

8<sup>th</sup> January 2010

To Directors of Children's Services,

In October 2009, local authorities were notified by the Learning and Skills Council (LSC) of the specific names of those staff who had been matched to a post transferring to them on 1 April 2010. There has been some movement in the matching process since then, but the process is now very largely complete. The LSC do not propose to undertake any further matching except by agreement with the local authority concerned.

Ministers have agreed to fund all posts created as a result of the transfer for a period of 3 years. The fair and equitable divide of the 2010-11 LSC administration budget for the successor bodies has been a complex process, but we are now able to publish the local authority allocations for posts (filled and vacancies) for 2010-11. The figures have been discussed with the React Programme. As 2011-12 and 2012-13 is subject to the next Spending Review, a separate communication will be provided setting out the estimated figures as soon as the Department is in a position to do so.

#### **The Basis of 2010-11 Calculation**

The table at Annex A outlines the 2010-11 budget allocation for each local authority based on staffing information provided to the Department by the LSC as at 7<sup>th</sup> January 2010. Whilst it is possible that further staffing changes will take place before April 2010, we believe that the position is settled enough to be able to provide final allocations to local authorities to enable them to plan and budget for 2010-11.

The figure is made up of:

- Pay Costs:
  - For matched staff this is:
    - Actual basic salary including any area adjustments, such as inner or outer London weighting (\*);
    - Actual National Insurance Contributions (\*);
    - Actual Employer Pension Contributions (\*). Note that this is based on the current Principal Civil Service Pension Scheme values. Separate adjustments will be notified in early 2010 to each pension scheme administrator as soon as these have been agreed between the Government Actuaries Department and LGPS actuaries (see also attached note);
    - An average of £400 to cover for PHI and childcare costs; and

- Any other contractual allowances actually paid. The LSC will provide details of any allowances as part of the due diligence process to each new employer.  
(\* Including an applied uplift of 3.67% (in line with the overall LSC pay envelope/settlement) to reflect anticipated 2010-11 pay rates and associated contributions
- For vacancies we have provided funding based on a point on the salary scale, based on band averages. The LSC's usual recruitment allowance is 85% on the salary scale. To ensure that LAs have some headroom within which to exercise flexibility we have increased this to 91% of the normal maximum salary.
- Other Costs: Covering information technology, travel & subsistence, learning & development, postage & telecoms and other admin related costs we have provided funding of £3,884 per full time equivalent for matched staff and vacancies.

#### **Method of Payment**

We propose to create a special purpose grant for 2010-11 which will be a separately identifiable amount within the Area Based Grant (ABG).

If you have any questions then please contact the DCSF via [laspg.mailbox@dcsf.gsi.gov.uk](mailto:laspg.mailbox@dcsf.gsi.gov.uk) or the LGA via John Freeman [john.freeman@lga.gov.uk](mailto:john.freeman@lga.gov.uk)

Yours sincerely,

Sue Baldwin  
Director Young People's Participation and Attainment Group