



## **Summit programme**

- 10.30 Welcome and introductions**
- 10.40 Outlining the 16-18 funding changes**
- 11.40 Refreshments**
- 12.00 The rationale for the changes from the YPLA**
- 12.40 The view from the ASCL**
- 13.00 Lunch**
- 13.50 The view from the NUS**
- 14.10 What recent research into enrichment tells us**
- 14.30 Potential for support from LSIS**
- 14.50 Impact analysis and response**
- 15.30 Funding Summit end**

## Who will you hear from?\*



**Nick Linford**  
Managing Director of Lsect



**Jane Cowell**  
Director of Funding Policy at the  
Young People's Learning Agency (YPLA)



**Kevin Street**  
Head of Funding Development  
at the YPLA



**Malcolm Trobe**  
Policy Director at the Association of  
School and College Leaders (ASCL)



\* In order of appearance

## Who will you hear from?\*



**Shane Chowen**  
Vice President for Further  
Education at the NUS



**Liz McMichael**  
Deputy Director  
RCU Ltd



**Mike Cox**  
Head of 14-19 at the Learning and  
Skills Improvement Service (LSIS)

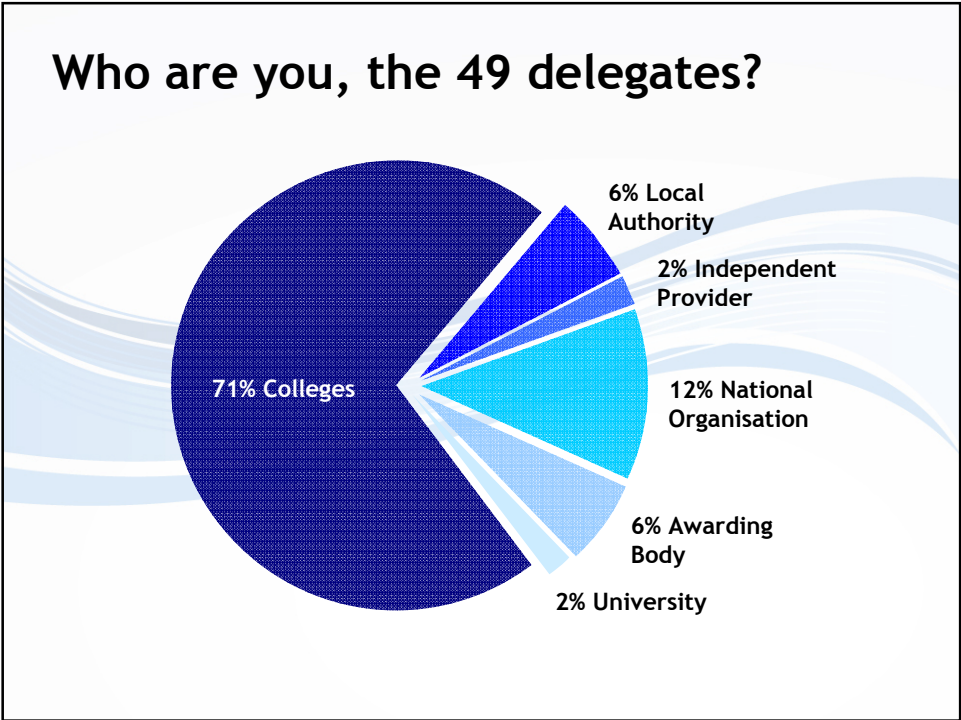


**Mark Emerson**  
Information Systems Manager  
Chelmsford College  
[ILR Utility Clinic at 15.30]

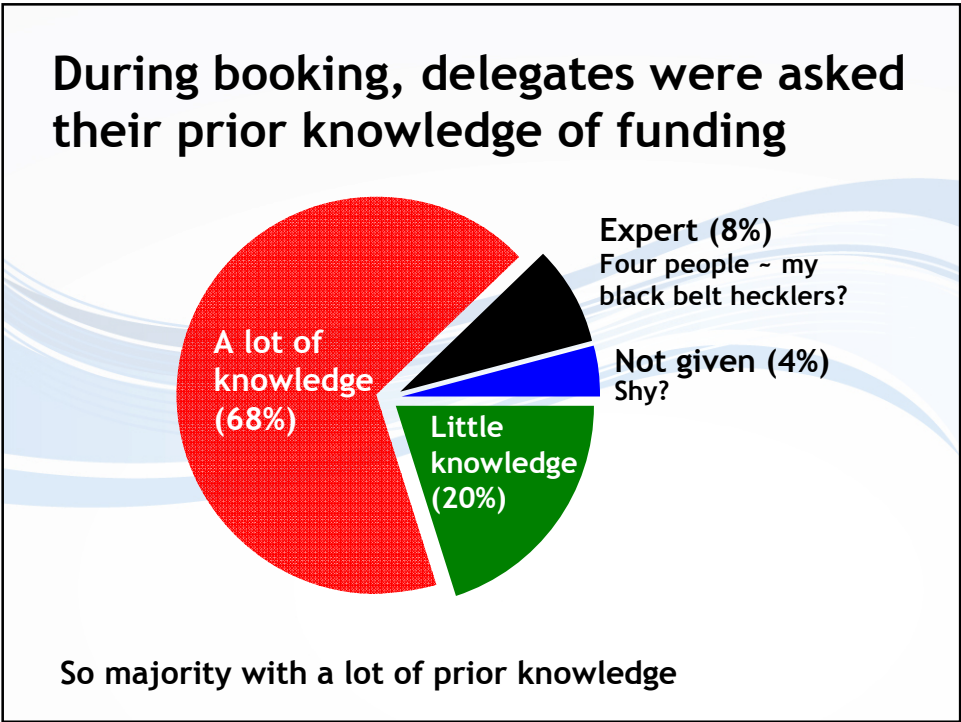


\* In order of appearance

### Who are you, the 49 delegates?

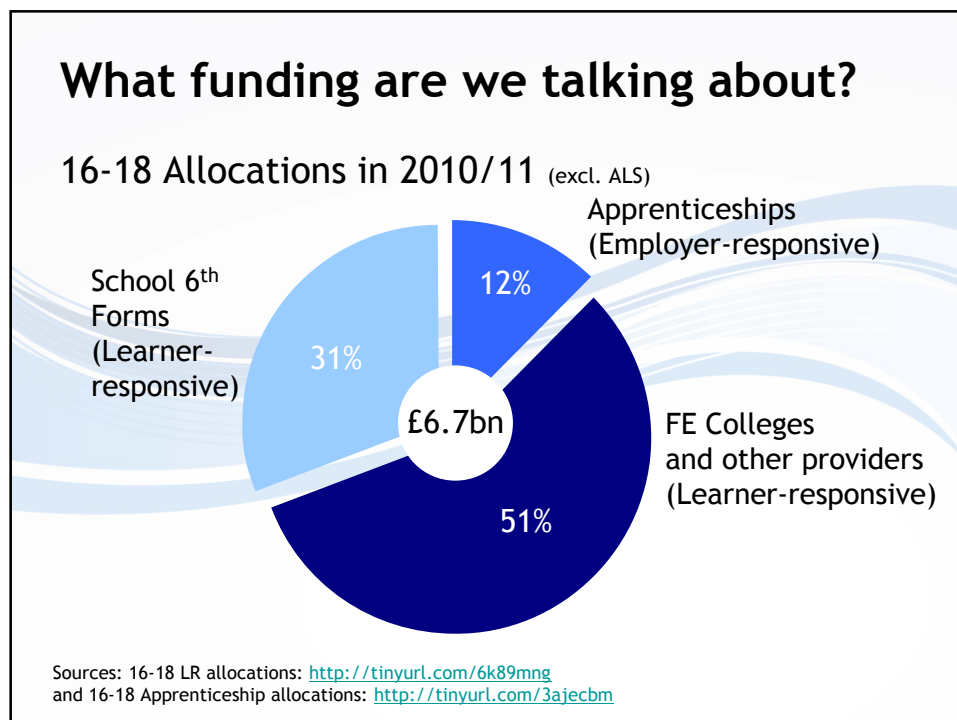


### During booking, delegates were asked their prior knowledge of funding



## Outlining the 16-18 funding changes for 2011/12

Nick Linford  
Managing Director of Lsect



## Schools White Paper

And Bill currently going through Parliament

“Ofsted will cease routine inspection of schools and sixth form colleges previously judged to be outstanding”

**Definition of routine?**

“End the [‘on average £280’] disparity in funding for 16-18 year-olds, so that schools and colleges are funded at the same levels as one another [by 2015].”

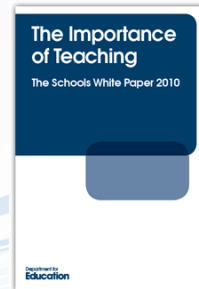
**All on £2920 national funding rate for next four years?**

“Subject to legislation, we intend to replace the existing Young People’s Learning Agency and set up a new Education Funding Agency (EFA) as an executive agency of the Department”

**4-19 national funding methodology?**

“We will raise to 17 by 2013 and then 18 by 2015 the age to which all young people will be expected to participate in education or training.”

**Not fund part-time provision and move to learner funding model?**



## 16-18 YPLA planning assumptions

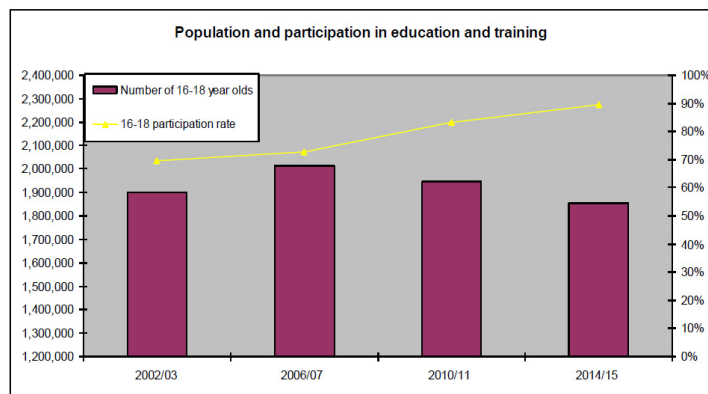


Population Falls  
Participation Increases  
Volumes increase slightly

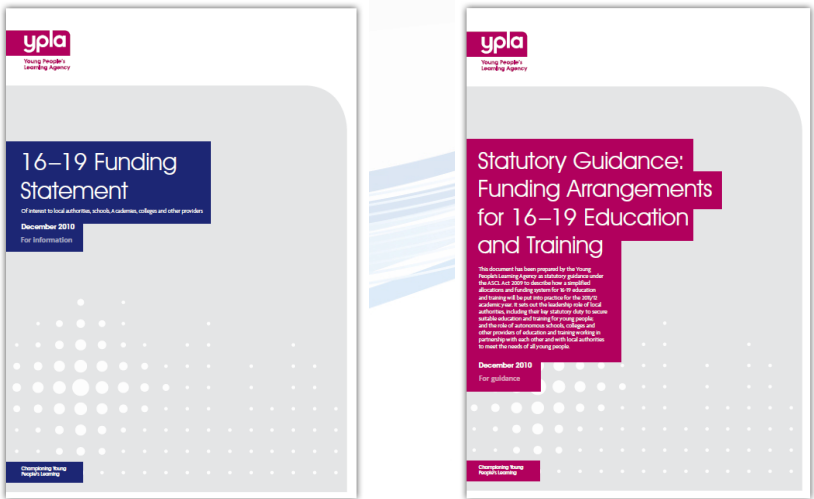
“Drops 90,000 by 2014/15”

“All 16 and 17 year olds by 2014/15”

“Increase by 62,000 by 2014/15”

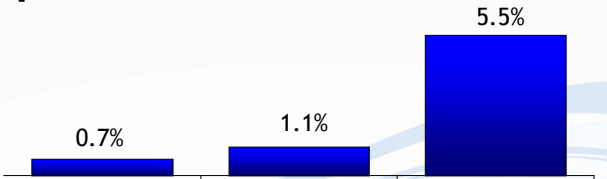


# Latest published policies for 16-19

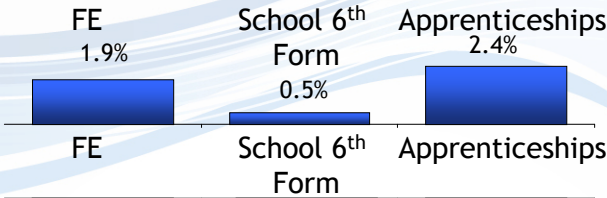


## The 16-18 plan in headline numbers

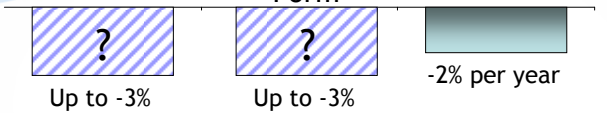
Learners  
academic year



Funding  
Allocation  
Financial year



Funding  
Rate



## The 16-18 changes for 2011/12

### Entitlement cut by 84 SLN GLH (114 to 30)

$84 / 450 \times £2,920 \times 1.35 = £736$  approx per learner

$£736 \times 1\text{m FT learners} = \text{approx } £700\text{m saving}$

Although entitlement cut does push up Provider Factor

SLN per learner cap will be approx 1.56 (TBC)

### £150m more for disadvantage uplift and ALS

IMD 2007 (rather than 2004) will be used for DU uplift

### ‘Transitional protection to smooth implementation’

Limit reduction in rate to 3% in 1st of 3 years of protection

### Lagged learner number funding for allocations

## Allocation methodology (mechanistic)

### Lagged learner numbers

$$\frac{2009/10 \text{ F05}}{2009/10 \text{ F01}} \times 2010/11 \text{ LR01} = \begin{matrix} 2011/12 \\ \text{learner} \\ \text{allocation} \end{matrix}$$

### SLN per learner ratio

Taken from 2009/10

Reduced to reflect entitlement reduction

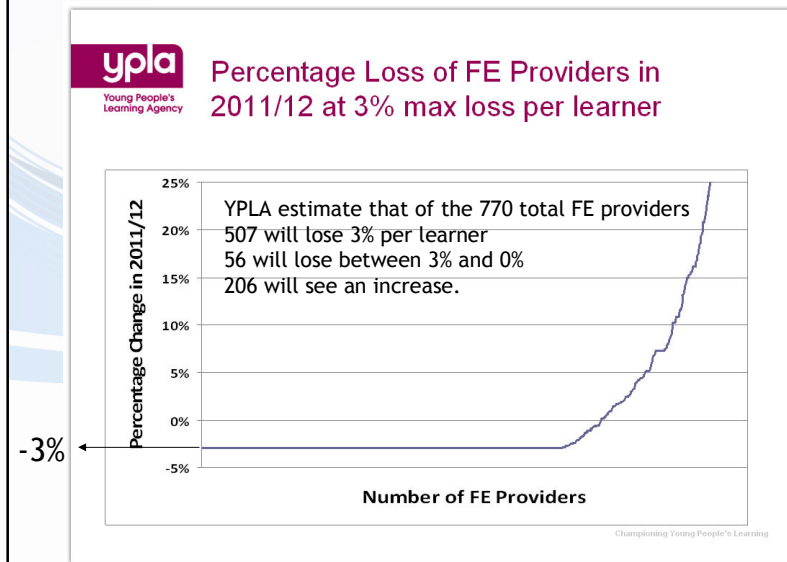
Providers in top 20% ratio will see their ratio reduced half-way to the 80<sup>th</sup> percentile

Provider factor based on 2009/10 and 2008/09 success rates

Learners x SLN ratio x national funding rate x provider factor = allocation (possibly with protection)



## Impact analysis (and more later)



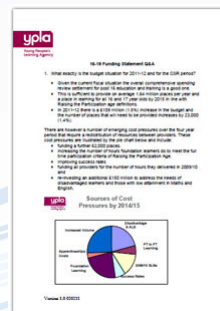
## YPLA Q&A (and more later)

## Transitional protection

No protection by 2014/15

## Comparison with pre-16

16-18 at present have smaller class sizes and fewer teaching hours yet on average £750\* more funding per learner



## Young Apprentices?

“Ministers are still considering”

## Wolf Review of 14-19 vocational education

“Due in the Spring (e.g. late April)”


\* Similar value as the cut to Entitlement (but reason is



## The rationale for the changes (and a bit on FL)

Jane Cowell  
Director of Funding Policy at the YPLA

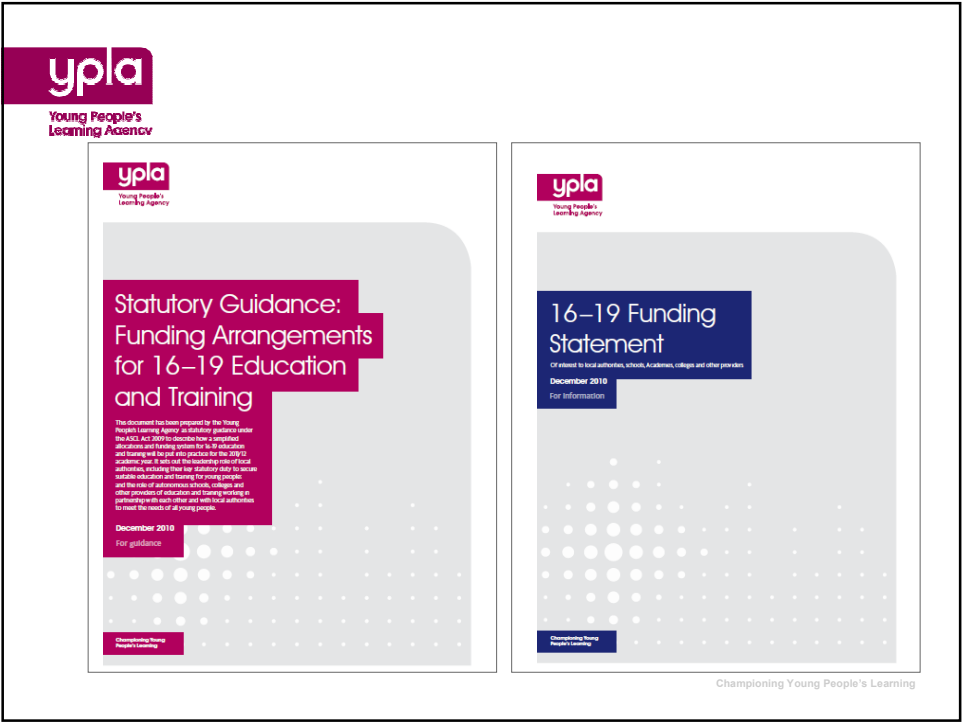
Kevin Street  
Head of Funding Development at the YPLA

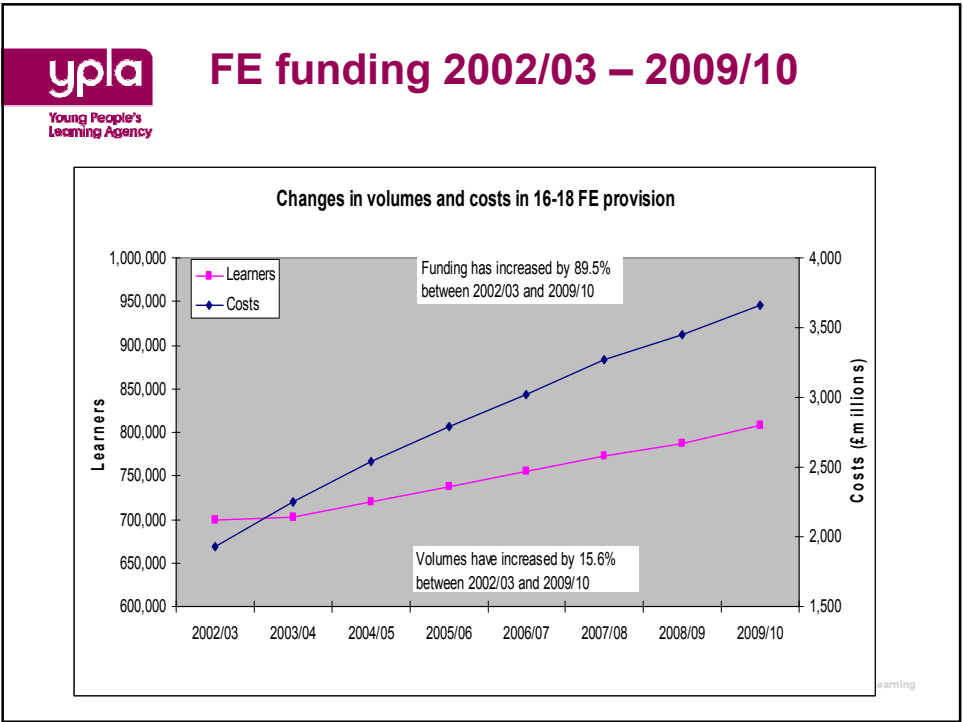
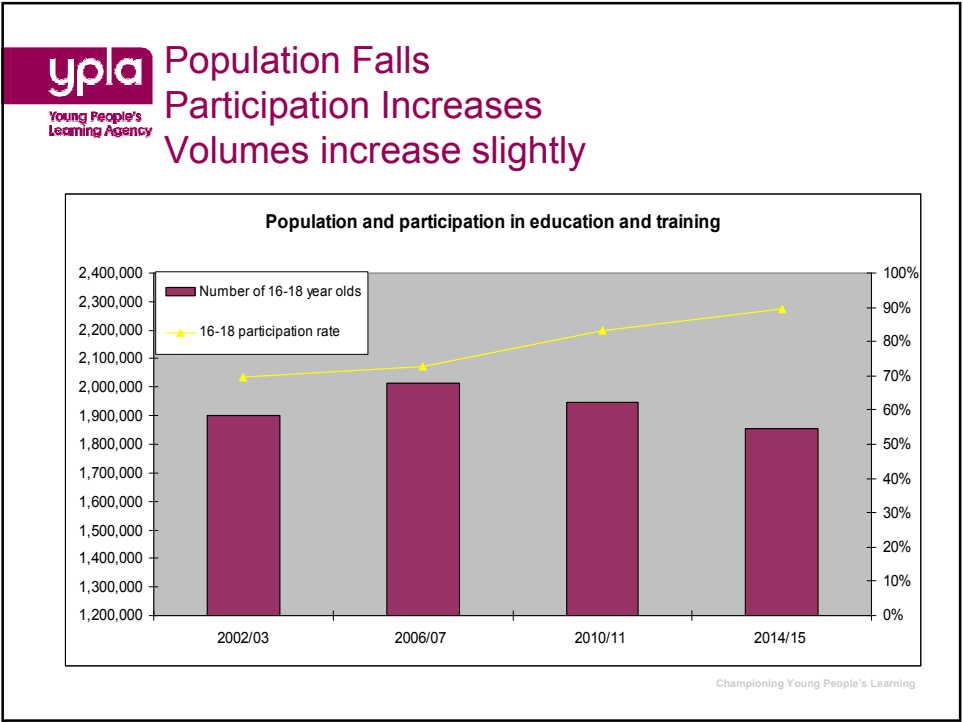


## Key points from the White Paper

- all young people staying on in education and training to age 18 by 2015
- a simple post-16 funding system
- end the disparity by bringing the funding levels for school sixth forms into line with colleges
- transition towards fairer post-16 funding will begin in 2011–12 and will be completed by 2015
- provide the necessary transitional protection for schools and colleges facing significant changes

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## Key Messages - Participation

Funds full participation for those age 16 and 17 by 2015

Record number of young people funded, average of 1.64 million per year

An increase of 62,000 places in learning by 2014/15

Against population decline of over 90,000

Support the ambition for 1 in 5 young people to access an Apprenticeship by 2020

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## Key Messages - Disadvantage


An increase of £150 million for Disadvantage and those with low attainment (ALS)

Maximum Flexibility in how funds are used

Potential alignment with Pupil Premium and National Scholarship Programme and increased transparency of funding for disadvantage

No funding rate increases in any other programmes, including the funding for ISP for those with LLDD

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Young People's Learning Agency

## Key Messages - Efficiency

Reductions in 16-18 unit costs

Converge SSF funding with other providers


Protection for the “core” programme

Reduction in generic entitlement curriculum hours

Transitional Protection until 2013/14

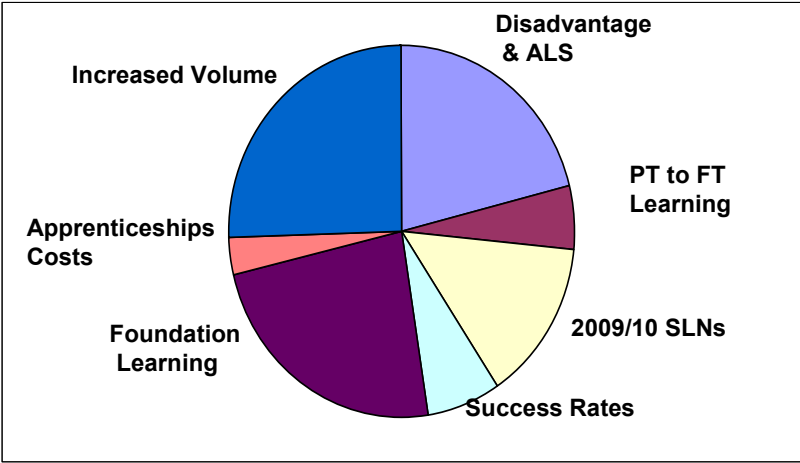
Maximum loss of 3% per learner in 2011/12

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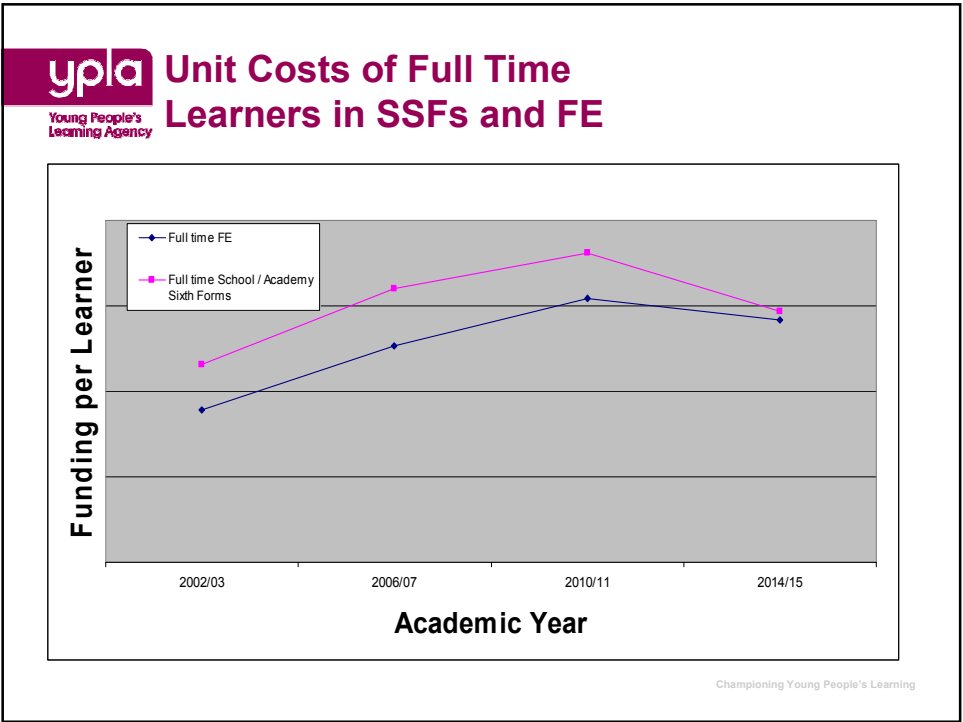
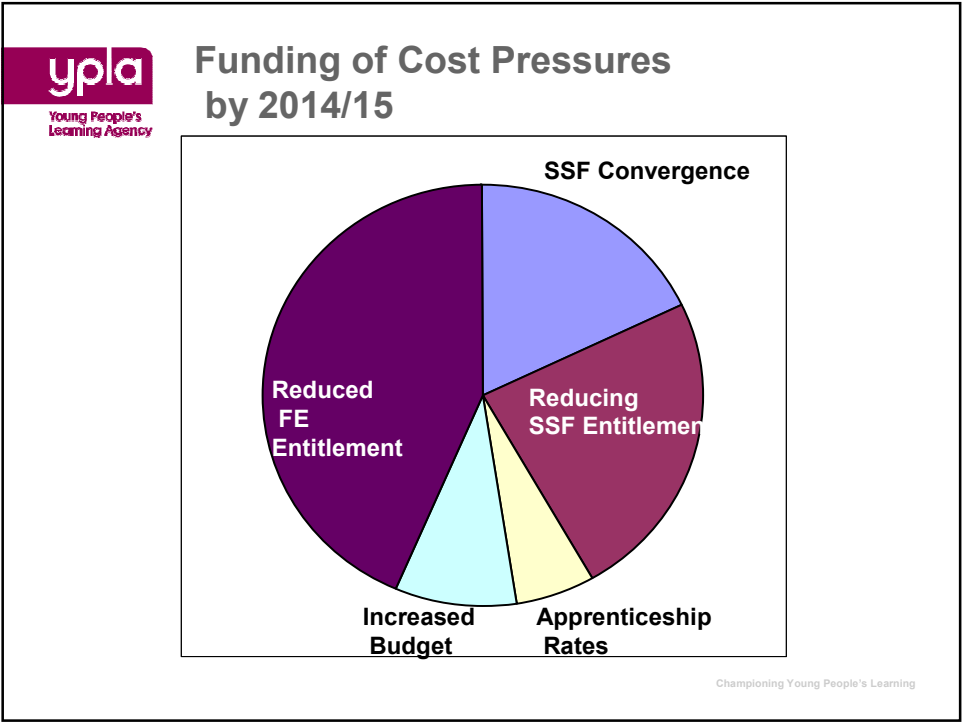
Young People's Learning Agency

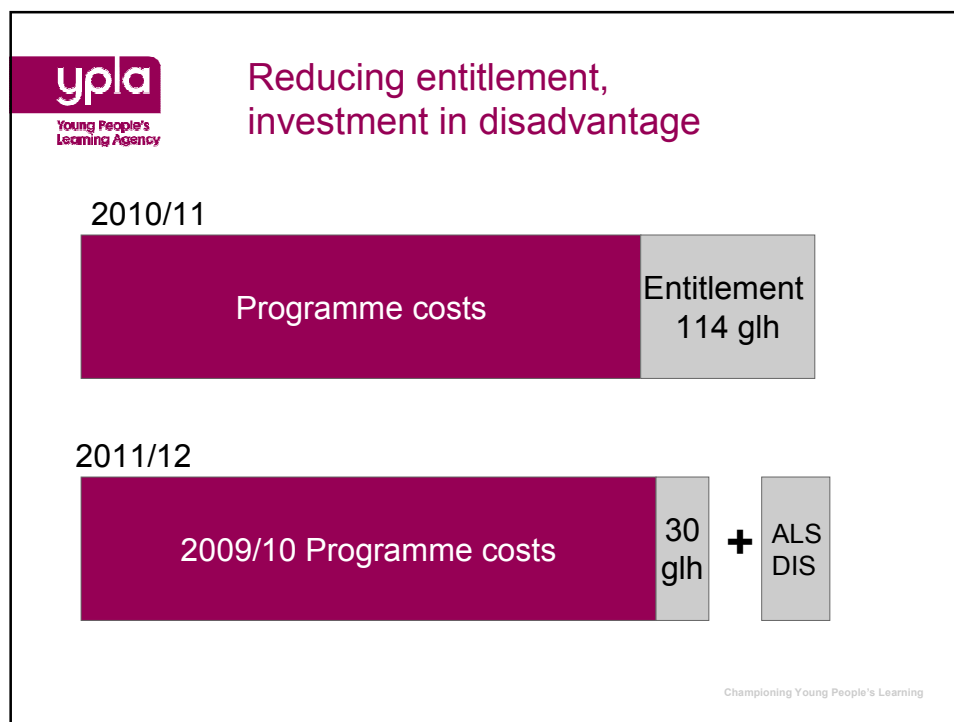
## Sources of Cost Pressures by 2014/15



Source of Cost Pressure	Color
Increased Volume	Blue
Disadvantage & ALS	Light Blue
PT to FT Learning	Dark Red
2009/10 SLNs	Yellow
Success Rates	Cyan
Foundation Learning	Purple
Apprenticeships Costs	Orange

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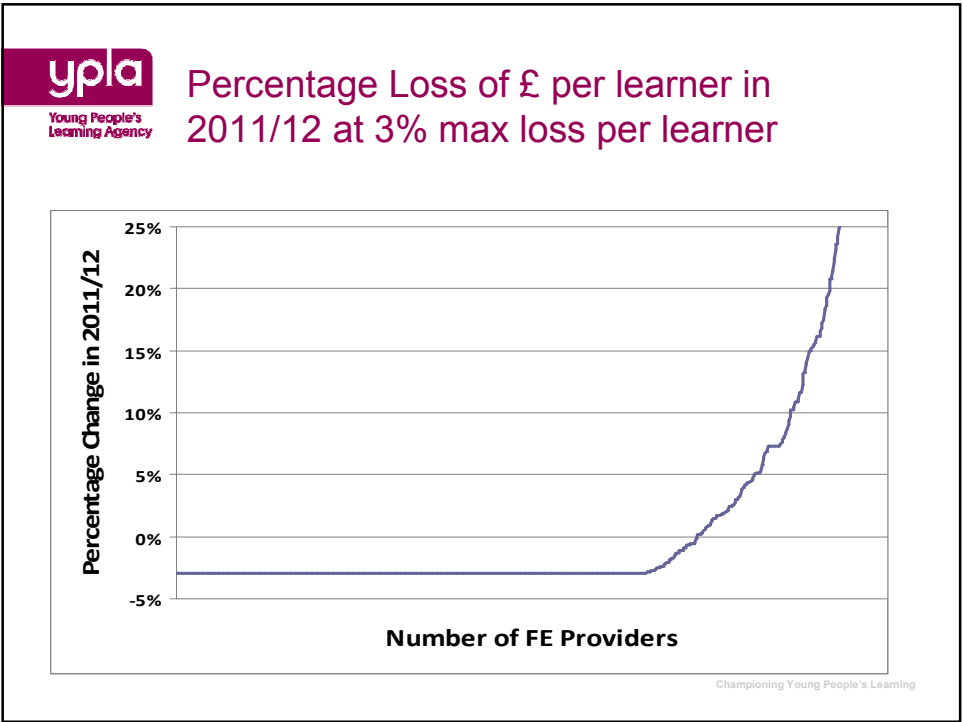
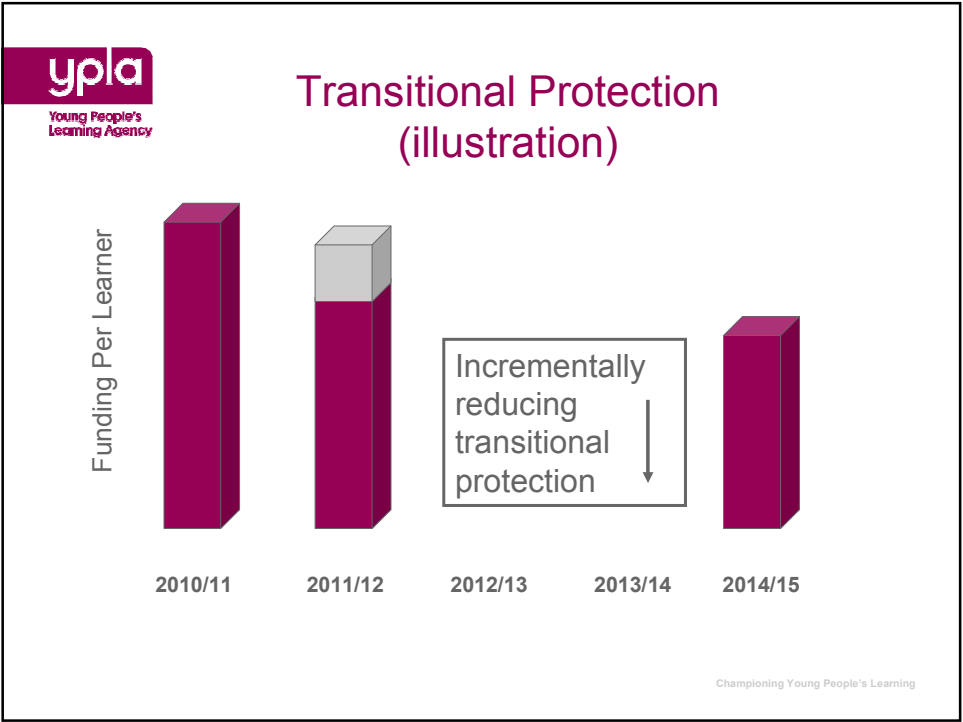
**ypla** Young People's Learning Agency


## How will it be done?

- One major change in 2011/12
- Rebase all programme sizes to 2009/10 actual level
- Transitional Protection over 3 years
- Maximum loss of 3% PER LEARNER in 2011/12 to give time to plan any major reductions
- Remainder reduced over 2012/13 and 2013/14
- All changes complete and providers on comparable funding in 2014/15
- No transitional protection in 2014/15

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## Further Simplification of Funding

- During 2010/11 the YPLA streamlined the overall allocations process.
- In 2011/12 we will examine if further simplification to the learner responsive and the Apprenticeship funding methodologies is needed and would be welcomed by the sector.
- We aim to establish if further simplification would reduce bureaucracy and improve transparency whilst retaining the link with provider costs.

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# 16-18 Allocations 2011/12

January 2011

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**ypla** Young People's Learning Agency

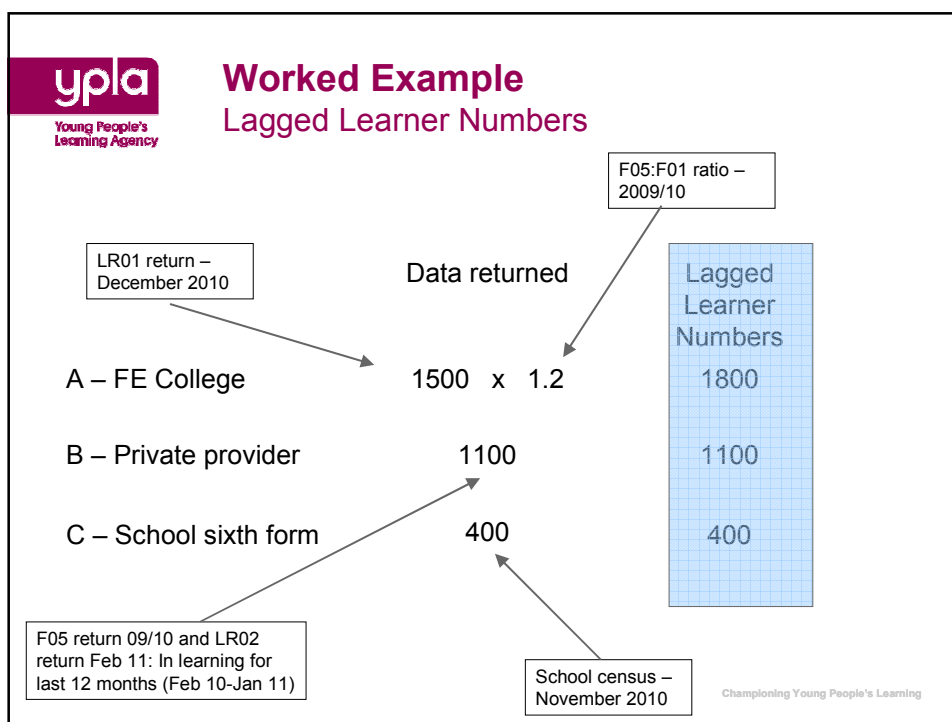
## Allocations 2011/12 Overview

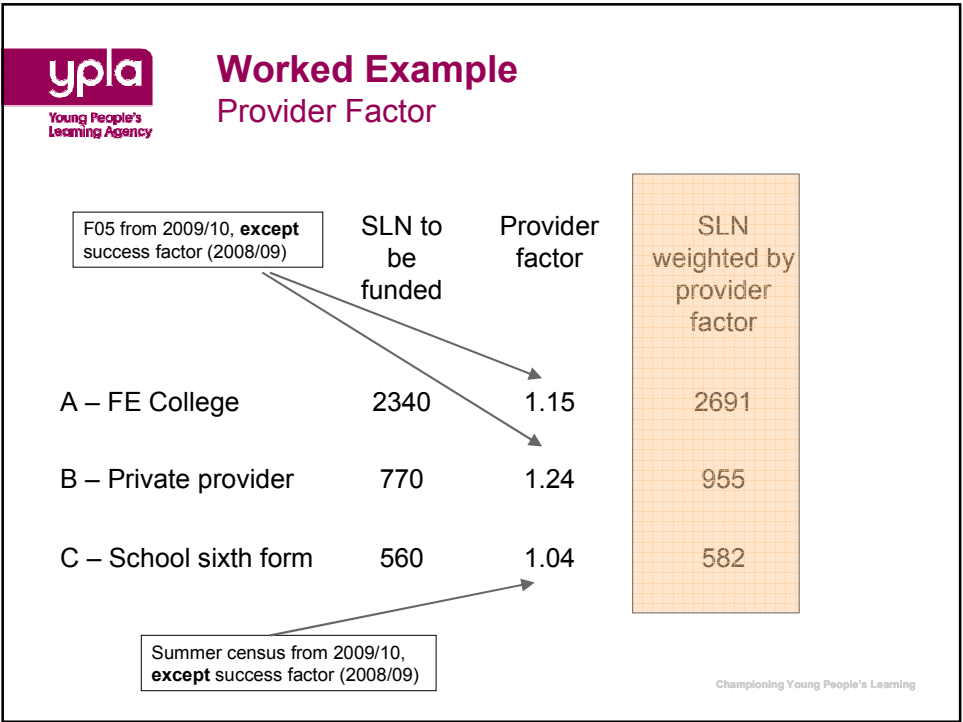
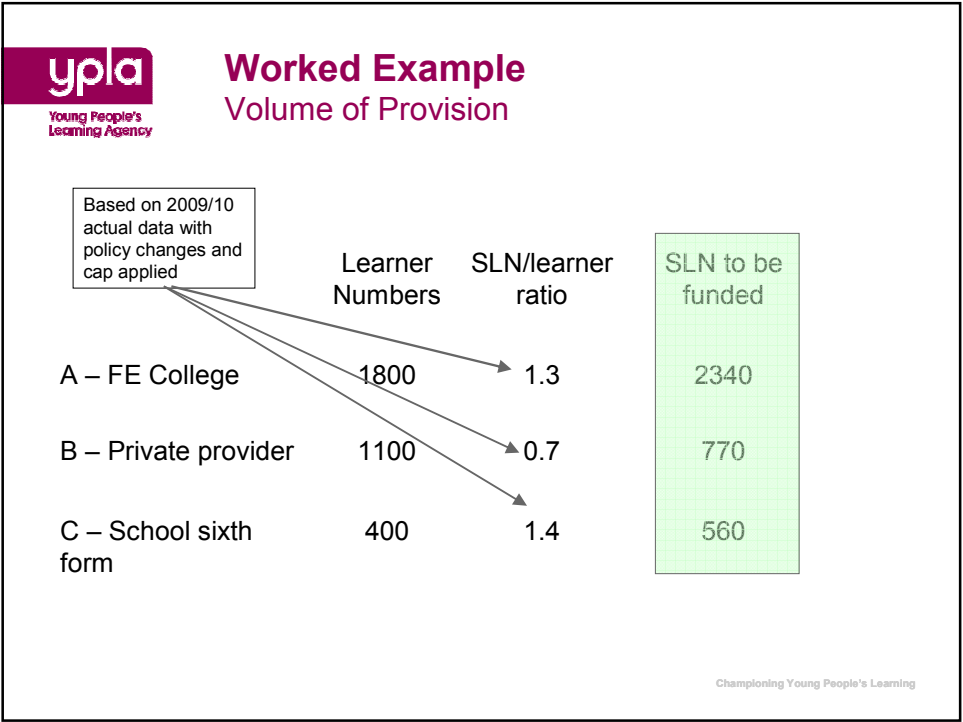
Lagged learner number basis for funding for vast majority of provision – but **not** 'lagged funding'


Minimal exceptions


All calculations (SLN, factors, rates) will take into account final decisions on savings

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<b>Worked Example</b>			
<b>Allocation</b>			
	SLN weighted by provider factor	National Rate	Allocation
A – FE College	2691	£2920	£7,857,720
B – Private provider	955	£2920	£2,788,600
C – School sixth form	582	£2920	£1,699,440
All figures purely illustrative			
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## Worked Example

### Additional Learning Support (low cost)

	SLN unweighted by provider factor	Formulaic ALS FE 60% School 100%	Historic ALS FE 40%	Allocation
A – FE College	2340	£300,000	£200,000	£500,000
B – Private provider	770	£120,000	£80,000*	£200,000
C – School sixth form	560	£80,000	£0	£80,000

\* Based on formula from 2010/11


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		<b>Transitional Protection</b> <b>Examples – Stable Numbers</b>					
2010/11		Funding (£)	Funded Learners	£/learner			
College A		6,765,000	1650	4100			
Provider B		3,937,500	1125	3500			
School C		1,824,000	380	4800			

2011/12	Lagged Learners	Indicative Funding (£)	£/learner	Raw % change	Capped % change	Revised Funding (£)	Transitional Protection (£)
College A	1650	6,467,340	3920	-4.4%	-3.0%	6,562,050	+94,710
Provider B	1125	4,146,188	3686	+5.3%	n/a	4,146,188	n/a
School C	380	1,650,720	4344	-9.5%	-3.0%	1,769,280	+118,560


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		<b>Transitional Protection</b> <b>Examples – Increasing Numbers</b>					
2010/11		Funding (£)	Funded Learners	£/learner			
College A		6,765,000	1650	4100			
Provider B		3,937,500	1125	3500			
School C		1,824,000	380	4800			

2011/12	Lagged Learners	Indicative Funding (£)	£/learner	Raw % change	Capped % change	Revised Funding (£)	Transitional Protection (£)
College A	1820	7,133,672	3920	-4.4%	-3.0%	7,238,140	+104,468
Provider B	1240	4,570,020	3686	+5.3%	n/a	4,570,020	n/a
School C	420	1,824,480	4344	-9.5%	-3.0%	1,955,520	+131,040


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		<h2>Transitional Protection</h2> <h3>Examples – Decreasing Numbers</h3>					
2010/11	Funding (£)	Funded Learners	£/learner				
College A	6,765,000	1650	4100				
Provider B	3,937,500	1125	3500				
School C	1,824,000	380	4800				

2011/12	Lagged Learners	Indicative Funding (£)	£/learner	Raw % change	Capped % change	Revised Funding (£)	Transitional Protection (£)
College A	1480	5,801,008	3920	-4.4%	-3.0%	5,885,960	+84,952
Provider B	1010	3,722,355	3686	+5.3%	n/a	3,641,050	n/a
School C	340	1,476,960	4344	-9.5%	-3.0%	1,583,040	+106,080

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Learning Agency

## Allocations 2011/12

### Timeline

<b>December – February</b>	<ul style="list-style-type: none"> <li>▪The YPLA uses data alongside information provided by local authorities to calculate provisional provider allocations.</li> <li>▪The first step will be an allocation of learner numbers and the final funding rate will be set later in the process.</li> <li>▪The YPLA exchanges information with providers, where required, to refine allocations. Local authorities receive information on provisional allocations to providers.</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>▪The YPLA confirms the final funding rate and final allocations to providers.</li> </ul>
<b>May – August</b>	<ul style="list-style-type: none"> <li>▪The YPLA issues funding agreements/contracts to organisations either directly or through the lead contact, which are required to be signed and returned by the funded organisation.</li> </ul>
<b>August</b>	<ul style="list-style-type: none"> <li>▪Payment commences for the academic year through the lead contact organisation where applicable.</li> </ul>

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## Next Steps

- Data collated for all colleges, schools and other providers
- Infrastructure changes and data issues moderated
- Provisional Learner Nos etc Distributed
- Queries notified by 18th Feb
- Review overall and at detailed level
- Outstanding issues resolved during February
- Confirm National Rate per SLN
- Final allocations in March...


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## What is Foundation Learning?

- Foundation Learning (FL) is provision for 14 to 19 year old learners working predominantly at entry level or level 1
- Learners follow personalised programmes with qualifications drawn mostly off the Qualifications and Credit Framework (QCF) and Functional Skills
- Learning programmes will include components of vocational/subject learning; Personal and Social Development and Functional Skills
- There is a strong focus on supporting the learner to progress and reach their full learning potential
- FL will be crucial in supporting the overall aims of increasing participation, attainment and progression for all young people

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## Principles

YPLA Demand-led Funding methodology

Funding is individual based on the learning programme (SLN + Entitlement + ALS)

Majority of SLNs to be Qualifications, FL Catalogue, QCF or other + entitlement + ALS


Entry level 1 (Personal Progress plus some others) are unlisted

Weekly funding available (10%\*)

Provision that can not be qualification based can be funded as “non-externally accredited”\*

\* Seek support of your LA recommended but not mandatory

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## Guides to Funding Foundation Learning

Overview of Foundation Learning

Key Changes

Funding Foundation Learning

Annexes - Understanding the formula


- Further Information

Worked Examples

- Qualification funded with PSD delivered separately
- PSD delivered through a vocational qualification
- Learner has already achieved elements of the programme
- Weekly Funding followed by Qualification Funding
- Non-externally accredited learner-responsive provision
- Entry Level 1 unlisted programme.

Frequently asked questions

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<http://www.ypla.gov.uk/aboutus/ourwork/funding/funding-foundation-learning/>

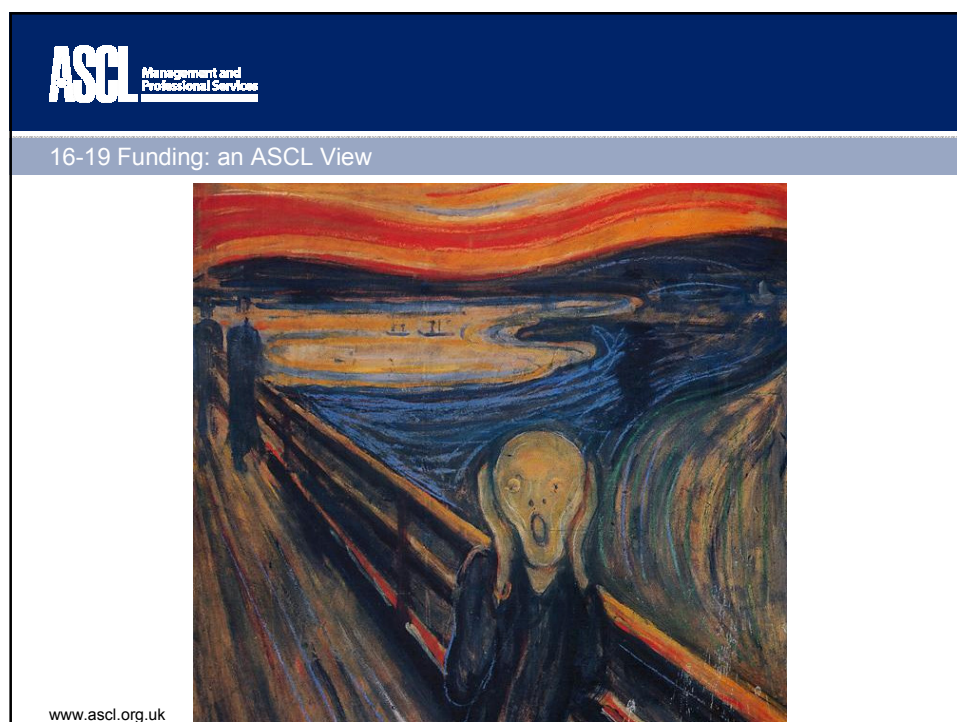
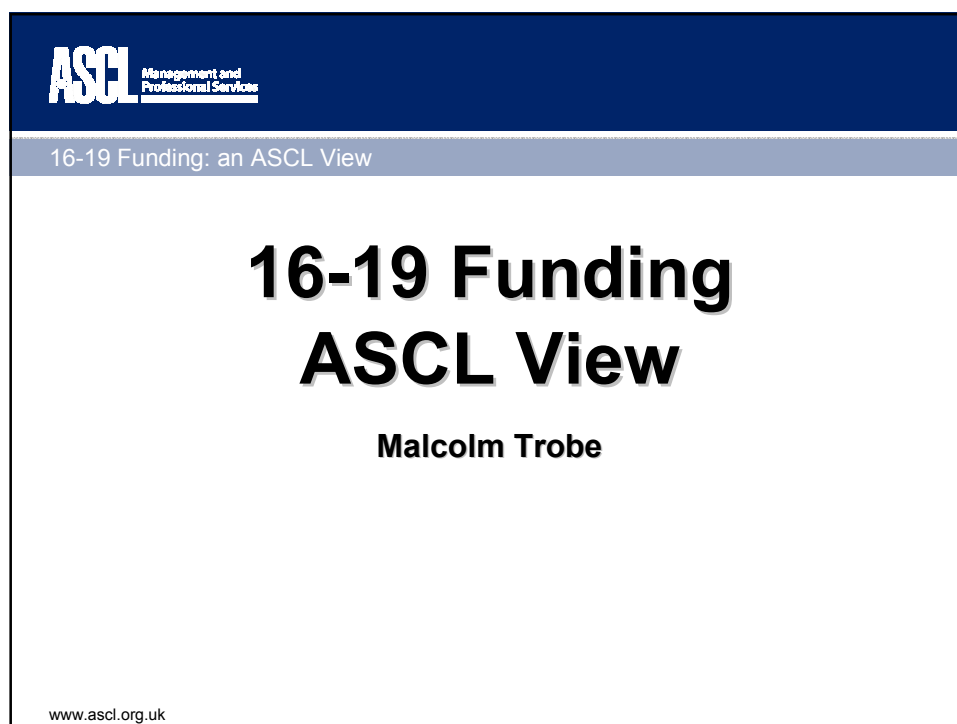
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**A view from the ASCL**

Malcolm Trobe  
Policy Director at the Association of School  
and College Leaders




**Lsect**  
Learning & skills ~ events,  
consultancy and training



**ASCL**  
Management and Professional Services

16-19 Funding: an ASCL View



[www.ascl.org.uk](http://www.ascl.org.uk)

**ASCL**  
Management and Professional Services

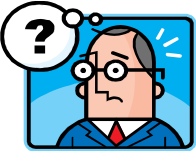
16-19 Funding: an ASCL View

**Donald Rumsfeld**


Known knowns

Known unknowns

Unknown unknowns



[www.ascl.org.uk](http://www.ascl.org.uk)

**ASCL** Management and Professional Services


16-19 Funding: an ASCL View

**2011-12**

**Not a good situation to be in**

- Agree with funding convergence
- Reduction of 3% per student for most institution
- Reduced curriculum opportunities
- Larger groups
- Reduction in student support
  
- Impact of loss of EMA
- Complication if arguing for more discretionary funding

[www.ascl.org.uk](http://www.ascl.org.uk)

**ASCL** Management and Professional Services

16-19 Funding: an ASCL View

**Rest of CSR Period**

**Continued reduction of funding in all sectors**

- Reductions take the sector to a level that will have an impact on student achievements?
- Takes funding to unsustainable level?
- Major reductions to provision?
- Unforeseen consequences?
- Lack of information: transition arrangements?
  
- Lack of congruence with government objectives?

[www.ascl.org.uk](http://www.ascl.org.uk)

### **Implications and Actions**

- Curriculum choice reduced?
- Student support reduced?
- Reduced contact time?
- Impact on student achievement?
  
- Need to know actual impact on institutions
- Lobbying activities; clear planned strategy
- All bodies acting together
- Politicians
- Parental lobby
- Objective: raise the level of the 2014-15 funding

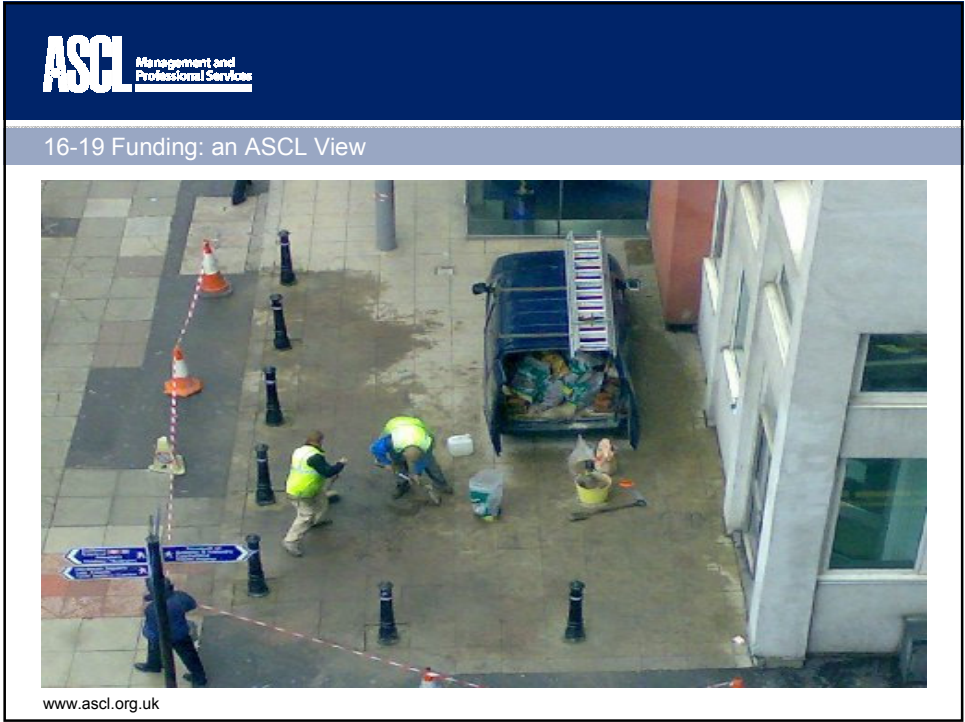
[www.ascl.org.uk](http://www.ascl.org.uk)

### **Review of the formula**

- If it ain't broke don't fix it!
  
- Needs some small adjustments
  
- Government's search for simplicity ends up as simplistic?
- Don't fear complexity
- The importance is to get the right answer
  
- Weighted FTE would be our fallback situation

[www.ascl.org.uk](http://www.ascl.org.uk)





## The view from the NUS

Shane Chowen  
Vice President for FE at the NUS



**Lsect**  
Learning & skills ~ events,  
consultancy and training

## What the research tells us

Liz McMichael  
Deputy Director, RCU Ltd



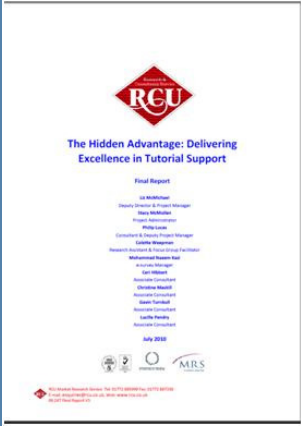
**Lsect**  
Learning & skills ~ events,  
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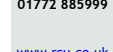







market intelligence that lives up to its name


Liz McMichael, Deputy Director e-mail: lmc michael@rcu.co.uk JR:11.017

- RCU was commissioned by the Tertiary Colleges Group to carry out research into different tutorial models in 2010
- Research methodology comprised:
  - desk and web searches;
  - quantitative research using an online survey to tutorial heads; and
  - qualitative research through site visits to 10 colleges (6 Tertiary and 4 Sixth Form Colleges) involving face-to-face discussions with staff responsible for strategic planning and operational delivery of tutorials plus triangulation with learners.





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[www.rcu.co.uk](http://www.rcu.co.uk)



market intelligence that lives up to its name

Liz McMichael, Deputy Director e-mail: lmc michael@rcu.co.uk JR:11.017

Traditional Model


Super Tutor Model









Professional Tutor Model

Mixed Model

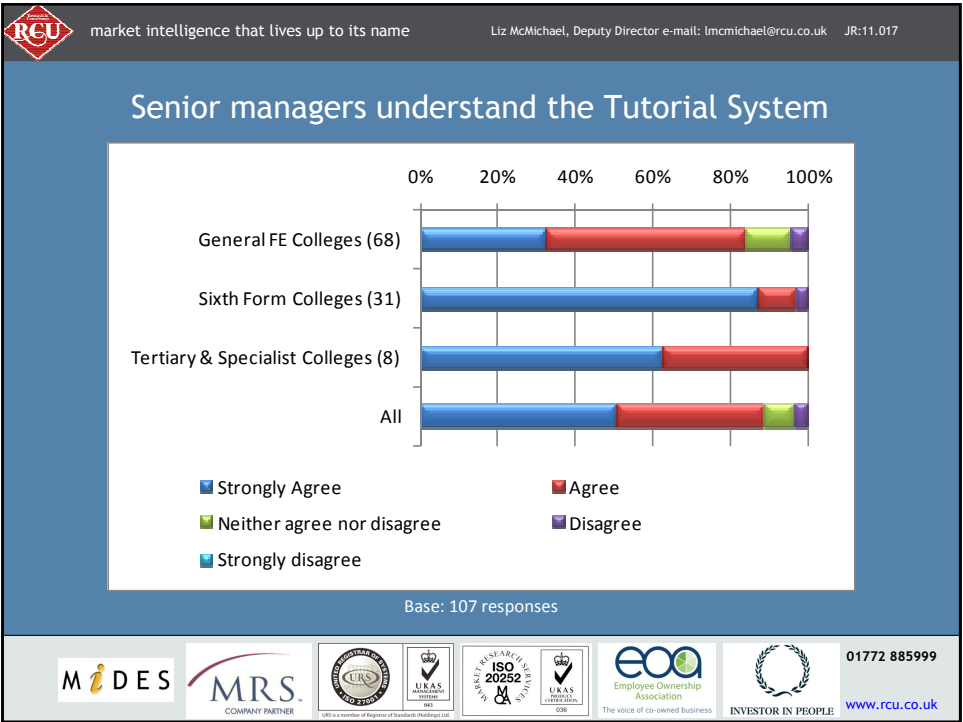
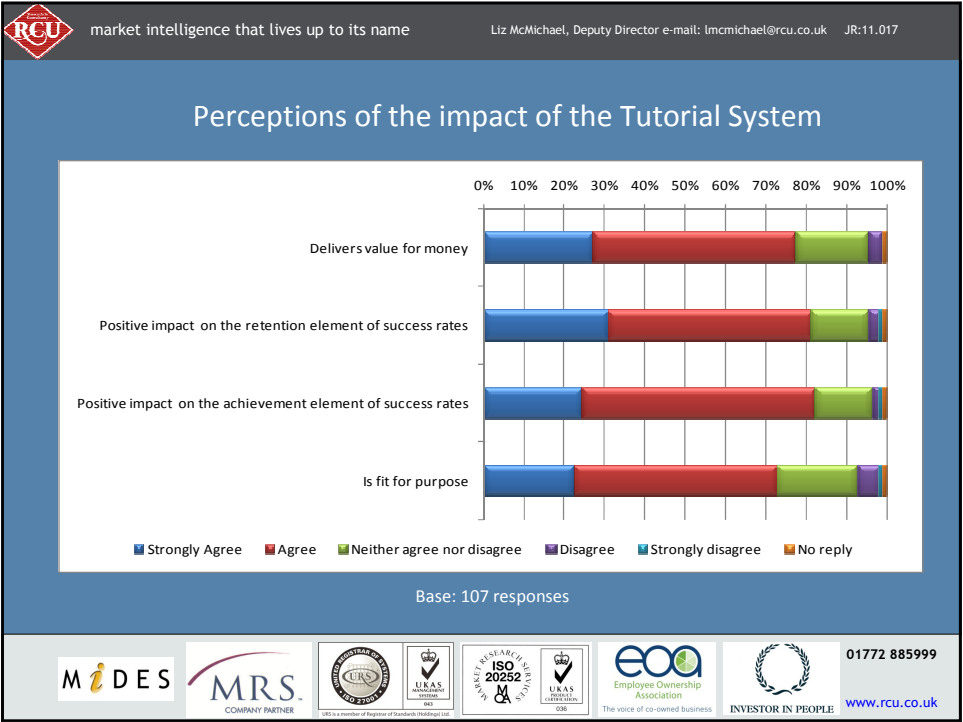
Tutorial Support Team


“Tutorials are the glue which binds the learner journey.”  
(Quote from a senior manager in a large Tertiary College)





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market intelligence that lives up to its name



Liz McMichael, Deputy Director e-mail: [lmcmichael@rcu.co.uk](mailto:lmcmichael@rcu.co.uk)
JR:11.017

## Key drivers shaping existing and emerging tutorial systems


- Ofsted inspection criteria;
- a belief that individuals cannot achieve without an effective tutorial system;
- moves to raise the profile of tutorials by giving them a clear identity which the institution values;
- a switch of focus from delivery to support;
- a perceived need to raise the quality and consistency threshold across the organisation;
- a desire for a structure which supports students and helps them to succeed; and
- the need to reduce costs of delivery from expensive subject tutors to dedicated staff contracted to deliver the tutorial curriculum.

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market intelligence that lives up to its name





Liz McMichael, Deputy Director e-mail: [lmcmichael@rcu.co.uk](mailto:lmcmichael@rcu.co.uk)
JR:11.017



## Key strands contributing to outstanding tutorial systems

Systems which are driven by the commitment from senior staff at the top of the organisation	Parity of esteem between the tutorial curriculum and the academic and vocational curriculum	The skills of the staff delivering tutorials (group and individual)
The link between quality assurance and the tutorial system	Clarity of purpose of the tutorial system	The holistic nature of the tutorial model (focus is on the whole person rather than specific aspects such as the curriculum)
Flexibility of the tutorial model	Recognition of the value of the tutorial system	The sophistication of e-systems underpinning tutorial systems

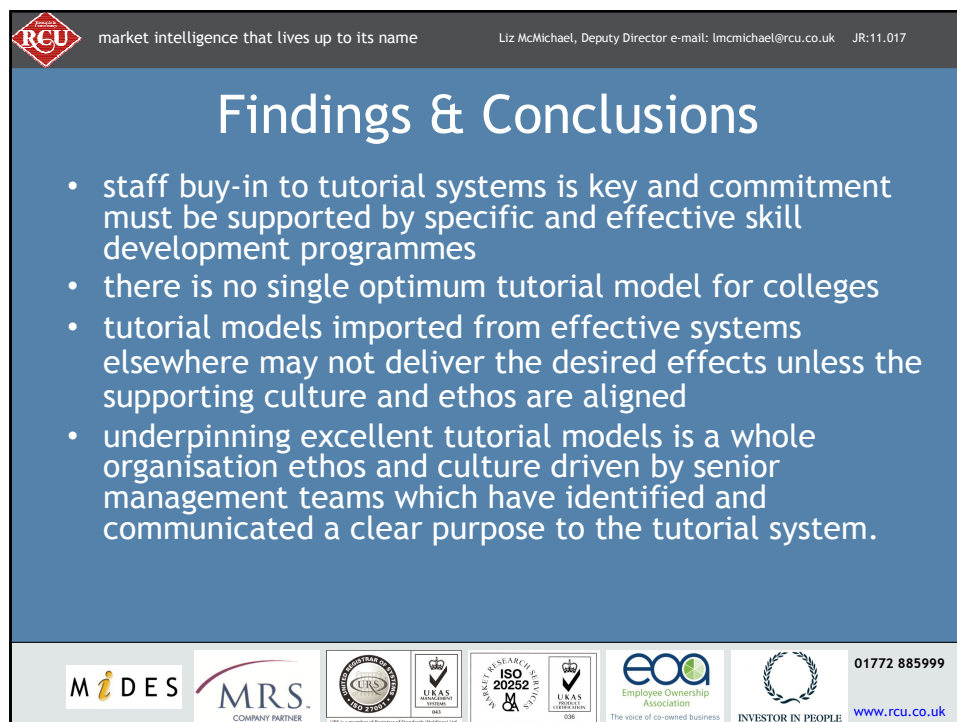
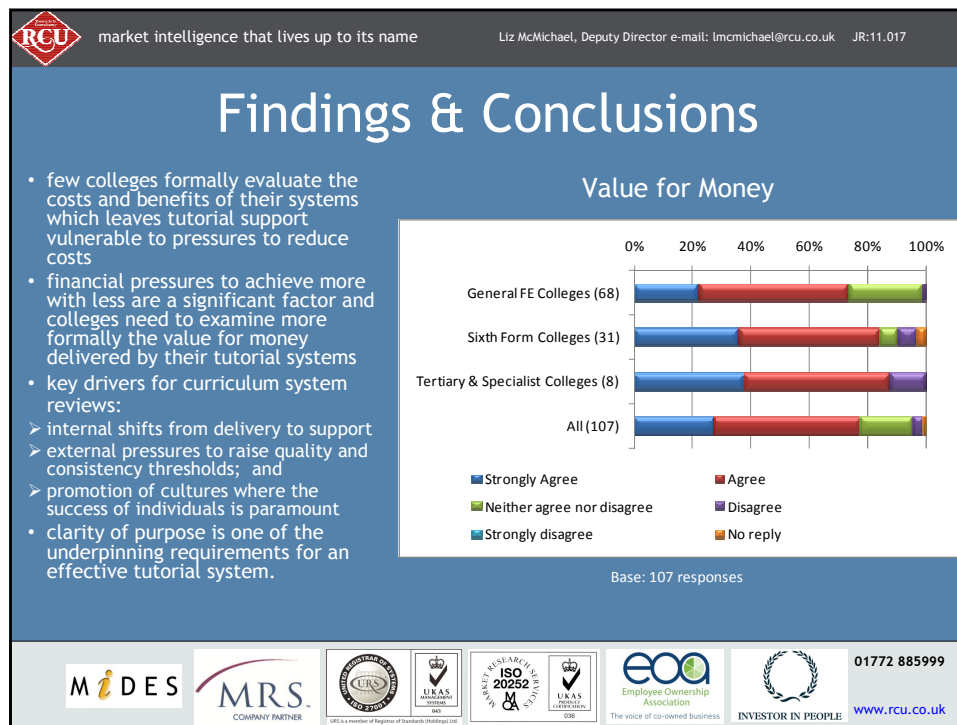
Tutorial curricula informed by the learner voice and supported by relevant specialist staff (inside and outside of the organisation) as and when appropriate.





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Liz McMichael, Deputy Director e-mail: [lmcmichael@rcu.co.uk](mailto:lmcmichael@rcu.co.uk) JR:11.017


## Findings & Conclusions

- tutorial curriculum needs to have parity of esteem with the academic/vocational curriculum
- one way to build parity of esteem and demonstrate the importance of tutorial systems is to invest in effective supporting data systems
- having the right people with the right skills to support 16-19 students is a key feature of an outstanding tutorial system. This is most effective where colleges clearly articulate the skill set needed to be a successful Personal Tutor
- outstanding tutorial systems have robust quality improvement processes fully embedded.







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## However.....

- The cut in funding Enrichment activities means that colleges have to think of new ways to deliver activities which help young people to achieve, especially those from more disadvantaged backgrounds
- Enrichment is viewed as a key factor in tackling disengagement and raising participation
- Colleges need take time to consider the impact and not move straight to cutting tutorial provision
- Traditional tutorial models are costly and professional tutor models may become a more cost-effective way of guaranteeing the quality of tutorials and helping to raise success rates.







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## Potential for support from LSIS

Mike Cox  
Head of 14-19, LSIS



**Lsect**  
Learning & skills ~ events,  
consultancy and training

### How can LSIS support the sector?



#### Establish forums to orchestrate discussion

- Impact of changes to entitlement
- Funding cuts
- EMAs
- Curriculum design and delivery
- Other key areas identified by the sector

#### Develop options for handling the emerging situation


- Consider different approaches effective in various settings



#### Establish ways of sharing experiences

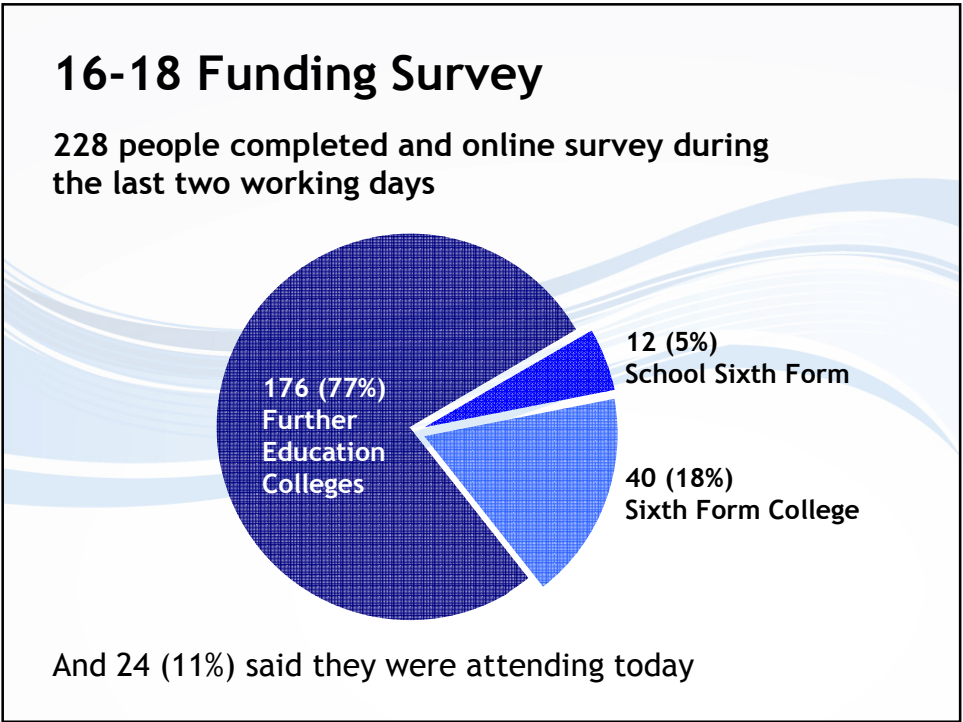
- Through peer support groups
- Existing networks
- Draw on existing materials and resources where appropriate

# Impact analysis and response

Nick Linford  
Managing Director of Lsect

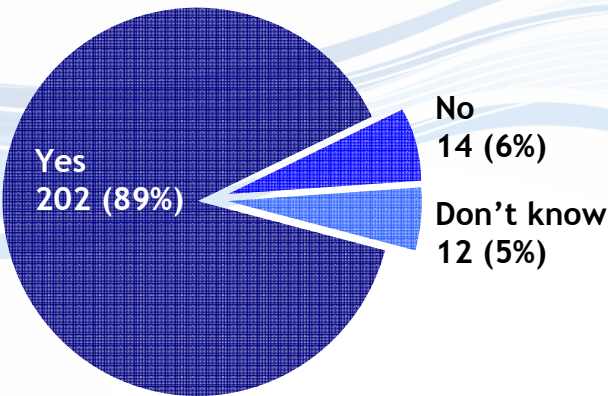






## 16-18 Funding Survey

Has your organisation considered the impact of the Entitlement cut (from 114 to 30 funded hours) yet?



## Approximately how many 16-18s do you have?

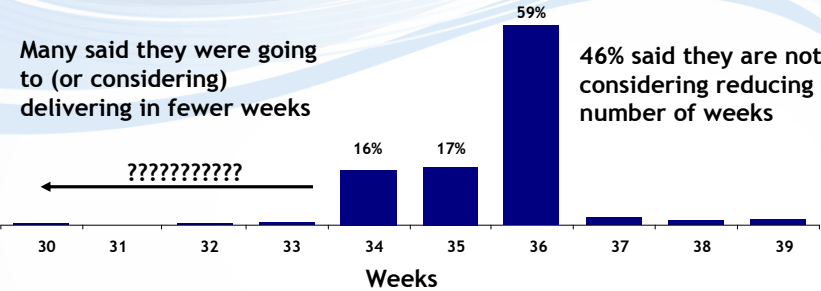
Average full-time 16-18s = 2,260

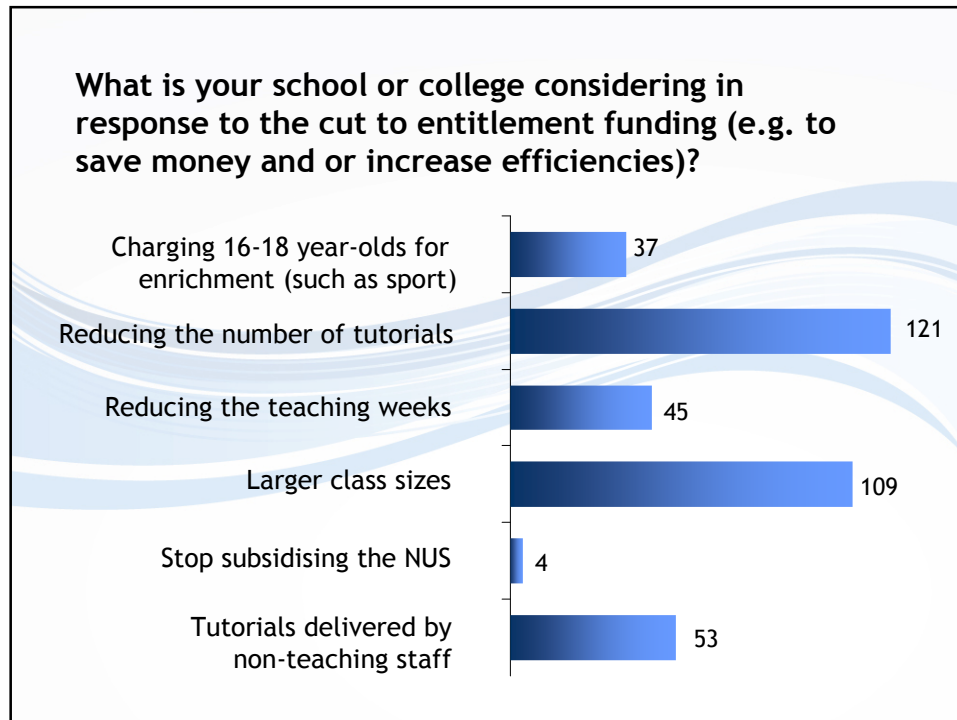
Average part-time 16-18s = 393

## How many weeks delivered per year for full-time?

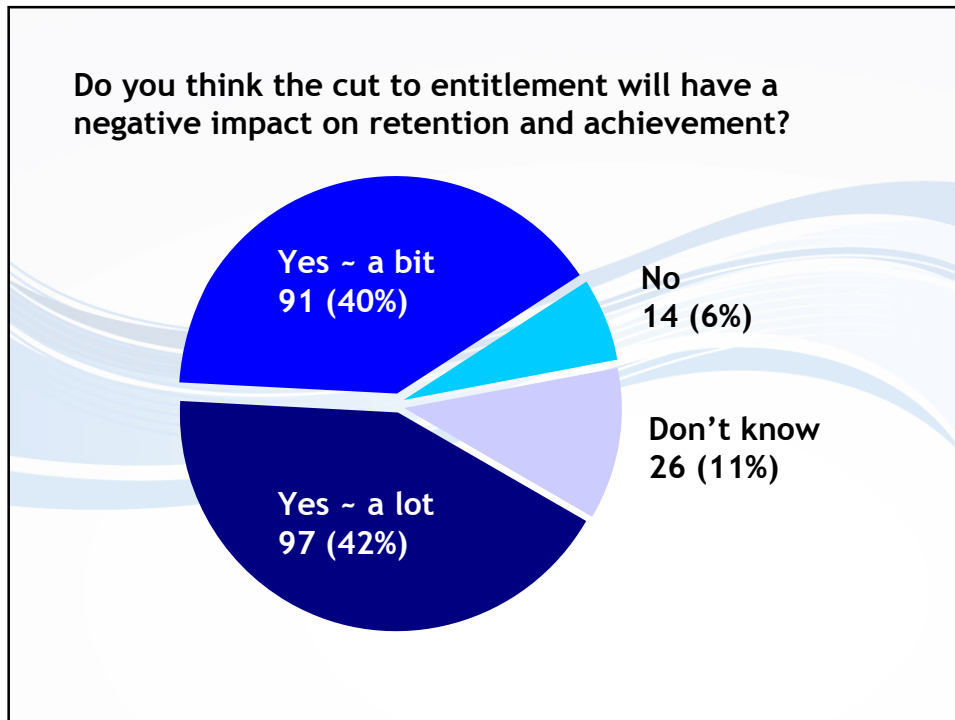
Many said they were going to (or considering) delivering in fewer weeks

46% said they are not considering reducing the number of weeks





- Example of other things being considered**
- “Reducing core teaching hours (per week)”
  - “Adding an hour to teachers' timetable”
  - “Try to increase full cost work to subsidise”
  - “Try and add more fundable enrichment quals such as Financial Awareness Certificate”
  - “Replace tutorials with a funded PSD qualification”
  - “Reducing staff remission for additional responsibilities”



**At your school or college, what do you think the impact of the rate cuts will be on the learners?**

“Being at College will become a less rounded experience, focussed on churning out qualifications at the expense of everything else.”

“We will be less able to respond to individual learner needs and more likely to only offer a one-size fits all model of provision.”

“The rate cut will have less of an impact than the removal of the EMA. We can probably manage the rate issue but whether students can afford to turn up is another matter.”

“We have only looked at how we can manage the first two years of the cuts the third year looks impossible to us without significant changes in the very nature of what we do. The third year of cuts goes beyond what can be done even by the leanest organisation extracting maximum work from every single member of staff.”

## End

Have you signed up for the  
College Data Conference or the  
Apprenticeship Funding Summit?  
Book online at [www.lsect.com](http://www.lsect.com)

Sign up for free resources at  
[www.lsect.com](http://www.lsect.com)

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