



Department
of Health

Reforming the Education Support Grant

The Government Response to the Consultation

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Reforming the Education Support Grant

The Government Response to the Consultation

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Executive summary

This paper sets out the outcome of the consultation on reforming the Education Support Grant. The consultation ran from 13 September to 8 December 2013 and was published on the Department of Health website. The consultation paper contained four options for reform. There were 64 responses. The consultation paper asked six questions and the responses are summarised within this document.

The Department has considered all 64 responses to the consultation and has decided to implement a variation of Option 1 in the 2014 academic year as follows:

Table 1: Arrangements for the 2014 academic year.

Item	Current arrangements	Arrangements for the 2014 academic year.
Practice Placement Days	<p>Paid on a daily basis.</p> <ul style="list-style-type: none"> • £18 per placement day for placements involving the use of statutory interventions (mainly LAs); and • £28 per placement day for non-statutory placements. 	<p>Will continue to be paid on a daily basis. The two daily placement fees of £28 and £18 will be replaced by a single fee = £20</p>
Skills Development Days	<p>Paid on a daily basis: £18 per day.</p>	<p>Will continue to be paid on a daily basis at 50% of the daily placement fee = £10</p>
HEI administration fee	<p>Paid on a daily basis: £2 per day</p>	<p>Will continue to be paid on a daily basis at £2 per day.</p> <p>Skills Development Days will not attract a HEI administration fee.</p>
Service user and carer involvement in the development and delivery of the social work degree.	<p>Block grant per course of £7,400</p>	<p>Will continue to be paid as a block grant at the same rate as now.</p>

Based on feedback, and in order to allow time to consider fully the reviews of social work education by Sir Martin Narey and Professor David Croisdale Appleby, and to reduce any

financial risk to the Department, we are implementing a variation on option 1 in the 2014 academic year with substantive arrangements coming into force in the 2015 academic year. This approach will allow us to bring the demand-led budget under control in the 2014 financial year through setting new rates to avoid a potential overspend. We are also increasing the amount payable statutory placements.

Over the next 12 months, the Government will work together with the sector on introducing new arrangements that are informed by the reviews of social work education. The Government response to these reviews will need to include consideration of the way in which the current funding for social work education is deployed. It therefore seems sensible to implement an interim approach at this stage prior to laying the foundations for the long term sustainable solution from 2015 onwards.

Revised guidance for HEIs will be made available from the NHS Business Services Authority (NHS BSA).

Chapter 1 sets out the background to the consultation, the consultation process and the questions we asked. Chapter 2 sets out what you told in the consultation. Chapter 3 sets out how the Department proposes to reform the ESG and implement the new arrangements. Annex 1 lists the respondents to the consultation.

Arrangements for practice placement funding in Scotland, Wales and, Northern Ireland are unaffected by this consultation.

Chapter 1: The Consultation: What We Asked and Why

This Chapter sets out the reasons for reforming the Education Support Grant (ESG), the consultation process, questions and options for reform.

The Education Support Grant provides funding in support of social work qualifying courses:

- To placement providers to recognise the supervision and administration costs of hosting a student. There are two rates
 - £18 per placement day for placements involving the use of statutory interventions (mainly LAs); and
 - £28 per placement day for non-statutory placements.
- To HEIs
 - £18 per day for Skills Development Days;
 - £2 per day for the administration of placements;
 - £7,400 for the involvement of service users and carers in the development and delivery of the grant.

The cost per student depends on the mix of statutory and non-statutory placement days and will be between £4,000 and £5,700. Following the Social Work Reform Board (SWRB) and reforms of practice placements, students need to complete 170 practice placement days and 30 skills development days as part of their qualifying course. The budget was £28 million in 2013/14 and regularly overspends because there is no control on the number of students and, therefore, required placement days.

The Consultation Objectives and Process

- The objectives of reforming the ESG were to introduce a funding mechanism that is not demand-led,
- Update the funding methodology to recognise the change arranged for practice placements promoted by the SWRB and the College of Social Work (TCSW), and
- Improve the quality of practice placements.

The consultation document set out why reform was needed, issues to be taken into account in reforming the ESG and options for reform. The Department of Health undertook a formal consultation on reforming the ESG from 13 September to 8 December 2013. The consultation paper was published on the Department of Health website. The Department emailed a web link of the consultation paper to interested stakeholders, including organisations represented on the SWRB.

Table 2: The Consultation Questions

The Consultation questions are set out in Table 2.

1	Which options do you support and why? (Please rank them in your preferred order)
2	Which option would have the greatest impact on improving practice placements and why?
3	Should skills development days be funded in the future? If so, why and at what rate? Should the level be separately identified in the allocation?
4	Should we continue to pay the service user and carer funding? If so, why and at what rate? Should the level be separately identified in the allocation?
5	Should we continue to pay the HEI administration fee? If so, why and at what rate? Should the level be separately identified in the allocation?
6	Any other comments?

Table 3: The Consultation Options

The options for reforming the ESG are set out in Table 3.

Option 1:	Remain 'as is'.
Option 2:	ESG allocated according to the number of students on placements the previous year. For example for the 2013 academic year using the 2012-13 funding for each HEI with a flat percentage reduction to meet the capped budget.
Option 3:	ESG budget allocated between HEIs according to total number of placement students per HEI for upcoming academic year.
Option 4:	ESG budget split between HEIs according to number of students who receive the social work bursary in each HEI.

Conclusion

The Department undertook a significant amount of stakeholder engagement with the Social Work Reform Board in preparing for the consultation. Stakeholders are supportive of the need for reform and have worked constructively with the Department to assist in devising the best way forward.

Chapter 2: Your Response: What You Said

This Chapter sets out the number of responses and summarises the responses. The views below are the views of respondents and not the Department. 64 responses were received. A list of organisations that responded is at Annex 1. The number of responses broken down by category is set out in Table 4.

Table 4: Number of responses

Category	Sub-category	Number of responses
HEIs		25
Employers	LAs	25
	Private & Voluntary	3
	NHS	1
National Bodies		4
Other		6
Total		64

Question 1: **Which options do you support and why? Please rank them in your preferred order.**

Table 5 shows the number of top preferences for each option.

Option 1 received the most top preferences with 47% of respondents preferring this option or a variation on option 1.

Arguments put forward by respondents included:

Option 1

- Can be modified and used as an interim solution pending the outcome of the reviews of social work education.
- Achieves the desired reduction of expenditure because of the reduction in student numbers.
- Employers need to continue to generate income linked to practice education in order to supply good quality practice educators and placements; and
- It enables consistency in terms of administration processes.

Option 2

- Option 2 would allow HEI's to flexibly fund placements as different levels based on the quality; and
- Is the most fair approach, spreading cost evenly.

Option 3

- Planning on future year's intake would facilitate better workforce planning across the local partnerships,
- Tying in with the total number of students going out on placement is reasonable particularly as this is where focus is on the degree. The HEI would have to seriously consider impact of raising admission numbers on the student group as a whole; and
- Employer capacity for Assessed and Supported Year in Employment (ASYE) and placement could be assessed together.

Option 4

- Clear student numbers as funding fixed at numbers of bursaries enabling better planning for LA in knowing how many placements to find. HEI's need to pay more attention to the numbers of bursaries available rather than trying to fill places available on course by taking students from clearing.
- Higher funding for these placements would mean we could research and consider alternatives such as a student unit, by pooling funding per student in partnership with HEI's; and
- Gives recognition to the importance of placements to student learning and could provide incentive for provision of placements in non-statutory settings of better quality.

Table 5: Respondents' Top Preference

	Option 1	Option 2	Option 3	Option 4	No Preference	Total
HEIs	14	4	5	0	2	25
Employers	9	5.5	11.5	1	2	29
National Bodies	3	0	0	0	1	4
Other	4	0	2	0	0	6
Total	30	9.5	18.5	1	5	64
Percentage	47%	15%	30%	2%	8%	100%

Note 1: one employer expressed a preference for either option 2 or 3.

Question 2: Which option would have the greatest impact on improving practice placements and why?

Table 6 shows which option respondents thought would have most impact on improving quality. 39% expressed the view that none of the options would include quality or had no preference. 27% of respondents felt that Option 3 would improve quality the most.

Table 6: Which option would have the greatest impact on improving practice placements and why?

	Option 1	Option 2	Option 3	Option 4	None	No Preference	Total
HEIs	6	2	4	1	3	9	25
Employers	4	5	10	1	3	6	29
National Bodies	1	0	1	0	0	2	4
Other	3	0	2	0	0	2	6
Total	13	7	17	2	6	19	64
Percentage	20%	11%	27%	3%	9%	30%	100%

Arguments put forward included:

None and No Preference

- Funding distribution is not the issue.
- Reducing budget allocations will not improve practice placements as agency providers will have a reduced incentive to take students and undertake the required supervisory work; and
- Funding should remain at the current rate to ensure Practice Educators are identified and supported.

Option 1

- Reduction in number of students and savings made from the 70/100 day split means no reductions to fees is necessary;
- “We would be able to continue to work with partner agencies and placement providers”; and
- Option 1 allows HEIs to roll out a quality assurance programme.

Option 2

- HEIs would plan with partnerships to identify placements, enabling them to monitor quality & standards; and
- May be reduced impetus to increase numbers of social work students without consultation.

Option 3

- Would contribute to improved workforce planning and partnership working by HEI and the LA. Need to consider impact of ASYE on the number of placements that can be supported; and
- Need for more flexibility given to HEIs & strategic partners in determining amount of money paid to agencies for a practice placement.

Option 4

- The number of practice placements would reduce to match size of students allocated a bursary; and
- HEIs would know how many placements are required - LA may be able to increase number of placements offered if number of students reduce.

Question 3: **Should skills development days be funded in the future? If so, why and at what rate? Should the level be separately identified in the allocation?**

Table 7 shows responses to this question by type of respondent.

73% of respondents argued that funding for skills development days should continue to be funding with a similar proportion of HEIs and employers supporting retention of the funding.

Table 7: Should Funding for Skills Development Days continue?

	Yes	No	No Preference	Total
HEIs	19	0	6	25
Employers	22	1	6	29
National Bodies	2	1	1	4
Other	4	1	1	6
Total	47	3	14	64
Percentage	73%	5%	22%	100%

Arguments put forward in support of continuation of the funding included:

- Skills Development Days are requirement from SWRB and TCSW.
- Skills Development Days are a key component of student learning.
- Funding should be used be fund placement tutors. and
- Funding can be used in a variety of ways, including for shadowing or for engagement with service users and carers facilitating the integration of theory and practice.

Arguments put forward for ending this funding included:

- HEIs should meet the cost out of tuition fees
- If the learning was class based, funding should not be necessary as these staff will be funded by the HEI.

Comments on the level of funding were mixed and included:

- Funding for placements should be prioritised within the ESG and funding for skills development days could be reduced or ended if the budget was being reduced;
- Reduce the costs; and
- Continue at the current rate.

All respondents who commented on whether the funding (if continued) should be separately identified thought that it should be and that there should be greater transparency about how the funding was used.

Question 4: **Should we continue to pay the service user and carer funding? If so, why and at what rate? Should the level be separately identified in the allocation?**

Table 8 sets out the responses to this question by type of respondent.

81% of respondents argued that funding for the involvement of service users and carers in the delivery and development of social work qualifying courses should continue to be funding with a similar proportion of HEIs and employers supporting retention of the funding.

Arguments put forward in favour of retaining the funding included:

- Service user and care involvement is a requirement of both HCPC and TCSW;
- Not receiving the funding would run the risk of reducing the quality of service user and carer involvement;
- Service users and carers should be paid for their involvement and “make a valuable contribution to the teaching and learning of social work students”; and
- If the cost is mainstreamed, there is risk funding would be reduced.

Table 8: Should the Service User and Carer funding be continued?

	Yes	No	No Preference	Total
HEIs	20	0	5	25
Employers	25	1	3	29
National Bodies	3	0	1	4
Other	4	1	1	6
Total	52	2	10	64
Percentage	81%	3%	16%	100%

Arguments put forward in favour of ending the funding included:

- Funding for placements should be prioritised within the ESG and service user and carer funding could be reduced or ended if the budget was being reduced; and
- It is a HCPC and TCSW requirement and should therefore be funded from tuition fees.

Comments on the rate of payment and payment methodology included:

- Rate should be linked to student numbers in future;
- Suggested rates varied from £50 to £3,000 per student; and
- The existing level should be increased as it currently does not meet the full costs.

All respondents who commented on whether the funding (if continued) should be separately identified thought that it should be and that there should be greater transparency about how the funding was used.

Question 5: **Should we continue to pay the HEI administration fee? If so, why and at what rate? Should the level be separately identified in the allocation?**

Table 9 sets out the responses to this question by type of respondent.

66% of respondents argued that funding for HEI administration of practice placements should continue to be funded.

80% of HEI respondents felt that funding should be continued.

55% of employer respondents felt that funding should be continued.

Table 9: Should the HEI Administration Fee be continued?

	Yes	No	No Preference	Total
HEIs	20	1	4	25
Employers	16	5	8	29
National Bodies	3	0	1	4
Other	3	0	3	6
Total	42	6	16	64
Percentage	66%	9%	25%	100%

Arguments put forward in favour of retaining the funding included:

- The withdrawal of this fee would disadvantage those HEIs who are charging less than £9,000 tuition fees;
- Administering placements is time-consuming and expensive because the HEI is the “broker” for the ESG;
- It is vital to train and retain HEI placement coordinators, who are “vital to the administration, development and trouble-shooting of placements”; and
- There is a cost to both HEIs and placement providers in administering the placements.

Arguments put forward in favour of ending the funding included:

- Funding for placements should be prioritised within the ESG and the HEI administration fee could be reduced or ended if the budget was being reduced; and
- HEIs should absorb the cost within tuition fees

Comments on the rate of payment and payment methodology included:

- Retain at the current rate – particularly for smaller programmes who do not benefit from economies of scale and therefore find it more of a challenge to meet the administration costs of a complex programme; and
- Do not pay for HEI administration fee for the skills development days;

All respondents who commented on whether the funding (if continued) should be separately identified thought that it should be and that there should be greater transparency about how the funding was used.

Question 6: Any other comments?

29 respondents provided additional comments, some of which were as follows:

- The need for improved workforce planning at local, regional and national level to facilitate decisions on the number of students that should be recruited to courses and therefore the requirement for practice placements;
- The need for clarity on how the funding can be deployed;
- The rate not increasing since 2003 has reduced the amount practice educators are paid and Practice Educators (especially those who meet new Practice Educator Standards) should be appropriately rewarded;
- Final placements should be prioritised;
- “We feel serious consideration should be given to reviewing the differing daily placement fees paid to statutory and voluntary sectors. In the current economic climate LAs are considering whether they can afford to release staff to train and act as practice educators”;
- The risk of not having national guidance on placement fees is that a premium may be paid for hard to source placements;
- Recognition that funding is a contribution to the costs but reduction may reduce incentive to host a placement; and
- Lack of equity in funding between mainstream provision & Frontline & step-up etc.

Conclusion

Option 1 or a variant on Option 1 was the preferred option of 47% of consultation respondents. They argued that Option 1 could be made financially viable by a reduction in student numbers and it could also be used as an interim measure while the reviews of social work education were considered and there was better information on the impact of the bursary reforms and higher education funding changes.

Chapter 3: The Decision: What We Chose and Why

This chapter sets out the selected option and the reasons for choosing it. It also sets out why we decided not to pursue other options. Following the consultation, the Department has decided to implement a variant on Option 1 for the 2014 academic year. The separate daily placement fees for statutory and non-statutory placements have been combined into a single daily placement fee.

The ESG budget has been reduced to £26 million in the 2014/15 financial year in the context of the wider economic climate. However, we will keep the budget level under review and will be considering the balance of Government funding for social work education as part of the Government response to the reviews of social work education undertaken by Sir Martin Narey and Professor David Croisdale-Appleby. The overall approach with setting the rates for the 2014 academic year has been (in line with the views of the majority of respondents) to maximise the amount of funding available for the placements. We have done this by creating headroom in the budget by reducing funding for Skills Development Days and the HEI administration fee.

This is an interim solution which will enable Government to work with the sector on introducing new arrangements that are informed by the reviews of social work education undertaken by Sir Martin Narey and Professor David Croisdale-Appleby that raise the quality of practice placements. The Government is also aware that social work education is currently undergoing a range of changes including:

- Reforms to the social work bursary and higher education funding;
- HEIs are currently implementing the SWRB reforms of qualifying education;
- The Health and Care Professions Council (HCPC) is currently undertaking a re-approval process of social work qualifying courses; and
- The College of Social Work has introduced a voluntary endorsement scheme;
- The Department for Education is continuing the Step-Up programme and introducing Frontline; and
- The Department of Health is introducing a Frontline programme in adult services

The reviews of social work education are wide ranging. The Government response to these reviews will include consideration of the way in which the current funding for social work education is deployed. It therefore seems prudent to implement an interim approach that moves in the anticipated direction of the reviews in improving quality of practice placements and achieving value for money from the funding.

Table 10: Arrangements for the 2014 academic year.

Item	Current arrangements	Arrangements for the 2014 academic year.	Rationale
Practice Placement Days	<p>Paid on a daily basis.</p> <ul style="list-style-type: none"> • £18 per placement day for placements involving the use of statutory interventions (mainly LAs); and • £28 per placement day for non-statutory placements. 	<p>Will continue to be paid on a daily basis. The two daily placement fees of £28 and £18 will be replaced by a single fee of £20 per day</p>	<p>The Government agreed with the suggestion that there should only be one Daily Placement Fee and that increasing the daily placement fee for statutory placements would act as an incentive to host placements.</p> <p>A significant number of stakeholders have said that having two separate rates did not affect the cost of the placements and that costs of hosting placements for Local Authorities and PVI employers were the same.</p>
Skills Development Days	<p>Paid on a daily basis: £18 per day.</p>	<p>Will continue to be paid on a daily basis at 50% of the daily placement fee = £10 per day</p>	<p>We wanted to maximise the amount available for placement funding and a number of HEIs have reported that they have not used the existing funding for skills development days. .</p>
HEI administration fee	<p>Paid on a daily basis: £2 per day</p>	<p>Will continue to be paid on a daily basis at £2 per day.</p>	<p>Skills Development Days will not attract a HEI administration fee funding as this would be a double-payment.</p>
Service user and carer involvement in the development and delivery of the social work degree.	<p>Block grant per course of £7,400</p>	<p>Will continue to be paid as a block grant at the same rate as now.</p>	<p>No change</p>

The following policy objectives and evaluation criteria were met:

- **Improve quality:** the current arrangements for ensuring quality are maintained. The status and importance of statutory placements is recognised through an increase in the funding.
- **Update funding methodology to take account of SWRB reforms:** the funding arrangements for skills development days have been clarified;
- **Legally compliant:** this option is achievable within the existing legislation;
- **No disproportionate adverse impact on equality:** the current position is maintained; and
- **Administration:** The overall cost of administering the ESG remains the same. Marginal changes are required to systems, processes and documentation related to the administration of the ESG. No additional workload for HEIs as the arrangements would remain unchanged.

The following policy objective was not met:

- **End demand led funding:** funding remains demand led. The funding requirement would be directly affected by the number of students. However, more control over the budget is achieved through the setting of the fees to fit within the overall budget.

Why the other Options were discounted

The major factor why Options 2, 3 and 4 were discounted was that Government agreed with the respondents who suggested the implementation of an interim solution while consideration on taking forward the reviews of social work education continued. This led to the view to implement a pragmatic reform with minimal changes. This decision effectively ruled out implementing an option that was not demand led (options 2, 3 and 4). It may be that these options are considered again in the context of taking forward the reviews of social work education.

Making it happen

As noted above, implementation of this solution will require minimal changes to the administration of the ESG. NHS BSA will publish revised guidance, which will include the rules for funding and a timeline. It is envisaged that the current process of information exchange between HEIs and NHS BSA will continue.

The Department has decided that NHS BSA will continue to manage the ESG (and social work bursary) on its behalf when the interim management arrangements end in 2015. This is because NHS BSA has performed well in taking on the function from the General Social Care Council and administering the ESG to date. There have been no performance issues raised in the accountability meetings.

The Department will continue to engage with stakeholders on devising a substantive way forward on the ESG and will expand the scope of the Social Work Bursary Prioritisation

Advisory Group to include the ESG as this will enable the Government funded support for social work education to be considered as a whole.

Conclusion

Based on feedback, and in order to allow time to consider fully the reviews of social work education by Sir Martin Narey and Professor David Croisdale Appleby, and to reduce any financial risk to the Department, we are implementing a variation on option 1 in the 2014 academic year with substantive arrangements coming into force in the 2015 academic year. This approach will allow us to bring the demand-led budget under control in the 2014 financial year through setting new rates to avoid a potential overspend. We will also increasing the amount payable to statutory placements. .

Over the next 12 months, the Government will work together with the sector on introducing new arrangements that are informed by the reviews of social work education. The Government response to these reviews will need to include consideration of the way in which the current funding for social work education is deployed. It therefore seems sensible to implement an interim approach at this stage prior to laying the foundations for the long term sustainable solution from 2015 onwards.

Annex 1: List of Respondents

The following organisations submitted responses to the consultation. We have not included the names of individual respondents in the list.

Anglia Ruskin University
Association of Professors of Social Work (joint response with the Joint University Council - Social Work Education Committee)
Birmingham care Development agency
Bolton Borough Council
Bracknell Forest Borough Council
Bradford College x 2
Bury Borough Council
Cambridgeshire County Council
Dorset County Council
Durham University
East Riding of Yorkshire Council
EC Hospice
Essex County Council
Goldsmith's College, University of London
Greater Merseyside Practice Resource and Support Group
Hampshire County Council
Joint University Council - Social Work Education Committee (joint response with the Association of Professors of Social Work)
Lambeth Adult's & Community Services
Leeds Metropolitan University
London Borough of Redbridge Children's Trust
London Borough of Lewisham (joint response with Royal Borough of Greenwich)

Newcastle City Council
Newham Borough Council
NHS Business Services Authority
North East Social Work Consortium
North East Worcester College
North Yorkshire County Council
Northumberland County Council
Northumbria University
Oxfordshire County Council
Rotherham Doncaster & South Humber Foundation Trust
Royal Borough of Greenwich (joint response with London Borough of Lewisham)
Salford City Council
Skills for Care
Staffordshire University
Suffolk County Council
Sunderland City Council
Sussex University
Telford and Wrekin Borough Council
The College of Social Work
The Open University x 2
The Princes Trust Charity
Thurrock Borough Council
University of Bedfordshire
University of Birmingham
University of Bristol
University of Chichester
University of Greenwich

University of Leeds
University of Leicester
University of Lincoln
University of Preston
University of Sunderland
Warwickshire County Council
Wiltshire College Trowbridge
Wolverhampton University