at previous meetings, and the updated report on progress with Select Committee Topic Reviews, be noted.

70. Directorate Business Plans 2007/08
(Item A6 – Report by Head of Democratic Services)

(1) Members suggested that the following unit’s Business Plans would be worthy of detailed consideration by the Committee during 2007/08:-

Dr Eddy

- 1 Children’s Social Services (CFE)
- 2 Environment and Waste (particularly waste management) (E&R)
- 3 Kent Highway Services (E&R)

4 Libraries and Archives (Comms)

Mrs Dean

5 Community Safety (Comms)

6 Strategy and Planning (particularly the impact of losing responsibility for the Structure Plan) (E&R)

Mr Law

7 Adult Mental Health (to examine interface between KCC and NHS) (ASS)

8 Health, Children and Young People (to examine interface between KCC and NHS) (CFE)

(2) RESOLVED that the Chairman and Spokesmen consider the list set out in subparagraph (1) above and recommend to the next meeting of the Committee 3/4 unit Business Plans for detailed consideration by the Committee during 2007/08.

71. Proposed Revision of Rates Payable and Charges Levied for Children's Services in 2007/08 (Decision 07/00972)

The Chairman explained the concerns he had about this Decision:-

- (a) it was a Key Decision and should therefore have appeared in the Forward Plan;
- (b) the decision report was marked "confidential";
- (c) the report for the Decision was published on 24 April although the effective date for the new charges was 9 April.

72. Equality Strategy 2007-10
(Item C1)

(1) Mr P B Carter, Leader of the Council; Mr O Mills, Managing Director, Adult Social Services; Ms A Beer, Head of Personnel and Development; and Ms J Richardson, Inclusive Services Policy Manager, attended the meeting to answer Members' questions on this matter, which covered the following issues:-

Consultation Arrangements - General

(2) In answer to questions from Mrs Newell, Mr Mills explained that the County Council was required to have a Gender Equality Strategy in place by 30 April 2007. Race and Disability Equality Strategies had been approved previously and the County Council had decided to bring all three Equality Strategies together into one document. The current consultation exercise, which would be completed within the next week, related only to the Gender Equality Strategy. Consultation on the Race and Disability Equality Strategies had taken place before those strategies were adopted. However, there would be further consultation with service users over the next six months on all three elements of the Equality Strategy to inform a review at the end of 2007.

Consultation Arrangements - Members

(3) In answer to questions from Mrs Newell and Dr Eddy, Ms Richardson said that consultation with Members had been undertaken through the cross-party Strategic Equalities Group, and there would be further consultation with Members through the Policy Overview Committees for the end-2007 review. In the meantime, Members were welcome to pass their views direct to her or to Mr Mills. Mr Mills offered to circulate details of the membership and terms of reference of the Strategic Equalities Group.

Consultation Arrangements – Residents’ Panel

(4) In answer to a question from Mr Parker, Ms Richardson explained that the Residents’ Panel had not been used for consultation on the Gender Equality Strategy because it was felt that a broader reach was required. Ms Richardson pointed out that the Race Equality Action Plan included reviewing the ethnic composition of the Residents’ Panel.

Action Plans

(5) In answer to a question from Mr Scholes, Ms Richardson explained that the Action Plans were still being refined at the time that the report was published for Cabinet. The Action Plans were now complete and included names, dates and indicators of achievement for every item.

(6) In answer to a question from Dr Eddy, Ms Richardson said that the Action Plans would include a target on making KCC documents accessible to people for whom English was not their first language and for the visually-impaired.

(7) RESOLVED that:-

- (a) Mr Carter, Mr Mills, Ms Richardson and Ms Beer be thanked for attending the meeting and answering Members’ questions;
- (b) the Leader’s agreement that any changes proposed to be made to the Strategy as a result of consultation responses would be shared with the opposition Group Leaders before publication on 30 April be welcomed;
- (c) the Managing Director, Adult Social Services be requested to share the final versions of the Action Plans (including target dates and indicators of achievement) with the Chairman and Spokesmen of the Committee as soon as completed;
- (d) the offer by the Managing Director, Adult Social Services, to circulate details of the membership and terms of reference of the Strategic Equalities Group be welcomed;
- (e) the Managing Director, Adult Social Services be requested to ensure that the Action Plans included provision for a review of the composition of the Kent Residents Panel as part of the overall review of the Equality Strategy at the end of the year.

73. Kent TV *(Item C2)*

(1) Mr P B Carter, Leader of the Council; Mr P Gilroy, Chief Executive; and Ms T Oliver, Head of Strategic Development, attended the meeting to answer Members' questions on this item, which covered the following issues:-

Constitution of Board of Governors

(2) In answer to a question from Mr Smyth, Mr Carter said that no decision had yet been taken on the constitution of the Board of Governors.

(3) Mr Gilroy explained that the latest thinking was that the Board of Governors should include representatives of other public services in Kent (District Councils, Police, Fire and Health); of all political parties; of the Kent business community; plus a member from the communications industry (with no connection with the chosen provider).

Independence of Kent TV

(4) In answer to a question from Mr Smyth, Mr Gilroy said that the Board of Governors would be independent in terms of editorial control and the contracted provider, not KCC or the Board of Governors, would control the news output. In addition, Kent TV would comply with OFCOM regulations governing news broadcasts, even though, as a broadband broadcaster, it was not required to do so.

Use of Consultants

(5) In answer to a question from Mrs Dean, Ms Oliver confirmed that Armitage Bucks Communications (ABC) had signed a disclaimer to say that they had no connection with any of the companies that had tendered for the Kent TV contract.

(6) In answer to a question from Mr Parker, Ms Oliver said that ABC had been paid £8k for their work on Kent TV, and this sum was included in the overall budget for Kent TV.

Involvement of Members

(7) In answer to questions from Mrs Dean and Mr Scholes, Mr Gilroy explained that the normal procurement rules applied which meant that the Business Plan and tender documents for Kent TV had to be treated as commercially confidential. He regretted that this meant that the amount of information which could be shared with Members generally – and indeed amongst officers – had had to be restricted. Nevertheless, the plans for Kent TV had been discussed in detail at meetings of Cabinet Members on a number of occasions.

(8) Mr Gilroy added that once the provider had been appointed, all Members would be kept fully informed of developments with Kent TV.

Financing

(9) In answer to questions from Mr Lake and Mr Parker, Mr Gilroy explained that other public services in Kent and commercial organisations had indicated that they were interested in investing in Kent TV. He confirmed that there were plans to obtain income through advertising. The preferred provider had estimated that advertising income would be £100k in the first year of operation, £200k in the second year, and increase year on

year after that. Mr Gilroy added that, by using Kent TV, KCC was likely to be able to make savings on its existing paper-based publicity.

Reductions in Paper-based Publicity

(10) In answer to questions from Mrs Dean, Mr Law, Mrs Stockell and Mr Smyth, Mr Carter said that it was hoped that Kent TV would allow KCC and other public services in Kent to make a gradual migration from paper-based publicity to on-line publicity. The success of this would be dependent on good marketing and promotion of Kent TV and a requirement for this had been included in the tender documents. Mr Carter confirmed that Kent TV would be interactive and so could be used for consultation with the public.

Accessibility of Kent TV

(11) In answer to a question from Mr Fullarton, Ms Oliver said that Kent TV was available to anybody with a broadband connection. Over 500,000 people in Kent had direct access to broadband, and access to broadband was available free at all Kent libraries. In addition, all Kent's schools had a broadband connection.

(12) In answer to a question from Mrs Newell, Mr Gilroy and Ms Oliver said that broadcasting via broadband meant that Kent TV could be viewed on all sorts of equipment, including a normal TV set, as well as computer monitors, mobile phones, iPods, MP4 players, etc. Ms Oliver added that, in common with other broadband channels, Kent TV would not broadcast the sort of programmes that people would watch for long periods. Instead, it would provide programming that people could dip into for short periods.

Employment Creation

(13) In answer to a question from Mr Parker, Ms Oliver said that the tender documents made it clear that Kent TV was to be Kent-based. The preferred provider had said that it would employ approximately 12 people locally. Kent TV was also expected to generate work in other local media companies.

(14) RESOLVED that:-

- (a) Mr Carter, Mr Gilroy and Ms Oliver be thanked for attending the meeting and answering Members' questions;
- (b) disappointment be expressed that Cabinet felt itself unable to share information about the proposals for Kent TV more widely;
- (c) the Chief Executive be requested to arrange a presentation on Kent TV for all Members of the Council by the appointed provider as quickly as possible;
- (d) the offer by the Leader of the Council to circulate regular updates on progress with implementation and uptake of Kent TV be welcomed.

74. East Kent Empty Property Initiative – Direct Purchase Scheme (Decision 07/00934)
(Item D1)

(1) Mr R W Gough, Cabinet Member for Regeneration and Supporting Independence; Mr M Austerberry, Director of Property; and Ms S Pledger, Project Manager, East Kent Empty Property Initiative, attended the meeting to answer Members' questions on this matter, which covered the following issues:-

No Use Empty Campaign

(2) In answer to a question from Mr Hart, Mr Gough explained that No Use Empty was the overall campaign and this had been running for some time. The No Use Empty campaign had a number of elements and the Direct Purchase Scheme was one of these.

(3) The No Use Empty campaign had proved very successful in bringing empty properties back into use in all four East Kent Districts and particularly in Thanet. It was clear that, without the campaign, many of these properties would not otherwise have been brought back into use.

Consultation with Members

(4) In answer to a question from Dr Eddy, Mr Gough confirmed that consultation with Members had been about the principles of the Direct Purchase Scheme. Because purchase of individual houses under the scheme often involved rather difficult negotiations with property owners, local Members could not be consulted in advance on any proposal for purchase. However, he would be happy to inform the relevant local Member once any particular property had been acquired under the Scheme.

Alternative Options

(5) In answer to questions from Mr Law and Mr Fullarton, Ms Pledger explained that there were other options available to local authorities for bringing empty houses back into use.

(6) Under s215 of the Planning Act, local planning authorities could require owners to repair dilapidated buildings. If the owner failed to do so, the Council could carry out the works and recoup its costs by putting a legal charge on the property.

(7) Empty Dwelling Management Orders (EDMOs) allowed local housing authorities to take over houses left empty for a long period and lease them to tenants.

(8) The Direct Purchase Scheme had advantages over the s215 arrangements because it was less bureaucratic and was more likely to attract the co-operation of property-owners.

(9) EDMOs were another element of the No Use Empty initiative and were used in cases where the Direct Purchase Scheme was not appropriate.

Regeneration Effect

(10) In answer to a question from Dr Eddy, Ms Pledger explained that for every case where it was proposed to use the Direct Purchase Scheme, a business case was

prepared. This set out the objectives to be achieved and these normally included a regeneration effect as well as a financial return.

(11) RESOLVED that:-

- (a) Mr Gough, Mr Austerberry and Ms Pledger be thanked for attending the meeting and answering Members' questions;
- (b) the agreement by the Cabinet Member for Regeneration and Supporting Independence to supply Members of the Committee with a copy of the Risk Assessment for the Direct Purchase Scheme be welcomed;
- (c) the agreement by the Cabinet Member for Regeneration and Supporting Independence that, in future, local Members would be advised of properties in their area which had been purchased under the Direct Purchase Scheme be welcomed.

07/so/csc/042507/Minutes

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REPORT TO: CABINET SCRUTINY COMMITTEE 23 MAY 2007
BY: ASSISTANT TO THE CHIEF EXECUTIVE

CABINET SCRUTINY AND POLICY OVERVIEW
Standing Report to May 2007

Summary

1. The report summarises in Table 1 outcomes of the most recent Cabinet Scrutiny Committee (CSC) meeting held on 25 April 2007. Cabinet Members and Chief Officers were provided with a copy of the action sheet and asked to respond as appropriate. The report includes any subsequent responses and actions by Cabinet Members and Senior Officers up to and including the meeting of Cabinet held on 14 May 2007.
2. Additionally, in Table 2 the report provides an updated report on the current programme for Select Committee Topic Review. This programme was originally agreed at Policy Overview Co-ordinating Committee on 15 February 2007.

Recommendations

3. Members are asked to note:
 - (i) progress on actions and outcomes from the meeting of Cabinet Scrutiny Committee held on 25 April 2007 as set out in Table 1;
 - (ii) the current position on Select Committee Topic Reviews.
-

Contact Officer: **John Wale 01622 694006**

ACTIONS FOR CABINET/DIRECTORATES FROM CABINET SCRUTINY COMMITTEE 25 April 2007 (As reported to Cabinet 14 May 2007)

| Item/Issue | Actions and Outcomes from Cabinet Scrutiny Committee |
|---|---|
| A2 Minutes of Cabinet Scrutiny Committee 21 March 2007. | The minutes were agreed. |
| A3 IMG on “Kent-What price Growth?” 26 March 2007 | The notes were noted. |
| A4 IMG on Budgetary Issues 12 April 2007 | The notes were noted. |
| A5 Cabinet Scrutiny Committee: Actions and Outcomes to 25 April 2007 | <p>The report was noted.</p> <p>(a) On Table 2, Mr R Parker raised a point about opposition Spokespersons on POCC and Select Committees being consulted on dates of meetings and hearings. Action: John Wale/Paul Wickenden.</p> <p>(b) On Table 2, Mrs Dean raised the issue of how Accessing Democracy would complement the work of the “Going Local” Informal Member Group. Action: John Wale/Paul Wickenden.</p> |
| A6 Directorate Business Plans | The Committee agreed that the Chairman and Spokespersons would recommend to the next meeting 3 or 4 from the overall list. These would then be referred to single-meeting Informal Member Groups in late summer/early autumn 2007. |
| ADDITIONAL ITEM Decision 07/00972- Children’s Social Services Fees and Charges | The Chairman explained his concerns about this Decision. |
| C1 Equality Strategy 2007-10 | <p>Mr P B Carter (Leader), Mr O Mills (Managing Director, Adult Social Services) and Ms J Richardson (Inclusive Services Policy Manager) attended for this item and were thanked for answering Members’ questions.</p> <p>Mr Parker asked if the Gender Equality Action Plan Item 3 had taken account of the latest cuts in libraries staffing; Action: Stuart Ballard/Jo Richardson/Cath Anley</p> <p>In addition, various amendments to wording of the</p> |

ACTIONS FOR CABINET/DIRECTORATES FROM CABINET SCRUTINY COMMITTEE 25 April 2007 (As reported to Cabinet 14 May 2007)

| Item/Issue | Actions and Outcomes from Cabinet Scrutiny Committee |
|------------|---|
| | <p>strategy were suggested:</p> <ul style="list-style-type: none"> (i) To use gender-neutral language when referring to Leader and Chief Executive in the document; (ii) The Action Plan to include a target (with dates) on making documents accessible to people for whom English was not the first language and also for the visually impaired. (iii) Where appropriate, replace “continue existing activity in Action Plan with “seek new mechanisms” <p>Members subsequently concluded that:</p> <ul style="list-style-type: none"> (i) the Leader’s agreement that any changes proposed to be made to the Strategy as a result of consultation responses would be shared with the opposition Group Leaders before publication on 30 April be welcomed; <p>Action: Mr Carter, Oliver Mills, Jo Richardson.</p> <ul style="list-style-type: none"> (ii) Mr Mills be requested to share the final versions of the Action Plans (including target dates and indicators of achievement) with the Chairman and spokespersons of the Committee as soon as completed; (iii) the offer by Mr Mills to circulate details of the membership and terms of reference of the Strategic Equalities Group be welcomed; (iv) Mr Mills be requested to ensure that the Action Plans include provision for a review of the composition of the Kent Residents’ Panel as part of the overall review of the Equality Strategy at the end of the year. <p>Action: Jo Richardson, Oliver Mills, Stuart Ballard</p> |

ACTIONS FOR CABINET/DIRECTORATES FROM CABINET SCRUTINY COMMITTEE 25 April 2007 (As reported to Cabinet 14 May 2007)

| Item/Issue | Actions and Outcomes from Cabinet Scrutiny Committee |
|--------------------------|---|
| <p>C2 Kent TV</p> | <p>Mr P B Carter (Leader), Mr P Gilroy (Chief Executive); and Ms T Oliver (Head of Strategic Development) attended for this item and answered questions from members of the Committee.</p> <p>The Chairman asked for a list of dates when proposals for Kent TV were reported to Cabinet or Cabinet Members. Action: Ms Oliver.</p> <p>Members concluded that:</p> <ul style="list-style-type: none"> (i) Mr Carter, Mr Gilroy and Ms Oliver be thanked for attending and answering Members' questions. (ii) disappointment be expressed that Cabinet felt unable to share information on the proposals for Kent TV more widely; (iii) the Chief Executive be requested to arrange a presentation on Kent TV by the appointed provider as quickly as possible; (iv) the offer by the Leader to circulate regular updates on progress with implementation and uptake of Kent TV be welcomed. <p>Action (iii) and (iv) Tanya Oliver</p> |

ACTIONS FOR CABINET/DIRECTORATES FROM CABINET SCRUTINY COMMITTEE 25 April 2007 (As reported to Cabinet 14 May 2007)

| Item/Issue | Actions and Outcomes from Cabinet Scrutiny Committee |
|--|---|
| | |
| <p>D1 East Kent Empty Property Initiative- Direct Purchase Scheme (Decision 07/00934)</p> | <p>Mr R Gough (Cabinet Member for Regeneration and Supporting Independence); Mr M Austerberry (Director of Property) and Ms S Pledger (Project Manager, E Kent Empty Property Initiative) attended and were thanked for answering Members' questions on this item.</p> <p>Following discussion, Members resolved as follows:</p> <p>(a) Decision 07/00934 can be implemented.</p> <p>(b) The Committee concluded that:</p> <p>(i) the agreement by Mr Gough to supply Members of the Committee with a copy of the Risk Assessment for the Direct Purchase Scheme be welcomed; and</p> <p>(ii) the agreement by Mr Gough that, in future, local Members would be advised of properties in their area which had been purchased under the Scheme be welcomed</p> <p>Action: Mr Gough, Susan Pledger, Stuart Ballard</p> |

CABINET SRUTINY COMMITTEE 23 May 2007
Table 2

Select Committee Topic Reviews:
Programme following Policy Overview Co-ordinating Committee 15 February 2007* (*Subject to confirmation of Minutes by Chairman and Spokespersons)

| <i>Policy Overview Committee/ Topic Review/Chair</i> | Current Topic Review status and other topics (in no particular order*) agreed for the period February 2007 to July 2008 |
|---|--|
| <p><i>Children Families and Education :</i></p> <p>PSHE-Children’s Health: Chair Ms CJ CRIBBON</p> <p>Developing the Creative Curriculum</p> <p>Primary School Attainment</p> <p>Young People’s Spiritual, Moral, Social and Cultural Development</p> | <p>Inaugural meeting of the Select Committee was held on 5 October. Hearings and visits were held during November. The Select Committee report was accepted by Cabinet on 16 April 2007, and will be debated at full County Council on 24 July 2007. (Research Officer: Gaetano Romagnuolo)</p> <p>Dates to be agreed*</p> <p>POCC agreed that this issue was being dealt with through a cross-party mechanism. It was therefore removed at the request of CFE POC.</p> <p>Dates to be agreed*</p> |
| <p><i>Corporate:</i> Accessing Democracy</p> | <p>Dates to be agreed* Preliminary discussions are being held to assess how this work will compliment the work of the “Going Local” Informal Member Group.</p> |
| <p><i>Communities</i></p> <p>Student Voice –Consultation and Participation with Young People</p> <p>Provision of Activities for Young People</p> | <p>Dates to be agreed.*</p> <p>Dates to be agreed.*</p> |

| | |
|---|---|
| <p>Communities/Public Health (to be agreed) Alcohol and Related Issues</p> | <p>To start in Spring 2007.</p> |
| <p>Adult Services</p> <p>Carers in Kent Chairman designate: MR L CHRISTIE (to be confirmed by the Select Committee at its inaugural meeting)</p> <p>Transition from Childhood to Adulthood: MR A BOWLES</p> | <p>Dates confirmed as Spring to Autumn 2007.</p> <p>Inaugural meeting of the Select Committee was held on 9 October 2006; hearing sessions commenced on 26 October and were completed in December 2006. The Select Committee's report was accepted by Cabinet on 14 May 2007, at which Cabinet agreed that matters arising from the report would be considered by a "one-off" meeting of an Informal Member Group. (Research Officer: Susan Frampton).</p> |
| <p>Environment and Regeneration</p> <p>Impact of Supermarkets, Out of Town Shopping Malls and Retail Parks on Businesses in Kent</p> | <p>Dates to be agreed.*</p> |

jhw/sc 14 May 2007

** To be discussed at the meeting of the POCC in June and September 2007*

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CABINET SCRUTINY COMMITTEE – 23 MAY 2007

Report Title: **DfES Consultation on Schools, Early Years, and 14-16 Funding**

Documents Attached: (a) LGA Briefing Note on Consultation Paper.
This provides a useful summary of the DfES Consultation Paper. The Consultation Paper itself runs to over 80 pages and so has not been re-printed here. However, it can be accessed on the DfES website (the webpage address can be found in the first paragraph of the LGA Briefing Note).

(b) Report to Cabinet, 14 May (Item 4)
Cabinet noted the latest DfES proposals in relation to schools, early years and 14-16 funding and authorised the Managing Director CFE and the Director of Finance to finalise the Council's response to the Consultation Paper in consultation with the Cabinet Members for Education & School Improvement and Finance.

Purpose of Consideration: To enable the Committee to be briefed on the DfES consultation and the possible implications for KCC. This will be in the form of a presentation from Mr Abbott and Ms McMullan followed by a question and answer session involving Mr Simmonds, Mr Chard, Mr Abbott and Ms McMullan.

Possible Decisions: Because this is a briefing designed to inform Members of the Committee, the Committee can either:-

(a) note the briefing; or

(b) suggest points for inclusion in the Council's response to the Consultation Paper.

Previous Consideration: None.

Background Documents: None.

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By: Graham Badman, Director for Children Families and Education & John Simmonds, Cabinet Member for Education and School Improvement

To: Cabinet – 14 May 2007

Subject: DfES consultation on schools, early years and 14-16 funding

Classification: Unrestricted

Summary: To inform Cabinet Members of the current DfES consultation and possible implication for KCC

Introduction

1. (1) The DfES has published a consultation paper on the shape of the school funding system for the period 2008/09 to 2010/11. There are 40 questions in the document and the closing date for responses is 1 June 2007. There is little available in the way of financial modelling by the DfES on the impact of some of the proposals made, so at this stage it is difficult to come to a clear view on some of the options put forward. The DfES held a conference on the consultation paper which was attended by officers and representatives of the Schools Funding Forum. Whilst this provided little in the way of any additional detail it did provide a clear indication as to the preferences that the DfES have on some of the options proposed.

(2) The consultation paper covers a wide variety of issues ranging from those which will affect the amount of DSG received by Local Authorities to detailed issues such as proposals to change the decision making process within the Schools Funding Forum. This paper largely concentrates on the more significant issues especially those that could affect the overall financial position of KCC, schools and early years providers.

The distribution of DSG to Local Authorities

2. (1) The current methodology took as its baseline the Schools Budget for 2005-06 and in both 2006-07 and 2007-08 simply increased that level of budget by a minimum amount per pupil with any other funding available over and above that distributed according to formula reflecting government priorities. This is known as the “spend plus” approach.

(2) The DfES are asking the question as to whether this should continue or if there should be a return to a formula based upon the old Schools Formula Spending Share (SFSS) methodology with the use of floors and ceilings during any transition period. Whilst we need to do a detailed analysis of this our initial view is that any return to the SFSS approach would probably disadvantage KCC. In all probability it would

mean that we would see funding moving away from Kent to other parts of the country – the issue we were facing with schools and other services prior to the introduction of DSG in April 2006 which, in effect, reduced the impact of that process on them and the other LA services funded via DSG, including Early Years.

(3) The DfES also raise the issue of moving from a January to an autumn pupil count for DSG. This would allow final DSG figure to be known earlier (currently we do not receive the final figure until 3-4 months after the County Council has set its budget and we have issued budgets to schools) but it would be based on less up to date data. Authorities' would also be required to use an autumn count in their local fair funding formulae, in order for the distribution from government to authorities and from authorities to schools to use the same pupil numbers. In principle the move to an autumn count would be an improvement but there is no proposal to make changes for the Early Years (EY) count and currently that is the most problematic part of estimating DSG. The DfES are clear that they could not make changes to the EY count until 2011/12.

Efficiency savings

3. (1) Various parts of the consultation paper talk about the need for efficiency savings to be made within the DSG especially by schools – though there is no detail. We know that the Treasury is looking for efficiency savings as they have been quite explicit about looking for a 3% saving on the DSG. Whilst the consultation paper is short on detail the DfES were a little more forthcoming at the conference and talked about a figure of 1% but possibly only applied to the non-staffing elements of the DSG. This gives us a range for possible efficiency savings of £22.7m (3% on total DSG) to £1.5m (1% on the non-staffing elements of the DSG) so is not that helpful.

(2) Clearly anything nearer to the 3% figure would have major implications for schools, early years and the LA elements of the DSG. It would put significantly more schools into deficit with all the subsequent resource implications for CFE. At that level the Schools Funding Forum would undoubtedly look to “squeeze” the LA and early years element of the DSG (though there are limits to what they could do in that respect) and probably look to KCC to “top up” the schools part of the DSG. Whilst this is technically possible this would clearly impact upon Council Tax and other services and to date we have been clear with schools that KCC will not add to the DSG. To put the 3% into context, £22.7m is more than the total cost of the Teachers pay award for 2007-08. The DfES are clearly looking to make some reduction in the DSG for efficiency but in our view are ignoring the fact that schools will have to make such savings anyway in the face of falling school rolls over the next few years so this has the potential to be a double hit on schools/DSG.

(3) In terms of delivering efficiency saving the DfES also raise issues in respect of the Minimum Funding Guarantee (MFG). The DfES say they will continue with an assessment of cost pressures such as pay and non-pay pressures when setting the MFG but they consider the arguments for a lower MFG, set at a level which would take account of the scope for making efficiency savings on non-pay costs. This appears to be the way in which the DfES would ‘square’ reducing the DSG to deliver Gershon efficiency savings.

Deprivation

4. (1) Various issues are raised in the paper about how Local Authorities target deprivation through their local schools formulae but there are some issues raised about how deprivation data is used for the national distribution of DSG. In respect of both of

these points there are questions about how to update the current data and whether, on a national basis, there should be funding to target pockets of deprivation. We need to carry out more analysis of this but it could be beneficial to KCC if funding was available for pockets of deprivation not currently recognised under existing methodology.

(2) The other, possibly more significant issue raised, is whether other indicators of deprivation such as Mosaic or Acorn should be used in the calculation of the national distribution of DSG instead of the current Index of Multiple Deprivation. No detail is available from DfES to enable us to form a view on the impact of this for KCC but it is something we are discussing with colleagues in Environment & Regeneration who have expertise on this issue.

Academy Funding

5. (1) The DfES have proposed an alternative way of calculating the funding to be removed from a local authority when an Academy is established. The alternative put forward would remove the relative advantage we have had from the current system and could possibly become a pressure on the DSG as the number of Academies in Kent increases.

Central Expenditure Limit

6. (1) Over the past 10 years there have been a variety of methods employed within the schools funding framework to limit local authority expenditure. The current methodology within the DSG is now very complex and the DfES are keen to simplify it. However the one proposal they have put forward will in all likelihood, simply put a further squeeze on the LA element of the DSG and whilst, in theory, the Schools Funding Forum could allow a greater increase in LA funding within the DSG this is extremely unlikely given the impact of falling rolls and tighter budgets.

Early Years

7. (1) The DfES discuss how the free entitlement to early years provision can be implemented to bring the funding system for the maintained and PVI (private, voluntary and independent) sectors into line. This is within a context of developing the wider commissioning role of authorities for Under 5s and delivering the increase in the early years funding entitlement from 12.5 to 15 hours per week.

(2) There are a range of issues in the paper concerning early years. The DfES clearly wish to move to a position whereby the basis of calculating the funding for the maintained and PVI sectors is the same though this is not the same as moving to equal funding. The DfES have also put forward a more radical proposal to develop an early years formula that within authorities would mean standard funding between the PVI and the maintained sector. This would have implication for both sectors given the expected budgetary constraints on the DSG. If this option is adopted by the DfES there will need to be detailed discussions with both sectors as to the nature of the formula. A further issue is to give the PVI sector the stability of multi-year budgets in the same way as schools. Whilst perfectly possible there are some resource issues for CFE in doing that. The proposal that is possibly of more concern in the longer term is the one to identify Early Years funding within the DSG separately - which was the approach adopted by the DfES in respect of Youth Services in the old Schools Block system that led to that funding effectively being "ring-fenced". The concern is that this could further reduce the already limited local flexibility.

Funding for 14-16 Specialised Diplomas

8. (1) The DfES set out proposals for funding specialised diplomas for 14-16 in the period 2008-11. It proposes that this should be by specific formula grant outside the DSG and goes on to consider the best way of distribution at local level.

(2) The new specialised diplomas (as set out in the LSC consultation “Delivering World-class skills in a Demand-led system”) are being rolled out across authorities during the period 2008-11 but the way in which this will happen does not allow funding to be predicted across authorities for the three year period hence the proposal to pay a specific formula grant to authorities; varying according to diploma lines to be offered, areas of the authority where they are to be offered, with possible top ups for additional costs and sparsity; This seems the most sensible way forward in what will be a difficult period in respect of 14-19 funding. A new specific Grant may be the most sensible way forward in this transitional period.

(3) There are three possible models for delivering the funding to individual 14-19 institutions which will offer the diplomas: DfES propose that the choice of which to use should be up to local discretion. These models are:

- Allocation of both specific grant and an allowance from average weighted pupil units to be made at authority level;
- Authorities to contribute the funding from the specific formula grant; with schools contributing to 14-19 institutions from their budgets;
- Delegating everything to schools which will then pay for the provision out of school budgets, based on planned provision.

More work with schools on these options needs to be done.

(4) There is also discussion on the delivery costs of specialised diplomas and the extent to which these can be funded by economies of scale within schools due to reduction of dual provision. The DfES view of the efficiencies schools can achieve was somewhat overstated at the London launch of the proposal and the view of many Heads present was that there is not an understanding within the DfES of how all this works at school level.

Specific Grants

9. (1) There are some limited proposals for mainstreaming specific grants but none that affect the period 2008/09 to 2010/11. The paper concentrates on the issue of merging some grants. In isolation this would not be too great an issue but any mainstreaming in the future could cause us difficulties if the national distribution methodology for DSG is changed and moved to a formula basis.

School Reserves

10. (1) There is a proposal that LA's should make a 5% levy on all schools with reserves regardless of the reasons those reserves are being held for. This is in addition to the Balance Control Mechanism that the DfES required all authorities to introduce from 1 January 2007. If taken forward this will be very contentious with schools but it was made clear by DfES officials that Ministers are keen to do more to tackle the level of school reserves as they now stand at £1.6bn nationally. In Kent such a levy would generate around £3m but it all has to be recycled out to schools and cannot be used by the LA as far as we can tell.

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|------------------------|
| Recommendations |
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Cabinet is asked TO:

(a) Note the latest DfES proposals in relation to schools, early years and 14-16 funding and to give views as to the way forward

Keith Abbott
Director – Finance & Corporate Services
Children, Families & Education
Tel: (01622) 69**6588**

Background Documents:

None

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School, early years and 14-16 funding consultation

Wednesday 7 March 2007

Introduction

The DfES has published a consultation document on the shape of the school funding system in the period 2008/09 to 2010/11. There are 37 consultation questions. The document and the response form can be found at <http://www.dfes.gov.uk/consultations/conDetails.cfm?consultationId=1466> The closing date for the consultation is 1 June 2007.

Key issues are:

- Easing the conditions which allow the ring-fenced Dedicated Schools Grant (DSG) to be used for Every Child Matters purposes;
- Whether DSG should continue to be distributed through the 'spend plus top ups for ministerial priorities method' or whether there should be a return to a formula along the lines of the previous Schools Formula Spending Share;
- How best to reflect deprivation in the DSG formula;
- Whether the DSG should continue to use January pupil counts or whether the date should be changed to an autumn term pupil count;
- Whether there should continue to be a minimum funding guarantee at school level and, if so, the level at which it should be set;
- how the rules governing both the minimum funding guarantee and increases on 'central spending' should operate;
- Whether local authorities should be allowed to tax excessive school balances;
- How under-5 and post-16 interests should be represented at Schools Forums;
- Under 5s: how to bring funding for the maintained and PVI (private, voluntary and independent) sector closer together;
- How the new specialised diplomas for 14-16 olds will operate at authority level;
- Specific grants besides the DSG.

LGA key messages

- **We remain opposed to payment of school funding through ring-fenced grant; we would like to see school funding returned to being funded in the same way as other services; particularly children's services. The LGA has made proposals to the Lyons Inquiry for there to be a 'single conversation governing all Children's Services spending, whether for schools or wider children's services, with a Children and Young Persons' Partnership Board at local level with flexibility to deliver funds within an agreed framework;**
- **In the meantime, authorities are facing pressures from increases in children's services expenditure, particularly affecting children with complex needs. Therefore any relaxation in the conditions of the Dedicated Schools Grant which will allow it to be used for a wider children's services agenda is welcome;**
- **On the issue of 'spend plus' versus formula; we recognise that different authorities have different views;**
- **There should be a minimum of central direction to authorities. We welcome the fact that DfES has, through delegating decisions on variation to the minimum funding**

briefing

guarantee and the central spending limit to Schools Forums, allowed more leeway for local decision making;

- We see effective targetting of deprivation as a top priority and encourage authorities to discuss, in consultation with Schools Forums and other partners, how deprivation is allowed for in local formulae. We would be opposed to any direction to authorities which would override local decision-making;
- Whilst there should be a transparent assessment of spending pressures we would wish to see any minimum funding guarantee set at a level which does not constrict local movement;
- We would like to see a minimum of funding in narrow ring-fenced grants; although there remains a case for narrow ring-fenced grants where expenditure is lumpy or in the case of a pilot project, or in the case of grants like the Ethnic Minorities Achievement Grant. Any grants which come to an end should be fully taken account of in the base used to calculate DSG increases.

Chapter One – Introduction

This chapter introduces the consultation paper. It sets out the main funding streams for school in 2007/08; Dedicated Schools Grant, Sixth Form Funding through the LSC, School Standards Grant, School Development Grant and other grants. Sixth form funding is not covered in this document; it is the subject of a separate consultation “Delivering World-class skills in a Demand-led system, which was launched on 5 January 2007 and ends on 30 March 2007.

- The DfES, in a consultation document on the terms of reference for the review published in April 2006 set out five **objectives** for the review: simplicity, flexibility, stability, equity and value for money; it noted that there could be tensions between these objectives; for example the minimum funding guarantee, which promotes stability, may conflict with a fairer distribution at local level;
- These objectives fit in with **wider DfES policy commitments**; including the commitment to extend the free offer for early years education from 12.5 to 15 hours, extended schools, money for personalised learning within the DSG and a long-term goal to raise average per pupil resource and capital funding for state schools to 2005-06 private sector levels in real terms.
- DfES expect overall increases in forthcoming the Spending Review to be lower than the 6-7% annual growth seen in recent years; this will affect the level at which any Minimum Funding Guarantee is set.

LGA view

- In our response to the earlier DfES consultation, we commented that we agreed that the aims of simplicity, flexibility, stability, equity and value for money are important. In important aspects the introduction of the DSG has run counter to these objectives. For example schools now have to consider whether activities, such as extended school provision can be funded within the ring-fenced Dedicated Schools Grant or other funding streams. This has made the system less simple. We also agreed with CIPFA that accountability should also be an aim of the review.

Chapter Two – Distribution of Dedicated Schools Grant

This sets out how DSG can best be used to facilitate joint working in support of Every Child Matters; how Dedicated Schools Grant should be distributed to authorities; how best to fund deprivation; how best to fund academies; whether to move to an autumn pupil count for DSG and whether to pay a grant in exceptional circumstances.

Key points include:

- DfES propose simplifying the rules that allow Schools Forums to agree to the use of DSG for wider children’s activities by removing one of the two tests that needed to be satisfied for this to happen. This will mean that authorities will have to demonstrate that there should be educational benefit, but will no longer have to satisfy the so-called ‘proportionality test’;
- The document sets out two main methods of distributing DSG to authorities

- To continue with the '**spend plus**' or budget plus top ups method; this would be based on a common per pupil increase over baseline plus top ups for ministerial priorities or, for example for authorities which spent under the previous Schools FSS formula;
- To return to a **formula**-based method of distribution; which would be based on the Schools Formula Spending share formula which influenced distribution before the DSG was established: an amount per pupil with top ups for deprivation, sparsity and area costs. Past spending would be taken account of in damping rules but would not otherwise be used in the formula;
- The document sets out how both these methods would operate and what it would mean to different authorities. The pros and cons of each are set out as follows:
 - **Spend plus** is good for stability; and allows earmarking for particular issues; but distribution is hard to explain against objective criteria;
 - A **formula** is good for explaining distribution and identification of funding for deprivation is more transparent; but it makes it harder to mainstream specific grants and would require damping.
- If the formula influences distribution; the document discusses options for updating the current **deprivation indicators** - one option would be to use the Index of Multiple Deprivation; another to use commercially produced indicators which could link postcodes from the School Census to small area characteristics. There is also a discussion on targeting pockets of deprivation within otherwise relatively affluent areas;
- The document discusses issues around moving from a January to an autumn **pupil count** for DSG; this would allow final DSG figures to be known earlier but they would be less up to date and would be based on data which will be collected for the first time in Autumn 2007. Authorities' would also be required to use an autumn count in their fair funding formulae, in order for the distribution from government to authorities and from authorities to schools to use the same pupil numbers;
- The DfES asks for views on moving to a new method of calculating **under 5 pupils**; either based on a headcount or on provision. This will not affect the pupil numbers to be used from 2008 to 2011, but requires planning for now if it to be introduced at a later date;
- There is a discussion on funding for **academies**; the options are to continue with the current system of adjusting pupil numbers before DSG distribution to authorities, or to distribute the grant to authorities which would then operate a recoupment model with the DfES for the academies in their area;
- There is a discussion around whether there should be an '**exceptional circumstances grant**' over and above the DSG which would not be fixed for the 3 year period; this could be used, for example, for authorities which received influxes of pupils with additional needs.

LGA view

- We welcome any relaxation in the conditions of the Dedicated Schools Grant which will allow it to be used for a wider children's services agenda;
- We recognise that there are likely to be different views in different authorities over the method to use for DSG distribution. Some authorities, particularly those with Schools Budgets above the previous FSS formula would support 'spend plus'. On the other hand, schools in authorities which were spending below FSS would support a formula as it is based on objective data and does not rely on historic spend. Authorities which gained in the 2003/04 formula review have also made the point that their schools' budgets were limited by the damping within the Schools' FSS formula; this affected their 2005/06 baseline and those in lower funded areas would like a higher basic entitlement;
- The LGA is against ear-marked top-ups. Authorities in consultation with schools forums take account of local and national priorities in setting budgets for schools. In the two year funding settlement for schools announced in December 2005, DfES did not insist that authorities allocate schools budgets slavishly in line with the top up criteria; this would have severely circumscribed local discretion. We would not like to see any more prescription.

This chapter focuses on the flow of funding from local authorities to schools. It discusses the rules for how three year budgets will operate, the Central Expenditure limit, deprivation funding in local authority formulae, how the minimum funding guarantee should operate and the composition of Schools Forums.

Key **points** include:

- DfES say they will examine how much 2007/08 final school budgets have **changed from their indicative levels**, this could lead to stronger guidance to authorities or amendments to regulations constraining changes in the second or third years of a three year budget period;
- The rules governing the **Central Expenditure** limit could be made simpler; so they are easier to understand; for example regulations could set a minimum level of individual school budget increase;
- DfES note that authorities and Schools Forums are reviewing the provision for **deprivation** within fair funding formulae. They say that Children's Services Advisers will monitor the progress of these reviews. Authorities will be required to submit a statement setting out the progress they expect to make over the 2008-11 period. DfES might consider, as one of a number of options; placing a condition on local formulae relating to deprivation funding; this would take into account the composition of the area;
- There are proposals to change the way the **Minimum Funding Guarantee** operates; so that marginal increases or decreases on school rules had the same effect. They also propose to allow Schools Forums to agree with authorities variations to the MFG which affect up to 50% of schools, as opposed to 20% as is the case at present;
- On the **level of the MFG**; DfES say they will continue with an assessment of cost pressures such as pay and non-pay pressures. They consider the arguments for a lower margin between MFG and the basic DSG increase; They also state that the MFG might be set at a level which would take account of the scope for making efficiency savings on non-pay costs;
- There is discussion over the best ways of authorities working to ensure that **school balances** are not excessive; one idea would be for there to be a **levy on balances** which would be able to be recycled among other schools in the authority. DfES could also issue extra guidance to authorities;
- There is discussion on the role and operation of **Schools Forums**. Possible changes are: allowing senior staff besides heads such as bursars to be members of Schools Forums and having more non-schools members from the early years and 14-19 sectors.

LGA view

- **There should be a minimum of central direction to authorities on distribution to schools; this should be determined in consultation with local partners and Schools Forums;**
- **We see effective targetting of resources for deprivation as a top priority but would be opposed to any direction to authorities which would override local decision-making;**
- **Whilst there should be a transparent assessment of spending pressures we would wish to see any minimum funding guarantee set at a level which does not constrict local movement;**
- **We wish to see DfES publish a clear statement on the progress against efficiency targets set for schools in the SR2004 period. Authorities have made savings of over £3bn from 2004/05 to 2006/07 across all local government services; we have yet to see any figure for savings within schools;**
- **We welcome consideration of representation of wider children's interests in Schools Forums – thought needs to be given as to how this fits into wider partnership arrangements at local authority level.**

Chapter Four – Funding Specialised Diplomas at 14-16

This chapter sets out proposals for funding specialised diplomas for 14-16 in the 2008/11 period. It proposes that this should be by specific formula grant outside the DSG. It also considers the best way of distribution at local level and how the costs might be set through the LSC's funding methodology.

Key **points** include;

- The new **specialised diplomas** (as set out in the LSC consultation “Delivering World-class skills in a Demand-led system”) are being rolled out across authorities in the 2008/11 period; this will not allow funding to be predicted across authorities for the three year period. The alternative is to pay a **specific formula grant** to authorities; varying according to diploma lines to be offered, areas of the authority where they are to be offered, with possible top ups for additional costs and sparsity;
- There are **three possible models** for delivering this to 14-19 institutions which will offer the diplomas: DfES propose that the choice of which to use should be up to local discretion. These models are:
 - Allocation of both specific grant and an allowance from average weighted pupil units to be made at authority level;
 - Authorities to contribute the funding from the specific formula grant; with schools contributing to 14-19 institutions from their budgets;
 - Delegating everything to schools which will then pay for the provision out of school budgets, based on planned provision.
- There is also discussion on the **delivery costs of specialised diplomas** and the extent to which these can be funded by economies of scale within schools due to reduction of dual provision.

LGA view

- **We agree that authorities and local partners should have discretion on which model to operate. We query the scope for large scale savings in the short term.**

Chapter 5 – Funding the Free Entitlement for Under 5s

This chapter discusses how the free entitlement to early years provision can be implemented to bring the funding system for the maintained and PVI (private, voluntary and independent) sectors into line. This is within a context of developing the wider commissioning role of authorities for Under 5s and delivering the increase in the early years funding entitlement from 12.5 to 15 hours per week.

Key proposals include:

- Standardising the **methods for calculating the unit of funding** for maintained and PVI settings over the coming CSR period. This does not necessarily mean that there will be convergence between the maintained and PVI sectors, but that the same set of factors should be used when calculating the rates for each. The document asks how long it would take in authorities to do this;
- Applying consistent methods for calculating **pupil numbers** in each setting;
- Considering bringing the **budget calculation** arrangements for maintained and PVI settings closer together. The document sets out a number of options on how this could be done;
- Introducing a **single formula** at local level for funding all free entitlement provision; this is for pre-compulsory education age;
- Identifying early years funding **separately** within the DSG;
- Including more **representation** of under 5 interests on Schools Forums;

LGA view

- **The LGA and advisers from authorities are discussing options with the DfES. Many authorities have progressed with some of the key proposals here, so there is much good practice that can be drawn upon. We would wish to see a minimum of central direction.**

Chapter 6 – Other Specific Grants

This chapter discusses options for merging the funding streams outside the DSG; the School Development Grant (previously included in the Standards Fund); the School Standards Grant and the School Standards Personalisation Grant; which was introduced in the 2006 Budget. The SSG is distributed on a banded basis; the SSG(P) includes factors relating to deprivation and prior attainment.

The key proposals include:

- To keep the **School Development Grant** separate from other grants; given its different distribution and wish to avoid turbulence but to give more discretion to authorities on how this should be

distributed to schools; there are various options for floors; at a cash freeze or slightly below 2007/08 distribution;

- To merge the **School Standards and School Standards Personalisation Grants**; this could be done with a minimum of turbulence;
- To pay non-DSG specific grants to **academies** direct from the DfES rather than through authorities.

LGA view

- The LGA considers that schools should have as few sources of funding as possible, with narrow specific grant funding restricted to demonstration projects, or areas where expenditure is 'lumpy' between authorities. Any grants which come to an end should be fully taken account of in the base used to calculate DSG increases.

Chapter Seven – How to respond and further information

- The closing date of the consultation is 1 June 2007. The LGA will be putting together a response to the consultation and would appreciate it if you could send us a copy of any response you send to the Department as well as any additional points or broader issues that you feel the LGA should take up. Please send responses and other comments to LGconnect on info@lga.gov.uk by 18 May 2007.

For further information please contact Mike Heiser on 020 7664 3265 or mike.heiser@lga.gov.uk or LGA website at www.lga.gov.uk LGConnect, tel 020 7664 3131, fax 020 7664 3030, e-mail info@lga.gov.uk.