

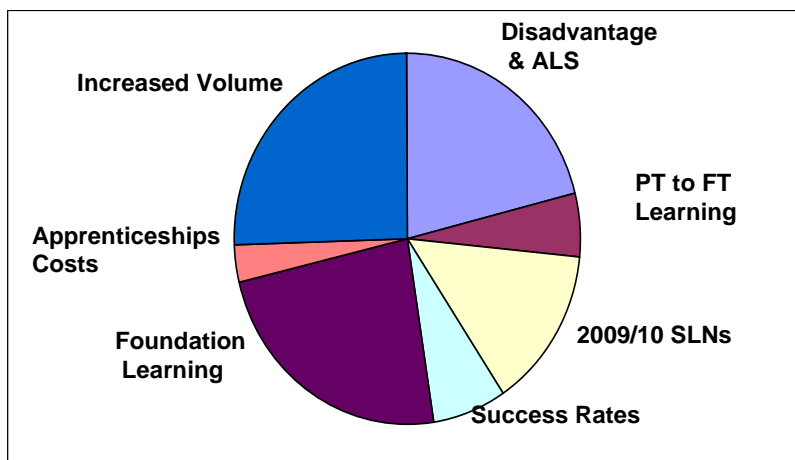
16-19 Funding Statement Q&A

1. What exactly is the budget situation for 2011-12 and for the CSR period?
 - Given the current fiscal situation the overall comprehensive spending review settlement for post 16 education and training is a good one.
 - This is sufficient to provide on average 1.64 million places per year and a place in learning for all 16 and 17 year olds by 2015 in line with Raising the Participation age definitions.
 - In 2011-12 there is a £109 million (1.5%) increase in the budget and the number of places that will need to be provided increases by 23,000 (1.4%).

There are however a number of emerging cost pressures over the four year period that require a redistribution of resources between providers. These cost pressures are illustrated by the pie chart below and include:

- funding a further 62,000 places.
- increasing the number of hours foundation learners do to meet the full time participation criteria of Raising the Participation Age.
- improving success rates
- funding all providers for the number of hours they delivered in 2009/10 and
- re-investing an additional £150 million to address the needs of disadvantaged learners and those with low attainment in Maths and English.

Sources of Cost Pressures by 2014/15

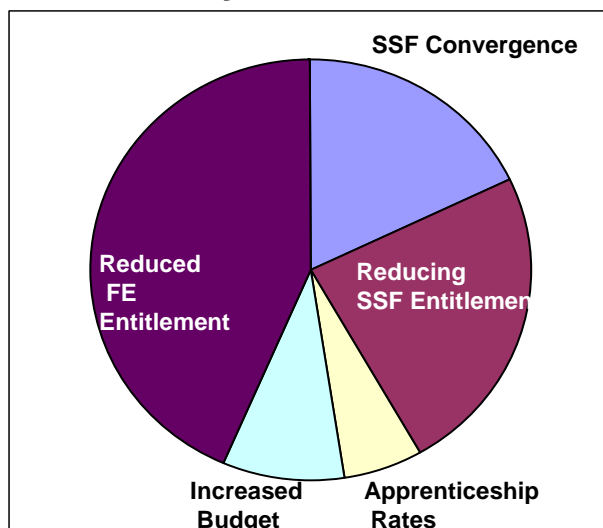


2. How will the resources be re-directed to meeting these pressures?

- There is an increase in the budget of around £0.1bn in 2011-12; in addition we are reducing the unit cost through three specific changes which are illustrated and outlined below.
- Apprenticeship funding rates are to be reduced by 2% per year.
- School Sixth Form Funding is to be converged to the level received by Further Education Colleges and other providers.
- The funding for the entitlement curriculum is being reduced from 114 hours to 30 hours.



Funding of Cost Pressures by 2014/15



The funds saved from the budget are then being re-invested over the four year period to meet the cost pressures through:

- an increase in funding for the disadvantaged and those with low attainment of around £150m per year by 2014/15
- ensuring all providers receive funding for the size of programmes they delivered in 2009/10
- increasing the funding for those foundation learning programmes that are currently too small to meet the definition of full time under the Raising of the Participation Age.
- meeting the additional costs of increased success rates
- funding more learner places (62,000) by 2014/15.

3. What is the likely impact of this re-direction of funds?

- The changes apply to all students, not just new students. However, the changes are transitionally protected, in the first year (2011/12) this means no provider of any type, will lose more than 3% of funding per learner. In fact some will gain and some will lose less than the 3%.

- In addition the re-cycled investment in foundation learning, improved success rates and the increased places can offset some or all of this loss for those providers who are responding to these agendas.

RPA & affordability

4. Does the commitment to raising participation / RPA remain? How will learning opportunities be protected?
 - Ministers have given a clear commitment to RPA
 - The priority is to give all our young people the opportunity to continue in high quality education and training so they are better prepared for the world of work or university. The YPLA will fund education and training places for 1.64 million young people, on average each year.
 - The main programme of learning will be protected. Funding will continue to support a full programme of, for example 4 A levels, plus tutorials and other activities to provide breadth and stretch.
 - The funding for the generic entitlement curriculum is being reduced to preserve a **maximum core programme** of up to 4 A Levels (or equivalent) plus a hundred hours of other activity for the learners needing this. The overall funding available should still allow schools and colleges to properly prepare young people to progress.
 - We are increasing the funding for disadvantaged learners by over one-third in 2011-12 and we will look how we can better target support for disadvantaged 16-18 year olds as part of the review of funding to make the system more transparent and fair.
5. Can you afford to fund providers on the basis of lagged learner numbers?
 - The Spending Review budget is sufficient to fund learner places on a lagged learner number basis. This will guarantee that schools and colleges receive funding the following year in line with learners they have recruited and that funding follows learner choice. The amount of funding each learner attracts has to be subject to affordability and the actual unit of funding may be reduced and will be confirmed once the number of places needed is known.

Disadvantage/ALS

6. How many young people will benefit from the £770m of disadvantage funding?
 - At least half a million young people in 16-18 learning will benefit from funding for disadvantage funding in 2011/12.
7. How much will each disadvantaged learner receive?

- It is not possible to provide a figure comparable to the pre-16 pupil premium figure because post-16 funding provides disadvantage funding through two elements of the funding formula. We will be reviewing the funding formula to try and make the amount of funding for 16-19 disadvantaged learners more transparent.
- How the additional £150 million will be distributed is yet to be finalised.

Unit of Funding

8. What will the funding per learner be?

- It is not possible at this stage to give an accurate figure for this because that figure will need to be adjusted once it is known exactly how many places will have to be funded. The figures included in the 16-19 Funding Statement are planned levels of places and will need to be confirmed once the necessary data from providers on 2010/11 recruitment and on the additional places needed in new provision is available. The commitment is to keep the maximum reduction in the funding per learner any school or college faces to no more than 3% in 2011/12. However, exactly where we will be on that range will not be known until late February/early March 2011.

9. What will the overall reduction in funding per learner be by 2014/15?

- By 2014/15 all providers will be funded at the same funding rate for comparable provision. As different providers are currently in different positions in relation to this aim the reductions in funding per learner will differ depending on current circumstances. The trajectory for getting to the end point will be determined over the spending review period and will be announced in subsequent 16-19 Funding Statements. We recognise that schools and colleges need time to prepare to deliver this and that is why the reduction in funding per learner has been limited to 3% in 2011/12.

Transitional Protection

10. Which types of providers will be covered by Transitional Protection?

- Transitional Protection covers all providers, colleges and schools.

11. Will transitional protection at 3% be provided for more than one year?

- The 3% maximum reduction only applies to 2011/12. After that the transitional protection will be withdrawn incrementally between 2012/13 and 2014/15 with no transitional protection in the final year (2014/15). This is the only way to ensure all providers are funded on a fair basis in 2014/15.
- Providers should note that Transitional Protection applies to funding per learner; the total budget is not protected because it depends on the number of learners recruited.

12. Does the Transitional Protection include entitlement and the reduction of the top 20% SLN ratios?

- Yes, the Transitional Protection will include the impact of the reduction in entitlement and the reduction of the top 20% SLN ratios.

13. Does the Transitional Protection include the Teachers Pension Contribution?

- Yes this is included.

Pre-16/Post-16 Comparison

14. Will the drive for funding efficiencies lead to reductions in support for 16-18 learners?

- The typical unit of funding for a full-time 16-18 year old (at just over £5,000 per learner) is higher than for a pre-16 learner (£4,250). While class sizes tend to be smaller the amount of teaching time per year is less. As such there is greater scope for efficiencies in 16-19 learning than in pre-16 learning.
- Evidence shows that disadvantaged pupils fall behind early in their school lives. It is right that the Coalition Government prioritises learning at this age. It has to get the basics right and ensure that young people reach the age of 16 well equipped for the future. They are less likely to succeed post-16 if they have failed pre-16.
- The Coalition Government will give higher levels of support to those aged 16-18 who need further help to be able to succeed. Our primary concern is to ensure that the savings needing to be made don't result in disadvantaged and less able learners either being less likely to participate or being turned away by schools and colleges. Efficiencies at 16-18 will be made in such a way that those most able to help themselves will be given the opportunity to do so while those who need most support will receive it.

15. How will the most disadvantaged young people be protected given the ending of EMA?

- In 2011/12 EMA will be replaced by an enhanced learner support fund which will be managed by schools, colleges and training providers. The DfE and YPLA are currently talking to representatives from the sector, and others (such as the NUS, Centrepoin, YWCA), on the detail of the new arrangements. We plan to allocate the enhanced funding in line with the timetable for overall funding allocations, which will be made by the end of March.

Funding Gap

16. What is the reason for reducing funding for school sixth forms more than for other providers?

- The White Paper *The Importance of Teaching*, published in November 2010, set out the Government's commitment to end the disparity in funding for 16-18 year olds so that by 2015 schools and colleges are funded at the same level as one another.
- The Coalition Government has set out its commitment to fair funding and therefore will be bringing all providers to the current level of FE colleges, asking schools and colleges to deliver maximum value for money in their teaching resource. This will be achieved in a carefully managed way over time so as not to destabilise providers.

17. Will transitional protection help small providers and / or those that deliver the only provision in remote areas?

- The system of transitional protection that the YPLA has put in place should help all schools and colleges adapt over time to the new financial constraints being faced.
- The financial viability of most schools and colleges is not only dependent on 16-18 funding. For schools their pre-16 funding will be crucial and for colleges their adult funding is likely to be very important. Once allocations for individual providers are known YPLA will work with pre-16 schools colleges and BIS to assess the impact of the combined settlements on providers. We will also work with local authorities regarding the overall impact in any area.
- It is important that good value for money is secured and we will not support poor quality or inefficient provision. It is for local authorities as part of their strategic role, to advise whether the needs of 16-18 year olds in their area, including in rural areas, are being met. The YPLA will work with local authorities to address learner needs.

Entitlement/curriculum stretch

18. Will providers be able to provide multiple A level programmes and stretch learners?

- The size of the main programme of learning has been protected. The **maximum funded programme** size is equivalent to a programme of 4 A levels plus 100 hours of other activity for the learners needing this. As is the case now, providers can continue to deliver larger programmes if this can be afforded within the funds made available to them.

19. Will the changes to the entitlement make it more difficult to attract and retain students with lower prior attainment into post-16 learning?

- It is recognised that for those with lower prior attainment, the entitlement funding provides valuable tutorial and learning support that persuades them to engage and remain in learning and enables them to

progress. 30 hours per learner is retained so that this can continue. Providers will be able to continue with support activities for those with lower attainment through the increase in disadvantage funding.

- The funding targeted at disadvantaged learners will be £770 million in total in 2011/12, an increase of more than one-third over 2010/11.
- Providers have autonomy to use the funds as they see fit to support the hardest to reach young people

20. What is the relationship between the drop in entitlement and the provider factor?

- Provider factors will be recalculated from base data and therefore you could expect your own provider factor to increase as the programme weighting within the provider factor is adjusted accordingly.
- Entitlement has a programme weighting of 1.0, so the impact of the reduction is less than might be expected by purely calculating it as a reduction in the SLN/learner ratio (in general there will be a small increase in provider factors offsetting part of the reduction in the ratio).

21. Will the YPLA be making any adjustments for policy or qualification changes to individual ratios?

- For 2011/12, YPLA will update the ratio using the latest available data; that is from the 2009/10 academic year:
- The 2009/10 ratio will be reduced to reflect the savings made by reducing the hours for the entitlement curriculum to 30glh and the resulting reduction in the maximum programme size, to around 700glh per learner for 2011/12 allocations

22. What is the position regarding the 1.75 cap?

- The cap is being reduced in line with the reduced entitlement funding. It is envisaged that it will reduce to around 700 guided learning hours or 1.56 SLN. If it were not to be reduced then the required saving would not actually be made; providers would just deliver something else.
- This does not impact specifically on larger programmes because the reduction is the same for all full time learners.
- It is expected that learners who can undertake a larger full time programme will continue to be able to do so within the overall funding allocation.

23. What is the position of colleges with a raised SLN to learner ratio for 11/12 and 12/13?

- A college's SLN/Learner ratio will not be automatically reduced to your 2009/10 ratio. The increase to the SLN/Learner ratio awarded through a business case for 2010/11 will be examined alongside actual 2009/10 and should a) the business case still be valid and b) the 10/11 allocated ratio be above the 2009/10 ratio then YPLA will consider this and discuss it with the college before allocating a final ratio for 2011/12.

24. Under current arrangements a programme of 2 AS levels (2 x 150 = 300) plus a key skill (36) amounts to 336 glh and entitlement funding of 114 can be claimed (336 + 114 = 450). In future, would the same size of programme be sufficient to trigger entitlement funding or will the programme size before entitlement is added need to be 420 or more glh?

- 16-18 learners on full-time programmes are eligible for 16-18 entitlement funding. The definition of a full-time learner will remain the same; a full-time learner is one enrolled on a programme of at least 450 glh in any 12-month period. The 450 glh would include the glh associated within the 16-to-18 entitlement (assumed to be 30 glh per year in 2011/12). This means that for 2011/12, the programme size before entitlement is added needs to be 420 or more glh. Note that this definition is based on the glh delivered to the individual learner not the listed rates for qualifications

Allocations

25. When will providers find out their allocation for 2011/12?

- Providers will receive a funding statement showing a provisional learner numbers allocation in January 2011.
- Providers will then be notified of their final allocation in March 2011.

26. When do we expect the confirmation of the allocations for provision for young people in juvenile YOI custody?

- Providers will be paid in accordance with the bed price model; funding schedules will be distributed in May as contractually required.

Single Point of Contact

27. How will the single point of contact work?

- We are proposing to operate a single point of contact approach with providers from April 2011, and will consult with provider associations whilst developing our processes.
- Discussions are ongoing between YPLA and the Skills Funding Agency to determine how funding agreements will be issued and how the funds

for 19+ continuers and other adult learner responsive allocations will be administered for sixth form colleges

Apprenticeships

28. What is the level of additional investment in Apprenticeships?

- The Coalition Government expects there to be 218,000 16 to 18 year olds in an Apprenticeship in 2010/11, of which over 131,000 will be new starts
- The Coalition Government expects the number of apprentices to grow during the Spending Review period – for both the 16 to 18 year old age group funded by the DfE and for the 19+ age group funded by BIS.
- This confirms the commitment to Apprenticeships, which will continue to be the Government's flagship programme for work-based learning, both for young people and adults. The ambition for growth in Apprenticeship opportunities is particularly important at level 3, where we want all employers and Apprentices to aspire.
- Provisional data for the 2009/10 academic year shows that the number of 16 to 18 year olds continues to grow, demonstrating that employers continue to value Apprenticeships and benefits they bring to their businesses.
- Apprenticeships offer employers good returns, as they recoup their investment within an average of two to three years in the majority of sectors. Academic research shows that employers cite the many benefits investment brings to their business.

29. When will we know about funding from YPLA for Young Apprenticeships?

- Ministers are still considering the implications of the Spending Review settlement and an announcement about the funding and future of YAs will be made in due course.
- The 2011-12 YPLA Grant Letter has not yet been published. Whilst the 16 -19 funding statement has been published covering the 16-19 participation funding, this does not cover all YPLA budgets and does not include the YA budget.
- The future of vocational education in schools is under review as part of the Wolf Review, with a final report due in spring 2011.

Other

30. When will we know about funding from YPLA for Education Business Partnerships?

- Ministers are still considering the implications of the Spending Review settlement and an announcement about the funding of EBP will be made in due course.

31. What further steps are you taking to simplify the funding system?

- The Coalition Government has already taken significant steps to simplify the system of funding for young people's learning. The YPLA is working together with the Skills Funding Agency to explore how best to work together in the pre- and post-19 systems aiming to reduce administrative burdens on providers and are committed to continuing to pursue this work in the interests of reducing bureaucracy and costs.
- A consultation in 2011 on the funding formula will look at how the formula can better support the Coalition Government's aims of transparency and fairness, and, in particular, how targeted support for young people can be aligned with the Pupil Premium and the National Scholarships Programme in Higher Education. The review of the funding formula will also take account of the recommendations from Professor Alison Wolf's review of vocational qualifications.

January Statements

32. For some school sixth forms the difference between the SLN ratios in boxes G and H on the January statement does not seem consistent with the expected impact of the policy changes – why is this?

- The figures in boxes G and H were produced from different cuts of the school sixth form data due to the timing of implementing the policy changes. In some cases the figures are inconsistent, in which case the figure in box H is the most up to date, and is used in subsequent calculations. The YPLA has requested a set of figures for box G on a consistent basis to those in box H, and can make these available to individual schools on request.

33. Why does the lagged number on the January statement differ to the funding claim report?

- The YPLA requires the following conditions to have been met for a learner to be eligible and counted within the 2011/12 methodology. These conditions are:
 1. The learners are aged 18 or under on 31 August of the 2010/11 funding year
 2. The learner has generated an SLN by the 31st October 2010 or the learner's earliest start date falls on the 1st of November 2010 and has expected SLN for year >0
 3. The learner has generated an SLN in previous funding year and are in the current ILR return

4. The learner meets the criteria for funding under the 16-18 DLF funding methodology
 - Some providers are incorrectly coding learners who are aged 19 or over on 31 August 2010 as YPLA funded, these learners are not eligible to be funded by the YPLA unless they are 19-24 LLDD learners, and would be included in SFA funding allocations. However, they will be shown on the LIS funding claim report as YPLA funded. A more technical explanation is given below.

Funding Claim Report

Issue: The notes on the Funding Estimate/Claim report, '16-18 Learner Responsive' page, states:

'2) This page includes all learners who have learner responsive funding, and were aged 18 or under on 31 August of the 2010/11 funding year. Any learners with ILR Field A10, Funding Model set to 21 (16-18 learner responsive funding), but aged 19 or over on 31 August of the 2010/11 funding year, will not appear on this page but on the page for Adult Learner Responsive funding.'

If providers have correctly recorded A11 in their ILR this statement is true. However, if a learner who is aged 19 or over on 31 August 2010 (and is not 19-24 LLDD) **is coded incorrectly in A11 as YPLA funded** on at least one of their learning aims, they will appear on this page.

A related issue concerns note 3 on this page. A learner with learning aims coded in the ILR as funded using the ALR model (A10 = 22) and YPLA funded (A11 = 106 or 107) will fall into rows D and E of this page of the report regardless of their age.