

## Summary: Intervention & Options

<b>Department /Agency: DIUS, DCSF &amp; WAG</b>	<b>Title: Impact Assessment of the Apprenticeships, Skills, Children and Learning Bill 2009</b>	
<b>Stage: Final Proposal</b>	<b>Version: 4.0</b>	<b>Date: 5th May 2009</b>
<b>Related Publications:</b>		

**Available to view or download at:**

<http://www.dcsf.gov.uk/apprenticeshipsskillschildrenandlearningbill/>

**Contact for enquiries:**

**Telephone:**

**What is the problem under consideration? Why is government intervention necessary?**

In the past two years, the government has published two documents setting out ambitious objectives for the future of education, training and children & young people's services. The Leitch Review, published in December 2006, set the ambition of achieving world class skills by 2020. The Children's Plan, published in December 2008, set out the ambition of making the UK the best place in the world in which to grow up.

In order to deliver these two core ambitions, reforms are needed in a number of areas. This Bill particularly addresses two broad areas, set out below. A more specific discussion of the individual challenges for each policy area is included in the evidence base.

**What are the policy objectives and the intended effects?**

The proposals in the Bill have two broad objectives:

- to empower individual service users by: strengthening a locally-owned, locally-integrated and locally-accountable system for delivering all 0-19 services; creating a demand-led system for post-19 education and training; and by supporting them with a light-touch national infrastructure.
- to continue the drive to ensure that every school is a good school by reducing burdens on the best schools; strengthening powers to intervene where schools require support; and by supporting schools and young people to improve standards of behaviour.

**What policy options have been considered? Please justify any preferred option.**

**When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?**

Individual policies will be reviewed as described in each Evidence section.

**Ministerial Sign-off** For SELECT STAGE Impact Assessments:

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister:

.....Date:

## Summary: Analysis & Evidence

<b>Policy Option: 1.1</b>	<b>Description: Reforms to the Delivery of post-16 Education &amp; Training</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' Administering the new system is expected to be cost neutral for the exchequer. We anticipate that there will be some transition costs. Initial estimates suggest £3M around pensions, £2-3M around pensions and £32M around premises.	
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>		
	<b>Average Annual Cost</b> (excluding one-off)		
	<b>£ 38M</b>		
	<b>£</b>	<b>Total Cost (PV)</b>	<b>£ 38M</b>
Other <b>key non-monetised costs</b> by 'main affected groups' Initial estimates do not include figures for transition costs since these are dependent on future decisions. However, whilst we expect some transition costs, there may be offsetting cost savings from shared services and premises disposal depending on how changes are implemented.			

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' Benefits are likely to include additional lifetime earnings resulting from more employees being trained and gaining qualifications and helping to achieve the ambitions of Raising the Participation Age. However, we do not have evidence to accurately estimate these benefits.	
	<b>One-off</b> <span style="float: right;">Yrs</span>		
	<b>Average Annual Benefit</b> (excluding one-off)		
	<b>£ N/A</b>		
	<b>£ N/A</b>	<b>Total Benefit (PV)</b>	<b>£ N/A</b>
Other <b>key non-monetised benefits</b> by 'main affected groups' All stakeholders are expected to benefit from supply-side benefits from more efficient and better functioning markets for 14-19. With regards to adult skills : Employers will benefit indirectly because the new streamlined body is designed to be better able to support a demand-led system, with less planning its role. Learners will benefit indirectly because the key functions which lead to a successful and effective adult skills system will all be run from one adult-specific body, especially the supply of advice, guidance, financial support. Providers will benefit directly with respect to their			

### Key Assumptions/Sensitivities/Risks

Benefits are estimated under 'what-if' assumptions because of insufficient evidence to predict exactly what the impact will be. Key assumptions include: that changes benefit 5,000 young people who gain a L2 qualification and 15,000 more employers train an extra 225,000 employees.

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England
On what date will the policy be implemented?	April 2010
Which organisation(s) will enforce the policy?	DCSF & DIUS
What is the total annual cost of enforcement for these organisations?	£
Does enforcement comply with Hampton principles?	Yes/No
Will implementation go beyond minimum EU requirements?	Yes/No
What is the value of the proposed offsetting measure per year?	£
What is the value of changes in greenhouse gas emissions?	£
Will the proposal have a significant impact on competition?	Yes/No
Annual cost (£-£) per organisation (excluding one-off)	Micro      Small      Medium      Large
Are any of these organisations exempt?	Yes/No      Yes/No      N/A      N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of    £	Decrease of    £	<b>Net Impact    £</b>

Key:      Annual costs and benefits: Constant Prices      (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 1.2</b>	<b>Description: Academies</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' To government Main one-off costs: £608k relocation, recruitment and training costs due to move of location, £101k project management costs, £36k IT costs. Annual cost: £700k cost of additional staff due to loss of economies of scale = £5.16m over 10 years discounted at 3.5%pa			
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>		<b>£ 745,000</b>		
	<b>Average Annual Cost</b> (excluding one-off)		<b>£ 700,000</b>		
			<b>Total Cost (PV)</b>	<b>£ 5,910,000</b>	
Other <b>key non-monetised costs</b> by 'main affected groups' N/A					

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' N/A – principal benefit of change is non-monetised (please see below).			
	<b>One-off</b> <span style="float: right;">Yrs</span>		<b>£ N/A</b>		
	<b>Average Annual Benefit</b> (excluding one-off)		<b>£ N/A</b>		
			<b>Total Benefit (PV)</b>	<b>£ N/A</b>	
Other <b>key non-monetised benefits</b> by 'main affected groups' Necessary administrative change to enable Government to deliver ambitious academies programme. Achieves the arm's length separation of role that is normally found between the Secretary of State and front-line decision-making, for reasons of good Government.					

**Key Assumptions/Sensitivities/Risks**  
 The main benefit is non-monetised, therefore it would be inappropriate to estimate an NPV.

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England only				
On what date will the policy be implemented?					
Which organisation(s) will enforce the policy?	DCSF				
What is the total annual cost of enforcement for these organisations?	£				
Does enforcement comply with Hampton principles?	Yes/No				
Will implementation go beyond minimum EU requirements?	Yes/No				
What is the value of the proposed offsetting measure per year?	£				
What is the value of changes in greenhouse gas emissions?	£ N/A				
Will the proposal have a significant impact on competition?	Yes/No				
Annual cost (£-£) per organisation (excluding one-off)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Micro</td> <td style="width: 25%; text-align: center;">Small</td> <td style="width: 25%; text-align: center;">Medium</td> <td style="width: 25%; text-align: center;">Large</td> </tr> </table>	Micro	Small	Medium	Large
Micro	Small	Medium	Large		
Are any of these organisations exempt?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	Yes/No	Yes/No	N/A	N/A
Yes/No	Yes/No	N/A	N/A		

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 1.3</b>	<b>Description: Apprenticeships</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' One-off and annual cost is to Government. The total cost comprises £ 207m fixed costs associated with the new policy (including £20m one off costs) and £307m programme costs associated with additional apprenticeships created by the policy.
	One-off (Transition) <span style="float: right;">Yrs</span> £ <b>20 million</b>	
	Average Annual Cost (excluding one-off) £ <b>171 million</b>	
	<b>Total Cost (PV)</b>	
Other <b>key non-monetised costs</b> by 'main affected groups' None		

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' Benefits are the estimated value of productivity improvements deriving from the increased numbers of qualified apprentices. Existing published analysis (McIntosh (2007)) provides a social NPV per apprentice of £73,000 and advanced Apprentices of £105,000.
	One-off <span style="float: right;">Yrs</span> £ <b>Nil</b>	
	Average Annual Benefit (excluding one-off) £ <b>696 million</b>	
	<b>Total Benefit (PV)</b>	
Other <b>key non-monetised benefits</b> by 'main affected groups' Employer and provider saving in recruitment via matching service; Benefits to business of reaching wider pool of talent via diversity measures.		

### Key Assumptions/Sensitivities/Risks

The estimate is pessimistic in only counting benefits for first full qualifications at level 2 and level 3. Further cautious assumptions about the McIntosh estimates and a 50% policy assumption are applied to yield the lower estimate, whereas the upper estimate records benefits for all new qualifications at level 2 and 3.

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £ 600m - £4.6bn	<b>NET BENEFIT (NPV Best estimate)</b> £ 1.9bn
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What is the geographic coverage of the policy/option?	England			
On what date will the policy be implemented?	Autumn 2009			
Which organisation(s) will enforce the policy?	N/A			
What is the total annual cost of enforcement for these organisations?	£ Negligible			
Does enforcement comply with Hampton principles?	N/A			
Will implementation go beyond minimum EU requirements?	N/A			
What is the value of the proposed offsetting measure per year?	£ N/A			
What is the value of changes in greenhouse gas emissions?	£ Negligible			
Will the proposal have a significant impact on competition?	Negligible			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

Policy Option: 1.4

Description: Sixth Form Colleges

<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups' None	
	<b>One-off</b> (Transition)	<b>Yrs</b>		
	£ Nil			
	<b>Average Annual Cost</b> (excluding one-off)			
	£ Nil		<b>Total Cost (PV)</b>	£ Nil
Other <b>key non-monetised costs</b> by 'main affected groups' This is purely a change of classification, and should bring with it no costs, neither monetised or non-monetised.				

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups' None	
	<b>One-off</b>	<b>Yrs</b>		
	£ Nil			
	<b>Average Annual Benefit</b> (excluding one-off)			
	£ Nil		<b>Total Benefit (PV)</b>	£ Nil
Other <b>key non-monetised benefits</b> by 'main affected groups' Creating a separate Sixth Form College designation will strengthen the sector with consequent benefits for students. Strengthening the ties between SFCs and LAs will facilitate more integrated provision for young people.				

Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?			England		
On what date will the policy be implemented?			Autumn 2009		
Which organisation(s) will enforce the policy?			N/A		
What is the total annual cost of enforcement for these organisations?			£ N/A		
Does enforcement comply with Hampton principles?			Yes/No		
Will implementation go beyond minimum EU requirements?			Yes/No		
What is the value of the proposed offsetting measure per year?			£		
What is the value of changes in greenhouse gas emissions?			£ N/A		
Will the proposal have a significant impact on competition?			Yes/No		
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium	Large
Are any of these organisations exempt?		Yes/No	Yes/No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)			(Increase - Decrease)		
Increase of	£	Decrease of	£	<b>Net Impact</b>	£

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 1.5</b>	<b>Description: Post-16 Transport Provision</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The necessary evidence to accurately monetise the costs of this policy is not available.				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;"><b>One-off</b> (Transition)</td> <td style="width: 10%; text-align: center;"><b>Yrs</b></td> </tr> <tr> <td style="text-align: center;">£ N/A</td> <td></td> </tr> </table>		<b>One-off</b> (Transition)	<b>Yrs</b>	£ N/A	
	<b>One-off</b> (Transition)		<b>Yrs</b>			
	£ N/A					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><b>Average Annual Cost</b> (excluding one-off)</td> </tr> <tr> <td style="text-align: center;">£ N/A</td> </tr> </table>	<b>Average Annual Cost</b> (excluding one-off)	£ N/A				
<b>Average Annual Cost</b> (excluding one-off)						
£ N/A						
<b>Total Cost (PV)</b>		£ N/A				
Other <b>key non-monetised costs</b> by 'main affected groups' There may be additional costs on LAs associated with consulting young people and in publishing details of their appeals process, but we expect these to be negligible.						

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The necessary evidence to accurately monetise the benefits of this policy is not available.				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;"><b>One-off</b></td> <td style="width: 10%; text-align: center;"><b>Yrs</b></td> </tr> <tr> <td style="text-align: center;">£ N/A</td> <td></td> </tr> </table>		<b>One-off</b>	<b>Yrs</b>	£ N/A	
	<b>One-off</b>		<b>Yrs</b>			
	£ N/A					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><b>Average Annual Benefit</b> (excluding one-off)</td> </tr> <tr> <td style="text-align: center;">£ N/A</td> </tr> </table>	<b>Average Annual Benefit</b> (excluding one-off)	£ N/A				
<b>Average Annual Benefit</b> (excluding one-off)						
£ N/A						
<b>Total Benefit (PV)</b>		£ N/A				
Other <b>key non-monetised benefits</b> by 'main affected groups' The main beneficiaries will be young people, who will have a stronger voice in the assessment of local transport needs.						

Key Assumptions/Sensitivities/Risks
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Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England				
On what date will the policy be implemented?					
Which organisation(s) will enforce the policy?					
What is the total annual cost of enforcement for these organisations?	£				
Does enforcement comply with Hampton principles?	Yes/No				
Will implementation go beyond minimum EU requirements?	Yes/No				
What is the value of the proposed offsetting measure per year?	£				
What is the value of changes in greenhouse gas emissions?	£				
Will the proposal have a significant impact on competition?	Yes/No				
Annual cost (£-£) per organisation (excluding one-off)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;">Micro</td> <td style="width: 15%; text-align: center;">Small</td> <td style="width: 15%; text-align: center;">Medium</td> <td style="width: 15%; text-align: center;">Large</td> </tr> </table>	Micro	Small	Medium	Large
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Are any of these organisations exempt?	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;">Yes/No</td> <td style="width: 15%; text-align: center;">Yes/No</td> <td style="width: 15%; text-align: center;">N/A</td> <td style="width: 15%; text-align: center;">N/A</td> </tr> </table>	Yes/No	Yes/No	N/A	N/A
Yes/No	Yes/No	N/A	N/A		

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 1.6</b>	<b>Description: Young Offender Education</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups'  The necessary evidence to accurately monetise the costs of this policy is not available. New costs to host LAs will be met by redirecting funding which currently goes through the Youth Justice Board and the Learning and Skills Council.				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 2px;"><b>One-off</b> (Transition)</td> <td style="width: 40%; text-align: center; padding: 2px;"><b>Yrs</b></td> </tr> <tr> <td style="padding: 2px;">£ <b>N/A</b></td> <td></td> </tr> </table>		<b>One-off</b> (Transition)	<b>Yrs</b>	£ <b>N/A</b>	
	<b>One-off</b> (Transition)		<b>Yrs</b>			
	£ <b>N/A</b>					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 2px;"><b>Average Annual Cost</b> (excluding one-off)</td> <td></td> </tr> <tr> <td style="padding: 2px;">£ <b>N/A</b></td> <td></td> </tr> </table>	<b>Average Annual Cost</b> (excluding one-off)		£ <b>N/A</b>			
<b>Average Annual Cost</b> (excluding one-off)						
£ <b>N/A</b>						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 2px;"><b>Total Cost (PV)</b></td> <td style="padding: 2px;">£ <b>N/A</b></td> </tr> </table>		<b>Total Cost (PV)</b>	£ <b>N/A</b>			
<b>Total Cost (PV)</b>	£ <b>N/A</b>					
Other <b>key non-monetised costs</b> by 'main affected groups' None						

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups'  The necessary evidence to accurately monetise the benefits of this policy is not available.				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 2px;"><b>One-off</b></td> <td style="width: 40%; text-align: center; padding: 2px;"><b>Yrs</b></td> </tr> <tr> <td style="padding: 2px;">£ <b>N/A</b></td> <td></td> </tr> </table>		<b>One-off</b>	<b>Yrs</b>	£ <b>N/A</b>	
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	£ <b>N/A</b>					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 2px;"><b>Average Annual Benefit</b> (excluding one-off)</td> <td></td> </tr> <tr> <td style="padding: 2px;">£ <b>N/A</b></td> <td></td> </tr> </table>	<b>Average Annual Benefit</b> (excluding one-off)		£ <b>N/A</b>			
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<b>Total Benefit (PV)</b>	£ <b>N/A</b>					
Other <b>key non-monetised benefits</b> by 'main affected groups' The main beneficiaries will be young offenders in juvenile custody, who will be covered by the primary education legislative regime, will have better access to high quality education and a more consistent learning experience as they move through and out of the youth justice system.						

<b>Key Assumptions/Sensitivities/Risks</b> Regularising basis of legal powers
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Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England & Wales				
On what date will the policy be implemented?					
Which organisation(s) will enforce the policy?					
What is the total annual cost of enforcement for these organisations?	£				
Does enforcement comply with Hampton principles?	Yes/No				
Will implementation go beyond minimum EU requirements?	Yes/No				
What is the value of the proposed offsetting measure per year?	£				
What is the value of changes in greenhouse gas emissions?	£				
Will the proposal have a significant impact on competition?	Yes/No				
Annual cost (£-£) per organisation (excluding one-off)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Micro</td> <td style="width: 25%; text-align: center;">Small</td> <td style="width: 25%; text-align: center;">Medium</td> <td style="width: 25%; text-align: center;">Large</td> </tr> </table>	Micro	Small	Medium	Large
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Are any of these organisations exempt?	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	Yes/No	Yes/No	N/A	N/A
Yes/No	Yes/No	N/A	N/A		

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 1.7</b>	<b>Description: Right to Request Time to Train</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups' At 1.9% take up per year- costs to employers at £661,278,276, costs to Government at £277,451,122 and costs to individuals at £10,945,608.
	<b>One-off</b> (Transition)	<b>Yrs</b>	
	£ <b>0</b>	3	
	<b>Average Annual Cost</b> (excluding one-off)		
	£ <b>316,558,000</b>	<b>Total Cost (PV)</b>	<b>£ 949,675,007</b>
Other <b>key non-monetised costs</b> by 'main affected groups' Time for training - an employer and employee would agree the amount of time necessary to complete the requested course and will calculate the cost of this accordingly.			

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups' At 1.9% p.a. take-up: Total benefits to employees, business and the economy from skills and qualifications gained:
	<b>One-off</b>	<b>Yrs</b>	
	£		
	<b>Average Annual Benefit</b> (excluding one-off)		
	£ <b>439,698,000</b>	<b>Total Benefit (PV)</b>	<b>£ 1,319,095,378</b>
Other <b>key non-monetised benefits</b> by 'main affected groups' Employees – better skills help people find, stay in, and progress in work. Also a range of social benefits e.g. better health, increased social mobility. Employers – increased productivity and business performance.			

### Key Assumptions/Sensitivities/Risks

Annual cost, annual benefit and net benefit figures assume 1.9% take up among potential client group.

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	Great Britain			
On what date will the policy be implemented?	Late 2010			
Which organisation(s) will enforce the policy?	Employment Tribunal			
What is the total annual cost of enforcement for these organisations?	£			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	No			
What is the value of the proposed offsetting measure per year?	£ N/A			
What is the value of changes in greenhouse gas emissions?	£ N/A			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro £110.5m	Small £95.5m	Medium £77.7m	Large £271.6m
Are any of these organisations exempt?	No	No	No	No

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)	
Increase of	£ 22.8	Decrease of	£ 0
		<b>Net Impact</b>	<b>£ 22.8 increase</b>

Key: Annual costs and benefits: Constant Prices (Net) Present Value



## Summary: Analysis & Evidence

<b>Policy Option: 1.8</b>	<b>Description: Students Loans &amp; IVAs</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The main cost will be to borrowers who go into an Individual Voluntary Arrangement as this will no longer remove their student loan. We estimate that this currently costs the Government £10 – 25 million p/a in NPV terms.			
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>		<b>£ Nil</b>		
	<b>Average Annual Cost</b> (excluding one-off)		<b>£ 10-25 million</b>	<b>Total Cost (PV)</b>	<b>£ 10-25 million p/a</b>
	Other <b>key non-monetised costs</b> by 'main affected groups' None				

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The main benefit will be to the Government and taxpayer, who will no longer see debt removed by IVAs. We estimate that this currently costs £10 – 25 million p/a in NPV.			
	<b>One-off</b> <span style="float: right;">Yrs</span>		<b>£ Nil</b>		
	<b>Average Annual Benefit</b> (excluding one-off)		<b>£ 10-25 million</b>	<b>Total Benefit (PV)</b>	<b>£ 10-25 million p/a</b>
	Other <b>key non-monetised benefits</b> by 'main affected groups' The main benefit is of equity – to close a loophole to ensure that everyone repays their student loan when they are able.				

Key Assumptions/Sensitivities/Risks
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Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £ 0
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What is the geographic coverage of the policy/option?	England only				
On what date will the policy be implemented?	TBC				
Which organisation(s) will enforce the policy?	N/A				
What is the total annual cost of enforcement for these organisations?	£				
Does enforcement comply with Hampton principles?	Yes/No				
Will implementation go beyond minimum EU requirements?	Yes/No				
What is the value of the proposed offsetting measure per year?	£				
What is the value of changes in greenhouse gas emissions?	£				
Will the proposal have a significant impact on competition?	Yes/No				
Annual cost (£-£) per organisation (excluding one-off)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; background-color: #ffff00;">Micro</td> <td style="width: 25%; background-color: #ffff00;">Small</td> <td style="width: 25%; background-color: #ffff00;">Medium</td> <td style="width: 25%; background-color: #ffff00;">Large</td> </tr> </table>	Micro	Small	Medium	Large
Micro	Small	Medium	Large		
Are any of these organisations exempt?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	Yes/No	Yes/No	N/A	N/A
Yes/No	Yes/No	N/A	N/A		

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 1.9</b>	<b>Description: Foundation Degree Awarding Powers for Wales</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The main cost will be to colleges who opt to deliver Foundation Degrees. However, this will be entirely optional. Any additional costs to the Welsh Assembly Government will be met from within existing provision.			
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>				
	£ Nil				
	<b>Average Annual Cost</b> (excluding one-off)				
	£ Nil	<b>Total Cost (PV)</b>	£ Nil		
Other <b>key non-monetised costs</b> by 'main affected groups' None					

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The necessary evidence to accurately monetise the benefits of this policy is not available.			
	<b>One-off</b> <span style="float: right;">Yrs</span>				
	£ N/A				
	<b>Average Annual Benefit</b> (excluding one-off)				
	£ N/A	<b>Total Benefit (PV)</b>	£ N/A		
Other <b>key non-monetised benefits</b> by 'main affected groups' There will be benefits to both Welsh colleges and Welsh learners, who will be able to participate in Foundation Degrees, with consequent benefits to the skills base of the country, and ultimately leading to increases in productivity.					

Key Assumptions/Sensitivities/Risks
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Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	Wales only				
On what date will the policy be implemented?	TBD				
Which organisation(s) will enforce the policy?	WAG & QAA				
What is the total annual cost of enforcement for these organisations?	£				
Does enforcement comply with Hampton principles?	Yes/No				
Will implementation go beyond minimum EU requirements?	Yes/No				
What is the value of the proposed offsetting measure per year?	£				
What is the value of changes in greenhouse gas emissions?	£				
Will the proposal have a significant impact on competition?	Yes/No				
Annual cost (£-£) per organisation (excluding one-off)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Micro</td> <td style="width: 25%; text-align: center;">Small</td> <td style="width: 25%; text-align: center;">Medium</td> <td style="width: 25%; text-align: center;">Large</td> </tr> </table>	Micro	Small	Medium	Large
Micro	Small	Medium	Large		
Are any of these organisations exempt?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	Yes/No	Yes/No	N/A	N/A
Yes/No	Yes/No	N/A	N/A		

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 1.10</b>	<b>Description: Children's Trusts</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The necessary evidence to accurately monetise the costs of this policy is not available.			
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>				
	<b>Average Annual Cost</b> (excluding one-off)				
	<b>£ N/A</b>			<b>Total Cost (PV)</b>	<b>£ N/A</b>
Other <b>key non-monetised costs</b> by 'main affected groups' The fact that this legislation builds on existing statutory guidance means that related costs are not new.					

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The necessary evidence to accurately monetise the benefits of this policy is not available.			
	<b>One-off</b> <span style="float: right;">Yrs</span>				
	<b>Average Annual Benefit</b> (excluding one-off)				
	<b>£ N/A</b>			<b>Total Benefit (PV)</b>	<b>£ N/A</b>
Other <b>key non-monetised benefits</b> by 'main affected groups' Effective partnership working across all children's services across the country has the potential to deliver substantial benefits for service users and for individual partners.					

Key Assumptions/Sensitivities/Risks
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Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England				
On what date will the policy be implemented?					
Which organisation(s) will enforce the policy?	N/A				
What is the total annual cost of enforcement for these organisations?	£				
Does enforcement comply with Hampton principles?	Yes/No				
Will implementation go beyond minimum EU requirements?	Yes/No				
What is the value of the proposed offsetting measure per year?	£				
What is the value of changes in greenhouse gas emissions?	£				
Will the proposal have a significant impact on competition?	Yes/No				
Annual cost (£-£) per organisation (excluding one-off)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; background-color: #ffffcc;">Micro</td> <td style="width: 25%; background-color: #ffffcc;">Small</td> <td style="width: 25%; background-color: #ffffcc;">Medium</td> <td style="width: 25%; background-color: #ffffcc;">Large</td> </tr> </table>	Micro	Small	Medium	Large
Micro	Small	Medium	Large		
Are any of these organisations exempt?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	Yes/No	Yes/No	N/A	N/A
Yes/No	Yes/No	N/A	N/A		

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 1.11</b>	<b>Description: Sure Start Children's Centres</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' N/A. These proposals do not ask LAs or SSCCs to take any action which is not already set out in existing non statutory guidance. LAs have been provided with the resources to meet need in the establishment of SSCCs until 2010-2011.			
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>				
	<b>Average Annual Cost</b> (excluding one-off)				
	<b>£ N/A</b>			<b>Total Cost (PV)</b>	<b>£ N/A</b>
Other <b>key non-monetised costs</b> by 'main affected groups' N/A: These proposals do not ask LAs or SSCCs to take any action which is not already set out in existing non statutory guidance. LAs have been provided with the resources to meet need in the establishment of SSCCs until 2010-2011.					

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' N/A: These proposals do not ask LAs or SSCCs to take any action which is not already set out in existing non statutory guidance. LAs have been provided with the resources to meet need in the establishment of SSCCs until 2010-2011.			
	<b>One-off</b> <span style="float: right;">Yrs</span>				
	<b>Average Annual Benefit</b> (excluding one-off)				
	<b>£ N/A</b>			<b>Total Benefit (PV)</b>	<b>£ N/A</b>
Other <b>key non-monetised benefits</b> by 'main affected groups' Will ensure that SSCCs become an established part of the universal services available for young children and their families. A statutory definition will also enable safeguarding and accountability requirements to be formalised.					

### Key Assumptions/Sensitivities/Risks

Duty for Ofsted to inspect SSCCs at the request of the SoS. We are working with Ofsted to start to design and pilot an inspection regime, and as the pilot develops we will be able to assess the impact and cost of a new regime of inspection. Further details are given in the "Evidence base" section of this assessment.

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England only			
On what date will the policy be implemented?	Late 2009			
Which organisation(s) will enforce the policy?	N/A			
What is the total annual cost of enforcement for these organisations?	£ N/A			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	No			
What is the value of the proposed offsetting measure per year?	£ N/A			
What is the value of changes in greenhouse gas emissions?	£ N/A			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)			(Increase - Decrease)		
Increase of	£	Decrease of	£	<b>Net Impact</b>	£

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option:</b> 1.12a	<b>Description:</b> Requiring LSCBs to publish an annual report on the effectiveness of safeguarding in the local areas
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by ‘main affected groups’ 1-2 days’ additional work for a senior manager (at £63.83/hr) and a junior manager (at £33.43/hr) in each local authority to produce the report from information already held. This amounts to £680.82- £1361.64 per local authority. We assume 50% of LAs are producing reports at present, and this becomes 100%.		
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>			
	£			
	<b>Average Annual Cost</b> (excluding one-off)			
	£ 76,592	<b>Total Cost (PV)</b>	£ 713,569	
Other <b>key non-monetised costs</b> by ‘main affected groups’				

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by ‘main affected groups’		
	<b>One-off</b> <span style="float: right;">Yrs</span>			
	£			
	<b>Average Annual Benefit</b> (excluding one-off)			
	£	<b>Total Benefit (PV)</b>	£	
Other <b>key non-monetised benefits</b> by ‘main affected groups’ These Government interventions are necessary to ensure that there is now a step change in the arrangements to protect children from harm. They will create an effective system of performance management that drives improvement in the quality of services designed to safeguard and promote the welfare of children, and provide a stronger culture of mutual challenge, improvement and openness within a local area.				

### Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England only			
On what date will the policy be implemented?				
Which organisation(s) will enforce the policy?	N/A			
What is the total annual cost of enforcement for these organisations?	£ N/A			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	No			
What is the value of the proposed offsetting measure per year?	£ N/A			
What is the value of changes in greenhouse gas emissions?	£ N/A			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)	
Increase of £	Decrease of £	<b>Net Impact</b>	£

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

Policy Option: 1.12b

Description: Opening up LSCBs to wider public scrutiny through the appointment of two lay members drawn from the local community.

<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups' 6-10 day's additional work for a senior manager (at £63.83/hr) and a junior manager (at £33.43/hr) one-off cost in each local authority to advertise and interview during the recruitment process. This amounts to £6808 - £13616 per local authority. Ongoing cost of expenses of £20-£100 per week per local authority.
	<b>One-off</b> (Transition)	<b>Yrs</b>	
	<b>£ 1,593,119</b>		
	<b>Average Annual Cost</b> (excluding one-off)		
	<b>£ 99,840</b>		<b>Total Cost (PV)</b> <b>£ 2,452,502</b>
Other <b>key non-monetised costs</b> by 'main affected groups'			

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups'
	<b>One-off</b>	<b>Yrs</b>	
	<b>£</b>		
	<b>Average Annual Benefit</b> (excluding one-off)		
	<b>£</b>		<b>Total Benefit (PV)</b> <b>£</b>
Other <b>key non-monetised benefits</b> by 'main affected groups' These Government interventions are necessary to ensure that there is now a step change in the arrangements to protect children from harm. They will create an effective system of performance management that drives improvement in the quality of services designed to safeguard and promote the welfare of children, and provide a stronger culture of mutual challenge, improvement and openness within a local area.			

### Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?		
On what date will the policy be implemented?		
Which organisation(s) will enforce the policy?		
What is the total annual cost of enforcement for these organisations?		£
Does enforcement comply with Hampton principles?		Yes/No
Will implementation go beyond minimum EU requirements?		Yes/No
What is the value of the proposed offsetting measure per year?		£
What is the value of changes in greenhouse gas emissions?		£
Will the proposal have a significant impact on competition?		Yes/No
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small
	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No
	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

**Policy Option: 1.12c**

**Description: Introduce new statutory targets for safeguarding and promoting welfare of children.**

<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups'
	<b>One-off</b> (Transition)	<b>Yrs</b>	
	£		
	<b>Average Annual Cost</b> (excluding one-off)		
	£		<b>Total Cost (PV)</b> £
<p><b>Other key non-monetised costs</b> by 'main affected groups' The impact of the introduction of these targets will be assessed as and when they are put into place.</p>			

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups'
	<b>One-off</b>	<b>Yrs</b>	
	£		
	<b>Average Annual Benefit</b> (excluding one-off)		
	£		<b>Total Benefit (PV)</b> £
<p><b>Other key non-monetised benefits</b> by 'main affected groups' These Government interventions are necessary to ensure that there is now a step change in the arrangements to protect children from harm. They will create an effective system of performance management that drives improvement in the quality of services designed to safeguard and promote the welfare of children, and provide a stronger culture of mutual challenge, improvement and openness within a local area.</p>			

Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?		
On what date will the policy be implemented?		
Which organisation(s) will enforce the policy?		
What is the total annual cost of enforcement for these organisations?		£
Does enforcement comply with Hampton principles?		Yes/No
Will implementation go beyond minimum EU requirements?		Yes/No
What is the value of the proposed offsetting measure per year?		£
What is the value of changes in greenhouse gas emissions?		£
Will the proposal have a significant impact on competition?		Yes/No
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small
	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No
	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

Policy Option: 2.1

Description: Establishment of Ofqual and the QCDA

<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups'
	<b>One-off</b> (Transition)	<b>Yrs</b>	
	<b>£ 2 million</b>	3	Just under £4 million to Government over first two years to establish the new bodies plus annual running cost increases of up to £2.5 million resulting from dis-economies of running two organisations.
	<b>Average Annual Cost</b> (excluding one-off)		
<b>£ 2.5 million</b>		<b>Total Cost (PV)</b>	<b>£ 20 million</b>
<p><b>Other key non-monetised costs</b> by 'main affected groups'</p> <p>There will be additional costs for organisations seeking recognition but as there is some uncertainty about robust quantification the evidence base include a number of scenarios based on how many organisations seek recognition. Costs to existing recognised Awarding Bodies are expected to be neutral, on average.</p>			

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups'
	<b>One-off</b>	<b>Yrs</b>	
	<b>£ not estimated</b>		Monetised benefits have not been estimated due to lack of relevant evidence on the likely impact of the regulatory changes or on how they will affect the returns to qualifications over the longer term.
	<b>Average Annual Benefit</b> (excluding one-off)		
<b>£ not estimated</b>		<b>Total Benefit (PV)</b>	<b>£ not estimated</b>
<p><b>Other key non-monetised benefits</b> by 'main affected groups'</p> <p>Intermediate benefits include lower barriers to entry and efficiencies in the qualifications market, more efficient education and labour markets, greater quality of and confidence in qualifications which maintains or improves returns, and ultimately, benefits to the economy through higher productivity.</p>			

### Key Assumptions/Sensitivities/Risks

There is no relevant international precedent to learn from, and no obvious way to test the impact of independent regulation, so the benefits are uncertain and cannot easily be quantified. Costs of setting up and running the new regulator are estimated up to 2016 and discounted at 3.5%.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £		NET BENEFIT (NPV Best estimate) £	
What is the geographic coverage of the policy/option?			England / N Ireland		
On what date will the policy be implemented?			2009-10		
Which organisation(s) will enforce the policy?			DCSF/DIUS		
What is the total annual cost of enforcement for these organisations?			£ N/A		
Does enforcement comply with Hampton principles?			Yes		
Will implementation go beyond minimum EU requirements?			N/A		
What is the value of the proposed offsetting measure per year?			£ N/A		
What is the value of changes in greenhouse gas emissions?			£ N/A		
Will the proposal have a significant impact on competition?			No		
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium	Large
Are any of these organisations exempt?		Yes/No	Yes/No	N/A	N/A
<b>Impact on Admin Burdens Baseline</b> (2005 Prices)				(Increase - Decrease)	
Increase of	£ N/A	Decrease of	£ N/A	<b>Net Impact</b>	<b>£ N/A</b>

Key: Annual costs and benefits: Constant Prices (Net) Present Value



## Summary: Analysis & Evidence

<b>Policy Option: 2.2</b>	<b>Description: Parental Complaints</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' We expect transition costs to the Government to reach £2,000,000. We expect a cost per complaint of £750, 2200 complaints per year. We are assuming costs increase 2% a year.
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>	
	£ 2,000,000	
	<b>Average Annual Cost</b> (excluding one-off)	
	£ 1,650,000	
<b>Total Cost (PV)</b>		<b>£ 44,880,667 (15y)</b>
Other <b>key non-monetised costs</b> by 'main affected groups' None		

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' If this policy is able to reduce bullying and related issues, then as evidence suggests, lifetime earnings of those pupils affected by these issues will rise by 5 %, matching those of standard pupils (£24,908 2008 median full-time salary)i.e. we anticipate their lifetime earnings to rise by 5%.
	<b>One-off</b> <span style="float: right;">Yrs</span>	
	£	
	<b>Average Annual Benefit</b> (excluding one-off)	
	£	
<b>Total Benefit (PV)</b>		<b>£ 394,527,120</b>
Other <b>key non-monetised benefits</b> by 'main affected groups' None		

**Key Assumptions/Sensitivities/Risks**  
 This policy will have a positive net benefit if it solves 1 in 28 complaints.

Price Base Year	Time Period Years	<b>Net Benefit Range</b> (NPV) £	<b>NET BENEFIT</b> (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	England
On what date will the policy be implemented?	In full by 2012
Which organisation(s) will enforce the policy?	LGO
What is the total annual cost of enforcement for these organisations?	£
Does enforcement comply with Hampton principles?	Yes/No
Will implementation go beyond minimum EU requirements?	Yes/No
What is the value of the proposed offsetting measure per year?	£
What is the value of changes in greenhouse gas emissions?	£
Will the proposal have a significant impact on competition?	Yes/No
Annual cost (£-£) per organisation (excluding one-off)	Micro    Small    Medium    Large
Are any of these organisations exempt?	Yes/No    Yes/No    N/A    N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key:    Annual costs and benefits: Constant Prices    (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 2.3</b>	<b>Description: School Health Check Report</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The development costs for the enhanced annual risk assessment of all schools are estimate as being £600,000.					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 5px;"><b>One-off</b> (Transition)</td> <td style="width: 30%; text-align: center; padding: 5px;"><b>Yrs</b></td> </tr> <tr> <td style="padding: 5px;">£ <b>600,000</b></td> <td></td> </tr> </table>			<b>One-off</b> (Transition)	<b>Yrs</b>	£ <b>600,000</b>	
	<b>One-off</b> (Transition)			<b>Yrs</b>			
	£ <b>600,000</b>						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 5px;"><b>Average Annual Cost</b> (excluding one-off)</td> <td></td> </tr> <tr> <td style="padding: 5px;">£ <b>Nil</b></td> <td></td> </tr> </table>	<b>Average Annual Cost</b> (excluding one-off)		£ <b>Nil</b>				
<b>Average Annual Cost</b> (excluding one-off)							
£ <b>Nil</b>							
<b>Total Cost (PV)</b>	£ <b>600,000</b>						
Other <b>key non-monetised costs</b> by 'main affected groups' None							

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The main monetised benefit will be to Ofsted, who will see an annual saving of £4.6 million. There will also be savings to schools of approximately £1.6 million.					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 5px;"><b>One-off</b></td> <td style="width: 30%; text-align: center; padding: 5px;"><b>Yrs</b></td> </tr> <tr> <td style="padding: 5px;">£ <b>Nil</b></td> <td></td> </tr> </table>			<b>One-off</b>	<b>Yrs</b>	£ <b>Nil</b>	
	<b>One-off</b>			<b>Yrs</b>			
	£ <b>Nil</b>						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 5px;"><b>Average Annual Benefit</b> (excluding one-off)</td> <td></td> </tr> <tr> <td style="padding: 5px;">£ <b>6.2 million</b></td> <td></td> </tr> </table>	<b>Average Annual Benefit</b> (excluding one-off)		£ <b>6.2 million</b>				
<b>Average Annual Benefit</b> (excluding one-off)							
£ <b>6.2 million</b>							
<b>Total Benefit (PV)</b>	£ <b>6.2 million p/a</b>						
Other <b>key non-monetised benefits</b> by 'main affected groups' None.							

Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England				
On what date will the policy be implemented?					
Which organisation(s) will enforce the policy?	Ofsted				
What is the total annual cost of enforcement for these organisations?	£ N/A				
Does enforcement comply with Hampton principles?	Yes/No				
Will implementation go beyond minimum EU requirements?	Yes/No				
What is the value of the proposed offsetting measure per year?	£ N/A				
What is the value of changes in greenhouse gas emissions?	£ N/A				
Will the proposal have a significant impact on competition?	Yes/No				
Annual cost (£-£) per organisation (excluding one-off)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Micro</td> <td style="width: 25%; text-align: center;">Small</td> <td style="width: 25%; text-align: center;">Medium</td> <td style="width: 25%; text-align: center;">Large</td> </tr> </table>	Micro	Small	Medium	Large
Micro	Small	Medium	Large		
Are any of these organisations exempt?	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	Yes/No	Yes/No	N/A	N/A
Yes/No	Yes/No	N/A	N/A		

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 2.4</b>	<b>Description: Statutory Guidance on Schools Causing Concern</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The key monetised cost will be the cost of issuing a warning notice and the subsequent enforcement action, which will fall on local authorities.
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>	
	£ 0	
	<b>Average Annual Cost</b> (excluding one-off)	
	£ 1,700,000	
<b>Total Cost (PV)</b>		£ 1,700,00 p/a
Other <b>key non-monetised costs</b> by 'main affected groups' None		

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The main monetised benefit will be savings from early intervention in at risk schools, forestalling the need for more costly intervention at a later date. This benefit will accrue to local authorities.
	<b>One-off</b> <span style="float: right;">Yrs</span>	
	£ 0	
	<b>Average Annual Benefit</b> (excluding one-off)	
	£ 2,500,000	
<b>Total Benefit (PV)</b>		£ 2,500,00 p/a
Other <b>key non-monetised benefits</b> by 'main affected groups' Early intervention also has a significant benefit for pupils and staff at affected schools, who will benefit from problems being resolved earlier.		

<b>Key Assumptions/Sensitivities/Risks</b> Regularising basis of legal powers No additional burdens on LAs, schools or Department
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Price Base Year	Time Period Years	<b>Net Benefit Range</b> (NPV) £	<b>NET BENEFIT</b> (NPV Best estimate) £ 800,000 p/a
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What is the geographic coverage of the policy/option?					
On what date will the policy be implemented?					
Which organisation(s) will enforce the policy?					
What is the total annual cost of enforcement for these organisations?				£	
Does enforcement comply with Hampton principles?				Yes/No	
Will implementation go beyond minimum EU requirements?				Yes/No	
What is the value of the proposed offsetting measure per year?				£	
What is the value of changes in greenhouse gas emissions?				£	
Will the proposal have a significant impact on competition?				Yes/No	
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium	Large
Are any of these organisations exempt?		Yes/No	Yes/No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)				(Increase - Decrease)
Increase of	£	Decrease of	£	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 2.5</b>	<b>Description: School Teachers' Pay &amp; Conditions Document</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The necessary evidence to accurately monetise the costs of this policy is not available.
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>	
	£ <b>N/A</b>	
	<b>Average Annual Cost</b> (excluding one-off)	
£ <b>N/A</b>	<b>Total Cost (PV)</b>	£ <b>N/A</b>
<b>Other key non-monetised costs</b> by 'main affected groups' Likely admin cost to LAs from processing notices, and taking any intervention action. Likely admin cost to schools from responding to LA notices and taking remedial action. Likely one-off costs to management whilst re-arranging timetables/tasks and so on.		

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' Schools that are currently still expecting teachers to carry out admin tasks would benefit from productive time efficiencies. Potential gains in the range of around £120m per year across all schools
	<b>One-off</b> <span style="float: right;">Yrs</span>	
	£	
	<b>Average Annual Benefit</b> (excluding one-off)	
£ <b>120,000,000</b>	<b>Total Benefit (PV)</b>	£ <b>120,000,000 p/a</b>
<b>Other key non-monetised benefits</b> by 'main affected groups' Schools which are not currently compliant, and their pupils and staff, would benefit from better-planned and prepared lessons and more effective teaching, with knock-on benefits for standards.		

### Key Assumptions/Sensitivities/Risks

There is a risk that schools may not provide an efficient re-modelling of the workforce and therefore fail to set priorities that benefit teaching and learning.

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England & Wales				
On what date will the policy be implemented?	TBD				
Which organisation(s) will enforce the policy?	Local authorities				
What is the total annual cost of enforcement for these organisations?	£				
Does enforcement comply with Hampton principles?	Yes/No				
Will implementation go beyond minimum EU requirements?	Yes/No				
What is the value of the proposed offsetting measure per year?	£				
What is the value of changes in greenhouse gas emissions?	£				
Will the proposal have a significant impact on competition?	Yes/No				
Annual cost (£-£) per organisation (excluding one-off)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Micro</td> <td style="width: 25%; text-align: center;">Small</td> <td style="width: 25%; text-align: center;">Medium</td> <td style="width: 25%; text-align: center;">Large</td> </tr> </table>	Micro	Small	Medium	Large
Micro	Small	Medium	Large		
Are any of these organisations exempt?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	Yes/No	Yes/No	N/A	N/A
Yes/No	Yes/No	N/A	N/A		

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

**Policy Option: 2.6**

**Description: Creation of school support staff negotiating body.**

<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups'
	<b>One-off</b> (Transition)	<b>Yrs</b>	
	<b>£ Nil</b>		None
	<b>Average Annual Cost</b> (excluding one-off)		
<b>£ Nil</b>		<b>Total Cost (PV)</b>	<b>£ Nil</b>
<p><b>Other key non-monetised costs</b> by 'main affected groups'</p> <p><b>Schools and LAs:</b> Costs are likely to be incurred during the transition from the current system to the new pay &amp; conditions framework. Schools: Nil LGE will require additional funding to 'service' the employer side secretariat as this work was not included in their regular bid for funding.</p>			

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups'
	<b>One-off</b>	<b>Yrs</b>	
	<b>£ Nil</b>		None
	<b>Average Annual Benefit</b> (excluding one-off)		
<b>£ Nil</b>		<b>Total Benefit (PV)</b>	<b>£ Nil</b>
<p><b>Other key non-monetised benefits</b> by 'main affected groups'</p> <p>Likely to be an increase in the number of contented workers as this policy will send a clear signal to support staff about how valuable they are considered to be to the successful running of a school. Likely to be benefits to both teachers and pupils as support staff are better motivated and demonstrate greater efficiency and would likely increase retention rates of support staff. Any failure to introduce the Body would be a significant de-motivator to school support staff &amp; a potential reduction in their commitment to ongoing reforms to schools &amp; could lead to a reduction in future improvements to schools &amp; potential decline in pupil success, with a consequent positive benefit for future productivity.</p>			

### Key Assumptions/Sensitivities/Risks

Potential risks that LAs and school governing bodies may fail to introduce the new provisions consistently. Any attempt to persuade these bodies to comply is likely to be time consuming, difficult and potentially unsuccessful

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £	
What is the geographic coverage of the policy/option?		England only		
On what date will the policy be implemented?				
Which organisation(s) will enforce the policy?		LAs/schools		
What is the total annual cost of enforcement for these organisations?		£		
Does enforcement comply with Hampton principles?		Yes/No		
Will implementation go beyond minimum EU requirements?		Yes/No		
What is the value of the proposed offsetting measure per year?		£		
What is the value of changes in greenhouse gas emissions?		£		
Will the proposal have a significant impact on competition?		Yes/No		
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium    Large
Are any of these organisations exempt?		Yes/No	Yes/No	N/A    N/A
<b>Impact on Admin Burdens Baseline</b> (2005 Prices)				(Increase - Decrease)
Increase of	£	Decrease of	£	<b>Net Impact</b> £

Key:

Annual costs and benefits: Constant Prices

(Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 2.7</b>	<b>Description: Alternative Provision</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The necessary evidence to accurately monetise the costs of this policy is not available.			
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>				
	£ <b>N/A</b>				
	<b>Average Annual Cost</b> (excluding one-off)				
	£ <b>N/A</b>		<b>Total Cost (PV)</b>	£ <b>N/A</b>	
Other <b>key non-monetised costs</b> by 'main affected groups' Significant costs are not anticipated from this policy.					

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The necessary evidence to accurately monetise the benefits of this policy is not available.			
	<b>One-off</b> <span style="float: right;">Yrs</span>				
	£ <b>N/A</b>				
	<b>Average Annual Benefit</b> (excluding one-off)				
	£ <b>N/A</b>		<b>Total Benefit (PV)</b>	£ <b>N/A</b>	
Other <b>key non-monetised benefits</b> by 'main affected groups' Strengthened powers of intervention in failing alternative provision will have significant benefits for the pupils in those institutions, particularly in terms of improved educational outcomes. There are also significant equity considerations in ensuring that pupils in alternative provision receive a comparable					

Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	<b>Net Benefit Range</b> (NPV) £	<b>NET BENEFIT</b> (NPV Best estimate) £
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What is the geographic coverage of the policy/option?					
On what date will the policy be implemented?					
Which organisation(s) will enforce the policy?					
What is the total annual cost of enforcement for these organisations?					£
Does enforcement comply with Hampton principles?					Yes/No
Will implementation go beyond minimum EU requirements?					Yes/No
What is the value of the proposed offsetting measure per year?					£
What is the value of changes in greenhouse gas emissions?					£
Will the proposal have a significant impact on competition?					Yes/No
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium	Large
Are any of these organisations exempt?		Yes/No	Yes/No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)				(Increase - Decrease)
Increase of	£	Decrease of	£	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 2.8</b>	<b>Description: Behaviour &amp; Attendance Improvement Partnerships</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The necessary evidence to accurately monetise the costs of this policy is not available..		
	<b>One-off</b> (Transition) <b>Yrs</b>			
	£ <b>N/A</b>			
	<b>Average Annual Cost</b> (excluding one-off)			
	£ <b>N/A</b>	<b>Total Cost (PV)</b>	£ <b>N/A</b>	
Other <b>key non-monetised costs</b> by 'main affected groups' The 55 schools that are not currently members of a partnership will have to join one, with consequent opportunity costs on teachers and head teachers.				

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The necessary evidence to accurately monetise the benefits of this policy is not available.		
	<b>One-off</b> <b>Yrs</b>			
	£ <b>N/A</b>			
	<b>Average Annual Benefit</b> (excluding one-off)			
	£ <b>N/A</b>	<b>Total Benefit (PV)</b>	£ <b>N/A</b>	
Other <b>key non-monetised benefits</b> by 'main affected groups' Partnership working will help to reduce permanent exclusions, with consequent benefits to pupils, schools and local authorities, including both improved educational outcomes and the equity considerations of keeping pupil in the mainstream.				

### Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England only				
On what date will the policy be implemented?					
Which organisation(s) will enforce the policy?					
What is the total annual cost of enforcement for these organisations?	£				
Does enforcement comply with Hampton principles?	Yes/No				
Will implementation go beyond minimum EU requirements?	Yes/No				
What is the value of the proposed offsetting measure per year?	£				
What is the value of changes in greenhouse gas emissions?	£				
Will the proposal have a significant impact on competition?	Yes/No				
Annual cost (£-£) per organisation (excluding one-off)	<table style="width: 100%; border: none;"> <tr> <td style="width: 25%; text-align: center;">Micro</td> <td style="width: 25%; text-align: center;">Small</td> <td style="width: 25%; text-align: center;">Medium</td> <td style="width: 25%; text-align: center;">Large</td> </tr> </table>	Micro	Small	Medium	Large
Micro	Small	Medium	Large		
Are any of these organisations exempt?	<table style="width: 100%; border: none;"> <tr> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">Yes/No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	Yes/No	Yes/No	N/A	N/A
Yes/No	Yes/No	N/A	N/A		

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 2.9</b>	<b>Description: Recording Incidents of Use of Force</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The necessary evidence to accurately monetise the costs of this policy is not available.
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>	
	£ N/A	
	<b>Average Annual Cost</b> (excluding one-off)	
	£ N/A	
<b>Total Cost (PV)</b>		£ N/A
Other <b>key non-monetised costs</b> by 'main affected groups' These changes will only pose a cost to those schools who are not currently complying with guidance on the use of force.		

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The necessary evidence to accurately monetise the benefits of this policy is not available.
	<b>One-off</b> <span style="float: right;">Yrs</span>	
	£ N/A	
	<b>Average Annual Benefit</b> (excluding one-off)	
	£ N/A	
<b>Total Benefit (PV)</b>		£ N/A
Other <b>key non-monetised benefits</b> by 'main affected groups' The benefit will be the extra protection recording and reporting will afford to pupils and teachers.		

Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	<b>Net Benefit Range</b> (NPV) £	<b>NET BENEFIT</b> (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	England only
On what date will the policy be implemented?	
Which organisation(s) will enforce the policy?	
What is the total annual cost of enforcement for these organisations?	£
Does enforcement comply with Hampton principles?	Yes/No
Will implementation go beyond minimum EU requirements?	Yes/No
What is the value of the proposed offsetting measure per year?	£
What is the value of changes in greenhouse gas emissions?	£
Will the proposal have a significant impact on competition?	Yes/No
Annual cost (£-£) per organisation (excluding one-off)	Micro    Small    Medium    Large
Are any of these organisations exempt?	Yes/No    Yes/No    N/A    N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £

Key:    Annual costs and benefits: Constant Prices    (Net) Present Value



## Summary: Analysis & Evidence

<b>Policy Option: 2.10</b>	<b>Description: Extending Schools' Powers to Search</b>
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COSTS	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The necessary evidence to accurately monetise the costs of this policy is not available.				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>One-off</b> (Transition)</td> <td style="width: 40%; text-align: center;"><b>Yrs</b></td> </tr> <tr> <td style="background-color: #ffff00;">£ N/A</td> <td></td> </tr> </table>		<b>One-off</b> (Transition)	<b>Yrs</b>	£ N/A	
	<b>One-off</b> (Transition)		<b>Yrs</b>			
	£ N/A					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>Average Annual Cost</b> (excluding one-off)</td> <td style="width: 40%;"></td> </tr> <tr> <td style="background-color: #ffff00;">£ N/A</td> <td></td> </tr> </table>		<b>Average Annual Cost</b> (excluding one-off)		£ N/A	
<b>Average Annual Cost</b> (excluding one-off)						
£ N/A						
<b>Total Cost (PV)</b>		£ N/A				
Other <b>key non-monetised costs</b> by 'main affected groups' Schools and colleges will not be under a duty to use these powers, and so for most schools there will be no additional cost.						
BENEFITS	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The necessary evidence to accurately monetise the benefits of this policy is not available.				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>One-off</b></td> <td style="width: 40%; text-align: center;"><b>Yrs</b></td> </tr> <tr> <td style="background-color: #ffff00;">£ N/A</td> <td></td> </tr> </table>		<b>One-off</b>	<b>Yrs</b>	£ N/A	
	<b>One-off</b>		<b>Yrs</b>			
	£ N/A					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>Average Annual Benefit</b> (excluding one-off)</td> <td style="width: 40%;"></td> </tr> <tr> <td style="background-color: #ffff00;">£ N/A</td> <td></td> </tr> </table>		<b>Average Annual Benefit</b> (excluding one-off)		£ N/A	
<b>Average Annual Benefit</b> (excluding one-off)						
£ N/A						
<b>Total Benefit (PV)</b>		£ N/A				
Other <b>key non-monetised benefits</b> by 'main affected groups' There will be benefits in terms of better learner safety and behaviour in schools and colleges.						

Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England only				
On what date will the policy be implemented?					
Which organisation(s) will enforce the policy?					
What is the total annual cost of enforcement for these organisations?	£				
Does enforcement comply with Hampton principles?	Yes/No				
Will implementation go beyond minimum EU requirements?	Yes/No				
What is the value of the proposed offsetting measure per year?	£				
What is the value of changes in greenhouse gas emissions?	£				
Will the proposal have a significant impact on competition?	Yes/No				
Annual cost (£-£) per organisation (excluding one-off)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; background-color: #ffff00;">Micro</td> <td style="width: 25%; background-color: #ffff00;">Small</td> <td style="width: 25%; background-color: #ffff00;">Medium</td> <td style="width: 25%; background-color: #ffff00;">Large</td> </tr> </table>	Micro	Small	Medium	Large
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Are any of these organisations exempt?	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes/No</td> <td style="width: 25%;">Yes/No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	Yes/No	Yes/No	N/A	N/A
Yes/No	Yes/No	N/A	N/A		

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)				(Increase - Decrease)
Increase of	£	Decrease of	£	<b>Net Impact</b> £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 2.11</b>	<b>Description: Early Years Funding Changes</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The necessary evidence to accurately monetise the costs of this policy is not available.			
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>				
	<b>Average Annual Cost</b> (excluding one-off)				
	<b>£ N/A</b>		<b>Total Cost (PV)</b>	<b>£ N/A</b>	
Other <b>key non-monetised costs</b> by 'main affected groups' None					

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The necessary evidence to accurately monetise the benefits of this policy is not available.			
	<b>One-off</b> <span style="float: right;">Yrs</span>				
	<b>Average Annual Benefit</b> (excluding one-off)				
	<b>£ N/A</b>		<b>Total Benefit (PV)</b>	<b>£ N/A</b>	
Other <b>key non-monetised benefits</b> by 'main affected groups' Requiring LAs to base Maintained sector childcare funding on participation should help increase the incentive to attract parents and children to use the childcare. In addition, funding the PVI sector in the same way as the Maintained sector would help create a more level playing field enabling the PVI sector to become more sustainable. A longer term consequence of these two changes is likely to be greater competition resulting in higher quality and more flexible childcare provision.					

### Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £
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What is the geographic coverage of the policy/option?	England only			
On what date will the policy be implemented?	April 2010			
Which organisation(s) will enforce the policy?				
What is the total annual cost of enforcement for these organisations?	£			
Does enforcement comply with Hampton principles?	Yes/No			
Will implementation go beyond minimum EU requirements?	Yes/No			
What is the value of the proposed offsetting measure per year?	£			
What is the value of changes in greenhouse gas emissions?	£			
Will the proposal have a significant impact on competition?	Yes/No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)			(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b>	£

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Summary: Analysis & Evidence

<b>Policy Option: 2.12</b>	<b>Description: Collection of Information</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' The necessary evidence to accurately monetise the costs of this policy is not available.				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"><b>One-off</b> (Transition)</td> <td style="width: 30%; text-align: center;"><b>Yrs</b></td> </tr> <tr> <td>£ N/A</td> <td></td> </tr> </table>		<b>One-off</b> (Transition)	<b>Yrs</b>	£ N/A	
	<b>One-off</b> (Transition)		<b>Yrs</b>			
	£ N/A					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"><b>Average Annual Cost</b> (excluding one-off)</td> <td></td> </tr> <tr> <td>£ N/A</td> <td></td> </tr> </table>		<b>Average Annual Cost</b> (excluding one-off)		£ N/A	
<b>Average Annual Cost</b> (excluding one-off)						
£ N/A						
<b>Total Cost (PV)</b>						
£ N/A						
Other <b>key non-monetised costs</b> by 'main affected groups' None						
<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The necessary evidence to accurately monetise the benefits of this policy is not available.				
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	£ N/A					
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<b>Average Annual Benefit</b> (excluding one-off)						
£ N/A						
<b>Total Benefit (PV)</b>						
£ N/A						
Other <b>key non-monetised benefits</b> by 'main affected groups' Consolidated collection of education and children's services data provides a useful source of information for LAs, the DCSF and other interested bodies such as CIPFA.						

**Key Assumptions/Sensitivities/Risks**  
 Regularising basis of legal powers  
 No additional burdens on LAs, schools or Department

Price Base Year	Time Period Years	<b>Net Benefit Range</b> (NPV) £	<b>NET BENEFIT</b> (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	England only			
On what date will the policy be implemented?	TBD			
Which organisation(s) will enforce the policy?				
What is the total annual cost of enforcement for these organisations?	£			
Does enforcement comply with Hampton principles?	Yes/No			
Will implementation go beyond minimum EU requirements?	Yes/No			
What is the value of the proposed offsetting measure per year?	£			
What is the value of changes in greenhouse gas emissions?	£			
Will the proposal have a significant impact on competition?	Yes/No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)			(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b>	£

Key: Annual costs and benefits: Constant Prices (Net) Present Value

**Children Skills and Learning Bill**  
**Impact Assessment**

**Part 1 – Putting the Learner First**

- 1.1 Reforms to Delivery of post-16 Education and Training
- 1.2 Academies
- 1.3 Apprenticeships
- 1.4 Sixth Form Colleges
- 1.5 Post-16 Transport Provision
- 1.6 Young Offender Education
- 1.7 Right to Request Time to Train
- 1.8 Student Loans & IVAs
- 1.9 Foundation Degree Awarding Powers for Wales
- 1.10 Children's Trusts
- 1.11 Sure Start Children's Centres
- 1.12 Safeguarding Children

## 1.1 Reforms to Delivery of post-16 Education & Training

### **RATIONALE**

#### *Problem and rationale for change in the pre-19 education system*

The Education and Skills Act (2008) enshrined in law our ambitious agenda that every young person up to the age of 19 participates in some form of education and training and goes on to achieve their full potential. These reforms are wide ranging and need to be underpinned by a strong and coherent local planning and delivery system founded on significant collaboration amongst a wide range of local providers. We have already positioned Local Authorities to help facilitate this through the development of 14-19 Partnerships. The rationale for also giving them a new strategic commissioning role is based on yielding significant *economies of scope* in how local services are delivered in an integrated way and it will *strengthen local incentives* to deliver and drive up outcomes for young people.

The proposals are consistent with an increasing government emphasis, in line with the review of sub-national economic development and regeneration, on managing policy at the right geographic levels and giving local authorities the powers and incentives to respond to local challenges and improve economic outcomes in their areas. As part of this, we want to ensure that education and skills planning links more effectively with wider strategic priorities, particularly economic regeneration.

#### *Problem and rationale for change in the post-19 system*

The policy challenges which have led to these proposals are well documented. Changes in technology, production and trading patterns are having far-reaching effects on our economy and our society. In *World Class Skills*,<sup>1</sup> *In Work, Better Off*,<sup>2</sup> and *Ready to Work, Skilled for Work*,<sup>3</sup> we set out how Government will work with our partners, employers and individuals to rise to these challenges. Since then, the depth of economic challenges facing the world – and, hence, this country too – have become more apparent. In the light of this, we must consider how our skills and training system operates to ensure that we can help businesses through the current challenges and to emerge stronger.

For adults, better skills are a route to better jobs, career progression and higher incomes. For employers, a well-skilled workforce can yield higher productivity and profitability and an ability to compete in emerging markets. And for communities, better skills can provide an escape route from a low ambition, low achievement culture.

Our current system for meeting these challenges has evolved piecemeal over several years. The LSC was set up to bring together planning and funding for

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<sup>1</sup> [www.dius.gov.uk/publications/worldclassskills.pdf](http://www.dius.gov.uk/publications/worldclassskills.pdf)

<sup>2</sup> [www.dwp.gov.uk/welfarereform/in-work-better-off/in-work-better-off.pdf](http://www.dwp.gov.uk/welfarereform/in-work-better-off/in-work-better-off.pdf)

<sup>3</sup> [www.official-documents.gov.uk/document/cm73/7316/7316.pdf](http://www.official-documents.gov.uk/document/cm73/7316/7316.pdf)

youth and adult training and there is no doubt that it has been successful. However, the advent of an approach where individuals and employers can make direct choices about which learning provider to use – with funding flowing in line with those choices through Skills Accounts and Train to Gain – means that the role must change and what is needed now is a custom-built agency to fulfil these new responsibilities. The structure of the LSC is not right for a demand-led system, which must be based on strong advice and support services. Learners and employers will be supported by a new Adult and Advancement Agency, Train to Gain, including a National Employer Service and a National Apprenticeship Service. These will be the client-facing gateways through which learners and employers will get advice and gain access to services. The new Skills Funding Agency (SFA) will manage these services, and fund providers in direct response to the learning choices of individuals and employers.

## **AIMS AND OBJECTIVES**

### *Pre-19 Aims and Objectives*

The purpose of transferring 16-19 funding to local authorities is to improve education and training outcomes for all young people. It will achieve this by delivering three main aims:

- To put 16-19 commissioning in the hands of a single body, reflecting principles of local decision making at the right spatial level to help support the delivery of raising the participation age and the Diploma and Apprenticeship entitlements;
- To enable each local authority to take a more integrated approach to all the services it provides to young people; and
- To encourage a mixed economy of local and regional planning across the country, ensuring appropriate provision is available for young people moving across local boundaries and strongly joining up with wider strategic priorities, particularly economic regeneration.

The specific policy objectives are:

- To transfer funding and responsibility for 16-19 education and training to local authorities;
- To facilitate cooperation between local authorities in sub-regional and regional groups; and
- To create a slim, national body, the Young People's Learning Agency (YPLA), to oversee funding flows through the system.

### *Post-19 Aims and Objectives*

The main aims of these proposals are:

- To give the adult skills system the dedicated agency it needs and deserves; and
- To reflect the vital importance of the skills agenda to our economy and society.

The specific policy objectives are:

- To build an innovative, streamlined agency – the Skills Funding Agency (SFA) - with the needs of learners and employers at its heart;
- To provide a sharp and effective tool for Government to realise our ambitions for a world-class, demand-led system; and
- To create a skills and FE system which targets support for individuals and employers where it is needed most, and allows providers to deliver an excellent service to help us move towards our vision of a high-skills, high-employment, high-productivity nation.

## **BENEFITS**

### *Ongoing benefits*

Benefits will arise primarily as a result of impacts on learners because the main objective underpinning the proposals is to make it much easier and more effective to deliver the wide-ranging reforms to education and skills set in train by DCSF and DIUS. Including achieving a world class skills base; and creating the infrastructure necessary to deliver the raised participation age.

### *Additional benefits for the adult training system*

- Employers and individuals will be better informed about what education and skills training they need and can access, and colleges will have to respond with high quality responsive courses if they are to access government funding. This creates a real incentive structure that prioritises responsiveness to customers
- Money will be routed more quickly to colleges and providers, because it will be based on real demand, not complex planning decisions. But the SFA will step in where colleges do not meet nationally agreed minimum standards or in areas of market failure
- The SFA will give increased focus to ensuring that the strategic needs of local areas are being met; ensuring that employer needs are addressed more promptly and effectively.
- The administrative costs of back office functions will be reduced in the SFA because some of the functions, which are currently undertaken in different ways across the country, will be streamlined into a single function for example single account management of every college and learning provider.
- There will be savings from the much closer integration of the Skills Funding Agency with central government, including more flexible and effective performance management and interflow of staff. .
- The SFA will have fewer premises and therefore reduced premises costs.
- The system will be supported by new management systems and processes which will enable information about the labour market, colleges and other providers and the learning opportunities available to be shared more effectively so that services to learners and employers are radically improved.

### *Benefits from commissioning process*

At the heart of the new system for funding 16-18 education will be a commissioning process – a process for the planning and delivery of services to better meet the needs of young people and contribute to the improvement of outcomes. This will be led by local authorities working in partnership with other authorities and other key stakeholders; will be attuned and responsive to the needs and aspirations of young people; and will be seamlessly integrated with the commissioning of other education and services for children and young people in that area.

Local authorities have been commissioning certain services for children and young people in this way for a number of years, and there is limited but significant evidence that this has been successful in raising standards and improving the services provided, examples of which are given below.<sup>4</sup> While the examples given principally concern other services for children, they demonstrate the experience and expertise which local authorities have built up around commissioning, which may also be applied to commissioning for young people.

- Devon, Cornwall and Torbay, by developing a sub-regional approach to the commissioning of residential placements for children in care with competitive tendering for services and pre-qualification of providers, experienced;
  - a substantial (450%) increase in placement choice; and
  - improvements in the quality of service received from providers.
- Bedfordshire, by expanding its commissioning capacity, creating a strategic commissioning framework and focusing its resources on earlier assessment and intervention, saw;
  - a significant reduction in its number of looked after children from 441 to 308;
  - significant reductions in out of authority placements for looked after children (a key intermediate outcome) from 121 to 95 in fostering placements and from 66 to 29 in residential placements;
  - improvements in performance at Foundation stage and at Key Stages 1,2 and 4; and
  - reductions in school exclusions and Court proceedings.

### *Potential efficiency benefits*

The new system is being designed, as far as is possible, to be streamlined and efficient while guaranteeing a very high-quality service to young people and adult learners. There are potentially significant savings through, for example, the integration of commissioning 16-18 education training with the commissioning of other youth services at local level.

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<sup>4</sup> Some of these case studies were generated through the Department's programme of peer-to-peer commissioning support which has been available to local authorities in recent years. See <http://www.everychildmatters.gov.uk/strategy/planningandcommissioning/casestudies/> for more details.



Local authorities will now be able to judge for each individual child in their area the likely needs and costs of their education and or training as they progress through the education system. Thus a child with particular needs could have those needs identified at an earlier stage in their education lifetime and smaller less costly efforts to solve those needs made, thus avoiding the current situation where more expensive “retro-fit” solutions are applied. This might be equipment, capital investment, locations, transport, particular types of specialist training. All of these now come into play as the local authority becomes the single point of accountability.

This will be particularly important when considering the services and support our more disadvantaged young people, especially those with learning difficulties and disabilities (LLDD) face. By creating a more integrated look at the holistic need of LLDD, we expect local authorities to improve the outcomes and the efficacy with which those outcomes are delivered.

Likewise, the potential for shared services between the SFA, YPLA and the Department for Work and Pensions is being fully explored and this will provide opportunities for reduced administrative costs for each of the organisations and streamline arrangements for colleges and providers.

## **COSTS**

### *Ongoing costs*

We expect ongoing costs of operating the new system to be revenue-neutral compared to the current system. This means that in designing the new structures we are working to an indicative budget which is set at the same level as the LSC currently operates within. We outline below how the SFA, YPLA and local authorities will be resourced from current central government budgets, and indicate potential savings and benefits which will affect providers of education and training.

#### a. SFA, YPLA and Local Authorities

The administrative costs of the new system, including staffing and on-costs, will be met from the LSC’s current staffing budget. As well as ensuring that all functions can be met within the LSC’s current administrative budget, we will work to ensure a smooth hand-over of responsibilities and funding, and so minimise the risk of additional costs to learners, providers, or the public sector.

As part of our thinking on the design of the new structures we are looking at opportunities for making administrative savings through centralisation of functions, including looking at the potential to share support services where possible, and greater use of new technology. Sharing will be facilitated by the fact that both the SFA and YPLA head offices will be located in Cheylesmore House in Coventry – currently the head office of the LSC.

## b. Providers of Education & Training

We expect the new system will, at worst, be revenue neutral for providers and there could potentially be significant benefits in terms of more informed and integrated commissioning of their services by local authorities. In order to ensure that any potential increases in bureaucracy are minimised, while any potential savings are maximised, DCSF and DIUS have been working closely with representatives of the provider sector, including the FE Bureaucracy Reduction Group. Some important commitments have already been made which will ensure streamlined arrangements for providers operating across both pre and post 19. Specifically there will be a single performance framework: the Framework for Excellence and colleges and providers will only need to provide data to one agency and the data services of the relevant agencies will organise appropriate data exchange.

So that providers of 16-18 education and training who work across local authority boundaries – particularly those in urban areas – are not required to engage in multiple planning and funding discussions, in the new system local authorities will work together in sub-regional groups to plan their provision, and each provider will have a nominated lead authority with whom it will have a single commissioning dialogue for 16-18. Best practice guidance will be produced to cover partnership working.

In line with existing practice, providers of both 16-18 and post-19 education and training will continue to have separate commissioning conversations but, instead of these being with the LSC they will be with both the Skills Funding Agency and a local authority. This will not, therefore, be an additional burden on these providers, as in many cases they currently have multiple commissioning conversations with the Learning and Skills Council regarding these separate areas.

In designing the new system we are looking for opportunities to streamline arrangements – for example by using a single performance management framework for both pre- and post-19 providers, and by putting in place data sharing arrangements to ensure that providers will only have to give data to one organisation.

### *Transition costs*

There are likely to be transition costs relating to staffing, premises and pensions. The latest, but still very early, figures are as follows:

Staffing: In order to secure the transfer of those staff moving to successor bodies, but particularly local authorities, in a way consistent with TUPE, Cabinet Office guidance and employment legislation, it is necessary to ensure no detriment to their terms and conditions as a result of the transfer. Whilst we continue to refine those costs, we believe it will cost roughly £3m.

The LSC invest over £1.3 million each year in corporate learning and development (the regions also invest a similar amount on local activity). The

LSC aligned their 2008/10 learning and development strategy to incorporate the activity they believe is required to support the transition.

Pensions: We have begun the detailed work on establishing “broad comparability” of pensions for those moving to new employers. It will take the relevant actuaries time to finalise their estimates and what, if any, costs may be generated. The very rough estimate of a potential contribution to ensure broad comparability is around £2-3m though this may fall as much smaller sums across a number of financial years.

Premises: Initial modelling in relation to premises indicates that although there may be short-term costs to reducing the size of the estate from more than 50 premises down to no more than 21, there is a clear value for money case as we estimate there is the potential of annual savings in the region of up to £17 million to be achieved (rent and running costs saved after funding premises transition costs). Our initial estimate is that the short term cost of reducing the size of the estate could be around £32m. The exact costs of reducing the estate will depend on a range of factors including specific, local property market conditions, as well as any potential for the transferral of leases to new tenants. LSC are currently drawing up a detailed estates strategy to support the future business model, which will include more detailed costings. As part of that strategy we will look to minimise the transition costs through the most cost effective options available for each part of the estate. We also expect that there will be further savings to be realised through rationalisation of IT systems and better operation of shared services.

We expect that this transfer will be cost neutral. This was a cautious expectation, due to the complexity and factors affecting the cost calculations. We remain of the view that, over time, we expect to see significant savings in the running costs.

We will continue to refine the estimates of costs, conscious of the commitment to cost neutrality, over the next phase of developing the new organisations. We have tasked officials with preparing a near final set of costs by September 2009. All our decisions are taken mindful of the need to exercise close control on costs and ensuring value for money and maintaining that longer term view on the benefits that we seek as a result of this change.

## 1.2 Functions Relating to Academies

### **RATIONALE**

Academies have been proven to be successful at raising standards and breaking the cycle of under-performance and low expectations. Many Academies performed better than the national average for progress from Key Stage 2 to GCSE. The government is committed to the academies programme, and is on course to meet its target of opening 400 academies. The programme is growing at a considerable pace, with over 300 new academies expected to be open by the autumn of 2010. As we move towards 400 it is right to consider how we work most effectively with academies.

Work concerned with the support and performance management of academies is currently carried out by officials of the Department for Children, Schools and Families directly. This has been vital during the establishment of the programme to ensure that the government's central policy aims and objectives were fully embedded. It would, however, be impractical and out of line with the Department's strategic aim to lead and manage the system rather than engaging directly in service delivery for it to remain directly responsible for 400 educational establishments in the longer-term.

The transfer of academies functions to the YPLA will, therefore, achieve the 'arm's length' separation normally found between central government and front-line delivery and decision-making – for sound and familiar reasons of good government – and will put in place long-term, stable support arrangements for new academies, which will be more responsive to the needs of the programme as it develops. It is our intention that the YPLA will, at a regional level, carry out functions concerned with supporting and challenging the performance of academies, thus providing academies with a more local and personalised service than can be offered by a central government Department. Responsibility for the functions associated with brokering new academies, and delivering them, will remain with the Department.

It is important that we take steps to begin making the necessary arrangements now, in order that clear and robust plans are in place well before we reach the ultimate target for new academies.

### **AIMS AND OBJECTIVES**

The Secretary of State has commissioned officials to set up the new Young People's Learning Agency (YPLA) in a form that would allow it to take on the support and performance management of academies from late 2010. This transfer of functions will achieve a degree of separation between the Secretary of State and the delivery of and accountability for front-line services.

### **BENEFITS**

Transferring the work concerned with the support and performance management of academies will enable the Department to focus its own

resources on working towards the six new Departmental Strategic Objectives (DSOs) which emerged as a result of the 2007 Comprehensive Spending Review.

Another benefit of transferring this work to the YPLA is that it will provide a stable platform for the expansion of the academies programme. The YPLA will be able to provide more responsive, regionally-based support to academies than the Department is able to offer. The YPLA, as an organisation with a presence in all local government regions, will be able to provide a more personalised service to academies regardless of their location and will benefit from a more detailed understanding of the local context of education services.

## **COSTS**

### *One-off costs*

There would be some one-off costs associated with the transfer, most notably human resources, project management of the transition, and IT consultancy and design. It is not expected that there would be any costs associated with finding new premises, as staff will be located in YPLA offices. Should the transfer take place in September 2010, these costs are likely to be as follows:

Training, recruitment and retention	£608,000
Project management	£101,000
IT consultancy and design	£36,000
Total transition costs	£745,000

### *Ongoing Costs*

#### *Finance staff*

If the following assumptions are met, the ongoing cost of carrying out financial work in relation to academies is unlikely to change as a result of transferring their functions to the YPLA.

- The finance team remain co-located. Moving them to separate locations would lead to the loss of economies of scale. (However, 3 of the 5 financial monitoring staff could be located regionally without losing economies of scale)
- Finance staff remain in a location with similar wage costs and overheads (e.g. same building in Darlington)
- All the finance functions transfer.

The long run impact of this intervention on costs would simply be to transfer staff costs from the DCSF to the YPLA. There would be no additional cost.

#### *Academies Staff*

Based on the following assumptions,

- The G5 and G6 resource is centrally located and is responsible for all teams across the regions. If the intention were to organise the reporting arrangements by region then numbers would need to increase as we would lose some economies of scale.
- That coverage would only be in nine regions. The academies programme is growing very rapidly and staffing costs would increase over the next two years even if the functions were to be retained centrally. Also, the proportion of the total budget spent on administration costs will fall. A transfer of work to nine regional offices will incur estimated additional annual costs of some £670,000, associated mainly with having to employ additional staff, to ensure robust structures in each location. However, the substantial enhancement to the service to academies that will be achieved through the establishment of a regional presence more than justifies this additional expenditure.

## 1.3 Apprenticeships

### **RATIONALE**

At a national level, the UK faces a challenge to increase skills to help increase productivity and maintain or improve international competitiveness in the long-term. For the future there will be:

- A further shift towards employment in the service sector and away from manufacturing;
- More people in higher level occupations/skills; and
- Greater demand for generic or transferable skills in addition to technical skills.

At the **sectoral level**: All sectors will increase recruitment over the next decade, even those for which employment is projected to decline overall. Skills gaps and skills shortages are at a low level nationally, though this may in part be due to employers' lack of demand for skills. The skills gaps and shortages vary:

- Regionally: the South East and Yorkshire and the Humber suffer disproportionately high skills gaps;
- Sectorally, the gaps are worst felt in the service-related sectors; and
- Occupationally, there are specific problems within certain sectors including:
  - Personal services occupations in the Health and Care sectors;
  - Sales and general service occupations across several sectors; and
  - Plant and machine operatives across manufacturing and engineering sectors.

Some employers and individuals may under-invest in training due to a number of factors:

- Employers: fear of poaching and information failures regarding recruitment;
- Individuals: information failure on the benefits of training and inability to borrow to finance training;
- Both: uncertainty about who will reap the benefits (wages or profits).

Apprenticeships are well placed to address these market failures. The provisions in the Bill will place the Apprenticeships programme on a statutory footing, therefore this assessment examines the costs and benefits of the programme more generally.

### **AIMS AND OBJECTIVES**

*Increasing the numbers of Apprenticeships in England:*

Apprenticeships combine a range of potential benefits including: helping

young people to move from education into work and also raising their wages; and 'upskilling' existing adult learners to make them more productive and more employable. Apprenticeships have also been shown to have a much higher Net Present Value than other vocational qualifications (although this might be augmented by the high demand for them, and therefore their high quality entrants). They are therefore a key route to skills, which will help us to meet the Government's skills targets as outlined in the government's *World Class Skills* strategy, and to become a more competitively skilled nation. Beside this, they will also form a key part, alongside A-Levels and Diplomas, of the 'offer' to young people that is part of raising the educational participation age to 18. By 2013, every young person who wants an apprenticeship and is considered capable of completing one will be entitled to an apprenticeship place.

Widespread anecdotal evidence indicates a large surplus of learners wanting apprenticeships over and above employers who are currently offering places. For instance, the LSC's marketing campaign in 2005, which was directed at employers, generated 202,519 expressions of interest from potential apprentices. The number of additional employer places generated was around 29,000. To make the Apprenticeships programme achieve its necessary potential, therefore, many more employers must be persuaded to take on more apprentices. This involves opening up new industries, creating new frameworks, and maintaining a quality of programme and reputation that confirms the apprenticeship as a high quality qualification across of British Industry.

### *Maintaining the Quality of Apprenticeships*

The principal driver for quality is to ensure that the apprenticeship is valued, and therefore taken up, by employers who need the apprenticeship framework to be up to date, flexible and relevant. The other is to ensure that young people and adults who take the work-based route receive the highest quality training and transferable skills, and so preserve the high rates of return of an apprenticeship.

## **BENEFITS**

**For individuals:** Wage benefits from apprenticeships are strong:

- 18% at level 3 (compared to those who have achieved a level 2 qualification); and
- 16% at level 2 (compared to those who have either got below a level 2 or achieved level 2 qualifications).

**For employers:** In engineering and construction, high relative training costs to employers are only partially offset by funding support and the productive contribution of the apprentice. The employer must retain the apprentice beyond qualification to fully recoup their investment whereas in retail and business admin, costs are roughly offset by the benefits.



**For the economy:** Evidence that takes all costs and benefits into account suggests that:

- There are significant benefits of apprenticeships to the economy at both level 2 and level 3;
- More than double the benefits that NVQs and VRQs provide for those already qualified to level 2/1; and
- The benefit is stronger at level 3 than level 2.

## **COSTS**

### Administration Costs/Benefits

- Colleges and other training providers: Benefits: The national matching service will ease the administration burdens of recruitment significantly upon providers. It will provide them a forum on which to advertise their placements nationally, yet which is searchable by postcode by all local potential applicants. Costs: To be effective accurate and timely data is needed. For some providers this may be an additional burden.
- Sector Skills Councils (SSCs): Benefits: The SSCs will no longer be responsible for the certification of completed frameworks, as this responsibility will pass to the NAS. SSCs will also be able to access more comprehensive and up to date management information on apprenticeships through the NAS.
- Large Businesses: Benefits: The large businesses who recruit their own apprentices will also find their burdens eased by the national apprenticeships matching service. In addition they will be able to opt for accreditation of their own apprenticeship framework thus reducing their need to tailor their training to meet a national framework.
- Small Business: Benefits: The creation of group training associations is intended to ease the administrative burdens on smaller businesses, because the association will take some of the administration responsibilities for employing the apprentice from its member employers, and may design and maintain each apprentice's training programme itself if the employer wishes. Costs: Potential administrative burden for small employers wishing to claim the wage subsidy for apprentices but this will be offset by the use of a brokerage model via the NAS field force.

### *Impact on Business*

The impact on business of taking on an apprentice is a positive one. The apprentice's comparatively low starting salary, subsidised training and his/her productivity make for very good rates of return for any employer taking one on.

This is what has enabled the programme to grow so far, and what will make the expansion of the apprenticeships programme a positive development for employers. The exception to this rule would be small businesses, who take greater proportional risks by taking on a worker who is untried and may often be young and straight out of full time education. Actions to minimise this risk on small businesses are explained below.

All businesses will benefit from the requirement to have a signed Apprenticeship Agreement because it will make explicit the responsibilities of the learner and the training provider.

Cost savings from the introduction of the national matching service cannot at this point be fully quantified as data from the test bed areas which got underway in September 2008 is not yet available. However, early feedback from the three development areas suggests that employers find this type of service valuable because as well as offering cost reduction, it significantly improves their access to a wider pool of talent and makes a contribution to improving the diversity of their workforce.

We expect the NAS to result in improved matches of young people to employers, and for this to result in reduced drop out from the programme and subsequent recruitment costs to fall as a result. A preliminary illustration of potential cost savings to employers from reduced recruitment costs due to better matching is as follows:

Hogarth, T and Hasluck, C (2003) estimate net costs from case studies with ten engineering employers to be of the order of £16,000 per apprentice. Applying a national non-completion/drop out rate for engineering of 40% and assuming that three quarters of the drop out occurs in the first year of the apprenticeship, and all within two years, implies a true cost per apprentice of the order of £20,000 (based on Hogarth and Hasluck's profile of net costs over a typical three-and-a-half year engineering apprenticeship). A future reduction in the drop out rate due to better matching of apprentices to jobs would imply savings to employers from a reduced need to recruit to replace failed apprentices. By way of illustration, in this example, a reduction of the drop out rate by 20% (or 8 percentage points), would result in recruitment savings for the employer of around £1,000 or 6.25% per successful apprentice.

Note: The basis for the cost benefit calculation is from McIntosh (2007): NPV per level 3 apprenticeship is £105,000 and level 2 is £73,000. For the central estimate, benefits are applied only to those who will achieve a level 3 or 2 qualification as their first at that level. Further we assume that 80% of the anticipated increase in completions is due to the policies costed here. Applying a three year (CSR period) increase in first level 2s of 19,200 and first level 3s of 6,600 to these unit net benefits yields a total of £2.1bn. Subtracting around £200m fixed costs yields £1.9bn. Costs are applied to all achievements and non-achievements, but no benefits are assumed in these cases. This is believed to be a cautious and realistic scenario and is the basis

for the "best estimate". Costs to business are shown to vary widely by sector and by level. Hogarth and Hasluck in 2003 estimated costs to employers ranging from £2,500 in retail at level 3 to £9,700 in engineering at level 3. At level 2 costs varied from £900 in retail to £5,700 in business administration. Private net costs to employers need also to take account of the productive contribution of the apprentice, and the wage paid to them.

Further pessimistic assumptions are then applied: using a cautious assumption from McIntosh (2007) that the level 3 unit impact is £66,000, and level 2 is £42,000<sup>5</sup>, and an assumption that only 50% of the additional completions result from the policy<sup>6</sup>) to derive the lower bound for the "net benefit range". Grossing up yields a lower bound of £810m. Subtracting £200m fixed costs yields £600m.

The upper bound estimates (£4.8bn, or £4.6bn after subtracting fixed costs) assume that the policy impact is 80%, but that all new qualifications count<sup>7</sup>, not just those for whom the qualification is their first at that level.

These calculations are based on wage return analysis, and as such the extent to which they reflect the total productivity gain to the economy will depend on the extent that the productivity benefits of the training are passed on to the apprentices in higher wages. It is reasonable, at least in some sectors that the total benefits will exceed these estimates as employers are able to retain some of the benefits for themselves in the form of higher profits. Two studies (not apprenticeship-related) have suggested that the productivity impacts of training are approximately double the wage benefits<sup>8</sup>.

The key findings examining the employer benefits from apprenticeship<sup>9</sup> show that, in certain sectors, employers have made a net contribution to the training by the end of the apprenticeship and will need to retain the apprentice beyond the apprenticeship in order to achieve a net benefit. In engineering and construction the gross costs of apprenticeship training are relatively high and only partially offset by apprenticeship funding. In contrast, in retail and business administration the costs to the employer are roughly offset by the funding by the end of the apprenticeship.

### *Impact on Small Business*

Many of the proposals above are specifically intended to help small business to take on apprentices by removing barriers. Group training associations will share the burdens of bureaucracy involved in taking on an apprentice, and the

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<sup>5</sup> Assumes wage effects are halved, employment effects remain at 50% and government costs are increased by 50%.

<sup>6</sup> 12,000 first level 2s and 5,000 additional first level 3s over three years.

<sup>7</sup> 44,000 level 2s and 15,000 additional level 3s over 3 years.

<sup>8</sup> (1) Dearden et al (2000) *Who gains when workers train? Training and corporate productivity in a panel of British industries.*, IFS; Dearden et al (2005) *The impact of training on productivity and wages: evidence from British panel data*,

<sup>9</sup> Hogarth, T and Hasluck, C (2003), Net costs of Modern Apprenticeship Training to Employers. DfES RR418

employment risk, by sharing the apprentices between a number of SMEs. Wage subsidies for some small employers will help toward some of the financial burdens of taking on an apprentice. The national matching service will remove the difficulty some small employers find in recruiting from a wide enough pool, and the National Apprenticeships Service will make it easier for small employers to get the advice and guidance that they need. Most significantly, increasing the number of apprentices in small business will raise the skill levels of those businesses and improve their competitiveness.

### *Impact on Large Business*

The proposed additional funding for large employers to take on apprentices to seed their sector will have benefits as their supply chain becomes better skilled and more in tune with the business ethic of the company that trained them.

Providers may find that they have to become more competitive in gaining employer's apprenticeship contracts when the national matching service makes all such contracts and their relative wages public. NAS will want to monitor this closely and to ensure that there is no negative impact on the choice and availability of apprenticeship opportunities as a result.

SSCs will find their responsibilities regarding apprenticeships much more clearly defined. The benefits to SSCs in having more accurate and up to date management information will be significant, as it will enable them to judge and correct any problems with their frameworks quickly.

### *Impact on Public/Third sector*

The public sector is currently underrepresented in terms of providing apprenticeships places. In order to achieve the plans for apprenticeship growth and reduce the levels of unmet demand, we will need the currently patchy levels of take up in the public sector to increase, particularly local government and the NHS. Funding for apprenticeship programmes is available to public sector organisations on a similar basis as that in the private sector. We have no reason to believe that the costs and benefits of an apprenticeship would be any less advantageous in the public sector than in the private sector. Indeed the benefits of the National Apprenticeships Service and the matching service will apply to public bodies in the same way as for private businesses. Where public bodies are constrained by legislation on the minimum age at which certain occupations can be entered they will be able to take advantage of our proposal to relax funding rules to allow for additional support from the LSC.

The Government Skills Strategy for Government Departments and agencies was launched on 1 April 2008. The Strategy includes a proposal to run a pathfinder in central government. Government Skills, part of DIUS, is working with departments to deliver an apprenticeship pathfinder for 500 new apprentices which commenced in autumn 2008. The pathfinder aims to test

new flexibilities in the apprenticeship offer.

Third sector organisations are currently able to contract with the LSC to deliver apprenticeship training. Although their contribution is not large at the moment we would expect additional providers to enter the market as the provider base expands to meet the needs of a larger programme. The national matching service will mean that all providers are able to attract potential candidates on an equal basis and open up the market to smaller and third sector providers. We will also ensure that third sector providers are represented in any trials of wage subsidies.

#### *Impact of Extending Entitlement to Include Care Leavers*

There are about 7,000 care leavers per annum, of which no more than 30% are estimated to be aged 19-25 and not all will be able or would want to follow an Apprenticeship pathway. On the assumption that around 500 care leavers aged 19+ opted to take up an Apprenticeship per annum, the annual cost would be in the region of £2m per annum (based on the current funding model). This additional cost of £2m per annum is within levels of tolerance for the budget of the apprenticeships programme.

## 1.4 Sixth Form Colleges

### **RATIONALE**

Sixth form colleges (SFCs) mainly provide for students aged 16-19 although many have diversified since they were first incorporated in the FE sector in 1993. The 94 SFCs have maintained a distinct identity within the FE sector, although there are few objective criteria that differentiate precisely between SFCs and FE colleges. SFCs have a reputation for high standards. They tend to offer Level 3 provision, are often seen as a bridging phase into higher education and negotiate pay and conditions that take account of school teachers' pay and conditions. They are represented by the Sixth Form Colleges Forum, of which all existing SFCs are members. Ministers want to recognise the strength of SFCs and their contribution to the education of young people by identifying the SFC sector as a distinct legal category.

### **AIMS AND OBJECTIVES**

The main objective of the proposals is to create a separate legal identity for sixth form colleges, which will be based on a single commissioning and performance management relationship between the SFC and its home local authority.

### **BENEFITS**

The benefits of a separate SFC sector will be in student outcomes: SFCs are among the highest performing post-16 settings (as shown by attainment data and in Ofsted reports) and the strengths of a developing SFC sector will help raise standards. The presence of high performing institutions within 14-19 partnerships will help to secure better 14-19 outcomes in local areas. SFCs are generally popular with parents and students and a strong and separate SFC sector will add to quality, choice, diversity and learner satisfaction – all indicators of a successful post-16 system.

### **COSTS**

This is largely an administrative change with few associated costs to the public sector. There will be minimal costs for LAs in performance managing SFCs; as the SFCs will remain independent corporations, the LA role will be comparatively light touch except in the rare instances where intervention is required. The YPLA will have a strategic role in developing an intervention strategy for SFCs, the costs of which will be part of the initial establishment cost.

## 1.5 Post-16 Transport Provision

### **RATIONALE**

Adequate transport provision and support is needed in every local area to enable young people to participate in education and training. Evidence suggests that *transport barriers* can be a significant problem for some individuals. Young people are particularly reliant on public transport – 30% of all young people travel to their place of learning by bus<sup>10</sup>. Local authorities have a duty to publish an annual transport policy statement setting out the provision they will make to facilitate the attendance of young people of sixth form age at institutions of education and training. But there is a *principal-agent problem* arising from lack of local accountability for the provision available to young people. Young people or their parents can lodge complaints where they feel local transport fails to meet their needs but there is an *information failure* because the drawing up of transport policy statements does not currently include information about the complaints process.

### **AIMS AND OBJECTIVES**

To address these failures the proposals will:

- Amend the existing duty on local authorities to include young people and parents in the range of stakeholders they must consult in preparing their transport policy statements;
- Amend the existing duty to ensure that local authorities provide sufficient information to inform young people's choices;
- Specify in central statutory guidance that all local authorities should publish details of their complaints process as part of their transport policy statement and amend the duty to specify that complaints should go through a local process before coming to the Secretary of State; and
- Specify that local authorities should set out in their transport policy statement what arrangements they will make for young people with learning difficulties and/or disabilities aged 19-25.

The main objective of the proposals is to:

- Ensure that young people get appropriate transport provision and support to enable them to participate in education or training post-16 - whilst at the same time providing local areas with the flexibility to prioritise resources in accordance with local need.

### **BENEFITS**

The ultimate beneficiaries of the proposals are young people themselves but there is insufficient evidence to estimate the impact they will have on young people's participation in education and training, and so quantify the wider economic impact.

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<sup>10</sup> *Social Trends, No.36, 2006*

Young people will have a new voice in the assessment of local transport needs and this will have some immediate benefits for young people as they should feel that their voice is being heard (or at least sought). Research by DfT<sup>11</sup> shows that young people do not feel their views about transport are being heard. But this in itself won't guarantee that local authorities will make any significant changes to their transport plans, especially as there is a cost to providing or subsidising transport. But we would expect to see some marginal impacts as a result of the requirement to consult young people where local authorities are able to implement flexible and creative transport solutions which are not too costly. Such impacts might be felt more in areas where local transport is particularly problematic for young people as there might arguably be more scope for marginal changes to have bigger impacts on those affected.

Further longer term impacts might result from making the appeals process more transparent if as a result more young people and their parents make use of the complaints process to press for local changes in provision.

There will be a benefit to young people with LDD aged 19-25 and their parents of being provided with information about what transport provision is available to them locally once they move from the sixth form age bracket. Currently local authorities are not required to make this information available which is particularly problematic given young people with LDD often remain in education or training longer than their peers.

## **COSTS**

We do not expect the legislative proposals will lead to additional central government costs. However, there may be additional costs to local authorities associated with implementing the changes. Specifically, there may be additional costs associated with the new duty to consult young people and parents in preparing transport policy statements. This will affect all 150 local authorities but we estimate that the additional costs will be negligible because local authorities currently consult young people and parents on a range of local policies and will have an established mechanism for doing so.

There may be additional costs associated with having to publish details of their appeals process but this is expected to be negligible as it will be a small addition to existing transport statements.

The cost of meeting the requirement to set out what provision is available for young people with LDD aged 19-25 will be negligible and, as the underlying duty will remain unchanged, this is not a new burden.

There may be longer term additional indirect costs associated with the new proposals if local authorities (and transport providers) have to make any significant changes to their transport policies – but these are difficult to estimate and will affect each local area differently.

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<sup>11</sup> *Young people and transport: their needs and requirements, Department of Transport*



## 1.6 Young Offender Education

### **RATIONALE**

Education and training for young offenders in juvenile custody is largely delivered outside of 'mainstream' education and has separate planning, funding, accountability and performance management arrangements. Under the current delivery system the roles and responsibilities of different agencies are complex and no one agency is responsible for outcomes. As a result, education provision in custody varies across the secure estate in terms of the curriculum offer, quality, and the degree to which it meets young people's personal needs and fosters progression. Levers and incentives in the current system are not always strong enough to ensure that young people who enter custody are given appropriate and good quality education or training and receive a consistent education experience as they move into, through and out of the youth justice system. A delivery system aligned with arrangements for mainstream education, with clear roles, accountability and performance reporting, will change the levers and incentive structure and this is expected to lead to improvements in custodial education and better outcomes for young offenders.

### **AIMS AND OBJECTIVES**

The main proposals, which will cover England and Wales, will:

- Put a new duty on local authorities with juvenile secure custodial establishment(s) in their boundaries (host LAs) to secure suitable education for young people in custody (including in relation to young peoples SEN/LLDD needs);
- Put a new duty on LAs (home LAs) to promote the fulfilment of young peoples' educational potential for young people in juvenile custody who are from their area (regardless of whether they are held in custody in the home LA area or a different LA area);
- Make provisions for the transfer of information about the young person's education to inform provision;
- Make provisions to help ensure that young people's special educational needs are met in custody and on their release;
- Make provisions for guidance to LAs to support them in exercising their duties above;
- Amend a clause in the Education Act 1996 (Clause 562) which disapplies the contents of the Act for young people detained juvenile secure establishments by order of the court; and
- Insert a new section into the Crime and Disorder Act 1998 requiring youth offending teams to notify home and host local education authorities when they become aware that a child or young person has been detained, transferred, or released from relevant youth accommodation.

The main objectives of the proposals are to:

- Improve education and training provision and post-custody continuity of education for young people in custody who are detained by order of the

- court;
- Promote better engagement, progression and attainment for young people in custody;
- Contribute to improving outcomes for young people in custody and to reducing rates of youth re-offending.

## **BENEFITS**

The main beneficiaries will be the 7,000 young offenders who enter custody each year. The proposals mean that young people in custody will be covered by the primary education legislative regime for the first time. The reforms will mean they have access to a high quality education which is aligned with and comparable to their peers in the community, thereby helping to ensure a consistent learning experience as they move through and out of the youth justice system. The Audit Commission<sup>12</sup> found that only just over two-thirds (69 per cent) of children and young people supervised by Youth Offending Teams were in suitable full-time education, training or employment. This means that nearly a third were not receiving full-time education, training or employment. The expected benefits of the proposals are improvements in education outcomes for young offenders and, ultimately, a reduction in re-offending.

Whilst education and training is not the only factor, research suggests that it can play a critical role in effective resettlement for young offenders, and in reducing re-offending. A 2004 report, *'Educational Interventions with Young People who Offend'*, identified detachment from mainstream learning and under-achievement as two of the main links between education and youth crime. A YJB study in 2004 found that young offenders who participated in education projects were less likely to re-offend, particularly when they improved their numeracy and literacy skills and gained qualifications.

Re-offending rates are high with 78.2 per cent of young people sentenced to custody re-offending within one year<sup>13</sup>. Research suggests that the costs to society of re-offending are high: the total cost of recorded crime committed by ex-prisoners is estimated at around £11 billion per year<sup>14</sup>. Around 4 per cent of all ex-prisoners are young offenders, so very crude calculations suggest that the annual re-offending costs of just this one group could be upwards of £440 million.

There is little evidence on quantified impact so it is hard to estimate the size of the impact that these proposals are expected to have on re-offending. But if they were to cut re-offending by only a small amount they have the potential to yield sizeable benefits.

## **COSTS**

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<sup>12</sup> Solomon & Garside, *Ten years of Labour's youth justice reforms: An independent audit*, Audit Commission 2008

<sup>13</sup> Whiting and Cuppleditch, *Re-offending of juveniles: results from the 2004 cohort*, Home Office 2006

<sup>14</sup> *Reducing Re-offending by Ex-Prisoners*, Social Exclusion Unit 2002

The YJB currently spend a total of around £39.6 million on education for young offenders in custody. For young people in Prison Service YOIs, funding for education in juvenile custody currently flows from the Youth Justice Board (YJB) to the Learning and Skills Council and then to education providers operating in custody. For young people in SCHs, STCs and Private YOIs, funding flows from the YJB to custodial operators who provide education and training directly or procure education from other providers. Under the new system in England, education funding will be re-routed, so that it flows from central government to the new Young People's Learning Agency (YPLA), to Host LAs, to providers operating in custody.

In Wales, the funding will be re-routed from YJB budgets to Welsh Assembly Government (calculated with reference to existing expenditure levels), from where it will be distributed to Host LAs, and then on to providers in custody.

The main impacts will be felt by LAs with juvenile secure establishments in their area (host LAs) and they will receive the funding (via the YPLA for England and via the Welsh Assembly Government for Wales). Additional costs are expected to be minimal because (a) they are already responsible for ensuring appropriate education is provided for young people in their area and (b) the new funding and commissioning model can be implemented largely within existing costs. There may be some restructuring costs of moving to the new system but these are not expected to be significant and are scheduled to be aligned with the restructuring for the wider reforms to planning and funding for learning for young people aged 16-18.

The impact of the proposals on the private sector will principally be on:

- the four privately-run STCs and two YOIs, although the changes will be implemented on a longer timescale, on the issuing of new contracts where possible;
- private (and third sector) providers who bid for, and deliver against contracts to deliver educational services within custodial establishments.

## **EVALUATION**

Within existing data collection it will be difficult to fully evaluate the impact of these reforms, primarily due to the short amount of time that young people usually stay in custody. However, provision of education and training in custody is inspected by Ofsted in England & Estyn in relation to Wales, which will continue to be an important mechanism for monitoring the quality and impact of education and training in juvenile custody. We committed in the Youth Crime Action Plan (July 2008) to developing new performance management arrangements to reflect the new roles of LAs and partner agencies, which place greater focus on young offenders' progression and achievement in education and training. This will be developed in the light of the wider local performance framework for LAs and their partners.

## 1.7 Right to Request Time to Train

### **RATIONALE**

The Government recognises that if we are to succeed in the highly competitive global economy it must create the conditions that foster investment in our nation's talent. With around 74% of the workforce of 2020 having left compulsory education this will mean investing in the skills of people already in employment.

Put simply, a better skilled workforce is a more productive workforce, and a more innovative workforce, better able to adapt to new ways of working and the introduction of new technologies.

In the last decade, the nation's skills base has improved significantly. Since April 2001, more than 1.75m learners achieved their first Skills for Life qualification. More than 1 million people have achieved first full level 2 qualifications – equivalent to five good GCSEs – since the end of 2002. Around 100,000 people now complete Apprenticeships each year, compared to 40,000 in 2001/02. And, from 1997/98 and 2005/06, the number of UK and overseas graduates increased from 259,000 to 304,000.

Despite this significant progress and investment in recent years, our nation's skills base does not compare favourably with the best in the world. In the Organisation for Economic Co-operation and Development (OECD) rankings, the UK is 16th out of 29 on proportion of working age population with low skills; 19th out of 29 on intermediate; and joint 11<sup>th</sup> of 30 on high skills. The proportion of adults in the workforce with the equivalent of a level 2 qualification or better is 88% in the US, compared to 67% in the UK.

These poor relative skills are a significant contributor to the productivity gaps that exist between the UK and key competitor nations. Output per hour worked is 20% higher in France, 13% higher in Germany and 18% higher in the USA, and up to one fifth of that productivity gap is attributable to skills.

The impact of skills on the life chances of individual citizens is also significant. Investing in skills helps individuals to find and stay in work, and enhances their career prospects and their earnings potential. Over a third of people with poor literacy and numeracy receive benefits, excluding pensions and child benefit, compared with less than one in ten of those with better skills. Having basic literacy and numeracy significantly increases an individual's chances of being in employment. Achieving 5 good GCSEs (A\*-C) can, on average, increase an individual's earnings by up to 30% compared to someone similar who is lower qualified. Over their working lives, the average graduate earns over £100,000 more than an otherwise similar individual whose highest qualification is at level 3.

Because of the value of skills to our economy, society, employers and individuals, Lord Leitch concluded in his independent review that to compete and prosper, we need to raise our game on skills, and aim to be a world leader on skills by 2020. He estimated that delivering world class skills could

bring net benefits of at least £80 billion over 30 years, driven by increased productivity growth.

Nearly three quarters of the 2020 workforce has already completed compulsory education, so to deliver world class skills it is vital that we encourage and enable adults already in the workforce to improve their skills and gain new qualifications. Although total employer spend on training is estimated by employers to have risen to some £38.6 billion a year, figures from the 2007 National Employer Skills Survey (NESS) show that 33% of employers in **England** do not provide any sort of training for their employees, only 35% have a training budget, and around 8m employees receive no training each year. We need all employers to follow the example set by the best.

The **Scottish** Analysis of the Work Skills in Britain Survey shows that 36.3% of employees received no training in the previous year and the majority of these (53.7%) were individuals in 'elementary' job. This is in line with previous findings which show that those most likely to receive training were those already with higher level qualifications. Research also shows that in Scotland 21.5% of the economically active working age population do not have at least NVQ Level 2 (approx 551,000 people).

Despite improvements over the last few years in the skills of the Welsh workforce, **Wales** still has a higher proportion of low-qualified adults than Scotland and most of the English regions. Many employers in Wales *do* already make substantial investments in training: In 2007, 71% of establishments reported arranging on-the-job training for employees over the previous 12 months, and 54% had arranged off-the-job training. Encouragingly, there are signs that employers' provision of training may be increasing.

However, not all employers embrace a culture of learning. According to the Future Skills Wales Survey (2005) whilst 63% of working residents (excluding the self-employed) agreed that their employer does already allow enough opportunity to develop skills relevant to their job, 42% of working residents felt that they needed more training and learning time to do their job well. The survey also revealed that employees with higher skills were far more likely to receive training than lower skilled employees - thereby perpetuating a low skills trap for many in Wales. Similarly, smaller firms are less likely to provide training opportunities than larger firms, and some sectors do better than others.

*What is the government doing to address this issue?*

The common thread running through all of the reforms the Government has set in train to deliver world class skills is that they are driven by the needs of the customer – employers and individuals. This 'demand-led' approach is about ensuring that the support Government delivers will help employers and individual citizens to access the skills they need to prosper.

*Employer leadership of the employment and skills system*

The creation of the new UK Commission for Employment and Skills establishes an unprecedented level of employer leadership and challenge at the heart of the employment and skills system. The UK Commission is led by employers and will provide vigorous, independent challenge to Government at the highest levels, on the strategy, targets and policies that will best deliver our employment and skills ambitions. Each year, the UK Commission will produce a 'state of the nation' report assessing the progress we are making towards our ambition of becoming a world leader in employment and skills by 2020.

In 2010, the UK Commission will make recommendations on whether further action is required to deliver the integration of employment and skills services. If the new right to request time to train goes ahead, we will ask the UK Commission to defer the aspect of its 2010 review relating to consideration of whether employees should have a legal right to workplace training where they lack at least a level 2 qualification, such that the review would not begin before 2014 and is completed by 2015.

The UK Commission is also responsible for advising on and performance managing the network of Sector Skills Councils (SSCs). SSCs will have a new remit focussed on: raising employer demand and investment in skills; articulating the future skills needs of their sector; and, ensuring the supply of skills and qualifications meets employer needs.

Through their SSCs, employers have a leading role in the reform and development of qualifications for their sector, and over which qualifications should be priorities for public funding. Wales has set up its own Wales Employment and Skills Board (WESB), with representation on the UKCES, carrying out a similar advice and challenge role vis-à-vis meeting the skills and employment challenges the Welsh economy. The Scottish Government has established the Skills Utilisation Leadership Group, with representation from trade unions, employers, and other stakeholder organisations. This group champions the Scottish Government's ambitions for sustainable growth by enabling better deployment of the skills of the workforce, and recognises the interdependencies between, and contribution of, individuals, organisations (in the private, public and voluntary sectors), the lifelong learning system and government necessary to achieve this goal.

### *Improving skills in the workplace*

#### *England*

Through the Skills Pledge and the Train to Gain service the Government is taking action to improve workplace training. The Skills Pledge allows employers to show publicly their commitment to meeting the skills of their workforce. Since it was launched in June 2007, more than 7,600 employers, covering over 5 million employees, have made the Pledge.

Through Train to Gain, employers can access a range of specialist help to able them to identify their skills needs and secure access to a range of help in identifying and sourcing the training and qualifications that will best address

those needs. Since national roll-out began from April 2006, Train to Gain has engaged over 100,000 employers, enabled over 570,000 learners to begin learning programmes, and over 290,000 to gain new qualifications. By 2010–11 Government investment through the service will rise to over £1 billion.

We are also expanding and improving the Apprenticeships programme. Apprenticeship starts have increased from 65,000 in 1996/97 to 180,000 in 2006/07. They are projected to grow to almost 210,000 by 2010/11. By 2020 we aim to deliver over 250,000 apprenticeship starts and 190,000 successful completions in order to deliver the Leitch ambition of 400,000 apprenticeships in England. And we're now funding an additional 1,200 adult Apprenticeships in some of the best apprenticeship training programmes available, to provide a further boost to the skills needed for the jobs of the future.

### *Enabling individuals to realise their potential*

The new Adult Advancement and Careers Service will deliver tailored employment and skills advice to low skilled unemployed adults, bringing together services provided by Learndirect and nextstep, and working in partnership with Jobcentre Plus. And a new system of Skills Accounts will give individuals full ownership, choice and purchasing power over their learning. Skills Accounts will offer all individuals access to the full range of support they need to take control of their learning and careers over a lifetime, and will help motivate and empower more adults to take up, invest and progress in learning. This is central to a broader aim of raising participation and increasing investment by individuals in their own learning.

This is a significant reform programme, but to realise our ambitions we need to stimulate a significant increase in action and investment from employers and individuals, supported by Government. And to do that, we need to embed the value of skills and lifelong learning in our culture in a way that it has never been before.

### *Scotland*

The policy context and vision for skills development in Scotland is aligned to and sits within the overall purpose of the Scottish Government– to create a more successful country where all of Scotland can flourish through increasing sustainable economic growth. Learning and Skills are one of the critical components of economic growth and the Scottish Government set out its vision for skills development in Skills for Scotland: A Lifelong Skills Strategy. The strategy sets out what needs to be done to develop a cohesive lifelong learning system centred on the individual but responsive to employer needs.

Scotland compares favourably with the rest of the UK in terms of qualification levels (as a proxy for skills). However this is not matched by Scotland economic performance. To address this disconnect Skills for Scotland focuses not only in increasing the skills levels of individuals in Scotland but also on more effective utilisation of skills.

A key aim of the strategy is to ensure that **all** individuals are able to participate in skills development. The Scottish Government anticipates that the introduction of the right to request time off to train will stimulate a better

dialogue between employees and employers, a dialogue which will focus on skills development that brings benefits to both employee and employer. They hope this dialogue will engender a culture change within the workplace in Scotland and will help to increase the percentage of employees who participate in training and address the current inequalities in terms of those who receive training.

This ongoing dialogue should also support the Scottish Government's focus on skills utilisation as the training must be aligned to business needs and they expect the employer and employee to discuss and identify how both new and existing skills can be more effectively deployed within the workplace. The Scottish Government want to support a culture of lifelong learning in Scottish workplaces where:

- Employers and employees see the mutual benefits of training
- Ongoing skills development and effective use of employees' skills is positively embraced, and
- Individuals and businesses have the knowledge and skills to flourish.

#### *Support for individuals*

Scotland has yet to have any formal discussions with the Scottish TUC but would expect that the unions and in particular, the Union Learning Representatives, would have a key role in supporting individuals. They would be a key source of advice and guidance around the process but would also be involved in identifying appropriate training opportunities as well as accompanying employees to meetings with the employer to discuss the request.

Scotland has said in the consultation document that the Scottish Government would encourage all employees to take advantage of this right. They have recently established Skills Development Scotland (SDS) which brings together Careers Scotland (their all age careers service), learndirect scotland (which provides information on learning opportunities) and the learning and skills elements from Scottish Enterprise and Highlands and Islands Enterprise. All individuals will have access to information, advice and guidance, via SDS, in relation to both career planning and available training opportunities.

#### *Support for businesses*

Skills Development Scotland plays an important role in supporting workforce development through the funding of skills interventions and by providing advice and guidance on training issues to small businesses. The Scottish Government is committed to ensuring that skills interventions meet the needs of employers, and have tasked Skills Development Scotland with improving the quality of its skills interventions. They are in the process of considering what type of skills interventions are required for Scotland now and in the future.

Skills Development Scotland will continue to deliver the legacy services of



*Ids4business* to small and medium-sized businesses, those that are often least likely to train their employees. Previously *Ids4business* provided access to expert advisers who help employers assess the skills needs of their business, sources training to meet business pressures and offers a range of free resources such as online training packages. To offer advice on what support is available to small businesses in relation to the new right for employees to request time off to train, Skills Development Scotland will establish a dedicated helpline based around the inherited expertise of the *Ids4business* service.

## *Wales*

The Future Skills Wales Survey (2003) identified the biggest barrier to undertaking training according to residents surveyed was lack of time (19% of residents); followed in third place by work pressure (10%) after family or childcare commitments (16%). This Right to Request Time to Work will, it is hoped, help to address these barriers and to redress the imbalance in who benefits from training.

The Welsh Assembly Government is also working to improve workplace skills through a number of other avenues, most notably through 'One Wales', the government's political agreement, makes a commitment to “equipping young people and adults alike with the skills to fulfil their potential at work and...support the development and growth of businesses”

Its new skills and employment strategy (Skills that Work for Wales), commits to improving the skills and qualifications of the Welsh workforce, to bringing closer together the employment and skills agendas and to increasing employers' and individuals' participation in learning. A central tenet of the strategy is to promote an increased shared responsibility between individuals and employers to take responsibility for improving skills to achieve enhanced productivity for businesses and financial and career opportunities for individuals.

Businesses in Wales can improve their approach to staff development by working towards achieving the Investors in People (IiP) standard, and by signing up to Wales' Basic Skills Employer Pledge, whereby an employer pledges to 'help employees with poor basic skills to improve these basic skills' primarily through an Action Plan.

Businesses in Wales (subject to certain eligibility criteria) also have access advice and support for re- or up-skilling their employees through the Welsh Assembly Human Resource Development (HRD) advisors, who work with companies free of charge to:

- review the company's strategy to ensure staff development and training helps to deliver business objectives;
- help the company improve its approach to management and training by building an agreed organisational development plan, and advising on its implementation;

- identify training and development requirements and produce an agreed plan;
- help the company to implement the training plan successfully by linking the company with training organisations and help it to source the right courses and funding, if available;
- support the company towards the Investors in People award

These advisors are part of the Government's expanding **Workforce Development Programme**, a gateway for businesses to access advice and guidance as well as mainstream programmes. To avoid confusion and to improve business access these programmes are being simplified and streamlined our programmes through Flexible Support for Business (primarily through a website and Single Investment Fund). They include:

- Work Based Learning – e.g. the Welsh Assembly Government is increasing the number of Modern Apprenticeship places in Wales (2008-2010) and the upper age limit has been abolished to allow more people to benefit. They are funded by the Welsh Assembly Government, currently at no cost to an employer. Higher level (level 4) apprenticeships – Modern Skills Diplomas – are also available and particularly targeted at SMEs.
- ReACT: if a business employs a worker who has been made redundant from a company in Wales in the last 6 months it will receive a subsidy payable over a 12 month period. The Welsh Assembly Government will also reimburse 70% of the cost of retraining each redundant worker
- Leadership and Management Development Workshops: these are subsidised (70% for SMEs and 50% for large companies) and can be tailored to meet company specific requirements.
- People in Business Workshops are targeted at disseminating good practice to senior managers through workshops held by business gurus.
- Where training and development needs cannot be met through existing programmes discretionary funding may be made available.

For those employees who are hard to engage in learning (especially workers with low skills and from disadvantaged groups) the Wales Union Learning Fund is being expanded to support a larger network of Union Learning Representatives to work with such individuals in identifying and supporting skills development opportunities.

Underpinning these initiatives, advice will be available to those in work through an all-age Careers Wales' service, (currently being reviewed to improve its effectiveness)

## **OPTIONS CONSIDERED**

We have considered three options:

- a. Option1: do nothing;

- b. Option 2: pursue a voluntary approach to encouraging increased employer engagement;
- c. Option 3: legislate to give eligible employees in Great Britain a new right to request time to train.

### **Option 1: do nothing**

The Government has in place a significant programme of work to support and encourage employers and individual citizens to invest in up-skilling and re-skilling. In the past decade, that programme has supported a significant increase in the skills of the working age population. Since April 2001, more than 1.75m learners achieved their first Skills for Life qualification. More than 1 million people have achieved first full level 2 qualifications – equivalent to five good GCSEs – since the end of 2002. Around 100,000 people now complete Apprenticeships each year, compared to 40,000 in 2001/02. And, from 1997/98 and 2005/06, the number of UK and overseas graduates increased from 259,000 to 304,000.

But, as the Leitch analysis makes clear, we need to raise our game still higher on skills and aim to be a world leader on skills by 2020.

Whilst the reform programme outlined above will lead to increases in numbers acquiring skills and qualifications it could potentially leave a significant group of employees who wished to undertake training, but who did not feel sufficiently empowered to do so.

In 2010, the UK Commission for Employment and Skills will conduct a review of the progress we are making towards our skills ambitions. As part of that review, the UK Commission is due to assess progress towards making the UK a world-class leader in employment and skills by 2020, in the context of the aims and priorities of the four UK nations..

The review - and the aspect of it relating to a possible statutory entitlement to workplace training - is an important aspect of this option. It posits the possibility that, if we have not made sufficient progress towards our skills ambitions a significant element of compulsion would be introduced, compelling employers to support their employees to gain new skills and qualifications. The implications of that possibility – in terms of the potential costs and additional burden on employers - are an important factor in our analysis of the options open to us.

If the new right to request time to train goes ahead, we will ask the UK Commission for Employment and Skills to defer the aspect of its 2010 review relating to consideration of whether employees without a level 2 qualification should be given a statutory right to workplace training, such that the review would not begin before 2014 and is completed by 2015.

### **Option 2: pursue a voluntary approach to encouraging increased employer engagement**

Many employers already discuss training needs with their employees. DIUS, BERR, CBI, and the TUC have published a document which describes the benefits of workplace discussions about training, based on case studies which highlight the diversity of successful dialogue systems that operate across different business sizes and sectors. The publication is aimed at employers and provides best practice guidance to encourage workplace dialogue on training and skills.

The release of this publication presents an opportunity to run an advertising campaign to support the publication and to promote workplace conversations between employees and employers about skills training. This could focus on two aims: encouraging employees to approach their employer with requests for time to undertake training; and encouraging employers to actively consider any requests.

Another potential means of encouraging employers to engage voluntarily is through marketing and communications activity. Advertising costs vary considerably, from approximately £200k for a very low-key promotion to several million pounds for a campaign like the 'Our Future: It's In Our Hands' campaign in England. Based on recent DIUS campaigns comprising limited, short-term TV and radio advertising plus paid press and PR, we can estimate the costs of a similar campaign to be approximately £2 million.

To assess the costs of option 2 to the employer we have used figures from the RIA for the extension of the flexible working arrangements, which identified the costs of an *informal* conversation between employers and employees. This is felt to be a representative figure that can be used to cost this option as it reflects the intention that an employee and an employer will meet to discuss training. This cost is cited as £23.69 per employee informally asking for training. This is based on the assumption that an informal conversation will take approximately half an hour, with management time estimated to cost £32.71 per hour and employee time estimated as costing £14.66 per hour.

We know from previous similar DIUS campaigns that advertising would be likely to increase *short-term* awareness of the policy to between 40-60%, although a sustained campaign would be needed to maintain this level of awareness. However, it is not possible to forecast how far this awareness would translate into action i.e. into actual requests for time to train. This means that we are unable to make an accurate assessment of the impact on the take-up of training from such an advertising campaign. Wales and Scotland may also wish to carry out more localised marketing campaigns in addition to GB wide campaigns

### **Option 3: legislate to give eligible employees in Great Britain a new right to request time to train**

The right to request flexible working, which was introduced in April 2003, has proved to be a powerful driver of cultural change and has contributed towards a change in attitudes and behaviour in the workplace. Around 6 million employees currently have the right to request flexible working but over 14

million, including part time workers, work flexibly. And a further right to request deferred retirement has also benefited many workers. We believe a right to request time to train would deliver similar benefits.

The core of our proposal is that eligible employees in Great Britain should have a right to ask their employer to give them time to undertake training. Employers – in both public and private sectors - would have to consider requests fairly and seriously. To make it easier for employers to manage the new right, we propose to base the processes for the new right to request time to train on the existing model of the right to request flexible working. Employers are used to dealing with requests under these arrangements and are likely to have well developed and understood processes for managing the flow of requests. It is envisaged these processes could be easily adapted and extended to support a new right to request time to train.

*Who would the right to request time to train apply to?*

We propose to create a new right to request time to train for all employees in Great Britain. By 'employee' we mean someone who has entered into or works under a contract of employment. The right would apply to employees working in both the public and private sectors.

We propose making it a condition that an employee would have to have worked for their employer for a reasonable period before being able to make a request for time to train. Under the existing flexible working arrangements, employees are eligible to apply to vary their contracts of employment if they have been continuously employed by their employer for a period of not less than 26 weeks. We consider a reasonable period of prior continuous employment by an employee to be eligible for the right to request time to train may also be 26 weeks.

Casting the coverage of the new right in this way would mean that employers would only be dealing with requests from employees with whom they had developed a substantial working relationship, and who had demonstrated a degree of loyalty to the business.

We propose that, where they are considered to be 'employees', volunteers should be covered by the new right.

*What sort of training would be covered?*

We propose to cast the right in terms that enable employees to request time to undertake any training that will help them to be more productive and effective at work, and that helps their employer to improve productivity and business performance.

So, people would be able to request time to address a particular skills need, for example working with spreadsheets, as well as full qualification-bearing programmes such as National Vocational Qualifications (NVQs) or English for Speakers of Other Languages courses. Such a broad scope for the right would mean that all employees - whatever their prior level of skills attainment

- could exercise the right, thereby maximising its potential as a lever for cultural change, and maximising its direct impact on the skills of the workforce.

Through SSCs, employers have a leading role in the reform and development of vocational qualifications for their sector and over which qualifications receive public funding. That means that through granting a request for time to train to undertake courses of study for accredited vocational qualifications employers will be able to take some assurance that the programme their employee will be accessing will increase productivity and competitiveness.

*Would employers have to pay for the training?*

Many employers already invest significant resources in training for their employees, and will want to align that spend with requests they receive from their employees. But we do not propose that employers be compelled to pay for training when they grant a request for time to train.

Where employers in England grant requests for time to train to pursue nationally recognised and accredited training, they can access Government support through the Train to Gain service to help them maximise the impact of time to train for their business. As described in Chapter 2, through Train to Gain, employers can access Government funding to sit alongside their own financial contribution, including a subsidy of up to 100% for certain training.

In Wales employers can access the Workforce Development Programme, which is a gateway to a range of mainstream programmes, as well as Discretionary Funding tailored to meet companies' specific training needs.

Employees in England wishing to undertake Higher Education (HE) having had a request for time to train granted will be able to access the full package of Government funding for both full-time and part-time study. Employees wishing to study on a part-time course in HE can qualify for means-tested help with the costs of their tuition fees and with study costs, such as books, materials and travel. The help they would qualify for would depend on their personal circumstances and the course they intended to study. Extra support will also be available in Wales from the 08/09 academic year in the form of additional grants to part time students with adult or child dependants.

*How would employees make a request for time to train?*

We propose that employees should set out their requests in writing, including some key information about what training they are requesting, and how it would benefit both them and their employer. We propose that employees should be able to ask that they are accompanied to any meeting with their employer about the request for time to train, and we would not propose to specify or limit who that companion might be. In practice, employees might want to be accompanied by a friend, colleague or their Union Learning Representative.

*Would employers have to grant all requests?*

The proposed new right would be a right to *request* time to train, and not a right to time to train. After considering the request they receive, employers would be able to reject a request for one or more acceptable business reasons. Based on the existing list for flexible working provisions, it is proposed the acceptable reasons could be as follows:

- a) Relevance of training to business productivity and performance: where the employer does not believe that the training being requested would help the individual employee to become more effective and productive at work, or contribute to improved business productivity and performance in the short or long term;
- b). Burden of additional costs: where the costs associated with granting the request, for example arranging for cover of the employee's shifts whilst they undertake their training, are a burden the employer cannot afford to meet;
- c) Detrimental effect on ability to meet customer demand: where granting a request for time to train would have a negative impact on the employer's ability to conduct its normal business and meet the needs of their customers;
- d). Inability to reorganise work among existing staff: where, perhaps because of the amount of time being requested, it is not possible to reorganise the work among the remaining staff to enable a request for time to train to be granted;
- e) Inability to recruit additional staff: where the employer is unable to recruit staff to provide cover for a member of staff to undertaking training as a result of a request for time to train being granted;
- f). Detrimental impact on quality: where there would be a negative impact on the quality of output of the business as a result of a right to request time to train being granted;
- g) Detrimental impact on performance: where there would be a negative impact on the performance of the business as a result of a right to request time to train being granted;
- h) Insufficiency of work during the periods the employee proposes to work: where an employee proposes working alternative hours to accommodate their time to train but they are not needed at these times as there is insufficient work; or,
- i) Planned structural changes: where the business will be undergoing changes which mean it is not clear whether a request for time to train could be granted.

*How much time could an employee request?*

It would be down to the employee and the employer to agree how much time was taken. This would be a key element when any request is being considered and would, in most cases, be dictated by the particular skill the employee needs to develop and how they had chosen to do that. What would be important is that an employee gets sufficient time to acquire the skills or qualification that has been agreed with the employer as economically valuable to the business.

We propose limiting the number of requests to one in any 12 month period. This is again in line with the flexible working arrangements. However, it would be possible for this one request to cover more than one type or course of training, depending on the needs of the employee. For example, an employee could ask to undertake a full Level 2 course and have literacy or numeracy needs that need to be addressed as well. What would be important is for the request to stimulate a proper dialogue between the employee and employer about the employees' individual learning needs.

*How could the time be taken?*

It would be for each employee and their employer to consider and agree what would work best for them. Employees might take time away from their main duties to undertake training at work, or they might agree with their employer that their training need would best be met by their taking time off work to undertake training. In cases where an employee undertook training away from the workplace this could be achieved through negotiating changes to working arrangements to accommodate the training, or by the employer agreeing to give the employee paid time off to undertake training.

## **OPTIONS ANALYSIS**

**The tables in this section of the document show the breakdown for England. Annexes A and B show the same calculations for Scotland and Wales. The totals for Great Britain are given after each table.**

*Assessing the Impact*

Assessing the impact of a statutory right to request time to train is difficult. It will be largely dependent on how employees and employers react to the policy, once implemented. For the purposes of this impact assessment we have therefore had to make some key assumptions in order to produce the cost benefit analysis. In terms of the costs, we have assessed the costs to the employer and employee in making a request for time to train, and of that request being considered and potentially taken through to appeal. We have also assessed the 'accommodation costs' of a successful application. The accommodation costs include some element of lost productivity costs, expressed as foregone earnings.

*Key Assumptions*

In assessing the time to train proposal we have made the following assumptions:



- That no further policy changes are made, other than those already planned, that will have an impact on the time to train proposals.
- That the time taken to make and consider a request for time to train would be the same as that for making a request under the flexible working arrangements.
- That it would be appropriate to apply the costs developed (by the Department for Business, Enterprise and Regulatory Reform) for the flexible working arrangements to develop the cost benefit analysis for the time to train proposal.
- That we use the National Adult Learner Survey (NALS), Lifelong Learning Wales Record (LLWR) etc as a guide to assess potential demand amongst non-learners. From that analysis, we can reasonably assume that 13% of employees in this group would potentially be interested in submitting a request for time to train.
- That we would expect, through advertising and promotion of the right, that somewhere around 5% of employees outside of the non-learners group may want to exercise their right to request time to train.
- That based on the flexible working arrangements, and assuming that employers will see investing in the skills of their employees as a way of driving forward their business, around 75% of requests for time to train would be successful.

We have not attempted to estimate the percentage of deadweight requests, for example, the requests that would have occurred in the absence of any policy change. However, it is worth noting that, in assessing the potential levels of interest and take up (see Table 1 below) in time to train, we have excluded from our calculations those employees who currently receive training and non-learners not interested in training. By excluding those employees we feel that we have minimised the potential for deadweight to affect our calculations as these will be based primarily on the number that would be interested in time to train.

The following sections of this Impact Assessment are based, in part, on the assumptions listed above.

#### *What would the take up of this new right be?*

In order to assess fully the costs and benefits of time to train we need first to consider how many employees we would expect to exercise the right, and how many of these would be successful and go on to undertake some form of training.

The Labour Force Survey indicates that there are 22m people in **England** in

employment, and who have been in employment for 26 weeks or more. Around 8m of those employees do not currently receive any training. Using evidence from the National Adult Learner Survey (2005), we know that 40% of non-learners say that they would like to learn were it not for certain barriers. Of those, 9% say that they would learn if they could have time off from work to train and 4% say that they would learn if they were able to learn at work. Putting these together, we can reasonably assume that the potential demand for time to train from this group of "interested non-learners" would be around 13%. So using these figures the calculation would be 8m x 40% x 13% which would produce a potential client group of just over 420,000 employees.

Amongst the remaining people in employment in England who had been in employment for 26 weeks or more (i.e. the "non-learners", who from the evidence outlined above we might assume to be 'not interested in learning', and those that already receive some training) we would expect the level of interest in time to train to be lower than amongst 'interested non-learners' – either because they are not interested in learning, or because they are already doing some learning.

We would though, still expect the right to request time to train to stimulate some take up amongst this group. We have assumed that potential take-up will be around 5% from this group of just over 19m employees. Using these figures we would assume a client group just under 950,000.

Putting these two figures – 420,000 and 950,000 - together, we have assumed that potential demand for time to train would be somewhere round 1.3m employees. However, we do not envisage that all these employees would make requests for time to train in a single year. Instead, we have assumed that somewhere in the region of 30% of these employees would come forward with requests for time to train in any year. This would equate to approximately 400,000 applications.

From the experience of the right to request flexible working we know that around 75% of applications are successful. Given that we are using the same application process, and that requests made under time to train are likely to be for shorter, more fixed periods as compared to those made under flexible working, we think it is fair to assume that a similar proportion of applications will be successful. This would mean that of the 400,000 requests we expect might be made in a single year, just over 300,000 - or 1.4% of the total eligible population - would be granted.

Table 1 below illustrates potential interest and take up at 20% 30% and 40% of the total estimated demand in England. Our assumed maximum take up of 30% in any year is highlighted in the table below.

**Table 1**

Potential take up		SOURCE
Number of people in employment in England,	22,000,000	Labour Force Survey (LFS)

who have been in employment for 26 weeks or more		
Proportion not receiving any training	8,140,000	NESS 2007: 37% of employees do not receive training
Proportion of non-learners interested in learning	40%	NALS 2005
Potential 'interested' client group	3,256,000	
Potential client group 'not currently interested', or already receiving training	18,744,000	
Proportion of 'interested' group who may want to take up the right	13%	NALS
Proportion of 'not currently interested' / already receiving training group who may want to take up the right	5%	
Total potential demand	1,360,500	

<b>Assumed take-up in any one year</b>	1.2% of total eligible population (i.e. of the 22m) – (20% of estimated demand)	<b>1.9% of total eligible population – (30% of estimated demand)</b>	2.5% of total eligible population – (40% of estimated demand)
Total number of requests for time to train	272,000	<b>408,100</b>	544,200
Proportion of successful applications	75%	<b>75%</b>	75%
Total number of additional learners	204,100	<b>306,108</b>	408,100

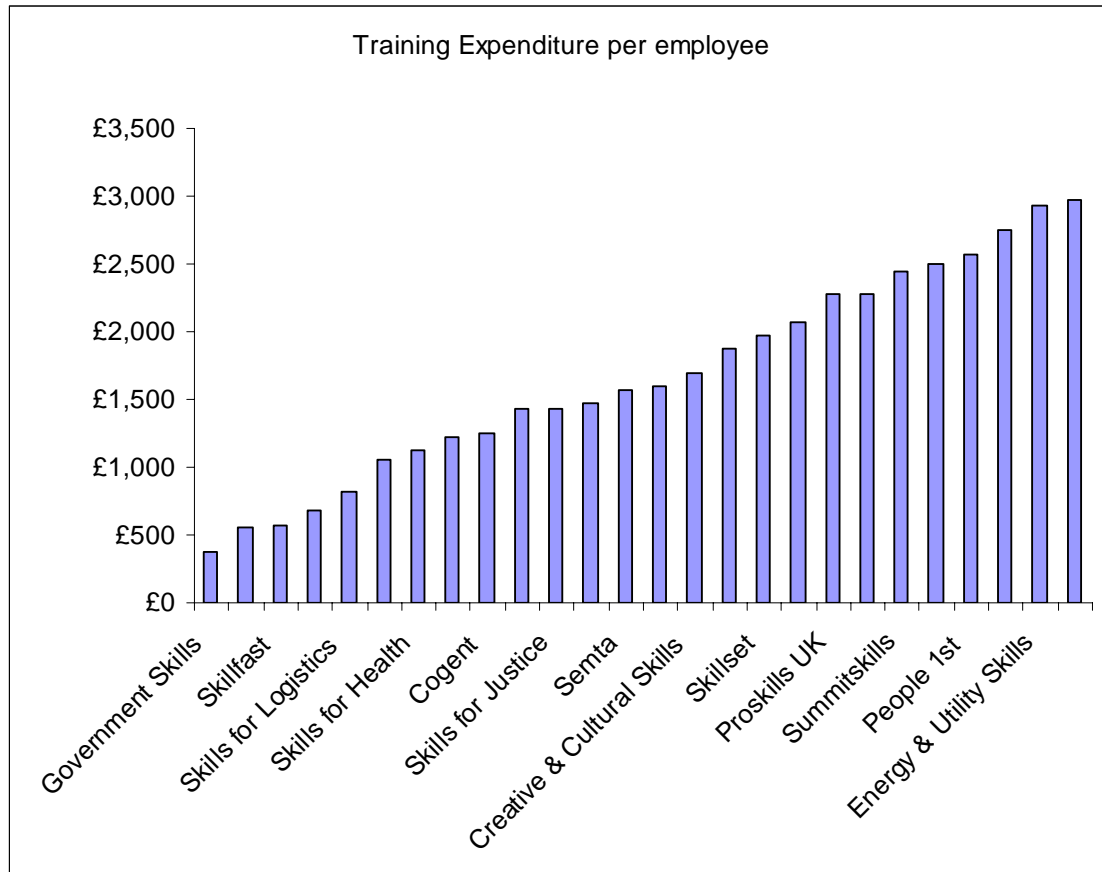
**Table 1 in annexes A & B show the same calculations for Scotland and Wales. If we add together the figures from all three tables, for our assumed take-up of 30% in any year we arrive at a forecast of total number of requests of 469,189 and total number of additional learners of 351,924**

## **SECTOR ANALYSIS OF REQUESTS**

We have carried out an analysis of training requests by sectors within Sector Skills Council (SSC) grouping. The first factor we considered was training

expenditure per employee. It would be a reasonable assumption that employees in sectors where the expenditure per employee was the lowest may be more likely to make requests under this proposal.

The graph below shows the expenditure per employee by SSC:

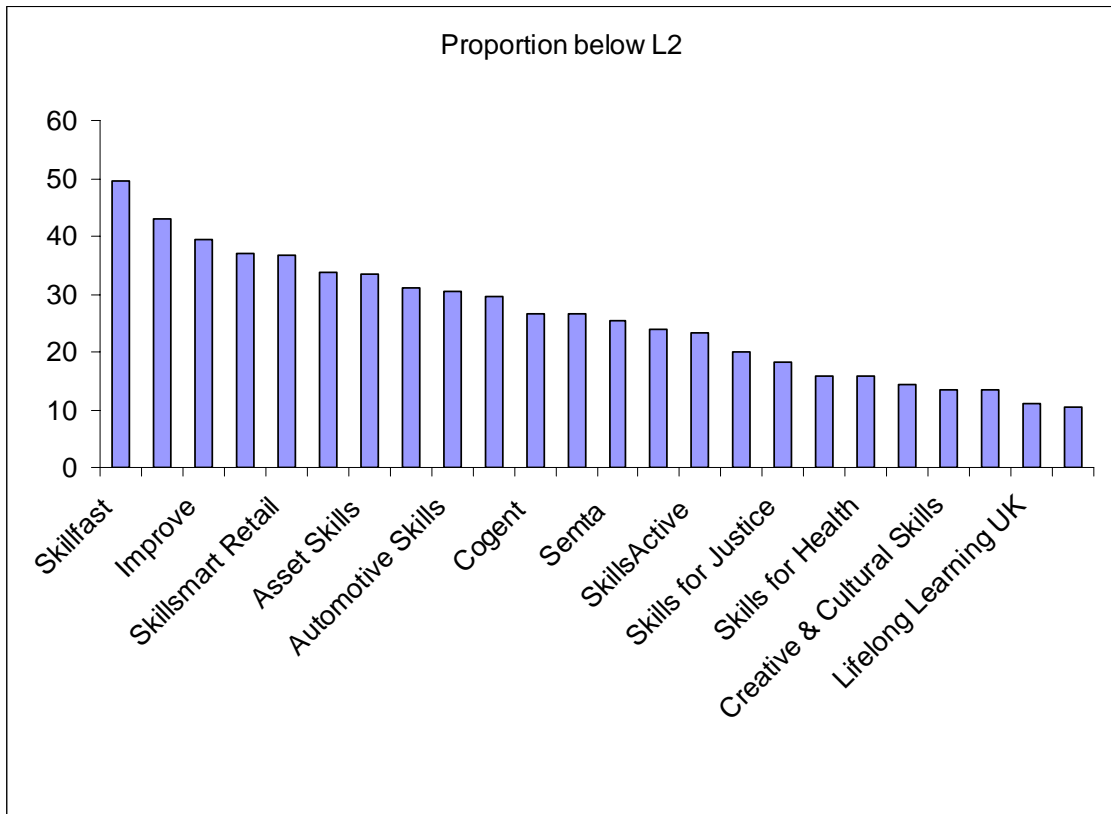


**Graph 1 – data in Annex D**

There are a number of other factors to consider which influence the spend on training but from this graph you could conclude that employers in the SSCs at the lower end of the chart, Government Skills, Skillfast and Skills for Logistics may receive more requests for Time to Train.

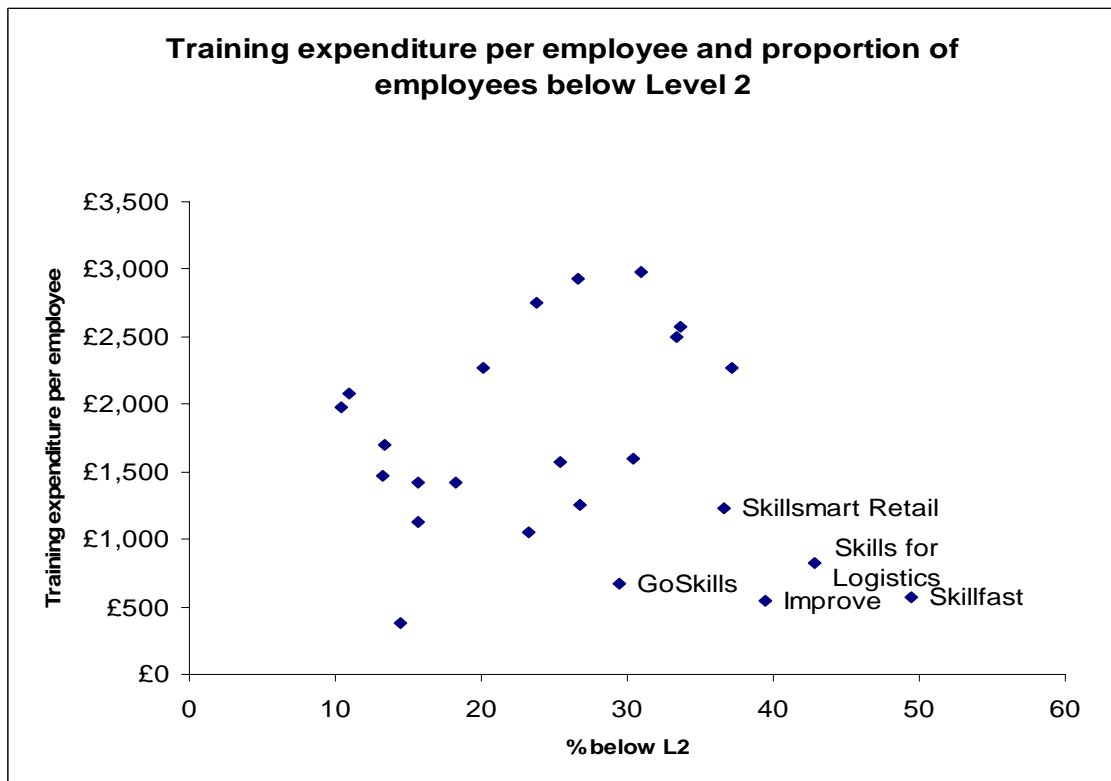
We also considered SSCs using the factor of the number of employees qualified below Level 2. While there is no qualification level in Time to Train at which people can make requests it seems a reasonable assumption that employers in sectors with the highest proportion of employees at low skill levels may experience more requests for training under this proposal than other employers. A first Level 2 qualification is

The graph below shows a breakdown of SSCs by the proportions of employees with qualifications below Level 2.



**Graph 2 – data in Annex D**

Finally, we considered both factors together. The graph below shows the SSCs expenditure and employees below Level 2.



**Graph 3- data in Annex D**

Again, it would be a reasonable assumption that employers within sectors with the lowest spend per employee on training and the highest proportion of employees below Level 2 may experience more requests under these proposals than other employers.

This is at best a guide as to the possible impact of Time to Train.

## BENEFITS

There are a wide range of benefits that accrue to employers from having a workforce with increased skills. It is estimated that a 1% increase in the proportion of workers trained in an industry leads to a 0.3% increase in industry wages and a 0.6% increase in value added per worker.<sup>15</sup> There is also limited evidence for a positive link between training and profitability. For example, Bassi et al<sup>16</sup> find that firms investing more in employee development in the US performed better on the stock market than firms who invested less.

The right to request flexible working impact assessment also cites the benefits of having flexible working arrangements in terms of reduced vacancy costs and increased skills retention; increased productivity and profits; and reduced absenteeism. Whilst it is fair to assume that some of these benefits would also apply to the right to request time to train we are unable to quantify this at this stage.

For the purposes of this impact assessment and calculating the benefits we have considered only people studying at Level 2 and Level 3. From the Statistical First Release figures<sup>17</sup>, we know that of the 2.4 million learners who are aged 19+, 20% study at Level 2 and 10% study at Level 3. This means that we have only captured the benefits from 30% of the additional learning. We think that it is reasonable to apply these percentages to assess the numbers of additional learners at these levels that we believe would be created through time to train – see table 2. Our assumed maximum take-up of 1.9% in England in any one year is highlighted in the table below.

**Table 2**

Take-up	1.2%	1.9%	2.5%
Number studying at Level 2 (20% of total learners)	40,800	61,200	81,600
Number studying at Level 3 (10% of total learners)	20,400	30,600	40,800

<sup>15</sup> Estimated effect of training on earnings and productivity, British firms, 1983-1999 (Dearden, Reed and Van Reenen, 2005)

<sup>16</sup> Bassi, McGraw and McMurrer (2003) *Talent Optimization: Measuring Value Not Costs*, Human Capital Capability

<sup>17</sup> Statistical First Release presents information on learner numbers in post-16 education and training in England funded by the LSC

**See table 2 in Annexes A & B for calculations for Scotland and Wales. If we add together the data from all three tables this gives us an assumed maximum take-up figure in any one year of 73,000 studying at level 2 and 36,423 at level 3.**

We expect that the remaining 70% of training will be undertaken at other levels. This could be in the area of lower level skills such as Skills for Life or in unaccredited non qualification bearing courses - given that the right would allow for any training to be requested that would improve an employee's productivity at work and support improved business productivity and performance for their employer.

However, robust data is not available which would allow us to accurately assess the benefits of this type of training. We have therefore been unable to include it in our analysis. But it is fair to conclude that some economic benefits and wider social and economic benefits would result from this general increase in learning. We therefore believe that the actual benefits derived under this right are likely to be far higher than those we have been able to quote. This approach to benefits quantification is in line with impact assessment best practice.

We have confined our assessment to the benefits of Level 2 and 3 qualifications. Using the standard adult completion rates of 66% for Level 2 and 56% for Level 3 we have calculated the numbers of Level 2 and 3 qualifications that would result from these additional learner numbers. The results are shown in the table below:

**Table 3**

Additional qualifications	1.2%	1.9%	2.5%
Number of additional Level 2 qualifications	26,900	40,400	53,900
Number of additional Level 3 qualifications	11,400	17,100	22,900

**Again, if we add in the Scottish and Welsh data from Annexes A & B we arrive at a total of 47,787 additional level 2 qualifications and 20,528 Level 3.**

The figures in Table 3 have been used to calculate the benefit that would result from the additional learning. Using the NPV data taken from the MacIntosh cost benefit analysis of apprenticeships<sup>18</sup>. The MacIntosh report gives a Net Present Value (NPV) for a Level 2 qualification of £13k and £34k for a level 3. Applying this to the number qualifications gained provides the following results:

<sup>18</sup> Macintosh (2007) A cost benefit analysis of apprenticeships. The report assesses the lifetime benefits of completing vocational qualifications in terms of higher wages and employment likelihoods, compared to the costs to all parties of delivering the qualification

**Table 4**

Take-up assumptions	Total Benefit from Qualifications Gained
1.2%	£750m
1.9%	£1,100m
2.5%	£1,500m

**Table 4 in Annexes A & B show similar calculations for Scotland and Wales. If we add these totals to Table 4 above, and look at our assumed take up figure we arrive at an overall total benefit from qualifications gained of £1,312.2m**

#### *Wider Benefits*

There are also a range of other social benefits that result from increased skills. Better skills help individuals to find work, stay in work, and progress. Over a third of people with poor literacy and numeracy receive benefits, excluding pensions and child benefit, compared with less than one in ten of those with better skills. Research has also shown that the benefits of increased skills and qualifications go beyond financial considerations. There are associated health benefits from possessing a higher qualification. For example, we know that higher skilled workers are less likely to suffer from depression and obesity.<sup>19</sup> Higher skills can also increase social mobility, allow people to provide better support for their children to learn and develop, reduce crime and increase civic participation

## **COSTS**

### *Employers*

The principal costs to business of the proposals fall under three headings:

- Implementation costs of the proposals;
- Procedural costs arising from exercise of the right to request time to train;
- The costs of accommodating such requests (when they are accepted).

These are considered in turn. As the time to train procedure mirrors the processes for the flexible working arrangements we have based the costs on those in the 2008 RIA for the extension to flexible working

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<sup>19</sup> Various research reports by the Centre for Research on the Wider Benefits of Learning  
<http://www.learningbenefits.net/Publications/ResearchReports.htm>



### *Implementation costs*

These are one-off costs which will mainly be incurred in the period around when the legislation comes into force. It is assumed that the introduction of a right to request time to train will have negligible implementation costs. Firms are already familiar with how to process a request for flexible working and the new right will follow the same process. The cost of communicating the new right to employees will be very little as it is assumed that firms will already have a method of communication in place that will only need updating.

### *Procedural Costs*

#### *Average cost of handling a formal request*

Essentially, the first stage encompasses a written request from the employee, deliberation by the employer both before and after a meeting with the employee, and then preparation of a decision. The principal cost will be the time of both management and employees (it is assumed that employees prepare requests during work rather than in their own time).

Clearly, there will be considerable variation in the time this process takes depending upon the nature of the request, the way the request is then handled by the employer (the level of management permitted to decide on requests, the degree of written protocol), whether an employee is accompanied at the meeting with management, and whether or not a decision is straightforward to make (e.g. whether other employees have to be consulted).

We also need to factor in experience from the flexible working arrangements, which has shown that these arrangements have acted to accelerate culture change in the workplace, leading to many applications being considered on a more informal basis, which again significantly reduces the procedural costs.

In its impact assessment for extending the right to ask for flexible working, the Department for Business, Enterprise and Regulatory Reform (BERR) has carried out extensive analysis of the costs to business of handling formal requests. We consider that the right to request time to train would operate in a very similar way and thus it is appropriate and proportionate to use the BERR cost calculations in this impact assessment. The flexible working Impact Assessment estimates 2 hours of employee time, and 3 hours of management time to process a request that is dealt with formally. This works out at approximately £70 per request. Evidence from the flexible working RIA indicates that 78% of all requests for flexible working were successful and of these, 87% were accepted at the first stage.

#### *Average cost of appeal or internal grievance stage*

The internal appeal stage will involve a written statement of appeal by the employee, a meeting (where the employee may be represented) and a written response by the employer. Where requests reach this stage, it is likely that both employees and managers take more care and attention over their written

communications. The meeting may also be longer and more wide-ranging. It is therefore assumed that the average cost is double that of the first stage, namely £140 per request. Under the existing flexible working arrangements, 25% of declined requests went to internal appeal<sup>20</sup>

#### *Average cost of external dispute resolution stage*

The average cost to an employer of an application to an Employment Tribunal - £4,980<sup>21</sup> - is used as a benchmark figure. The cost to the employer excludes any financial or non-financial costs borne by the employee at this stage. Other sources of dispute resolution, e.g. the ACAS arbitration scheme, may be cheaper for both parties.

We expect the number of appeals to be low. Overall the number of appeals for the flexible working jurisdiction has been relatively small, accounting for approximately 0.2% of all applications, which equates to less than 0.1% of all Employment Tribunal claims over the period. Furthermore, following the extension of the right to request to carers of adults in April 2007, there was not a significant increase in claims: in the year to March 2007 there were a total of 235 ET claims, whereas in the year to March 2008 there were 271 ET claims. Again, given that we are mirroring the flexible working appeals process, we think we can assume a similar appeal rate of 0.2%. At our maximum 1.9% take-up figure this would equate to around 940 claims per year.

#### *ACAS Scheme*

There may be an additional cost in setting up an ACAS arbitration and conciliation scheme. We are working with ACAS to develop this and are unable to provide detailed costings at this stage. However, based on flexible working figures, we do not expect the costs to be significant as we anticipate the number of cases dealt with under the scheme to be low.

#### *Administrative Burdens*

In designing the policy we will wherever possible attempt to minimise the administrative burden on business, particularly small firms. We intend to mirror the 'right to ask for flexible working' approach by providing clear, easy-to-follow on-line guidance to business and providing standard forms and letters for each stage of the application process.

Annex C sets out the administrative burden information obligations associated with the right to request flexible working. These were used by BERR to identify and separate out from the procedural costs, those activities under the current proposals that are likely to impose an information obligation on employers.

It is important to note that not all the procedural costs set out above can be strictly termed as administrative burdens. The associated information

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<sup>20</sup> 3<sup>rd</sup> Worklife Balance Survey page 59.

<sup>21</sup> Source Survey of Employment Tribunal Applications 03'

obligations, such as written notification of the employer’s decision relating to the request, are a subset of the procedural costs and can largely be estimated on the basis of time taken to complete the relevant tasks. The remainder of the procedural costs are therefore considered to be policy costs.

As the underlying unit cost (i.e. the hourly rate for management and employee time) is the same, the differential is in terms of time commitment. Again, we have taken these figures from the right to ask for flexible working IA and have not carried out any further analysis of them at this point. This is set out in table 4 below.

**Table 5. Estimated time to process a request**

Acceptance stage		unit cost		of which admin burden	
		formal	informal	formal	informal
Average time to processing requests at first stage (accepted)	management time	3	1.5	1	1
	employees time	2	0.5	0	0
Average time to processing requests at first stage (rejected)	management time	3	1.5	1	1
	employees time	2	0.5	0	0
Average additional time per request taken to appeal stage*	management time	6	3	2	2
	employees time	4	1	0	0

Source: BERR estimates. \* Assumed to be the double of a new request

In terms of administrative burdens these will fall on employers only and estimates of time required are given in Table 5 above. BERR assumed that administrative burden costs apply for both formal and informal requests, although it is reasonable to assume that informal requests may not always result in formal written notification from the employer.

**The total costs to employers of implementing the right to request time to train are presented in table 6 below. Using the BERR time estimates and the costs to the employer of processing a request for time to train in table 6, we estimate the total additional admin burden for GB employers will be a net annual increase of £22.8m**

*Cost of accommodating requests for time to train*

Employers may also face costs in accommodating a request for time to train. Examples might include re-organising work schedules or adjustments to IT systems (e.g. to permit flexible shift scheduling). In some cases, the potential costs could be more substantial (e.g. if another employee had to be recruited to cover for an employee reducing their working hours). These examples should not be considered as exhaustive.

Employers can reject requests on grounds of cost, but this does not imply that the additional costs of accommodating requests are zero. Employers will accept cases where some additional cost is involved. Using the flexible working IA figures as our basis, we have assumed an accommodation cost for a successful request for time to train to be £217.50 i.e. an average of the male/female costs quoted (£242 for FT males and £193 for FT females). When added to the £70 cost of the interview this gives a total cost of accommodating a successful time to train request of £288.

Added to this we have also included costs for loss of productivity to employers in granting time to train requests. We have expressed this in terms of foregone earnings for the Level 2 and 3 qualifications gained which we have used as the primary source of the benefits. The foregone earnings figures have been taken from the Education and Skills Bill Impact Assessment published earlier this year. This equates to £5k per qualification.

Table 5 below summarises the total costs to employers. The lost productivity costs are based on the foregone earnings figure used in the IA for the Education and Skills bill. As with earlier calculations, this only covers the 30% of learners doing Level 2 and Level 3 and we are unable to accurately assess the other 70% of learning.

**Table 6 – Annual Costs for employers**

	<b>Costs to Employers</b>	<b>Proportion</b>			
			<b>1.2%</b>	<b>1.9%</b>	<b>2.5%</b>
Successful	£288	75%	£58,670,700	£88,006,050	£117,341,400
Unsuccessful	£70	24.8%	£4,723,587	£7,085,380	£9,447,173
Tribunal	£4,980	0.2%	£2,710,076	£4,065,114	£5,420,152
Lost Productivity (expressed as foregone earnings)	£5k per L2/3		£306,108,000	£459,162,000	£612,216,000
<b>TOTAL £</b>			<b>£372m</b>	<b>£558m</b>	<b>£744m</b>

**Again, adding in the costs for Scotland and Wales shown in Tables 6 in**

**annexes A & B, and using our assumed take-up figure, we arrive at an annual cost to employers of £660.9m**

We assume that it costs each individual around £100 to study for a qualification, in terms of travel, books, subsistence etc. This figure is consistent with other impact assessments for level 2 and level 3 for people in employment.

The cost to Government, employer and or individual for tuition is assumed to be £2466 for level 2 and £2672 for level 3. The final costs will be subject to the outcome of the consultation and the final design of the policy.

**Total Costs**

Table 7 below summarises the total costs and benefits in England at 1.2%, 1.9% and 2.5%. The table also shows the overall annual net benefit. Our assumed take up figure of 1.9% is highlighted in the table below.

**Table 7**

<b>COSTS</b>	<b>1.2%</b>	<b>1.9%</b>	<b>2.5%</b>
Employers	£372,212,363	£558,318,544	£744,424,725
Government	£155,191,504	£232,787,256	£310,383,008
Individual	£6,122,160	£9,183,240	£12,244,320
<b>Total Costs</b>	<b>£533,526,027</b>	<b>£800,289,040</b>	<b>£1,067,052,054</b>
<b>BENEFITS</b>			
Total Benefits to employees, business and economy from Qualifications Gained	£737,852,519	£1,106,778,778	£1,475,705,037
<b>OVERALL ANNUAL NET BENEFIT</b>	<b>£204m</b>	<b>£306m</b>	<b>£409m</b>

When added to the figures for Scotland and Wales in tables 7 in the Annexes this gives us an overall GB annual net benefit of £369m, at our assumed take-up rate.

**Breakdown of employer by business size**

It is necessary to consider how the annual costs of this proposal to employers breakdown according to business size. The breakdown of firms in the UK, by size of firm, and share of employment, is shown in the table below. This is taken from BERR's statistical release on SME.

	No of firms	Share of total no. of firms	Share of employment (employees)
Micro (1-9 employees)	1,019,295	83.6%	19.9%
Small (10-49)	166,815	13.7%	17.2%
Medium (50-249)	26,690	2.2%	14.0%
Large (250+)	5,915	0.5%	48.9%
Total	1,218,715	100.0%	100.0%

In order to break down the employer costs by micro, small, medium and large business we have divided the costs by the proportions in the table above. This assumes that employees exercising their right to request time to train will be evenly distributed. The results for employers in Great Britain are shown in the table below show how the employer costs breakdown at 1.9% take up:

Micro	Small	Medium	Large
£148,140,520	£128,041,053	£104,219,462	£364,023,691

## SUMMARY AND RECOMMENDATIONS

### The recommended option is option 3

#### Option 1

Although under this option the number of employees receiving training would increase, we are concerned that it would still leave too many employees not receiving training each year. For employees in companies not engaged with any skills initiatives, this option would not offer any new impetus for employees to receive training. Evidence suggests that this will particularly impact on those without basic skills levels who are less likely to receive training. This option would not do anything to positively change this.

#### Option 2

Although there are examples of good practice in voluntary conversations between employers and employees regarding training, there is a risk, similar to option 1, that not all of those in the eligible population would be reached. Despite the many Government initiatives and financial support in place to promote increased workplace learning, evidence shows that there are still significant numbers of employers – and therefore employees - who are not yet engaged. Option 2 depends heavily on employers being open to considering

training requests, and will do nothing to reassure employees that their request would be dealt with seriously.

It is therefore felt that while this option could be a starting point for achieving the aims of the policy, it does not go far enough to support employees in making requests for time to train. Again, similar to option 1, this option is expected to provide only limited change to the status quo.

### Option 3

This option would offer a powerful new impetus for employees to approach their employer to begin a conversation about their training needs and the potential to undertake work based training in work hours. It would give both the employer and the employee an opportunity to review the skills needs of the individual, as well as the needs of the business, and could potentially offer benefits to both should a higher qualification or skills level be reached. By definition, this option would cover those employees in the previous options as the scope would extend to all employees in the eligible population.

### ***Risk, uncertainty and unintended consequences***

#### **Option 1**

##### Risks

<u>Risk</u>	<u>Probability</u>	<u>Mitigation</u>
Employees working for employers who do not currently engage with them about their skills needs, or invest in their skills, will not be able to access workplace training.	H	Option 3 aims to mitigate this risk
Employees who feel uncomfortable approaching their employer to discuss time to train will have no new impetus, encouragement or support to do so.	H	Option 3 aims to mitigate this risk

##### Uncertainties

No uncertainties have been identified for this option.

### Unintended consequences

No unintended consequences have been identified for the do nothing option.

### **Option 2**

#### Risks

<u>Risk</u>	<u>Probability</u>	<u>Mitigation</u>
Not all employees in the eligible population would be reached	M	Ensuring that all publicity is widely focused and that the publication is accessible to employees as well as employers.

#### Uncertainties

The take up of this option is uncertain. While there is evidence that some employers are already engaging in conversations with their staff regarding training opportunities, it is uncertain as to how many more would begin as a result of this option.

### Unintended consequences

No unintended consequences have been identified for this option.

### **Option 3**

#### Risks

<u>Risk</u>	<u>Probability</u>	<u>Mitigation</u>
There is a risk that even if legislation is passed, employees may feel uncomfortable admitting to their employer that they have skills needs because they feel stigmatised for not already possessing these qualifications.	M	One aspect of the mitigation of this risk is the positive advertising campaign that is currently showing 'Our future, it's in our hands'. This mitigation would be considered further at implementation stage, However it is anticipated that Union Learn Representatives, Train to Gain brokers and the new Adult Advancement and Careers Service would be used as part of



		the mitigation process.
Risk of success – there is a risk that when the right is introduced, there are a very large number of requests, which employers cannot effectively manage.	L	Employers will be able to reject request fro time to train, where there is a sound business reason for doing so. And there is significant Government support – and funding – available to help employers make time to train work for them

### Uncertainties

The take up of this option is, to a degree, uncertain. The analysis set out here is our best estimate, based on what we know about individual and employer attitudes and behaviour, and what we can learn from the right to request flexible working. In practice though, take up will depend on employer and employee reactions to the proposed new right.

### Unintended consequences

No unintended consequences have been identified for this option.

## **IMPLEMENTATION**

The intention is that should the right to request time to train become a statutory right, we would explore ways of supporting business throughout the implementation process. This could involve a variety of activities including developing regulations in consultation with employers and employer groups and providing support material for the new right, potentially in the form of a website as well as other guidance. There would also be links with current skills initiatives and methods of promoting the right to ask through these sources.

Subject to the outcome of the consultation, and the passage of legislation through Parliament, we would expect time to train to be implemented from April 2010: this would give employers ample time to prepare for these new arrangements.

## **EVALUATION**

We intend to use existing surveys to monitor the impact of the policy and may consider formal evaluation processes if necessary.

## **ENFORCEMENT**

In line with the current practice regarding flexible working, it is intended that if a request for time to train is rejected by an employer and the employee is not satisfied with the explanation, they have the right to appeal to the employer. If the employee is still unhappy with the decision, either because they doubt the veracity of the reasoning or believe that their employer has not correctly upheld the procedure, they would have the right to take the matter to an external tribunal.

As noted earlier, it is expected that the amount of cases being referred to an external tribunal is likely to be relatively small.

An employment tribunal would have the power to either uphold an employer's decision to refuse the employee time to train on the basis of the reason cited or alternatively to award the employee time to train should their decision go this way. The tribunal may also award an employee compensation if the employer does not comply with the procedure set out in legislation.

## 1.8 Exempting Student Loans from Individual Voluntary Arrangements (IVAs)

### **BACKGROUND**

Individual Voluntary Arrangements (IVAs) were created under the Insolvency Act 1986 with the original intention that they would be used by the self-employed. However, increasingly the employed and over-indebted are using IVAs. The reasons for this are not totally clear but the Insolvency Service has suggested that the key factors may include increased advertising by debt management companies and IVA providers, and an improved understanding among individual debtors that IVAs are a way of avoiding bankruptcy. Student loans are not included in a person's bankruptcy debts and this may be a factor in channelling borrowers towards IVAs.

The Higher Education Act 2004 excluded student loans from a borrower's bankruptcy debts, so that during and upon discharge from bankruptcy, the borrower remains liable to repay his student loan. At the time the Act was going through Parliament, it was considered whether student loans should also be excluded from IVAs but at that time they were relatively uncommon. The Government decided not to legislate at that time with respect to IVAs and to keep the situation under review. At that time, their financial effect on the Student Loans Company (SLC) was negligible – the SLC had dealt with only 11 IVAs with an outstanding student loan balance for English borrowers of £28,500 by 31 December 2003. However, IVAs have increased in number and this has increased the financial impact upon the SLC. By the close of 2007, the SLC had dealt with 3,031 IVAs from English and Welsh borrowers with a total value of over £17.3 million.

### **RATIONALE**

The government has concluded it is now anomalous to exclude student loans from bankruptcy but not from IVAs. Student loans are made on non-commercial terms, including low interest rates and the obligation to repay being linked to a student's income. In addition, as student loans are paid out of and subsidised by public funds, it is not considered appropriate to allow borrowers to reduce or limit their liability to repay by entering into IVAs.

### **AIMS AND OBJECTIVES**

The proposals will:

- Ensure consistency with bankruptcy arrangements, by exempting student loans from Individual Voluntary Arrangements.

### **COST / BENEFIT ANALYSIS**

There is very limited evidence available but, based on the data available, we estimate that IVAs currently costs the taxpayer between £10m-£25m per year in NPV terms, and this money will be saved.

## 1.9 Foundation Degree Awarding Powers for Wales

### BACKGROUND

Policy development on this issue in Wales has been informed by three main policy documents: the Webb Review Report; One Wales; and the Skills That Work for Wales Strategy (the Assembly's response to the UK Leitch Report):

- *Promise and Performance* (The Webb Report) – the Webb Review was an independent review of the mission and focus of the further education sector in Wales. It explored different approaches to collaboration between FE and HE in Wales and recommended the Welsh Assembly Government should consider the option of foundation degree awarding powers for further education colleges.
- “One Wales” is the Welsh Assembly Government four-year programme for government. It set out a prospectus for improving the quality of life of people in Wales and pledged to: “make full use of the Webb Report into Further Education in Wales to develop a system which is responsive to the needs and priorities of local communities, employers and the local and regional economy.”
- *Skills that Work for Wales* is the Welsh Assembly Strategy that describes the ‘One Wales’ ambition for a highly-educated, highly-skilled and high-employment Wales. The strategy recognises the value of Foundation Degrees as work-related HE qualifications that can meet skills shortages at the higher technician and associate professional levels, and as an excellent platform to progress to professional qualifications or a full honours degree. It argues that learners should be able to study Foundation Degrees flexibly, making them equally accessible to people who are already working and people who are outside the labour market, and recognises ‘the need to develop innovative Foundation Degree programmes that involve employers, incorporate a range of providers and are delivered in new ways’.

### RATIONALE

The Webb Panel undertook a formal written consultation exercise as part of the review process, and also gathered valuable evidence from face-to-face meetings with key stakeholders. The final Webb report was published in December 2007 and included a recommendation to consider foundation degree awarding powers.

The Welsh Assembly Government decided to incorporate consideration of the Webb Report into the consultation on the *Skills That Work for Wales* Strategy. This consultation also comprised a formal written exercise and included a series of stakeholder workshops across Wales.

All respondents to the written consultation that commented specifically on foundation degrees were strongly agreed that they were an important

qualification in terms of developing economically important skills that should be supported and encouraged. Of the foundation degree specific responses received, 33% were strongly in favour of foundation degree awarding powers for FEIs, which were largely from FEIs or FEI related bodies. Only 13% of the responses opposed foundation degree awarding powers for FEIs, which were largely responses from HEIs or HEI related bodies.

Welsh Ministers considered carefully the points that had been raised by HEIs, and have sought to respond to them in the following ways:

- Any FE college with foundation degree awarding powers will be expected to deliver through partnership and collaboration, including with HEIs and employer involvement. As in England, the Bill will require that progression routes are identified;
- FDAPs is seen by Welsh Assembly Government as one model of delivering foundation degrees; many, if not the majority, of FE colleges will continue to deliver through franchise arrangements. It is not seen as a mechanism to replace existing partnerships and collaborations that are working well, but an additional model for FEIs to respond to the specific vocational needs of employers more quickly and flexibly where there are gaps in provision that are not currently being addressed, in areas where they have a strong track record of delivery, thus avoiding mission drift into the core business of universities; and
- It is anticipated that only a very small number of colleges will choose to apply in the first instance. The process for obtaining foundation degrees will be robust, and the same as is applied for those institutions wishing to obtain full teaching degree awarding powers. As an additional quality measure, it will also be placed on the face of the bill that Welsh Ministers have to lay a report on the use and effects of the powers before the National Assembly for Wales within four years of commencement of the power for Wales.

## **BENEFITS**

A small number of FEIs which already have high quality standards and quality assurance processes in place can only offer degrees is through validation by higher education institutions with degree-awarding powers. This arrangement is an administrative burden on the FEIs, which limits their autonomy over course content, and their ability to design, develop, teach and assess their own courses and make awards under their own authority will enable them to respond more flexibly and responsively to the needs of students and local employers. The powers will also provide a vital component of the strategic drive towards greater self-regulation for FEIs as a reward for demonstrated excellence.

Colleges such as Llandrillo, which have excellent track-records in responding to employer needs by delivering high-quality courses, will benefit by being able to extend their areas of vocational specialism to higher levels; this will be particularly advantageous where there is no local HEI and where the expertise in the subject area concerned rests in the FE sector. Colleges will, however,

be able to draw on the experience of HEIs in quality assuring courses at these levels, for example by seeking HEI nominees as members of the college academic board and by being subject to review by the Quality Assurance Agency for Higher Education (“QAA”).

The direct engagement of further education in providing foundation degrees will also provide opportunities for increased responsiveness to the needs of stakeholders, businesses and learners in rural communities and the needs of small businesses.

In Scotland evidence has shown that FEIs have made a significant contribution to meeting employer need at technician and para-professional level. There is also a risk that, now English FEIs may apply for powers to award foundation degrees, this could leave Wales at a disadvantage in responding to the needs of employers and the economy.

## **COSTS**

The costs for the Welsh Assembly Government to obtain the power to enable FEIs in Wales to gain foundation degree awarding powers will be met from within existing provision. Consequently there will be no additional monetary costs arising from this for Welsh Assembly Government.

Further Education Colleges applying for foundation degree awarding powers will be expected to bear the costs associated with the FDAP application process:

- Scrutiny – the Quality Assurance Agency (QAA) will levy a charge on applicant FEIs for the costs incurred in scrutinising the application and providing advice to the DIUS. The charge will cover the direct costs of Advisory Committee on Degree Awarding Powers (ACDAP) and the assessors, and the associated staff and overhead costs incurred by QAA. Charges will be set at a level that recovers these costs. No surplus will be sought from the activity.
- An initial charge will be made to cover costs incurred up to, and including, the assessors’ final report to ACDAP. Should any substantial additional expenditure be incurred, this will be charged at the end of the process. Since the amount of the remaining work may vary between applications, such further charges will be set individually.
- Subscription to QAA - Once an FEI is awarded Foundation Degree Awarding Powers, it will be expected to subscribe to the QAA.

Further Education Colleges that are successful in obtaining foundation degree awarding powers will be expected to meet the costs of funding foundation degree places from within their funding allocations from the Welsh Assembly Government or HEFCW, or levied in from other sources for example, employer contributions. The 2007-8 spend via HEFCW on Foundation Degrees was around £19m.

## 1.10 Children's Trusts

### **RATIONALE**

Children's Trusts are local partnerships which bring together the organisations responsible for services for children, young people and families in a shared commitment to improving children's lives. They play a vital role in ensuring that services are well integrated around the needs of the child and focused on improving outcomes.

We are now five years into a ten-year project and a great deal of good practice has been seen in local areas. However, progress, in total, has been uneven. In order to address this, further legislation is now considered necessary to strengthen Children's Trusts, by standardising proven good practice and pushing the performance of all Children's Trusts to the higher level, necessary to deliver the Government's ambition to make this the best place in the world for children to grow up. The legislation will ensure that weak Children's Trust arrangements are strengthened and will encourage areas with strong arrangements to do even better, in response to our raised expectations. Without legislating in the area, the existing uneven quality of Children's Trusts will continue.

### **AIMS AND OBJECTIVES**

The main objective is to use Children's Trusts as the key driver for reform by standardising and embedding proven existing good practice. Specifically:

- to bring key delivery partners formally into the Children's Trust partnership instead of at the discretion of the local authority;
- to produce a jointly owned Children and Young People's Plan rather than one owned by the local authority working with its Children's Trust partners ; and
- to have a statutory Children's Trust Board as opposed to a voluntary one.

### **BENEFITS**

The 2005 impact assessment on the statutory guidance on interagency cooperation, which these proposals formalise, describes the benefits as improving 'the coherence of children's services and increasing the quality of services provided ... through a more integrated approach'.

Since then, Children's Trusts have been asked to focus their efforts on prevention and early intervention. Effective partnership working with this preventative approach across all children's services across the country has the potential to deliver substantial benefits for service users and for individual partners, through reduction in duplications, better communication and information sharing. It is not possible to quantify these benefits in any meaningful way, due to a lack of concrete data, but, given that this is intended to embed proven good practice, just as the main costs will fall on partners in

the weaker Children's Trusts the benefits will be felt by those same partners.

The private and third sectors should gain from being engaged with a more effective partnership through better coordination, fewer unnecessary demands on their limited resources and clearer communications.

The lack of data is linked to the fact that neither the Audit Commission report nor the GO CSA data correlate answers to show how arrangements relate to perceived benefits. The Audit Commission report, for example, says both that the majority of areas have got Children's Trust Boards, and also that, of the Trusts explored, over 50% found improved value for money in the areas of collaborative working, coordination of services, targeting of services, and streamlining processes. The indication here is clear, albeit not made explicitly.

## **COSTS**

Although there will be some costs associated with enshrining Children's Trust Boards in legislation, the costs of implementing the legislation are very difficult to quantify for two main reasons:

1. evidence of the costs of putting arrangements in place is not available; and
2. potential additional costs depend on current practice.

The only sources of statistics about Children's Trust governance arrangements are the Audit Commission report "Are we there yet?"<sup>22</sup> and data gathered for an internal exercise by Government Office Children's Services Advisers (GO CSAs). Neither provides data about the monetary cost of putting arrangements in place.

The statistics in the Audit Commission report relate only to the sample number of Children's Trusts that the Commission gathered data about. The findings of the report do not reflect practice in the round and cannot, as a result, be used as a robust indication of potential costs and benefits.

On the second point, the lack of clarity arises from the fact that the current voluntary arrangements that the legislation will formalise have already been adopted in some areas. Partners in such areas will not, in this case, face new costs, given that those costs will already have been met. Additional costs will only fall to partners in those areas where arrangements have not yet been adopted.

Much of what is proposed formalises in primary legislation what was already detailed in statutory guidance on interagency cooperation. Existing statutory partners, including the local authority, must have regard to this guidance. An impact assessment was undertaken on the guidance in 2005 which found that

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<sup>22</sup> "Are we there yet?: improving governance and resource management in Children's Trusts", Audit Commission, October 2008.



'greater integration at all levels would require: improved partnership working; increased awareness and appreciation of how services can better complement each other and some adjustment to current service delivery models. Change of this kind is not without cost, but will also bring savings from efficiencies'. The assessment anticipated that there would be short term 'increasing demands on existing staff during the change process, undergoing training, participating in decision making processes and making necessary changes to services'.

The fact that the legislation largely builds on existing statutory guidance means that related burdens are not new.

### *Public sector*

*Existing statutory partners* – transitional changes have already been made so there should be no major additional costs to existing partners: local authorities, district councils, police, probation, youth offending team, and Primary Care Trust and the Strategic Health Authority. The functions of the Connexions Partnership are being taken back into the local authority and the Learning and Skills Council will be repealed by the Children, Skills and Learning Bill.

There could be some additional cost in having to work with a larger number of partners as we extend the statutory duty to cooperate, to include maintained schools, academies, FE and sixth form colleges, maintained special schools and Job Centre Plus. The main burden will fall on the local authority with the need to put in place more complex arrangements to accommodate the larger partnership, in particular additional arrangements to achieve a fair representation of schools, colleges etc on the Children's Trust Board. But the new duty only formalises what was already recommended in the earlier guidance. Local authorities and their partners who have followed the guidance should be faced with few additional costs.

The impact on the new statutory partners themselves will vary. Those already engaged with the work of the Children's Trust will experience very little change, but those who have failed to follow the advice in the guidance will find an initial cost in making the changes. Typically this will involve staff being engaged in better partnership working; increased awareness and appreciation of how services can better complement one other and some adjustment to current service delivery models.

Putting the Children's Trust Board on a statutory footing will have little impact on the existing statutory partners as almost all local areas already have a Board (Audit Commission report on Children's Trusts, GO CSA data). Some flexibility will be provided to allow the Strategic Health Authority to not engage with every Children's Trust Board in its region, but it will remain as now a statutory partner of each Children's Trust. (This reflects current practice.) Extending the ownership of the Children and Young People's Plan largely formalises a situation in which the local authority produced the plan in association with its partners. In practice the partners will have to have a

clearer responsibility for making their own plans align with the CYPP. This is currently recommended through guidance and the most effective Children's Trusts already do it. The main costs will fall on partners in the weaker Children's Trusts where this is not routinely happening.

The costs associated with the CYPP for the new statutory partners are likely to be limited to those associated with contributing to the needs assessment, making proposals on what services are needed and commenting on consultation documents. Schools are already under a duty to have regard to the CYPP and promote community cohesion in the area, so the additional work involved should not be excessive. Similarly colleges and Job Centre Plus are already heavily engaged with 14-19 plans and partnerships, so all of the new statutory partners should already be engaged to a greater or lesser extent with the partnership arrangements. Any additional costs should be offset by the advantages to the statutory partners from developing joint approaches to delivering their shared objectives.

#### *Private and third sectors*

Non maintained special schools have actively sought to be included as relevant partners on the basis that the advantages of being closely engaged with the Children's Trust offset any additional burdens. Many such schools are already well engaged with their local children's Trust. These changes will not add substantially to the costs on the private or third sectors as neither are being placed under any new duties. The proposed changes simply formalise structures and processes which should already be in place.

## **EVALUATION**

We are currently looking at options for evaluation. Government Office Children's Services Advisers (CSAs) already have an annual strategic discussion with local authorities and their partners. In January CSAs provided data on current CT governance arrangements which will provide the baseline for further research.

The Commissioning Support Programme, which launched in late 2008, will work closely with Children's Trusts to aid them in their commissioning role. The Programme has undertaken to carry out research into the arrangements and effectiveness of Children's Trusts across England. In addition the programme itself will be evaluated which may provide further data on the effectiveness of Children's Trusts.

The Comprehensive Area Assessment (CAA) [will reflect how well area-level partnerships, such as Children's Trusts, are improving outcomes for local people including children and young people](#). The first CAA annual reports will be in November 2009.

## 1.11 Sure Start Children's Centres

### **BACKGROUND**

In 2002, an Inter-Departmental Childcare Review was carried out to assess the effectiveness of different types of childcare and to develop a 10-year vision and strategy for children, including making recommendations for improving the effectiveness of delivery mechanisms and bringing greater cohesion to existing initiatives. This Review found distinct benefits from integrated services for young children and their families, especially in disadvantaged areas. After the Review was concluded, an Inter-Departmental report entitled "Delivering for Children and Families" was published which promoted the concept of "children's centres".

The Ten Year Childcare Strategy (HM Treasury, 2004) announced a target of 3,500 children's centres by 2010 – one for every community. The more recent Children's Plan, *Building Brighter Futures* (DCSF, 2007) reinforced the aim that Sure Start Children's Centres are at the forefront of transforming the way services are delivered for young children and their families.

The first Sure Start Children's Centres were established in 2003 and these were approved and "designated" by the then Secretary of State for Education and Skills. There are now more than 2,900 children's centres supporting over 2.3 million children under five and their families, providing easy access to health services, parenting and family support, advice and support for parents, including drop in sessions, outreach services, integrated early education and childcare, and links to training and employment opportunities. On average, a children's centre will serve a community with about 800 children under five years old, although in rural areas with a more dispersed population, numbers may be smaller.

The Childcare Act 2006 placed a duty on local authorities to ensure the availability of integrated early childhood services, working in partnership with Jobcentre Plus (to provide resources for training and employment advice) and the local Strategic Health Authority or Primary Care Trust (to provide resources for community health services). Children's centres are currently just one way in which local authorities can choose to provide these services under the Childcare Act 2006.

£3.2 billion of revenue funding is available in the period 2008-2011 (0.9bn/1.0bn/1.3bn) to support Sure Start Children's Centres and children's centres based on former Sure Start Local Programmes. We expect that local authorities will allocate around £400,000 pa on average to fund the most intensive services to around 800 children living in the most disadvantaged communities.

Although Local Authorities have a strategic responsibility for children's centres and a target to establish 3,500 centres by 2010, Sure Start Children's Centres currently have no statutory legal basis.

## **RATIONALE**

Sure Start Children's Centres support children under the age of five and their families, providing easy access to health services, parenting and family support, advice and support for parents including drop in sessions, outreach services, integrated early education and childcare, and links to training and employment opportunities. They are a key mechanism for improving outcomes for young children, reducing inequalities in outcomes between the most disadvantaged and the rest, and helping to bring an end to child poverty.

Local Authorities have strategic responsibility for Sure Start Children's Centres, with services planned and delivered in partnership with NHS, Jobcentre Plus and a wide range of voluntary, private and community organisations based on local need. However, not all young children currently have access to high quality children's centres.

The purpose of the proposed legislation is to secure the future of SSCCs, so that they become an established part of the universal services available for young children and their families, and that local authorities have clear duties to make arrangements for there to be sufficient SSCCs to meet local needs.

We have consulted publicly on our proposals to legislate and the response report has now been published. We received 348 replies to the consultation exercise and the response has been strongly supportive of our proposals, with 97% agreeing with our plans to legislate for Sure Start Children's Centres.

## **AIMS AND OBJECTIVES**

Local authorities, working with their statutory partners, would be required to assess the need for children's centres in their area and to establish sufficient centres to meet that need, as one way of meeting their Childcare Act 2006 duties. The intention is to ensure:

- local consultation by local authorities before a children's centre is established, closed or the services significantly altered;
- local authorities, PCTs/SHAs and Job Centre Plus consider whether to provide their early childhood services through children's centres;
- the local authority and its statutory partners in the Children's Trust, in the context of preparing or reviewing Children and Young People's Plan annually, consider the case for providing early childhood services in children's centres;
- the setting up of an Advisory Board for every children's centre representing parents/carers of young children, service providers and the local community;
- regular arrangements for consulting all parents and the whole community;
- that all staff working in children's centres are checked under the new Vetting and Barring Scheme and no barred staff employed; and
- that Ofsted has duties to inspect children's centres at prescribed intervals and at the request of the Secretary of State

## **BENEFITS**

The Sure Start Children's Centres Parental Satisfaction Survey 2007 covered awareness of the children's centre, service use, satisfaction, perceived benefits of using the children's centre and suggested improvements. It gave the results of a survey of parents carried out in 39 children's centres in England and showed that 90% of parents were very satisfied with the services they had received. Learning and socialising were seen as the main benefits to children of attending the children's centre. Being in a pleasant and safe environment and having more opportunities to play were also seen as additional benefits. Parents themselves found that the main benefits were in meeting other parents and having more time, either for work or other things.

The most recent findings from the independent National Evaluation of Sure Start (NESS) published in March 2008, revealed the positive effects across the target population resulting from children's centres and identified marked improvements on the findings of an earlier cross-sectional study published in 2005.

The 2008 study showed that parents of 3 year old children showed more positive parenting skills and provided a better home learning environment, that these children showed better social development and higher levels of positive behaviour and independence, and families took more advantage of the range of support services available than in areas where a Sure Start initiative was not operating. In addition, the report found that there was almost no evidence of an adverse impact on the resident population, and that the positive effects were found across all parts of the population of the area.

Ofsted's report "How well are they doing: the Impact of Children's Centres and Extended Schools" (January 2008) reinforces the key messages of the NESS evaluation report and offers a particularly positive view on the sometimes "life changing" impact of children's centres on children and parents".

Looking to the future, in the period 2009-2013, we plan to undertake a full evaluation of children's centres which builds on the evidence from the NESS findings to date. The evaluation will include a cost benefit analysis and an in-depth assessment of the outcomes and impacts of children's centres.

Evidence to date highlights the benefits of access to integrated services for children in Sure Start Areas. By establishing Sure Start Children's Centres in legislation we are securing their future as a part of mainstream universal provision for children and their families so that better integrated services will be on offer to all young children. A statutory definition will also enable safeguarding and accountability requirements to be formalised.

## **COSTS**

Legislation will enable best practice identified from successive evaluations and reflected in existing guidance to be required nationally. The legislation

and associated guidance would formalise some core aspects of this good practice, while not reducing local flexibility. This means that there will be no additional costs for Local Authorities and their partners.

We are working with Ofsted to design and pilot an inspection regime and as the pilot develops we will be able to assess the impact and cost of the new regime. We have identified that there may be non-monetised costs for institutions, such as the time taken to prepare for inspection but we are not yet at a stage to quantify any costs. We will prepare an Impact Assessment on the cost/benefits of inspections later in the legislative process, either during the passage of the Bill or when the Regulations are being developed, depending on when information is available.

By establishing Sure Start Children's Centres in legislation we are securing their future as a part of mainstream universal provision for children and their families so that better integrated services will be on offer to all young children.

The alternative to legislating would be to maintain the current status quo. This option would involve the ongoing designation of children's centres by a central body working on behalf of the Secretary of State, with an ongoing central government cost.

## 1.12 Safeguarding Children

### **BACKGROUND**

The Children's Secretary, Ed Balls, asked Lord Laming to prepare an urgent report into the progress of arrangements to safeguard children on 17 November 2008. The independent report was commissioned in order for the Government to assess progress being made in the delivery of arrangements to protect children, and to identify any barriers to effective, consistent implementation and how these might be overcome. Lord Laming published his report, *The Protection of Children in England: A Progress Report*, on Thursday 12 March. This contained 58 recommendations which the Government has accepted in full. The Government's initial response to Lord Laming's report also included commitments to go further in some areas than Lord Laming had recommended.

Building on the Government's public commitment to act swiftly, and decisively, to implement the recommendations all non legislative ways of implementing the recommendations and Government commitments have been explored. Three of the proposals however can only be achieved through primary legislation.

- Introduce new statutory targets for safeguarding and promoting the welfare of children.
- Opening up Local Safeguarding Children's Board (LSCBs) to wider public scrutiny through the appointment of two lay members drawn from the local community.
- Requiring LSCBs to publish an annual report on the effectiveness of safeguarding in the local areas.

Of the 11 million children in England a total of 60,000 children were looked after by a local authority: 37,000 were subject of a care order (either full or interim) and 29,000 were the subject of a Child Protection plan. In 2005, the last time national data was collected, a total of 235,000 children were described as being 'in need'. The scale of need amongst children and young people, and the social, emotional and financial consequences of not improving their well-being and keeping them safe at an early stage in their lives, dictate that resolving the challenges laid out should be of the highest priority.

To effect a step change in services and to transform outcomes for children and young people the priority given to safeguarding must be achieved through strong and effective leadership, early intervention, adequate resources, and quality performance management, inspection and support.

The need to protect children and young people from significant harm and neglect is ever more challenging, these interventions are necessary to ensure that there is now a step change in the arrangements to protect children from

harm. It is essential that action is now taken so that as far as humanly possible children at risk of harm are properly protected.

## **AIMS & OBJECTIVES**

It is the first duty of Government and of society to do all we can to keep our children safe. Lord Laming was clear in his Report that the Government has in place robust legislative, structural and policy foundations on which to build and that there is widespread consensus that the Every Child Matters reforms set the right direction of travel. But he was also clear that the need to protect children and young people from abuse and neglect is ever more challenging. And he stated, "...It is essential that action is now taken so that as far as humanly possible children at risk of harm are properly protected."

The three interventions are essential to implement Lord Laming's recommendations and ensure that the Government, LAs and their partners are doing everything possible to protect children and young people from significant harm.

### *Introduction of new statutory targets for safeguarding and promoting the welfare of children*

The policy objective of this intervention is to create an effective system of performance management that drives improvement in the quality of services designed to safeguard and promote the welfare of children.

In his report Lord Laming indicated that there is an urgent need to develop effective indicators for safeguarding children and young people that will drive positive improvements and secure better outcomes for them. He has made an assessment that the performance indicators currently in use for the safeguarding of children are inadequate. In too many local areas safeguarding and child protection attracts insufficient priority and focus of attention as a strategic priority.

Consequently it is necessary to review the DCSF targets and set new statutory targets for safeguarding and promoting the welfare of children.

Stretching but realistic statutory targets will rightly ensure that each local authority prioritises safeguarding. The targets will be reflected in and strongly influence the development of the Children and Young People's Plan (CYPP) which will need to contain not only the targets themselves but a strategy for their delivery. They will also support and challenge the LSCB in their role. New statutory targets will help create a shared safeguarding priority amongst statutory partners, and drive improved services for children and young people.

### *Appointment of two lay members drawn from the local community to sit on the Local Safeguarding Children's Board (LSCBs)*

To effectively safeguard and promote the welfare of children there needs to be a culture of mutual challenge, improvement and openness within a local



area, key to this is strong local leadership and governance.

Within his report Lord Laming stressed the importance of appropriate challenge, scrutiny and impartiality within local arrangements to safeguard children. The Government's initial response to Lord Laming's report highlighted that the wider public has an important role to play, as keeping children safe is everyone's responsibility. Due to this it is appropriate that LSCBs arrangements should be opened up to wider public scrutiny through the appointment of two lay members drawn from the local community to the LSCB. This will support stronger public engagement in, and understanding of, children's safety issues.

*Requiring LSCBs to publish an annual report on the effectiveness of safeguarding in the local areas.*

To effectively safeguard and promote the welfare of children it is imperative that there is a strong relationship between the LSCB and the Children's Trust. Ultimately it is the Children's Trust that is responsible for improving the well-being of children in the area across all five *Every Child Matters* outcomes, including keeping children safe. The responsibilities of the LSCB, in ensuring that the multi-agency partners in each local area are co-operating to safeguard and promote the welfare of children effectively, are a fundamental part of the overarching responsibilities held by the Children's Trust.

To ensure that this partnership is as effective this intervention will see LSCBs report to the Children's Trust on the effectiveness of safeguarding and promoting the welfare of children in the local area. This report will be a local 'state of the area' on safeguarding and promoting of the welfare of children in the area of the authority by which it is established. It will look at the activities of the LSCB members and others, resources and training, targets and workplans, including an assessment of what has gone well and areas of concern.

## **COSTS**

The recommendations set out in Lord Laming's report and the Government's response to it are fundamentally about LAs and their partners making sure that they are meeting the existing standards of practice that all services should already be applying.

Any minor burdens introduced due to the implementation of the Laming Report need to be set against a context of increased spend in this area and that many LAs and their partners will already be undertaking these activities which are in the main just the application of good practice.

Expenditure on children's social care increased from £2.218bn in 1997-98 to £5.728bn in 2008-09. This is a real terms increase of over 90%, which equates to an average real terms increase of 6.1% per annum. Over the current three year settlement, the Government is providing an additional £8.91 billion to local authorities, an average 4.2% cash increase.

*Introduce new statutory targets for safeguarding and promoting the welfare of children*

The introduction of new statutory targets for safeguarding and promoting the welfare of children will sit alongside the existing statutory Government target setting processes (attainment and early years targets), and be taken from a revised National Indicator Set. Due to the fact that the introduction of a new statutory target on safeguarding and promoting the welfare of children will form part of the existing arrangements any cost to LAs will be a minimum extra burden. It is envisaged that LAs will be able to include at their discretion further safeguarding and child protection targets within their LAA, also taken from the revised NIS and in addition to the statutory targets.

*Appointment of two lay members drawn from the local community to sit on the Local Safeguarding Children's Board (LSCBs)*

This intervention will lead to a minimum additional cost to local authorities for recruitment and, if they pay remuneration, allowances and expenses to lay members appointed to the LSCB. If a local authority decides that it is appropriate to pay remuneration, allowances and expenses to the lay members it will be for each individual local authority to decide on the amount of such allowances.

*Requiring LSCBs to publish an annual report on the effectiveness of safeguarding in the local areas.*

This intervention will lead to a minimum additional cost to local authorities as they will need to ensure that the LSCB has appropriate funds to produce an annual report on the effectiveness of safeguarding and promoting the welfare of children in the local area. It will be for each local authority to decide the level of funding that is appropriate to ensure that the report is able to reflect the state of safeguarding in the local area accurately and in a manner that will support the Children's Trust Board in its functions.

## **BENEFITS**

In order to benefit all children these three interventions will build on and support the robust legislative, structural and policy foundations that are already in place through the Every Child Matters reforms. However Lord Lamming was clear that the need to protect children and young people from significant harm and neglect is ever more challenging, these Government interventions are necessary to ensure that there is now a step change in the arrangements to protect children from harm. They will underpin an effective system of performance management that drives improvement in the quality of services designed to safeguard and promote the welfare of children, and provide a stronger culture of mutual challenge, improvement and openness within a local area. This will lay the foundations so that all children benefit from the best possible child protection arrangements in every area of the country.

**Children Skills and Learning Bill**  
**Impact Assessment**

**Part 2 – Every School a Good School**

- 2.1 Establishment of Ofqual and the QCDA
- 2.2a Parents' complaints about their child's school in England
- 2.2b Governing Body Complaint Procedures in Wales
- 2.3 School Health Check Report
- 2.4 Statutory Guidance on Schools Causing Concern
- 2.5 School Teachers' Pay & Conditions Document
- 2.6 School Support Staff Negotiating Body
- 2.7 Alternative Provision
- 2.8 Behaviour and Attendance Improvement Partnerships
- 2.9 Recording Incidents of Use of Force
- 2.10 Extending Schools' Powers to Search
- 2.11 Early Years Funding Changes
- 2.12 Collection of Information

## 2.1 Establishment of Ofqual and the QCDA

### **RATIONALE**

Confidence in qualifications is absolutely critical to the effective operation of the economy because qualifications not only equip individuals with skills and knowledge but they are important signals of this attainment in education and labour markets. So if confidence in the ability of qualifications to serve their purpose is lost, far-reaching *information failures* would impact on the way the economy works. Rigorous regulation is therefore essential to ensure public confidence is maintained. But there cannot be confidence in qualifications unless there is also confidence in how they are regulated.

Under current legislation, the Qualifications and Curriculum Authority (QCA) is involved in developing and regulating both qualifications (e.g. GCSEs or vocational qualifications, but not Higher Education qualifications), which are delivered by Awarding Organisations, and assessments (e.g. National Curriculum Tests and the Early Years Foundation Stage Profile), which are delivered by the QCA itself. Such a *monopolistic structure* creates an inherent *conflict of interest* which, coupled with the current reporting mechanism, makes it hard for QCA to demonstrate that in carrying out its regulatory function it is acting wholly independently of Ministers. To address these problems the Government is making regulation an independent function and putting it in the hands of an independent organisation.

### **AIMS AND OBJECTIVES**

The proposals will:

- Establish a new independent regulator of qualifications and assessments (Ofqual) and a new development agency (QCDA) to carry out the non-regulatory functions of QCA;
- Equip Ofqual to operate in a more strategic and risk-based way, notably through removing the duty on the regulator to check each individual qualification. Instead, Ofqual will be able to put more weight on whether the awarding body and its systems are fit for the award of the qualifications in question;
- Remove the 'externality' rule that prevents an organisation delivering and accrediting qualifications without an external body to award or authenticate it. This will reduce the regulatory burden and allow for a greater supply of quality-assured qualifications as it becomes easier for employers, training providers and educational institutions to enter the regulated qualifications market;
- Strengthen the enforcement and market regulation powers available to the regulator, so as to help ensure that qualifications are delivered effectively, standards are maintained and the pricing policies in relation to those qualifications are fair;
- Enhance and make more transparent the arrangements for regulating National Curriculum and Early Years Foundation Stage assessments, for which there is currently no explicit statutory provision;
- Ensure that the QCDA's role is more focussed because it will not be

trying both to regulate and support Awarding Bodies.

The intended effects are: (a) for the QCDA – to promote improvements in the quality and coherence of education and training, through its advice and delivery functions; and (b) for Ofqual, in relation to regulated qualifications and assessment - to secure reliable and consistent standards, efficient and effective delivery, enhanced public confidence, together with greater awareness and understanding of the qualifications system.

## **BENEFITS**

### **Benefits**

Improving public confidence in exam standards and qualifications is the main benefit of the proposals. The costs of losing public confidence in the system are potentially substantial. It would devalue qualifications and seriously undermine their signalling role, which relies on employers and education institutions believing that qualifications are being awarded fairly and consistently, and that they are recognising the right achievements. Loss of this credible signalling role would create inefficiencies in the education and labour markets which could ultimately affect productivity and economic welfare, not least because the wrong things would be taught. So the main benefit of these proposals is effectively the value of preventing these costs from happening. But the ultimate beneficiaries are expected to be individuals, because the proposals should ensure that the qualifications they are taking are high quality and appropriate for equipping them with the skills and knowledge that will fundamentally affect their life chances.

These overall benefits are expected to feed through from impacts on the different markets affected: the qualifications market, education market and the labour market.

In the **qualifications market**, we expect to see both supply and demand side benefits. On the supply side, a more strategic and risk-based approach to regulation is expected to improve the quality of accredited qualifications over time. Together with the impact of making regulation independent, we expect the new regulatory arrangements to improve public confidence not only in individual qualifications but in the qualifications system as a whole. Removal of the externality requirement will encourage more organisations to become recognised awarding bodies and this is expected to lead to greater diversity in the supply of accredited qualifications, which will increase learner choice. We might reasonably expect these supply-side impacts to increase the overall competitiveness of the qualifications market, both in the UK and overseas, where UK Awarding Bodies are currently very substantial players. This could ultimately lead to increased demand for UK qualifications.

Learners and education institutions will benefit through the **education market**. We expect improvements in the quality of accredited qualifications to better equip learners with the skills and knowledge they need to progress, not only in education but also in the labour market. Higher quality could also lead

to higher learner satisfaction, with potential benefits for institutions in terms of completion and success rates. Effective regulation of quality standards should also give learners greater confidence in being able to signal their abilities to further and higher education institutions. These institutions should, in turn, have more confidence in using qualifications to screen suitable candidates for particular courses. This could create efficiencies by reducing the need to invest in additional and expensive screening processes to sift out learners. Education institutions will additionally benefit from having the opportunity to award their own qualifications.

The ultimate benefits of the proposals are expected to be felt through the **labour market**. Employers will have greater confidence in the signalling ability of qualifications which could lead to more efficient recruitment processes, and these organisations will also be able to benefit from the opportunity to award their own qualifications. If this improves their chances of employing the right individuals with the right skills it could yield important business benefits. The extent to which learners will benefit depends on many inter-dependencies. Other things being equal, improved qualifications would improve their skills and productivity and yield both private and social returns, especially if their improved signalling ability allows them to progress into jobs where the wages better reflect their marginal productivity. Private benefits will also depend on how improved public confidence and quality affects the underlying returns to qualifications. We would expect, other things being equal, a loss confidence to erode their economic value over time and both private and social returns would fall. But in reality it will depend on how fast the qualifications market responds (e.g. by developing new and better qualifications) and how flexible learner choice can be.

Aside from these benefits, the new regulator's role in monitoring the overall efficiency of the qualifications system is expected to yield benefits for taxpayer in terms of increasing value for money of public funds invested into the qualifications system.

Ofqual will review and report on the effectiveness of its regulatory arrangements on a regular basis. We will ask it to commission an independent review of the arrangements after three years.

#### *Quantification of benefits*

Accurate quantification of these expected benefits is impossible. To set them in context, there are currently over 6,600 accredited qualifications, of which 49% are vocational qualifications (specifically, Vocationally Related Qualifications and National Vocational Qualifications) and general qualifications (GCSEs and GCEs) make up 20% of them. In 2006, over 11.6 million accredited qualifications were awarded; around 4 million awards were for vocational qualifications and there were 7.7 million general qualifications awarded.

Predicting the long term counterfactual under current arrangements is inherently difficult, especially since the qualifications market is currently

undergoing very substantial change, and there is little sound evidence on which to base any realistic assumptions. Given these difficulties it more sensible to estimate the scale of the benefits needed for the proposals to be just worthwhile in economic terms. One way of doing this is by carrying out break-even type analyses which indicate how big a 'unit' of benefit would need to be for the proposals to be just worthwhile, at the current 3.5% discount rate. This puts them into perspective and allows a crude judgement on whether they appear within reach.

We expect the proposals to yield benefits through their impact on the quality of, and confidence in, vocational qualifications. Rigorous quality standards will, for example, be crucial to the new Qualifications and Credit Framework (QCF) for vocational qualifications, under which individual units (or credits) can be accredited. If there is any doubt about the quality of newly accredited units, this is likely to affect the size of their expected economic benefits. The current system of regulation will obviously contribute to ensuring high standards but it is not unreasonable to expect an additional marginal benefit from independent and risk-based regulation leading to even greater quality and confidence in the units being accredited. There is no direct evidence to indicate how big these marginal benefits and we wouldn't expect them to be very large, but it is reasonable to assume that their scale will be related to the size of the expected benefits from introducing the QCF. These benefits have been estimated cumulatively at around £4 billion up to 2016 and £5.9 billion by 2020<sup>1</sup>, discounted.

Under cost scenarios, the costs of the new regulatory arrangements are £33-61 million: £20 million for setting up and running the new regulator plus £13-41 million associated with more organisations becoming recognised Awarding Bodies. Taking the most pessimistic cost estimate (£61 million), if the only benefits from the new arrangements were from improving the quality of newly accredited units, they would need to equate to around 1.5% of the total expected benefits from the QCF, which is quite a marginal impact.

The proposals are also expected to yield benefits through increasing the quality and confidence of existing vocational and general qualifications so the benefits could feasibly be quite a lot bigger than any marginal impact we would expect from underpinning the QCF. General qualifications are so integral to the compulsory education system, and vocational and applied qualifications are becoming increasingly so, that it is hard to put a realistic value on society's willingness to pay for maintaining or improving confidence in them. Given the importance of these qualifications, it is not unreasonable to assume that most people would be willing to pay something for preventing qualifications from being devalued, as individuals are primary beneficiaries of a sound qualifications system. General qualifications tend to have relatively high levels of confidence already, but there are still greater risks to confidence at times of substantial change, as we have now.

So another way of looking at the scale of the benefits needed to justify the

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<sup>1</sup> PwC (2008), Qualifications Credit Framework – cost-benefit analysis, PricewaterhouseCoopers LLP

costs is to estimate break-even scenario based on the required impact on existing qualifications. We take the 'unit' to be each accredited qualification expected to be awarded under the new arrangements. The analysis then indicates how big a 'unit' of benefit would need to be for the proposals to be just worthwhile. Again, assuming the highest cost estimate of £61 million and that on average around 11 million accredited qualifications are awarded each year (impacting from 2011). Under these circumstances, the value of the benefits would only need to be around 95 pence for every qualification awarded to make the investment worthwhile. This is negligible compared to the overall economic value of many qualifications, which can be worth tens of thousands of pounds to both individuals and the economy over a working life.

Moreover, none of the above scenarios account for the additional potential benefits of two important aspects of the new regulator's role: (a) its responsibility to regulate the qualifications market and ensure value for money for the substantial sums of public funding invested in qualifications; and (b) its regulation of National Curriculum assessments and the Early Years Foundation Stage Profile, which recognise pupils' achievement, help identify areas of concern and support accountability and parental information.

## **COSTS**

### *Costs to central government*

There are direct costs associated with establishing the new regulator. These will include one-off set up costs and an increase in the ongoing running costs due to the inevitable duplication of certain functions that are currently only provided by one organisation. The new regulator will have additional functions in relation to matters such as the regulation of National Curriculum assessments and market regulation that will require additional resources. It will also have an increasingly complex qualifications landscape to regulate. Where possible, a shared services model will be used to minimise the additional costs of the new arrangements. The current budget of the QCA will be divided on the basis of the functions of the two new organisations. This will cover the majority of the running costs for both organisations, as the QCA is currently responsible for many of the functions the new regulator will perform. Both the new regulator and development agency will be located in Coventry. It has previously been agreed that the QCA would relocate and funding has been assigned for this relocation. The majority of the one-off costs relating to the relocation of both organisations will be met from within this funding. However, as the regulator will be located on a separate site to the new QCA there will be some additional ongoing costs.

We estimate that the one-off costs of establishing the new regulator and the development agency will be just under **£4 million in the first two years**. This will cover IT equipment, additional relocation costs, project management, the set up of the interim regulator and the development of the corporate identity of the two new organisations. We expect the **additional steady state running costs to be £2.5 million per year** compared with the current system, or **around £17 million up to 2016, in discounted terms**. The main additional



costs are site rent; additional staff to provide the new regulator with functions that cannot be fully shared (including legal, HR and communications) (estimated at approximately 25 FTE). We are also expecting there to be increases in the number of recognised awarding bodies (see below), which will bring with it additional costs for Ofqual. These are our best cost estimates as yet and more detailed and accurate estimates are currently being developed by QCA and the interim Ofqual. These additional direct running costs will be met from within the existing Comprehensive Spending Review settlement for DCSF.

*Costs to other stakeholders*

Ofqual will be equipped to operate in a more strategic and risk-based way, notably through removing the duty on the regulator to examine each qualification specified by an awarding body before it can be awarded as part of the national qualifications framework. Instead Ofqual will be able to put more weight on whether the awarding body and its systems are fit for the award of the qualifications in question. We therefore expect the net costs to awarding bodies to be neutral at worst.

We also expect removal of the externality requirement to lead to more bodies wanting to have their qualifications regulated, and there will be associated costs for these bodies. However, it should be stressed that regulation is voluntary and awarding bodies are free to award qualifications that are not regulated, providing that they do not seek to mislead by doing so. Government would not normally agree that funding could be used for unregulated qualifications. So we expect an awarding body to seek recognition and accreditation only if they judge the costs to be outweighed by the benefits, which will include the cachet of a qualification being regulated and potential eligibility for public funding of learners pursuing their qualification, which could increase the demand for that qualification.

There are currently an estimated 400-500 unrecognised Awarding Bodies. It is hard to project with any certainty how many new bodies will seek recognition, due to the removal of the externality requirement, in the first five years of Ofqual's life. Discussions with the interim Ofqual suggest that around 160 organisations may be expected to seek recognition in the first five years. As exact numbers are uncertain, we have estimated the costs based on 50, 100 and 160 bodies seeking recognition in the first five years, settling down to two a year thereafter. The other uncertainty is the amount of time and resources involved in seeking and maintaining recognition, which we expect will vary between different organisations. Our working assumption, again agreed with the interim Ofqual, is that the additional costs of becoming recognised amount to one extra person employed per year at an annual salary of £45,000. On these assumptions, the total discounted costs up to 2016 would be in the region of £13m and £41m.

**Start-up and ongoing annual costs of becoming recognised – per awarding body**

	<b>Start-up costs</b>	<b>Ongoing costs</b>
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Additional staff % of FTE staff time	27.5% (60 working days a yr)	100% (1.0 FTE)
Average staff salary	£45,000	£45,000
Average working days per year	220	220
Other costs	£2,000	£2,000
<b>Cost per AB</b>	<b>£14,375</b>	<b>£47,000</b>

#### Estimated total costs in the first five years

	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
No. ABs seeking recognition	50	100	160
Discounted costs (5 yrs)	£6.6m	£13.3m	£22.5m
Discounted costs (10 yrs)	£12.5m	£24.5m	£41.1m

## COMPETITION ASSESSMENT

The market in regulated qualifications will be directly affected by these proposals. This is primarily an English market as the interim Ofqual (part of QCA) is responsible for regulating qualifications in England but these accredited qualifications are generally accepted as accredited in Wales and Northern Ireland and vice versa. The market in un-accredited qualifications may be indirectly affected by these reforms. There are around 120 awarding bodies operating in the accredited qualifications market and a further 400-500 in the un-accredited qualifications market. The vast majority of awarding bodies offer vocational or occupational qualifications and do not compete in the academic qualifications market.

The new system of regulation should reduce the barriers to entry for new suppliers into the regulated qualifications market. The increased focus on regulation at the organisational level, instead of accreditation of each qualification should be less burdensome, and the removal of the externality requirement will allow new organisations such as employers, training providers and colleges, to enter the market. For this reason, we expect these proposals to result in an increase in the number of accredited qualification suppliers and an increase in the range of qualifications in the market, without compromising on the quality of those qualifications.

## SMALL FIRMS IMPACT TEST

This regulation will apply to small businesses which choose to submit themselves to recognition as an awarding body. There is no exemption because the policy objective is to secure and increase the standards of qualifications and to secure public confidence in qualifications. So all accredited qualifications and the awarding bodies that supply them must meet consistent standards. Small suppliers of qualifications could be disproportionately affected by these proposals, if their unit costs of being regulated under the new arrangements are higher than those of the larger awarding bodies. However, since the new regulator will be required to

regulate in a way that is proportionate and risk-based, any disproportionate effect on smaller qualifications suppliers will need to be seen in this context.

## 2.2 Parental Complaints

### BACKGROUND

The Children's Plan committed the Government to look at ways of improving the current arrangements for parents' complaints.

"Parents' complaints will be managed in straightforward and open way and as many issues as possible will be resolved quickly. Parents, particularly those who may not be so readily engaged, will understand the route to follow when they have a complaint. We will review what more can be done to streamline and strengthen these arrangements" (paragraph 3.2).

The Children's Plan also said:

"We will also look to strengthen the way that bullying complaints are dealt with in the light of the Children's Commissioner's report..." (paragraph 2.41).

The proposals for an improved system for parents' and young people's complaints takes place in the context more generally of increasing interest in the conduct of public administration and the role of complaints handling in improving accountability, responsiveness and standards of public service. The Public Administration Committee published its report "When Citizens Complain" in March 2008 and the Parliamentary and Health Service Ombudsman has undertaken work on developing the principles of good complaint handling.

More specifically to education, the Children's Commissioner submitted a report in 2007 to the Secretary of State <sup>2</sup> on the handling of bullying complaints in schools, making specific recommendations about how governing bodies hear complaints, the role of mediation, the introduction of independent officers to represent parents in bullying complaints and independent panels to hear unresolved cases. The Government considers that to treat complaints about bullying differently from other complaints would prove confusing and counter-productive.

Sir Alan Steer's July 2008 report on pupil behaviour made a number of recommendations on the handling of parents' complaints. Brian Lamb is looking at, on behalf of the Government, the most effective ways of increasing parental confidence in the special educational assessment process. <sup>3</sup> The Inquiry started its work in March 2008 and is expected to report in September 2009. The proposals also took account of the report on consultation responses and research published in September 2007 in response to Ofsted's plans to respond to parents complaints. <sup>4</sup>

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<sup>2</sup> *Bullying in Schools: A review of the current complaints system and recommendations for change*

<sup>3</sup> Written Ministerial Statement by the Parliamentary Under-Secretary of State for Children, Schools and Families (Kevin Brennan) Hansard 13 Mar 2008 Column 19WS

<sup>4</sup> "Parental complaints: report on consultation responses" September 2007 Ofsted reference no 070166

We sought the views of parents, parents' organisations, governing bodies and governors' organisations, local government, school staff, teaching and support staff unions including professional bodies, and those with SEN interests. Comments were invited on ways to improve: handling of complaints at school level, and proposed new arrangements for independent reviews of complaints that cannot be resolved at school level or provision of support specified in a child's statement of SEN which currently come to the Secretary of State to consider.

## **AIMS AND OBJECTIVES**

The majority of respondents opted for an independent complaints review service, to be hosted by the Local Government Ombudsman (LGO). Respondents felt that the LGO gives the best fit with the stated principles of the new service. The new arrangements will:

- provide an independent review of complaints which will replace the Secretary of State's role considering complaints under ss496/497;
- strengthen the arrangements for reaching resolution in disputes between schools and parents;
- provide effective redress where the school has been at fault in providing a service or handling a parents' complaint; supporting schools in their decisions where they are correctly reached.
- the Service will also be able to discourage vexatious or frivolous complaints and would support schools in their decisions where correctly reached,
- streamline, where possible, current arrangements for complaints; and
- the arrangements will provide, as far as possible, one route for complaints and one tier of review above the level of the school governing body in the interests of transparency, accountability and timely response.

Independence will be a key aspect of the new Service. By putting in place more transparent and accountable arrangements for parents, young people and schools the outcome will be improved, more efficient handling of complaints for all concerned as well as better redress where parents' and young people's complaints are upheld. It will help to tackle a market failure (moral hazard) in the form of conflict of interests when they emerge (when LAs deal with complaints).

The Government does not intend to set up a new body to undertake the Service. It will be hosted by the LGO in accordance with the outcome of the consultation. This requires some amendment to current legislation by modifying the LGA 1974 to extend the LGO's remit. There will also be new

provisions.

The estimated numbers of cases below relate to point 5 above – called here the “Service” – which would handle those complaints which cannot be settled at school level. The Service’s remit covers complaints relating to individual children on matters that are the responsibility of the school governing body. The only instance where local authority duties could fall within the remit of the service would be for complaints about individual children with a statement of SEN<sup>5</sup>.

Currently the majority of these complaints come to the Department for consideration by the Secretary of State under his section 496/497 powers. The high “bar” for the Secretary of State to act in individual cases means that some parents who have experienced poor service or unjust treatment from their governing body have no means of redress other than judicial review. The Department has limited expertise in, or resources for, investigative work and casework is necessarily limited.

The greatest volume of cases that currently come to the Department for Children, Schools and Families (DCSF) is in relation to SEN at around 900 qualifying complaints p.a. Some of the reported contacts are, however, enquiries on general policy issues rather than parental complaints that have been through school complaints procedures. These would not go to the new complaints service. This gives us an estimate of 2200 cases p.a. that currently come to DCSF (the points at paragraph 13 below should be noted).

On the basis of the LGO’s estimated cost of £750 per complaint we estimate that the full Service would cost around £1.65m p.a. The costs for the transition from legislation through the pilot stage to full rollout: we expect to be in the region of £2m, this includes start up costs for the pilot.

## **COSTS**

We expect transition costs to the LGO to reach up to £2,000,000. Some LAs and central government body (DCSF) that currently handle qualifying complaints will transfer their role to an independent body (LGO) and, therefore, the cost of dealing with these complaints. We expect at least 2,200 (excluding those dealt with separately by LAs) complaints, with an estimated cost per complaint of £750. We are assuming costs increase 2% a year.

The number of complaints dealt with by LAs is unknown and research will be carried out to explore practices, costs and effectiveness.

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<sup>5</sup> There are no proposals to replace the existing arrangements for independent appeals and panels which consider admissions and exclusions or to change the arrangements for considering disputes about special educational needs and disabilities which fall within the remit of the Special Educational Needs and Disability Tribunal (SENDIST). The parents’ complaints service’s role is distinct from that of Ofsted. Parents may complain to Ofsted if they have concerns about the provision in their child’s school. Ofsted’s role is to consider complaints which raise concerns about standards or pupil well-being in the school as a whole, where parents have exhausted local procedures and remain dissatisfied. Its complaints role does not extend to individual cases.

Costs Net Present Value (3 % discount rate) = £ 44,880,667

The LGO would have various remedies at his disposal, the cost of which should be considered as a transfer from LGO to pupils/families who receive those remedies, being the net cost/benefit zero.

## **BENEFITS**

If this policy is able to reduce bullying and related issues by 1 percentage point then, as evidence suggests (See Brown S. & K. Taylor (2008): “*Bullying, education and earnings: Evidence from the National Child Development Study*”, Economics of Education Review 27, p. 387- 401), the salary of those affected by bullying and similar problems at age 33 will rise around 5 %, matching those of standard pupils (£24,908 median full-time salary in 2008 – Annual Survey of Hours and Earnings, Office for National Statistics). We expect the median full-time salary to rise over the years as will the salary of those who suffered from bullying and other issues. We assume monetary value of the gap between the former and latter will remain approximately similar over time and from the year they join the labour market (we assume at age 16-17).

Here, we are looking at the increase in the salary of those affected positively by this policy over a period of 15 years and until the individual reaches age 33. That is to say, we assume the policy is in force during 15 years. Nevertheless, its benefits on pupils’ earnings will spread over their lifespan. However, in our case, given that the evidence available looks at wages at the age of 30-40 (see paper mentioned above), we will constrain our analysis of the effects of this policy on people’s earning until age 33. So, for example, if we assume that the policy comes into force in 2012, our analysis includes the benefits for those affected until the year 2027, and then until pupils who benefited at year 2026 reach age 33, i.e. until 2042.

Benefits Net Present Value (3% discount rate) = £ 394,527,120

This policy will have a net benefit if it resolves the problems related to 1 in 8.8 complaints.

## 2.2b Governing Body Complaint Procedures in Wales

### **RATIONALE**

The Welsh Assembly Government (“WAG”) receives correspondence regularly, mainly from parents, alleging that governing bodies have not considered complaints properly or at all. WAG officials have also sought the opinions of local authority governor support officers, who work closely with governing bodies across Wales, about how well governing bodies deal with complaints. WAG has concluded that many governing bodies too often do not handle complaints well.

The reasons for this are that some governing bodies do not have a complaints procedure at all; they have an inadequate procedure; they rely on WAG guidance documents as a substitute for a complaints procedure; or they rely on local authority guidance or model policies which themselves are not fit for purpose.

Consequently, too many complaints take too long to resolve and are not handled properly. The Welsh Assembly Government’s Living in Wales Survey into Citizen’s Views of Public Services reported that in 2006:

- 32% of parents with children in primary school education felt fairly or very dissatisfied with how their complaint was handled; and
- 31% of parents with children in secondary school education were also fairly or very dissatisfied with complaint handling.

The *Living in Wales Survey* points to a high level of dissatisfaction amongst parents about how complaints to schools are handled. Some of the dissatisfaction can probably be attributed to parents having unreasonable expectations but even so a significant level remains. Parental satisfaction is bound up with confidence in schools and the education they provide. In turn that is probably reciprocated with parents being more willing to support schools if they feel that they and their views and complaints are listened to and dealt with properly. This complex relationship between schools and parents builds a bond that can indirectly help schools raise their performance by building parental support and interest. Effective complaint handling is a way to identify and put right undetected problems or to nip them in the bud. It can also be a source of suggestions and new ideas.

### **AIMS AND OBJECTIVES**

Welsh Ministers believe that the most effective solution to this problem is to put in place a standard procedure in all maintained schools. This will:

- put in place a model procedure put together by people experienced in school governance;
- simplify complaint handling because only one policy would be in use in Wales; and
- clarify for governing bodies and the public what to expect, again because only one procedure would operate in Wales.



A model procedure should eliminate many of the problems caused by lack of, weak, or inadequate procedures. It would also make it easier for the WAG to determine if a governing body had failed to act reasonably or to discharge its duties in those cases where a direction of a governing body is considered under Ministerial powers in sections 496 / 7 of the Education Act 1996.

A governing body would have to make the complaints procedure public –the Welsh Ministers would have the power under this amendment to specify in regulations how and where the procedure should be publicised. A governing body would also have to continue to have regard to any guidance from Welsh Ministers about the complaints procedure, its publication and handling complaints. The model procedure would not replace statutory procedures established for complaints outside the scope of section 29, for example admissions decisions.

## 2.3 School Health Check Report

### **RATIONALE**

The Government's principles for public service inspection state that inspection should be proportionate to risk. Ofsted is required to perform its functions having regard to the need to be efficient, effective and user focused.

The Government believes that the current school inspection arrangements in England are not sufficiently flexible to enable inspection to be tailored to the particular circumstances of schools. The 'health check' statement, which the Bill provides for, is an integral part of plans to address this for the second cycle of 'section 5' school inspections, which commences in September 2009.

It is intended that a more differentiated and proportionate system of school inspection will operate in future whereby schools that are judged to be satisfactory or inadequate continue to be inspected within three years, but schools judged good or outstanding have a longer interval between school inspections, of up to five years, with a published 'health check' statement in the interim. The 'health check' is intended to provide parents and others with up-to-date information about the performance of schools in the context of a potential five year gap between inspection visits. Consultation evidence has shown that parents value regular inspection of schools.

### **COST / BENEFIT ANALYSIS**

The figures given, which have been provided by Ofsted, are modeled on both a five year cycle. The net savings to the school system delivered by the new arrangements are estimated to be approximately £1.63m per annum.

The development costs for the enhanced annual risk assessment of all schools are estimated as being £600,000.

The anticipated savings to Ofsted resulting from good and outstanding schools having a health check instead of an inspection at the three year point are £4.6m. The precise savings will be dependent on the price that can be achieved from negotiations over the new inspection service provider contracts, the process for which is yet to conclude.

#### *Assumptions*

The changes from autumn 2009 onwards that will have the biggest implication in cost terms to schools are:

1. Reduction in the frequency of inspection for good/outstanding schools.
2. Increased monitoring visits and inspections for satisfactory schools.
3. Alignment of early years' and school inspections into a single inspection event.

It is assumed that:

- the changes made to the inspections themselves will be cost neutral in relation to the school
- the distribution of the health check statement to parents at the three year point, will not incur additional costs to schools because the statement is in place of an the inspection report
- there will be the same approximate proportions of schools by overall effectiveness grade as now
- there will be approximately the same number of schools in the future as there are now
- the average salary derived from the latest published DCSF data will be valid for the years in question

#### *Underpinning evidence base*

##### *Reduction in the frequency of inspection for good/outstanding schools (6 year cycle)*

There are currently approximately 14,387 good and outstanding schools. Inspecting 1/3 per year equates to 4,796. Inspecting 1/6 per year equates to 2,398 per year.

This delivers a reduction of 2,398 inspections per year. Apportioning this figure by size of school and applying the estimated cost per inspection detailed below, provides a saving of £2.44m per year.

##### *Increased monitoring visits and full inspection for satisfactory schools*

There are currently approximately 7,671 satisfactory schools. Monitoring 5% (the current position) equates to 128 visits per year. Monitoring 35% equates to 894 visits per year, plus inspecting 5% (full inspection) equates to a further 128 inspections per year.

This delivers an increase of 767 monitoring visits and 128 full inspections per year. Apportioning this according to size of school and applying the estimated cost per visit detailed below, gives an associated cost of £350k.

##### *Aligning early years and school inspection into a single inspection*

There are 565 early years registered provisions which are managed by maintained schools. These will now be inspected at the same time as the school as part of the EYFS provision for 0-3 year olds, whereas previously 0-3 year provision was inspected separately. There would have been 141 separate inspection visits per year (4 year cycle). Subsuming these into section 5 inspection delivers a saving of £27k per year.

#### *Overall net savings*

The net savings to the school system delivered by the new arrangements are estimated to be approximately £1.63m per year.

*Explanation of how the costs / benefits have been derived*

The 2007 National Foundation for Education Research impact study of school inspection found that 62% of schools reported a significant cost in terms of preparation time for an inspection. It has therefore been assumed that 62% of schools use 2 head teacher days and 2 senior management team days in preparing for inspection.

11% of schools cited significant actual costs resulting from inspection, which included photocopying or printing costs. As the majority of schools felt this was minimal, nothing has been included here.

It is assumed that every head teacher spends all their time during the one or two on-site days fully involved in the inspection. An estimate for the average head teacher salary is £44k pa for primary and £60.5k pa for secondary\*.

Estimates for the amount of senior management team time have been included in the table below. An estimate for average salary is £38k for primary and £45.4k for secondary.\*

It is assumed that there is no preparation time for a monitoring visit.

Other staff (e.g. teachers), are sometimes interviewed during the inspection, or are given one to one feedback on their lesson if observed, however this time is usually minimal so not included here.

It is assumed that aligning early years inspections of 0 – 3 year old provision and school inspection will only have an impact on the school where the early years provision is managed by the school. It has been assumed that this will reduce the burden on schools receiving these early years inspections by 1 Headteacher day, worked out at the primary school rate.

Number on roll	Time spend preparing (days)*		Time spent during inspection (days)		Average Cost (£)	Time spent during a monitoring visit (days)		Average Cost (£)
	Head-teacher	Senior management	Head-teacher	Senior management		Head-teacher	Senior management	
0 – 50	1.2	1.2	1	½	716	1	¼	230
51 – 150	1.2	1.2	2	½	907	1	¼	230
151 – 250	1.2	1.2	2	½	907	1	¼	230
251 – 400	1.2	1.2	2	1	990	1	½	270
401 – 800	1.2	1.2	2	1	1,294	1	½	360
801 – 1100	1.2	1.2	2	2	1,492	1	1	460
1101 – 1400	1.2	1.2	2	2	1,492	1	1	460

1401 +	1.2	1.2	2	2	1,492	1	1	460
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\* Assuming 2 days prep for 62% of schools, this works out to an average of 1.2 days per school

- Headteacher and senior manager salary based on DCSF statistics: <http://www.dcsf.gov.uk/rsgateway/DB/VOL/v000633/Additionalk.xls>
- NfER impact survey : [http://www.ofsted.gov.uk/Ofsted-home/Publications-and-research/Care/Childcare/Impact-reports-2007/\(language\)/eng-GB](http://www.ofsted.gov.uk/Ofsted-home/Publications-and-research/Care/Childcare/Impact-reports-2007/(language)/eng-GB)
- Assumed 230 working days per year, to work out daily staffing cost
- Have assumed schools with less than 400 on roll have staff paid according to primary school average salary, those with 401+ have secondary school salary applied.

*Anticipated savings resulting from the deferred inspection of good and outstanding schools at the three year point*

1. Any anticipated savings are based on the change in the inspection cycle from three to five years. Savings will also depend on the price that can be achieved from negotiations over the new inspection contracts.
2. The anticipated BRE savings for the move from a three to a five year cycle are £4.6m.

## **EVALUATION**

It is intended that the effectiveness of this policy will be evaluated in 2011.

## 2.4 Statutory Guidance on Schools Causing Concern

### **BACKGROUND**

LAs currently have powers to issue warning notices to enable LAs to take early and effective action to tackle weak school performance before they result in school failure. If governing bodies do not comply with a notice to the LA's satisfaction, LA intervention powers become available to require a school to make arrangements for advisory services or to take a partner. Alternatively the LA may take back a school's delegated budget, add additional governors or replace the governing body with an interim executive board (IEB). Warning notices are considered to be underused resulting in too many schools being placed in special measures or significant improvement, which LAs could have prevented. This intervention is to be introduced to reduce the higher costs of monitoring and support that occur once a school has been placed in a category by Ofsted.

The Bill will give the Secretary of State (SoS) powers to direct a LA to consider the use of a warning notice when the standards of pupil performance at a school are unacceptably low; and the definition of unacceptably low will be widened to include pupils' progress in relation to expected levels. The SoS will also be able to appoint additional governors or replace a governing body with an IEB when a warning notice has been issued.

The SoS will also be given a power to require LAs to take advisory services where they have a disproportionate number of schools where standards are unacceptable low and the LA has been ineffective in remedying these low standards.

### **RATIONALE**

There is evidence that, since the Education and Inspections Act 2006 was implemented in April 2007, local authorities have not used warning notices in line with the guidance. This evidence includes:

- Cases where a school has fallen into special measures on inspection, some 18 months to two years after the local authority first documented the grounds for concern, which were then confirmed by the Ofsted judgement.
- The apparent absence of local authority action in cases of long-standing low attainment, both primary and secondary. For example, there are currently 104 primary schools where Key Stage 2 level 4 attainment rates in both English and mathematics have been below the Government's 65% floor target for five or more years. Most of these schools are not in a formal Ofsted category of concern. The majority have low contextual value added scores, suggesting that the persistently low attainment cannot be fully explained by difficult local circumstances.

- The relatively small number of valid warning notices issued since April 2007, despite a large number of potential candidates. Although it may be argued that the small number of such warnings reflects authorities' successful negotiations with their schools and the most effective local authorities have their own systems in place for identifying and risk assessing their own schools. The evidence above for long-standing problems suggests that this approach is not universal and some wait for Ofsted to confirm problems.

There are two groups of schools outside Ofsted categories where more decisive action may need to be considered:

- Schools that are badly and sharply declining in performance, including some of those currently just above the Government's primary and secondary floor targets, but in imminent danger of dropping below; and
- Those schools that have been stuck with low attainment and little or no improvement for several years.

These considerations apply equally to maintained primary and secondary schools.

## **BENEFITS**

The benefits of earlier intervention are less school failure and a reduction in costs.

The average costs for a secondary school in special measures are estimated at £400,000 and for one in significant improvement at £50,000. The average costs for a primary school are estimated at £150,000 for primary schools in special measures and £10,000 for primary schools in significant improvement.

On average 10 secondary and 30 primary schools per year are placed in special measures and 20 secondary and 60 primary schools per year in the significant improvement category.

Assuming that approximately 25% of future Ofsted failures are detectable by local authorities at least 12 months before inspection – allowing the authority time to negotiate, warn and practice early intervention – this gives an approximate total benefit of £2,500,000 per year.

The main assumption made in this calculation is that, while costs of turning round a school from special measures (or under notice to improve) may be highly variable, the typical average cost for secondary schools in terms of local authority resources is about £400k for a secondary school and £150k for a primary school. Both these costs will accumulate over the period of special measures – typically 20 months for secondary schools, and 16-18 months for primary).

We believe these estimates are conservative.

## **COSTS**

The actual cost to the local authority of issuing a warning notice and, for example, creating an interim executive board (IEB) – the commonest form of intervention – may be relatively low at £5,000.

The subsequent action for the school may be more expensive. The assumption made here is that in each school some staff restructuring takes place, with typical average costs in the region of £80k for secondary schools and £20k for primary.

The total estimated costs therefore are:

<b>Action</b>	<b>Cost £k (secondary)</b>	<b>Cost £k (Primary/special)</b>
Issuing warning notice (LA cost)	1	1
Appeal if applicable (school cost)	1	1
Replacement of GB (LA cost)	3	3
Rectifying problem – e.g. restructure)	80	20
<b>Total</b>	<b>85</b>	<b>25</b>

Again, assuming that intervention takes place for approximately 25% of future Ofsted failures, this gives a total annual cost of approximately £800,000. The estimated net annual cost benefit of encouraging more warning notice legislation therefore amounts to about £1.7 million per annum.

We have estimated these costs from considering key areas contributing to the recovery of schools set out in the National Audit Office report “Improving poorly performing secondary schools” 2006 and our own Departmental school intervention budgets (paid to local authorities through Standards Fund).

### **Impact of new advisory services**

In the short term there may be additional initial costs associated with any requirement for a local authority to take (or contract out) part of its school advisory service. In the long term, there would almost certainly be benefits, probably greater than the initial costs) from improvements in the relevant schools – e.g. from reduced risk of failure and greater numbers of pupil qualifications. This direction will rarely be used – probably only in a very small number of local authorities where there are large proportions of schools stuck with unacceptably low standards. Costs of this intervention would vary with the scale of the requirement, and with the number of schools involved. At one end of the scale, the requirement to take advice might represent naming a strong local school to provide advice to a very weak one. This would represent no burden on the LA, and the strong school would almost certainly receive additional funding from DCSF as part of the National Challenge programme for low attaining secondary schools.



In a large authority with a disproportionate number of failing schools, the operation could be fairly substantial. In severe cases of failure, the total costs of additional advice could be of the order of £50k/school, plus the initial start up cost of procuring the contract. The average total cost of this rare intervention would, however, be much lower, and probably in the total range of £50-100k/annum per LA. The authority would, however, save a high percentage of this cost per school (estimated at around 75%) because its own staff would not have to provide the advice to the LA's most difficult schools. Net extra cost might therefore only be a maximum of around £12.5k per school. The normal arrangement would be for DCFS to pay start-up procurement and part of the contract, representing the additional costs beyond the expected savings from reductions in advisory services in the LA.

### **Benefits**

- Pupils would receive a better education more quickly and life chances improve;
- It will mean faster and less expensive intervention for the local authority;
- School's reputation may not be damaged so less surplus places and viability not threatened; and
- An estimated net annual gain to the taxpayer of about £9 million based on the cost benefit of preventing formal failure.

### **EVALUATION**

Constant evaluation of success of policy by Ofsted (who under current legislation should receive a copy of each warning notice and maintain data) with school inspections, monitoring of schools categories and warning notice appeals; reports to LAs from School Improvement Partners (SIPs) and National Challenge Advisers; and National Strategies regional teams' monitoring of LA support for schools causing concern.

Ofsted inspections would judge whether warning notices make any difference to the outcomes of pupils. There is, therefore, potential for evaluation here to test how this government intervention leads to more positive outcomes for children and young people. However, with the small amount of warning notices that are issued, it would be difficult to evaluate whether they make a difference in terms of pupil performance as the results are likely to be statistically insignificant and it would be difficult to separate the effects of the warning notices with effects of other improvements on child outcomes.

## 2.5 School Teachers' Pay & Conditions Document

### **BACKGROUND**

The Education Act 2002 gives the Secretary of State power to issue guidance on teachers' pay and conditions to which those concerned must have regard. Each year, an order is made which sets out the statutory requirements for teachers' pay and conditions for maintained schools in England and Wales by reference to a document, the School Teachers' Pay and Condition Document.

There is evidence that some schools do not comply with all the provisions in the Document.

The new provisions in the Bill will introduce a system of teachers' pay and conditions warning notices which will:

- allow LEAs to issue a notice to the governing body of a maintained school where the LEA is satisfied that the governing body has failed to comply, or failed to secure compliance by the head teacher, with the provisions of an order relating to teachers' pay and conditions .
- enable the Secretary of State to direct a LEA to consider issuing a notice, in the terms set out in the direction, where the governing body of a maintained school is non-compliant or has failed to secure compliance by the head teacher with the provisions of such an order ;
- enable the Secretary of State to direct a LEA to give a notice to the governing body in the terms specified in the direction and, where relevant, to withdraw any previous warning notice given.

The clause and schedule also set out that if a teachers' pay and conditions warning notice is issued and, after a compliance period of 15 days, the school has not complied with the notice, then the school will become eligible for intervention, and the Local Authority's and the Secretary of State's current powers under Part 4 of the Education and Inspections Act 2006 would be available (save for those powers set out in section 63 which give a LEA the power to require a governing body to enter into a contract or arrangement with a view if improving performance and those set out in section 68 which give the Secretary of State to direct the closure of a school). These are:

- section 64 (Power of the LEA to appoint additional governors)
- section 65 (Power of LEA to provide for governing body to consist of interim executive members)
- section 66 (Power to LEA to suspend right to delegated budget)
- section 67 (Power of Secretary of State to appoint additional governors)
- section 69 (Power of Secretary of State to provide for the governing body to consist of interim executive members).

### **RATIONALE**

The statutory provisions in the School Teachers' Pay and Conditions

Document (STPCD) are a key part of the Government's agenda to raise standards in schools. Many of them, in particular those that were first outlined in the National Agreement on Raising Standards and Tackling Workload (signed in January 2003), are designed expressly to free teachers and heads in order to spend more time in work that will improve teaching and learning within a school, for example by:

- freeing teachers from being routinely required to undertake administrative and clerical tasks and cover the work of absent colleagues, while giving them guaranteed time for lesson planning and preparation and for pupil assessment; and
- giving headteachers and other leadership group members a reasonable allocation of time within the school day to focus on their leadership and management (and headship) responsibilities .

At the moment the only means of enforcing compliance are through legal action brought by individual employees against their employers, on the basis that their contractual rights have been breached, or by individuals (or groups) taking industrial action.

We do not believe that these arrangements are appropriate or sufficient, for the following reasons:

- Individual action through litigation would be costly and time-consuming for the individual and the school concerned – as well as for the court/tribunal services, and possibly also to the legal aid budget. We know of no instances of an individual taking legal action but believe that legal action is an inappropriate means of enforcing compliance as the problem does not affect one individual in a school but affects many teachers and, potentially, all teachers within a non-compliant school. To seek to remedy a systemic fault through legal actions brought by individuals is inappropriate and wasteful of resources.
- The requirements in the Document are negotiated and agreed by Government, employers and teachers' representatives. They have statutory force and all maintained schools must abide by them. It is unreasonable to expect teachers themselves to have the sole responsibility for enforcing statutory provisions.
- When left to the market, what we believe is a small minority of schools fail to comply with the requirements of the Document because they do not have sufficient incentives to comply (even the threat of some teachers leaving or going on strike may not deter them from complying). The proposals that are included in the Bill are intended to address this market failure by creating a new incentive for this small minority of non-compliant schools to comply or risk a warning notice. The government's intervention is justified by the benefits that would accrue to teachers, schools and pupils as a result of even more schools than now being compliant.

### *Extent of Implementation*

The evidence on the extent of non-compliance is mixed. On the one hand, a report by OfSTED in October 2007 “*Reforming and Developing the School Workforce*” commented that “*almost all the schools visited had met the statutory requirements*”. Similarly, 95% of the 618 school leaders who responded to the Headspace survey carried out in March-April 2008 said that they were implementing, had plans to implement, or were already fully implementing PPA time, and 89% said the same for “workforce reform.”

However, in March 2008, the National Association of School Masters/Union of Women Teachers (NASUWT) published a workload audit of its members which found that:

- 5% of respondents had been denied planning preparation and assessment (PPA) time; and
- 37% said they were directed to do activities not related to PPA in PPA time – this included 27% who were directed to cover for absent colleagues in PPA time.

In April 2008 the National Association of Head-Teachers (NAHT) reported findings from its survey of members that:

- 48% of head teachers received no Dedicated Headship Time;
- 15% of deputy and assistant head teachers received no leadership and management time; and
- 37% of NAHT members who taught at least 16 hours a week did not receive any PPA time.

Finally, a poll by the Times Educational Supplement (TES), reported in September 2008, which received responses from 3,453 classroom teachers and nearly 200 heads and deputies, suggested that:

- 25% of teachers thought the workforce agreement had been introduced in full;
- 47% thought that it had not been implemented; and
- 28% did not know.

### *Impact of Remodelling on Workload*

Research carried out for the Department in 2002 found that workload was the major factor in teachers’ decision to leave the profession. A further independent survey by Smithers and Robinson (published in 2003) confirmed that workload was a major reason for leaving the profession. Tackling workload was one of the aims of the National Agreement.

The 2008 TES survey reported that:

- 42% of teachers said that there had been either a small or substantial

- reduction in their workload as a result of the workforce agreement;
- 48% said there had been no change; and
- 10% reported that their workload had increased.

These figures are encouraging, but overall teacher workload has not fallen substantially. The latest Teachers' Workload Survey (September 2008) suggests that, while there has not been a large reduction in teacher workload since 2003, there have been small improvements. Teachers reported that they were still expected to do things that they did not think were part of their job – 20% of primary teachers and 25% of secondary teachers reported being expected to carry out administrative and clerical tasks.

Evidence suggests that, although the National Agreement has contributed to a reduction in teacher workload, other changes have increased workload. If we are to keep workload under control, it is particularly important that the National Agreement provisions are implemented in full, such as ensuring that teachers are not required to carry out administrative tasks that do not require their professional skills and expertise.

#### *Impact of Remodelling on Raising School Standards*

An Ofsted report *Reforming and Developing the School Workforce* (October 2007) found that “the reforms have resulted in a revolutionary shift in the culture of the school workforce. Teachers' time and work are now focused more directly on teaching and learning:

“A key principle of the national agreement, which was to provide time for teachers to focus on teaching and learning, had been realised in nearly all of the schools visited. However, as most of the schools did not monitor and evaluate the impact of the reforms on pupils' learning, they had little firm evidence to show whether standards were rising as a result.

“Although the majority of the schools visited could identify improved provision for teaching and learning from the time released by workforce reform, and most teachers perceived that their teaching had improved, only a few could provide evidence of any impact on pupils' learning. Most schools considered that conditions were being established to raise standards, but that this was more likely to be achieved in the medium and long term.”

### **COST / BENEFIT ANALYSIS**

We are aware, through the Social Partnership, of isolated cases of non-compliance and we have evidence that many teachers believe that their schools are non-compliant in at least some respects. However, we do not have reliable figures on how many schools are non-compliant.

We assume most in this category are non-compliant not by design, but by accident, because of misunderstanding or misinterpretation of the provisions. We also assume that there are very few, if any, schools that are non-compliant in every single respect.

For both these reasons it is difficult to quantify the costs and benefits of the changes.

Costs and benefits fall into two categories: those which arise from schools that have not yet done so becoming compliant; and those which arise from the new enforcement process. The two types are addressed separately in the tables below. Given that schools should already have incurred the costs – and reaped the benefits – of compliance, the key additional costs and benefits are those arising from the new enforcement procedures.

<b>Costs and benefits arising from school becoming compliant</b>		
<b>For</b>	<b>Costs</b>	<b>Benefits</b>
<b>Currently compliant schools</b>	<p>Compliant schools need do nothing and will face no additional costs.</p> <p>Many schools may face a cost in terms of headteacher or deputy headteacher time, as school leaders remind themselves of the statutory provisions and assess the extent to which they are currently compliant.</p>	No additional benefits.
<b>Non-compliant schools</b>	<p>There may be the following additional one-off costs, which will vary from school to school:</p> <ul style="list-style-type: none"> <li>• management time in considering and making new arrangements for various aspects of work eg by re-timetabling, transferring tasks to support staff or securing more cover;</li> <li>• training needs fir support staff to enable them to take on new duties;</li> <li>• costs arising from the need to recruit and train new staff.</li> </ul> <p>Schools which have to employ additional staff (or increase the hours of existing staff) in order to be compliant will also have to bear recurring costs.</p>	<p>The benefits will depend on the exact nature of the non-compliance, but could include:</p> <ul style="list-style-type: none"> <li>• efficiencies from transferring admin tasks from teachers to support staff and redeploying teachers more productively;</li> <li>• increased effectiveness of teachers as a result of greater preparation time;</li> <li>• better assessment of pupils and teaching differentiation;</li> <li>• more effective leadership and management of schools;</li> <li>• increased effectiveness of NQTs undertaking induction;</li> <li>• Increased effectiveness of teachers as a result of better performance management;</li> <li>• better industrial relations;</li> <li>• lower stress levels and workload for teachers, resulting in lower staff turnover and reduced sickness absence;</li> <li>• improvements in staff motivation and morale.</li> </ul>
<b>Local</b>	May face a temporary increase	LAs will have less need to

<b>Costs and benefits arising from school becoming compliant</b>		
<b>For</b>	<b>Costs</b>	<b>Benefits</b>
<b>authorities</b>	<p>in the number and scale of requests from schools for advice and guidance on compliance (though they are already funded by the Training and Development Agency for Schools (TDA) to support and challenge schools in this area.</p> <p>Potential need to review of support staff job descriptions and related amendments to support staff terms and conditions.</p>	<p>challenge non-compliant schools which will release support capacity.</p> <p>More contented and effective teaching workforce and more motivated and challenged support staff.</p>
Self-governing schools	Job descriptions of school support staff may need to be reviewed, and where necessary current terms and conditions revisited.	More contented and effective teaching workforce and more motivated and challenged support staff.
Teachers	No costs to individual teachers, except insofar as the additional work involved in assessing current arrangements and implementing new ones might temporarily increase workload for school leaders.	<p>Teachers will benefit from their statutory entitlements. The details will depend on the nature of the previous non-compliance, but might include:</p> <ul style="list-style-type: none"> <li>• reduced workload;</li> <li>• reduced stress;</li> <li>• greater feeling of professionalism.</li> </ul>
Support Staff	Any job realignment may mean that some support staff identify learning needs that will need addressing in order that they can effectively carry out their full responsibilities.	As initially envisaged within the National Agreement, correct application of the STPCD has the potential to offer support staff access to expanded roles, improved choices and career opportunities. In future, the School Support Staff Negotiating Body will develop a national pay and conditions framework that will allow all school support staff to have their roles properly and fairly assessed ensuring they are fairly rewarded for the work they do.



<b>Costs and benefits arising from school becoming compliant</b>		
<b>For</b>	<b>Costs</b>	<b>Benefits</b>
Courts/ Tribunals/ Legal Aid	None	See next section

*Costs and benefits arising from new enforcement process*

Under the current arrangements, any member of the school workforce who believes that they are being denied their statutory or contractual entitlements, can make a complaint under the school's grievance procedure. If this cannot be resolved, they can take action in a court or employment tribunal.

Where such complaints relate to non-compliance (rather than, for example, a grievance by one isolated member of staff), there is also a process – known as “issue resolution” in which social partners, LAs the TDA and ultimately the DCSF (or WAG) become involved in attempting to ensure that the school becomes compliant. That has proved to be a time-consuming process, not least because there are no clear consequences for non-compliant schools.

The new arrangements are expected to be used only very rarely. We expect the majority of what we believe to be a relatively small number of currently non-compliant schools will fall into line without the need for enforcement. The costs and benefits outlined below will apply only where schools choose not to do so and remain non-compliant.

<b><u>Costs and benefits arising from new enforcement process</u></b>		
<b><u>For</u></b>	<b><u>Costs</u></b>	<b><u>Benefits</u></b>
Schools	May incur additional admin costs in responding to LA notices – though no higher than the current costs involved in responding to queries from LA, TDA or DCSF.  Possible implications for school's image and reputation locally if school is known to be in receipt of a LA notice and/or if LA takes intervention action.	Reduced risk of court challenge or industrial action by dissatisfied staff.  Clarity on consequences of non-compliance.
Local authorities	Admin cost in considering warning notice– though unlikely to be any higher than the current costs of resolving	Reduced risk of court challenge or industrial action by dissatisfied staff.

<b><u>Costs and benefits arising from new enforcement process</u></b>		
<b><u>For</u></b>	<b>Costs</b>	<b>Benefits</b>
	issues in non-compliant schools  Additional admin costs involved if LA takes intervention action .	Provides lever to ensure compliance with resulting benefits to schools.  Clarity of process.
Teachers	None	Will not have to take enforcement action themselves and so less risk of legal costs.  Reduced likelihood that industrial relations generally and/or personal relationships within school will be adversely affected  Additional leverage to ensure compliance.
Courts/ tribunals/ Legal Aid	None	Reduced risk of STPCD associated cases in system.
Government	Potential additional admin costs in considering individual cases – though these may no higher than the current costs involved in investigating and responding to complaints of non-compliance.  Additional admin costs involved in requiring LA to consider [or take] intervention action.	Reduced risk of industrial action – both at local and national level.  Government policy is implemented, resulting in desired outcomes (contribution to reduced workload and higher standards)

### *Summary of costs and benefits*

The available evidence suggests that the main benefits of introducing compliance procedures would be on a range of intermediate outputs that arise from increased compliance resulting in a decreasing teacher workload. These benefits include the reduced potential costs to schools and LAs of covering for stress-related absence and of recruiting new staff to replace those who had left their school or the profession. Evidence is beginning to emerge of a positive link between remodelling and pupil attainment so the benefits also include increased effectiveness of teachers who are able to spend more of their time on the key activities that support teaching and learning, are able to plan and prepare classes more effectively, and are better able to personalise

their teaching to suit the needs of all their pupils.

A whole range of factors contribute to teachers' workload and effectiveness and these will differ between schools, and between individuals in the same school. Isolating the difference that our workforce reforms have made nationally is therefore not a simple process and for that reason we have not produced a monetarised cost benefit analysis.

This proposed intervention seeks to ensure that all schools comply with the terms and conditions set out in the STPCD. For most schools, the costs of becoming compliant were incurred in the period between 2003 and 2005, during which school funding was increased substantially to allow schools to employ more support staff. Schools can avoid the administrative costs involved in the enforcement procedures by becoming compliant.

#### *Potential Savings estimated from Teachers' Workload Survey*

Evidence from earlier DCSF/HMT efficiency calculations suggest that in 2007-08 classroom teachers spent an estimated total of 1.2m hours per week on administrative tasks. This is equivalent to the work of 26,000 full-time equivalent classroom teachers; and it would take 29,000 full-time equivalent support staff to carry out the same administrative tasks. If all these administrative tasks were carried out by support staff, instead of teachers, then the annual gains would be around £600m. However, it is doubtful that that figure is a complete and final calculation of the gains that would be made as two relevant factors remain unknown. We do not know how much of the administrative work being done by teachers is a result of non-compliance by schools. Further, it does not seem realistic to assume that no administrative tasks will be carried out by teachers.

It is, however, possible to take the 2008 Teachers Workload Survey perception responses (see the paragraphs above) as an indication that there is some non-compliance with the statutory provision that teachers cannot routinely be required to carry out a range of admin tasks. In the survey 20% of primary teachers and 25% of secondary teachers reported being expected to carry out administrative and clerical tasks. If all of the admin tasks done by 20% of teachers were transferred to support staff, the potential gains might fall in an indicative range of around £120m per year.

## **EVALUATION**

We will continue to seek evidence on the level of non-compliance, but are unlikely to achieve a definitive figure. We will also monitor the number of cases in which local authorities issue schools with compliance notices.

In 2007, DCSF commissioned a survey into the impact of workforce reform. The report will not be published until the early Summer of 2009, but preliminary findings suggest that the impact of the reforms, in particular the introduction of guaranteed time for planning, preparation and assessment (PPA) has been positive (details set out above).

A report by Ofsted, *The Deployment, Training and Development of the Wider School Workforce* (November 2008) has identified that monitoring and evaluation by schools of the impact of workforce reform had improved since its October 2007 report. The schools visited “were more effective in monitoring and evaluating the impact of the wider workforce on pupils' learning. They used more reliable indicators to assess outcomes against specific targets, which related pupils' attainment, priorities in the school development plan, the objectives of local and national initiatives, or the recommendations of inspection reports.

An additional report from Ofsted in this area is expected in November 2009, and that will be followed up by further work in 2010-11.

## 2.6 School Support Staff Negotiating Body

### **BACKGROUND**

The drive for this policy came about as a result of workforce remodelling in schools that brought changes to teachers' contracts helping them to focus on teaching and reducing their workload. These changes were achieved by deploying more support staff in schools, developing new and different roles and a broader range of responsibilities. However, these changes have, over time, also given rise to concerns that:

- individual terms and conditions of support staff do not reflect these changes; and
- the significant increase in numbers of support staff, coupled with growth in the range and depth of skills required has resulted in pay structures that have not kept pace with the changing role and contribution to educational delivery.

As employers of staff in; community, voluntary controlled and community special schools; community and voluntary controlled maintained nursery schools; and Pupil Referral Units, the local authority is currently responsible for payment of salaries. Individual school governing bodies recommend the grade and remuneration on which a member of support staff is appointed. Regulations already in place require that the recommended grade is on the scale of grades applicable to all employees within the local authority. Currently, with the exception of three local authorities, all local authorities utilise the National Joint Council (NJC) for Local Government Services, therefore, providing some degree of uniformity across the authority. In foundation and voluntary aided schools, and foundation and voluntary aided maintained nursery schools, the governing body has the autonomy to set the pay and conditions for support staff and is under no obligation to consider using the NJC arrangements in any review of the pay or grading of support staff.

One of the outcomes of the remodelling of the whole schools' workforce is that school support staff have been provided with quality jobs with a requirement for job related specific skills sets. As a result, the NJC pay and conditions framework for local government staff no longer provides a suitable framework for determining their terms and conditions.

In recognition of the impact of workforce reforms on support staff job roles Jacqui Smith (the then Minister for Schools and 14-19 Learners) commissioned a review of support staff employment issues which proposed that a new Negotiating Body for support staff should be considered further. This would be set up outside of the existing local government framework.

This School Support Staff Negotiating Body (SSSNB) will act as an authority on the pay and conditions of all support staff in all maintained schools in England. It will be comprised of members who represent the interests of

school support staff organisations and school support staff employer organisations, an independent chairperson and non-voting membership from the Training & Development Agency for Schools. The Secretary of State will be represented in a non-voting capacity by DCSF officials. The SSSNB will develop and put plans in place to implement a pay and conditions framework specifically for school support staff and will provide for national consistency and flexibility at local level.

The SSSNB will consider matters referred to it by the Secretary of State. Agreements reached by the SSSNB will be submitted to the Secretary of State for consideration, and agreements accepted by the Secretary of State will be operable by order.

## **Rationale**

The economic rationale for this policy is in terms of fairness and reward for a specific sector of the school workforce. Without intervention, support staff follow terms and conditions of employment that do not support and appropriately reward the very specific job related skills sets required of those staff.

The lack of consistency in the current arrangements means that staff in different schools may be paid significantly different salaries, even though they have the same job role. This inequity can restrict the opportunities for the movement and development of support staff. A more consistent structure has the potential to increase the opportunities for support staff wishing to extend their experience by moving jobs, and so help spread good practice which will ultimately benefit staff, schools, LAs and pupils.

The current system has also encouraged a number of equal pay claims.

Equal pay claims may currently be brought:

- By school support staff working in community and VC schools, citing comparators also employed by the local authority;
- By non school local authority employees citing school support staff in Community and VC schools as comparators as also employed by the local authority; and
- By school support staff employed by the same local authority in different Community and VC schools.

Whilst the proposed system may not eradicate all potential for equal pay claims, it should create an improvement on the current situation by the removal of the potential for comparisons between school support staff employed in community and VC schools and other types of workers employed by the same authority to be made.

## **COST / BENEFIT ANALYSIS**

Hourly salary rates used in Tables 1 and 2 of this assessment are based on figures for 2008/09 provided by the Office of National Statistics (ONS) and are derived from the Annual Survey of Hours and Earnings Tables (ASHE), up-rated by 1.3% to cover National Insurance Contributions etc, and a further 1.8% to allow for other overheads such as accommodation. Table 3 uses hourly salary rates from the DISS (Deployment and Impact of Support Staff in Schools (Strand 1, Wave 2 – 2006)). The DISS figures are school specific and are broken down into more relevant job types. This allows more accurate figures to be calculated when looking at salary bill increases. Tables 1 and 2 use staff groupings not shown in the DISS, including LA staffing costs. For consistency, only the ONS figures have been used in tables 1 and 2.

#### *Support Staff - Costs:*

There will be no costs that directly impact upon support staff as a result of setting up this Body. It is possible that in years 2011/12 – 2015/16 some support staff may find themselves being in a position of having their salaries protected, in line with agreements reached. However, the Body will take into account how best to manage this and, whilst respecting affordability constraints, will always have the employees' best interests in mind during negotiations and when drawing up final agreements.

#### *Support Staff – Benefits:*

It has been impossible to quantify the monetary value of the benefits that the new system will bring to Support Staff, therefore, there was no opportunity to offset against any of the key costs of implementation.

Support staff will benefit from pay and conditions that properly recognise their role and contribution to school life, with resulting benefits to their motivation, morale and productivity, and in terms of reduced absence. There is evidence that the drive to ensure that teachers receive fair recognition and reward for their efforts has had a positive impact on maintaining consistently well motivated teachers, with the additional benefits that this brings to schools and pupils. There is no reason to believe that similar benefits will not be brought about as a result of the proposed changes for school support staff.

If the status quo were to persist there would be a risk that support staff would feel undervalued, and some may decide to withdraw, or reduce, their commitment to the ongoing reforms.

Although by no means a key driver for establishing the Body, some school support staff may benefit from slight increases in salaries as a result of any new pay framework developed. Such increases (illustrative costs set out at Table 3) would be a clear benefit to those support staff affected.

#### *Local Authorities – Costs:*

Local authorities are currently the employers of support staff in community and voluntary controlled schools. Anecdotal evidence suggests that under the

current system, increasing numbers of support staff are concerned that their roles cannot be properly evaluated. Any such disaffection may have associated costs, but any attempt at calculating this would be challenging. However, the introduction of Single Status in some LAs has brought about significant costs resulting from reassessments of job roles and associated back-pay and from equal pay challenges.

Local authorities would incur some costs associated with the transfer to the new system. However, the costs of making adjustments locally could be offset by the time currently invested in implementing the support staff components of the NJC framework. Data is not readily available to provide an evaluation of time currently spent so no attempt to quantify this has been made.

#### *LA Costs yr 1 & 2 – FY 2009/10 – 2010/11*

The first year of operation will require LAs and schools to reach an acceptable state of readiness in order to begin to implement what is required by the new SSSNB. It will take time for the Body to reach an agreement that will then be submitted to the SoS, and to produce appropriate guidance for LAs and schools. It is therefore unlikely that LAs will incur any costs during the second year of operation.

#### *LA Costs yr 3 – FY 2011/12*

It is realistic to believe that during 2011/12 the first agreement will be referred to the SoS by the Body and will be communicated to schools and LAs. The Body will also produce guidance on how implementation should be best approached.

Regardless of when it is agreed that support staff should transfer to the new framework, there will be some preparatory work and this is likely to begin during year 3 once guidance from the Body is received. LAs are likely to have to consider a range of actions including discussions with staff about forthcoming changes, updates in any employee communication and/or offering general advice to employees.

It is impossible to pre-empt the agreements that the Body will make on how to manage the transition of staff to the new framework. However, for the purpose of this assessment, a number of potential models and a summary of the main options have been costed:

- a) That the new framework is implemented when appointing any new school support staff from September 2011 and that all existing employees would be phased onto new framework by September 2017;
- b) That the new framework would be implemented for all school support staff by a stipulated date during 2011/12. However, it is unlikely that a date so near in the future would be practical for LAs to manage;
- c) That the new framework is implemented for specific groups of school support staff beginning from September 2011 and that additional groups are brought 'on board' over forthcoming years with all support



staff benefiting from the new framework by September 2017.

**Table 1** sets out the illustrative cost of the interaction with support staff during transition.

From discussions with stakeholders we have identified a number of the additional associated manpower and IT tasks that will potentially need to be taken forward from Year 3 onwards and which form the basis of the costs set out in **Table 2**. The tasks identified are:

- Initial briefings with head teacher and support staff;
- Discussions with trade unions at local level;
- Managerial time spent comparing current job descriptions to those from a new framework, applying any local flexibility factors, selecting appropriate pay options and understanding the specific implications for individual employee – where HR outsourced, possible amendment to the supplier contract;
- Managerial time spent to discuss with individual employee any contractual changes (including those with multiple contracts);
- Schools to quality assure any data input relevant to new term time only calculations
- Admin time to update individual's data records;
- Resource to issue new contracts;
- Management time to follow up subsequent queries/disputes;
- Management time to discuss amendments to payroll systems, including any discussion of supplier SLA/contract.

IT costs.

- Software costs to 'separate' support staff from other LA staff paid on NJC framework – potential change of contract if outsourced.

#### *Additional financial costs year 3 salary/pension etc*

It is not the intention that additional pay pressures should result from the setting up of the new Negotiating Body. However, the current structures mean that there is a dearth of data on support staff pay rates, so until the model is finalised it is difficult to provide cost assumptions. The school funding settlement for 2008-2011 has already been announced and local authorities have issued three year allocations to schools. If the SSSNB were to propose pay increases above existing pay settlements, they would have to be funded from within the existing settlement. Although some initial levelling up of salary rates may be appropriate, any overall restructuring will need to be affordable within overall school funding limits.

It is anticipated that the Body will receive a referral letter from the SoS setting out expectations in terms of affordability, a key consideration of employers during negotiations.

**Table 3** sets out illustrative transfers that will be necessary in various scenarios that could arise as a result of any new framework and can be applied to scenario b) and c) above. Table 3 also includes an illustration of

the transfers associated with the levelling of salaries resulting from the introduction of a new staffing structure. Although, in the scenarios described, there is a potential cost to local authorities of having to pay any additional wages that result from a re-evaluation of salaries there would also be a direct benefit to the support staff involved, and it is for that reason that these amounts are shown as transfers.

*Costs yr 4 -10 – FY 12/13 - 17/18*

**Tables 1 and 2** set out ongoing costs. **Table 3** transfers can be applied to any future year.

### *Single Status*

In order to ensure that equal pay requirements were taken account of, The National Joint Council for Local Government Services 2004 agreement stated that all local authorities were to complete, and implement, a local pay review by 31 March 2007. We understand that those local authorities that completed that review (Single Status) have seen an average 4-5% increase in their overall pay bill. It is anticipated that those remaining local authorities who are yet to meet that deadline will complete their reviews in the near future and certainly prior to any implementation of the proposed new framework. As this levelling process has already taken place, it is likely that any changes to rates of pay brought about by the new framework will be significantly less radical, hence the starting assessment at Annex 3 is set at 0.5%.

### *Local Authorities – Benefits*

The increasing pace of change in schools, necessary to allow every child to reach his/her full potential, provides a challenge to any framework used to decide pay and conditions to keep up. By operating a bespoke system, rather than a framework that is not adequately tailored to an educational environment, LAs will be sure that school support staff are being appropriately rewarded and should benefit from a more content workforce.

School funding allocations would be used to cover any increases to salaries following the introduction of the new framework, in the same way that they are routinely used to cover annual pay awards under the current system. In addition, from year 3 onwards, savings may result from any salaries that may mark-time, but would otherwise have been uplifted by an annual pay increase.

### *Governing bodies of foundation and voluntary aided schools – employers of support staff in these schools – Costs:*

Although they are under no obligation to do so, it is understood that approx 75% of Foundation schools already refer to the NJC framework when assessing the pay and conditions of their support staff. However, currently foundation and voluntary aided schools have autonomy to set their own terms and conditions, without reference to staff in maintained and voluntary controlled schools.

*Foundation and voluntary aided schools costs yr 1 & 2 – FY 2009/10 – 2010/11*

As above, an assumption has been made that no costs will be incurred by foundation and voluntary aided schools during these years.

*Foundation and voluntary aided schools - Costs yr 3 – FY 2011/12*

During 2011/12 the first agreement will be referred to the SoS by the Body and will be communicated to schools and LAs. The Body will also produce guidance for schools on implementation.

As with LAs, some preparatory work is likely to begin during year 3 with school governors working with members of the school leadership team to interpret guidance from the Body and then to plan and action the necessary steps to begin the process of transition to the new framework.

An assessment of realistic costs that might be incurred by foundation or voluntary aided schools from year 3 onwards has been undertaken using identical models to those assessments made for LAs:

- a) That the new framework is implemented when appointing any new school support staff from September 2011 and all existing employees would be phased onto the new framework by September 2017;
- b) That the new framework is implemented for all school support staff by a stipulated date during 2011/12;
- c) That the new framework is implemented for specific groups of school support staff beginning from Sept 2011 and that additional groups are brought 'on board' over forthcoming years with all support staff benefiting from the new framework by September 2017.

**Table 1** sets out the illustrative cost of the interaction with support staff during transition

- From discussions with stakeholders we have identified a number of additional associated manpower and IT tasks that, subject to the Body agreeing appropriate guidance for schools, will potentially need to be taken forward from Year 3 onwards and which form the basis of the costs set out in **Table 2**. The tasks identified are broadly comparable to those for community and voluntary controlled schools above, though with more of the responsibility falling on the governing body and the school's leadership and administration teams.

*Additional financial costs year 3 salary/pension etc*

Again, the narrative for LAs above will apply equally to foundation/voluntary aided schools. Table 3 sets out illustrative costs for various scenarios that could arise as a result of any new framework and can be applied to scenario b) and c) above.

*Costs yr 4 -10 – FY 12/13 - 17/18*

**Tables 1 and 2** set out ongoing costs. **Table 3** transfers can be applied to any future year.

*Governing bodies of foundation and voluntary aided schools – employers of support staff in these schools – Benefits:*

School funding allocations would be used to cover any increases to salaries following the introduction of the new framework, in the same way that they are routinely used to cover annual pay awards under the current system. In addition, from year 2 onwards, savings may result from any salaries that may mark-time, but would otherwise have been uplifted by an annual pay increase.

*DCSF - Benefits*

There has been significant growth in Support Staff to around 350,000 FTEs, or roughly 500,000 individuals. In future, it might become more difficult to continue to fill the significantly higher numbers of positions, and it will be increasingly important for support staff to receive fair rewards to ensure that recruitment and retention does not become a problem.

Better recognition, rewards and career structure will strengthen retention. This will result in savings on recruitment, induction, basic training courses and from any potential loss of productivity if replacing an experienced member of support staff with a less experienced individual. Although these areas have been identified as benefiting DCSF, they will also benefit schools and LAs. There are clear monetary savings directly linked to these benefits, however and primarily as no baseline data is collected, it has not been possible to calculate those savings in this assessment.

*Costs - DCSF yr 1 – FY 09/10 – 17/18*

The direct costs to the Department are all related to the direct operation of the SSSNB i.e. payment to the Office of Manpower Economics to provide secretariat support to the SSSNB, running costs of SSSNB meetings, fees payable to the Independent Chair of the Body and payment to Local Government Employers to provide the 'employer' side Secretariat. Those costs are outlined below;

**2009/10**

Chair - £20,000

Secretariat - £135,000

Local Government Employers - £200,000

**2010/11**

Chair – £10,500

Secretariat - £135,000

Local Government Employers - £200,000

## **2011/12**

Chair – £10,500

Secretariat - £135,000

Local Government Employers - £200,000 (ongoing funding subject to agreement in future CSR periods)

## **2012-18** (potential to increase in line with rate of inflation)

Chair – £10,500

Secretariat - £135,000

Local Government Employers - £200,000 p.a.

### *Pupils attending LA maintained schools - Costs*

No costs associated with taking this policy forward.

### *Pupils attending LA maintained schools - Benefits*

Pupils should benefit from having well motivated and valued support staff. In addition, teachers are more likely to receive better support, particularly during lessons from support staff that feel valued and have their skills properly recognised and rewarded. Greater contentment across the school workforce should be reflected in the school environment and provide an environment more conducive to learning.

### *Teachers working in LA maintained schools – Costs*

No costs to teachers will result from the establishment of, or agreements reached by, the Body.

### *Teachers working in LA maintained schools – Benefits*

Teachers are likely to benefit in a similar way to pupils. Working and being supported by well motivated and valued support staff, will ensure that teachers continue to have their time freed up so that they can do what they do best – teach. This is key to continuing delivery of the National Workforce agreement.

### *To Independent schools*

May see a flow of support staff from independent schools to maintained schools if, following the introduction of the new pay and conditions framework, it becomes more advantageous to work in a maintained school. It is not the intention that the agreements reached by the Body will significantly raise the salaries of all school support staff. There would therefore be a low probability of any workforce migration as a result of agreements reached by the Body

### *Summary assessment*

Using the hypothetical scenarios set out in Table 3, of transfers and

assumptions on the number of support staff that may be affected by the intervention, we are able to provide a rough assessment of the potential transfer of costs that would be caused by such an uplift in support staff wages. The scenarios in Table 3 set out the total increase in costs to schools and LAs that could be generated if such uplifts occur i.e. between £20.5m and £102.5m for the uplift year.

Using the assumption that 10% of the workforce would be affected by the uplift, and a total workforce of 305,600, means that 30,560 staff would benefit from such an uplift taking them to the new standard level. If these assumptions were realised, the increase in wage costs to the LAs and schools would equate to an approximate increase in wages of £700-£3,400 per person for a single year.

It is not possible to provide a more extensive analysis of the likely benefits that the support staff will receive since the level and time scale of the uplift, if any, are unknown at present.

## **EVALUATION**

Costs/transfers - It is intended that beginning with the complete financial year following the implementation of Body's first agreement, we will use DCSF Section 52 budget data outturn reports as an indication of the impact of the Body on actual salaries paid. Other costs will be more difficult to evaluate (personnel costs on transition etc) as we do not have any baseline data to use for comparison. When considering any future attempt to confirm our estimation of transitional costs, we would need to consider the potential burden that would be created for schools and LAs through data collection. If transition takes place over a long period, appropriate data collection from schools/LAs could take considerable time with no guarantee that baseline figures would have been accurately assessed.

Any assessment of benefits could only be based on qualitative information, likely gathered from relevant trade unions, employers, or directly from employees. If a robust assessment is to be made, it is likely that a specific data gathering exercise would be necessary to assess the perceived impact on individuals. Once again, the burden of this collection exercise on schools and LAs would need to be assessed and, as some benefits may not emerge for some years, particularly in relation to retention, would need to be an ongoing exercise to provide a full picture.

From 2010, the Teacher Workload Survey will be extended to include school support staff. The current format will be amended so that it will be possible to measure benefits and impact of this policy in terms of the remodelling agenda, delivery of National Agreement and on standards in education.

It is intended that a literature review will be commissioned in order to assess the extent to which the content of published reports contain comment on the position of support staff in relation to continuity of pay and conditions. The sum of such comments would be the only baseline data

available to make any future assessments of the benefits of introducing a national pay and conditions framework. A similar future review would allow a comparison to be made and an assessment of what benefits have resulted.

Other evaluations will also be considered as the work of the SSSNB progresses. Potential evaluations include looking at whether the intervention has increased staff morale and the effect on staff retention and development. Testing the links between this intervention and intermediate outputs for children would demonstrate whether well motivated staff could improve GCSE/key stage test results. It may then be possible to evaluate the link between the intervention and future pupil outcome and to demonstrate that the intervention helped DCSF to achieve its objectives.





## 2.7 Alternative Provision

### **RATIONALE**

#### *Background*

Section 19(1) of the Education Act 1996 places a duty upon local authorities to provide a suitable education at school or otherwise for each child of compulsory school age who, for reasons of illness, exclusion or otherwise, would not receive it unless such arrangements were made. Suitable education is defined as “efficient education suitable to the age, ability, aptitude and to any special educational needs”, the child (or young person) may have.

Education outside of mainstream and special schools is called alternative provision. Alternative provision should be based on the needs of the child and may be provided through a variety of routes, one of them being pupil referral units. Legally a pupil referral unit is a type of school established and run by local authorities for pupils who cannot attend mainstream or special schools. There are approximately 450 registered pupil referral units in England.

Alternative provision offers a package of educational and/or learning activity in and out of school settings. This could be arranged by a local authority or a school and may include full or part-time placement in pupil referral units, placements in further education colleges, and other provision such as hospital teaching services, tuition centres, e-learning centres, and a range of contracted alternative projects provided by the voluntary or private sector, or through multi-agency initiatives (such as Youth Offending Teams).

Pupil referral units and schools and local authority contracted alternative provision cater for some of our most vulnerable children. While the majority of pupil referral units provide a good education Ofsted annual reports show that the overall effectiveness of a small but significant proportion of pupil referral units is inadequate (7% in 2007/08, according to the Ofsted annual report). DCSF research has shown that, while there are many examples of good practice by local authorities, many do not have sufficient information on the alternative provision which is available, or could be made available, in their area and do not have rigorous systems for monitoring and quality assuring the alternative provision they commission from external sources. Much of the performance data that is available for schools is not available for this sector. We want local authorities to improve the outcomes of pupils in all forms of alternative provision just as much as mainstream schools focus on pupil outcomes.

#### *Intention*

Pupils in alternative provision include some of the most vulnerable in the school population. They include: excluded pupils; those at risk of exclusions; pupils with physical and mental health problems; and, teenage mothers and pregnant school girls. While the majority of Pupil Referral Units provide a

good education Ofsted annual reports show that the overall effectiveness of a small but significant proportion of Pupil Referral Units is inadequate.

The objective of this legislation is to improve the outcomes of pupils in alternative provision, including pupil referral units, and increasing accountability for pupil outcomes. To support local authorities in this, the Government wants to remove the current constraints on local authorities' freedom to make provision in more innovative ways.

### **COST / BENEFIT ANALYSIS**

The implementation of the improvement measures will not result in any additional costs to the sector. The proposals seek to open up the market and make available more effective provision that meet young peoples' needs.

The proposal to change the name from 'Pupil Referral Units' to 'Short Stay Schools' is purely cosmetic and does not carry any additional costs.

### **EVALUATION**

The policy will be reviewed to establish the actual costs and benefits in 2010/11, after the work of pilot schemes has been completed.

## 2.8 School partnerships to improve behaviour and tackle persistent absence

### BACKGROUND

Partnerships to improve behaviour and tackle persistent absence are based on the principle that schools will be able to deal more effectively with behaviour and attendance issues if they can share expertise, resources and facilities for that purpose, and share out 'hard to place' pupils so no school has to take on a disproportionate number of pupils with behaviour issues. School partnerships can set up shared facilities for early intervention when a child is identified as at risk of exclusion, such as shared learning support units, which reduce the need for permanent exclusion. The partnership can also set up a shared unit for pupils to attend once they have been excluded, and/or buy in specialist support for the use of all schools (which might be out of the budgetary reach of one school). Partnerships are designed to include Pupil Referral Units and other forms of alternative provision, thus encouraging all education providers to work together to find the most appropriate place for a child where their specific needs can be addressed. **This legislation applies to maintained secondary schools, maintained special schools providing secondary education and academies. It will be applied to pupil referral units through regulations made under Schedule 1 to the Education Act 1996.**

### RATIONALE

Currently, school behaviour and attendance partnerships are voluntary. Whilst partnerships have a positive impact on the educational system as a whole, an adverse selection issue can arise when partnerships are voluntary. Whilst those schools with high absence rates and/or a high proportion of pupils with behaviour issues have a clear incentive to join the partnerships, those schools who do not have many behaviour and attendance problems have less incentives to join, as they perceive that joining could mean they would have to take more hard to place pupils. Some schools are reluctant to join partnerships because they want to preserve their autonomy, and do not want to have to decide their behaviour and attendance policy in partnership with other schools in the area. In some areas, poor relationships between schools forms a barrier to partnership working. For these reasons, some schools are not in a partnership at all, and others are not in an effective partnership which actively promotes the design principles and outcomes outlined by DCSF guidance.

This policy aims to prevent the emergence of these adverse selection issues, and ensure that all schools share in the benefits of effective partnership working, by making joining a behaviour and attendance partnership a statutory requirement for all maintained secondary schools, maintained special schools providing secondary education and academies. This will reinforce the permanence and strength of partnerships, meaning the positive benefits of partnership working that have been identified in DCSF 'Pathfinder' pilots will be felt by more schools. Schools would also be required by law to have regard to DCSF guidance on school behaviour and attendance partnerships. The policy will be reviewed a year after partnerships become

statutory.

### *Assumptions*

Schools will be able to deal more effectively with behaviour and attendance issues if they can share expertise, resources and facilities for that purpose, and if hard to place pupils are distributed more evenly across schools in a partnership

### *Facts*

98% of secondary schools are already working in partnership to improve behaviour and reduce persistent absence, although the extent to which partnerships are fully developed and operational varies. 57 maintained secondary schools are not in a partnership that is delivering on the five core design principles for behaviour and attendance partnership working as outlined in DCSF guidance (National Strategies information as of December 2008). 94% of academies are already in a partnership voluntarily. In December 2008, 8 academies were found not to be in a partnership that was delivering against the core design principles.

Currently, school behaviour and attendance partnerships are voluntary and typically comprise of 3-6 secondary schools, although some also include primary and middle schools.

Most local authorities have just one partnership in their area, although 5 or more partnerships per local authority is not untypical. Partnerships are usually arranged geographically.

## **BENEFITS**

### *Schools not currently in a partnership*

Improving behaviour and, therefore, reducing the need for permanent exclusions has a direct economic benefit to the school. When a pupil is excluded, the proportion of school funding that the child is entitled to (the age weighted pupil unit) is transferred to the local authority, with an element provided to the next school if reintegration takes place within the same year. Furthermore, placing an excluded pupil in alternative provision costs £10-15,000 a year, in comparison to around £3,500 in a mainstream school. Regulations enable local authorities to charge schools up to the full cost of making provision for excluded pupils, through the local Schools Forum.

Effective partnership working should have a positive impact on behaviour and attendance throughout the school. This will impact positively on attainment, as low-level disruption will be reduced, and will reduce the amount of time staff spend dealing with behaviour and attendance issues.

Even in schools with few behaviour and attendance problems, there are some benefits to joining a partnership. All schools are already required to be part of

a local In Year Fair Access Protocol, which commits them to taking a fair share of 'hard to place' pupils. There is an incentive for high performing schools to want to offer preventative support to other schools so as to reduce the need in these schools for permanent exclusions. This in turn prevents pupils being redirected to the high performing school.

Nevertheless, while School Behaviour and Attendance partnerships clearly have a positive impact on the school system in general, the way these benefits are felt by individual schools can be asymmetrical. The benefits are likely to be felt most by schools that have behaviour problems and an excess of hard to place pupils.

#### *Local Authority Benefits*

Local authorities are required to meet the £10-15,000 cost for placing a permanently excluded pupil in alternative provision. In terms of overall spending, early intervention measures cost much less than this £10-15, 000 figure. Improving behaviour and thereby reducing the need for permanent exclusions (as Behaviour and Attendance partnerships are designed to do) saves the Local Authority money overall.

Partnerships will be required to report annually to their local Children's Trust Board on how their arrangements to co-operate on behaviour and attendance are functioning, and what progress they are making on desired outcomes as outlined in DCSF guidance. We will also recommend in guidance that behaviour and attendance partnerships provide an assessment of how effectively they have managed to use the resources made available to them in the previous year, and how changes to these resource allocations across children's services could maximize benefits further.

The behaviour and attendance partnerships will be under an obligation to send this report to the Children's Trust Board. This is beneficial for the Children's Trust Board, as it provides them with a ready source of information to feed into the reviews of the local Children and Young People's Plan and associated needs assessment that they are obliged to carry out.

#### *Schools in a partnership*

All schools will be expected to take collective responsibility for managing behaviour and attendance and they will see the partnership working as fairer since all schools will be taking part.

Making membership a statutory requirement is of benefit to those schools already in partnerships because it assures them that partnership working is a long term structural change worth investing time and effort in. It also assures them that their partners cannot pull out and thus jeopardise the partnership.

For schools who are in partnerships that are not currently meeting the design principles and objectives outlined in DCSF guidance, this statutory change will accelerate progress towards these goals and thus accelerate the speed with

which schools start to feel the benefits of partnership working.

#### *Pupils with behaviour issues and at risk of exclusion and persistent absence*

Research has suggested that outcomes associated with exclusion from school include offending behaviour, drug misuse, and being NEET (Not in Employment, Education or Training). Evidence<sup>6</sup> has also indicated that individuals who are excluded cost society a significant financial amount. This suggests that the benefits of targeting potential excludes for interventions may be substantial.

Partnerships will be expected to intervene early to improve the behaviour, and therefore the outcomes and life chances, of those pupils at risk of exclusion and persistent absence.

Partnership working should mean there are more options for these pupils. Schools in a partnership can have reciprocal agreements with each other to provide education for excluded pupils (which cannot take place in the excluding school, unless in some form of shared unit).

If a pupil needs specific, specialist education provision then more resources will be available per pupil due to shared resources, including the resources provided by alternative provision centres in the partnership. Pupils will also benefit from expertise gained from other schools.

As there should be a more equitable distribution of hard to place pupils across all schools, schools will be in a better position to target resources and support more effectively, which should impact positively on their attainment.

#### *Pupils who are in a school that becomes part of a partnership/ engages more actively in partnership working*

The number of 'hard to place' or permanently excluded pupils in an individual school may decrease, as pupils are shared out more equitably. This may have a positive impact on low-level classroom disturbance. The strategies developed through sharing resources and expertise, along with increased preventative measures, are designed to improve behaviour overall. Therefore, all pupils should experience a reduction in low level disruption in the classroom which should have a positive impact on their attainment.

## **COSTS**

#### *Schools not currently part of a partnership*

If one of the 57 schools not currently in partnership has few behaviour and attendance issues, membership may lead to an increase in the number of 'hard to place' pupils being admitted to that school. There may also be administrative costs associated with membership. However, it is difficult to

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<sup>6</sup> For example: Brookes et al, *Misspent Youth: The costs of truancy and exclusion* (2007)

conceive of a school with no behaviour issues and any costs would therefore need to be offset by the benefits of wider participation in the partnership to the individual school itself and the wider school community.

There is a risk that schools with a delegated support budget may lose absolute autonomy over that budget, but this would need to be offset by the benefits in terms of economies of scale that pooling budgets across a partnership might bring.

### *Schools in a partnership*

Schools in a partnership that has not currently made much progress towards fulfilling the expected design principles and outcomes as captured in DCSF guidance may have to align themselves more closely to this guidance. Legislation will require governing bodies to have regard to the guidance when working in partnership. This could mean further burdens on governing bodies and schools with the corresponding cost of opportunity that this will imply. Costs to schools whose partnerships are not currently effective will be similar to, but not as high as, those for schools not currently in a partnership. However, again, these would need to be offset against the benefits that more effective partnership working on behaviour and attendance would bring in terms of less time spent dealing with behaviour issues.

This statutory change should impose no additional costs on schools that are already in effective partnerships.

### *Producing an annual report for the Children's Trust Board*

We are planning to place a requirement that every partnership report annually to the Children's Trust Board on how their arrangements to co-operate on behaviour and attendance are functioning, and what progress they are making on desired outcomes as outlined in DCSF guidance. We will also recommend in guidance that behaviour and attendance partnerships provide an assessment of how effectively they have managed to use the resources made available to them in the previous year, and how changes to these resource allocations across children's services could maximize benefits further.

Schools already in a partnership should already be engaged in a process of self-evaluation (as recommended in DCSF guidance) so the data and information used for this process should be the same as the data and information that goes into the report to the Children's Trust Board. We are working to ensure any data or information we require schools to provide is aligned with existing data streams, to minimize additional bureaucratic burdens. Although there will be a time cost involved in the production of this report, we estimate this will be minimal and minimized further by the fact that only one report needs to be produced per partnership. Furthermore, the report represents a benefit to schools because it allows them to feed back to the local Children's Trust Board on how they feel local resources could be more effectively distributed and targeted. The information schools draw together to produce the report will also be of benefit to them because it will

support the process of identifying and prioritizing the needs of pupils, allowing the partnership to respond to these needs more systematically and effectively.

### *Costs on Government*

This legislation does not require an increase in government funding to schools or Local Authorities, as National Strategies will support implementation as part of the support and challenge role they already have, and Ofsted will provide the main enforcement mechanism, as another part of the existing inspection criteria. However, in the event that a school refuses to work in partnership, it is conceivable that legal action could be taken (a Secretary of State direction), which would potentially incur a cost on government. Legal action would only be necessary in rare cases, if ever.

### *Net Effects*

We estimate that the effect of this legislation will be a net benefit.

While there could be a negative impact on some schools, particularly those with fewer disruptive pupils, this is balanced out (and probably in most cases exceeded) by wider benefits that partnership working brings to all schools and the positive benefits felt by 'hard to place' pupils with behaviour and attendance issues who are being supported through targeted resources and the managed moves system.

By sharing hard to place pupils more equitably, no one school should have an excess of these pupils, and thus overall, across the secondary schools sector, behaviour issues should be more manageable. Even schools out of a partnership (or in an ineffective one) who do not have a substantial behaviour problem will still have some behaviour issues to manage, and thus will feel the benefits of partnership working through their new access to shared expertise and resources.

## **EVALUATION**

We will measure of school behaviour and attendance partnerships through reference to progress across indicators on exclusions, attendance and pupil performance against these benchmarks, on an annual basis. These will be benchmarked against similar information relating to years before behaviour and attendance partnerships became statutory.



## 2.9 Recording Incidents of the Use of Force

### **BACKGROUND**

School staff who supervise pupils have a statutory power to use force to prevent injury, damage to property, or serious breaches of school discipline. The legislation providing this power has existed in its current form since 1998 and was re-enacted by section 93 of the Education and Inspections Act 2006.

The Department issued revised guidance, entitled *The Use Of Force To Control Or Restrain Pupils* in November 2007. This replaced Circ 10/98, and includes many of the principles and advice that were set out in earlier circulars which provided statutory guidance for behaviour management in special schools.

The proposal to provide a statutory duty on schools to record and report to parents significant incidents requiring the use of force is in line with a commitment made by the then DCSF Minister, Kevin Brennan MP to John Bercow MP in July 2007. It consolidates good practice and as well as protecting pupils and parents, provides a legal protection for staff in cases where a parent seeks to prosecute or sue for alleged misuse of the power.

### **RATIONALE**

This provision strengthens safeguards on the Use of Force powers for both children and school staff. The new provision will provide for an accurate contemporary record which will protect staff in cases where pupils or their parents question the teacher's actions or seek to raise mischievous, malicious or vexatious complaints and / or threaten legal action. In this it will consolidate existing good practice.

Requiring schools to record and report incidents in which force is used will also address concerns from within the profession and more generally around the issue of physical contact between school staff and pupils by providing a safeguard for both staff and pupils. It will also make it less likely that school staff will refrain from physical contact for fear of a malicious allegation against them.

The existing Use of Force and Power to Discipline legislation already gives staff sufficient powers to take what action is necessary to maintain good order and the safety of themselves and other staff and pupils. This proposal merely adds a safeguard to ensure that, by providing a formal record of each event, the power is used reasonably and proportionately, and that disputes around the veracity of events can be minimised.

### **BENEFITS**

The principal benefits that flow from this measure are in terms of child protection.

Pupils will feel safer in schools knowing that they and their fellow pupils will only be restrained by use of force as is reasonable in the circumstances to prevent a pupil from doing, or continuing to do, any of the following:

- a. committing any offence (or, for a pupil under the age of criminal responsibility, what would be an offence for an older pupil);
- b. causing personal injury to, or damage to the property of, any person (including the pupil himself); or
- c. prejudicing the maintenance of good order and discipline at the school or among any pupils receiving education at the school, whether during a teaching session or otherwise;

and that such incidents will be properly recorded and reported.

Parents may also feel more confident knowing that they will be contacted if their child has been restrained at school. There is an extra benefit to SEN pupils and parents of these pupils because the monitoring of significant incidents can highlight issues and inform action necessary to protect them. For example, it may show that a pupil needs to be handled in a different way or requires further assessment, which could lead to an SEN statement.

Staff will benefit because there is a written record with witnesses and justification of the use of force. It should also help to improve the relationship between school and parents as there will be seen to be a more open flow of information, with a proper system of recording incidents of staff restraining or otherwise physically interacting with pupils.

Parents will be less likely to lodge malicious complaints about misuse of the power by school staff. A formal, contemporary record of the incident is less likely to be questioned or disputed and as a result we believe actions against schools and individual teachers may reduce. Monetised benefits that can accrue from intervention come from reduction in costs of the situation where there is no intervention.

## **COSTS**

The majority of schools are already recording and reporting significant incidents where use of force has been used and reporting them to parents. The introduction of this statutory duty will only present a cost to those schools who are currently not complying with the Use of Force Guidance.

These costs are likely to be low but there will be a medium probability of these costs occurring for some schools. The schools will have to incur costs through time spent completing incident forms and informing parents of the incident by telephone as soon as possible after the incident, before confirming details in writing.

We do not envisage that recording an individual incident should entail a significant administrative burden. Our existing guidance to schools on the use of force includes a one page model form for recording incidents that should be fairly easy for schools to complete.

This administrative task will be carried out by the teacher or member of the security staff who had used force to restrain the pupil. A rough estimate of the time it would take to fill out the incident report form and then inform the parents is 20 minutes. On the assumption that the average hourly cost of a teacher is £27.67, we can assume that each time such an incident is recorded will cost the school £9.22 per day. We believe that schools will only need to incur this cost once every few months for mainstream primary and secondary schools and perhaps more frequently for special schools. An estimate might be on average one or two significant incidents requiring the use of force in a mainstream school and seven or eight for special schools per term.

We have already issued guidance to school staff on the use of force generally and, under the proposed legislation, schools will be required to have regard to the section of the guidance on recording and reporting of incidents. The guidance includes advice on staff training issues in learning the different restraint techniques for use of force, costs of which would be met from within existing school budgets, but no training is necessary for staff to record or report incidents of use of force.

It is possible that some parents may believe that the use of force reported to them was unnecessary. This may involve the school and teacher/security staff in legal proceedings. This is seen as a low probability. Moreover the power to use force is already in place. It is anticipated that there would be a nil net cost because, although there is a slightly greater risk from parents being made aware of the incident, the chance of legal proceedings should be a reduced by schools reporting full details. There is no data on past incidents.

## **EVALUATION**

As we have seen from the above analysis, there is a lack of evidence available in relation to the costs and benefits of use of force in schools. It is therefore important that evaluation plans are set for the future to ensure that evidence will be available for future use. Feedback will be given through the Ministerial Stakeholders' Group on Behaviour and Attendance, primary and secondary Heads Reference Groups, third sector organisations and as appropriate via Ofsted reports.

## 2.10 Extending Schools' Powers to Search

### **RATIONALE**

At present, some children and young people bring alcohol, illegal drugs and/or stolen items into school; or they may be in possession of items that they have stolen whilst on school premises; or be in possession of items that have been passed to them by another pupil. In a survey of 1,500 teachers for the NUT (published in 2008), for example, 20% of respondents reported witnessing possession of drugs within their school in the year preceding the survey.

Currently schools are not able to search pupils for these items without their consent. The proposed new legislation will strengthen schools' disciplinary authority, ensure the safety and well being of pupils, and legitimise existing school practice. We do not believe that this proposed legislation will significantly alter the way schools operate. Rather, it backs teachers' authority to search pupils for a range of inappropriate items, and protects them from challenges to their authority to do so either from pupils or parents.

Under the proposed new powers appropriate staff would have the power to search a pupil if that pupil otherwise refuses a reasonable request to turn out his pockets. It therefore sends an important message to those who are tempted to bring in inappropriate items that those items may be found as a result of a search.

The measure will help to protect pupils who are in possession of these items, as it may discourage them from using alcohol or drugs at least in school hours, and it may help to identify a problem that needs to be addressed. It will also help ensure that other pupils can feel safer and better able to enjoy their education without disruption.

As with the statutory power to discipline, introduced in the Education and Inspections Act 2006, the new powers will help protect schools from challenges to their disciplinary authority from the minority of pupils and parents who may wish unreasonably to challenge and overturn such authority.

### **BENEFITS**

The benefits are likely to impact on both pupils and schools and will be accrued over time. There are a range of benefits:

- Pupils will feel safer in schools – an outcome consistent with the Children's Plan and the commitment to improving well-being.
- Teachers and other school staff are also likely to feel safer leading to a more positive and comfortable learning environment.
- The legislation may have a positive impact on reducing bullying as theft of possessions is often a part of bullying.

- There is an administrative cost associated with the exclusion process and any longer term, reduction in the number of permanent exclusions will benefit both pupils and the schools, and is likely to be accrued over time.
- The legislation will protect schools from challenges to their authority from pupils or parents and sends an important message to pupils who are tempted to bring in inappropriate items to school, that those items may be found as a result of a search.
- It will also improve public confidence in the standard of behaviour in state schools.

## **COSTS**

When estimating costs it is important to distinguish between primary and secondary schools as it is more likely that secondary schools would need to search pupils and would therefore incur higher costs. Monetised costs are more likely to accrue to the school rather than the pupil.

Schools will not be compelled to use this power, so for most schools no additional cost will be incurred. However, it is possible that some schools will incur costs in a number of ways:

- The Department for Children, Schools and Families (DCSF) has already issued guidance for school staff on 'Screening and Searching of Pupils for Weapons' which includes advice on staff training issues. We intend to issue further guidance for the new powers and, in carrying out a search under this power, schools will be required to have regard to this guidance. Costs will be incurred by the school where training is arranged for teachers and staff authorised by the head teacher to undertake searching duties. The cost of this training would be met from the school's existing budget and would be incurred at the point where the training takes place. A sample of training providers suggested that the costs of accredited restraint training range from approx £85 per person (foundation) to £965 per person (advanced). The Department could also consider redirecting resources within the Behaviour Strategy to address the issue of training should it become necessary.
- Schools may use the power more often when it is new and before it becomes an established 'deterrent', it is therefore possible that schools are more likely to incur costs when the power is first introduced.
- Figures published on 24 June 2008 show that in 2006/07 4.6% of all permanent exclusions were for issues related to alcohol and drugs. If the new search powers uncover more pupils with alcohol or drugs there is a risk that this figure may increase initially as a result of this legislation, however the figure may reduce in the longer term.

## **EVALUATION**

There currently is little a lack of evidence available in relation to the use of searching pupils in schools. It is therefore important that evaluation plans are set for the future to ensure that evidence will be available for future use. Feedback will be given through the Ministerial Stakeholders' Group on Behaviour and Attendance and this could be used along with a more extensive evidence base to produce a thorough evaluation of the searching policy. DCSF is considering how best to gather data on the number of times these powers, and the existing powers to search for weapons, are used.

By collecting evidence relating to the effects of this intervention it may be possible to carry out an evaluation in the future. This evaluation may be able to assess the links between this intervention and intermediate beneficial outputs for pupils, such as higher pupil attainment and greater attendance in school.

## 2.11 Early Years Funding Changes

### **BACKGROUND**

The proposed intervention aims to minimise discrepancies between the funding for Early Years provision in the Maintained Sector and the Private, Voluntary and Independent (PVI) sector. By carrying out the intervention an environment would be created where funding for all providers is transparent and based on the same factors, removing inconsistencies between the PVI and maintained sectors. In addition, local authorities will be required to base funding for the maintained sector on participation rather than places. A more sustainable PVI sector and a Maintained Sector with an incentive structure that is more family focused should enable increased competition which should over time lead to better quality and more flexible early years provision.

However, there is little evidence on the costs and benefits so it is not possible to assess quantitatively the size of the burdens to local authorities or the likely size of the transfers in funding between the different sectors. Consequently, it is not possible to estimate an NPV.

### **RATIONALE**

The free entitlement for 3 and 4 year olds is currently provided by a wide variety of maintained, private, voluntary and independent providers. The money used to pay for this comes in the main from the Dedicated Schools Grant. Distribution by local authorities is variable and the legal provisions differ depending on what sector is receiving the money.

The current system of funding places rather than participation in the maintained sector provides no incentives to increase numbers and raise the quality of provision. Moving to funding participation rather than places will create a more efficient market.

We also want to reduce discrepancies in order to level the playing field and create a fairer market for this provision. Much of these discrepancies are caused by the statutory framework, and therefore we need to intervene. We want to improve the way that local authorities fund the free entitlement for 3 and 4 year olds in order to improve quality, sustainability, affordability and take-up of early years provision. Intervention is necessary to ensure that the PVI sector, which provides a large proportion of this provision, is funded appropriately.

We propose to move the money for PVI provision from LAs' central expenditure within the Schools Budget to the Individual Schools Budget. This will mean that we will be able to apply the school funding regulations to PVI providers, and will support a single local formula. Currently local authorities are able to fund the Maintained Sector based on number of places rather than actual participation. As part of this intervention, we are limiting the amount of place-led funding to when it is necessary for sustainability and for the LA to meet its duty to secure sufficient childcare. The Maintained sector will no

longer be funded on the basis of places but on participation, therefore increasing the incentive to the maintained sector to attract parents and children to use the services they offer. Doing nothing would allow the current situation to perpetuate where there are discrepancies in the way that providers are funded, while we are trying to level the market.

## **AIMS AND OBJECTIVES**

To improve the way that local authorities fund the free entitlement for 3 and 4 year olds in order to improve quality, sustainability, affordability and take-up of early years provision. Intervention is necessary to ensure that the PVI sector, which provides a large proportion of this provision, is funded appropriately. Moving the money for PVI provision from LAs' central expenditure within the Schools Budget to the Individual Schools Budget will mean that we will be able to apply the school funding regulations to PVI providers, and will support a single local formula.

## **COST / BENEFIT ANALYSIS**

This section outlines the benefits and costs imposed on various parties.  
Assumption: This intervention does not affect the total funding provided to local authorities.

All costs and benefits are from April 2010 onwards, except for local authority costs and benefits.

### *Children and Parents*

#### *Children and Parents*

Currently some Primary, Nursery and Maintained sector provision is funded on the basis of available places rather than actual participation. Requiring LAs to base Maintained sector provision funding on participation should help increase the incentive to attract parents and children to use that provision. In addition, funding the PVI sector in the same way as the Maintained sector would help create a more level playing field enabling the PVI sector to become more sustainable. A longer term consequence of these two changes is likely to be greater competition resulting in higher quality and more flexible early years provision. Although take-up of the free entitlement is already high, with 90% of three year olds and almost all four year olds taking up the free entitlement, greater choice and more flexible provision may enable some parents to return to work or work longer hours.

Overall it is expected there would be a net benefit to children and parents.

### *Primary and Nursery Maintained Schools*

The amount of funding available in maintained settings that are not full could reduce. However, funding unfilled places is not an effective use of taxpayers' money.



Settings with few empty spaces would be likely to see an increase in funding with a participation-based formula. However, there is a chance that funding could also reduce for these settings if the formula shifts funding away from the Maintained Sector to the PVI Sector

Overall it is likely a small amount of funding would be transferred away from the Maintained Sector.

### *Schools*

Discontinuing funding for empty spaces could release a small amount of funding that could go elsewhere, e.g. to the Schools Budget Headroom.

### *PVI early years providers*

The system for funding PVI providers would be brought in line with maintained schools, improving competition and reducing a degree of the advantage that the maintained sector currently holds from a funding perspective. In some cases this would lead to increased funding for the PVI sector.

However, PVI providers will need to contribute to the LA cost analysis which will enable the LA to produce the local distribution formula. In certain circumstances this would mean that PVI providers with falling rolls lose money, but there will be additional protections in place to ensure sustainability in any case.

Overall, it is likely funding would be transferred into the PVI sector. Precise figures are extremely difficult to calculate because of the variation between how local authorities will implement the policy locally.

### *Local authorities*

Local Authorities will incur some costs in moving to the proposed framework. Indications from the pilot authorities show that the vast majority of these will be one off costs and all costs are likely to be outweighed by the expected long term benefits to a child's outcomes:

- Calculating their local distribution formulae. This would be a one-off cost since any future updates to the formulae would replace work that they would have done previously to update funding formulae for PVI providers. Initial indications, based on the work of a selection of the pilot authorities, point towards the cost being in the region of £5k - £20k over a period of 18 months.
- Applying the school funding regulations to PVI providers. This would be an annual cost and there has been some indication from our pilots that if necessary this could be met through an additional financial administration post. Early indications suggest that the cost of meeting this would be in the region of £18k - £26k per annum.

A large proportion of these costs and benefits are transfers between different organisations. The net costs and benefits of the intervention are expected to be as follows:

#### *Net benefits*

A longer term consequence would be greater competition resulting in higher quality and more flexible childcare provision, which in turn would lead to improved long-term outcomes for children. Evidence from the Effective Provision of Pre-School Education (EPPE)<sup>7</sup> project shows that:

- disadvantaged children benefit significantly from good quality pre-school experiences
- high quality pre-schooling is related to better intellectual and social/behavioural development for children
- settings that have staff with higher qualifications have higher quality scores and their children make more progress
- pre-school quality was significantly related to children's scores on standardised tests of reading and mathematics at age 6.
- There is a significant link between higher quality and better intellectual and social/behavioural outcomes at entry to school.
- There is a significant relationship between the quality of a pre-school centre and improved child outcomes.

Greater choice and more flexible provision would enable parents to return to work or work longer hours therefore increasing economic activity and the overall contribution to UK plc.

#### *Net costs*

- The one-off costs involved with LAs recalculating their funding formulae.
- The annual costs associated with LAs applying school funding regulations to PVI providers

## **EVALUATION**

We plan to commission an assessment of the process and impact for the LAs that are implementing in 2009, and then we will work with GOs and provider representatives to monitor future impact. We will also get monitor information received through S52 about the impact on funding levels.

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<sup>7</sup> The Effective Provision of Pre-School Education (EPPE) project is the first major European longitudinal study of a national sample of young children's development between the ages of 3 and 7 years. To effectively investigate the effects of pre-school education the project has collected a wide range of information on 3,000 children as well as looking at background characteristics related to parents. The full report can be found at [www.surestart.gov.uk/research/keyresearch/eppe/](http://www.surestart.gov.uk/research/keyresearch/eppe/)

## 2.12 Collection of Information

### **BACKGROUND**

The proposal to amend section 52 of the School Standards and Framework Act 1998 results from the earlier merger of two existing collections of financial information covering education and children's services functions. The proposal is to simplify the legal basis for collecting the financial information as they are currently collected together under two separate legal powers. The proposal would also regularise the publication of both sets of information locally by LAs. The current legal basis is covered by section 52 which requires LAs to publish financial information covering its education functions and Section 230 of the Local Government Act 1972.

### **RATIONALE**

The policy objective is to simplify the legal basis for the collection and to bring it in line with national and local government structure. It does not change the overall policy objective of the collection. The financial statements produced by LAs are an important means of informing parents, schools, Schools Forums and the public in general (as well as Parliament) about the funding plans of LAs in respect of their schools and children's social services provision. The financial statements are also the main source of data the Department for Children, Schools and Families (DCSF) draws upon to evaluate the effectiveness of the various funding policies and mechanisms. It provides the DCSF and other interested bodies with a very strong tool for monitoring the success of the education and children's social services strategy and budgeting. The consolidation of the education and children's services data provides an important link to the five outcomes of the Every Child Matters policy and the Children's Plan.

In addition, the financial data allows schools, schools forums, other local partners and the DCSF to challenge allocations that do not allow for the provision of high quality education and children's services at the front line, and for LAs to compare their spending patterns with those of other LAs in order to follow good practice.

To ensure consistency of the information to be supplied, the Department provides LAs with electronic workbooks for completion which ensures a consistent format of financial information across the country so that meaningful comparisons can be made between authorities.

### **AIMS AND OBJECTIVES**

The objective for this clause is to simplify the legal basis for this collection of financial information which currently happens under two separate powers. In 2007, responsibility for collecting children's social services financial data transferred from the Department of Health to the DCSF. DCSF merged the children's social services with its collection of education financial data. Local authorities prepare and publish statements containing information about their

planned expenditure on these two areas on an annual basis. The Department supplies electronic templates to LAs for them to produce specific information on an annual basis. The information is validated by the Department, and then made available to schools, the Secretary of State, Parliament and the public.

## **BENEFITS**

The data produced for these statements are used in the main by Local Authorities, the Department and other interested bodies such as the Chartered Institute of Public Finance and Accountancy (CIPFA). The statements are an important means of informing schools, Schools Forums, the public and Parliament about the funding plans of local authorities in respect of schools and children's social services. The statements provide a consistent format across the country so that meaningful comparisons can be made between authorities about education and children's services budgets. This data collection is the main source of data drawn upon by the DCSF to evaluate the effectiveness of funding mechanisms. In addition, the data enables schools, schools forums and the DCSF to challenge allocations that do not allow for the provision of high quality education and children's services at the front line, and for LAs to compare their spending patterns with those of other LAs in order to follow good practice. This consolidated collection of the education and children's services data provides an important link to the Every Child Matters policy and the Children's Plan.

## **COSTS**

There will be no additional costs involved for local authorities, schools or the Department. It is purely a simplification of two separate legal powers under which the financial data is currently collected.

## **EVALUATION**

The DCSF is currently considering how best to assess the impact of this proposed change. Consideration will be given to including a specific question in future consultations of LAs on updated data collections about whether they have noticed any benefits to the legal change.

## **Children Skills and Learning Bill** **Equalities Impact Assessment**

### **Part 1 – Putting the Learner First**

- 1.1a Transfer of funding for 16-19 education and training to local authorities
- 1.1b Creating a new Skills Funding Agency
- 1.2 Functions relating to open academies
- 1.3 Apprenticeships
- 1.4 Sixth Form Colleges
- 1.5 Post-16 Transport Provision
- 1.6 Young Offender Education
- 1.7 Right to Request Time to Train
- 1.8 Excluding Student Loans from Individual Voluntary Arrangements
- 1.9 Foundation Degree Awarding Powers for Wales
- 1.10 Children's Trusts
- 1.11 Sure Start Children's Centres
- 1.12 Safeguarding Children

### **Part 2 – Every School a Good School**

- 2.1 Establishment of Ofqual and the QCDA
- 2.2a Parents' & young people's complaints about school issues in England
- 2.2b Governing Body Complaint Procedures in Wales
- 2.3 School Health Check Report
- 2.4 Statutory Guidance on Schools Causing Concern
- 2.5 School Teachers' Pay & Conditions Document
- 2.6 School Support Staff Negotiating Body
- 2.7 Alternative Provision
- 2.8 Behaviour and Attendance Improvement Partnerships
- 2.9 Recording Incidents of Use of Force
- 2.10 Extending Schools' Powers to Search
- 2.11 Early Years Funding Changes
- 2.12 Collection of Information

## 1.1a Transfer of funding for 16-19 education and training to local authorities

### **Description of the policy**

The policy aim is to give local authorities the necessary funding and commissioning powers to effectively deliver the new entitlements and raise the participation age, so that more young people have the necessary qualifications and skills to succeed on entering further or higher education or employment. To achieve this, the work currently undertaken by the Learning and Skills Council (LSC) will be transferred to Local Authorities (LAs) and the Young People's Learning Agency (YPLA), a new slim-line organisation which will provide funding and support for Local Authorities.

### **The evidence base**

The main sources of information on evidence of existing inequalities likely to be affected by the changes in these proposals are outlined below.

- Administrative data collected by the Department for Children, Schools and Families and the Learning and Skills Council (LSC);
- Regular surveys such as the Youth Cohort Study (YCS), the National Learner Satisfaction Survey (NLSS), the work of the Office for National Statistics (ONS), and the Longitudinal Study of Young People in England (Next Steps);
- Specially commissioned surveys, studies, focus groups and consultation exercises:
  - Ofsted (2007) The Key Stage 4 curriculum: Increased flexibility and work related options, Ofsted report 070113, London. Ofsted (2005) Increased Flexibility Programme at Key Stage 4: the first two years. HMI report 2361.
  - Report on the Evaluation of the Vocational Specialism Programme: Jeremy Higham and David Yeomans 2006.
  - Ofsted 2006 Evaluation of the Young Apprenticeships Programme, HMI report 2653
  - Young Apprenticeships: Equal Opportunities, B Newton, L Miller, R Page, K Ackroyd, S Tuohy, IES, 2006 and Building on Young Apprenticeships: Equal Opportunities, B Newton, L Miller, R Page, K Ackroyd, S Tuohy, IES, 2007
  - House of Lords Select Committee for Economic Affairs, Fifth Report of Session 2006-2007, Apprenticeships: A key route to skill, Volume 2, Evidence, (HLI38-II), 2007, esp. TUC report, pp. 73 – 76
  - Daring to be Different. The business case for diversity on apprenticeships. AAN and EHRC, 2007
  - evaluations of specific projects and programmes, usually carried out by academic institutions e.g. studies by Payne (2003) and Hillage et al (2006)

## What the evidence shows – key facts

Race, disability and gender affect participation and success in 16-19 education:

### *Disability*

- In 2006 and 2007, the Disability Rights Commission published studies conducted at the University of Birmingham on the educational experiences of young disabled people and their families. The main issues which emerged were around autonomy; choice and empowerment; inclusion and support; and personal identity. For older students in further education settings, the availability of good quality academic and personal support seems to be particularly significant in enabling young people to develop personal autonomy.
- In 2006, 8.7 per cent of pupils with a special educational needs statement gained 5 or more GCSE grades A\*-C compared to 66.2 per cent without any special educational needs. (SFR 04/2007)
- At age 16, 68 per cent of disabled young people are in full time education, compared with 72 per cent of those who are not disabled, and 15 per cent of disabled young people are not in education, employment or training (NEET) compared with seven per cent of those who are not disabled. (YCS SFR04/2005)
- In 2005, by age 19, only 59 per cent of disabled people had reached at least level 2, compared with 77 per cent of those without a disability. (YCS SFR 49/2005)
- Twenty-one per cent of disabled people aged 16-24 have no qualifications, compared with nine per cent of non-disabled people of the same age.
- Although the scope and level of aspirations among disabled 16 year olds are similar to those of their non-disabled counterparts, at age 26 years disabled people are nearly four times as likely to be unemployed as non-disabled people. (The education and employment of disabled young people, Joseph Rowntree Foundation, November 2005)

### *Ethnicity*

- There is an attainment gap between different ethnic groups at GCSE in Year 11. In 2006, 48.1 per cent of Black students achieved 5 GCSE grades A\*-C compared to 57.5 per cent of White pupils and 61.0 per cent of Asian pupils. (SFR 04/2007)
- There are attitudinal differences towards school from different ethnic groups. Data from the first wave of the Longitudinal Study of Young People in England shows that on the whole, White British and Mixed Heritage pupils appear to have the least positive attitudes towards school, school work and lessons whilst Asian pupils have the most positive attitudes. (DCSF RR002)

- Differences in attainment are reflected in NEET rates. Amongst 16-19 year olds in 2006, 12 per cent of Black Caribbean people were NEET compared to 8 per cent of White and 3 per cent of Indian. (Connexions CCIS data Dec 2006)
- Black young people are nonetheless more likely to stay on (83 per cent stay on in full-time education at 16, compared to 70 per cent of White young people) – although they are much more likely to be in FE than in school, and only small percentages of Black young people go into work-based learning (WBL) (3 per cent of Black young people compared to 10 per cent of White); (YCS SFR 04/2005)
- The level 2 attainment gap narrows by age 18. In 2006 71 per cent of 18 year old Black young people had achieved level 2, this compares to 73 per cent of White 18 year olds. (YCS SFR 47/2006)
- Black students have lower FE success rates; in 2004/05 the FE success rate for Black students was 67 per cent compared to 71 per cent for Asian people and 75 per cent for White students. (ILR SFR 10)

#### *Gender*

- The level 2 attainment rate for girls is higher than for boys. In 2007, 66.0 per cent of girls achieved 5 or more GCSE grades A\*-C compared to 57.1 per cent of boys. (SFR 34/2007) In 2006, 76.6 per cent of girls had achieved level 2 at aged 19, compared to 66.5 per cent of boys. (SFR 06/2007)
- Girls are more likely to stay on in post-16 full-time education than boys. At end 2006, 66 per cent of girls aged 16-18 were in full-time education compared to 57 per cent of boys. This is partly explained by the higher attainment of girls at 16, as attainment at this level forms a good predictor of whether a young person stays on.
- Whilst girls are more likely to participate in post-16 full-time education, boys are much more likely to undertake work-based learning (WBL). Only 37% of WBL learners aged 16-18 were female in 2006 - the same proportion as in the previous year. However this masks large gender-variations by sector: female apprentices dominate a handful of sectors such as health, public services and care; retail and commercial enterprise; business, administration and law. (WBL SFR (ILR/SFR12).
- More young men than young women are not in education, employment, or training (NEET). At end 2006, 11.4 per cent of male 16-18 year olds were NEET compared to 9.1 per cent of girls. (SFR 22/2007)
- Boys and girls currently make gender stereotypical choices both at 14 and 16 years of age, in terms of the programmes of study they follow. Miller and Hayward (2006) found that both boys and girls believed the majority of jobs to be gender segregated, that is, actually performed mainly or just by



one sex or the other. They also found that both young women and young men preferred jobs that they saw as mainly performed by their own sex.

- The Report on the Evaluation of the Vocational Specialism Programme (2006) found that several areas of the vocational curriculum continue to be strongly gendered – particularly Health & Social Care, Engineering and most occupational provision. Business, ICT, Leisure & Tourism and Travel & Tourism attract roughly equal numbers of boys and girls.
- The Ofsted evaluation of the Increased Flexibility Programme showed that the IFP was being taken up by pupils with special educational needs, and those from the most disadvantaged backgrounds. However, in common with the pattern seen in Apprenticeships, it had achieved little by way of encouraging young women and men to make atypical subject choices.

## **Challenges and opportunities**

### *Overall*

The transfer of funding and commissioning responsibilities from the LSC to LAs and the YPLA will in most cases have no impact on how equality is promoted in 16-19 education provision:

- In respect of gender, race and disability, public authorities have a general and specific duty to proactively promote equality throughout all their activities. They must demonstrate how they intend to achieve this through an equality scheme that they are legally obliged to produce. For example, the LSC's Single Equality Scheme is a key tool to demonstrate how the LSC commitment to equality and diversity is related to strategic priorities and targets, and is embedded in their business cycle. As a public body the YPLA will be subject to the Sex Discrimination Act, the Race Relations Act and the Disability Discrimination Amendment Act which means that it will be under the same requirements to have due regard to the need to promote equality of opportunity between people from different racial groups, between men and women, and between people with a disability and people without.
- There is a question over whether it will be valuable to ensure the LSC's current work around equality is continued on a national level by the YPLA or should be undertaken by LAs in an integrated approach to equality throughout Children's Services. An example of this type of work is the LSC's 2005 independent report *Through Inclusion to Excellence* under the chairmanship of Peter Little OBE, which recommended over 40 improvements to LLDD provision. This culminated in the LSC's own LLDD strategy *Learning through Living and Work*.
- The Equality Standard for local government was launched in 2001 and is now adopted by 90 per cent of all local authorities. The standard recognises the importance of fair and equal treatment in local government services and employment. It has been developed primarily as a tool to enable local authorities to mainstream age, disability, gender, race, religion or belief and sexual orientation into council policy and practice at all levels. Local

authorities will continue to follow these duties to promote excellence in the management of equality outcomes.

The LSC currently build equality action into procurement through:

- requiring all suppliers to provide copies of their equality and diversity policies
- scoring the quality of proposals using an assessment matrix which includes equality and diversity
- excluding potential providers who do not have equality and diversity policies or undertake diversity monitoring
- including in our standard terms and conditions the requirement to comply with the anti-discrimination provisions of all equalities legislation and specifying any evidence the contractor must provide in order for us to meet our obligations under equalities legislation
- monitoring the contractor's performance against equality performance standards set out in the contract.

The YPLA will be able to specify that LAs must continue to build equality action into procurement through the national commissioning framework setting out the framework within which LAs may commission 16-19 provision.

#### *Disability*

The policy has the potential to reduce existing disability inequalities as it provides LAs with the opportunity to provide a more integrated approach to 0-19 education and to Children's Services in general. Whereas now LAs have responsibility for LDD learners up to the age of 16, under the policy changes they will have responsibility for all LDD learners up to the age of 19, and those with specialist needs up to the age of 25. The aim is to ensure that the LA is able to commission education and training provision alongside wider health and social services needs. This principle was strongly supported through the 'Raising Expectations' consultation process, and seen as a potential major benefit of the MoG changes, particularly by LAs.

#### *Ethnicity*

The policy is unlikely to have either a positive or negative impact on ethnicity.

#### *Gender*

The policy is unlikely to have either a positive or negative impact on gender.

### **Equality impact assessment**

An adverse impact on equality is unlikely as this policy transfers existing functions and responsibilities of the LSC to LAs, who are already under specific duties to promote equality through the Sex Discrimination Act, the Race Relations Act, and the Special Education needs and Disability Act, and the YPLA, which as public authority will be under the same requirements as the LSC to have due regard to the need to promote equality through its work.

A positive impact is unlikely for ethnicity or gender equality. There is potential for a positive impact on disability equality as the policy will enable LAs to

commission LLDD education and training provision for young people alongside wider health and social service needs.

### **Next steps**

1. Ensure that all current responsibilities towards equality held by the LSC are covered by equivalent responsibilities in LAs and the YPLA.
2. Agree which specific equality duties currently placed on the LSC are appropriate to transfer to the YPLA, and ensure that any that are not are covered elsewhere or will not have an adverse impact on equality.

## 1.1b Creating a new Skills Funding Agency (SFA)

### Description of the policy

The policy intention is to improve the delivery of education and training to young people and adults. The Learning and Skills Council (LSC) is currently responsible for the planning and funding of all post-16 education, other than higher education in England.

It is proposed that local authorities (LAs) will have responsibility for commissioning and funding all education and training for those aged under 19, supported by a new body, the Young People's Learning Agency (YPLA). If a young person of over school leaving age but under 25 has a learning disability, local authorities will have a statutory duty to assess their learning needs. For those over 25, the responsibility will be met by the Skills Funding Agency.

Responsibility for funding post-19 education and training will be transferred to a new Skills Funding Agency (SFA). The vision is of a strong demand-led Further Education system where employers and learners easily access skills support through client gateways managed by the SFA:

- **National Apprenticeship Service** – lead the development and delivery of the new apprenticeship programme, increase employer engagement, manage the apprenticeship vacancy matching service (though that might be linked to any underpinning settlement system), increase individual engagement.
- **Employer responsiveness** – delivering a national skills service to all sizes of business in all sectors: Train to Gain and National Employer Service: aimed at raising skill levels of the workforce, securing a culture change that makes employers value skills; a skills system which is demand led, empowering employer choice as it influences spend and qualifications, employers value and seek brokerage interventions to help them find solutions.
- **Adult Advancement and Careers Service** – Outsourcing a service which is universal, integrated with Jobcentre Plus and coherent with services for young people and HE.
- **Learner Responsiveness** – College and Provider Based Funding, empowering learner choice through Skills Accounts (managing the system to support skills accounts) and funding Safeguarded Learning (taking account of the outcomes agreed from the current Consultation on Informal Adult Learning). This area also captures the new arrangements proposed for greater integration of employment and skills services to those out of work.

The SFA will take a demand-led approach, i.e. funding will be provided to suppliers on the basis of the students they are able to attract. It will not undertake a planning function.

### **The evidence base**

In 2007, the Department for Education and Skills and the Learning and Skills Council jointly published a Skills Strategy Equality Impact Assessment. The following data has been extracted from the statistical supplement to that publication.

### **What the evidence shows – key facts**

The following statistics demonstrate success rates and trends for all groups.

#### **Disability**

- Since 2002/03 success rates have improved regardless of whether or not learners are disabled, and there are no differentials between disabled and non-disabled people.

#### **Ethnicity**

- Statistics show that between 2002 – 2006, success rates have increased from an average of 68% to 76%, but differentials between communities have barely changed at all.

#### **Gender**

- There have been improvements for women and men but there has been no change in the differential, which however is fairly small. Women have outperformed men in Further Education by 2 percentage points every year since 2002/03.

### **Challenges and opportunities**

Currently, the Learning and Skills Council has a duty to proactively promote equality throughout all their activities and the same requirement will apply to the Skills Funding Agency. The Children, Skills and Learning Bill provides that the Chief Executive must ensure diversity issues are addressed, and take account of the places where facilities are provided, how they are equipped and the abilities and aptitudes of different persons

The LSC currently build equality action into procurement through:

- requiring all suppliers to provide copies of their equality and diversity policies
- scoring the quality of proposals using an assessment matrix which includes equality and diversity
- excluding potential providers who do not have equality and diversity policies or undertake diversity monitoring

- including in its standard terms and conditions the requirement to comply with the anti-discrimination provisions of all equalities legislation and specifying any evidence the contractor must provide in order for it to meet our obligations under equalities legislation
- monitoring the contractor's performance against equality performance standards set out in the contract.

Similar arrangements will be adopted by the SFA.

### **Equality impact assessment**

An adverse impact on equality is unlikely as this policy simply transfers most existing Post 19 functions and responsibilities of the LSC to the SFA, which as a public authority will be under the same requirements as the LSC to have due regard to the need to promote equality through its work.

There is, however, likely to be a positive impact. The SFA will be much more customer focused and will establish and take forward a customer strategy, where the needs and views of different groups of customers will be understood much better, in order to improve the customer experience. In addition, the SFA will put in place and manage new systems which will transform services to individuals through on-line access to more up to date information, advice and guidance, supported by help desks and face to face support through the universal Adult Advancement and Careers Service. These arrangements will also enable advisers and learning providers to offer personalised services, tailored to meet the needs of the individual. The SFA will be responsible for ensuring that through the introduction of Skills Accounts, students and prospective students have simple access routes into education and learning and receive appropriate support whatever route they take.

These changes will of course potentially help all students, but are likely to be of greatest benefit to those without basic qualifications and in most need.

## 1.2 Functions relating to Academies

### **Description of the policy**

The Secretary of State has commissioned officials to set up the new Young People's Learning Agency (YPLA) in a form that would allow it to take on the support and performance management of academies from late 2010. This transfer of functions will achieve a degree of separation between the Secretary of State and the delivery of and accountability for front-line services.

### **The evidence base**

This change is a purely administrative one, intended to secure the long term delivery of the academies programme. There is no available evidence to suggest that this will have either a positive or negative impact on equalities issues.

### **Equality impact assessment**

With regard to disability, ethnicity and gender it is anticipated that an Adverse impact is unlikely, but a positive impact is also unlikely.

## 1.3 Apprenticeships

### **Description of the policy**

An apprenticeship provides an industry-specific training, delivered within a real job, which includes transferable key skills and the theory behind the practice. An apprenticeship is designed to make the learner a more productive, valuable and adaptable employee. This benefits the learner, the employer, and the UK economy as a whole. Currently, there are just under 250, 000 apprentices in England. This number must be greatly expanded, so that apprenticeships can play a key role when the education and training participation age is raised to 17 by 2013 and 18 by 2018, and so that the government target of having 250,000 apprenticeship starts in England by 2020 can be met. To reach both of these goals, it is essential that the quality of the programme is protected or improved where necessary.

A new National Apprenticeships Service will be formed, to sit within the LSC. The Service will have responsibility for channelling funding for Apprenticeships, and also for collecting and disseminating data on the programme to learners, employers, schools, and other parties. Train to Gain brokers will further prioritise promoting apprenticeships to employers, and the programme will benefit from a national marketing campaign. Funding for adult apprenticeships will be further extended. Group Training Associations will be encouraged, to allow employers to 'share' apprentices, and to take on some of the administrative burden. A national matching service is to be implemented in 2008, to link learners and employers in a systematic way, and to enable the collection of more area- and sector- specific data. An apprentice-wage subsidy for smaller employers is also being considered. The framework approval process will be revised, including stipulating that only learners with a good chance of completing should be eligible to take on an apprenticeship.

The Apprenticeship programme has been growing steadily over the last decade, and has undergone a number of improvements in quality standards. The programme now covers c.180 frameworks, covering over 80 different sectors. It is funded by the Learning and Skills Council (LSC). Framework development is undertaken by Sector Skills Councils (SSCs), and other sector bodies, by the LSC and by the Apprenticeships Approval Group (AAG). Currently, apprenticeships can be brokered in a number of ways, but most commonly through training providers, for small and medium companies, and the LSC's National Employers Service for the largest national employers. There is no uniform way for a young person to enter an apprenticeship. Strong anecdotal evidence indicates that the demand for places significantly outstrips the supply. The future expansion of the programme comes as a result of a number of recommendations that the Apprenticeships programme could and should provide a key route to skills for the nation and industry, from the Cassells and Leitch reports, from the House of Lords, and from the Government.



## **The evidence base**

*Young Apprenticeships: Equal Opportunities*, B Newton, L Miller, R Page, K Ackroyd, S Tuohy, IES, 2006

*Apprenticeships Equality and Diversity Investigation, Research Findings*, York Consulting for DfES (unpublished report), 2007

*Research into Expanding Apprenticeships*, Cambridge Policy Consultants for the LSC (unpublished report), 2007

*A Cost-benefit analysis of apprenticeships and other vocational qualifications*, Stephen McIntosh, 2007 (RR834). Figures taken from 2005 pay survey, show first positive returns for female apprentices at Level 3.

*Free to choose: Tackling gender barriers to better jobs. One year on progress report*. EOC, 2006

*Building on Young Apprenticeships: Equal Opportunities*, B Newton, L Miller, R Page, K Ackroyd, S Tuohy, IES, 2007

*Quality Standards for Young People's Information, Advice and Guidance (IAG)*, DCSF, 2007. Includes Standard 5, a duty to promote equality.

*House of Lords Select Committee for Economic Affairs, Fifth Report of Session 2006-2007, Apprenticeships: A key route to skill, Volume 2, Evidence*, (HL138-II), 2007, esp. TUC report, pp. 73 – 76

*End of year evaluation to 31/07/06 of Women Build West Yorkshire*, Skills Strategy Research, 2006. Emphasises the importance of childcare considerations in enabling women to work in non-traditional sectors. Also, emphasises the willingness of women to work in construction and their interest in it.

*The Second Survey of Apprenticeship Pay Report*, BMRB Social Research, 2007 (to be published). Similar findings to 2005 report. Apprentices working at less than £80 per week has dropped from 17% to 8%. Otherwise, women continue to work in the least-well paid sectors.

*The Distribution and Returns to Qualifications in the Sector Skills Councils*, A Dickerson and A Vignoles, 2007 (SfBN RR21)

*Building on the Best. Final report and implementation plan of review of 14-19 Work-related Learning*. DCSF, 2007

*Daring to be Different. The business case for diversity on apprenticeships*. AAN and EHRC, 2007

## **What the evidence shows – key facts**

## Disability

- 20% of the population as a whole, but 10% of 16-24 year olds, are defined as disabled.
- When the relative percentages of disabled apprentices in a sector and all disabled workers in a sector are compared across some of the larger frameworks, there is no single trend. Some sectors have a much smaller percentage of disabled apprentices than in the sector workforce as a whole. These include eskills, SEMTA and SummitSkills. LANTRA and People 1<sup>st</sup> both have a higher percentage of disabled workers who are apprentices than are in the workforce as a whole. Data taken from the 2006 LFS and apprentice numbers 2006.
- There is a lack of good case study examples of good practice in recruiting and keeping disabled learners on apprenticeships.
- Disabled 16-year olds are twice as likely to be out of work, education or training (NEET) as their non-disabled peers (15 per cent compared with seven per cent). (YCS SFR04/2005).

## Ethnicity

- In general, the ethnic minority population has a significantly younger age structure than the White British population. This is especially true among mixed heritage young people. Because apprentices are mostly aged between 16-24, then, we would expect to find higher proportions of ethnic minority workers as apprentices than in the sector workforce as a whole.
- When the most recent data on this was compared across ten of the sectors with the largest frameworks, only one, the sporting sector, had a higher percentage of ethnic minority workers doing apprenticeships than elsewhere in its workforce. In most sectors, the balance was skewed dramatically in the other direction.
- In the transport sector, 17% of employees were minority ethnic in 2006, compared to only 5% of apprentices. In the hospitality sector, nearly 16% of all employees were from ethnic minorities, while less than 4% of employees taking apprenticeships were from ethnic minorities. Across the ten sectors compared, an average of 8% of employees were from ethnic minorities, compared to 3.5% of apprentices.
- In fact of all the frameworks for which we had data on a significant number of apprentices<sup>1</sup> in 2006, only four – the two Sporting Excellence frameworks, Community Justice and IT Services and Development had 10% or more apprentices from an ethnic minority.
- Nearly half of the ethnic minority population of England live in London, and apprentices are greatly under-represented in all the London boroughs<sup>2</sup>.

## Gender

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<sup>1</sup> i.e. more than 20

<sup>2</sup> <http://www.statistics.gov.uk/pdfdir/meg1202.pdf> (2001/02 data)

- There have been a number of studies on gender patterns in apprenticeships, and there is a fairly large body of good practice case studies to draw on. Important documents include the 2005 EOC report and the 2006 WWC report.
- Women make up almost half of all apprentices.
- The 2005 apprenticeships pay survey found a 40% average pay differential between male and female apprentices<sup>3</sup>. The Workplace Report of 2006 also found that 70% of L3 apprentices were male, and that they received over just over twice as much training time as females per week<sup>4</sup>.
- These differences are between sectors. The sectors which offer the least pay and the fewest opportunities are those which are dominated by women. The largest frameworks which follow this pattern are hairdressing, early years childcare and health and social care.
- The gender disparity in apprenticeships is primarily in the 'traditional' apprenticeships sectors. The pay survey clearly shows that the large non-traditional frameworks, like hospitality and customer service, do have large numbers of women and also relatively high pay rates. The 2007 survey shows that both the above frameworks pay on average, more than the automotive or construction sectors, and yet have 49% and 67% of apprentices that are female, respectively.
- After the EOC report, many of its recommendations were developed, including the introduction of a minimum wage for apprentices (which led to the £80 per week minimum requirement); having the LSC publish framework data by sector, gender, race and disability; the 2005 and 2007 apprentice pay surveys to inform young people's career choices; ensuring ongoing marketing promoted non-typical examples of apprentices; a commitment to implementing more flexible delivery to encourage take up of non-traditional opportunities/occupations by recruits; and a focus on women learners as part of Apprenticeships for adult entry.
- Cost-benefit analysis of apprenticeships published February 2007 confirmed first observation of significant wage return to women on Apprenticeships at level three (14%)<sup>5</sup>. This data was taken primarily from the 2004-2005 labour force surveys and the 2005 pay survey.
- In the 2007 pay survey, in the largest frameworks that had a more even gender balance – customer service, business administration and hospitality - Female apprentices were paid slightly less than male apprentices on average.

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<sup>3</sup> [www.dfes.gov.uk/research/data/uploadfiles/RR674.pdf](http://www.dfes.gov.uk/research/data/uploadfiles/RR674.pdf)

<sup>4</sup> HOL report, pp. 74

<sup>5</sup> McIntosh cost-benefit analysis, 2007. In 2004, a similar analysis, albeit with less data available, found no returns for women, and only 5-7% for men)

## **Challenges and opportunities**

### **Disability**

- Addressing low levels of awareness and understanding of disability issues amongst the general public and amongst employers, employees and providers of skills training, and in this connection promoting wider understanding of the distinction between disability and impairment and of the social model of disability.
- Developing information, advice and guidance (IAG) for disabled people, including those with learning difficulties, so that they are fully aware of opportunities in apprenticeships, and of funding and assistance available to them.
- Improving the information base, about different types of disabled apprentices, and about which frameworks they are taking and applying for, to identify particular areas of under-representation.
- Ensuring that capital funding covers reasonable adjustments and specialist support services to enable access to learning for disabled learners.

### **Ethnicity**

- Enhancing the quality and coverage of statistical information, for example by providing breakdowns not only by ethnicity and framework but also by region and gender.
- Promoting community cohesion by eliminating variations in outcomes for different communities; and providing means for apprentices and other workers to interact with people from backgrounds different from their own.
- Challenge stereotypes by encouraging a more varied take-up of apprenticeships in a wide range of sectors.
- Reducing the disproportionate number of non-completions among ethnic minority apprentices.

### **Gender**

- Addressing the under-representation of women in science (including computer science), engineering, construction and technology (SECT), through apprenticeships, thus helping to address the national skills shortages in these subjects.
- Contributing in this way and others to narrowing the national gender pay gap.
- Working with our delivery partners to tackle gender stereotyping and segregation in education and training through information, advice and guidance (IAG) in relation to framework choices, and through ensuring that preparatory work experience and work-related learning give both girls and boys an opportunity to expand their horizons by trying out non-traditional work.

### **Equality impact assessment**

## **Disability**

A positive impact is likely. There is insufficient evidence, however, for this assessment to be made with as much confidence as is desirable.

## **Ethnicity and Gender**

A positive impact is explicitly intended and very likely.

## **Next steps**

- The information base is to be improved. Data is already collected by the three categories, and the apprenticeships pay survey is run every two years. Data should also be collected by region, however, and separately on the numbers of apprentices who apply, who start, and who complete. This might be able to be built in to the online matching service, which is being developed at this time. A single collection and dissemination responsibility must be taken for this data and for information and IAG on good practice, which will be taken by the NAS.
- Application procedures for apprenticeships are to be made more open and transparent. This will also be a function of the online matching service. This will help to reduce the numbers of young people embarking on apprenticeships via a 'friends and family' network of referrals.
- IAG will be made more explicitly available in schools to encourage young people to think about apprenticeship frameworks in a non-stereotypical way. This will be accomplished by retraining sessions for careers advisers and by providing more open access promotional material.
- Consideration should be given to increasing the apprenticeships minimum wage. Low Pay Commission have been asked to look into apprentice pay issues.
- National programme to encourage employers to consider and to market equality and diversity themselves. Aids to be made available, including, but not limited to, excellent IAG on best practice for doing so.
- Short-term targeted engagement plan for non-typical learners and their employers. The plan is to be focussed on the specific regions and sectors which demonstrate the greatest inequality, with the intent of providing 'critical mass' of non-stereotypical apprentices in these areas, to begin a long term 'snowball' effect, and to provide strong case studies and evidence on the number of young people required to produce 'critical mass', and the best strategies for engaging them. This includes a campaign that is London-specific, in co-operation with the LDA, and a focussed roll-out of Group Training Associations in targeted areas to provide holistic support, including mentoring and pre-apprenticeships.
- Strong E&D input on 14-19 Work Related Learning 'Vision', and upcoming QCA / DCSF guidance on Work Related Learning, in line with IAG

'standard 5' and schools' equality promotion duties. General E&D team input into schools based IAG, to fulfil standard 5. Long-term information sharing relationship must be established between schools, the NAS and the Employer partnerships which will be enabling WRL and the Diplomas.

Revising the blueprint to exclude learners who have little potential for completing apprenticeships may exclude some disabled learners unnecessarily. Guidance will have to be issued to guard against this.

## 1.4 Sixth Form College Designation

### **Description of the policy**

Legislation will create a legally distinct sixth form college sector for the first time. Sixth form colleges will continue to provide further education generally, although they will be legally separate from FE colleges also providing further education. The key difference between sixth form colleges and general FE colleges is that sixth form colleges will have a single commissioning and performance management relationship with their home local authority. It is not intended that there should be any incentives to join the sixth form college sector or remain a general FE college; this will be a decision for the institution based on its business plan.

Sixth form colleges were incorporated as FE colleges as a result of the Further and Higher Education Act 1992. Historically they predominantly catered for students aged 16-19. It is intended that colleges wishing to become sixth form colleges in future will have at least 80% FTE students aged 16-19 and be designated by the Secretary of State for Children, Schools and Families.

The proposals to create a legally distinct SFC sector were published in the White Paper, 'Raising Expectations' (March 2008) and are part of the policy of transferring 16-19 responsibilities to local authorities from 2010 (subject to legislation being passed).

### **The evidence base**

Evidence on sixth form colleges is derived from data collected by DCSF and DIUS, the performance tables published by DCSF and inspection evidence published by Ofsted. The body representing those colleges currently identified as sixth form colleges, the Sixth Form Colleges Forum, also publishes a prospectus of its members. The Sixth Form Colleges Forum was also a respondent to the consultation on the Raising Expectations White Paper.

### **What the evidence shows – key facts**

Sixth form colleges tend to be highly popular with parents and students and are therefore often oversubscribed but generally there are clear and fair entrance requirements for admission to the colleges. These arrangements are set by the college corporation, which is responsible for complying with all equal opportunities legislation. Sixth form colleges have become much more diverse since incorporation into the FE sector in 1993; many of them are identified as "widening participation" colleges, with a broad range of students. Although sixth form colleges tend to be a lot smaller than general FE colleges (average size 1508), they have acted to address the same diversity issues as FE colleges. Some excellent practice has been observed in SFCs by Ofsted, especially in colleges that serve large metropolitan and diverse areas.

## **Challenges and opportunities**

Access to higher quality educational provision improves the life chances of individuals and better prepares them to play a productive and participative role in society. The increasing diversity of the sixth form college sector is one of the ways in which young people of either sex and from any ethnic background, and including those with disabilities, can gain access to some of the highest achieving post-16 providers.

## **Equality impact assessment**

An adverse impact is unlikely, and on the contrary the policy has the clear potential to have a positive impact by reducing and removing barriers and inequalities that currently exist within education provision generally. A high proportion of sixth form colleges have been declared “outstanding” by Ofsted. The Government’s proposals to encourage the expansion of the sixth form colleges sector will increase access to high quality post-16 provision for more students, especially where they are located in areas with an increasingly diverse population.

## **Next steps**

There is no separate action that needs to be taken just by sixth form colleges. As public bodies they are required to comply with all equal opportunities legislation. Monitoring and reporting by the Department’s Equality Strategy Group that covers institutions providing further education will cover sixth form colleges. It is important to ensure that even though the sixth form college sector will have a separate legal identity, there is no separate legal duty on the sector in relation to equal opportunities.



## 1.5 Amendments to the post-16 Transport Duties

### **Description of the policy**

As a consequence of the dissolution of the LSC, the role it currently takes in relation to the post-16 transport duty will cease. Therefore we are amending the local authority duty to prepare and publish a transport policy statement to improve transparency and local accountability in the implementation of the post-16 transport duty. We are extending the duty so that the LEA will also publish a statement setting out transport provision for learners aged 19-24 who have had a learning difficulty assessment by the LEA.

In drawing up their transport policy statements, local authorities will be required to provide sufficient information to inform young people and parent's choices, consult young people and parents when drawing up their statement and (in respect of 6<sup>th</sup> formers) provide details of their complaints process.

### **The evidence base**

There is a lack of robust evidence on how far transport currently enables young people's to participation.

We have carried out analysis of local authority transport policy statements for the academic year 2007-08 and are currently analysing those for 2008-09. In addition, the Department commissioned SKILL to look at transport provision for learners aged 19-25 with learning difficulties and disabilities which highlighted some gaps in the evidence base. We are seeking to fill these gaps. We are commissioning research to assess in more detail the extent to which transport is a barrier to the participation of young people in education or training. This research will inform policy decisions about the longer-term direction of transport policy.

### **What the evidence shows – key facts**

Analysis of a sample of 2007-08 transport policy statements showed:

- that there were variations in the level of detail and format of the transport policy statements.
- the majority of statements met most or all of the legislative requirements.
- all statements set out, to some extent, the arrangements that will be made for young people with learning difficulties or disabilities of sixth form age, with many local authorities making available specific concessions for these young people. Eligibility for these concessions is most commonly assessed on a case-by-case basis.
- few statements provided information about what is available to young people aged 19-25 with learning difficulties or disabilities.

## **Challenges and opportunities**

There is an opportunity to improve transparency in the implementation of the duty. This will ensure that all young people and parents have the information they need to inform their choices. There will be a specific improvement in the information available to young people aged 19-24 with LLDD

The improvement in accountability as a result of requiring consultation with young people and their parents in the drawing up of statements and improving information about complaints procedures will directly benefit all young people as it should lead to local transport policy that is responsive to young people's needs.

## **Equality impact assessment**

We would expect that a positive impact is explicitly intended and very likely. There will be an improvement in the information made available about local transport arrangements for young people aged 19-24 with learning difficulties and disabilities.

## **Next steps**

We are commissioning a piece of research on barriers to participation, which will report at the end of the year.

We are reviewing transport policy statements on an annual basis and will use this analysis to feed into the guidance (currently issued by the LSC) which the Secretary of State will issue annually.

We will promote good practice in the drawing up of transport policy statements and particularly in support for young people with learning difficulties and disabilities (including travel training) through guidance and this year, through regional workshops for local authorities.

## 1.6 Young Offender Education

### Description of the policy

Education and training for young offenders in juvenile custody is currently largely delivered outside of 'mainstream' education and has separate planning, funding, accountability and performance management arrangements. Under the current delivery system, the roles and responsibilities of the different agencies involved are complex and no single agency is responsible for the education outcomes of young offenders in juvenile custody. As a result, the arrangements for education and education provision varies across the juvenile custodial estate. Levers and incentives in the current system are not strong enough to ensure that young people who enter custody are given appropriate and good quality education or training which is consistent with educational provision in the mainstream. Without further intervention existing problems are likely to continue. A delivery system aligned with arrangements for mainstream education, with clear roles and accountability, will change the levers and incentive structure and we expect this to lead to improvements in juvenile custodial education and better outcomes for young offenders.

The Youth Crime Action Plan published in July 2008, <http://www.homeoffice.gov.uk/documents/youth-crime-action-plan/> set out the Government's plans to improve education for young offenders. Further detail on the education proposals can be found in chapter 5, page 57. The main aspects of the proposals will:

- Put a new duty on local authorities with juvenile secure custodial establishment(s) in their boundaries (i.e. 'host local authorities') to secure appropriate education for young people in custody from September 2010, and this will include legislation relating to those with special educational needs;
- Put a new duty on local authorities to promote the educational attainment of young people in juvenile custody who are from their area (regardless of whether they are held in custody in the Home local authority area or a different local authority area);
- Make provisions for the transfer of information about the young persons education to inform provision;
- Make provisions to help ensure that young people's special educational needs are met in custody and on their release;
- Make provisions for guidance to local authorities to support them in exercising their duties above;
- Amend Clause 562 of the Education Act 1996 which disapplies the contents of the Act for young people detained by order of the court;
- Insert a new section into the Crime and Disorder Act 1998 requiring youth offending teams to notify home and host local education authorities when they become aware that a child or young person has been detained, transferred, or released from relevant youth accommodation.

The main objectives of the proposals are to:

- Improve education and training activities in juvenile custody and improve post-custody continuity of education;
- Promote better engagement, progression and attainment for young people in custody; and, ultimately
- Contribute to improving outcomes for young people in custody and reducing rates of youth re-offending.

### **The evidence base**

The Youth Justice Board's (YJB) 2005 Youth Survey identified 14 top risk factors for involvement in crime, which heavily featured school based problems. In its 2006 report, *Barriers to Engagement*, the YJB also recommended that joint training should be developed for schools and Youth Offending Teams, with an emphasis on effective information exchange. It also stated that the YJB, in conjunction with the then Department for Education and Skills, should consider the lack of access to full-time provision for statutory school-age people in the youth justice system. The subsequent review of education for young offenders considered these issues, including a consultation which focused on analysis of four key issues:

- ensuring participation;
- delivering a relevant curriculum;
- workforce development;
- roles, responsibilities and accountabilities.

Responses to the consultation highlighted the importance of ensuring that young people in the youth justice system have the same rights and access to suitable education and related services as any other young person. It also highlighted the need to have the same standards and expectations for this group of young people, to meet their needs and support them to fulfil their potential. Feedback from the consultation and from policy discussions with the sector indicated:

- These are young people first, young offenders second and so have the same rights and educational goals as all young people.
- Local authorities must take more responsibility for young people who offend, including those that enter custody. Local authorities' duties under the Education Act 1996 are currently disapplied for young people in custody; this creates a separate system for young offenders in custody and further removes them from the mainstream causing further marginalisation and difficulties in accessing services.
- We need to carefully balance access to mainstream education provision with the need for more specialist services. Although many of these young people can and should be educated through mainstream colleges and schools, some will only respond to other learning environments which do not replicate the traditional classroom, where they may have been unsuccessful in the past.
- We need a national framework and guidance on roles and responsibilities. There are currently large numbers of agencies

involved and we need clearer roles and responsibilities with clearer funding streams and inter-agency protocols.

Following the review, the White Paper *Raising Expectations: Enabling the System to Deliver* asked respondents for views on the plans to place local authorities in the lead for education in juvenile custody. Fifty five percent of respondents to the White Paper agreed that local authorities should be responsible for securing provision for young offenders in custodial institutions and said the commissioning of education for young people in custodial institutions was currently weak and should be a much higher priority. Some said it was important that when young offenders returned to their locality there was a seamless, one stop support service. They believed a consistency of education and skills provision was important as it could facilitate transition out of custody and into the community. (28 July 2008 - Raising Expectations: Enabling the System to Deliver Summary of the Written Responses and Events)

<http://www.dcsf.gov.uk/14-19/index.cfm?go=site.home&sid=51&pid=419&ctype=None&ptype=Contents>)

Whilst education and training is not the only factor, research suggests that it can play a critical role in effective resettlement for young offenders, and in reducing re-offending. A 2004 report, *Educational Interventions with Young People who Offend*, identified detachment from mainstream learning and under-achievement as two of the main links between education and youth crime. A Youth Justice Board study in 2004 found that young offenders who participated in education projects were less likely to re-offend, particularly when they improved their numeracy and literacy skills and gained qualifications.

The Audit Commission 2004 report, *Youth Justice 2004: a Review of the Reformed Youth Justice System*, commented on the failure of youth justice and education systems to work together. It recommended better tracking of children not on the school roll, schools retaining responsibility for children and young people in custody and a more flexible curriculum offering vocational options. Overwhelming evidence suggests that education plays a role in risk and protective factors in relation to youth offending.

A thematic report by The Office of Standards in Education in consultation with HM Chief Inspector of Prisons, *Girls in Prison*, 2004, reported that there was insufficient provision of quantity and quality of training and education. Even though there had been noticeable and welcome improvements, for the most part the girls surveyed received inadequate education. Fifty-four young women surveyed in custody had a more positive view of the education they received in the YOI than they had of the education received prior to their offending. In conclusion, the report said that there must be a continued drive to improve educational provision in custody.

## **Key Facts**

- The YJB's annual statistics for 2006-07 show that over 216,011 young offenders in England and Wales were dealt with by the criminal justice system. Of these, only 7,097 received a custodial sentence (about 3%).
- At any one time during 2006/07, an average of more than 2,900 children and young people were held in custody.
- At any one time, there is a throughput of around 7,000 young people from England and Wales entering and leaving custody per year.
- The average stay in custody for a young offender is around 4 months.
- The YJB's current performance indicators for the juvenile custodial estate are:
  - For 90% of young people in Young Offender Institutions (YOIs) to receive 25 hours or more education, training and personal development activity per week. For Secure Training Centres (STCs) and Secure Children's Homes (SCHs) the target is 30 hours or more.
  - In 2006/07, the average number of hours per person, per week in YOIs was 26.20. In STCs, 100% of young people received 30 hours or more of education, training and personal development activity per week. In SCHs, this figure was 79.5%.

### **What the evidence shows – key facts**

- 15 per cent of young offenders have statements of Special Educational Needs (1) (compared with 2.9 per cent of the general school population (2)). (“Evaluation of ASSET, YJB 2002” (1)) (“Special Educational Needs in England: January 2006” (2))
- The average reading age of young people starting ISSPs (Intensive Supervision and Surveillance Orders) is five years below their actual age and over half of the young people entering custody (average age 17) have a reading age below the level of an average 11-year-old. (Barriers to engagement in education, training and employment, YJB 2006)

### **Challenges and opportunities**

There is little evidence on quantified impact so it is hard to estimate the size of the impact that these proposals are expected to have on re-offending, and in particular in relation to gender, ethnicity and disability. However, the proposals will give young people in juvenile custody (in England and Wales) rights to education under the primary education legislative regime for the first time. The reforms will mean they have access to a high quality education which is aligned with that available to their peers in the community, thereby helping to ensure a consistent learning experience as they move through and out of the youth justice system. Although the plans are primarily for a delivery system change, the aim of this change is to ensure equality and consistency for all 7,000 young offenders who enter custody each year, regardless of any disability, their ethnicity or their gender.

The English Government and the Welsh Assembly Government will need to work closely with stakeholders to ensure simplicity and clarity. Given the current complexity of the delivery of education within the juvenile secure

estate, there is a risk of slow implementation at a Government and local level. But we are clear that if we are to cut re-offending by only a small amount, they have the potential to yield sizeable benefits, not just in terms of financial savings but in the educational and life outcomes of those who enter the youth justice system.

### **Equality impact assessment**

An adverse impact is unlikely. On the contrary there is potential to reduce barriers and inequalities that currently exist. There is insufficient evidence, however, for this assessment to be made with as much confidence as is desirable.

The proposal to place local authorities in the lead for securing education and training for young offenders in custody is a system delivery change proposal where the main aim is to bring the education delivered in custody more in line with that delivered in the mainstream. We expect that under the new arrangements that local authorities will be in a stronger position to understand the specific needs of the populations of young people in custody in their area and to work with partners to commission services to meet their needs. Under the new arrangements there will also be clearer duties and arrangements for the provision of services for young people with special educational needs.

### **Next steps**

To support the legislation which will give local authorities the duty to secure education for young offenders in custody from September 2010, wider proposals were published within the Youth Crime Action Plan:

- Developing new performance management arrangements which place greater focus on progression and achievement;
- Considering how we best meet young offenders special educational needs;
- Developing a National Delivery Framework for education and training in juvenile custody, with requirements for local agreements between partners;
- Developing guidance for local authorities and partners on education for young offenders and;
- Developing and implementing a quality improvement strategy.

We anticipate that the above initiatives will be implemented in time to support the local authority responsibility from September 2010.

We will also work with other stakeholders to consider the role of data collection and reporting at a local and national level so that we can monitor and evaluate the effectiveness of the change and ensure that the data collection on young offender education is aligned as far as is practical with arrangements in the mainstream. This will ensure ease of comparability of data and will assist in ensuring simple reporting mechanisms are developed.

The policy and commitments outlined above will be progressed in consultation with key stakeholders including the Welsh Assembly Government, the Youth Justice Board, the Prison Service and custodial estate, local authorities and the Learning and Skills Council, as well as other partners.



## 1.7 Right to Request Time to Train

An adverse impact is unlikely, but a positive impact is also unlikely. As this policy proposes a 'universal' right to all employees within the eligible group, it is thought unlikely that it will have a negative impact on any specific group. There is also potential that it may have a positive impact on those with disabilities. Research has shown that 51.6 % of those who are DDA disabled and working limiting disabled are qualified to below level 2 or have no qualifications.<sup>6</sup>

However, we recognise that the take up of training is different among groups according to age and ethnicity. We also know that learners face a range of barriers which affect where they fall on the spectrum of either being either positive about learning or at the other end negative about learning.

These are:

Reason for no/limited learning:

- Difficulties with English
- Couldn't find training I wanted
- Difficulties reading/writing
- No time because of family
- Only willing to learn if fees are paid by someone else
- Hard to get time off work do learning for job
- Whether there are people aged under 16yrs in household
- Not interested in doing learning, training or education
- Employer would not support learning
- Want to learn but can't find opportunities locally

We will consider methods of effectively promoting TtT to all groups, taking into account the barriers to learning, in order to deliver the policy in line with E&D aims.

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<sup>6</sup> Labour Force Survey 2006

## 1.8 Student Loans & IVAs

### **Description of Policy**

Individual Voluntary Arrangements (IVAs) were created under the Insolvency Act 1986 with the original intention that they would be used by the self-employed. However, increasingly the employed and over-indebted are using IVAs. The reasons for this are not totally clear but the Insolvency Service has suggested that the key factors may include increased advertising by debt management companies and IVA providers, and an improved understanding among individual debtors that IVAs are a way of avoiding bankruptcy. Student loans are not included in a person's bankruptcy debts and this may be a factor in channelling borrowers towards IVAs.

The Higher Education Act 2004 excluded student loans from a borrower's bankruptcy debts, so that during and upon discharge from bankruptcy, the borrower remains liable to repay his student loan. At the time the Act was going through Parliament, it was considered whether student loans should also be excluded from IVAs but at that time they were relatively uncommon. The Government decided not to legislate at that time with respect to IVAs and to keep the situation under review. At that time, their financial effect on the Student Loans Company (SLC) was negligible – the SLC had dealt with only 11 IVAs with an outstanding student loan balance for English borrowers of £28,500 by 31 December 2003. However, IVAs have increased in number and this has increased the financial impact upon the SLC. By the close of 2007, the SLC had dealt with 3,031 IVAs from English and Welsh borrowers with a total value of over £17.3 million.

The government has concluded it is now anomalous to exclude student loans from bankruptcy but not from IVAs. Student loans are made on non-commercial terms, including low interest rates and the obligation to repay being linked to a student's income. In addition, as student loans are paid out of and subsidised by public funds, it is not considered appropriate to allow borrowers to reduce or limit their liability to repay by entering into IVAs.

### **The evidence base**

There is no available evidence to suggest that this will have either a positive or negative impact on equalities issues.

### **Equality impact assessment**

With regard to disability, ethnicity and gender it is anticipated that an adverse impact is unlikely, but a positive impact is also unlikely.

## 1.9 Foundation Degree Awarding Powers for Wales

### **Description of Policy**

Consideration was given to foundation degree awarding powers for Welsh FEIs during the drafting of the FETA 2007. We are now in the position whereby the direction of travel for the Welsh Assembly Government is clearer than when the Bill for the FETA 2007 was proposed, and related policy has further evolved, particularly in light of developments such as the publication of One Wales, the Webb Review Report and the Skills That Work for Wales Strategy (The Assembly's response to the UK Leitch Report).

There are clear advantages in utilising foundation degrees. For instance in Scotland, FEIs have made a significant contribution to meeting employer need at technician and para-professional level. As England also now has the power to enable FEIs to apply for powers to award foundation degrees, this could leave Wales at a disadvantage in responding to the needs of employers and the economy.

There is a case, therefore, for taking the opportunity to make similar provision to that of England by pursuing the power for foundation degree awarding powers for further education institutions in Wales to be included in the Bill.

### **The evidence base**

There is no available evidence to suggest that this will have either a positive or negative impact on equalities issues.

### **Equality impact assessment**

With regard to disability, ethnicity and gender it is anticipated that an adverse impact is unlikely, but a positive impact is also unlikely.

## 1.10 Strengthening Children's Trusts

### **Description of the policy**

The Children Act 2004 placed local authorities under a duty to make arrangements to promote cooperation to improve children's well-being and certain named statutory 'relevant partners' were placed under a duty to cooperate with those arrangements. Other bodies considered appropriate partners by the local authority could also be part of these arrangements but there was no specific duty on them to engage or contribute. These arrangements are the legislative underpinning for Children's Trusts; a partnership of bodies and organisations working together to improve outcomes for children and young people.

Subsequent statutory guidance (which the local authority and its statutory 'relevant partners' must have regard to) suggests that the arrangements should include the setting up of a Children's Trust Board. Many areas have followed this guidance, but not all have done so. The Apprenticeships, Skills Children, and Learning Bill will make the setting up of Children's Trust Boards a statutory requirement. It will also give Boards the function of drawing up, publishing and monitoring the local area's Children's and Young People's Plan, effectively extending the ownership of the CYPP to the whole partnership. Currently it is the responsibility of the local authority alone. The Bill will also add new Children's Trust statutory partners (including maintained schools, academies and colleges) which will be placed under the existing duty to cooperate with the local authority in the Children's Trust partnership arrangements.

The only part of the legislation that we have identified as warranting an equality impact assessment is the requirement to set up a Children's Trust Board.

### **The evidence base**

The best source of evidence is the Audit Commission report "Are we there yet?: improving governance and resource management in Children's Trusts", published in October 2008. However, the evidence in the report relates only to a sample of eight Children's Trusts, where in-depth interviews were conducted, and a further 479 short telephone interviews with different Children's Trust partners. Moreover, the report does not correlate figures to show how different Children's Trust arrangements relate to perceived benefits.

### **What the evidence shows – key facts**

The Audit Commission report says that the majority of local areas already have a Children's Trust Board in place. It also says that, of the Children's Trusts its research covered, over 50% found improved value for money in the areas of collaborative working, coordination of services, targeting of services, and streamlining processes. Although these figures might suggest that

having a Children's Trust Board leads to improved value for money, the report does not show the exact relationship between the two.

### **Challenges and opportunities**

The policy of making the Children's Trust Board a legal entity will ensure that any benefits which are being felt in local areas where they are already established will be felt in all local areas.

### **Equality impact assessment**

Common sense suggests that an adverse impact is unlikely. On the contrary it is generally accepted that these measures have the potential to reduce the barriers and inequalities that currently exist. There is insufficient evidence, however, for this assessment to be made with as much confidence as is desirable. Word from the ground suggests that areas where Children's Trust Boards are in place see benefits relating to value for money. Such benefits should be felt by those served by Children's Trust partners; i.e. children, young people and families. If such benefits occur, then it is fair to conclude that local areas where Children's Trust Boards are not yet in place will see similar benefits when they are put in place as a result of the new legislative requirement. This would mean that this second group of local areas would see benefits from the legislation whereas the first group would not. This logic is based on the assumption that by learning from what works well in some places and extending it to all areas, the areas to which the practice is extended will benefit.

### **Next steps**

We will support Ministers to ensure that the legislation goes through Parliament and gains Royal Assent. Future reports and research may be undertaken to measure benefits, but none is planned at this moment.

## 1.11 Legislating for Sure Start Children's Centres

### **Description of the Policy**

The proposal is that in future, whether or not something is a Sure Start Children's Centre (SSCC) would be a matter of law, and the Government propose to use legislation to establish that all SSCCs in existence at the date of Royal Assent are captured as SSCCs for the purpose of the statutory requirements.

We propose to give local authorities a duty, working with their statutory partners in Primary Care Trusts and Job Centre Plus, to assess the need for SSCCs in their area, and to establish sufficient SSCCs to meet that need, as one way of meeting their Childcare Act 2006 duties. This will build on existing activity by LAs and their partners to assess the need for SSCCs in their areas and audit existing service provision. This would be undertaken in the context of the review of the Children and Young People's Plan for each area.

There is a great deal of evidence and good practice showing what works at Centre and area level to help improve child outcomes and ensure that all children and families, especially the most vulnerable and disadvantaged, are able to access the services, which evidence shows is starting to make a difference. Currently, much of this evidence and good practice is captured in guidance documents, in particular the planning, practice and performance management guidance issued from the Department.

Establishing SSCCs as a statutory part of the universal infrastructure for children's services should help Centres to sustain and build upon the good practice already developed and identified in the guidance documents. Following the Sure Start 'ethos' as a key driver to social equality, and the principle of progressive universalism, the impact of improved SSCC services locally should benefit all children and families, but especially the most disadvantaged and the most vulnerable, as they have the most to gain from improved, local and accessible services.

### **What the evidence shows: key facts and findings; challenges and priorities**

Sure Start Children's Centres have a powerful record of improving outcomes for the most vulnerable, most disadvantaged children and families. Sure Start programmes also have a strong record of undertaking evaluation and acting decisively on the findings. In November 2006 the Government published revised *Practice Guidance* for SSCCs, showing how services can best be delivered to meet the individual needs of all young children and their parents, wherever they live. In addition, in March 2008 the Government published *The Sure Start Journey: A Summary of Evidence* so local authorities, SSCC managers and other stakeholders could be made aware of the wealth of evidence available.

### The main evidence sources available

The National Evaluation of Sure Start (NESS) was commissioned by the DCSF in early 2001. To establish the ongoing and sustained impact of Sure Start, the NESS programme is centred around understanding the impact over time of ex Sure Start Local Programmes (SSLPs), across the population and on particular groups. To date 27 reports have been published which can be accessed via the National Evaluation website at [www.ness.bbk.ac.uk](http://www.ness.bbk.ac.uk).

The most notable report is the NESS Impact study, tracking the individual child and family level outcomes for over 8,000 children. The impact of Sure Start on 3 year old children was published in March 2008.

The evaluation found a positive impact in seven of 14 tracked child and family outcomes. Five of these seven could clearly be attributed to a positive “Sure Start effect”. There were no statistically significant negative findings. The evaluation found that parents of three year old children showed less negative parenting and provided their children with a better home learning environment. Three year old children displayed better social development and higher levels of positive behaviour and independence / self regulation. The Sure Start effect appeared to be a consequence of Sure Start benefits upon parenting. Additionally, families in Sure Start areas used more child-and family-centred services than those living elsewhere.

There is significant evidence that these outcomes, fostered by centres, help establish the building blocks for success in school and later life, and are key to making sure every child achieves their potential.

Ofsted's *How well are they doing: The impact of Children's Centres and Extended Schools* (Jan 2008) offers a positive view on the sometimes “life-changing” impact of SSCCs on children and parents, as well as reinforcing the NESS conclusions about outreach.

The National Audit Office publication *Sure Start Children's Centres* (December 2006) also reported on the challenge of outreach to disadvantaged families. It found that most, but not all, SSCCs visited were providing some outreach activities, with one third pro-actively targeting hard to reach groups and working to ensure that services were more relevant to the needs of lone parents, teenage parents and ethnic minorities. The report identified further work was needed on outreach. Subsequently, the DCSF has strengthened its messages on outreach to SSCCs and provided funding for two additional outreach workers in the most deprived areas from this year.

Research and case studies also show that in some SSLPs small, sensitive adaptations to meet the needs of local populations - which may include BME or Traveller families, or teenage parents – are being made appropriately.

## *Ethnicity*

### Families from Black and Minority Ethnic (BME) Groups

Research showed that SSLP practice varied widely in this area with some programmes having demonstrated a much greater ability to respond to the challenges involved. There is evidence that programmes were able to help build trust and respect between different communities through bridge-building activities. However, there is room for more to be done. Outreach work and the targeting of services is an essential tool in contacting BME families. Best practice includes involving parents in outreach to their own communities, as interpreters of materials, or as informal reception staff to build trust and overcome language and cultural barriers.

## *Disability*

### Working with disabled children and those with Special Educational Needs (SEN-D)

Research and surveys show that parents of children with SEN-D are particularly positive about the friendly, non-judgemental, knowledgeable staff within programmes, to which they could turn in times of high pressure. They appreciate that centres provide a place where they can get high quality help and support, as well as an opportunity to see their child happy, coping well and making friends. More generally, there is evidence that programmes have raised commitment of other service providers to equal opportunities and inclusive services, and to be flexible and responsive to families. Going forward, Centres should focus on developing the links between services to enable forward planning and supported transitions.

## *Gender:*

### Engaging with parents and fathers

The *Sure Start Children's Centres Parental Satisfaction Survey Report and Annexes 2007* (June 2007) noted that parents' levels of satisfaction with individual services was very high, with 90% of parents saying they were very satisfied with the SCC overall, with a further 9% who were quite satisfied. Fewer than 1% of parents were dissatisfied with the SSCC as a whole. Research suggests that more needs to be done to engage with fathers; where there was involvement, it often became a 'stepping-stone' for further and more regular engagement in a wider range of activities at the centre. According to the Ofsted report, fathers, particularly lone parents, reported that centres were an important source of support in raising their children.



## **Equalities Assessment**

An adverse impact is unlikely, and on the contrary the policy has the clear potential to have a positive impact by reducing and removing barriers and inequalities that currently exist.

The purpose of the proposed legislation is to establish SSCCs as a legally recognised part of the universal infrastructure for children's services, so that their provision is not seen as the outcome of a time-limited funding regime, but becomes a long term statutory commitment and part of the established landscape of early years provision.

In establishing a long term statutory commitment, the proposed legislation will help to sustain and build on the benefits evidenced in this assessment, and allow SSCCs, as they develop following their establishment, to better improve child and family outcomes, tackle child poverty and improve social mobility by giving every child the opportunity to fulfil their potential.

## **Next steps**

The Department will consider how promoting equalities and addressing the challenges identified should be reflected in guidance that would be provided on the new duty. The DCSF will continue to evaluate the impact of SSCC delivery, considering future evaluation to address issues such as take up, reach and satisfaction with SSCCs, including among different population sub-groups; how are services being delivered, and the effectiveness of this; as well as future work on child level impacts, for example with NESS tracking the impact of Sure Start users onto five year old children. The resulting evidence will be used to inform development and implementation of future SSCC policy.

## 1.12 Safeguarding Children

### **Description of the policy**

The Children's Secretary, Ed Balls, asked Lord Laming to prepare an urgent report on the progress being made across the country to implement effective arrangements to safeguard children on 17 November 2008. Lord Laming published his report, *The Protection of Children in England: A Progress Report*, on Thursday 12 March. This contained 58 recommendations which the Government accepted in full.

Building on the Government's public commitment to act swiftly, and decisively, to implement the recommendations it has explored all non legislative ways of implementing the recommendations. Three of the recommendations however can only be achieved through primary legislation, these are:

- Opening up Local Safeguarding Children's Board (LSCBs) to wider public scrutiny through the appointment of two lay members drawn from the local community.
- Requiring LSCBs to publish an annual report on the effectiveness of safeguarding in the local areas.
- Introduce new statutory targets for safeguarding and promoting the welfare of children.

### **The evidence base**

The appointment of two lay members to each LSCB, the requirement for each LSCB to publish an annual report and the introduction of new statutory targets for safeguarding and promoting the welfare of children are all of a direct consequence of the Laming Report.

In the course of developing the report Lord Laming received over 100 written submissions from key stakeholders and over 200 letters from a range of individuals including professionals across the children's workforce. The report team supporting Lord Laming visited six local areas and met with key staff from local authorities, education, health and the police. The team hosted a series of seminars to gather the views of national stakeholders, local leaders and frontline staff. Lord Laming met national stakeholders, trade unions, officials of Government departments, and some Members of Parliament.

As part of the evidence base gathering 11 Million consulted young people and passed on their views and experiences of services for children and young people to Lord Laming. Lord Laming used this evidence base to underpin his report.

### **What the evidence shows – key facts**

The evidence underpinning this policy is drawn principally from Lord Laming's report. In this, Lord Laming recommends the introduction of new statutory targets for safeguarding and promoting the welfare of children. These new statutory targets will create an effective system of performance management that drives improvement in the quality of services designed to safeguard and promote the welfare of all children.

Likewise in his report Lord Laming believes that to effectively safeguard and promote the welfare of children there needs to be a culture of mutual challenge, improvement and openness within a local area. Due to this it is appropriate that LSCBs arrangements should be opened up to wider public scrutiny through the appointment of two lay members drawn from the local community to the LSCB. This will support stronger public engagement in, and understanding of, children's safety issues in the local area.

To effectively safeguard and promote the welfare of children it is imperative that there is a strong relationship between the LSCB and the Children's Trust. To ensure that this partnership is as effective as it can be LSCBs will publish a 'state of the nation' report annually on safeguarding and the promotion of the welfare of children in the local area that it will submit the Children's Trust Board.

### **Challenges and opportunities**

The three policy areas aim to ensure that the life and future development of each child is given equal importance. Safeguarding children and young people extends across society and the implementation of the Laming Report offers an opportunity to develop safeguarding procedures that will benefit all children.

### **Equality impact assessment**

A positive impact is explicitly intended and very likely as the new arrangements will support all young children. Government has made clear its determination to do everything possible to make sure that all child protection services meet the needs of the vulnerable children they serve. The need to protect children and young people from significant harm and neglect is ever more challenging, the introduction of these policy areas are necessary to ensure that there is now a step change in the arrangements to protect children from harm. It is essential that action is now taken so that as far as humanly possible children at risk of harm are properly protected.

## 2.1 Establishment of Ofqual and the QCDA

### **Description of Policy**

We are transferring the regulatory functions of the Qualifications and Curriculum Authority (QCA) to a new independent regulator for England with strengthened powers, the Office of the Qualifications and Examinations Regulator, or Ofqual. Ofqual was launched in interim form under existing legislation on 8 April 2008.

Ofqual will be accountable directly to Parliament, and it will be completely separate from the organisation that develops the curriculum and delivers related qualifications or tests. Ofqual will report on the standards of the tests and qualifications system in England, and will also have a strong role as market regulator. We want to put an end to the annual debate about standards, which undermines the achievements of millions of students. An independent regulator will improve confidence in these standards.

We will establish a Qualifications and Curriculum Development Agency (QCDA) to continue the QCA's remaining (i.e. non-regulatory) functions. Legislative provision for these changes was announced in the Queen's Speech on 3 December 2008.

### **The Evidence Base**

QCA currently carries out a range of activities in order to ensure that it meets its responsibilities to ensure equality in all aspects of its work. It has published a Disability Equality Scheme and a Gender Equality Scheme. A consultation on a draft Single Equality Scheme for QCA closed in December 2007<sup>7</sup>. The organisation has a Diversity and Inclusion Team and a Diversity and Inclusion Strategy Group to ensure that equality and diversity best practice is disseminated throughout the organisation and embedded into each of QCA's policies. In May 2007 a Disabled People's Advisory Panel was established to advise and assist the QCA on the most effective ways to address inequalities and barriers facing disabled learners, service users and employees.

The reforms proposed will lead to the creation of two new organisations – the development and the regulator – both of these organisations will publish equality schemes and we expect them to continue the work of the QCA to embed equality and diversity best practice in all of their policies and activities.

These reforms will not directly affect the current requirements relating to access to the curriculum, qualifications or assessments. Policies are already in place to ensure that learners have access and equality of opportunity. The move towards proportionate regulation and the anticipated impacts of the proposals will not alter the requirements and policies that relate to access and

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<sup>7</sup> The draft Single Equality Scheme can be viewed at [http://www.qca.org.uk/library/Assets/media/meeting\\_the\\_challenge-achieving\\_equality\\_for\\_all.pdf](http://www.qca.org.uk/library/Assets/media/meeting_the_challenge-achieving_equality_for_all.pdf)

equality. Any new entrants to the regulated system of qualifications will have to meet these requirements.

### **Equalities Assessment**

These proposals will not have an impact on race equality, disability equality or gender equality.

## 2.2a Parents' and Young People's Complaints about School Issues in England

### **Description of the policy**

The Children's Plan, published in December 2007, committed the Government to look at ways of improving the arrangements for handling parents' and young people's complaints.

The policy aims to strengthen the arrangements for reaching early resolution in disputes between parents, schools and in some cases young people. Where early resolution is not possible the intention is to provide a new independent service for the handling of these complaints. A pilot phase will look at how they might be improved from the first informal stages through to formal complaints.

The new arrangements will provide effective redress where a school has been at fault in providing a service or handling a parent's or a young person's complaint and will support schools in their decisions where they are correctly reached. It will streamline, where possible, the current arrangements for handling complaints where not resolved at school level and will replace the Secretary of State's role in considering complaints under ss 496 and 497 with an independent service.

A consultation on the detail of the proposals (between 26 September 2008 and 21 November 2008) outlined proposals for piloting the service to gain a view on unmet demand; the practicalities of guidance on remit; and relations between existing appeal and referral mechanisms. The piloting, which could take place for a minimum of 12 and maximum of 24 months, would begin once appropriate legislation is in place with the intention of rolling out across England by 2011. During the pilot stage an evaluation would take place ensuring lessons are learned in advance of full rollout.

The service would handle complaints on a wide range of issues. This policy therefore straddles a wide range of education related policies. The budget for the new service has been estimated at around £1.5m per year (including initial start-up costs) based on an estimate of 2,000 cases per year. A piloted approach should provide a more accurate prediction of demand.

### **The evidence base**

The consultation used to develop the Children's Plan, the 'Time to Talk' national consultation events over September and October 2007 and the consultation carried out through the creation of Expert Groups were strong contributors to the ideas in the Plan. The consultation has been an opportunity to hear directly the voices of children, young people, their mothers, fathers and extended families and to make sure that we listened to girls and boys, men and women, disabled and non-disabled people and people from a range of communities. The principal evidence sources for the Children's Plan are the report of the national 'Time to Talk' consultation, the

reports of the three Expert Groups established to advise the Secretary of State, and the evidence report: *Children and Young People today Evidence to support the development of the Children's Plan*. These are public documents and are available at [www.dcsf.gov.uk/timetotalk](http://www.dcsf.gov.uk/timetotalk)

In addition to the first 'Time to Talk' consultation the Department has since held further events and focus groups with parents and young people where the issue of complaints handling has been looked at in detail.

The development of proposals on an improved system takes place within the general context of increasing interest in the conduct of public administration and the role of complaints handling in improving accountability, responsiveness and standards of public service. The Public Administration Committee published (July 2008) its report "When Citizens Complain" and the Parliamentary and Health Service Ombudsmen has been undertaking work on developing the principles of good complaint handling.

More specifically to education, the Children's Commissioner submitted a report<sup>8</sup> to the Secretary of State for Children, Schools and Families on the handling of bullying complaints in schools making specific recommendations about how governing bodies hear complaints, the role of mediation, the introduction of independent officers to represent parents in bullying complaints and independent panels to hear unresolved cases. The Government considers that to treat complaints about bullying differently from other complaints would prove confusing and counter-productive for parents and schools. Therefore the proposals in the consultation took account of the Children's Commissioner's recommendations but applied them to all complaints. Sir Alan Steer's July 2008 report<sup>9</sup> on pupil behaviour also made a number of specific recommendations on the handling of parents' complaints.

Parents and young people who are not satisfied with their school's response to their complaint currently have no effective means of appeal and in those cases where the complaint is justified there are no means of providing redress or remedy. If a parent or young person remains unsatisfied with the governing body's response, there is currently no independent body to approach. Depending on the nature of the complaint the current processes follow various routes and therefore can be confusing and inefficient.

For the majority of parents of children with SEN, for example, improved handling of complaints at school level together with the assurance of timely and effective intervention to require statutory provision would amount to a strengthened and streamlined system. In those rare cases where bodies do not comply with the recommendation, parents would currently need to seek a judicial review of the body concerned. The Government has also asked Brian Lamb to advise on the most effective ways of increasing parental confidence in the special educational assessment process<sup>10</sup>.

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<sup>8</sup> *Bullying in Schools: A review of the current complaints system and recommendations for change*

<sup>9</sup> Behaviour review paper 3 July 2008

<sup>10</sup> Written Ministerial Statement by the Under-Secretary of State for Children, Schools and Families (Kevin Brennan) Hansard 13 Mar 2008 Column 19WS

## **What the evidence shows – key facts**

Children and young people form around 20% of the population in England today, and almost one in five are from an ethnic minority.<sup>11</sup>

Research has consistently shown that parental involvement in children's education makes a positive difference to pupils' achievement. The Children's Plan also highlights the importance of partnership between parents and schools to support children in their learning (in the early years and throughout school). Furthermore research has shown that the quality and content of fathers' involvement matters more for children's outcomes than the quantity of time fathers spend with their children.

Parents who participated in a recent series of focus groups expressed views that an effective complaints process could change their views of school. They reported that when the complaints process is effective it can change perceptions, especially if parents are engaging with secondary schools, leading to a positive effect on relationships.

A piloted approach, accompanied by evaluation, would enable the Department to not only gauge demand but to also assess how effectively the new arrangements meet the needs of all mothers, fathers, carers and young people, learning lessons in advance of a national rollout to ensure all groups benefit from a better service.

The Department currently receives more complaints from parents about SEN issues than any other. Many of these would qualify for consideration under the new service. The Department also receives complaints from parents about a wide range of other issues including bullying.

In terms of outcomes for these pupils: in 2007, 9.4% of pupils with special educational needs (SEN) gained five or more GCSE grades A\*-C including English and Maths, compared with 53.8% of those without SEN (SFR 38/2007).

Boys are more likely than girls to be identified as having special educational needs: boys are two and half times more likely to have SEN statements than girls; boys are more likely than girls to attend special schools, nine times as likely as girls to be identified with autistic spectrum disorder: and are four times as likely as girls to be identified as having a behavioural, emotional and social difficulty (BESD).

In relation to other groups of pupils and in particular where bullying is an issue, our annual Longitudinal Study of Young People in England (LSYPE) survey shows that female pupils, white pupils, religious pupils not belonging to one of the mainstream religions, pupils with a disability and / or pupils with

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<sup>11</sup> <http://www.dcsf.gov.uk/publications/childrensplan/timetotalk.shtml>



special educational needs are more likely to be bullied than their peers. The prevalence of bullying in all these groups decreases as the pupils get older.

In particular, pupils with a disability and pupils with special educational needs are more susceptible to bullying compared to pupils with other vulnerable characteristics.

Pupils with disabilities are bullied more than pupils without disabilities (9% more in Year 9, 10% more in Year 10, and 10% more in Year 11).

Pupils with special educational needs are bullied more than pupils with no special educational needs (9% more in Year 9, 11% more in Year 10 and 11% more in Year 11).

Among pupils with SEN, those with numeracy problems experience the most bullying (63% in Year 9, 57% in Year 10, and 48% in Year 11).

The 2006/7 Statistical First Release includes the following:

70% of all permanent exclusions are of pupils with SEN.

Pupils with SEN (both with and without statements) are more likely to be permanently excluded than those pupils with no SEN.

In 2006/07, 36 in every 10,000 pupils with statements of SEN and 42 in every 10,000 pupils with SEN without statements were permanently excluded from school. This compares with 4 in every 10,000 pupils with no SEN.

The figures show a small increase in the rate of fixed period exclusions in secondary schools for those pupils with SEN compared with the previous year. In 2006/07, the rate of fixed period exclusion for those pupils with statements was almost 34 per cent; the rate for those with SEN without statements was 33 per cent. This compares to 6 per cent for those pupils with no SEN.

In 2006/07 the permanent exclusion rate for boys was nearly 4 times higher than that for girls. The ratio of permanent exclusion between boys and girls has remained stable over the last five years with boys representing around 80 per cent of the total number of permanent exclusions each year.

Regarding fixed term exclusions (likely to be covered by the new service): in 2006/07 the fixed period exclusion rate for boys was almost three times higher than that for girls. Boys accounted for some 75 per cent of all fixed period exclusions. Boys are more likely to be excluded (both permanently and for a fixed period) at a younger age than girls, with very few girls being excluded during the primary years. The most common point for both boys and girls to be excluded is at ages 13 and 14 (equivalent to year groups 9 and 10). Just over 50 per cent of all permanent exclusions were of pupils of this age.

A larger proportion of Black Caribbean and Mixed White and Black Caribbean pupils has been excluded than White British pupils. In 2006/07, 0.38% (nearly four in 1,000) of Black Caribbean and 0.36% of Mixed White and Black Caribbean pupils were permanently excluded. This was about three times the rate for White British pupils, for whom the figure was 0.12%. For fixed period exclusions the rate was 12.67% for Black Caribbean pupils and 13.77 for Mixed White and Black Caribbean pupils, compared to 6.38% for White British pupils.

### **Challenges and opportunities**

The main challenges and opportunities presented by establishing new arrangements for handling complaints are:

- An easier system where a complaint or concern can be raised earlier (before the need for formal processes) and the situation is rectified sooner for the child, leading to better outcomes.
- Better relationships because misunderstandings and problems are addressed early leading to fewer complaints.
- A transparent system which handles the complaint more quickly leading to earlier resolution of the issue which is better for the child; and a wider range of remedies and redress made available which would resolve the situation and put things right for the child.

### **Equality impact assessment**

A positive impact is explicitly intended and very likely.

We have taken many different steps to be inclusive in the consultation process.

The new arrangements require legislation but consultation to date and the on-going consultative work with stakeholders will inform the mechanics of delivering the service effectively for all young people, their mothers, fathers and carers. It will also inform the processes that can help schools in handling complaints at school level. Most parental concerns about their child's school are quickly and effectively settled informally by school staff. The great majority of schools demonstrate professionalism and expertise in communicating with parents and do well in balancing the needs of children and young people and listening to parents. But in some cases, differences between parents and schools cannot be resolved and we need to address this. The proposed new service will give users the confidence that they have been listened to and their complaint has been dealt with fairly. And the service will support schools in their decisions where they are correctly reached. Supporting parents and young people to resolve concerns by streamlining the process and increasing accountability will result in benefits across the board.

## **Next steps**

Legislation is required to replace the Secretary of State's role in considering complaints under ss 496 and 497 with an independent service. The Service will be hosted by the Local Government Ombudsman.

The intention is to pilot the arrangements in the first instance and the Department will commission an independent evaluation of the pilot in order to ensure the service meets the needs of all.

Stakeholder engagement and evaluation will look particularly at the impacts of the new arrangements on disadvantaged groups.

## 2.2b Governing Body Complaint Procedures in Wales

### **Description of the policy**

The Welsh Assembly Government is concerned that maintained school governing bodies do not handle complaints as well as they might because they do not have good complaint procedures. Poor handling of complaints can mean that real problems are not addressed and that parents' confidence in schools is harmed.

Consequently, the Welsh Assembly Government wants all maintained schools in Wales to use the same complaints procedure to eliminate the problems caused by lack of, weak, or inadequate procedures. The clause will amend section 29 of the Education Act 2002 to give the Welsh Assembly Government power to draw up a standard procedure and to require governing bodies to use it.

### **The evidence base**

The Welsh Assembly Government's *Living in Wales Survey into Citizen's Views of Public Services* reported that in 2006:

- 32% of parents with children in primary school education felt fairly or very dissatisfied with how their complaint was handled; and
- 31% of parents with children in secondary school education were also fairly or very dissatisfied with complaint handling.

In addition the Welsh Assembly Government receives correspondence from persons dissatisfied about school complaints, and anecdotal evidence from Local Authority Governor Support Officers and Governors Wales (an umbrella body for school governors).

### **What the evidence shows – key facts**

The Welsh Assembly Government has no evidence that ethnicity, gender or disability are factors in how schools in Wales handle complaints. When complaints are handled badly, there does not appear to be any correlation with these matters or bias.

### **Challenges and opportunities**

The policy will apply to all maintained schools in Wales and so to all school pupils irrespective of their ethnicity, gender or disability. The Welsh Assembly Government does not know of evidence indicating that complaint handling is influenced by a complainant's ethnicity, gender or disability and so there is neither challenge to address, or opportunity to target equalities issues.

### **Equality impact assessment**

The proposal is unlikely to have either a positive or adverse impact for equalities.

There is no evidence that equality matters are an issue in complaint handling by governing bodies in Wales. Governing bodies handle complaints well, adequately or badly, irrespective of equality issues. The policy will apply to all maintained schools and so will apply to all school students in Wales.

### **Next steps**

The Welsh Assembly Government proposes to publish a model procedure for complaint handling in spring 2009 and will encourage governing bodies to adopt it. The Assembly Government will consider feedback from schools, local authorities, Governors Wales which will provide a means to identify any matters that could be equality issues. If such matters do arise, the Welsh Assembly Government will be able to take account of them before using the power which this clause provides to make a model procedure mandatory.

## 2.3 School Health Check Report

### **Current position**

All maintained schools are currently inspected by Ofsted at least once around every three years, leading to published reports on each school.

Inspection reports include an overall assessment of the school (on the basis of a four point scale – outstanding, good, satisfactory and inadequate), and a range of supporting judgements.

Schools judged inadequate may require 'significant improvement' (a notice to improve) or 'special measures'. Both categories of school are subject to additional monitoring and inspection by Ofsted. A small proportion of 'satisfactory' schools also receive a monitoring visit within the year following their inspection.

Consideration of equalities issues is an important element in inspections, informing a range of judgements. Since September 2008, inspectors have been required to make a discrete judgement on how well equality of opportunity is promoted and discrimination tackled.

All schools will have had at least one inspection under the current arrangements by August 2009.

### **Proposals**

From autumn 2009, it is intended that a revised system of school inspection will be implemented. This will build upon the current arrangements but will be more differentiated and proportionate. Inspection will focus more attention on the achievement and well-being of different groups of pupils, compared with current practice.

Schools judged to be satisfactory or inadequate will continue to be inspected within a three year period, while those considered to be good or outstanding may have a longer interval between inspections (up to five or six years). For the latter group, it is intended that Ofsted will publish a 'health check' statement at the three year point.

A significantly increased proportion of schools judged satisfactory will receive a monitoring visit by inspectors within the year following their full inspection. Arrangements for schools requiring significant improvement or special measures will not change.

The precise scheduling of inspections will be determined on the basis of an annual risk assessment of every school and the need to ensure a balanced sample of schools is inspected each year. The risk assessment will take account of the achievement and well-being of different groups of children and young people.

### **Key facts**

Ofsted consulted on proposals for the new school inspection arrangements between May and August 2008. The consultation attracted 1,666 responses.

The consultation document, *A focus on improvement: proposals for maintained school inspections from September 2009*, contained a specific proposal that there should be an increased focus within inspections on the achievement of different groups of children and young people. Nearly two thirds of respondents supported this and only 14% of respondents were against.

Ofsted intends to take the proposal forward and is in the process of developing its inspection methodology within this context. As part of this, it is engaging with stakeholders and conducting pilot inspections in a number of local authority areas, to test out different approaches.

### **Equality impact assessment**

With an increased focus on outcomes for different groups of children and young people reflected in a new inspection framework, supporting guidance, Self-evaluation Form and risk assessment process, it is anticipated that the proposed changes to inspection will have a positive impact in terms of equalities.

## 2.4 Statutory Guidance on Schools Causing Concern

### **Description of the Policy**

The Bill amends the Education and Inspection Act 2006 to give the Secretary of State (SoS) powers to direct a local authority (LA) to consider the use of a warning notice when standards of pupil performance at a school are unacceptably low. The definition of unacceptably low will be widened to include rates of progression in relation to expected levels. The SoS will additionally have the power to appoint extra governors or replace a governing body with an Interim Executive Board after a warning notice has been issued.

The Bill also provides a power for the SoS to require LAs to take advisory services where they have a disproportionate number of schools where standards are unacceptably low and the LA has been ineffective in remedying these low standards.

### **Challenges and Opportunities**

The government is committed to ensuring that every school is a good school, using choice and diversity to drive up standards, so that every parent will be satisfied with the school of their choice for their child. We are challenging and supporting LAs with rising numbers of school failures to use more sophisticated risk analysis to identify potential failures and to prevent these by earlier use of their intervention powers

### **Equality Impact Assessment**

It is unlikely that the Bill will have an adverse impact; on the contrary, the benefits of the new warning notice legislation would comprise:

- Prevention of formal Ofsted failure in a significant number of schools each year. Failure by Ofsted could result in unfilled pupil places as popularity decreases; lack of parental engagement with school meaning limited support and aspirations; staff recruitment and retention problems; poor pupil motivation, high rates of pupil absence, poor behaviour, high rates of exclusions.,
- Faster and less expensive formal intervention by the LA, meaning that more children could receive a better educational deal, more quickly and their life chances improve;
- Further benefits from future higher levels of qualifications from the school in question for all children.
- A reduction in the long-term damage to a school's reputation and the resulting impact on pupils' motivation and aspirations.

### **Next steps**



The Department will continue to work to drive up standards in all schools. Other school improvement strategies will be published later in the year including the Primary Strategy.

## 2.5 School Teachers' Pay & Conditions Document

### **Description of the policy**

The statutory requirements for teachers' pay and conditions for maintained schools are set out in the School Teachers' Pay and Conditions Document (STPCD).

There is evidence that some schools are not complying with the provisions of the STPCD. We are preparing to introduce a new system of compliance notices for schools that do not comply with the statutory provisions.

### **The evidence base**

There is no reliable data across the schools sector about the extent of non-compliance.

It follows that there is no reliable information about the number of teachers who work in schools that are non-compliant in at least some respect, or, in consequence, whether the effects of non-compliance are felt equally by all teachers within a school.

Even in a rare case where a particular school can be identified as non-compliant it is not possible to break down evidence to indicate whether teachers within that school who have (for example) a disability or are from a minority ethnic group are more adversely affected than others.

By way of background/scene-setting, from the latest SFR (Sept 2008) we know that in the teaching workforce as a whole, that

- 94.3% of teachers are from white ethnic groups
- 2.6% are from Asian/Asian British ethnic groups
- 1.7% are from Black or Black British ethnic groups

The region with the largest percentage of teachers from BME groups is Inner London where 22.2 % of teachers were non-white.

In terms of the gender split, in 2007 (latest year for which figures are currently available):

In nursery and primary schools:

- 88% of classroom teachers were female, 12% male.
- 67% of head teachers were female, 33% male.

In secondary schools:

- 58% of teachers were female, 42% male.
- 36% of heads were female, 64% male.

According to data collected by the TDA, in January 2006 1,246 qualified teachers declared a disability (0.2%).

## **Challenges and opportunities**

### Challenges

Where compliance is enforced, some activities currently carried out by teachers will transfer from teachers to support staff. Where this is not managed appropriately, there is a danger that the workload and stress levels of support staff will suffer. There is also a danger that some head teachers will take on more of the duties themselves and that their workload and stress levels will suffer.

Support staff are even more predominately female than teachers but less likely to come from ethnic minorities. Head teachers are more likely than other teachers to be male and white.

### Opportunities

However, both head teachers and support staff, as well as classroom teachers, also have the potential to gain from compliance (see impact assessment for more details).

Pupils should also benefit from compliance. Evidence is beginning to emerge of a positive link between remodelling and pupil attainment (again, see impact assessment for more details). Where teachers are free from routine admin tasks, and have guaranteed time in which to plan and prepare lessons and assess pupils, they can plan and prepare classes more effectively, and are better able to personalise their teaching to suit the needs of all their pupils, including recognising any relevant gender/ethnicity/disability-related needs.

### Summary:

The new arrangements are expected to be used only very rarely. Most issues of non-compliance will be tackled and resolved at local level. The new compliance notices are intended to act as a deterrent to schools who do not currently take their obligations seriously. We expect the majority of non-compliant schools to fall into line without the need for enforcement.

In our judgement an adverse impact on any group of teachers, support staff or pupils is highly unlikely. There is however an opportunity to ensure that all teachers and their pupils benefit from the benefits of workforce reform, irrespective of their gender, ethnicity, disability status or age.

## **Equality impact assessment**

Adverse impact is unlikely, but positive impact is also unlikely.

## **Next steps**

We will continue to seek evidence on the amount of non-compliance, but are unlikely ever to achieve a definitive figure – not least because the views of teachers and head teachers may differ slightly, and because the position may change over time.

We will also monitor carefully the number of cases in which local authorities issue schools with teachers' pay and conditions warning notices.

In terms of the impact of remodelling, we will have early in 2009 the final data from the Impact of Remodelling survey. Although we will be able to differentiate between the responses of male and female teachers, it will not be possible to distinguish between different ethnic groups or between teachers with disabilities and those without.

Ofsted will be carrying out another report on workforce reform in its 2010-2011 work programme.

## 2.6 School Support Staff Negotiating Body

### **Description of the policy**

The School Support Staff Negotiating Body (SSSNB) will act as an authority on the pay and conditions of all support staff in all maintained schools in England. It will be comprised of members who represent the interests of school support staff organisations and school support staff employer organisations, an independent chairperson and non-voting membership from the Training & Development Agency for Schools. The Secretary of State will be represented in a non-voting capacity by DCSF officials. The SSSNB will develop and put plans in place to implement a pay and conditions framework specifically for school support staff and will provide for national consistency and flexibility at local level.

The SSSNB will consider matters referred to it by the Secretary of State. Agreements reached by the SSSNB will be recommended to, and be the subject of the Secretary of States ratification.

### **The evidence base**

There is no available evidence to suggest either a positive or negative impact on equalities issues from the proposed School Support Staff Negotiating Body.

### **Equality impact assessment**

In relation to the proposed School Support Staff Negotiating Body we believe that an adverse impact on equality in relation to disability, ethnicity, or gender is unlikely, but positive impact is also unlikely. Any SSSNB agreements reached and subsequently submitted to the Secretary of State for consideration, once accepted, will apply equally to all school support staff regardless of ethnicity, gender or disability.

In addition, gender equality matters will be a key consideration during all of the Body's negotiations as agreements will need to take account of equal pay legislation that already exists within employment law to prevent discrimination on the grounds of gender.

## 2.7 Alternative Provision

### **Description of the policy**

Section 19 of the Education Act 1996 imposes a duty on Local Authorities to provide suitable education provision for those children who, because of exclusion or any other reason, may not receive such education if alternative arrangements are not made. Schools set up for this purpose are called 'Pupil Referral Units' by the Act.

While the majority of PRUs provide a good education, Ofsted annual reports show that the overall effectiveness of a small but significant proportion of pupil referral units is inadequate. We want local authorities to improve the outcomes for these pupils, putting just as much focus on outcomes for PRU pupils as they do for mainstream pupils. In May 2008, the department published a White Paper called 'Back on Track: A Strategy for Modernising Alternative Provision for Young People'. This White Paper sets out a new strategy for transforming the quality of alternative educational provision.

One proposal made by the White Paper involves legislating for a new power allowing the Secretary of State to intervene in the process of closing failing PRUs. Currently, the Secretary of State has the power to close a PRU that has been put into the 'special measures' category after an Ofsted inspection, but this power has never been used. This is because there is a fear that closing the unit would lead to the pupils from that unit being pushed into even less adequate provision.

The new power we are introducing will allow the Secretary of State to specify what will replace the unit that is closing. The nature of the provision, for example what courses will be taught, what ages and numbers of pupils will be provided, what type of institution will be set up, what type of provider will be used, and how the new provision will be managed can all be specified. The Secretary of State will also be able to require the Local Authority to hold a competition to find a new supplier of alternative provision to replace the closing unit. The Local Authority will invite bids from potential external providers.

The aim of this new power is to improve the educational service offered to pupils by PRUs that are not currently meeting accepted standards. The legislation will allow failing units to be closed and replaced faster, and will ensure that the new alternative offers an improved service.

### **The evidence base**

#### Schools Census January 2008

75% of pupils in PRUs have special educational needs  
62% do not have statements, and 13% do  
69% of pupils in PRUs are male

7.5% of pupils in PRUs are from a Black African, Black Caribbean or other black background

3.2% of pupils in PRUs are of an Asian background

5.7% of pupils in PRUs are of mixed race

1.1% of pupils in PRUs are of another ethnic minority background

## **What the evidence shows – key facts**

### **Disability**

We do not have data about the numbers of pupils in PRUs who are disabled, but we do have data about the numbers of pupils with special educational needs, as detailed above. The proportion of pupils in Pupil Referral Units who have special educational needs is extremely high (75%). The problems that pupils with special educational needs face in the education system is made clear by the fact that, according to figures from 2006, only 8.5% of pupils with a statement of special educational needs gained five or more GCSE grades A\*-C, compared with 65.9% of those without such a statement (SFR 46/2006).

We also know that some pupils end up in PRUs because of problems with bullying, which can lead to school phobia. As children with disabilities are more likely to be bullied (see MENCAP evidence above), they are more at risk of this.

Thus pupils with disabilities including special educational needs are more likely to draw on the services of PRUs. As such, it is important that these services are effective, so as they can address the inequality in achievement that exists in the education system for these pupils.

### **Ethnicity**

A disproportionate number of pupils of Black African, Black Caribbean, and others described generally as Black background, are excluded from school. According to figures collected by the DfES in 2005/06 (the latest date for which data is available) a total of 16,100 black pupils were excluded from school (this includes both fixed period and permanent exclusions). This is approximately 13.3% of the school population. Exclusions of White children for the same period amounted to only 8.7% of the school population.

However, the school census figures for January 2008 show that 7.5% of pupils in pupil referral units are Black African, Black Caribbean or other Black background – 922 pupils out of a total of 12,354. White British pupils are the largest group in pupil referral units; 9,538 pupils, making 77.2% of the population of pupils in pupil referral units (January 2008 census).

As pupils from Black African, Black Caribbean and other black backgrounds are more likely to be excluded from school, there is a greater chance that at some point they will draw on the services of a PRU. Again, this makes the

PRU an important arena in which educational inequality related to ethnicity can be addressed, challenged and improved.

### **Gender**

As shown above, boys make up the large majority of pupils in PRUs. PRUs play an important role in addressing the behavioural, social and emotional problems that seem to disproportionately affect boys in education. As such, PRUs play a role in addressing the gender gap in the education system.

There is another gender-specific impact of PRUs. A number of PRUs are designed to address the specific needs of pregnant teenagers and teenage mothers. Teenage mothers are three times more likely to suffer post-natal depression than older mothers, more likely to experience poor mental health for up to three years after the birth. Teenage parents and their children are at increased risk of living in poverty. PRUs which provide services for teenage mothers are thus involved in addressing this gender-specific source of inequality.

### **Challenges and opportunities**

The evidence shows that particular groups are disproportionately likely to attend PRUs, most notably boys generally, Black African and Caribbean boys, pupils with special educational needs, pupils with health problems (both of which may include some form of disability), and young teenage mothers.

Such pupils have as much right as any others to have a good education to enable them to fulfil their potential and lead happy and productive lives. This policy is aimed at improving the service offered to these students by PRUs. As such, we have an opportunity to directly intervene in addressing the educational inequalities that these groups face, and ensuring that they get the quality of educational experience that they are entitled to.

### **Equality impact assessment**

A positive impact is explicitly intended and very likely.

As outlined above, the pupils who use the services offered by PRUs are those who, for various reasons, are not able to access the service they deserve from mainstream school. Pupils with special educational needs, health problems, boys in general and especially Black African and Caribbean boys are disproportionately represented in the student body of PRUs, in comparison to mainstream schools. By improving the services offered to these pupils, we address the educational inequalities they face, with the aim of working towards the closure of relevant attainment gaps.

### **Next steps**



The Children, Skills and Learning Bill contains powers for the Secretary of State to intervene more directly in the process of closing and replacing failing PRUs.

The Secretary of State is already able to close a PRU placed in the 'special measures' category by Ofsted, but this new power will allow him to specify the provision with which the closing PRU will be replaced. The Secretary of State will also be able to require the LA to open up a competitive bidding process, with the aim of getting more appropriate and innovative outside providers involved with alternative provision.

PRUs which are not providing their pupils with adequate education will thus be closed and replaced with a more suitable alternative within a smaller time frame. The quality of provision provided to the pupils will be assured and improved by this process.

## 2.8 Behaviour and Attendance Improvement Partnerships

### Description of the policy

In May 2008, the department published the White Paper *Back on Track: A Strategy for Modernising Alternative Provision for Young People*, which set out a new strategy for transforming the quality of alternative educational provision.

One proposal made in the White Paper involves School Behaviour Partnerships. Currently, 98% of schools work in behaviour partnerships on a voluntary basis. The aim of these partnerships is to provide an overarching behaviour management strategy for a geographical area. Ideally, schools work together to find appropriate provision for difficult to place pupils, and share out these pupils in a fair way. Schools share resources, facilities and expertise surrounding issues and problems with behaviour and attendance, and set up shared systems of early intervention for when behaviour problems do arise.

However, although 98% of schools are ostensibly in these partnerships, the extent to which partnerships are performing their intended functions is variable. Some partnerships are very successful, but others exist mostly in name only. The aim of this new piece of legislation is to ensure that schools engage practically and proactively in these partnerships, and through the partnerships, improve behaviour and attendance across the geographical area.

### The evidence base

#### [DN ask policy team to format in better way]

#### Statistical First Release 14/2008- Exclusion Statistics for school year 06/07

8,680 permanent exclusions, 87% of which from secondary schools  
363,270 fixed period exclusions from secondary schools

Permanent exclusion rate four times higher for boys than girls  
Fixed term exclusion rate three times higher for boys than girls

Exclusion rate for pupils with special educational needs nine times higher than rate for pupils without SEN

Exclusion rate for non-SEN pupils is 6%

Exclusion rate for pupils with statement of SEN is 34%

Exclusion rate for SEN pupils with no statement is 33%

Numbers excluded broken down by ethnicity (as a percentage of the overall school population of that group):

Any White background 0.12%

Mixed Race background 0.23%

Any Asian background 0.07%  
Any Black background 0.23%  
Other ethnic background 0.07%

Numbers of boys excluded broken down by ethnicity (as a percentage of the overall school population of that group):

Any White background 0.19%  
Mixed Race background 0.35%  
Any Asian background 0.12%  
Any Black background 0.35%  
Other Minority Ethnic background 0.1%

#### Statistical First Release 05/2008- Absence statistics for school year 06/07

Overall absence rate for all schools is 6.49%  
Overall absence rate for secondary schools is 7.87%  
Overall absence rate for special schools is 10.62%

Overall absence rate for girls is 0.13% higher than that of boys

Highest rate of absence is amongst SEN pupils on School Action Plus (in-school SEN support) schemes. Rate of absence nearly double that of pupils without SEN.

Persistent absence (defined as typically absent more than 20% of the time):  
272950 persistent absentees, approximately 4% of overall school population

Persistent absence rate amongst specific ethnic groups:  
Travellers of Irish heritage have a 42% persistent absence rate  
Gypsy/Roma pupils have a 31% persistent absence rate  
(NB: These statistics should be treated with caution due to under-reporting related to these groups)  
Mixed Race pupils have a 6% persistent absence rate  
Black, Asian, Chinese and other Minority Ethnic groups have a significantly lower persistent absence rate than do White British pupils

### **What the evidence shows – key facts**

#### **Disability**

We do not have data on the numbers of students with disabilities who are excluded or persistently absent, but we do have data in these areas for children with special educational needs.

As detailed above, children who have SEN and are part of the School Action scheme are almost twice as likely to be absent as students without SEN. The rate of absence is also higher at special schools than mainstream schools. Pupils who have SEN are nine times more likely to be excluded from school than pupils who do not have SEN. We also know that disabled pupils, pupils with health problems and pupils with SEN are more likely to be bullied, and

this is a known reason for higher rates of absence. These figures, coupled with the social context information above, show that pupils with special educational needs are amongst the most affected by the problems associated with exclusion and persistent absence. One of the intended outcomes of the partnerships is to reduce the differential rate of SEN exclusions.

### **Ethnicity**

Black and Mixed Race pupils are more likely to be excluded from school than their White peers. The problem is especially acute for boys of Black or Mixed Race origin. Pupils from Mixed Race backgrounds also have a slightly higher rate of absence. There is an especially acute persistent absence problem amongst Traveller pupils of Irish heritage and Gypsy/Roma pupils (although this data must be treated with caution because of problems related to reporting). Pupils from other Minority Ethnic backgrounds do not have specific problems with absenteeism; they are less likely to be absent than their White British peers.

As School Behaviour Partnerships will work to find more effective solutions to persistent absenteeism, the groups who are disproportionately affected by this will benefit. Partnerships will also aim to bring down the rate of exclusions, thus having a positive impact on the groups disproportionately affected by this. One of the intended outcomes of the partnerships is to reduce the differential rate of Black and Minority Ethnic exclusions.

### **Gender**

Boys are four times more likely to be permanently excluded than girls, and three times more likely to be given a fixed term exclusion. The kind of behaviour issues that lead to exclusions are more prevalent amongst boys, and attribute to the gender gap in educational attainment and the higher rates of NEET amongst young men. School Behaviour Partnerships will be an important part of addressing these problems of behaviour and exclusion that disproportionately affect boys, and as such will be actively working towards addressing the educational gender gap and rate of NEET.

Girls are slightly more likely than boys to be absent, and as such will benefit slightly more from the work partnerships will do to reduce absence.

### **Challenges and opportunities**

The evidence shows that some groups are disproportionately affected by problems related to behaviour (resulting in exclusion) and persistent absence. Boys in general, especially boys of Black or Mixed Race background, are disproportionately excluded, as are pupils with special educational needs. Traveller pupils of Irish heritage and Gypsy/Roma pupils are disproportionately affected by persistent absence, again as are pupils with special educational needs. As this policy seeks to reduce persistent absence, reduce permanent exclusions, and improve behaviour so as to facilitate better

learning environments, the policy presents an opportunity to address the educational inequalities that these groups are subject to.

### **Equality impact assessment**

A positive impact is explicitly intended and very likely.

The policy is designed to identify early the educational, personal development and welfare needs of pupils, and set up additional support packages through the Partnership to better meet these needs. Schools will be more easily able to access high quality support and extra provision and services from a wider range of sources than they would be working in isolation.

One of the stated intended outcomes of this policy is to reduce the differential rate of SEN exclusions, and another is to reduce the differential rate of Black and Minority Ethnic exclusions. Thus the policy is explicitly directed towards positively addressing inequality in the education system.

### **Next steps**

In the Fourth Session Bill we will introduce a statutory requirement on all secondary schools and pupil referral units to work in School Behaviour Partnerships. New academies will be required to get involved through their funding arrangements.

Partnerships will be arranged by geographical area. Members of the partnership will develop (and state in a written document) a shared vision for all the students in the area. They will recognise that all pupils are the collective responsibility of the partnership and all members have a responsibility to finding the best solutions to any problems related to behaviour and attendance that these pupils might face.

Schools will agree to operate a fair access protocol, which means that 'hard to place' pupils are fairly shared out, and managed moves are negotiated for pupils whose current school place is not deemed appropriate.

The partnership will work together to identify and act on any problems as early as possible, rather than allowing them to escalate.

Schools will be able to access high quality support and provision more easily through the partnership, provided by individual schools, pupil referral units, and the private and voluntary sectors. This will allow for early interventions and solutions.

## 2.9 Recording Incidents of Use of Force

### **Description of the policy**

The Bill will make statutory the section of the Use of Force guidance that deals with recording and reporting significant incidents where use of force has been used and reporting them to parents.

Recording and reporting significant incidents where the use of force has been used and reporting them to parents can help improve children and young peoples' safety and thus help enforce PSAs 12 and 13. The proposed legislation will not significantly alter the way schools operate because it will consolidate good practice protecting staff as well as pupils and parents. Its absence could cause serious problems if a parent sought to prosecute or sue a member of staff.

School staff who supervise pupils have a statutory power to use force to prevent injury, damage to property or serious breaches of school discipline. The legislation providing this power has existed in its current form since 1998 and was re-enacted by section 93 of the Education and Inspections Act 2006. The Department has produced general guidance and two sets of more specialist circulars for special schools. A revised version of the general guidance, entitled 'The use of force to control or restrain pupils' was issued in November 2007, and included many of the principles and advice that were originally set out in the circulars.

The new legislation will include a number of important safeguards for pupils; for example, that parents are kept fully informed and are notified soon as is practicable after the incident.

### **The evidence base**

We do not currently hold any data on the number of instances in which staff have been required to use force to prevent injury, damage to property or serious breaches of school discipline.

Given the size of the education sector there is only a very small number of allegations that staff have used excessive force. Local authorities record around 2,500 allegations per year of abuse or inappropriate behaviour by staff in the education sector as a whole (a sector with well over 10 million students and one million staff). About 60% of these allegations are of physical abuse of all kinds. About 6% of all allegations against education staff are referred to the Crown Prosecution Service.

We have no evidence that this power would have an adverse impact on certain groups. The power will strengthen the position for vulnerable groups because there will be a written summary record of significant incidents where use of force has occurred in schools. The Data Protection Act will apply and the school's Governing Body will act as data controller to seek consent from the data subject and/or parent should they wish to send sensitive personal

data on to a relevant third party to monitor safe guarding.

### **Equality impact assessment**

An adverse impact is unlikely, but a positive impact is also unlikely.

### **Next Steps**

The exercise of recording and reporting of significant incidents where the use of force has been used will be underpinned by clear Departmental guidance, which we plan to strengthen in consultation with the teacher unions and other stakeholders. It is intended consolidate the whole of the Department's guidance on use of force/physical interventions by school staff into a single document in due course, taking account of any relevant conclusions from the review of restraint in secure settings for children and young people.

The Department will seek feedback on this policy through the Ministerial Stakeholders' Group on Behaviour and Attendance.

## 2.10 Extending Schools' Powers to Search

### **Description of the Policy**

The Children, Skills and Learning Bill contains provisions which will extend the search powers, which currently apply to weapons, to include alcohol, illegal drugs and stolen property.

The purpose of the extending the existing search powers is to strengthen schools' disciplinary authority, to ensure the safety and wellbeing of pupils and to legitimise existing school practice. We do not believe that this proposed legislation will significantly alter the way schools operate. Rather, it backs teachers' authority to search pupils for a range of inappropriate items, and protects them for challenges to their authority to do so either from pupils or parents.

Under the proposed new powers appropriate staff would have the power to search a pupil or the pupil's possessions if that pupil otherwise refuses a reasonable request to, for example, turn out their pockets. It therefore sends an important message to those who are tempted to bring in inappropriate items that those items may be found as a result of a search.

The new power will include a number of important safeguards for pupils; for example, a person may carry out a search only if he is the head teacher of the school, or he has been authorised by the head teacher to carry out the search; a search must only be made by a person of the same gender as the pupil and in the presence of another responsible adult; all searches of pupils should be recorded and parents informed. In guidance, we will make clear that where there is a risk to staff safety, the police should be involved.

As with the existing weapons search powers it is proposed that a search may only be carried out where a member of staff has reasonable grounds to suspect that a pupil has a specific item on his person – it is not intended that the power is used to search pupils on the 'off-chance' that something is found.

### **The evidence base**

We do not currently hold any data on the number of instances in which head teachers have used their power to search a pupil for a weapon.

We have no evidence that this power would have an adverse impact on certain groups. We have not been contacted by any group or individual to say that they have been adversely affected by the current power to search for weapons and have no reason to expect that this will change once the powers are extended.

The powers will help schools ensure the safety of all their pupils and staff and to prevent crime. The robust safeguards outlined above, together with clear Departmental guidance should ensure that the power is used sensibly and proportionately.



## **Equality Impact Assessment**

An adverse impact is unlikely, but a positive impact is also unlikely.

## **Next Steps**

The exercise of the extended power will be underpinned by clear Departmental guidance, which we plan to develop in consultation with the teacher unions and other stakeholders.

We will seek feedback on this policy through the Ministerial Stakeholders' Group on Behaviour and Attendance and explore the options for undertaking a more thorough evaluation of the policy with analyst colleagues.

## 2.11 Early Years Funding Changes

### **Description of the policy**

The proposed intervention aims to minimise discrepancies between the funding for Early Years Provision in the Maintained Sector and the Private, Voluntary and Independent (PVI) sectors. The proposed change to primary legislation will enable PVI settings to be funded from the Individual Schools Budget instead of the Centrally Retained Budget, using a single funding formula for all early years settings including the maintained sector. The single funding formula will have to include a factor for deprivation.

An environment would be created where the PVI Sector is funded fairly and local authorities are required to base funding for the maintained sector on participation rather than places. A more sustainable PVI sector and a Maintained Sector with an incentive structure that is more family focused should help enable increased competition which should over time lead to better quality and more flexible childcare.

Around 10 out of 152 local authorities will be introducing single funding formulae in 2009-10. All other LAs will implement it from 2010-11. Extensive consultation has been carried out with all relevant stakeholders.

### **The evidence base**

Little evidence exists on the direct impact on equality that the proposed changes will have. Extensive evidence exists on the impact that early years provision can have on the achievement and life chances of children, and disadvantaged children in particular.

### **What the evidence shows – key facts**

The changes will improve the way that all early years provision is funded, and has the potential to impact positively on all groups of children. In particular it could see a disproportionate amount of funding flow towards more disadvantaged children, due to the intention to use the new power to make regulations to require local formulae to include a factor for deprivation.

### **Challenges and opportunities**

The policy is not intended to have a large impact on equality. It is designed to increase the transparency and fairness of funding in the early years, and is also linked to increased flexibility, availability and quality of early years provision. Such early years provision is known to be beneficial for children and disadvantaged children in particular, and increased flexibility might make it easier for parents to return to work. However, the main intention of the change is not directly related to equality, outside of improving early years provision in England generally. In addition the clause will give the Secretary of State power to make regulations requiring that deprivation is included as a

factor in the distribution of funding, as is currently the case with other school funding.

### **Equality impact assessment**

An adverse impact is unlikely. On the contrary there is potential to reduce barriers and inequalities that currently exist. There is insufficient evidence, however, for this assessment to be made with as much confidence as is desirable.

### **Next steps**

Pilot authorities are introducing the policy in 2009-10. We will be monitoring the impact of it and any necessary alterations will be made for full implementation in 2010-11.

## 2.12 Collection of Information

### **Description of the policy**

Local authorities prepare budget statements before the beginning of each financial year which set out information relating to their planned expenditure for the period of the financial year. They also prepare outturn statements for the end of the relevant period. The Secretary of State specifies the format, and the manner of publication of the statements. There is a requirement upon LAs to supply copies of the budget and outturn statements to the Secretary of State and to schools, and to publish them locally. The Secretary of State also publishes the information on the Department's website.

The data collection is undertaken annually by the DCSF and includes all 152 local authorities with education and children's social services functions. Electronic workbooks which set out the format and parameters for the information to be collected are sent by the Department to LAs. No maintained school is asked to complete the workbooks.

The education strand of this collection began in 1999. The children's social services strand began in 2008. The policy objective for this collection is to ensure that LAs prepare and publish statements containing specified information about their planned and actual expenditure. The information provided by Local Authorities is an important way of monitoring their financial plans for their education and children's social service functions. This information is made available not only to the Secretary of State but to maintained schools, and the public.

The new provision brings together the powers under which the Secretary of State requires this collection, and simplifies the means of annually prescribing it. It will not change the information that is collected.

### **Equality impact assessment**

Adverse impact is unlikely, but positive impact also unlikely. The policy includes measures to regularise the position whereby financial information about the LA education and social services functions is collected under two separate powers. It will support better targeting of Government and LA funding and services which will benefit all. The policy will not conflict with ethnicity, gender or disability principles.

### **Next steps**

Arrangements are already in place for monitoring the relevance and robustness of the two collections. Annual consultation of LAs and other interested bodies including CIPFA and the Local Government Association is undertaken. In addition, robust validation of the financial information collected is undertaken when the data are received.