

POLICY DEVELOPMENT: NOT A STATEMENT OF GOVERNMENT POLICY

Indicators used in the 2013-14 allocation of the Start-Up Funding Assessment

Introduction

1. This paper forms a summary of the indicators used in the last assessment of need. This is designed to help inform a discussion of the most appropriate indicators to test in the next assessment.

Background and methodology

2. At the third meeting of the Technical Group on Needs and Redistribution, it was agreed that it was important to understand which indicators that had been used in 2013-14 it was possible to continue to use at the start of 100% business rates retention, and whether these indicators were likely to be available at future resets.
3. The indicators used to calculate the 2013-14 Start-Up Funding Assessment are split into four broad groups:
 - those used to calculate the 2013-14 Relative Needs Formulae;
 - those used to calculate the Grants Rolled In Using Tailored Distributions;
 - those used to calculate the Central Education Services within LACSEG adjustment; and
 - those used to calculate the nine specific grants rolled into the 2013-14 Start-Up Funding Assessment.
4. The first three groups were used to calculate Formula Funding in 2013-14.
5. A description of each of the indicators, details of how they were derived and the sources of the underlying data are provided in the attached indicator database. In addition an assessment of whether the data are still suitable for consideration within the Fair Funding Review is provided. The data have been assigned one of five categories:
 - dark green – data is suitable for use and is likely to continue to be available for more than 15 years;
 - light green – data is suitable for use and is likely to continue to be available for up to 15 years. This data relates to Census data where the intention is that 2021 will be the last census. After that administrative and survey data will be used to generate the statistics. ONS are currently considering the feasibility of this approach through their Census transformation program.

- amber – data is now out of date. Either the data need to be updated or a replacement indicator needs to be found.
- orange – data is out of date and previous attempts to update the indicator have been rejected by the sector.
- red – data is no longer collected in its present form. This relates to the benefits data that have been rolled into Universal Credit for some people in some areas. ONS and DWP are working to provide statistics on claimant count that are comparable across areas.

Non-Government data

6. Some of the indicators used in the last needs assessment were purchased by the Department. These indicators are:
 - ACORN data used in the community fire safety indicator;
 - UK Tourism Board data on the number of domestic overnight visits;
 - Meteorological Office data on the number of days with snow lying and the number of predicted gritting days; and
 - CIPFA Capital Expenditure & Treasury Management Statistics used to calculate the interest rate indicator.

The views of the group are invited as to whether these indicators are considered to be needed in any new needs assessment; i.e. do they drive particular needs that can't be explained by other indicators?

If so, does the Group believe that these needs are significant enough that the Department should consider purchasing this data? (NB Due to financial constraints this may not be possible.)

Modelled Data

7. The number of day visitors to an authority's area were used in the calculation of the 2013-14 EPCS formulae, as these can place additional demand on some local services.
8. There is no consistent reliable source of data on the number of day visitors to an authority from another authority. The indicator used in the 2013-14 settlement is determined from a model and constructed using various information including the 1998-99 Leisure Day Visits Survey, the 1991 Census, the 1991 Census of Employment and the 1991 survey of visits to tourist attractions and other information about the area. It is generally accepted that this indicator is out of date.
9. The last two times this model was updated in 2005 and 2007 the results were rejected by local government.

10. A description of the indicator can be found at pages 50 – 52 of the July 2007 Local Government Finance Formula Grant Distribution: Consultation Paper (<http://webarchive.nationalarchives.gov.uk/20140110170414/http://www.local.councils.gov.uk/finance/0809/sumcon/consult.pdf>).

The views of the group are invited as to whether alternative data sources are available on a consistent basis across the country for this indicator?

If not, should a further attempt to update the model be made, recognising that this would need to be purchased?