

Briefing Event

January 2011

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YPLA

Three simple principles...

- 1. Freedom** – trusting professionals, academies programme, free schools, studio schools, reducing bureaucracy, light touch inspection
- 2. Fairness** – attainment gap, social mobility, focus on teaching & learning, choice, restore confidence in exams system, open up qualifications
- 3. Responsibility** – high quality education system, powers back to the teacher, strong leadership, rigorous standards, talented teachers, good behaviour

Nick Gibb Speech – July 2010

Statutory Guidance: Funding Arrangements for 16–19 Education and Training

This document has been prepared by the Young People's Learning Agency as statutory guidance under the ASCL Act 2009 to describe how a simplified allocations and funding system for 16-19 education and training will be put into practice for the 2010/12 academic year. It sets out the leadership role of local authorities, including their key statutory duty to secure suitable education and training for young people; and the role of autonomous schools, colleges and other providers of education and training working in partnership with each other and with local authorities to meet the needs of all young people.

December 2010

For guidance

Championing Young
People's Learning

16–19 Funding Statement

Of interest to local authorities, schools, Academies, colleges and other providers

December 2010

For information

Championing Young
People's Learning

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
- an 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 facing significant changes

Statutory Guidance: *Funding Arrangements for 16-19 Education and Training*

Key Elements

- Funding follows **student choice**
- **Local authorities** have a key leadership role to champion the interests of all young people in their area.
- **Autonomous schools, Academies, colleges and independent providers**
- **Simplification and automation** of data, management information (MI) and funding systems

Roles and Responsibilities

The Role of Local Authorities:

- shape provision - a need to understand and to have a relationship with providers
- wider leadership of education up to the age 19
- statutory duty to secure sufficient suitable education and training
- fund School Sixth Forms
- present an evidence based view of what needs to happen 14-19 locally

Roles and Responsibilities

The Role of Providers:

- autonomous and independent bodies
- responsibility to design and deliver on their curriculum offer in the best interests of young people
- expected to respond to demand from young people by taking on additional students during the year
- responsibility to work with other providers and partners

Roles and Responsibilities

The Role of YPLA:

Three key responsibilities...remain up to March 2012

- Funding of all 16-19 education and training
- Funding & support of academies
- Financial support for young learners

1 additional responsibility:

- To contribute to the establishment of the Education Funding Agency

Key features

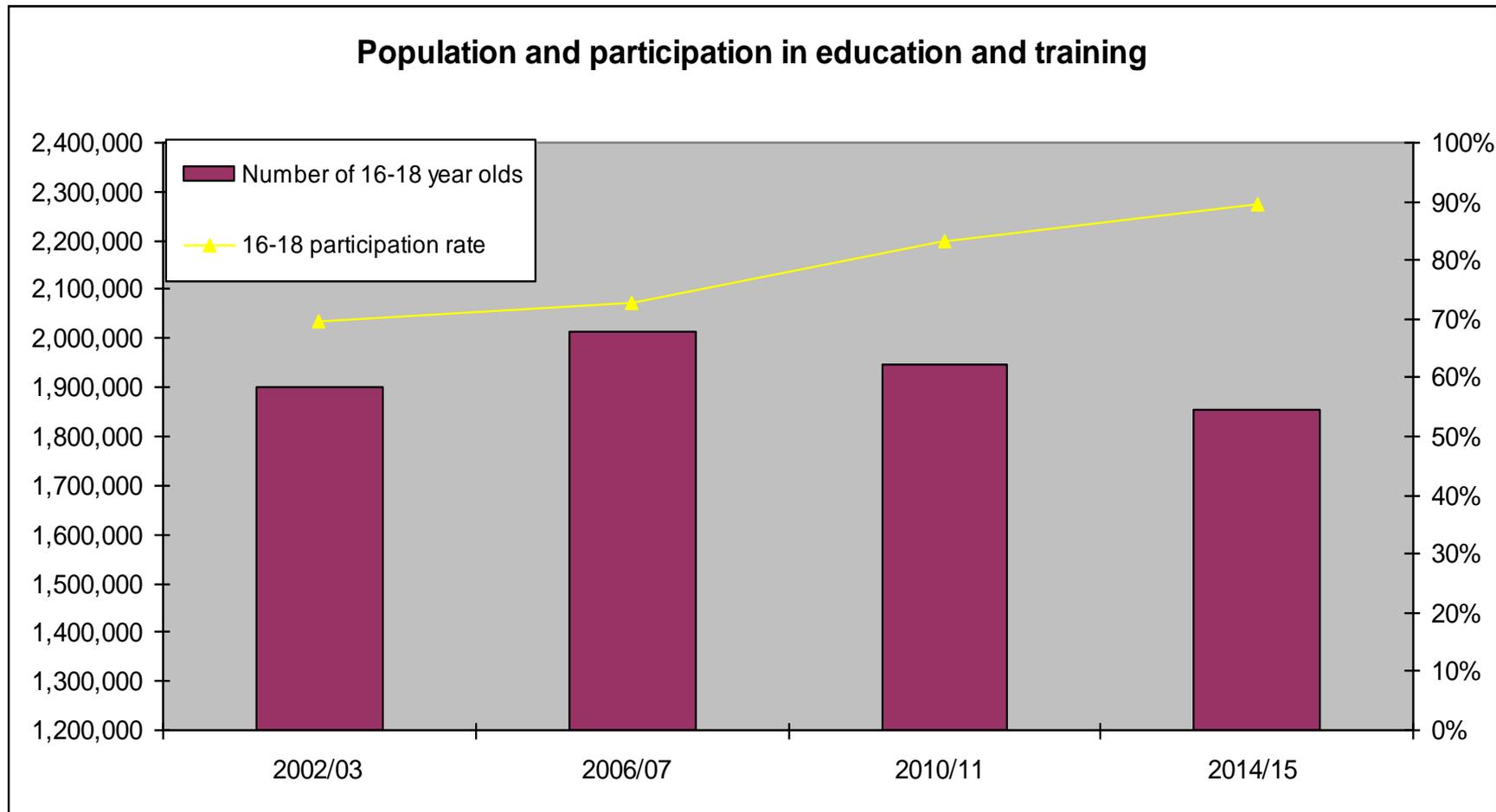
- Lagged Learner Number basis for funding
- No in-year or end-year adjustment if grant-funded or equivalent (for example, schools, academies, colleges) except in exceptional situations
- In-year contract adjustment and year end reconciliation for others (for example, independent training providers, ISPs)

Exceptions to lagged learner numbers

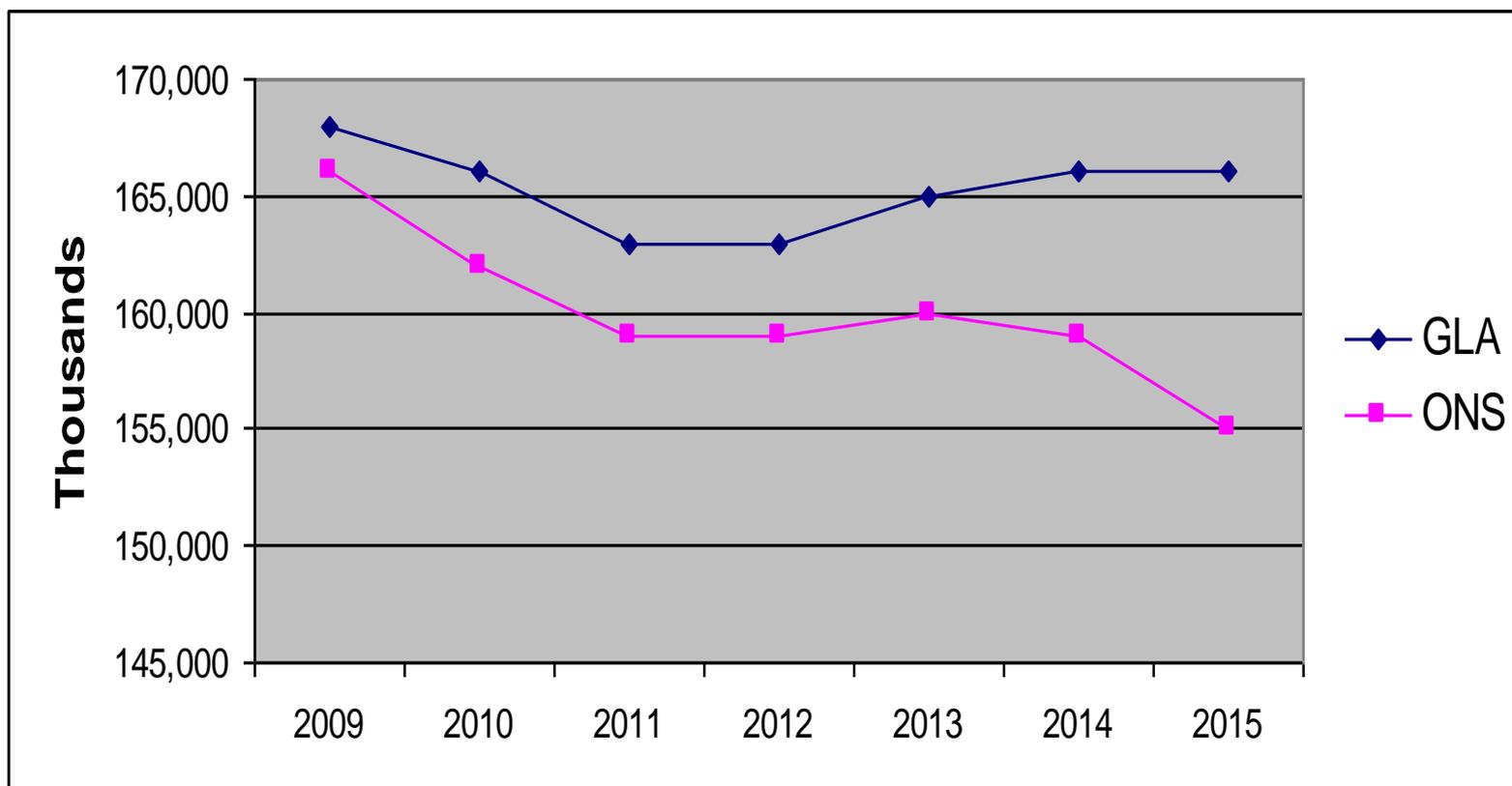
| | |
|---|--|
| Infrastructure changes | i.e. new institutions, Mergers, closures etc |
| Significant provider failure | i.e. Performance issues, financial stability, breach of contract |
| Re-distribution of provision by agreement | Agreed re-allocation of learners (learner number neutral) |

16-19 Funding Statement

Population Falls Participation Increases Volumes increase slightly

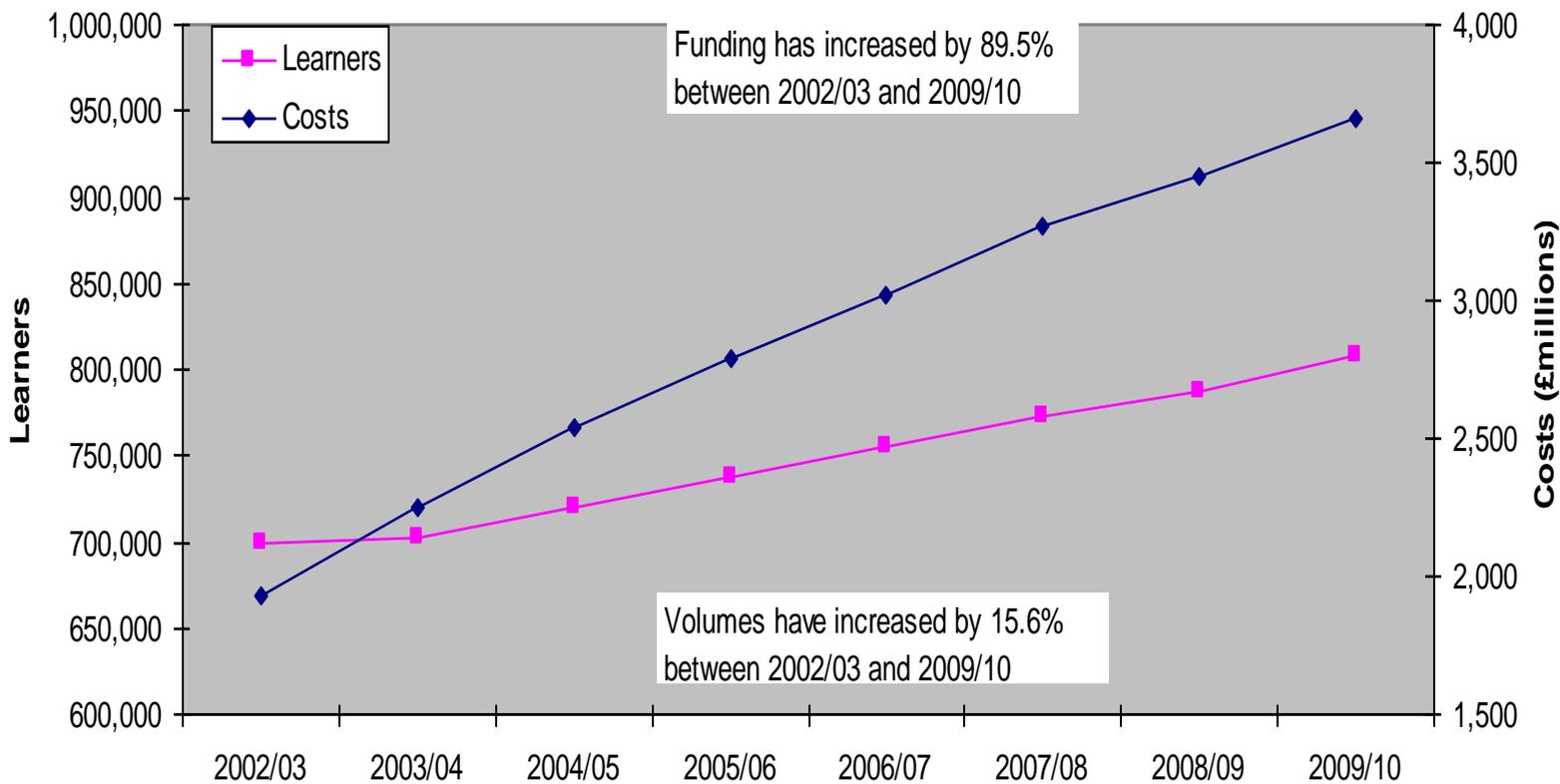


London 16 and 17 year old population projections to 2015



FE funding 2002/03 – 2009/10

Changes in volumes and costs in 16-18 FE provision



Spending Review principles established

- Fairness – Achieve comparable funding by 2014/15
- Economic growth – Achieve full participation for 16/17s by 2015
- Reform – Decisively narrowing the attainment gap

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

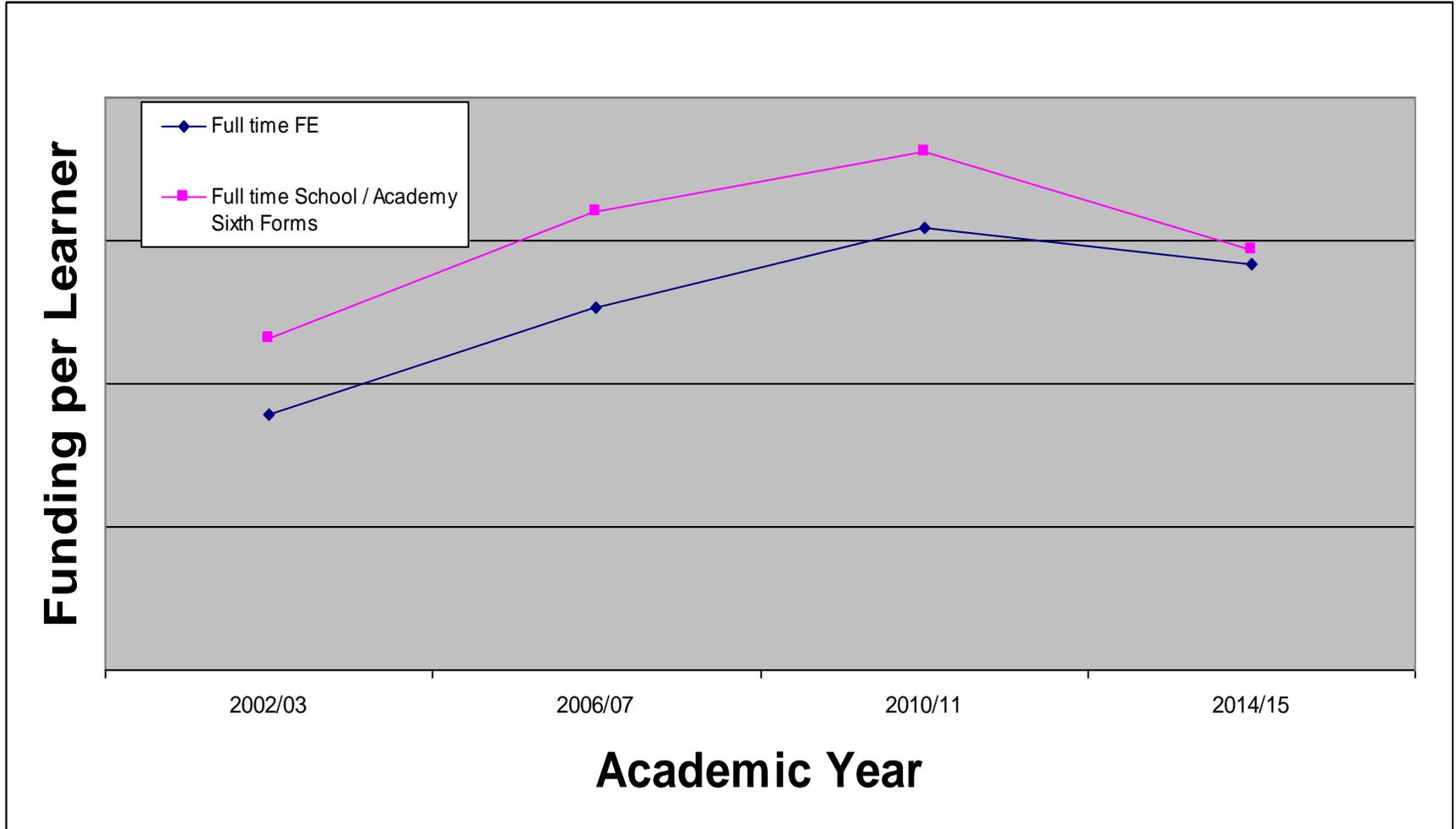
Key Messages - Disadvantage

- 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

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

Unit Costs of Full Time Learners in SSFs and FE



Reducing entitlement, investment in disadvantage

2010/11



2011/12



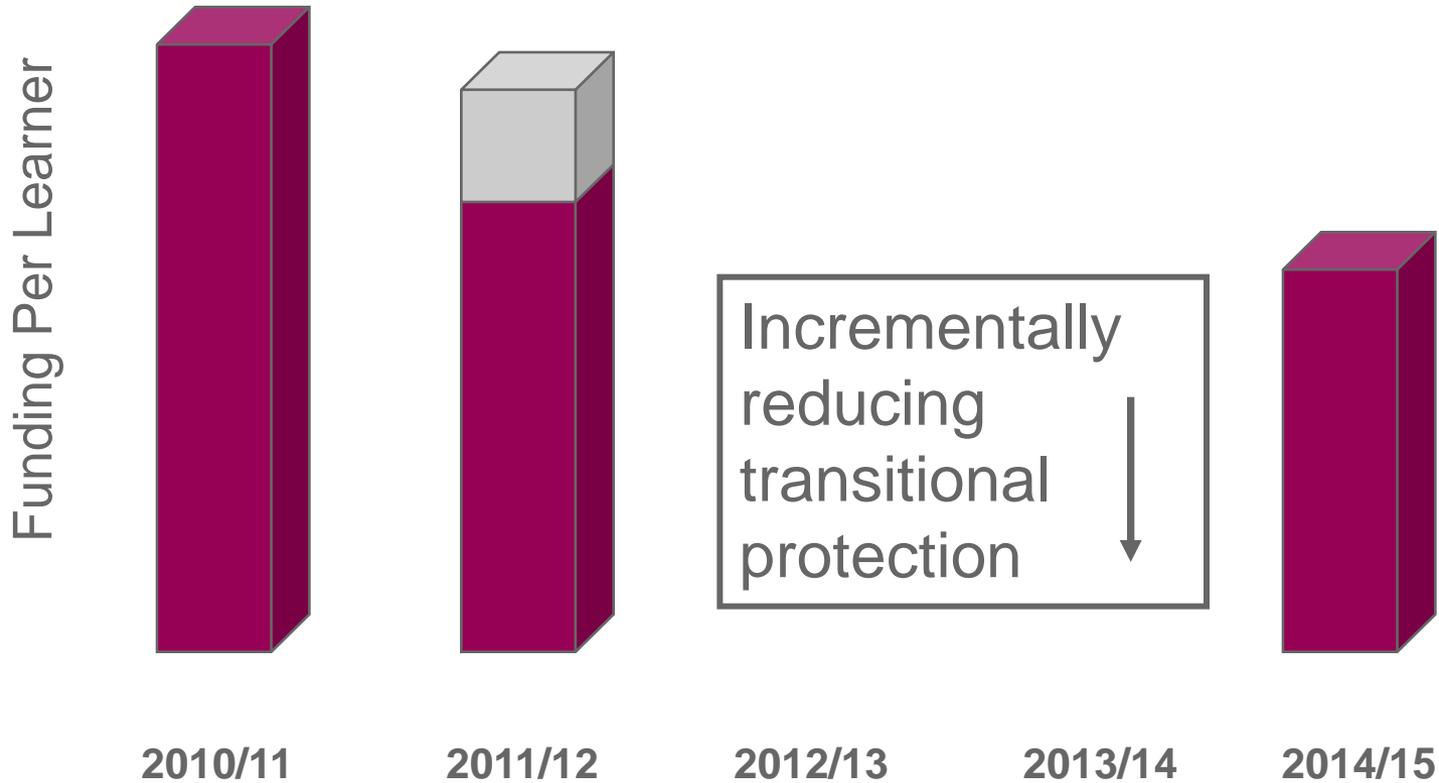
16-18 Apprenticeships

- Continue to expand 68,000 new places by 2014/15
- 30,000 additional starts in 2014/15
- 2% rates cut in 2011/12

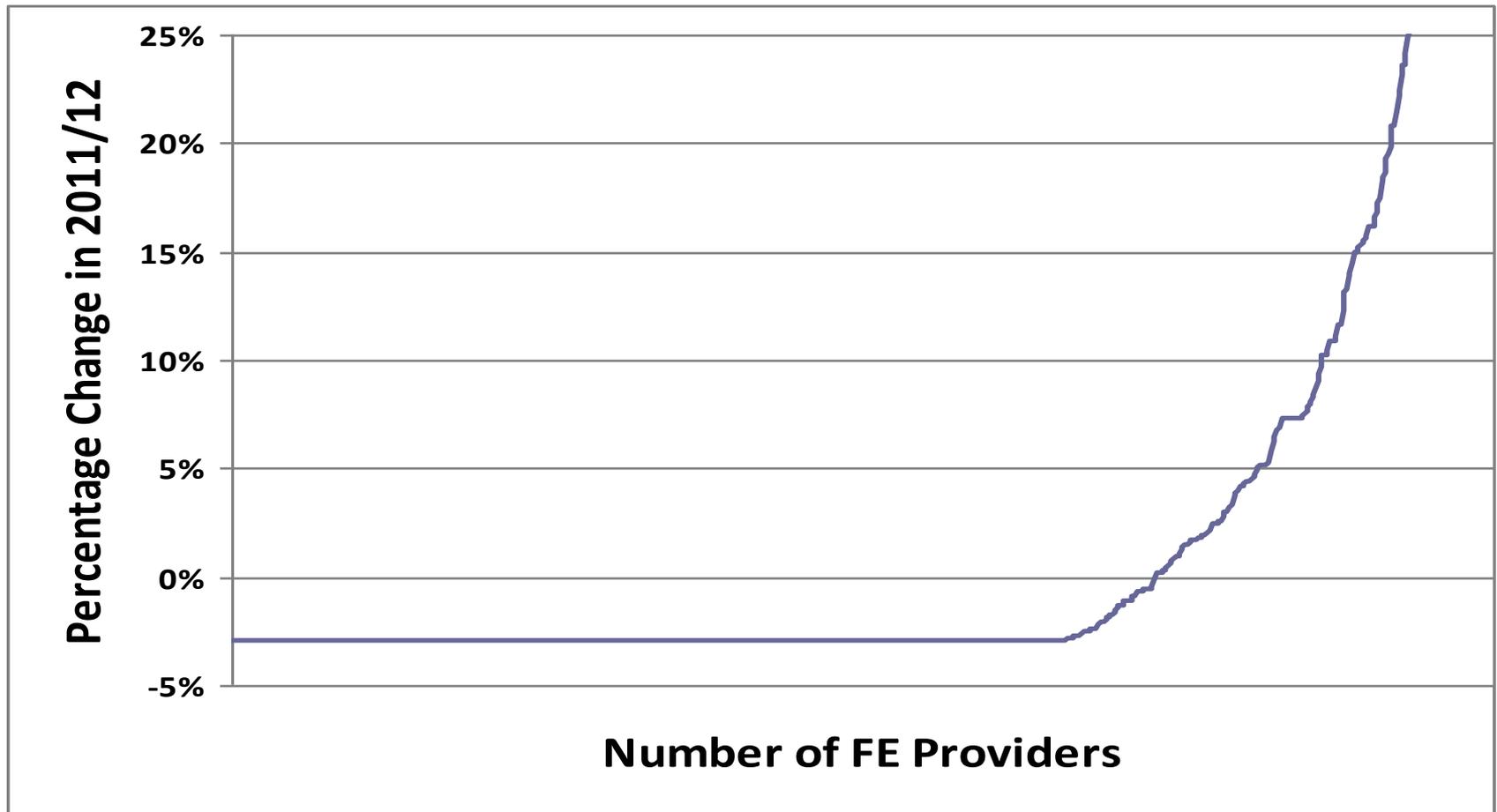
How will it be done?

- 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

Transitional Protection (illustration)



Percentage Loss of FE Providers in 2011/12 at 3% max loss per learner



Allocations 2011/12

Timeline

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

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
- We will investigate the use of a young persons pupil premium to improve transparency of funding for the disadvantaged