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to @theHKF

# Adult Funding Summit

Russell Hotel, London  
22<sup>nd</sup> March 2011

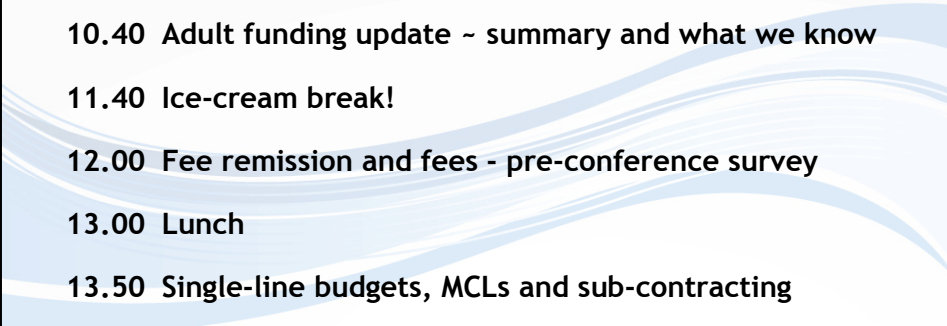
Twitter #Lsect

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## Summit programme

- 10.30 Welcome and introductions
- 10.40 Adult funding update ~ summary and what we know
- 11.40 Ice-cream break!
- 12.00 Fee remission and fees - pre-conference survey
- 13.00 Lunch
- 13.50 Single-line budgets, MCLs and sub-contracting
- 14.45 Doing more for less
- 15.30 Summit end



## Who will you hear from?



**Nick Linford**  
Managing Director of Lsect and author  
of *The hands-on guide to post-16 funding*

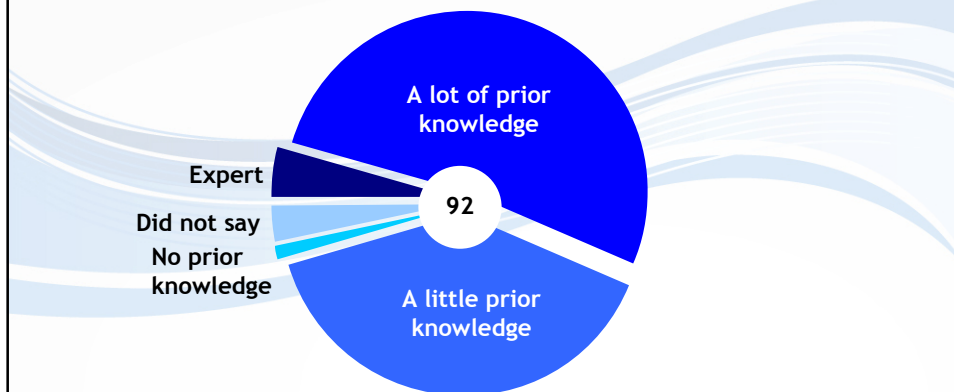


**What you said before today**  
(pre-conference survey and Lsect ILR Utility)

**What you say today**  
(Q&A)

## And you, the 92 delegates

When you registered you were asked how much you already  
know about Adult Learner-Responsive (ALR) funding




So fairly knowledgeable, but lets see if we can  
ensure everyone catered for

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## Adult Funding Update

Summary and what we know



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## Demand Led Funding formula stays for 11/12

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## Funding formula examples for 2010/11

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## Sources of the DLF funding formula

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## Learning Aim Database

<http://providers.lsc.gov.uk/LAD/>

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## SLNs and PWFs on the LAD

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## Minimum attendance

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## Claiming demand-led funding

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## The 19+ spending for 2011/12

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## 19+ Detail in Guidance Note 6

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## What we still don't know from the SFA

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## Fee remission and fees

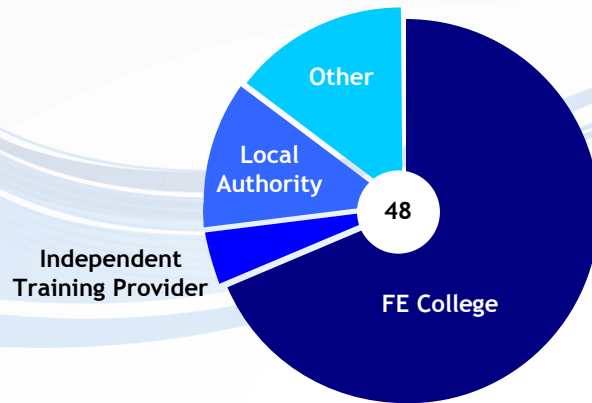
Pre-conference survey

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## Pre-conference survey

Q1. Which kind of organisation do you work for?



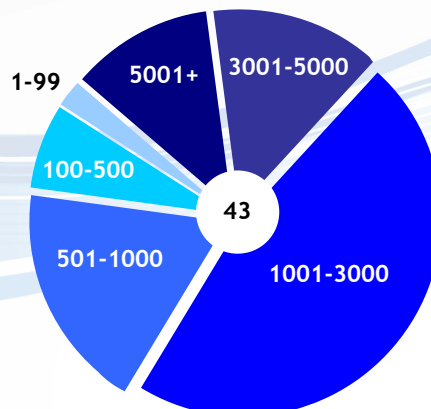
Q2. Are you attending the Adult Funding Summit?

A2. 44 (92%) said they were attending today

Q3. A control question to avoid same organisation responding more than once

## Pre-conference survey

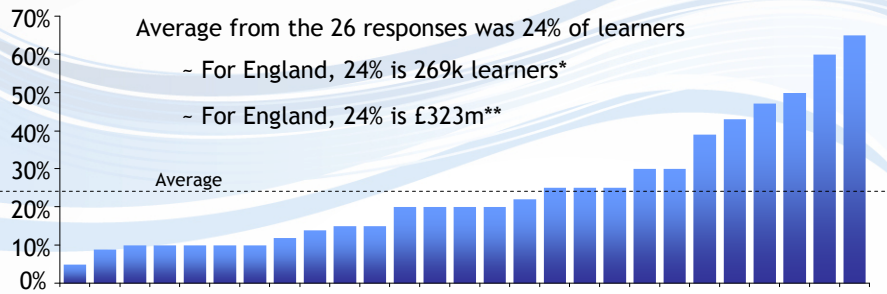
Q4. Approx how many 19+ learner-responsive learners will you deliver to this year (2010/11)?



So fairly board range in terms of volume by learners

## Pre-conference survey

Q5. Based on the changes to Government fee eligibility policy next year (such as for those on 'inactive benefits') what percentage of all your adult learners do you think will no longer be able to attend because they cannot afford to pay the fee?

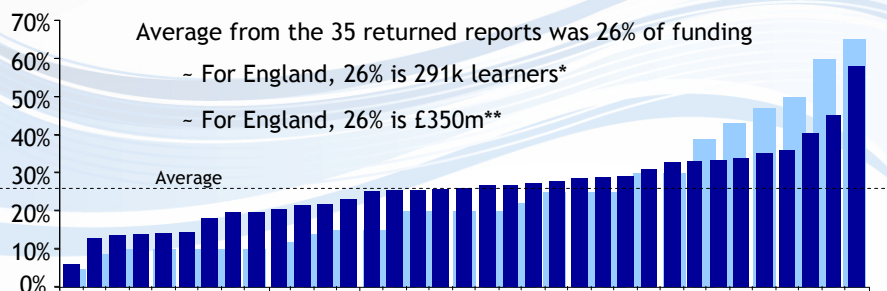


\* Source: 2010/11 BIS Skills Investment Strategy planned for 1.12m ALR learners

\*\* Source: SFA spreadsheet show 2010/11 ALR allocations currently total £1,346,807,291 with average contract £2.8m (largest £21m excluding £110m for UFI and smallest £3k). 24% of average contract is £645k

## Lsect free ILR Utility (Q5 in background)

I sent out a free tool, into which colleges can import their current ILR and it tells them what percentage of their adult funding is for learners recorded as being on, or dependents of those on, inactive benefits.



\* Source: 2010/11 BIS Skills Investment Strategy planned for 1.12m ALR learners

\*\* Source: SFA spreadsheet show 2010/11 ALR allocations currently total £1,346,807,291 with average contract £2.8m (largest £21m excluding £110m for UFI and smallest £3k). 24% of average contract is £645k

On that basis it feels safe to say that approximately 25% of learners (300k) and funding (£350m) are currently recoded as being on, dependents of those on, inactive benefits

Top five ILR Utility Report returns (by funding volume)

College	Inactive benefit funding	Percentage of 19+ funding
A	£1,979,658	29%
B	£2,672,663	26%
C	£3,243,720	31%
D	£5,333,347	58%
E	£5,795,779	45%

## Pre-conference survey

Q6. Have you estimated the financial impact (£ and %) of the fee remission policy change, and if so please describe below

16 said they have not yet estimated the impact

Examples of answers:            £3m    £500k    £500k    £200k    £850k  
   £121k    £121k    £30k    £500-700k    £300k

Q10. Is there a message that you would like to give to the Government and Skills Funding Agency, in terms of the ALR policies for 2011/12?

“The impact will be devastating for some College's and needs a re-think”

“Colleges are given no choice but to charge higher fees, meaning less enrolments”

“I would ask them to consider the real and devastating impact of widespread policies on communities and individuals that rely on learner-responsive provision”

“When is the LSC coming back? All is forgiven!”

## Pre-conference survey

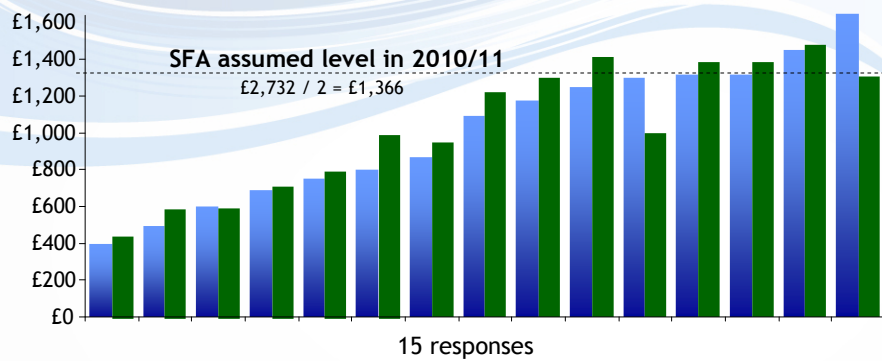
Q7 and 8. What is your full time fee this year and next year?

Average in 2010/11 = £1,011 (£1,366 SFA assumed)

Average in 2011/12 = £1,041 (£1,307 SFA assumed)

Average increase 3%, and SFA assumed falls 4.3%

But some colleges reducing their FT fee (two by more than 20%)!



## Pre-conference survey

Q9. Do you think employers are willing to pay the learner-responsive tuition fees for their employees?



Perhaps it would actually be to the advantage of the sector if the Government introduced a minimum employer fee?

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## Single-line budgets, MCLs and sub-contracting

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## Single line budgets

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## MCL implications for 2011/12

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## But....of the 645 below £500k....

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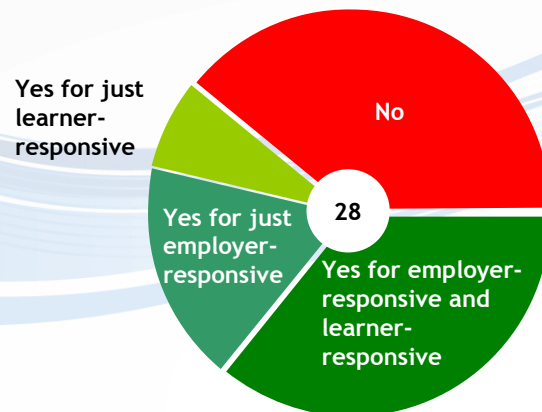
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## Pre-conference survey

Q10. Are you planning on entering into new sub-contracting arrangements for 2011/12?



Are you getting pre-nups?  
Sub-contracting has a track record of being high risk.

## Find out about a potential partner

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## Official guidance

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## SFA Policy Statement

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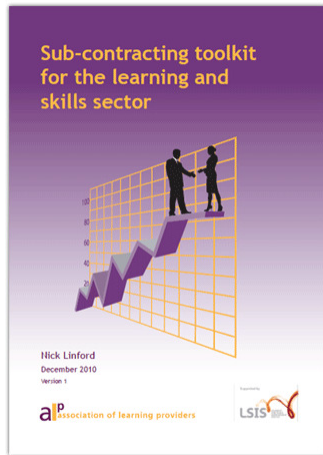
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## Sub-contracting toolkit



- ~ New policy context
- ~ Implications
- ~ Risk and Reward
- ~ Working principles
- ~ Handy guides  
(funding, data, performance)
- ~ Contract contents

Download at [www.lsect.co.uk/toolkit.asp](http://www.lsect.co.uk/toolkit.asp)

## Doing more for less

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## Can you reducing costs via:

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## What else?

## Can you increase supply and contribution rates (margins) via:

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## What else?

**Success factor  
simplifies and terrifies**

**Do staff know the impact  
class size, retention and  
achievement have on income?**

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**Tell us something about you we  
wouldn't necessarily know...**

(Pre-conference survey question 11)

I shall be appearing at the Edinburgh Fringe for a fortnight this summer.

I was once almost shot by the Red Army Guard at Lennin's tomb.

I was once stuck on an Isle of Man Ferry with Barbara Streisand for 5 days!

Because of my 3 year old I secretly like the Waybuloo's

I spent last Friday with my face painted as a harlequin to raise money for  
Comic Relief!

It would be nice to have the time to have an interesting hobby.

I encourage my team to keep a broad perspective and told them to look at  
the 'supermoon' last Saturday night which only happens every twenty years.

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