



Schools Forum Date: 23 January 2014 Time: 8:30 a.m. Venue: Shrewsbury Training and Development Centre	<u>Item</u> Public	<u>Paper</u> B
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POST 16 FUNDING ISSUES

Responsible Officer

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1 Summary

Academic year 2013/14 has seen the introduction of key changes to the post 16 education landscape. 'Raising of the participation age' and the introduction of study programmes have brought about curriculum change across all providers. A new funding formula has been introduced which is built around the new study programmes and the underlying premise that funding is driven by the student rather than the qualification. This shift will present a significant challenge to schools, colleges and other post 16 providers as they seek to maintain and enhance provision against a decline in the number of post 16 students in Shropshire and potential reductions to funding. As with other sectors the sustainability of provision is at risk.

2 Recommendation

Forum is requested to receive and note the report.

REPORT

3 Background

- 3.1 The Education Act 1996 sets out the guidance for LA's highlighting their duties in securing enough suitable education and training to meet the reasonable needs of young people 16-19. (All young people aged 16-19 and up to 25 for those with high needs).

The EFA is the main funding body and will directly pass funds to the LA for all maintained schools with sixth forms.

3.2 Recent changes to the 16-19 funding formula, the introduction of study programmes, reforms to high needs funding, additional maths and English GCSE study for those without grade C or above together with new legislation covering 'raising the participation age' will have an ongoing impact on school sixth form budgets from September 2013.

3.4 There are a total of 10 11-18 schools and 4 post 16 colleges in Shropshire (see Annex 1 page 5) that deliver provision to a cohort of approximately 3500 students per year group – yr. 12 and yr. 13. (70% in colleges and 30% in schools).

Similar to other phases of education projected numbers in schools with sixth forms is set to fall over the next 5 years. With a cumulative loss of 8% (85 students) projected across the schools 2013/14 to 2017/18.

4 16-19 New Funding Formula

4.1 16-19 funding comprises the following:-

Programme Funding + Protection Funding + High Needs Funding + Financial Support Funding for Students

4.2 **Programme Funding** (see Annex 2.1 page 5)

Allocations made by the EFA will be based on the new (simplified) 16-19 programme funding formula comprising the following elements:-



For the 2013/14 academic year Shropshire schools with sixth forms received a total budget of £4,926,776 for 1118 students.

The actual programme funding element is £3,978,505. (80% of total)
This is based on students with study programmes (450+ planned hours) realising full time status i.e. £4000 per student. The current Shropshire schools with sixth forms programme funding per student is between £3489 and £4101.

The minimum F/T banding moves to 540+ planned hours in 2015/16. If Shropshire schools with a sixth form maintain the same ratio of F/T to P/T as now this will bring about a potential loss of £300,000 to the programme funding element.

4.3 **Protection Funding** (see Annex 2.2 page 6)
This has two strands; transitional protection and formula protection funding.

4.4 **High Needs Funding** (see Annex 2.3 page 7)
This has three strands:-
Element 1. Core programme funding per student.
Element 2. An allocation of £6000 per high needs student place
Element 3. Additional top-up funding provided by the LA. LA's receive this funding via the DSG high needs funding.

4.5 **Financial Support Funding For Students** (see Annex 2.4 page 8)
This has two strands; the discretionary bursary which is currently based on historic Education Maintenance Allowance data and the vulnerable student bursary which is additional support funding for eligible students.

5.0 **Issues**

5.1 Programme Funding.
The move to planned hours and the aspiration of students being fulltime has resulted in curriculum change across all providers. To qualify as full time a student must have a study programme in excess of 540 hours; the traditional 4 AS in year 12 meets this requirement. The 3 A2 in year 13 (the most common programme in Shropshire) would see students classified as part-time with a significant loss of funding unless additional planned non-qualification hours are included (e.g. work experience).

5.2 Protection Funding and Demographics.
The total removal of both elements of protection funding by 2016/17 will impact significantly on schools by reducing funding for post 16 students. Schools may attempt to neutralise this loss with increased recruitment however this is against the backdrop of fewer students in the cohort and, possibly, increased competition both within and outside Shropshire.

5.3 Funding levelling.
Schools with a sixth form were originally funded at a higher rate to other post 16 providers. This allowed for the delivery of a wider choice of subjects and/or smaller teaching groups within a traditionally smaller 16-19 cohort than many colleges. Overall loss of funds will impact on curriculum viability, sustainability and overall choice for the students.

5.4 Curriculum Offer.
(i) Most schools with sixth forms have offered a traditional diet of academic Level 3 qualifications. There is a need to widen choice at this level (i.e. vocational qualifications – BTEC) as well as looking at other qualifications that allow for progression to Level 3. This will be a real challenge against the backdrop of reducing budgets, limiting funding for year 14's and falling demographics.

(ii) There could also be potential gaps in provision at levels 1 and 2. It is difficult for providers to offer appropriate courses at this level to groups of students given that the numbers may be small and not financially viable. Therefore, in a climate where we are seeing more students requiring a wider balance of curriculum opportunities, budget changes could have the opposite effect.

5.5 Study Programmes.

The underpinning ideology is about meeting the needs of a learner. However, to offer an individualised curriculum requires a large student cohort and is more suited to an urban environment. Costing individualised programmes or small groups against our rural backdrop will become more expensive alongside reducing budgets and increases to costs.

5.6 Additional maths and English GCSE.

For students without GCSE C grade in these subjects there must be dedicated time (planned hours) within the study programme to allow students to achieve this benchmark. Therefore, additional staffing/ resourcing will be required for these courses from key subject areas. Success and accountability in these qualifications will be highlighted within reforms to performance tables in 2016. Access to these subjects will also become a condition of funding in 2016/17.

5.7 Management Information Systems.

All schools currently subscribe to Capita SIMS. School census (Oct 2014) will be the first year where qualification and non-qualification hours will be captured. Currently issues have arisen with collection of post 16 learning aims which directly drive and impact on allocations/ budgets. Properly resourcing this change to data collection by schools will be essential in maximising budget opportunities.

Annex

1. Shropshire Context -Delivery Centres

6 x Maintained School Sixth Forms

(Community College Bishops Castle, Grove School, Idsall School, Oldbury Wells School, Sir John Talbot's School & Thomas Adams School)

4 x Academies with Sixth Forms

(William Brookes School, Bridgnorth Endowed, Severndale and Marches School)

2 x Sixth Form Colleges

(Ludlow College and Shrewsbury Sixth Form College)

2 x General Further Education Colleges

(Shrewsbury College and Walford and North Shropshire College)

2. Components of the new 16-19 Funding Formula

Programme Funding + Protection Funding + High Needs Funding + Financial Support Funding for Students

2.1 Programme Funding



- Students numbers – lagged numbers from preceding year census
- National Funding Rate – currently (13/14) - £4000 per full time student
- Retention Factor – reducing factor if students do not remain on course (13/14 allocations Shropshire schools range; 0.958 – 0.997)
- Programme Cost Weighting – nominally set at 1, with increases for more cost intensive courses (13/14 allocations Shropshire schools range; 1.000 – 1.030)
- Disadvantage Funding. A combination of economic deprivation funding, numbers of students leaving care and further funding for students needing additional maths and English GCSE. (13/14 allocations Shropshire schools range; minimum £6000 - £57000)
- Area Cost Allowance – areas that attract higher delivery costs (13/14 allocations Shropshire schools = 1)

2.2 Protection Funding

Two strands:-

1. Transitional Protection.

This 4 year reducing sliding scale protection was initiated in 2011/12 to enable providers to adapt to the levelling of funding across all post 16 providers. The final year of payment is 2014/15. Within the 13/14 schools with sixth forms budget this was £346,000.

2. Formula Protection Funding.

Alongside the new programme funding methodology this additional 3 year top-up protection funding was introduced where the move to a basic rate of funding per student would otherwise result in a reduction in funding per student. The final year of payment is 2015/16. Within the 13/14 schools with sixth forms budget this was £12,000.

2.3 High Needs Funding

This has three strands:-

Element 1. Core programme funding per student. Within each providers allocation/ budget – see 4.2.

Element 2. An allocation of £6000 per high needs student place as agreed by LA and EFA, reflected in each provider's allocation/ budget. Within the 13/14 schools with sixth forms budget this was £456,000.

NB. This was significantly influenced by students studying at Severndale (70% of element 2 Shropshire budget)

Element 3. Additional top-up funding provided by the LA. LA's receive this funding via the DSG high needs funding.

2.4 Financial Support Funding For Students

This has two strands:-

1. Discretionary Bursary. Currently based on historic EMA data using an agreed funding rate of approx. £280 per eligible student. This is due to change following recent consultation where proposals were based on moving to using pupil premium numbers together with a top-up for rurality. Within the 13/14 schools with sixth forms budget this was £82,500.

2. Vulnerable Student Bursary. Additional support funding for eligible students (£1200) paid to schools via the LA but separate to 16-19 mainstream budgets.