

## POLICY DEVELOPMENT: NOT A STATEMENT OF GOVERNMENT POLICY

**Devolution of Responsibilities and Funding:****New Responsibilities**

1. We have agreed that we will seek to develop advice to the Steering Group on a menu of options that should be consulted upon in the summer around the devolution of funding and responsibilities that will accompany 100% business rates retention reforms. The Steering Group has given a steer that service options should be based around outcomes.
2. This paper outlines the new responsibilities that have been put forward as candidates for devolution to local government to be funded from business rates under the 100% rates retention scheme.
3. The new responsibilities considered in this paper are those appearing on the list of ideas circulated at the first working group meeting on 3 May 2016. The working group asked for background information on each area.
4. A number of further new responsibilities have been suggested since that discussion. This paper records these but does not discuss them in any detail here. A further paper will be prepared for the next working group meeting on these potential candidates. This does not preclude further new responsibilities from being considered at a future date.
5. For each of the new responsibilities, this paper provides some background information on the activity, the area of Government in which it currently sits, expected funding in 2020, and any information on costs and demand pressures where known.
6. This paper does not include any central government considerations. It is recognised that Government will want to consider the sector's proposal carefully.
7. The working group is invited to consider the issues raised and come ready to share views about the extent to which the items suggested should form part of the sector's proposal to Government for devolution. In particular the group is invited to consider the item against the criteria and what the role of local government should be were the item to be devolved.
8. In considering each item we may also wish to consider about how items might be grouped together to form sensible packages within our 'menu' of options approach.

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### **Adult Education Budget (AEB)**

9. This is a new combined budget of £1.5bn in 2019/20 administered by the Skills Funding Agency. The AEB combines all Skills Funding Agency participation and support funding that is not European Social Fund, Advanced Learner Loans and apprenticeships. It aims to engage adults and provide the skills and learning they need to equip them for work, or other learning. It enables more flexible tailored programmes of learning to be made available, which may not require a qualification and is intended to help those furthest from learning or the workplace. It includes statutory entitlements to some qualifications.
10. To support local area needs and delivery of agreed local outcomes, colleges and other training organisations will decide on the most appropriate form of training provision. This may or may not include qualifications, as the requirement for all funded training to be in the form of a qualification has been removed. The SFA require a qualification to be delivered where a learner is exercising their legal entitlement to a first full Level 2 or Level 3 and/or English and maths. Funding goes to colleges and training organisations.

### **Adult Education Support**

11. Funding to support adult education includes the National Careers Service, quality improvement, data collection and management, financial support for learners and funding for community learning mental health pilots. The total funding for these items is expected to be £177m in 2019/20. National Careers Service is discussed in more detail at under the Careers Guidance section below.

### **Advanced learner loans**

12. The Skills Funding Agency has responsibility for advanced learner loans, including funding of £0.5bn in 2019/20. Loans are available for individuals aged 24 or over to undertake approved Level 3 and 4 qualifications with an eligible training organisation in England. From August 2016 the eligibility criteria is being expanded so loans will be available for individuals aged 19 or over for qualifications at Levels 3 to 6. The availability of loans at Level 3 for 19 to 23 year olds does not replace an individual's legal entitlement for full funding for a first full Level 3 qualification.
13. Loans give individuals access to financial support for tuition costs similar to that available in higher education and are administered by Student Finance England. Advanced learner loans are paid directly to the college or training organisation on behalf of an individual.

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14. To become an approved provider, colleges and training organisations must be approved and have a facility agreement with the Skills Funding Agency (following a formal selection process). The Skills Funding Agency advertises new opportunities for providers to express an interest in having a loan facility.

### **Careers Guidance**

15. Careers guidance is currently available from a variety of sources including:

- a. Councils
- b. Education providers
- c. National Careers Service
- d. Careers Enterprise Company
- e. Job Centre Plus.

16. The National Careers Service is a service of the Skills Funding Agency on behalf of the Department for Business, Innovation and Skills. It provides information, advice and guidance on learning, training and work opportunities supported by qualified careers advisers. Expenditure on 2014/15 on the National Careers Service totalled £85m.

17. The Careers & Enterprise Company was announced in 2014 to play a co-ordinating role in careers and enterprise supporting schools and colleges across England (covering ages 12-18). Its role is to inspire and prepare young people for the world of work. In January of this year the Prime Minister announced the company will also coordinate a nationwide campaign to increase mentoring of unengaged 13/14 year olds. The total expected funding is in the region of £70m over this Parliament.

18. In the Summer Budget 2015, the Government announced the creation of a new Jobcentre Plus employment advisor role, working with schools and sixth-form colleges to help improve young people's ability to find work. The programme is beginning in Birmingham before expanding more widely, with full rollout across England by March 2017.

### **Bus Services Operators Grant**

19. Bus Services Operators Grant (BSOG) is revenue funding paid by the Department for Transport to operators of eligible bus services and community transport organisations to help them recover some fuel costs. The amount each bus operator receives is based on their annual fuel consumption. The aim is to help operators run services that might not otherwise be profitable and might otherwise be cancelled. In 2014/15 BSOG payments amounted to a total of £295m, comprising £244m to operators, £42m to local authorities, £5m to Better Bus Areas, and £4m to community transport operators.

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### **Work and Health Programme**

20. Employment support for claimants of Jobseekers Allowance and Employment and Support allowance is currently delivered by the Department for Work and Pensions through Job Centre plus and contracted provision through the Work Programme and Work Choice.
21. The Spending Review announced that a new Work and Health Programme will replace the Work Programme and Work Choice and will provide specialist support for the long term unemployed and claimants with health conditions and disabilities. Work Programme provides support, working experience and training for up to 2 years. Work Choice is a voluntary Department for Work and Pensions (DWP) employment programme which helps disabled people with more complex issues find work and stay in a job. Initial indications suggest the funding may be in around £130m in 2017.

### **Devolution deals**

22. Devolution deals are individual agreements made between a councils (or group of councils) and Government and which are designed to give councils the powers and tools they need to drive local economic growth, enabling them to unlock projects and initiatives that will boost their economies and deliver change in governance arrangements. These agreements may include devolution of activities and funding from other budgets across Government – for example Adult Education Budget elements – and/or specific funding for a set period.

### **‘Universal Support’ element of Universal Credit**

23. Universal Support is a service in policy development by the Department for Work and Pensions which will help claimants who may need more support in transitioning to Universal Credit get the local support they need. Trials are currently being undertaken in some areas.

### **Sport England Funding**

24. Sport England is the Government Agency responsible for increasing participation in grassroots sport. It is responsible for managing and distributing public investment and also acts as a statutory distributor of funds raised by the National Lottery. Sport England runs a number of different funding programmes which are open to a wide range of organisations, including local authorities, schools, colleges and universities, alongside sports clubs and voluntary and community organisations.

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25. In 2014-15, Sport England received £83m funding and £243m National Lottery Funding. The Spending Review announced a flat cash settlement for grassroots sports funding over this Parliament.

### Youth Justice

26. The Youth Justice Board is a non-executive departmental body sponsored by the Ministry of Justice, and is responsible for:

- overseeing youth justice services
- the placing of children and young people remanded or sentenced to custody
- advising on the operation of, and standards for, the youth justice system
- providing a 'secure estate' for children and young people, with young offender institutions, secure training centres and secure children's homes
- making grants to local authorities or other bodies; and
- commissioning and publishing research on preventing youth offending.

27. The Board is responsible for the Youth Justice Grant paid to local Youth Offending Teams. This currently stands at £229m. The MoJ is currently undertaking a review of youth justice, which at the interim stage stated it was '*keen to devolve further responsibility and funding for the delivery of youth justice to local areas*'.

### Transition support for disengaged young people

28. Councils currently have responsibilities for Raising the Participation Age and for disadvantaged young people, for example those not in education employment or training (NEET) 16-18 year olds, looked after children and young people with disabilities.

29. A new Youth Obligation for 18-21 year olds claiming Universal Credit will be introduced from April 2017 and delivered by Jobcentre Plus. It will be subject to national policy and requirements with some interventions funded through the Adult Education Budget. Currently the level of support to re-engage young people up to the age of 21 into education, employment or training is unknown.

### Troubled Families

30. The Troubled Families initiative, launched in 2012 is aimed at helping the hardest to reach families by getting parents into work, ending truancy and cutting anti-social behaviour. It brings together funding from numerous different Departments to support a caseworker approach. The government has pledged to work with a further 400,000 families over the course of the Parliament.

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### **Affordable Housing Programme**

31. The Affordable Homes Programme allocated £1.7 billion of capital funding from central government for affordable housing from 2015 to 2018 outside London. A separate fund is administered for London by the GLA. The fund is open to bids from local authorities and housing associations and they must register as investment partners of the Homes and Communities Agency (HCA) in order to receive the funding. There is an expectation that bidders will meet part of the building project costs themselves, to reduce the demand for Government funding.
32. In order to secure funding, bidders must build the type of housing specified in the prospectus, mainly affordable rent and affordable home ownership products. Houses must be built within the timeframes imposed by the programme and comply with HCA management and monitoring systems.

### **Armed Forces Community Covenant**

33. The Armed Forces Covenant is described as ‘a promise from the nation that those who serve or have served, and their families, are treated fairly’. The delivery of this ‘promise’ includes many locally-delivered services.
34. The covenant for communities supports the armed forces covenant and every council in England has now signed the community covenant. It is a voluntary, non-binding commitment by local councils to support members of the armed forces community in their area. The types of interventions that take place at a local level to achieve the objectives of the covenant include – prioritisation of members of the armed forces, their families and veterans in local social housing allocation, prioritisation of veterans in access to mental health services, ensuring access to local public health services by members of the armed forces, prioritisation of adaptations to homes for injured veterans, ensuring children of members of the armed forces who are moved have access to a new school, etc. All of these incur additional costs at the local level.
35. Since 2011, £30m has been allocated through the Community Covenant Grant Scheme.
36. Most recently, the Government introduced in the Budget that councils were to now disregard the War Disablement Pension in the calculation of care costs; this will be funded by a specific grant.

### **Employment and Support Allowance**

37. Employment and Support Allowance offers support for people who are unable to work because of illness or disability. It is the responsibility of the Department for

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Work and Pensions and offers financial support for those unable to work and personalised help for those who can work to do so again in the future. The current total of support provided through ESA is estimated to be in the region of £300m.

**Attendance Allowance**

38. Attendance Allowance is a non means-tested benefit for severely disabled people aged 65 or over who need help with personal care. There are two rates of Attendance Allowance, depending on the amount of help needed. Attendance Allowance is awarded as either as an ongoing benefit or for a fixed period, determined by the Department for Work and Pensions.

**New Items added and to be discussed at next meeting**

39. Three new suggestions have been made: Valuation Services, Better Care Fund; Jobcentre plus. It has also been suggested that the group should consider ability to join up commissioning activities.