



Department
of Health

Reforming the Education Support Grant

A paper for consultation

September 2013

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Reforming the Education Support Grant

A paper for consultation

Prepared by Workforce Development Strategy, External Relations Directorate

Contents

Contents.....	4
Executive summary.....	5
Introduction.....	7
Chapter 1: Background to the consultation.....	8
Chapter 2: Quality in Social Work Education.....	16
Chapter 3: The Consultation Options.....	21
Glossary.....	31
Annex 1: Further information about the consultation.....	32
Annex 2: Education Support Grant consultation response form.....	34

Executive summary

Ensuring a good supply of high quality social workers is an important aim for the government. This means recruiting high calibre students with the right skills, knowledge and aptitude from all sectors of the community. Practice learning opportunities form an important and significant element of social work qualifying courses.

The Education Support Grant (ESG) was introduced in 2003 to incentivise employers to provide social work placements at a time when the entry level to the social work profession was raised from diploma level to degree level. Funding was also made available to HEIs to contribute to the costs of involving service users and carers in the development and delivery of the social work degree.

The ESG recognises that finding and managing placements during social work qualifying programmes is an essential part of social work education provision.

ESG funding has always been intended to be a contribution towards the costs of delivering the social work degree. It has operated as an uncapped demand led fund, which is distributed solely according to the number of students in study and the number of placement days required.

The objectives of reforming the ESG are to:-

- Introduce funding methodology that is not demand led;
- Update the funding methodology to recognise the changed arrangements for practice placements promoted by the Social Work Reform Board (SWRB); and
- Improve the quality of practice placements.

This consultation is part of a wider context of reform initiated by the SWRB's proposals to improve social work education and training. The College of Social Work (TCSW) is now leading on the implementation of education reforms of the SWRB. This includes recruitment and selection of students, curriculum guidance, practice learning arrangements, partnership working and guidance for Practice Educators.

The Government is consulting on the following options (laid out in more detail in chapter three) and is planning to introduce the changes in the 2014 academic year.

Table 1: consultation options

Option 1:	Remain 'as is'.
Option 2:	ESG allocated according to 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.

This consultation relates to the ESG in England only. Different arrangements for supporting practice placements apply in Scotland, Wales and Northern Ireland.

The Department would be grateful for your views on your preferred option. The deadline for responses is 5pm on 6 December 2013. The responses will be reviewed and a consultation response document published.

Introduction

The Education Support Grant (ESG) was introduced in 2003 to incentivise employers to provide social work placements at a time when the entry level to the social work profession was raised from diploma level to degree level. At the same time the requirement to undertake practical placements was increased from 130 days (under the previous Diploma in Social Work qualification) to 200 days¹.

In preparing this paper, the Department has discussed the future funding of the ESG with representatives from higher education institutions (HEIs), the College of Social Work (TCSW) and the NHS Business Services Authority (which manages the ESG on behalf of Government).

Funding restrictions on government departments mean that the uncapped nature of the ESG fund is no longer sustainable and future funding models have been developed to enable fair and equitable distribution of the grant within the budget. The Department is not looking to reduce the level of funding available at present and is planning to introduce the reformed ESG in the 2014 academic year maintaining the existing budget of £28 million. The budget will be reviewed annually as part of the Department's business planning round.

The aim of reforming the ESG is to:-

- Introduce funding methodology that is not demand led;
- Update the funding methodology to recognise the changed arrangements for practice placements promoted by the Social Work Reform Board (SWRB); and
- Improve the quality of practice placements.

It is envisaged that the budget will be set at the same level as the 2013 academic year and all options (other than option 1) will reduce expenditure to the budget level of £28 million rather than the current approximate overspend of £3 million per year. The budget will be reviewed annually as part of the Department's business planning round.

Chapter 1 provides a background on current arrangements to enable considerations of the options for reform. Chapter 2 explains the background to the review following the recommendations of the Social Work Taskforce and Social Work Reform Board. Chapter 3 set out the proposals for the new funding methodology. It provides a description of each option together with preliminary analysis on costs, benefits and risks.

¹ <http://www.publications.parliament.uk/pa/cm200809/cmselect/cmchilsch/527/527i.pdf>

Chapter 1: Background to the consultation

This chapter will provide a background to the consultation, explaining the rationale for the consultation and outlining the current arrangements. This includes an assessment of the need for practice placements, the funding arrangements and the overall contribution Government makes to social work education. The ESG is managed by the NHS Business Services Authority (NHS BSA) on behalf of Government. There are four elements of the ESG:

- A contribution to the costs to employers of providing a practice placements;
- A contribution to the costs of providing skills development days;
- A contribution to HEI administration costs of administering placements and skills development days, and
- A contribution to HEI costs of involving service user and carers in the development and delivery of social work qualifying courses.

Practice Placements

Practice placements have always been an integral component of social work education. When entry level to the social work profession was raised from diploma to degree level, the number of placement days a student was required to undertake increased from 130 to 200 (including the use of statutory intervention) over the lifetime of the course. Placements needed to provide experience of both the use of statutory and non-statutory interventions.

The SWRB considered practice placements as part of the wider changes to social work education. From the 2012 academic year, HEIs will have used 30 days to prepare students for placement, and then support them during two block placements, one of 70 days and one of 100 days². In order to graduate as a qualified social worker, students must pass both the academic and practice elements of their programme. Practice placements also provide an opportunity to local employers to see potential new employees before recruiting into permanent social work posts. The same principle also allows students to have practical experience before committing to a permanent social worker role. The importance of practice placements was also highlighted in the Munro Review³, in which recommendation 12 states:-

“Employers and HEIs should work together so that social work students are prepared for the challenges of child protection work. In particular, the review considers that HEIs and employing agencies should work together so that:

- Practice placements are of the highest quality, and in time, only in designated Approved Practice Settings; and

² Building a Safe and Confident Future: One year on-Progress Report, 12/2010

³ The Munro Review of Child Protection: Final Report, 05/2011

- Placements are of sufficiently high quality, and both employers and HEIs consider if their relationship is working well”

The Department for Education’s experience with Step Up to Social Work indicate that employment-based training is highly effective.

Practice Placement Funding

The Department discussed with stakeholders whether or not funding for placements should continue to be made available in the light of the rise in tuition fees and concluded that funding for practice placements should be continued as it directly supports students in preparing them for a career as a social worker. The placement is central to the ability to educate social workers who are fit to practice on graduation. The funding encourages and supports placement providers to take on students. Some organisations have argued that withdrawal of funding may result in withdrawal of practice placements and make it harder to source placements. They argue this may reduce the size of student intake.

Some placement providers use the funding as honorarium payments to their staff to undertake the supervision and others directly contract with practice educators or use some of the funding to support and develop their own practice educators. There are indirect costs to the organisations e.g. covering posts whilst someone supervises the student. Funding helps to ensure that placements are both available and of a suitably high quality to offer the appropriate practical experience.

Continued financial support is considered by HEIs to be essential for the continuation of their placement activities. It has been argued that the administration fee for HEIs should continue because the costs of practice placement administration, management and facilitation are additional to the costs of delivering the academic components of running a social work degree. Additional costs to HEIs include administration (of criminal record checks and finance), quality assurance (audit and evaluation of placements) and support to practice educators.

Current structure for practice placements

In December 2010, SWRB recommended maintaining 200 practice placement days. To pass at either undergraduate or postgraduate level, students must undertake and successfully complete the 200 days over the lifetime of their course, with one placement involving the use of statutory powers, as follows:

- 30 days skills development days, focusing on integration between theory and practice, which students must pass before beginning their first practice placement;
- 170 placement days (with no placements occurring in year 1 of study for undergraduates).

Government funding for social work education

Government funds a number of elements of social work education and continuous professional development. Currently, Government makes a direct contribution to social work education of approximately £100 million comprising the social work bursary and ESG.

This support has been available to all students regardless of whether they take up employment in social work or whether they worked in adult or children's services. The ESG has been paid irrespective of the ability of the individual student, the quality of the course, or subsequent intention to take up employment either as a social worker or within the social care sector. The bursary changed in 2013 with fewer bursaries being available and an increased emphasis on supporting high quality students (through HEIs shortlisting students for a bursary). The Government also funds elite entry routes into social work (e.g. Step Up to Social Work) and provides funding for the post-qualification assessed and supported year in employment ASYE programmes.

Social Work Bursary

The Social Work Bursary provides a financial contribution to some students studying to become social workers and costs approximately £73m in 2013 and £65m in 2014 academic years respectively.⁴ Following consultation in 2012, the Government has introduced new arrangements for the social work bursary taking effect from the 2013 academic year. In summary these changes are:

- maintain the postgraduate bursary (with its additional demand led allowances);
- make the undergraduate bursary payable in years 2 and 3 only;
- introduce a cap on the number of undergraduate and postgraduate bursaries; and
- non-bursary recipients may be eligible for a contribution to placement travel expenses.

These changes are designed to maintain the security of supply of social workers while reducing expenditure, achieving greater value for money and improving quality through reductions in attrition.

HEFCE funding

Social work programmes do not currently receive funding from the Higher Education Funding Council for England (HEFCE) following the 2012 changes to higher education funding. Social work qualifying courses are in HEFCE band C, which no longer attracts funding. HEIs are therefore able to set their tuition fees up to a maximum of £9,000. The amount that HEIs previously received from HEFCE varied according to the number of students.

Funding for the Assessed and Supported Year in Employment

As soon as students graduate, they will be eligible to apply for entry onto the Health and Care Professions Council (HCPC) register of social workers. In their first post they will undertake an assessed and supported year in employment (ASYE). Currently, the newly qualified social worker's (NQSW) employer will receive a contribution of £2,000 per NQSW

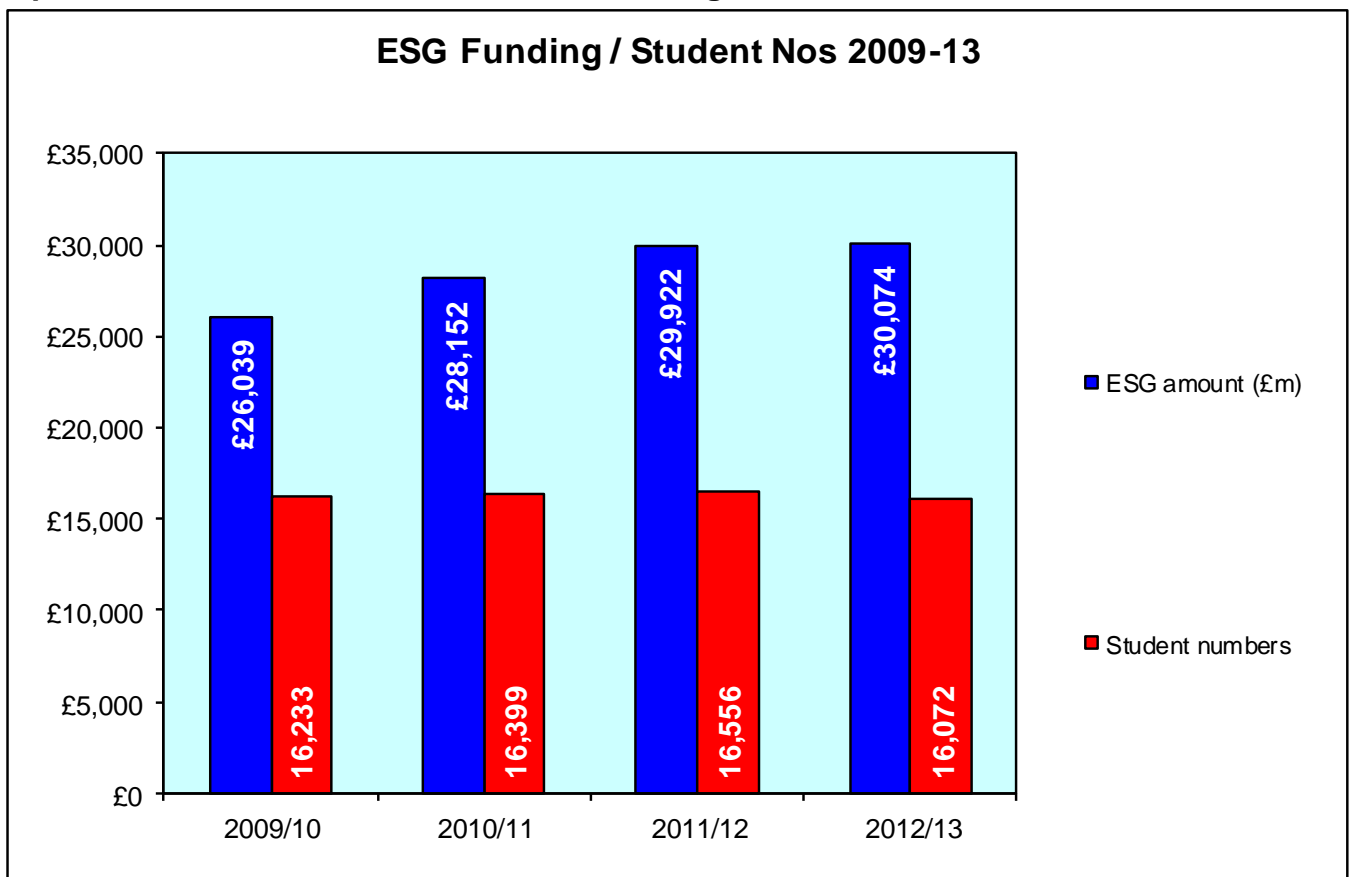
⁴ Reforming the Social Work Bursary: The Government Response to the consultation.
<https://www.gov.uk/government/consultations/consultation-on-reforming-social-work-bursary>

to assist in the provision of a good induction, additional professional development and an assessment of the NQSW’s skills and ability

Current ESG funding policy and process

About £28 million is granted each year across 82 HEIs to provide practice placements according to the number of social work students in study and the number of placement days required. The current system is demand led and the costs have been rising over recent years as the number of students and therefore the requirement for placement days has increased. The daily placement fees have not increased since 2005 and the funding level for the service user and carer support has remained constant for a number of years. The table below represents ESG funding and corresponding student numbers for academic years 2009/10 to 2012/13.

Graph 1: Student numbers and total ESG funding 2009/10 – 2012/13



The elements of funding

ESG funding is currently provided to HEIs in respect of students on all undergraduate and postgraduate social work qualifying courses, including employment based courses. Presently there is no cap on the number of students to whom ESG funding would apply, neither is it linked to the number of social work students who receive the SWB. The formula for placement funding at present takes account of student numbers and the type of

organisation hosting the placement. The ESG has four distinct elements that determine how much is paid to each HEI:

1. Daily Placement Fees

Each host employer receives a daily placement fee from the HEI as a contribution towards the cost of taking on a social work student into a placement. The fees are designed to recognise the supervision and administration costs of hosting a student. There are two rates for employers:

- Lower rate: £18 per placement day for statutory placements and skills development days
- Higher rate: £28 per placement day for non-statutory placements (private and voluntary organisations)

The rationale for the separate rates was that placement costs were felt to be higher in non-statutory organisations and that statutory organisations (as the major employers) should have ownership of growing the next generation of students. Some organisations have argued that the cost issue is a red herring and that costs would be similar in both statutory and non-statutory organisations. Some students currently qualify and come to interview without experience of a statutory placement and can be said to be disadvantaged by it.

2. Skills development days

As an interim measure, pending the outcome of this consultation, Government is funding skills development days at the lower daily placement fee (£18) in academic years 2012 and 2013 (= £540 per student). A decision is required on whether SDDs should continue to be funded.

3. HEI Administration fee

Each HEI receives a fee of £2 for each student per placement and skills development day delivered (= £400 per student) as a contribution towards the administrative costs incurred in the planning and distribution of practice learning funding to placement providers/agencies. This is often a contribution to the costs of employment a placements officer. It has been suggested that this should cease as HEIs have increased tuition fees to £9,000.

4. Funds for involving service user and carers in social work education

This funding is intended purely as a contribution towards the costs of involving people who use social work services and carers in the development, design and delivery of social work degree courses. The fund is currently capped at £7,400 per HEI and is currently distributed evenly across all HEIs which offer qualifying programmes. An HEI with a larger than average number of students does not receive a higher level of funding. The way funding is used varies between HEIs. Funded activities should include:

- consulting with service users and carers to make sure their needs and opinions are reflected in the design and development of courses;
- making sure the views of service users and carers are taken into account in the assessment process;
- involving service users and carers in important processes, including designing, delivering, developing and reviewing courses.
- making sure that representatives of service users are involved in the selection process.

The total cost for the academic year 2013-14 of funding HEIs for these four elements is:

Table 2: 2013-14 Estimate of ESG Funding

Description	Amount
practice placements and skills development days	£ 28,565,034
HEI administration fee	£ 2,501,036
service user and carer involvement	£ 606,800
Funding (TOTAL)	£ 31,672,870
Funding (BUDGET ⁵)	£ 28,000,000

Previous funding

The table below illustrates ESG spending over the past 4 academic years and that the overall trend has seen an increase in the level of funding.

Table 3: Total ESG spending for Academic Years 2009/10 - 2012/13

	2009/10	2010/11	2011/12	2012/13 (estimate)
Spend	£26,039,730	£28,152,340	£29,922,247	£30,074,612
Number of practice placement days	1,071,849	1,145,181	1,179,474	1,250,518
Number of students	16,233	16,399	16,556	16,072

Available data shows that although student numbers have steadily increased since 2003 to the present level of 16,072, they have remained at a similar level for the last four years. The

⁵ Excluding recoupments.

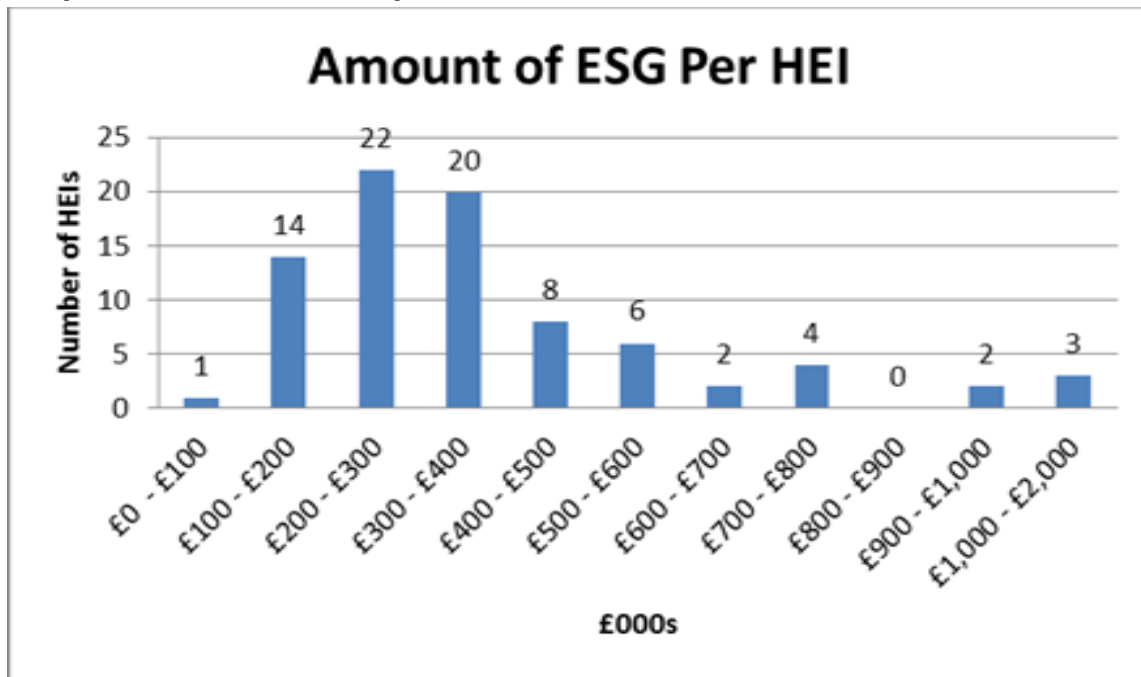
ratio between the lower and higher rate for placements days was intended in 2003 to be 40:60 but has changed to 45:55 in 2013/14. This reflects information from HEIs that organising a placement at local authorities is becoming increasingly difficult to arrange due to pressures on frontline services restricting the availability of placements and they are having to rely more and more on private organisations to secure placements at the higher rate for their students.

The funding cycle

Information on placement day numbers is collected from HEIs in October each year for the current academic year. HEIs are given the opportunity to revise their current year’s figures in April/May. Following the end of the academic year, at the end of November, HEIs report on the actual number of placements delivered. First instalments are paid to HEIs based on estimated figures. Second instalments are based on the ‘revised’ figures. At the end of the agreement period where the ‘actual’ figures show that too much / too little has been paid, the second instalment of the following year’s funding is adjusted accordingly. There will always be a requirement for recoupment due to academic year and financial year starting at different months September and April respectively.

The table below shows the distribution of the ESG across HEIs who are eligible to receive funding. Of 82 HEIs, 65 receive funding of up to £500,000 per annum; the other 17 receive the remaining funding. The highest amount paid to any HEI is £1,797,500. In relation to this table the smallest number of students is 31 and the largest is 735.

Graph 2: Amount of ESG per HEI 2012/13⁶



⁶ Excluding recoupments

Administration of the ESG

The Department delegated the administration of the ESG to NHS BSA from 1 July 2012, following the closure of the General Social Care Council, as NHS BSA has significant experience of transactional services and has responsibility for administering the SWB. NHS BSA has absorbed the ESG work into their existing organisation structure at marginal extra cost. The ESG budget does not pay for NHS BSA's administration costs. Consideration of future administration arrangements of the ESG is outside the scope of this consultation.

Conclusion

Government remains committed to funding practice placements days. Expenditure on the ESG has increased year on year with no formal agreement that spending could exceed the agreed budget. The funding cycle and the administration of the ESG works well with no known problems following transfer of responsibility from GSCC to NHS BSA.

Practice placements days now total 170 days plus 30 SDDs. DH agreed to pay SDDs in the 2012 and 2013 academic years as an interim measure, pending this consultation. Government has accepted that funding should continue to be made available for practice placements but consideration needs to be given to whether the ESG should continue to fund the following elements:

- SDDs,
- HEI administration fee and service user, and
- service user and carer involvement.

Chapter 2: Quality in Social Work Education

This chapter sets practice placements within the context of the wider reforms to social work education. Practice placements form a high proportion of the social work qualifying courses (approximately 50% of an undergraduate course) and the quality of the placements needs to be high to ensure high quality newly qualified social workers are available for employment. The SWTF recommendations for improving social work education include a specific recommendation to raise the quality of practice placements. The Department believes that there are a robust set of arrangements for ensuring the quality of practice placements with courses being approved by HCPC and endorsed by TCSW. The ultimate responsibility though remains firmly with the HEI, and the ability to source quality placements. We are aware that, some courses have experienced difficulty in sourcing placements as they have expanded – particularly involving the use of statutory interventions. The Department's view is that courses will need to consider availability of quality placements in partnership with employers and placement providers in discussing the student intake size.

Both the Department of Health and Department for Education are currently reviewing social work education. Reports are expected in December and August respectively⁷. It is not known at this stage what impact the outcome of the reviews will have on the ESG. The assumption is that the ESG will continue to fund practice placements until further notice.

Delivery of SWTF reforms

The SWTF recommendation

The SWTF was formed to undertake a comprehensive review of frontline social work practice with the aim to “develop a social work system that provides high quality services for social workers that are well supported, and in whom the public feels confident”. SWTF published their final report on the 1st December 2009 with 15 recommendations. In addition to the 15 recommendations, the SWTF suggested that funding for practice placements be reviewed to examine how it could be used as a lever to improve quality⁸. The SWTF concluded:

‘we believe that Government should review funding arrangements to provide incentives for high quality entrants to the social work profession and to ensure high quality placements are made available to all students’.

⁷ <https://www.gov.uk/government/news/review-announced-on-social-work-education>

⁸ http://webarchive.nationalarchives.gov.uk/+www.dh.gov.uk/en/socialcare/DH_098322

The SWRB proposals for improving education

The SWRB was set up in January 2010 to implement the recommendations of the SWTF and ensure that the reform is a sector-led process. The SWRB identified a number of issues in education and training and created individual recommendations to enable social work students to acquire the expertise required in the first place. Of the 15 recommendations, 3 directly affect social work students and the ESG. They are:-

1. Calibre of entrants: that criteria governing the calibre of entrants to social work education and training be strengthened;
2. Curriculum and delivery: an overhaul of the content and delivery of social work degree courses; and
3. Practice placements: that new arrangements are put in place to provide sufficient high quality practice placements, which are properly supervised and assessed, for all social work students.

How is the delivery of individual SWRB recommendations progressing?

1. **Calibre of entrants: that criteria governing the calibre of entrants to social work education and training be strengthened.**

It is expected that HEIs should apply rigorous academic and non-academic criteria throughout the student application including:-

- Thresholds for entry, minimum UCAS points (n=240) for undergraduates
- A preferred 2:1 for post graduates
- Involvement of employers, service users and carers in the selection and interview process

The Health and Care Professions Council (HCPC) sets standards that should be used by HEIs throughout the application process to evaluate a student's fitness to practice social work, these are:-

- Standards in Educations and Training (SETs);
- Standards of Proficiency (SOPs); and
- Standards of Conduct, Performance and Ethics (SCPEs).

2. **Curriculum and delivery: an overhaul of the content and delivery of social work degree courses.**

Guides and standards have been produced by supporting professional and regulatory bodies and it is expected that HEIs will reference these to support curriculum development and delivery of social work programmes.

Social work courses that lead to qualification as a social worker are approved by the HCPC and developed in line with the HCPC Standards of Proficiency. A programme that meets these standards allows a student who successfully completes a qualifying course to apply to the HCPC for registration.

Table 4 illustrates guides and standards available to HEIs. This list is an illustration of what HEIs should reference as a minimum.

Table 4: Social Work Guides and Standards

Reference	Produced by	Purpose
Curriculum guides for qualifying social work education	The College of Social Work	To support curriculum development, educators in HEIs, practice educators and employers' representatives
Professional Capabilities Framework	The College of Social Work	Describes the capabilities required of social workers at all stages of their career
QAA Benchmarking	Quality Assurance Agency	Code of practice for the assurance of academic quality and standards in higher education
Standards for Education and training (SETs)	Health & Care Professions Council	Generic standards that ensure any person who completes an approved programme meets the standards of proficiency
Standards of Proficiency (SOPs)	Health & Care Professions Council	Set out what a social worker must know, understand and be able to do when they first start practising
Quality Assurance Framework for Practice Learning (QAPL)	Skills for Care	Supports employers and HEIs to improve the quality of placements involving the use of statutory interventions.

3. Practice placements: that new arrangements be put in place to provide sufficient high quality practice placements, which are properly supervised and assessed, for all social work students.

The quality of practice placements is critical to raising standards in social work education. The SWTF recommended that new arrangements should be put in place 'to provide sufficient high quality practice placements, which are properly supervised and assessed, for all social work students' (Recommendation 3) and the final report of the Munro Review of Child Protection stressed how important it was that 'HEIs and employing agencies should

work together so that practice placements are of the highest quality' (Recommendation 12). The SWRB agreed new arrangements for practice learning and all programmes will use a consistent model of 200 days practice learning which will include:

- 30 SDDs
- 70 days first placement
- 100 days last placement

The cost of these new arrangements per student over the length of the qualifying course would vary from £4,000 to £5,700 dependent on the split between statutory and non-statutory placement days.

Table 5: Cost of the SWRB Placement Regime per Student

	Length	Cost £
Skills Development Days	30 days	540
Placement days ^{note1}	170 days	3,060 to 4,760
HEI administration Fee	200 days	400
Total		4,000 to 5,700

Note 1: the cost of placement days will currently vary depending on the number of placement days spent in statutory and non-statutory settings.

In addition to these new arrangements, social work degree programmes will be subject to approval by the HCPC and can additionally seek endorsement by TCSW

HCPC approval

Approval of courses by HCPC is mandatory if HEIs want their social work course to be a social work qualifying course from which graduates will be able to register as social workers in England. As a result of the transfer of the statutory regulation of social workers in England from the GSCC, the HCPC has an approval programme underway. HCPC intend to visit all existing social worker programmes in England over a three year academic period from March 2013 to approve social work qualifying courses. If a HEI does not receive HCPC approval, it can continue to run its social work programme, but it will cease to be a social work qualifying course, and therefore graduates will not be able to register as social workers.

TCSW endorsement

The TCSW endorsement process is not mandatory, but HEIs are encouraged to seek endorsement as an indicator of consistent provision of high quality qualifying social work programmes. The criteria for endorsement has been developed and agreed with the sector and in line with the reform recommendations arising from the SWTF and SWRB. HEIs seeking endorsement will complete a five step process and will record evidence on how quality practice placements are delivered and assessed against the agreed criteria. Endorsement will operate alongside the regulatory function of accreditation carried out by HCPC and is designed to support and supplement HCPC requirements, not duplicate them⁹.

Conclusion

The Department of Health has provided annual funding to support the delivery of social work programmes and practice placements. To date, the allocation of this funding has not been required to be linked explicitly to controls over the quality of placements delivered or who is responsible for ensuring quality as the Department considered that there are already robust mechanisms for assuring the quality of social work qualifying courses, including placements. The key accountability for ensuring high quality placements are available remains with HEIs, which otherwise run the risk of HCPC withdrawing approval of the course.

⁹ www.tcsw.org.uk/professional-development/endorsement

Chapter 3: The Consultation Options

This chapter sets out the options that are being consulted on, together with a description of each option, pros, cons, costs and our initial thinking against the evaluation criteria. This chapter is structured as follows:

- Section 1 Sets out the questions that we would like you to consider in looking at the options.
- Section 2 Shows the evaluation criteria and the Department's initial view of how each option meets those criteria.
- Section 3 Sets out each of the options with an initial assessment of pros and cons, performance against evaluation criteria and costs.

Section 1: Consultation Questions

The Government objectives for reforming the ESG are to:

- Introduce funding methodology that is not demand led;
- Update the funding methodology to recognise the changed arrangements for practice placements promoted by the Social Work Reform Board (SWRB); and
- Improve the quality of practice placements.

It is envisaged that the budget will be set at the same level as the 2013 academic year and all options (other than option 1) will reduce expenditure to the budget level rather than the current approximate overspend of £3 million per year. Option 1 is included as the “do nothing” option and is not viable because it maintains the demand led nature of the budget. The methodology for distributing the ESG will change following this consultation and options 2 – 4 are different methodologies for dividing the capped budget. The Department does not have a firm view on which of these is the preferred option at this stage.

Under options 2, 3 and 4, the Department would allocate the ESG on the basis described with HEIs having flexibility to vary the amount paid to placement providers and could use quality of placement as a criteria. The annual guidance produced by NHS BSA will continue to set out the purposes on which the ESG can be spent. This will be informed by responses to the consultation on whether to fund the existing four elements and whether these amounts should continue to be separately identified:

- Skills development days;
- Practice placement days;
- HEI administration fee; and
- Service user and carer involvement.

HEIs will need to provide evidence of how they have used the funding for accountability purposes and to inform future policy development.

To illustrate the likely range of effects of each of the options upon individual HEIs, we have presented a cross-section of example HEIs in terms of student numbers, mix of undergraduates and postgraduates, and the likely effect of the different options.

The questions we would like you to respond to are:

Table 6: Consultation Questions

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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • at what rate? • should the level be separately identified in the allocation?
6	Any other comments?

Section 2: Evaluation Criteria

The following evaluation criteria have been developed to assist in consideration of the options. The initial view of the Department on how each option performs against these criteria is set out below.

Table 7: Evaluation Criteria

Title	Description
Legally compliant	Is lawful, i.e. in accordance with the relevant legislation and case law
No disproportionate adverse impact on	Does not have disproportionate adverse equality and diversity impacts, particularly in relation to race, age, sex, disability, sexual orientation,

equality	transgender, pregnancy and maternity, carers and religion or belief. The socioeconomic impacts of the options are also considered.
Quality of entrants to profession	Improves quality of entrants to the profession through provision of high quality placements
End demand led funding	Ends demand led nature of budget and keeps total expenditure within the approved budget level.
Administration	Reflects new placement structure and remains robust, workable and straightforward to administer.

Section 3: Evaluation of reform options

The options you are being asked to consider are:

Table 8: Consultation Options

Option 1:	Remain 'as is'.
Option 2:	ESG allocated according to 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.

Our initial view on how each option meets the evaluation criteria is summarised below with further comments under each option.

Table 9: Initial Overview of Evaluation criteria per option

Criteria	Option			
	1	2	3	4
Legally compliant	Yes	Yes	Yes	Yes
No disproportionate adverse impact on equality	No	No	No	No
Quality of entrants to profession	No change	No change	No change	No change
End demand led funding	No	Yes	Yes	Yes
Administration	Partially	Yes	Yes	Yes

Option 1: Remain ‘as is’ = do nothing

Description: This option is the “do nothing” option: it is not viable because it would mean the current demand led funding regime continue, with the existing regime of daily placement fees and an amount for service user and carer funding. Funds payable would continue to be based on total number of placement days estimated by eligible HEIs (to achieve 170 placement days per student over the length of the course) split by the lower and higher daily placement fee multiplied by total number of social work students. The HEI administration fee and service user funding would be payable at current rates. A decision on whether to fund the SDDs would be required.

Table 10: Option 1: Evaluation Criteria

Title	Yes/No	Comment
Legally compliant	Yes	Within current legislation
No disproportionate adverse impact on equality	No	Maintains current position
Quality of entrants to the profession	No change	Quality of entrants to the profession will be raised via the measures outlined in Chapter 2. Any additional improvement caused by the ESG would be marginal.
End demand led funding	No	The demand led nature of the budget would continue. The funding requirement would be directly affected by the number of students and, therefore, practice placement days and the number of days payable at the higher and lower daily placement fee.
Administration	Partially	The overall cost of administering the ESG remains the same. No business change required to systems, processes or documentation related to the administration of the ESG. No additional workload for HEIs as the arrangements would remain unchanged. A decision on whether to continue the interim measure of funding SDDs would need to be made.

Funding Figures: Would remain above the £28m budget. Estimated costs are set out in the table below for all HEIs. Illustrative figures per HEI have not been included as this would be the same as currently.

Table 11: Option 1: Funding Figures

Payment for:	Amount:	Notes:
Placement estimates from HEIs	£28,220,568	1,250,518 placement days includes SDDs
Daily administration fee	£2,462,762	Based on number of placement days x £2
Service User Funding	£606,800	£7,400 is paid to each HEI
FY total	£31,290,130	
FY target	£28,000,000	
Variance (overspend)	£3,290,130	

Option 2: ESG allocated according to 2012-13 funding for each HEI with a flat percentage reduction to meet the capped budget.

Description: The annual ESG fund would be split according the amount paid to HEIs during 2012-13, adjusted by a common percentage to achieve the capped budget. The amount would be paid as a block payment to each qualifying HEI. HEIs will need to decide (in discussion with partners) how to use the funding to help deliver quality placements. Guidance would set out whether funding could continue to be used on SDDs, the HEI administration fee and service user funding. HEIs will need to provide evidence of expenditure.

Table 12: Option 2: Evaluation Criteria

Title	Yes/No	Comment
Legally compliant	Yes	Within current legislation
No disproportionate adverse impact on equality	No	Maintains current position. The even reduction across all HEIs is a fair and equitable method of meeting the budgetary aims of the consultation.
Quality of entrants to the profession	No change	Quality of entrants to the profession will be raised via the measures outlined in Chapter 2. Any additional improvement caused by the ESG would be marginal. HEIs would have the flexibility to fund placements at different levels and could use quality as a criterion.
End demand led funding	Yes	Option will end demand-led nature. The amount payable to each HEI is not affected by changes to student numbers. HEIs will need to manage a smaller allocation across their cohort of students which might put pressure on daily rates and reduce the amount of funding available for non-statutory days.
Administration	Yes	The overall cost of administering the ESG remains the same. A

		block payment would streamline the funding cycle as it would reduce the time and resource required for reconciliation tasks. The formula would need to be updated each year and would need to recognise changes to HEI provision. HEIs would have flexibility to fund skills development days. amount payable to each HEI is not affected by changes to student numbers.
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Funding figures: Total funding would be the approved budget level of £28m as at 2013-14. Each HEI's allocation would depend on its final total funding for 2012-13 and the total across all HEIs. If, for example, final total funding for 2012-13 was £30.1 million, each HEI would receive 7% less than its final 2012-13 amount.

Table 13: Option 2: Funding Figures

HEI	Total Number of Students	Undergraduates as a Proportion of all Students	Estimated Total Funding for 2012-13	Illustrative Funding Under Option 2	Net Gain (Loss) Compared with 2012-13
	number	percentage	£ thousand	£ thousand	£ thousand
A	266	100%	419	390	(29)
B	365	75%	483	450	(33)
C	169	100%	306	285	(21)
D	180	73%	343	319	(24)
E	150	58%	270	251	(19)
F	91	100%	175	163	(12)
G	105	0%	260	242	(18)
England Total	16,100	71%	30,100	28,000	(2,100)

Option 3: ESG budget allocated between HEIs according to total number of placement students per HEI for upcoming academic year.

Description: The annual ESG fund would be shared between HEIs in proportion to the number of students going on placement in the upcoming year (i.e. excluding first year undergraduates). HEIs would need to decide (in discussion with partners) how to use the funding to help deliver quality placements and skills development days. Guidance would set out whether funding could continue to be used on SDDs, the HEI administration fee and service user funding. HEIs will need to provide evidence of expenditure.

Table 14: Option 3: Evaluation Criteria

Title	Yes/No	Comment
Legally compliant	Yes	Within current legislation
No disproportionate adverse impact on equality	No	Maintains current position
Quality of entrants to the profession	No change	Quality of entrants to the profession will be raised via the measures outlined in Chapter 2. Any additional improvement caused by the ESG would be marginal. It may incentivise HEIs to source more statutory placements.
End demand led funding	Yes	Option will end demand-led nature. Clear mechanism for accommodating changes in student numbers which means if the number students were to increase, the funding per student would decrease HEIs will need to manage a smaller allocation across their cohort of students which might put pressure on daily rates and reduce the amount of funding available for non-statutory days
Administration	Yes	The overall cost of administering the ESG remains the same. A block payment would streamline the funding cycle as it would reduce the time and resource required for reconciliation tasks, minimising administrative change. The formula would need to be recalculated annually based on intake figures.

Funding figures: Total funding would be at the approved budget level of £28m as at 2013-14. Each HEI’s allocation would depend on its own number of students going on placement in the upcoming year, and the total number for all HEIs. If, for example, there were 12,000 students in England going on placement in the year, each HEI would receive a lump sum of £2,333 times its number of students going on placement.

Table 15: Option 3: Funding Figures

HEI	Total Number of Students	Undergraduates as a Proportion of All Students	Final Total Funding for 2012-13	Number of Students on Placement	Illustrative Total Funding Under Option 3	Gain (Loss) Compared with 2012-13
	number	percentage	£ thousand	number	£ thousand	£ thousand
A	266	100%	419	175	396	(23)
B	365	75%	483	256	579	96
C	169	100%	306	100	226	(80)
D	180	73%	343	125	283	(60)
E	150	58%	270	119	269	(1)
F	91	100%	175	64	145	(30)
G	105	0%	260	105	238	(22)
England Total	16,100	71%	30,100	12,400	28,000	(2,100)

Option 4: ESG budget split between HEIs according to the number of students who receive a social work bursary in each HEI

Description: The total annual ESG fund would be shared between HEIs according to the number of social work bursaries allocated under the new system. The figures used would be those for steady state, i.e. once all students on the current bursary scheme have left the system. The funding formula would not take account of the number of students not receiving a social work bursary, including students on employment-based routes. HEIs would need to decide (in discussion with partners) how to use the funding to help deliver quality placements and skills development days. Guidance would set out whether funding could continue to be used on SDDs, the HEI administration fee and service user funding. HEIs will need to provide evidence of expenditure.

Table 16: Option 4: Evaluation Criteria

Title	Yes/No	Comment
Legally compliant	Yes	Within current legislation
No disproportionate adverse impact on equality	No	Maintains current position – although students on employment based routes will now not benefit from these arrangements.
Quality of entrants to the profession	No change	Quality of entrants to the profession will be raised via the measures outlined in Chapter 2. Any additional improvement caused by the ESG would be marginal.

End demand led funding	Yes	Option will end demand-led nature. Clear mechanism for accommodating changes in student numbers and supports other aspects of social work education policy.
Administration	Yes	The overall cost of administering the ESG remains the same. The objective to introduce control and move away from a demand led model would be achieved. A block payment would streamline the funding cycle as it would reduce the time and resource required for reconciliation tasks. Where efficiencies in the funding cycle have been identified, time and resources could be redirected to carry out quality checks on placements across a wider sample size. Clear mechanism for accommodating changes in student numbers and links to other aspects of social work education policy.

Funding figures: Total funding would be at the approved budget level of £28m as at 2013-14. Each HEI's allocation would depend on its allocated number of student bursaries (at steady state) and the total number of bursaries (currently set at 8,000). If the total number of bursaries allocated were 8,000, each HEI would receive a lump sum of £3,500 times its number of allocated bursaries.

Table 17: Option 4: Funding Figures

HEI	Total Number of Students	Undergraduates as a Proportion of All Students	Final Total Funding for 2012-13	Number of Bursaries Allocated	Illustrative Funding under Option 4	Gain (loss) Compared with 2012-13
	number	percentage	£ thousand	number	£ thousand	£ thousand
A	266	100%	419	152	532	113
B	365	75%	483	150	524	41
C	169	100%	306	76	266	(40)
D	180	73%	343	91	322	(21)
E	150	58%	270	98	343	(27)
F	91	100%	175	42	147	(28)
G	105	0%	260	84	294	34
England Total	16,072	71%	30,100	8,000	28,000	(2,100)

Next Steps

We will analyse the responses to the consultation in order to make recommendations for the future use of this funding. We aim to publish the results of this consultation by **the end of the year**. We will then consult further on more detailed plans before making any changes.

Conclusion

Spending control is not the only reason for reforming the ESG. The other reasons are the need to recognise the changed arrangements for practice placements promoted by the SWRB and that the ESG is used to provide excellent learning opportunities to social work students. The consultation questions have been designed for you to be able to give feedback about the impact of the options on quality and costs.

Glossary

ASYE: Assessed and Supported Year in Employment.

DPF: Daily placement fee. Currently set at £28 and £18 for statutory and non-statutory placements.

ESG: Education Support Grant currently provides funding to HEIs for skills development days, practice placement days and service user and carer involvement in the degree.

HCPC: The Health and Care Professions Council regulates the social work profession in England.

HEFCE: Higher Education Funding Council for England.

HEIs: Higher Education Institutions.

Munro: The final report of the Munro review (published in 2011) set out proposals for reform to enable professionals to make the best judgments about how to help children, young people and families.

NHS BSA: National Health Service Business Services Authority manages the ESG and SWB.

SDDs: Skills Development Days: the revised practice placement regime recommends 30 days preparing students for placements

SWB: Social Work Bursary.

SWTF: Social Work Taskforce: the purpose of the social work taskforce was to drive and deliver a cross Government social work reform programme to improve frontline practice and management. The SWTF made 15 recommendations for a comprehensive reform programme.

SWRB: The Social Work Reform Board was set up to drive the SWTF reforms and has produced wide ranging tools for change.

TCSW: The College of Social Work enables the development of the profession, responding to current and future challenges, in turn benefitting the people the profession exists to serve. It acts as the public voice of social work, representing social work and social workers in the media, with government and with employers.

Annex 1: Further information about the consultation

Equality and diversity

Since April 2011, public sector bodies, including the Department of Health, have been required to comply with the public sector Equality Duty in the Equality Act 2010. The duty applies to any decision made, any policy developed, any programme implemented, and any practices driving activity. It also applies to functions and services provided by others on behalf of DH. To comply with the duty, the Department must demonstrate how it has paid due regard to the three aims of the Equality Duty, which are:

- the need to eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between people who share a protected characteristic and those who do not;
- promote good relations between people who share a protected characteristic and those who do not.

The new Equality Duty replaced three sets of equality duties - for race, disability and gender - and covers the following protected characteristics: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

It also applies to marriage and civil partnership, in respect of the requirement to have due regard to the need to eliminate discrimination, and carers 'by association' with people sharing some of the characteristics.

Some of the options set out in this consultation may meet the aims of the Department better than others.

This consultation follows the Consultation Principles, which set out the principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation.¹⁰

Confidentiality of Information

We will manage all the information you provide in response to this consultation in accordance with the Department of Health's Information Charter.

¹⁰ <https://www.gov.uk/government/publications/consultation-principles-guidance>

Information we receive, including personal information, may be published or disclosed in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004.

If you want the information that you provide us with to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, among other things, confidentiality obligations. In view of this, it would be helpful if you could explain to us why you regard the information, you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that the confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, in itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the DPA and in most circumstances; this will mean that your personal data will not be disclosed to third parties.

Summary of the consultation

A summary of the response to this consultation will be available at the end of the live consultation period and will be placed on the Department's website at: www.gov.uk.

Concerns about or comments on the consultation process

The address for responses to the consultation is set out on page 26. This is the address to which responses to the issues raised by the consultation should be sent. Should you have concerns or comments that you would like to make about the consultation process itself please contact:

The Consultation Co-ordinator
Department of Health
2N14 Quarry house
Quarry Hill
Leeds
LS2 7UE

Email: consultations@dh.gsi.gov.uk

Annex 2: Education Support Grant consultation response form

Thank you for your interest in this consultation. We request that you use the pro forma below to help us analyse the responses.

Please indicate if you are completing this as an individual or on behalf of a group	
Number of people represented	
Background / profession	

Question		Response
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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • at what rate? • should the level be separately identified in the allocation? 	
6	Any other comments?	

Thank you for giving us your views

Please reply by 5pm on Friday 6 December 2013.

Please send your completed response form to esgconsultation@dh.gsi.gov.uk

Hard copy responses can be posted to: ESG Consultation
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