



Walsall Council

Walsall Children's Services

Report to: Schools Forum

Date: 19 October 2010

Subject: 14-19 Funding Update

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Purpose of the report: To inform the Schools Forum of the latest position regarding the 14-19 funding system for 2011-12 onwards.

Recommendation: Schools Forum to note the content of the report, at both school and local authority level.

1. Introduction

- 1.1** The government has started to implement changes to the 16-19 (16-25 LLDD) commissioning structure which involves moving away from the prescriptive National Commissioning Framework (NCF) managed by local authorities. New statutory guidance, which will be simplified and short in comparison to the NCF, is currently being drafted by the YPLA.
- 1.2** The Apprenticeships, Skills and Learning (ASCL) Act (2009) however, still places the statutory duty/responsibility on local authorities (LAs) to secure high-quality, wide-ranging and accessible education and training for young people over compulsory school age i.e. 16-19; this also includes securing high-quality and appropriate education and training provision for 16-25 year olds subject to a learning difficulty assessment. This will be achieved by implementing sophisticated commissioning activities to inform the Young People's Learning Agency (YPLA) and the Skills Funding Agency (SFA) of the level, volume and type of provision that is required locally.
- 1.3** Consultation on the draft guidance will take place after the Comprehensive Spending Review, the SEN Green Paper and the Schools White Paper are published.
- 1.4** Local authorities will retain their key strategic leadership role for post sixteen provision in their areas i.e. upholding the fundamental role of accountability to maintain the strategic overview of education and training provision for all 16-19 year olds and 16-25 year olds subject to a learning difficulty assessment.

2. Main Features of the proposed Funding System

- 2.1** The key components of the system are:
- Key strategic planning role for local authorities will continue in order to successfully influence appropriate provision from the YPLA and SFA.
 - No mandatory requirement to have Sub Regional Groups (SRG) and Regional Planning Groups (RPG), however it has been agreed by the four Black Country (BC) LAs to continue with the BC SRG so that their track record of an effective collaborative approach can be maintained. YPLA will purchase the provision for schools with sixth forms, and will provide the funds to local authorities to passport to each school, based upon research and intelligence gathered by LAs.
 - Skills Funding Agency will continue to fund all Apprenticeships, including 16-18 Apprenticeships, based upon LA identification of local skills needs and capacity of providers to deliver.
 - YPLA will continue to fund all other post 16 provision including Further Education, also based upon LA identification of local education and skills needs and capacity of those providers to deliver; with the possible exception of young offender institutes
 - LAs will maintain the principal relationship with all school sixth forms, FE colleges and other post 16 providers with regards to the planning of education and training provision; this will include discussions around quality and appropriateness, health and safety etc.

2.2 Funding and Formula Proposals

- Lagged Learner Number will be the basis for funding (October Census data)
- No in-year or end-year adjustment to schools, academies and colleges grants', except in emergency situations
- Review of the local authority SEN block and High Level ALS and LLDD funding, with a view to introducing a new single funding pot allocated to each local authority from 2012-13. The Black Country, informed by an original idea developed in Walsall LA, is involved in piloting the new LLDD processes and related funding in readiness for 2012-13 and onward.
- May be the introduction of a single national funding rate. Currently, based on historical practice, school sixth forms receive a higher funding rate than Further Education (FE) colleges.
- It is vitally important for schools to ensure that **their data** is accurate and timely in order to maximise their YPLA grant allocation
- There has been a pilot in the East Midlands to ensure that missing school data can be collected, for example uncashed AS passes. It is likely that this will be rolled out nationally in the next few weeks
- A convergence approach required for a national rate that could involve transitional protection
- Some scope for discussion where lagged funding is not appropriate e.g. new providers and also where a provider may have closed with the subsequent need to then transfer learners to another provider with immediate effect
- Existing academies would be brought into the lagged funding system

2.3 The YPLA has much work to do to develop a new funding model for 2011-12. This will be exacerbated by the timing of the Comprehensive Spending Review, the Schools White Paper and the SEN Green Paper. Timelines will be very tight and it is unlikely that any funding allocation will be known until February/March 2011.

3. Post 16 SEN and LLDD Funding Proposals

3.1 The local authority currently receives a block funding allocation for post 16 pupils with SEN. The sum received is based upon an audit that took place many years ago, uprated for inflation on an annual basis. The block grant is then used to fund high cost SEN pupils attending maintained special schools or independent special schools.

3.2 The funding for post 16 pupils maintained special schools is added to the Dedicated Schools Grant and forms part of the Individual Schools Budget. Due to an increase in numbers of post 16 pupils remaining in special schools over the years, the current SEN block grant does not cover the cost of this provision. There is a shortfall of approximately £400k.

- 3.3** The post 16 funding for pupils attending independent special schools forms part of the Central Expenditure within the Schools Budget.
- 3.4** LLDD students aged 16-25 were funded by the former LSC on a regional basis, until the 31 March 2010. This has been a budget that has consistently overspent, although the YPLA state that the budget met all costs at a national level in 2009-10. This responsibility and budget will transfer to the local authority from 2012.
- 3.5** The proposal from the YPLA to merge the former LSC budget and the LA SEN Block into a single pot to be distributed to all local authorities may have funding implications at local authority level, as well as creating financial pressures for the total Schools Budget and individual special schools.
- 3.6** As with any funding changes, it is difficult to predict the impact at local level, particularly when proposals are at an early stage of development. However, it is important that the Schools Forum is aware of the emerging issues and bears them in mind as future funding decisions are taken.

4. Recommendations

- 4.1** The Schools Forum note the proposed changes to the post 16 funding system.
- 4.2** Further information is shared with the Schools Forum as the YPLA policy and process are firmed up over the coming months.