

Welcome

Understanding the post-16 funding
formula, changes & cuts

(2012-14)

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Key objective

To understand how 16-18 funding works; the ways cuts will be applied; and the impact



Part 1: Context and headline changes



Post-16 funding changes - timeline

Autumn 2011	Consultation
Spring 2012	Decision
2013/14	Raising of the participation age to 17
2013/14	Implementation of new funding formula for 16-19
2015/16	Raising of the participation age to 18

Recession

Going...



Going...



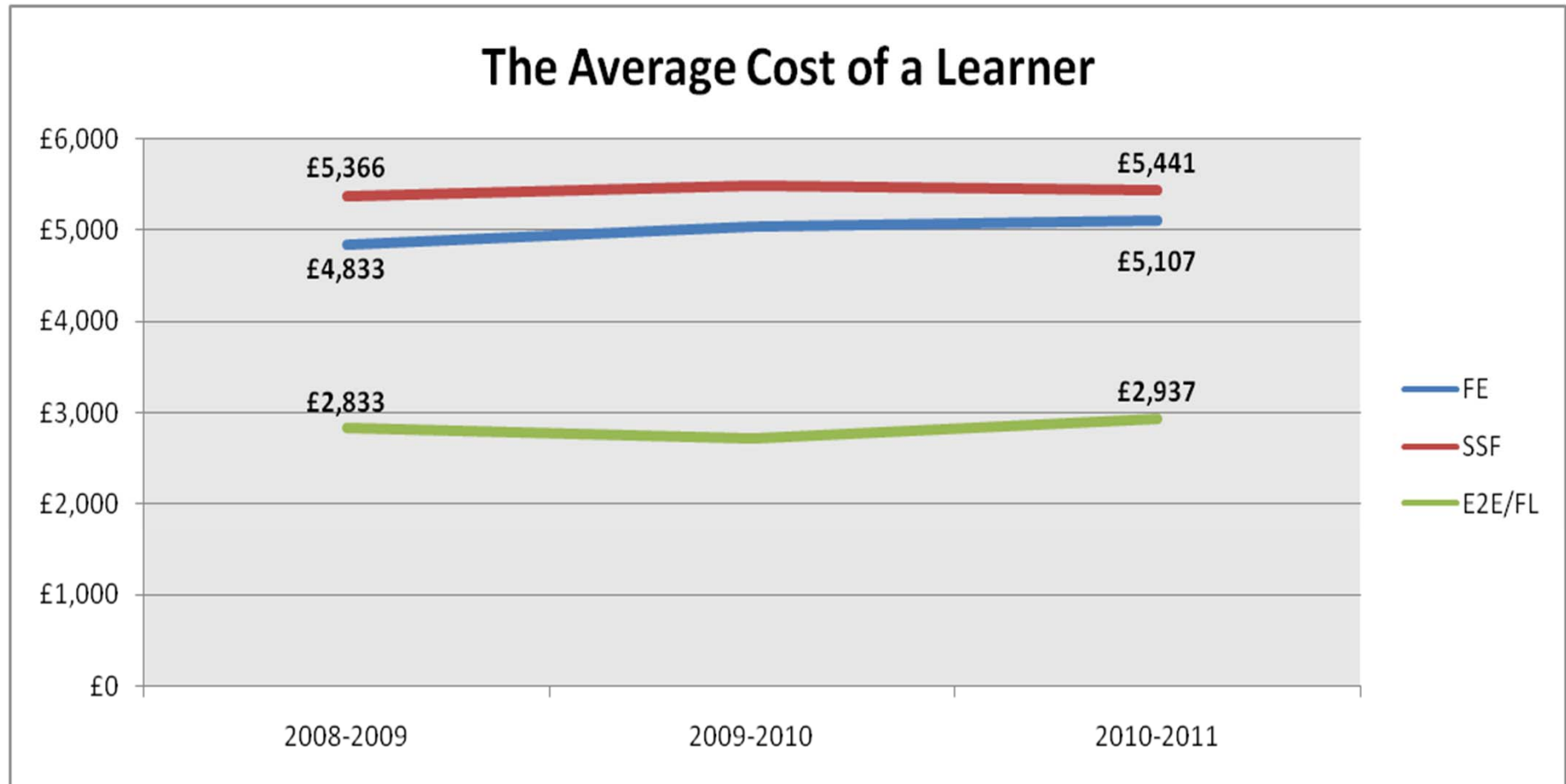
Gone...





'every element of public funding and every single budget is under the greatest scrutiny...'

Post-16 unit costs: convergence and squeeze



Post-16 funding principles

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

In essence, existing budget is cut and stretched to cover...

Lagged funding

New infrastructure

Redistribution to those in need

	A	B	C	D	E	F	G
1	Color	Green	Blue				
2	Nov 16, 2004	1,818,124,995	hello, world	True	hello, world		
3	Nov 16, 2004	2,091,919,472	hello, world	True	hello, world		
4	Nov 16, 2004	1,024,555,4	hello, world	True	hello, world		
5	Nov 16, 2004	367,690,894	hello, world	True	hello, world	hello	
6	Nov 16, 2004	828,832,634	hello, world	True	hello, world		
7	Nov 16, 2004	1,908,208,6	hello, world	True	hello, world		
8	Nov 16, 2004	2,782,847,843	hello, world	True	hello, world		
9	Nov 16, 2004	1,900,000,000	hello, world	True	hello, world		
10	Nov 16, 2004	1,783,141,3	hello, world	True	hello, world		
11	Nov 16, 2004	458,080,220	hello, world	True	hello, world		
12	11/12/04 PM	1,030,887,833	hello, world	True	hello, world		
13	11/12/04	489,892,275	hello, world	True	hello, world		
14	11/12/04 PM	1,180,000,000	hello, world	True	hello, world		
15	11/12/04 PM	1,864,143,848	hello, world	True	hello, world		
16	11/12/04 PM	2,461,528,034	hello, world	True	hello, world		
17	11/12/04 PM	221,483,441	hello, world	True	hello, world		
18	11/12/04 PM	1,277,537,8	hello, world	True	hello, world		
19	11/12/04 PM	218,876,891	hello, world	True	hello, world		
20	11/12/04 PM	834,143,878	hello, world	True	hello, world		
21	11/12/04 PM	1,1692,898,0	hello, world	True	hello, world		
22							

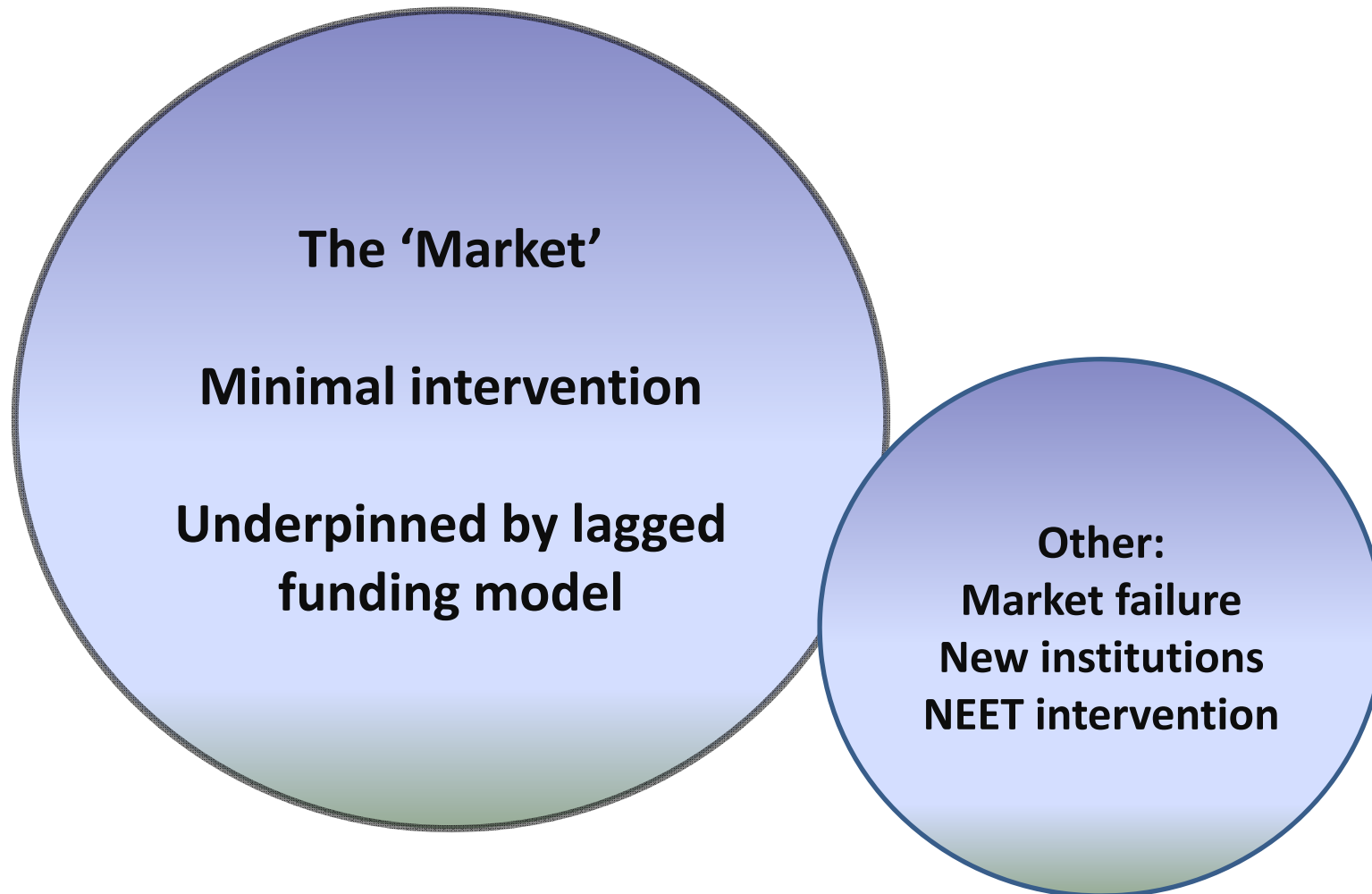
System change 1

National Commissioning Framework published in April 2010 – scrapped!

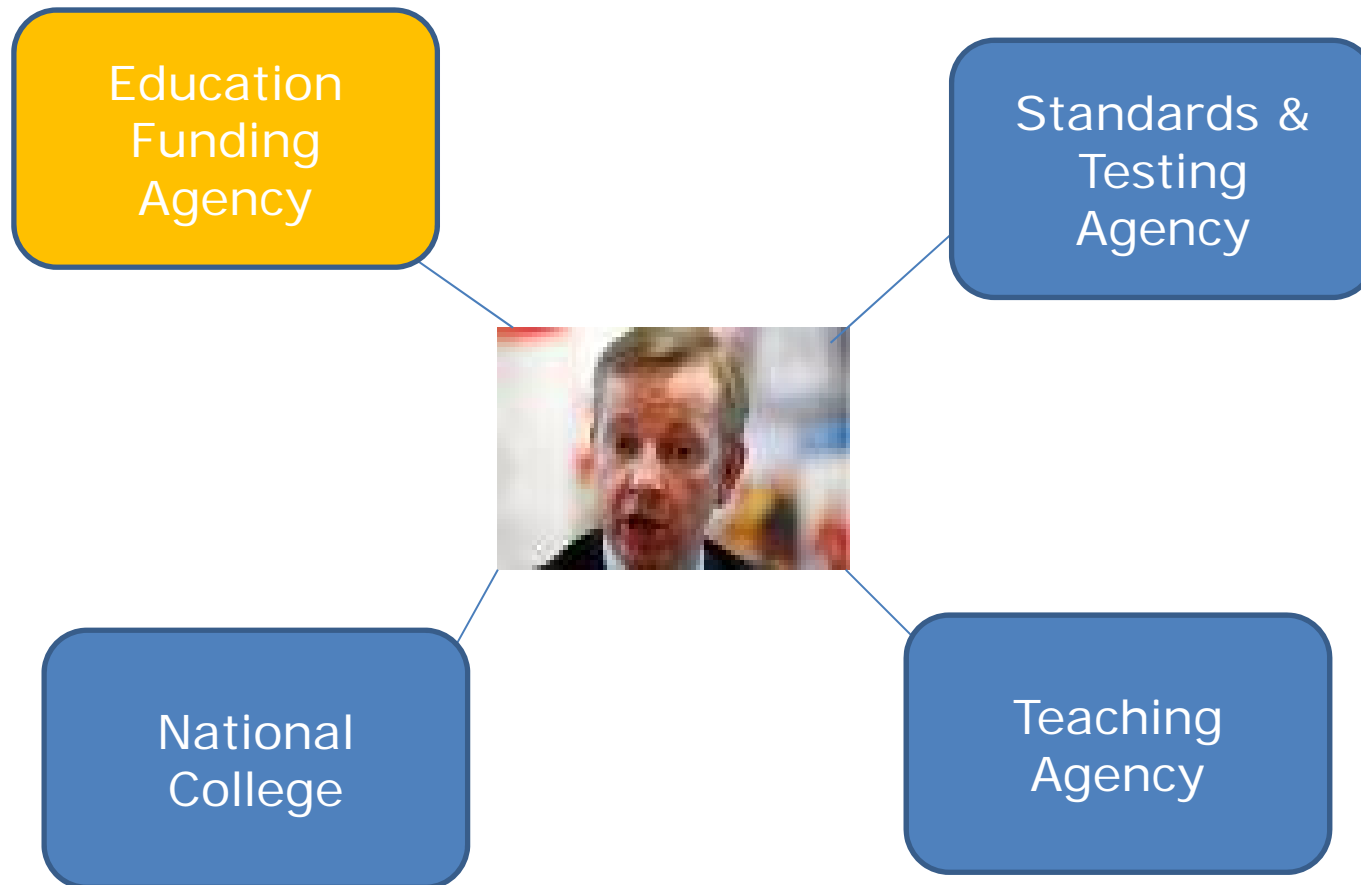


Replaced by...

Replaced by streamlined 'market' approach crudely looks like...



System change 2 – by April 2012



The world in 5 years time?

All relies on better data!



Part 2: The post-16 funding methodology

$$\frac{\partial}{\partial \theta} \mathbb{M}T(\xi) = \frac{\partial}{\partial \theta} \int_{\mathbb{R}_n} T(x) f(x, \theta) dx = \int_{\mathbb{R}_n} \frac{\partial}{\partial \theta} T(x) f(x, \theta) dx$$

$$\frac{\partial}{\partial a} \ln f_{a, \sigma^2}(\xi_1) = \frac{(\xi_1 - a)}{\sigma^2} f_{a, \sigma^2}(\xi_1) = \frac{1}{\sqrt{2\pi\sigma^2}} \exp\left(-\frac{\xi_1 - a}{\sigma}\right)$$

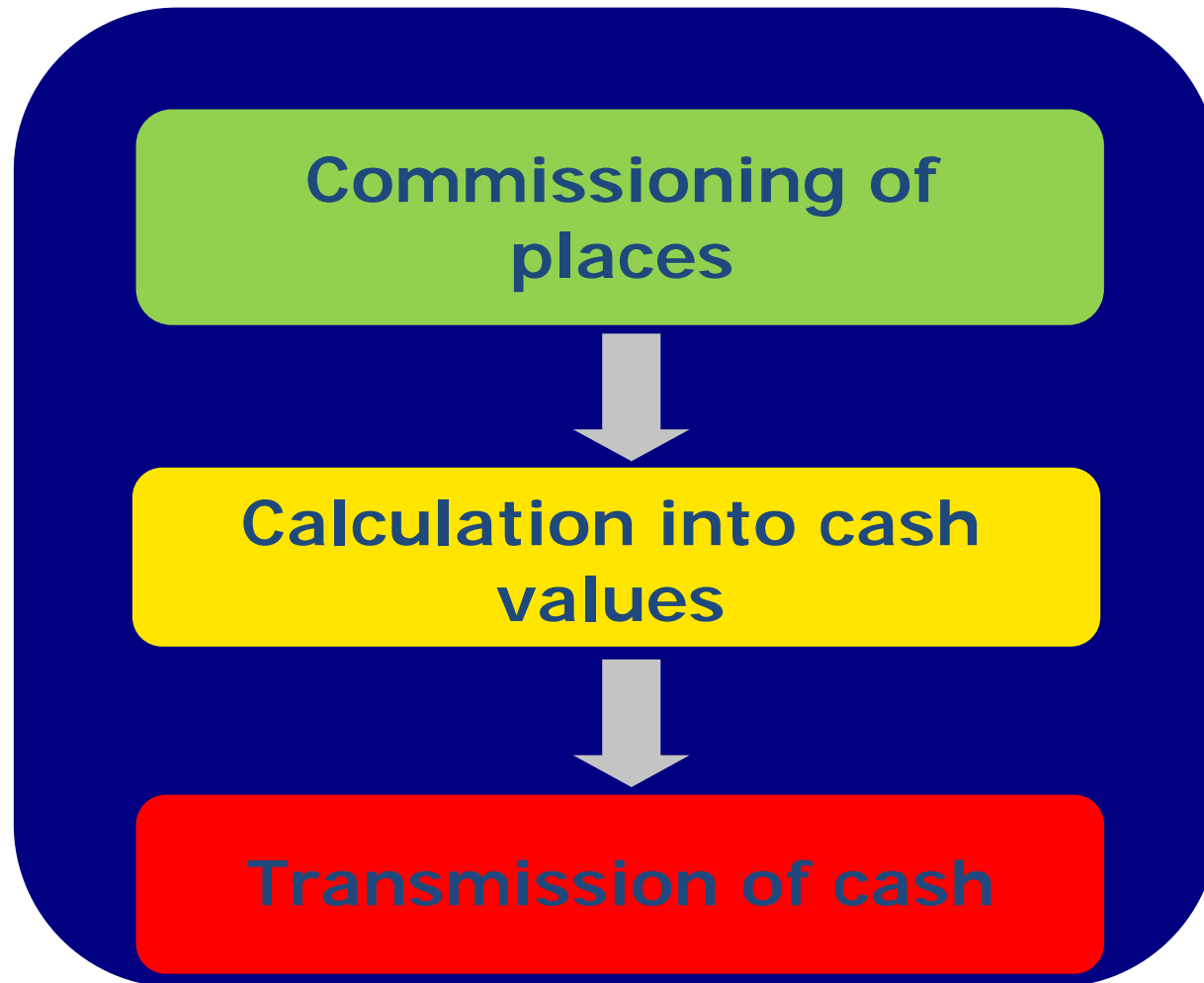
$$\int_{\mathbb{R}_n} T(x) \cdot \frac{\partial}{\partial \theta} f(x, \theta) dx = \mathbb{M}\left(T(\xi) \cdot \frac{\partial}{\partial \theta} \ln L(\xi, \theta)\right) = \int_{\mathbb{R}_n} T(x) \left[\frac{\partial}{\partial \theta} \ln L(x, \theta) \right] f(x, \theta) dx$$

We have talked of change - but some things stay the same...

The post-16 funding formula... well kind of...



Allocations post-16 (broad process)



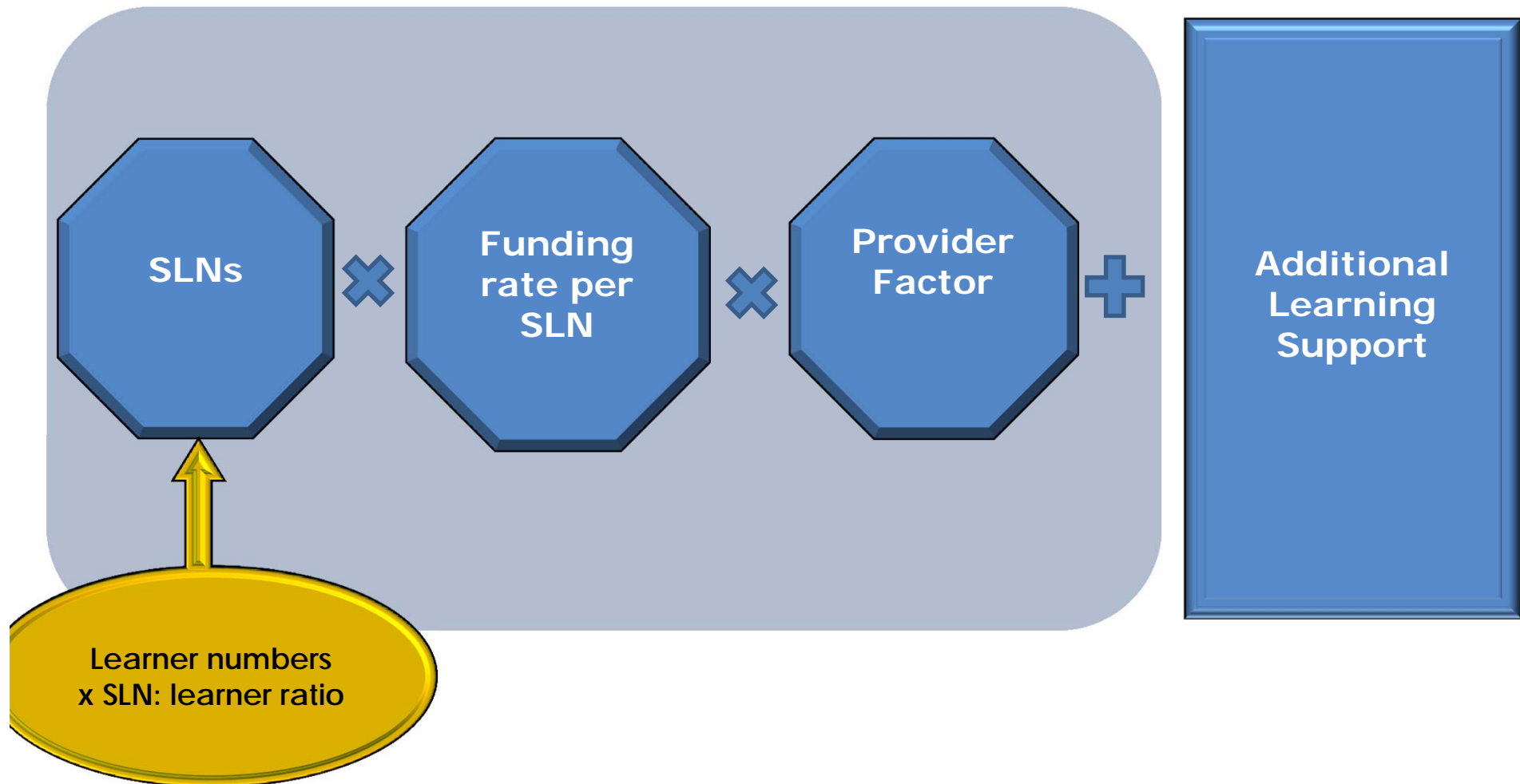
The post-16 funding formula (and lagged funding)

Everything begins from the 'bums on seats' at the October census point...

Which is your baseline for **next year**



The post-16 Funding Formula



A. Standard Learner Numbers (SLNs)



SLNs show how much **LEARNING** is occurring
in your institution


Simple learner example

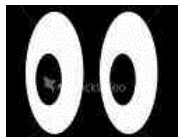
4 x AS levels = 1.33 SLN

Entitlement = 0.067 SLN

Learner SLN = 1.397 SLN

Standard Learner Numbers, cont

QUALIFICATION	Glh	SLN
AS/A2	150	0.33
First Diploma (6 unit)	450	1.0
General Studies – AS/A2	36	0.08
Entitlement 	114 30	0.25 0.067



Have a look at the LAD (Learner Aims Database) <http://providers.lsc.gov.uk/lad>

How are SLNs generated?

Each learning aim is assigned a (glh) value
e.g. AS = 150 (glh)

$$\text{SLN} = \frac{\text{Annual Guided Learning Hours (glh)}}{450}$$

Where does the 450 glh come from?

Learner X

2 AS/A2, plus entitlement,
plus key skills = **450glh**

- **450 glh** = minimum **full time** learner
- Minimum entry to careers or HE at Level 3



Costs 1 SLN

Unlimited GLH then?

LITTLE MISS BRAINY *By Roger Hargreaves*



The new funding ceiling

Old world	New world
Cap of 787.5 GLH per learner per annum	Cap of 702 GLH per learner per annum
= 1.75 SLN	= 1.56 SLN

The new funding ceiling

Year 12	GLH
New allowance	702
4 x AS	600
New entitlement	30
Total:	630
Headroom=	72 GLH

The new funding ceiling

Year 13	GLH
New allowance	702
3 x A2	450
New entitlement	30
Total:	480
Headroom=	222 GLH

In summary

- Each learner has an SLN value based on their guided learning hours.
- SLNs for all learners are aggregated and divided by the number of learners to calculate the institution's SLN: learner ratio.

**SLNs to be funded = learner numbers x
SLN:learner ratio**

- **Volume of learning** to be funded now established.

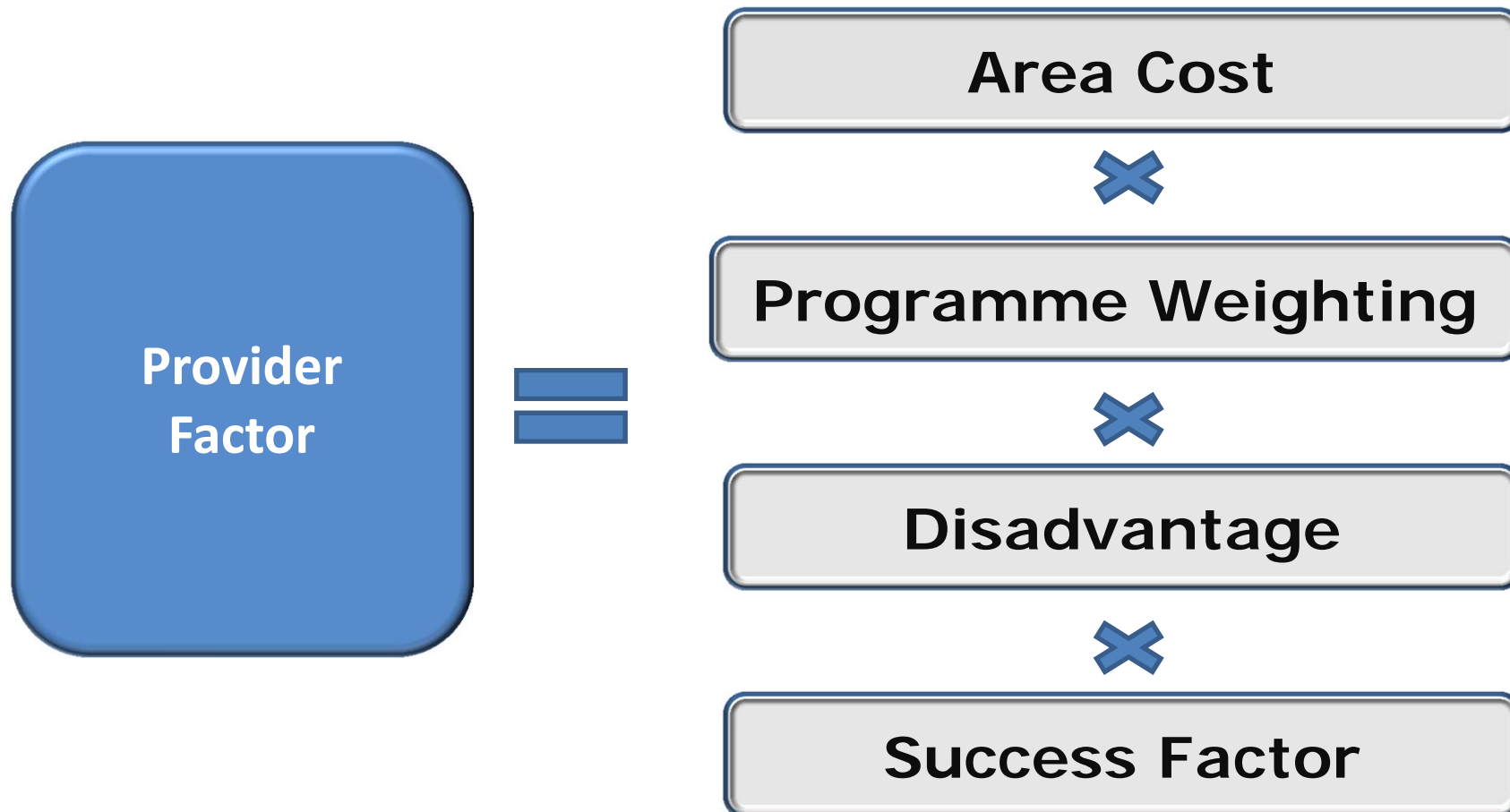
B. The National Funding Rate

Amount paid per SLN

16-18	2009-10	2010-11	2011-12
School Sixth Form	£3007	£3007 	£2920
General FE College	£2920	£2920	£2920
Sixth form College	£2920	£2920	£2920

C. The Provider Factor

Calculated for each provider for each year



C. The Provider Factor

- **AREA COSTS:** unchanged
- **COURSE WEIGHTING:** calculated at learning aim level and then aggregated to provider level
- **DISADVANTAGE :** Index of Multiple Deprivation
- derived from learner postcodes

A red oval with a blue border containing white text.

Extra cash
here 2011/13

D. The Success Factor (in theory)

Success Rate = achievement/starts

Success Factor: midway point between SR and 100%

Quick exercise



Exercise

A school has the following data:

A national funding rate of £2920

200 learners

SLN/Learner ratio 1.3

Area cost: 1.2

Disadvantage: 1.023

Programme weighting: 1.057

Success Factor: 0.922

What would their basic allocation be?

Learners	SLN Ratio	SLN total
200	1.3	260

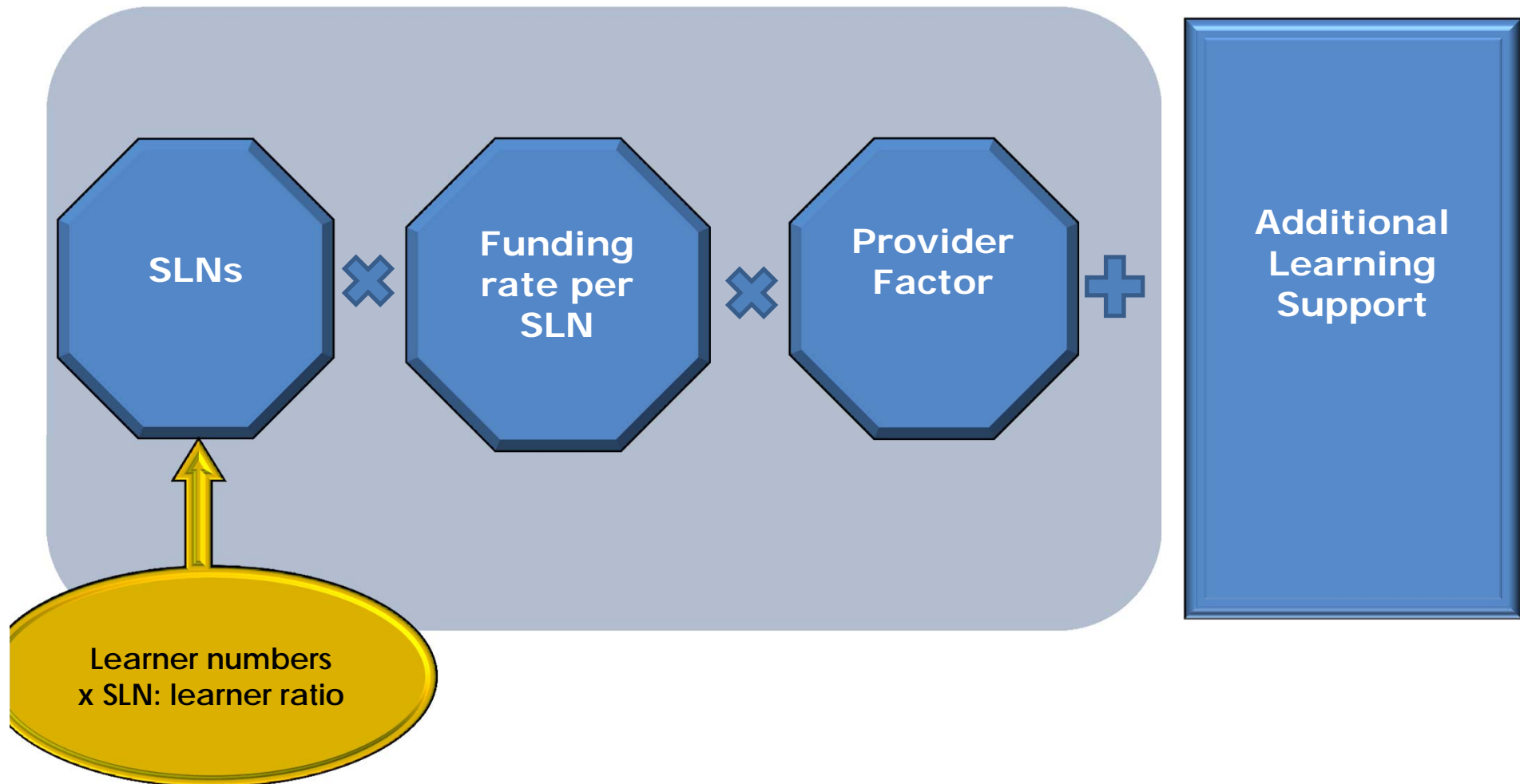


SLN Total	Provider Factor	Total
260	1.2	312



SLN x PF Total	National rate	£ Total
312	£2920	£911,040

The post-16 Funding Formula



E. Additional Learning Support (ALS)

- Calculated using GCSE English & Maths points on entry to post-16
- Different from SEN Grant currently pass-ported from YPLA to LAs

E. Additional Learning Support (ALS)

GCSE English & Mathematics Points		2011/12
		100% allocated by formula
0-15	No passes	£1920.82
16-31	1 G grade	£1390.62
32-43	2 G grades	£948.16
44-55	2 F grades	£673.91
56-67	2 E grades	£449.01
68-79	2 D grades	£273.48
80-91	2 C grades	£93.28
92-103	2 B grades	£44.64
104+	2 A grades +	£27.26

Extra cash 2011/13

E. Additional Learning Support (ALS)

Institution	ALS rate (based on GCSE Eng/Maths)	x SLNS	ALS Allocation
A	£155.77	205	£31,933
B	£116.90		£44,482
C	£75.57		£40,997
D	£159.34		£187,076
E	£217.95		£88,777

Note: Use of formula ALS not linked to individual learners

Transitional protection at the end; at an end?

- Seeks to reduce the effects of funding changes that result directly from the formula
- Currently operates at the level of funding per learner
- Phased out in 2014+

Summing up...



Reducing entitlement; targeting disadvantage

2010/11

Learner Programme Funding



Entitlement Funding
(114 GLH per learner)

2011-12

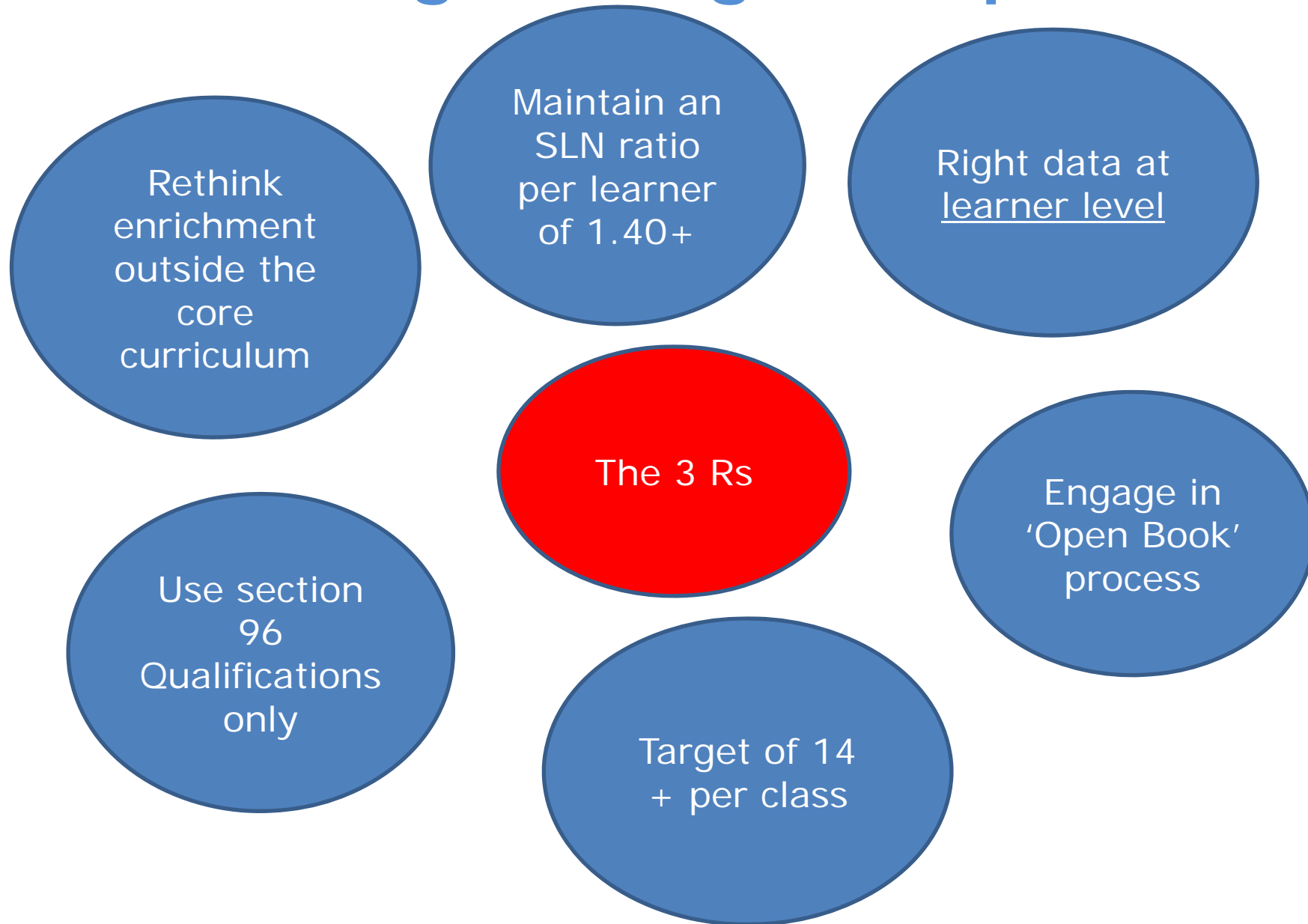
Learner Programme Funding



30 GLH	ALS DIS	
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Maximising funding - recap



Thank you for listening



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Free resources: www.i3datacloud.com

