

16-19 Learner Responsive Statement 2011/12

Explanatory Note - Issue 2 - March 2011

Introduction

Further to the YPLA's *16-19 Funding Statement*¹, published in December 2010 and the explanatory notes issued with your provisional learner number statement in January, this note sets out the background details behind the figures in the 16-19 learner responsive allocations statement for the 2011/12 academic year.

Purpose

We are providing this information now so that you have the information you need to finalise your plans for the 2011/12 academic year.

Policy Implementation – 2011/12

The figures provided in your '16-19 Learner Responsive Allocation Statement' represent the practical implementation of a number of policy statements made by the Secretary of State and confirmed through our Funding Statement and Statutory Guidance². In particular I would like to draw your attention to the following points.

Calculation of Learner Numbers

In July 2010 the Secretary of State for Education confirmed that colleges, schools, Academies and non-grant funded providers would be funded from 2011/12 on the basis of 'lagged learner numbers'. This approach is based on the number of learners participating in the previous year, this simplifies the allocations system and has removed the need for detailed individual provider dialogue around allocations – other than in exceptional cases³. Calculation of learner numbers follows the same principle for all providers, but because the data collection systems are different, there are slight differences in the method.

In brief, the learner number used in the allocation for:

- School sixth forms - is taken directly from the autumn 2010 school census;
- Further Education institutions of all types - is taken in general from the ILR LR01 return in the autumn and then up-rated to a full year figure by taking into account later starts from the previous year. However, where the LR02 spring data collection results in a higher learner number than the process above we have

¹ 16-19 Funding Statement, YPLA, December 2010

² Statutory Guidance: Funding Arrangements for 16-19 Education and Training, YPLA, December 2010

³ Exceptions to lag are rare but include: infrastructure changes (new institutions/closures); provision which falls below national Minimum Levels of Performance (MLP) or Ofsted minimum standards, and where insufficient improvement is in hand; redistribution of provision, in the best interest of learners, *agreed by all parties* in consultation with local authorities.

used the higher number; this ensures no FE institution is funded for fewer learners than they have already recruited in 2010/11. Also where the LR02 shows a substantial reduction in learners we have reduced the number of learners we will fund to this lower number, this avoids funding vacant places;

- Independent Private Providers - is taken from the spring LR02 data collection and calculated to include all learners that have been in learning over the previous 12 months (1st February 2010 - 31st January 2011) and includes carry in from January 2010;
- Some other small FE providers – is, where neither of the above are appropriate, based on the total number of learners in learning in 2009/10.

Reduction in funded hours for the Curriculum 2000 Entitlement

As announced in our Funding Statement the number of funded guided learning hours (glh) for all full-time learners for enrichment activity has been reduced from 114glh to 30glh and the requirement to deliver specific activities through this enrichment funding has been removed. The remaining 30 glh can be used as education providers see fit and recognises the value of tutorial programmes that providers might want to continue.

This change will be seen in the Standard Learner Number to Learner number ratio (SLN/Learner). This will have been reduced to remove 84 glh from the ratio for every full time learner. The funding cap of 1.75 SLN has been reduced to 1.56 SLN (702glh). This will affect full-time learners only. The cap protects the qualification offer of learning programmes and allows for tutorial activity. Institutions are, of course, free to deliver as much learning as they see fit, but this will not generate extra funding above the new cap.

Programme Size

To achieve greater transparency and in response to issues the post-16 sector has raised about programme size being held at historic levels, SLN/Learner ratios have been refreshed using data from the 2009/10 academic year (minus the impact of the 'Entitlement Curriculum' changes mentioned above). Therefore curriculum and delivery changes/ improvements made by you in your qualification offer will now be reflected in your statement.

If the number of guided learning hours you deliver per student is in the top 20% of providers in England, you were informed of a reduction to your average programme size in your provisional statement. This reduction will no longer apply, therefore where appropriate the size of programme we will fund has been restored to the level of delivery in 2009/10. Where appropriate your SLN/learner ratio has been adjusted to reflect this.

Funding Convergence

The White Paper *The Importance of Teaching*⁴ announced convergence of funding for schools, colleges and other providers by 2015. As a first step towards this a single national funding rate of £2,920 has been introduced for school sixth forms and all other

⁴ The Importance of Teaching, DFE, November 2010

FE providers for the 2011/12 Academic Year. To achieve convergence in a carefully managed way transitional protection will smooth the implementation of the changes year on year (please see below).

Additional payments to schools for Teachers' Pensions will cease from August 2011 and are therefore no longer included in the allocation from the YPLA.

Any additional payments schools may receive for the Teachers' Pay Grant will be notified separately by your local authority or the YPLA if you are an academy.

Re-investment

The measures above will reduce the unit cost of all 16-19 provision in 2011/12, a proportion of the savings generated is being re-invested as targeted measures to fund the Government's priorities. Where appropriate to your provision you will see this re-investment in your funding statement as follows:

- £150 million has been re-invested to increase the funding available to support the most disadvantaged students through the Disadvantage Uplift and Additional Learning Support. If appropriate your allocation of these funds is shown on your statement separately as "Additional 16-19 funding for disadvantage and Additional 16-19 funding for ALS";
- we are incrementally increasing the number of guided learning hours available for students who attend part time Foundation Learning Programmes in preparation for the raising the participation age to 17 in 2013 and 18 in 2015. If appropriate you will see this investment through an increase to your SLN/learner ratio;
- where the trend is to recruit more full time students and fewer part time students this has been funded and will show as a higher SLN/Learner ratio;
- all allocations are now calculated using corrected 2008/09 qualification success rates. If applicable this will show as an increased Success Factor;
- There are also an additional 62,000 places available to be funded in education and training by 2014/15.

Transitional protection

The implementation of the savings and re-investment above means that base unit costs have to be reduced. We recognise that providers need time to plan these unit cost reductions. To mitigate these changes over time transitional protection will be provided over the spending review period. Recognising the planning time needed to deliver this for the 2011/12 academic year we will use transitional protection this year, such that no institution will lose more than 3% of its funding per learner when compared to the funding per learner (excluding high cost Additional Learning Support (>£5,500) and discretionary Learner Support Funds) it has been allocated for 2010/11.

To ensure that the re-investment package is affordable, those providers who would otherwise have received an increase in their funding per learner of over 10% above their funding per learner in 2010/11 have been limited to an increase of 10%. The precise increases or decreases in funding per learner are now shown on your allocation statement under the title Transitional Protection Breakdown. This rate is calculated from

your total 2010/11 funding, excluding high cost (>£5,500) Additional Learning Support and discretionary Learner Support Funds.

Learners with High Cost Additional Learning Support – Colleges and Contract Funded Providers Only

Funding for all learners (age 16-18 and 19-24) with high cost additional learning support has been protected at the level of actual spend on high cost learners in 2009/10 – the last complete year of data.

Programme costs for high cost learners aged 16-18 are included within the lagged learner number approach. We have based this on the LR02 return and/or business cases (if approved) to ensure it is as up to date as possible. The actual allocation for programme costs has been calculated on the same basis as for all other learners. You were given the opportunity to comment on or challenge the number of high cost learners we are funding for 2011/12.

The programme costs for your high cost learners aged 19-24 has been based on a lagged learner number (again LR02) taking into account any business case you may have submitted. The allocation has been calculated using the characteristics (Provider Factor, SLN/Learner ratio) of your 16-18 provision and the Adult Learner responsive funding rate per SLN of £2,615 as notified to us by the Skills Funding Agency.

Scope of this allocation

If you also deliver Apprenticeships then you should note that this allocation does not include your Apprenticeship allocation, which will be provided separately by the Skills Funding Agency.

Also it does not include an allocation for learners aged 19 or over as at 31st August 2011. If this provision is appropriate to you, the funds for these learners are included within your allocation from the Skills Funding Agency. We or the Skills Funding Agency will advise you separately of your final Skills Funding Agency allocation shortly.

Ministers are considering arrangements for 16-19 financial support. You will be notified of any allocation you might be due to receive under separate cover.

Further Information

We have deliberately not provided detailed technical information in this note because the details vary depending on the type of provider the allocation applies to. Should you wish to access a detailed breakdown of how every entry on your statement is derived then please follow the link below and click on the technical allocations note for your provider type.

<http://www.ypla.gov.uk/aboutus/ourwork/funding/allocations/>