


YPLA and SFA Funding Update

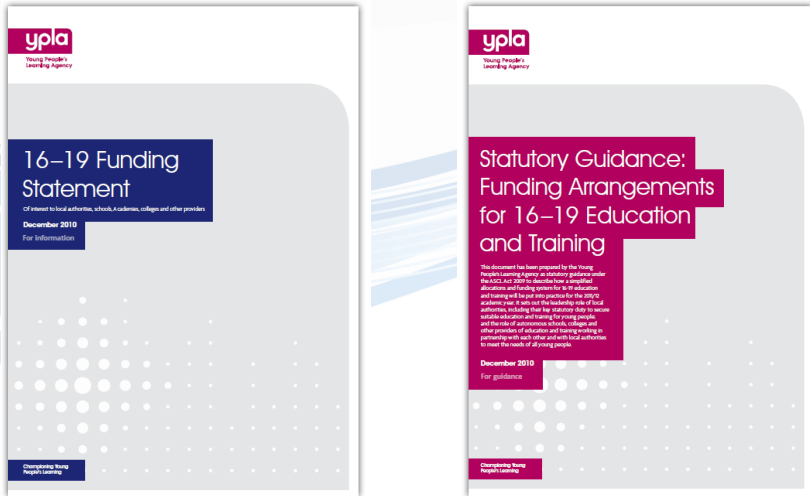
25th January 2011
Lewisham College

Written and presented by Nick Linford

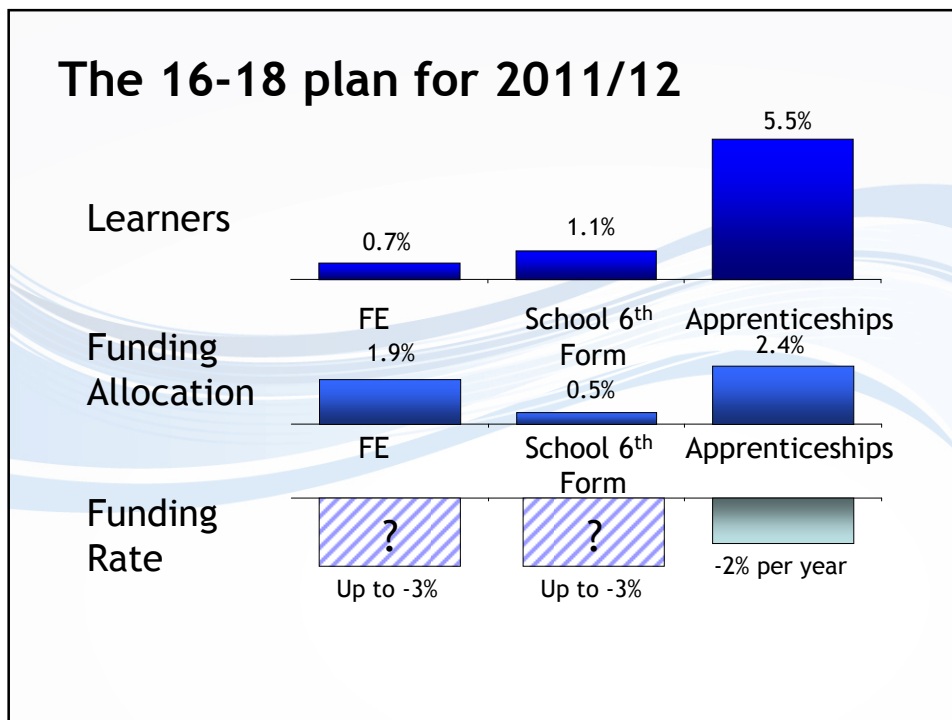


The slide features a light grey background with a decorative blue and white wavy graphic at the bottom. The text is centered in the upper half. The Lsect logo is positioned in the bottom right corner.

Latest from the YPLA (published 20 Dec)



The slide displays two document covers side-by-side. The left cover is titled '16-19 Funding Statement' and the right cover is titled 'Statutory Guidance: Funding Arrangements for 16-19 Education and Training'. Both covers feature the YPLA logo at the top and a decorative pattern of dots at the bottom.



The 16-18 headlines for 2011/12

Entitlement cut by 84 SLN GLH (114 to 30)

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

$\pounds 736 \times 1\text{m learners} = \text{approx } \pounds 700\text{m saving!}$

SLN per learner cap presumably now approx 1.56

£150m more for disadvantage uplift and ALS

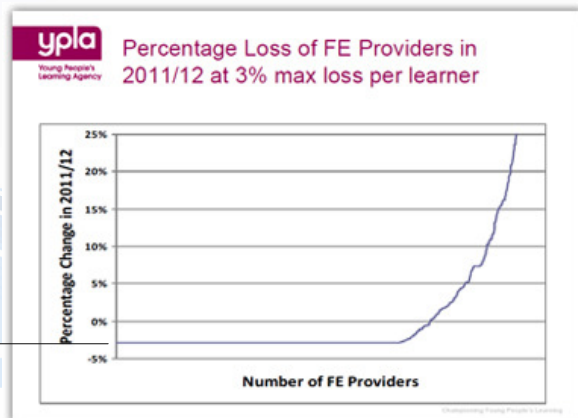
IMD 2007 (rather than 2004) will be used for DU uplift

'Transitional protection to smooth implementation'

Limit reduction in rate to 3% per year

Lagged learner number funding for allocations

YPLA estimate of the impact



“the YPLA estimate that of the 770 total FE providers:
 507 will lose 3% per learner
 56 will lose between 3% and 0%
 206 will see an increase.”

Allocation methodology (mechanistic)

Lagged learner numbers

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

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 80th percentile

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

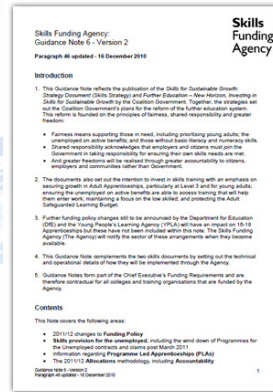
Learners x SLN ratio x national funding rate x provider factor = allocation (possibly with protection)

2011/12 plans from BIS and Skills Funding Agency



Skills Strategy

<http://tinyurl.com/3x8dz2h>



Guidance Note 6

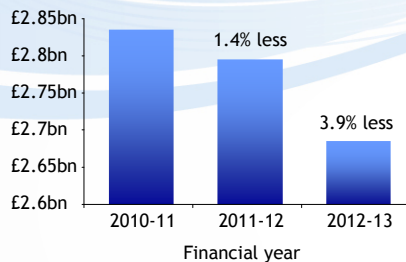
<http://tinyurl.com/27r5rrs>

The 19+ plan for 2011/12

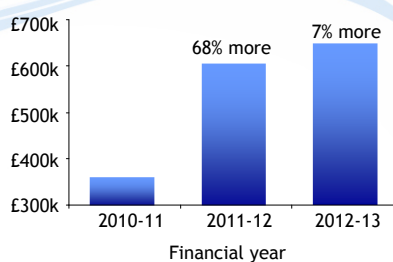
Skills Strategy published November 2010

- ~ FE resource budget reduced by 25% by 2014-15*
- ~ Significant growth in 19+ Apprenticeships
- ~ Introduction of OIPs and £500k Minimum Contract Levels (MCL)

19+ Adult Skills Budget which includes



19+ Apprenticeship funding



* Looks like biggest 'cuts' kick in for 2013-14 and 2014-15 when L3+ loans introduced

SFA Guidance Note 6

Many significant changes for 2011/12

- 19+ national funding rate reduction of 4.3%*
- 1.2 PWF uplift removed for Skills for Life (excl. Entry Level Numeracy)*
- Non-entitlement Level 3 Train to Gain not funded
- Non-entitlement Level 2 Train to Gain for non-SMEs (250+) not funded
- No ESOL funding in the workplace
- Fee remission only for those on 'job ready' income support (e.g. JSA)
- £80m pilot in LR for outcome incentive payments
- Minimum Contract Level of £500k
- Single ER and LR budget, and SFA will pay 16-18s on behalf of YPLA
- Future allocations may be reduced if fees are not collected in 2010/11

* Rate changes 'will apply for all new and existing learners'



19+ 'Adult Skills Budget Allocation'

Indicative ASB allocations received end of December

Will be adjusted for Q2 review, MLPs and MCLs

Based on 11% apprenticeship growth and 3% reduction in the remainder of the allocation

Job outcome (OIP) based on 2.5% of allocation

ALS will be allocated in January

Figures for 8 month 4 month split included

The Specification of Apprenticeship Standards for England (SASE)

Published yesterday and comes into effect from 6th April 2011

For all levels (2, 3, 4 and 5)

“A minimum of 280 GLH [in 12 months] of which at least 100 GLH or 30% (whichever is the greater) must be delivered off-the-job and clearly evidenced. The remaining GLH must be delivered on-the-job and clearly evidenced.”

‘New quality guarantee’ ~ but what will it do to demand and supply?



Interesting observations?

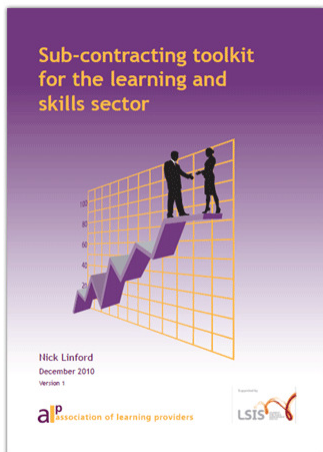
Combine a 4.3% rate reduction with a co-funding percentage remaining at 50%, then all other things being equal fees and fee levels should fall.

ESOL rates in particular taking at combined hit *

	2009/10	2010/11	2011/12
National funding rate	£2,817	£2,732	£2,615
Programme weighting	1.4	1.2	1.0
Fee element %	47.5%	50%	50%
Fee element £	£1,338	£1,366	£1,307
Funding	£2,606	£1,913	£1,307
Change on previous year		-27%	-32%
Change on 2009/10			-50%

* And remember, ESOL is funded at half the level of Lit and Num

New 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

Any questions? Else tweet me later.....



My gorgeous
15 week old
son Daniel



Thank you

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