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Funding policy and the impact on ESOL

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About the author of these slides

Nick Linford

Was:

- Director of Planning and Performance at Lewisham College for 7 year
- A founder member of the LSC Technical Funding Advisory Group

Has:

- Written the *Hands-on guide to post-16 funding* (www.fundingguide.co.uk) and *Hands-on guide to post-16 performance and data* (www.dataguide.co.uk) published by Pearson (and referenced in Wolf Review of Vocational Education)
- Delivered training, events and presentations to more than 5000 staff in the post-16 learning and skills sector during the past five years (<http://www.lsect.co.uk/comments.asp>)

Is:

- Managing Director of a new company, Lsect (www.lsect.com)
- Part-time Interim Vice Principal for Funding and Planning at a large FE college
- Passionate about positive difference the FE sector makes to people & UK plc

Summary

Amongst other ESOL funding cuts, the Government is cutting funding rates for learners on inactive benefit by more than 50%

There appears to be little evidence that the Government have modelled the accumulative impact of these policies

Lsect research suggests 25% adult learners (300k) and funding (£350m) are currently recorded as being on inactive benefits

Lsect case study of a London college suggests Female Black and Ethnic Minority learners will be hit hardest

It seems highly likely that colleges will not be able to deliver sufficient provision, and adult funding will go unspent

The Government should exempt ESOL from inactive benefits policy, reinstate ESOL Learner Support Funding and do more impact analysis before announcing policies for 2012/13

Policy announcements

BIS Skills Strategy (Nov 2010) <http://tinyurl.com/35utxks>

SFA Guidance Note (Dec 2010) <http://tinyurl.com/2ugc9t5>

- Learners on 'inactive benefits' = no longer fully funded (50% funded)

Inactive benefit = Council Tax Benefit, Housing Benefit, Income Support, Working Tax Credit, Pension Credit and contribution based ESA (unless in the Work Related Activity Group). And Asylum Seekers (to be confirmed)

- Dependents of those on 'inactive benefits' = as above

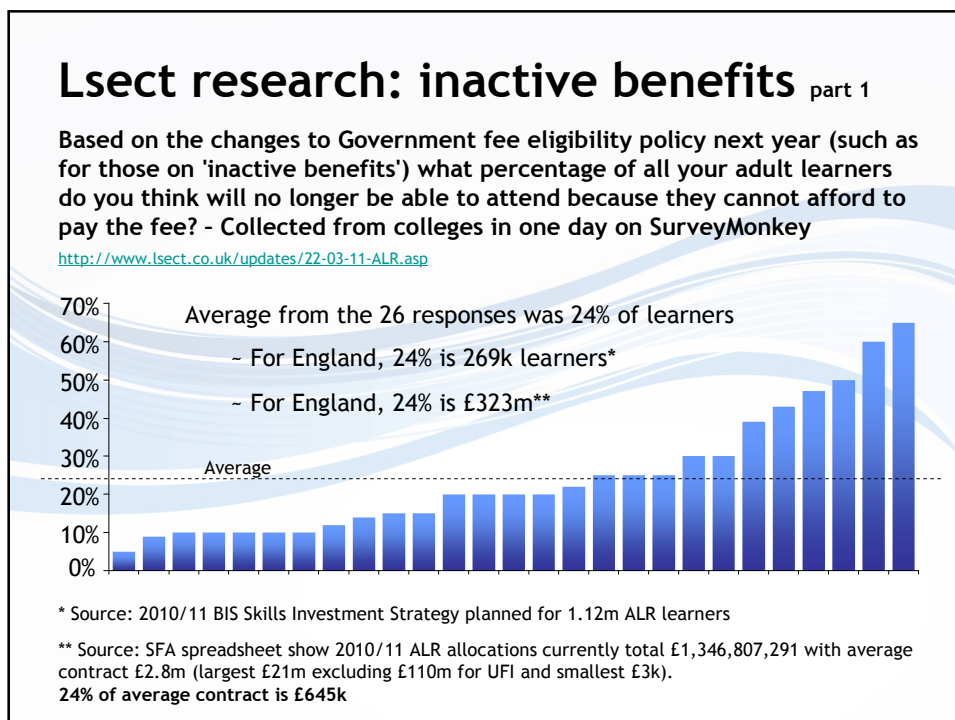
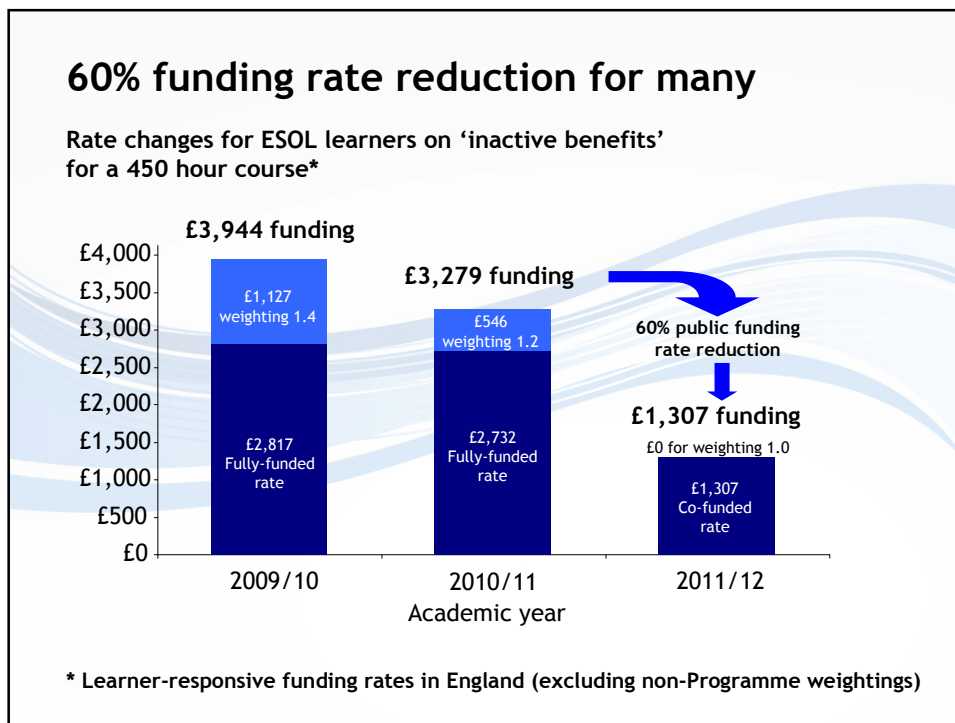
- ESOL delivered in the workplace = no longer funded at all

- Skills for Life weighting of 20% = scrapped (was 40% last year)

- ESOL Learner Support Funding of £4,574,432 = scrapped

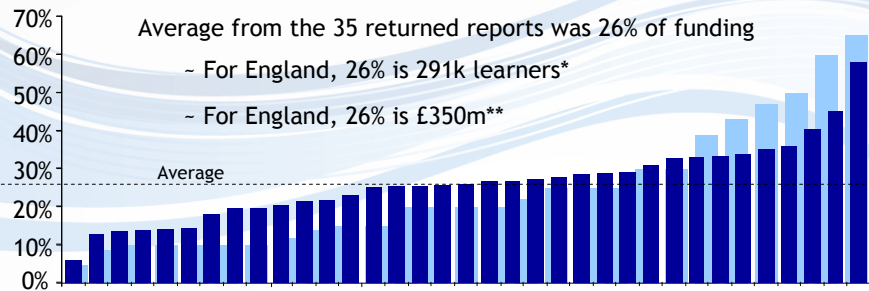
Q1. Has the Government modelled the cumulative impact of these changes for 2011/12

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Lsect research: inactive benefits part 2

I sent out a free tool, into which colleges imported their current ILR data 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 suggest that approximately 25% of learners (300k) and funding (£350m) are currently coded as being on, dependents of those on, inactive benefits

Top five Lsect ILR Utility reports (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%

Most responding to the Lsect survey believe learners will be unable to afford the assumed £2.90 per hour tuition fee

Case study for one London College

Current (2010/11 provision in returned data)	Aged 19-24	Aged 25+
Total (all learner-responsive funded)	2,072	5,996
of which on inactive benefits	312	1,549
	15%	26%
Total female of those on inactive benefits	209	1187
	67%	77%
Total Black and Ethnic Minorities (BME) of those on inactive benefits	245	1124
	79%	73%

Female BMEs hit hardest by inactive policy

And currently over £2.4m ESOL on inactive benefits at this London College (based on free Lsect ILR Utility: <http://www.lsect.co.uk/ilrutility.asp>)

Q2. How much funding will go unspent?

Allocated funding for 2011/12 has not fallen much

Yet, many things will make it hard to spend

- ~ Switch away from Train to Gain
- ~ Many old qualifications becoming unfunded
- ~ Learner not able to pay new tuition fees
- ~ National rate reduction of 4.3% for all 19+
- ~ Many funded at less than half (see previous slide)

SFA already approaching providers about 'transitional arrangements', owing to speed of change

Q3. In the rush to find new ways to earn the funding, will sub-contracting and associated risk increase?

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What Government should do now (IMHO)

Include ESOL provision in the anticipate Foundation Learning exemption from the inactive benefits policy
(how else can many adults learn the English language in order to progress onto a level 1 and/or first full level 2 qualification?)

Reinstate ESOL Learner Support Funding

This was introduced in 2008/09 to help with the transition to ESOL fees. Now is not the time to scrap it. For example, why not use £10m from the £80m set aside for the Outcome Incentive Payment pilot?

And

Publish an Equality Impact Assessment Consultation

Hence consult and research more before announcing policies. The Conservative consulted on a new Funding Formula before and during government, yet the inactive policy was a surprise when announced

We await the Government's ESOL assessment

Teresa Pearce: To ask the Secretary of State for Business, Innovation and Skills when he plans to publish the equality impact assessment on the Government's plans for the future funding of English for Speakers of Other Languages (ESOL) courses. [42995]

Mr Hayes [holding answer 28 February 2011]: An assessment of how the changes outlined in Skills for Sustainable Growth (November, 2010) may affect ESOL learners is currently being carried out by the Department. I expect to be able to publish the assessment in due course.

<http://tinyurl.com/6ylnwho>

So it seems it is not too late for a rethink

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Answer these and more questions at

http://www.surveymonkey.com/s/ESOL_29-03-11

Share your thoughts and have your say at

<http://nicklinford.wordpress.com/>

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