

School Sixth Forms

Funding Guidance for 2003/04

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Learning+Skills Council

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School Sixth Forms: Funding Guidance for 2003/04

Section 1: Introduction

Context

1.1 The Learning and Skills Council (LSC) is committed to supporting a strong school sixth form sector. It does so through its planning and funding roles.

1.2 Strong strategic and mature partnerships between the LSC and schools, LEAs and the DfES are vital. The purpose of these partnerships at national and local levels is to ensure that local learner needs are met and that school sixth forms can play their full part in meeting those needs. In this context, it is encouraging that, in 2002/03, school sixth forms nationally recruited an additional 3.4% of pupils over the previous year's numbers, against an increase in the 16-18 year group of 1.8%.

1.3 The LSC is taking its strategic planning role forward with the learner at the centre. It is doing so particularly within the context of Strategic Area Reviews. Schools with sixth forms will play a full part in these reviews.

1.4 Ministers are also now publicising their new guiding principles on 16-19 organisation. The LSC has contributed to the development of those principles, and we will work closely with our partners to make them a reality in each area – again, for the benefit of learners.

Funding guidance

1.5 This guide is about how the LSC is exercising its funding role. In it, the LSC **explains** its system for funding school sixth

forms in 2003/04 and **consults** on some proposals for 2004/05 and beyond.

1.6 It is written for all those responsible for managing school sixth forms. It replaces *School Sixth Forms: Funding Guidance for 2002/03*, published in July 2002, and the subsequent *Schools Update* which was distributed in December 2002.

1.7 The guide is in two parts:

- **Part A** explains the LSC's funding system for 2003/04. A new feature is the ***much simpler arrangement*** for adjusting funding for actual sixth form pupil recruitment and retention in 2003/04. Part A also covers the September 2003 Pupil Count which is the basis for ***calculating allocations for 2004/05***; and
- **Part B** sets out the LSC's ***proposals*** for elements of the funding system from 2004/05 and beyond. That includes how the system will align with the implementation of ***the Secretary of State's plans for school funding stability***. We are consulting on our proposals, and would welcome feedback.

Section 2: Summary

2.1 The **September 2003 Pupil Count Form** is the basis for LSC action on two funding years for schools with sixth forms:

- **adjusting** the **2003/04** allocation for actual pupil recruitment in September 2003; and
- **calculating** the **2004/05** allocation.

Adjusting the 2003/04 allocation

2.2 The LSC will:

- make **only one** adjustment - upwards or downwards - to the 2003/04 allocation;
- make the adjustment to cover **recruitment and a school's individual retention rate**;
- notify schools and LEAs of this adjustment in **November 2003**;
- pay any **additional** funds from this adjustment in **January 2004**;
- **delay** making any downward adjustments until April 2004 that is **in the 2004-05 Financial Year**;
- **not** make any adjustment for **achievement**; and
- **not** make any adjustment for **qualification mix**.

2.3 Schools will therefore:

- experience **only one** adjustment – upwards or downwards - to their 2003/04 allocation, which is for recruitment and retention;
 - if the adjustment is upwards, receive **additional** funding in the **2003-04 Financial Year**; and
 - if the adjustment is downwards, have the reduction **delayed until the 2004-05 Financial Year**.

2.4 Section 6 explains the details of this adjustment.

Calculating the 2004/05 allocation

2.5 The LSC will:

- **increase its rates** by the same amount as the Secretary of State's per pupil guarantee for 2004-05;
- use the **school's individual retention rate** to avoid making subsequent in-year adjustments;
- **not** change the method for calculating the disadvantage factor; and
- notify schools and LEAs of the allocations in **December 2003**.

Consultation

2.6 The LSC is consulting on key issues including:

- **minimising funding turbulence** for schools from 2004/05 whilst reflecting actual sixth form pupil recruitment, retention and achievement; and
- the LSC's role over **special educational needs**.

Funding simplification

2.7 A major objective for the LSC is to simplify its funding system as far as possible. For schools with sixth forms, that means contributing to **school funding stability**, improving the **clarity** of our explanations of the funding system and **minimising bureaucracy**.

Part A: Funding Guidance for 2003/2004

Section 3: The LSC Funding Formula

3.1 A common funding formula is an important part of the Council's strategy to introduce coherent funding arrangements across the post-16 education and training sectors, and to support developments in the 14-19 agenda and *Success for All*.

3.2 The main principle behind the LSC funding formula is that the funding should follow the individual learner, wherever the learning takes place. As a result, the LSC formula allows the funding to differentiate between the different programmes that individual learners follow, wherever they follow them.

3.3 The funding formula gives a **per pupil entitlement** plus funding for the particular **qualifications** which those pupils are undertaking.

Per pupil 'entitlement'

3.4 The 'per pupil entitlement' is the amount schools receive for each learner in the sixth form for key skills, tutorial support and enrichment activities. The rate for 2003/04 is £720 for each school sixth form pupil.

3.5 Schools use their discretion over the use of the entitlement funding. The LSC's expectation is that it would provide between four and five hours per pupil per week on relevant activities.

LSC formula

3.6 The LSC formula for funding the qualifications taken in school sixth forms has six elements:

- **national base rate** – this reflects the contact time teachers have with pupils and the basic cost of delivering each qualification;
- **programme weighting** – this reflects that some subject areas are more costly to deliver than others;
- **retention** – the LSC has to date made an assumption that 90% of pupils remain in a programme during the school year. The retention element is not additional funding – it is part of the national rate;
- **achievement** – 10% of the weighted national rate, which is conditional on the learner achieving the relevant qualification. The achievement element is not additional funding – it is part of the national rate;
- **disadvantage** – this is an uplift to reflect the costs of widening participation and recognising that some learners come from disadvantaged backgrounds; and
- **area costs** – a weighting factor, which reflects the significantly higher costs of delivering education in London and neighbouring areas in the South East.

Retention

3.14 The Council's funding formula – **but not the RTG** – for a school includes a retention reduction. To date, this has been based on an assumption of a national retention rate that 90% of those who start in September will complete their programmes.

3.15 Each school will of course have a different level of retention, which will vary from year to year. The LSC reflects this individual rate in its funding system. In 2002/03, the LSC compared each school's January 2003 PLASC return on sixth form numbers with the number of pupils recorded in the September Pupil Count in 2002. This gave each school a percentage 'retention rate'.

3.16 The LSC adjusted schools' sixth form funding for 2002/03 to take account of this retention rate in July 2003. Schools that had a higher retention rate than the 90% standard assumption received increased funding.

3.17 The LSC will also use the school's individual retention rate to calculate the 2003/04 allocation.

Achievement

3.18 The achievement element is 10% of the total rate for a qualification aim, including programme weighting. This is not an additional amount – it is included within the programme rate.

3.19 In calculating a school's allocation, the LSC assumes a standard level of achievement

of 87%. This is based on actual national achievement levels in sixth form colleges – the closest proxy figures available. There is no individual school rate for achievement in 2003/04.

Disadvantage

3.20 The disadvantage uplift for school sixth forms supports the policy of reaching and supporting disadvantaged learners, and recognises the extra costs of doing so.

3.21 The LSC uses known eligibility for Free School Meals (FSM) as the measure for this part of the formula. The FSM is the whole school's eligibility taken from the January 2002 PLASC return. The disadvantage uplift is a percentage figure. It is calculated by multiplying the FSM factor by 20%.

Area costs

3.22 The final element of the formula reflects the significant additional costs of teaching post-16 education in London and areas in the South East. The Council uplifts the funding for school sixth forms according to their maintaining LEA.

3.23 On advice from the independent National Rates Advisory Group (NRAG), the Council has recently revised its area cost uplifts. The LSC is implementing the additional percentage increases over two years: the first phase has been included in the 2003/04 allocations; the second phase will be implemented in 2004/05.

Example – Disadvantage Calculation

The disadvantage uplift is 20% of the FSM factor.

If there are 1,000 pupils in a school, of which 250 are eligible for Free School Meals, the FSM factor is 25%.

The disadvantage uplift is 20% of that factor. In this example, 20% of 25% gives 5% uplift to the weighted national rate. The school would have a disadvantage factor of 1.05.

3.24 Annex A gives full details of the area cost uplifts and of the individual LEA areas in London and the South East to which they apply.

Employers' pensions contributions

3.25 In 2002-03, the DfES devolved £40.4 million to the LSC to meet additional employer contributions to teachers' pensions as they also did for LEAs for pre-16 funding. The LSC allocated this money separately from the qualification rates to schools in 2003/04 based on pupil numbers and area costs, and proposes to do the same in 2004/05.

Workforce reform

3.26 The LSC is discussing with the DfES the implications for post-16 funding of workforce reform.

Section 4: Calculating the School's Sixth Form Funding

The Real Terms Guarantee

4.1 To make sure that schools did not lose any funding during the transition from LEA to LSC funding, the Government gave schools a guarantee that their sixth form funding would not reduce in real terms provided that they maintained their sixth form pupil numbers. This is the Real Terms Guarantee (RTG).

The calculation of the RTG baseline

4.2 Based on each LEA's section 52 data for 2000-01, the DfES calculated a baseline RTG funding level for each school sixth form according to the amount of funding the school was allocated for its sixth form pupils in 2000-01.

4.3 Each year, the baseline RTG funding level for each school sixth form is uplifted for inflation – for instance, by 3% for 2003/04 over the 2002/03 level. The Council then adjusts this annually calculated baseline figure by a fixed amount – up or down - to reflect changes in actual pupil numbers. In 2003/04, this per pupil amount was £2,700.

4.4 The school's RTG calculation, using this methodology, is its **guaranteed minimum level of funding** for the relevant year.

How the sixth form allocation is calculated

4.5 The LSC calculates two figures for each school, using the two methods:

- LSC formula; and
- Real Terms Guarantee (RTG).

4.6 These methods are described in Sections 3 and 4. For each funding year, the LSC allocates to the school **whichever is the higher of these two calculations**. For 2003/04, two-

thirds of schools' sixth form allocations are based on the LSC formula, and one-third on the RTG.

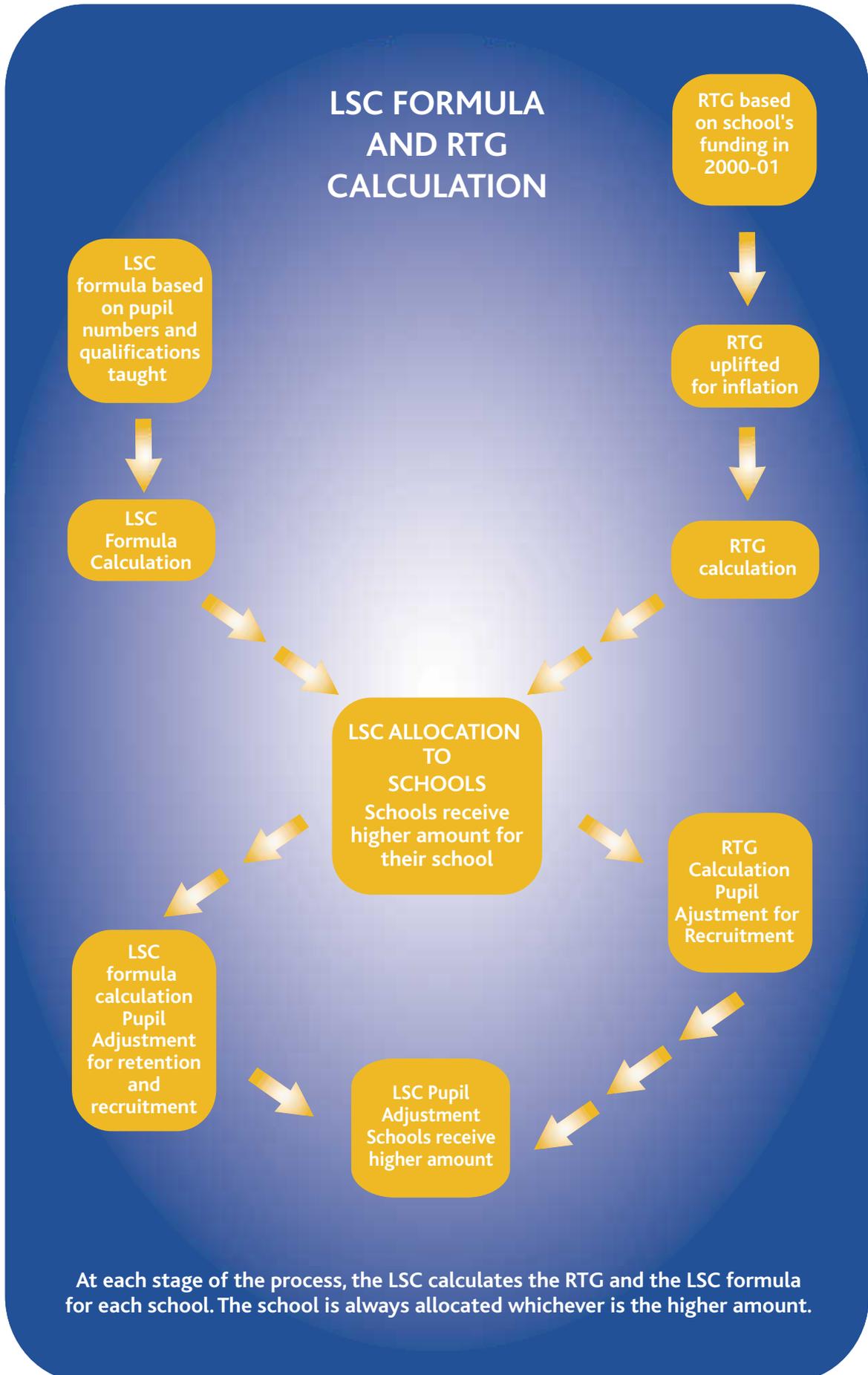
4.7 Section 6 explains how the LSC will **adjust each school's 2003/04 allocation in the autumn for actual pupil recruitment in September 2003 and for retention**. The LSC will adjust both the school's formula funding figure and its RTG figure. The school will receive the higher of the two figures after the adjustment. In this way, a number of schools may change between the RTG and the LSC formula, in order to ensure that they always receive the higher figure.

LEA deductions from LSC allocations

4.8 The *Financing of Maintained Schools Regulations 2003* allows LEAs in 2003-04 to deduct up to one-third of the difference between a school's RTG and LSC formula calculation, where the latter is higher. From April 2004, no such deduction is allowed.

4.9 These regulations also allow LEAs to reduce a school's budget share for 2003-04 to take account of items assumed to be funded both within the LSC allocation and within the school's non- Age Weighted Pupil Unit (AWPU) funding.

4.10 The Regulations also allow LEAs to add to the LSC allocation for sixth forms.



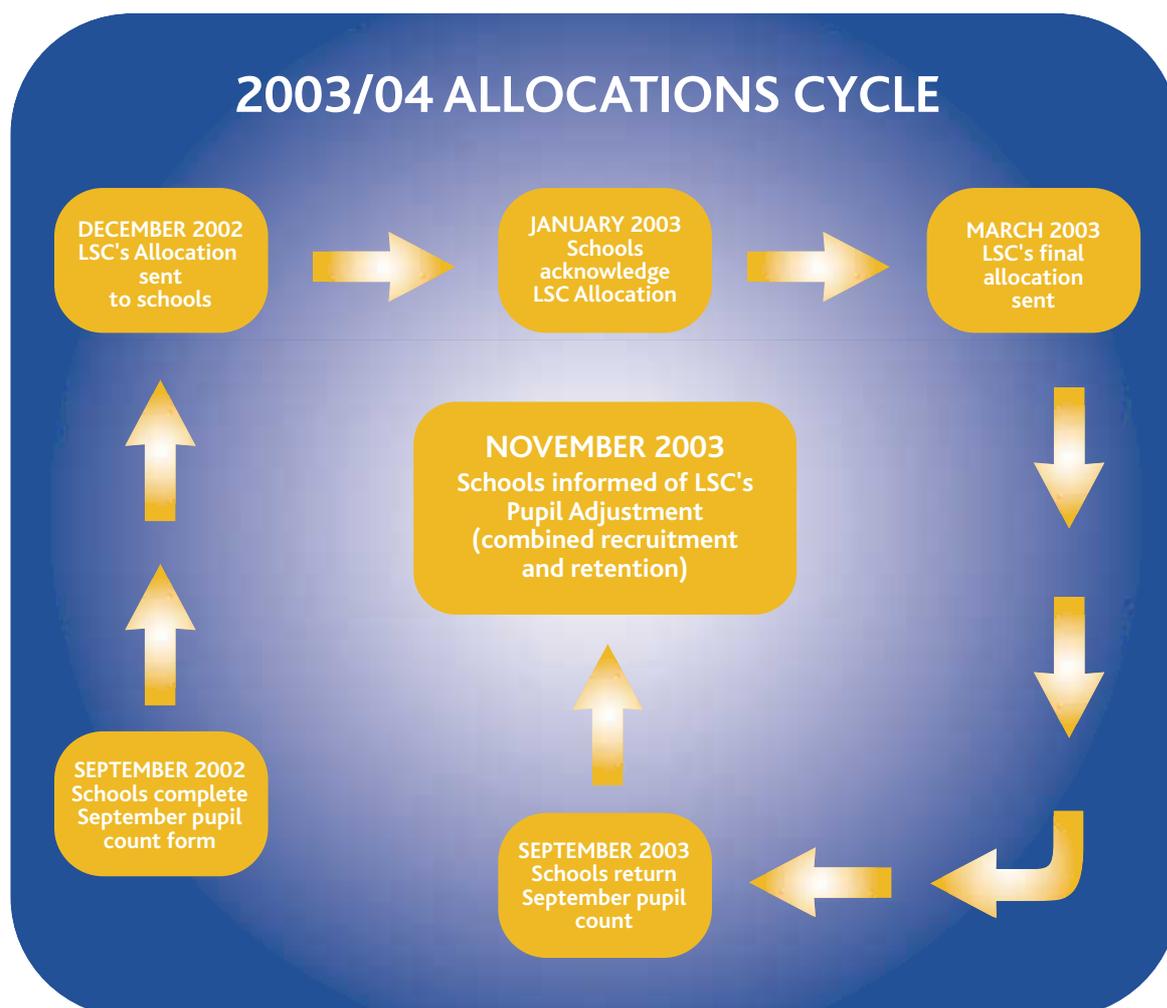
Section 5: The School Sixth Form Allocation Cycle

The Annual Funding Cycle

5.1 At any point in time, a school is involved in two separate funding cycles with the LSC. For example, in September 2003 a school is at the start of both:

- **the 2003/04 Funding cycle** (having received the first 2003/04 payments in August); and
- **the 2004/05 Allocations cycle** with the data entered in the September 2003 Pupil Count Form (SPC).

5.2 The LSC's funding year runs from 1 August to 31 July. Each allocation cycle includes the following parts:



September 2002 September Pupil Count (SPC)

5.3 Schools have completed the 2002 SPC. This form recorded the number of pupils and the number and types of qualifications that they are studying etc. This provided the LSC with the data for the original allocation of funding to schools for 2003/04.

December 2002 LSC's Original Allocation to Schools

5.4 By using the data from the 2002 SPC, the LSC made an allocation of funding for each school sixth form to the school's maintaining LEA. For each school, the Council made two calculations—the Real Terms Guarantee (RTG) and the LSC Formula. The Council allocated the school whichever is the higher level of funding.

September 2003 September Pupil Count Form (SPC)

5.5 Schools complete the 2003 SPC, by recording the number of pupils in the sixth form. The LSC will be adjusting funding to reflect the actual number of sixth form pupils in September 2003 compared with the sixth form pupil total recorded on the school's 2002 SPC.

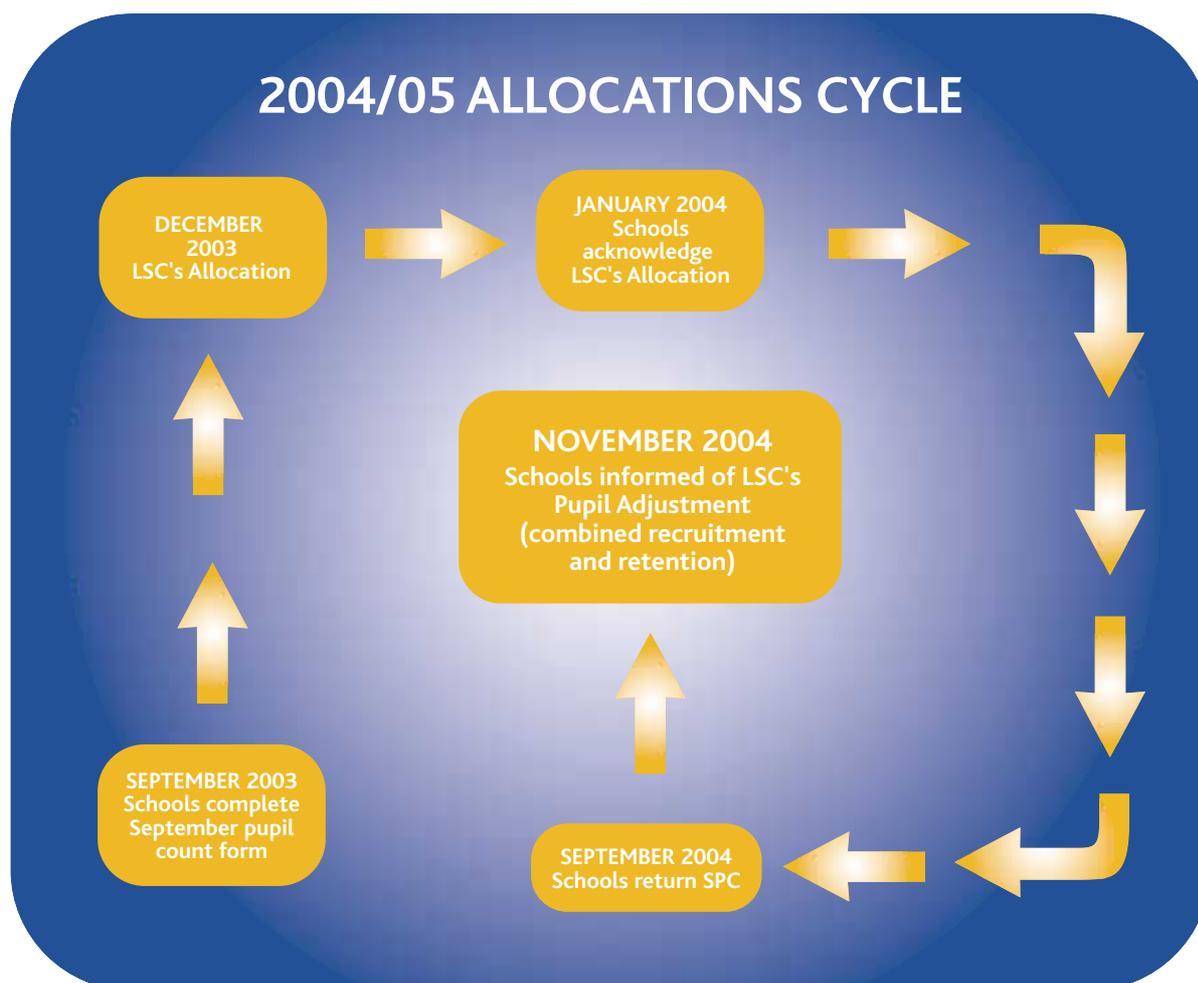
5.6 In order to minimise the potential turbulence to schools, the LSC will be continuing its policy not to reconcile the qualification mix taken by the school's pupils identified in the 2003 SPC where it differs from the 2002 SPC. The Council uses the 2003 SPC qualification data to inform the 2004/05 allocations (see Section 7).

5.7 The Council will not fund additional qualifications in 2003/04. However, if these courses have attracted additional pupils to the school, the school will receive an increased adjustment for these additional pupils, which will be included in the pupil adjustment in November 2003.

November 2003 LSC's Pupil Adjustment

5.8 The LSC is simplifying its individual retention process by combining any adjustment for recruitment of pupil numbers with a school's individual retention rate based on the school's 2002/03 retention figure. This is the autumn pupil adjustment.

5.9 In November 2003, the Council will inform schools of their pupil adjustment.



September 2003 September Pupil Count Form (SPC)

5.10 Schools complete the 2003 SPC, recording the number of pupils in the sixth form and the qualifications that they are studying. It is important that schools enter this data accurately as it will form the basis of the school's 2004/05 LSC allocation.

December 2003 LSC Allocation for 2004/05

5.11 Using the 2003 SPC data, the LSC will send each school, and its maintaining LEA, an Allocation for 2004/05.

January 2004 Schools acknowledge LSC allocation for 2004/05

5.12 The LSC asks schools to check their original allocation, and pay particular attention to the qualification data on which it is based from the 2003 SPC. The Council expects all schools to acknowledge their LSC allocation by the end of January 2004.

5.13 Schools with concerns over their allocation can raise these with their local LSC who will examine each case on its merits.

September 2004 SPC completed by schools

5.14 Schools complete the 2004 SPC including sixth form pupil numbers and qualifications.

November 2004 LSC Pupil Allocation to schools for 2004/05

5.15 Using the 2004 SPC, the LSC will issue the autumn pupil adjustment.

Section 6: The School's 2003/04 Allocation - The Autumn Pupil Adjustment

September Pupil Count form (SPC) 2003

6.1 In September 2003, schools complete the SPC, recording how many pupils are in the sixth form. The Council uses this data as the basis for the Pupil Adjustment to the school, and it is important that schools record the number of pupils accurately.

The autumn pupil adjustment

6.2. The LSC made a number of adjustments to the 2002/03 allocations to take account of actual pupil recruitment and retention. Around two-thirds of schools with sixth forms benefited from the additional resources that these adjustments triggered.

6.3 However, whilst the additional resources were welcomed, the LSC has taken account of comments from schools and LEAs about those adjustments. As a result, in 2003/04, the LSC will:

- *make only one adjustment – the autumn pupil adjustment – which we will notify to schools and LEAs in November 2003;*
- *pay any upward adjustments from January 2004; and delay implementing downward adjustments until the 2004-05 Financial Year.*

6.4 The pupil adjustment to the 2003/04 allocation will combine both actual pupil recruitment and the school's retention rate. The pupil recruitment will be taken from the **September 2003 Pupil Count Form**; and the school's **2002/03 individual retention rate** will be used to adjust the 2003/04 allocation.

6.5 The LSC will calculate a school's pupil adjustment for recruitment and retention in the following way:

Calculating a School's Pupil Adjustment

Step A Recruitment

Pupil numbers

The **September 2003 pupil numbers**, recorded in the SPC are compared with the **September 2002 figure**. The **difference** – upwards or downwards – is **multiplied by the per pupil average**;

Per pupil average

- In the **LSC formula** this is calculated by dividing the total LSC formula allocation (ignoring any deductions or additions made by the LEA) for 2003/04 by the number of pupils on which the allocation was based (in the September 2002 pupil count);
- for the **RTG calculation**, the amount is a fixed rate of £2,700 per pupil in 2003/04

Step B Retention

The school's individual retention rate for 2002/03 will be used. That percentage rate will be compared with the standard assumption of 90%, and the difference – upwards or downwards – will be included in the adjustment.

The school's individual retention percentage for 2002/03 will be calculated as a percentage of the school's 2003/04 retention deduction. The retention element only applies to the LSC formula figure.

Step C Pupil Adjustment

The school's recruitment total and retention total are then added together to make the school's pupil adjustment.

Example Pupil Adjustment for LSC Formula

Step A Recruitment

Pupil numbers

The school has 275 pupils in September 2003 compared to 255 in September 2002 – an increase of 20 pupils.

Per Pupil Funding Average

The school has 255 pupils on the 2002 SPC and received £986,000 in its Original Allocation for 2003/04.

Its per pupil average is £986,000 divided by 255 = £3,867 for each pupil.

The average per pupil cost - £3,867 is multiplied by the 20 additional pupils.

The total for recruitment is therefore an additional £77,340.

Step B Retention

The school had a retention deduction of £20,000 in its Original Allocation for 2002/03. In 2002/03 the school's retention rate was 95%. As the retention reduction was based on a national assumption of a 90% retention rate, the school received 50% of its deduction for retention (£10,000) in 2002/03.

In 2003/04, the school, because of increased numbers, has a retention deduction of £22,000. Based on the school's 2002/03 retention rate of 95%, the school will receive back 50% of this deduction, i.e. £11,000 for 2003/04.

Step C The Pupil Adjustment combines recruitment and retention

The recruitment total (£77,340) is added to the retention total (£11,000) to create an upwards Pupil Adjustment total of £88,340 for the school.

Example Pupil Adjustment for the RTG

Step A Recruitment

For the RTG, additional or lost pupils are costed at £2,700 each

The school had 310 pupils in September 2003 compared with 300 in September 2002 – an increase of 10.

The recruitment total is therefore 10 additional pupils multiplied by 2,700 totaling £27,000.

Step B Retention

There is no retention calculation for the RTG calculation.

Therefore the **pupil adjustment for RTG** is the recruitment calculation only and the pupil adjustment is £27,000.

Both these case studies show upward adjustments. Examples of downward adjustments as a result of a fall in pupil numbers are shown in Annex B.

Section 7: Calculating the School's 2004/05 Allocation

September Pupil Count form 2003

7.1 The Council uses the data entered in Section 3 of the 2003 September Pupil Count Form (SPC) to calculate for each school its sixth form allocation from August 2004 to July 2005.

7.2 To determine each school's allocation correctly, the Council needs accurate information on the number of pupils and the qualifications being studied by the pupils.

7.3 To make sure that schools record their data as accurately as possible, schools should:

- read the following section carefully with the supporting guidance with the SPC;
- consider contacting their local LSC for a worked example of a school's SPC;
- double check the totals on the SPC and the calculations underpinning them, with a person who has not had any previous involvement with the data; and
- compare the 2003 SPC with the 2002 SPC and to be able to clearly identify any significant changes and the reasons for them.

7.4 The LSC's assurance pilots (see paragraphs 7.36 to 7.39) highlighted that these procedures may prevent errors on the SPC return, which can have a negative effect on a school's funding for the following year.

7.5 Each year, the LSC has modified this section of the SPC to enable schools to itemise their qualifications more accurately. In 2002, the Council redesigned the AVCE /GNVQ section to enable schools to record accurately their AVCE/GNVQ data and for 2003 the NVQ section has followed suit.

Pupils

Eligibility

7.6 Sixth form pupils are those in full time education who are under 19 years of age at the beginning of their sixth form programme of study.

Fast track pupils

7.7 Schools can count pupils under the age of 16 that are undertaking a full sixth form programme of study as sixth formers. Schools should not include these pupils in the 11-16 returns as this will result in the double counting of these pupils.

7.8 Some pupils in Years 10 or 11 may be studying an AS or A2 course as well as their GCSE programmes because they are on a fast track programme. These pupils are funded by the LEA and so are not eligible for LSC funding. To qualify for funding the majority of the pupil's programme must be in the sixth form.

7.9 Further to the 14-19 Green Paper "*Extending Opportunities, Raising Standards*", it is likely that pre-16 learners will increasingly take advantage of the greater flexibility which allows them to "fast track" onto AS Level and AVCE courses. The LSC will ensure that its funding regime will support schools and colleges with such pupils.

7.10 Schools should not include pupils over 16 who are taking a Year 11 programme in Section 3 of the SPC.

Pupil numbers

7.11 The number of pupils entered on the SPC relates to those on the school roll as at 18 September 2003 – not predicted pupil numbers. The LSC includes all eligible full time pupils in the sixth form in September in its retention calculations; this includes Years 12, 13 and 14.

Entitlement

7.12 All pupils receive funding for "Entitlement" which covers key skills, tutorials and other enrichment activities such as Personal, Social and Health Education (PSHE), sports, music, dance, drama (non examinable); Young Enterprise; Duke of Edinburgh; Religious Education.

7.13 The Council does not provide extra funding for these activities and Key Skills “look alike” qualifications other than for entitlement. To help schools in identifying key skills and their equivalents which will not attract additional funding; examples are published on the LSC website at:

<http://www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/KeySkills/KeySkillsLookalikeList.htm>. It should be noted this list is not definitive.

7.14 Entitlement should make up about four to five hours per week for each pupil.

Qualifications

Consortium arrangements

7.15 The school at which the pupil is on roll should record the qualifications studied by their pupils in another institution, through collaborative arrangements. It is up to the institutions involved to negotiate how schools share funds in relation to this between themselves.

Qualifications cap

7.16 Schools should record the total number of qualifications according to the following condition: for each sixth former, schools can record up to 5 qualifications (including General Studies and “Other” learning aims), but should not include those covered by entitlement funding. If a pupil is studying more than five qualifications, the school should ignore any more than five but the school can include the five with the highest funding values.

Programme weightings

7.17 The LSC has included both Art and Design and Home Economics as cost-weighting factor B courses this year. Schools can find details of other weightings in the SPC guidance.

AVCE and GNVQ qualifications

7.18 Schools should enter AVCE/GNVQ courses for either one or two years and break

them down into three, six or twelve unit qualifications as appropriate. Schools also need to split them into the appropriate cost weightings.

NVQ

7.19 The LSC will be funding NVQs at three different levels of funding to mirror the different ways they can be delivered. These are linked to the teacher contact time per pupil per year and this varies depending on the particular NVQ. Teacher contact time covers classroom contact, support and assessment carried out by the school only. This guidance amplifies the guidance on NVQs in the SPC:

- Delivery model 1 - over 450 hours each year. The school delivers all skills training (on the job), the background knowledge and understanding (off the job) and the support and assessment;
- Delivery model 2 - between 300-449 hours. The school and work based provider jointly deliver the NVQ. The school delivers knowledge and understanding (off the job) and the support and assessment; and
- Delivery model 3 - 0-299 hours per year. The work-based provider delivers the whole NVQ and the school delivers only support and assessment.

7.20 The relative rates attributed to these delivery models cover all costs relating to the qualification and reflect the different levels of funding required to deliver an NVQ in different ways.

7.21 Where NVQs are delivered through a collaborative process, individual providers need to allocate the LSC funding provided between themselves as appropriate.

7.22 It is important that schools only enter in the NVQ section recognised full NVQs awards that are validated by the appropriate awarding bodies. Schools should not enter NVQ equivalents or units of NVQs. These should be entered under Other Qualifications.

Religious education

7.23 A number of schools, mainly Roman Catholic, considered that they were entitled to additional funding for Religious Education in 2003/04, as their qualification added "additionality" to their entitlement delivery. The LSC investigated these cases, using a specialist consultant, and those schools have now been informed of these decisions.

7.24 The only Religious Education programmes that will attract additional funding on top of entitlement are:

- RE qualifications that have been accredited by QCA and approved by the Secretary of State under Section 96; or
- RE programmes that are internally (school) certificated and delivered within a framework that has been approved by the national Roman Catholic body- the National Accrediting Board of Studies (NABS).

7.25 These RE programmes must meet the "additionality" requirements. This means that the programmes are additional to what the school is already funded for, either through entitlement or any other specific qualifications such as A level or GCSE. The Council will not provide additional funding for any other general RE programme and these should be supported through entitlement funding.

Other qualifications

7.26 The Other Qualification section covers any programmes that are not covered by specific qualifications or funded through the entitlement.

7.27 To help the LSC assess these programmes appropriately, it is essential that schools include the following information:

- the full title of the qualification including the level and the awarding body where appropriate;
- the number of hours of teacher contact time each year; and
- the number of pupils studying the qualification.

7.28 Other qualifications must be listed under Section 96 of the *Learning and Skills Act* (which can be found at www.dfes.gov.uk/section96). However, not all qualifications in Section 96 attract additional funding from the LSC as they may be already covered by the entitlement funding.

7.29 Annex C shows details of the funding for these types of qualifications based on teacher contact time for 2002/03. However, such qualifications must clearly add "additionality" to entitlement to result in funding. Schools should contact their local LSC for clarification if necessary.

Level 1 and Level 2 qualifications – grouped qualifications

7.30 If qualifications are combined to create a full time programme for a number of pupils, the school should list the individual qualifications in the Other Qualifications section and indicate that they are part of a grouped full time programme.

7.31 The LSC is keen to support these Level 1 or Level 2 "package" programmes as they widen participation. Local LSCs will discuss with the school during the course of the year whether a more appropriate national qualification can replace the package of qualifications in future years.

7.32 If a school is unsure whether a qualification is eligible for funding, they should enter it in the Other Qualifications section and LSC National Office will make an

assessment of eligibility and funding levels.

Vendor certificated courses

7.33 QCA has now recognised some vendor certificated courses such as OCR/CISCO and OCR/Microsoft. This makes them eligible for specific funding by the Council in 2004/05. To qualify for funding, schools need to enter these qualifications in the Other Qualifications in the 2003 SPC with the number of pupils and number of teacher hours each year.

7.34 The reason for not giving additional funding to these qualifications in 2003/04 is because these allocations were based on the 2002 SPC and no provision was made for these qualifications, none of which were approved at the time of the count. Although some qualifications are now approved, these qualifications and associated funding cannot be added retrospectively to schools' allocations. All available funds for 2003/04 have been allocated to schools and no new resource has been made available to the LSC for 2003/04 for this purpose.

7.35 The Council does not fund other Vendor-certificated programmes, which have not been approved or which are part of the generic learning required to achieve an approved qualification. Schools on the LSC formula can use the entitlement funding for such vendor specific programmes.

Data Assurance

7.36 The Chief Executive as the LSC's accounting officer is responsible to the Department for Education and Skills for ensuring that Departmental funds are applied to the purposes of funding learning. The National Audit Office (NAO), as the LSC's auditors, examines and reports upon how the LSC discharges its responsibilities in funding providers, including school sixth forms. For the 2002/03 funding year, the LSC, working with the DfES, has been able to agree that it can demonstrate its responsibilities by performing assurance work in a sample of 100 schools' SPC pupil data returns.

7.37 Assurance arrangements for 2003/04 are likely to be similar in scope and intensity to the arrangements for 2002/03.

7.38 To support the LSC's assurance work in 2003/04, schools are reminded that they should retain evidence to support the entries made on the return for qualifications and pupil numbers. It will be important for schools to keep the underlying data on which the 2003 SPC was based until September 2005. A full list is included in the attached table.

7.39 Schools should retain similar supporting evidence for 2002/03. The LSC recognises that not all schools may have retained this supporting data for September 2002.

Records to Retain to Support the September 2003 Return for Assurance Purposes

Schools are expected to keep the following records to support the September 2003 Return to the Department for Education and Skills, for 2003/04 assurance purposes:

- A copy of the September 2003 return.
- A copy of the sixth form prospectus for 2003/04.
- A list of pupils by name in the sixth form together with their dates of birth at the census date (18 September 2003) which must match with the total number of pupils on the September 2003 return.
- A list of qualifications each pupil in the sixth form is studying on the census date (18 September 2003).
- The list of qualifications summarised by cost weighting factor which must match with the total number of qualifications in the September 2003 return.
- Any other working papers that the school has to support the entries on the September 2003 return.
- A list of pupils leaving and joining the sixth form in the period September 2003 to July 2004.
- Where it applies, details of any consortium arrangements involving the sixth form and the qualifications taught through the consortium arrangements.

Schools should retain these records until September 2005.

A sixth form pupil is defined as a pupil who is under 19 years of age at the beginning of their sixth form programme of study. It includes pupils under the age of 16 that are undertaking a full time sixth form programme of study, but not those pupils that are 16 or over and taking or retaking their year 11 programme.



Section 8: Post-16 Special Educational Needs in 2003/04

Introduction

8.1 Unlike other post 16 learning routes, where the LSC has direct responsibilities over the placement and funding decisions for individual learners with additional needs, the statutory responsibilities for post-16 school pupils with special educational needs (SEN) rest with LEAs, schools and other agencies.

8.2 Our future role is the subject of active discussion with the DfES, LEAs and other external partners and is considered in Section 12.

Funding post-16 statements of SEN in 2003/04

8.3 The change in sixth form funding arrangements has not altered LEAs' statutory duties and responsibilities, under the *Education Act 1996*, to young people aged 16-19 with SEN who are enrolled at school. LEAs continue to receive and distribute all the relevant funding and retain responsibilities for the assessing, statementing and reviewing processes, including arranging educational provision for pupils with statements.

8.4 The funding comes to the LEA via the LSC rather than through the local authority's settlement under the local government finance system.

8.5 Each LEA's SEN allocation has been calculated by the DfES on the basis of the authority's actual 2000-01 post-16 spending, uprated for inflation and adjusted for changes in the number of 16-19 year-olds in the LEA area. It covers expenditure on pupils with statements at maintained schools and maintained special schools, independent and non-maintained special schools.

8.6 The Real Term Guarantee (RTG) and consequently the LSC Formula allocation to a school, includes funding for post-16

statemented pupils in mainstream schools where the funding was delegated to schools in 2000-01 by the LEA.

8.7 For 2003/04 as for 2002/03, the DfES has agreed that the LSC's funding responsibility for post-16 statements would be fulfilled by passing to the LEA a block sum of money which the DfES determined related to the authority's actual spend on post-16 statements of SEN.

8.8 This means that, for 2003/04, a local authority has exactly the same amount of funding for post-16 statements, as it would if the funding were provided through the settlement alone.

Pupils without statements of SEN

8.9 It is essentially the responsibility of schools to ensure that they make appropriate provision for pupils with special educational needs but without a statement – those whose special needs are 'School Plus'.

8.10 Funding for such pupils is included in the school's allocation from the LSC, whether it is through the RTG or the LSC Formula.

8.11 The Real Terms Guarantee was originally calculated from a school's delegated budget under the LEA's Fair Funding formula, which included funding for pupils with non-statemented special educational needs. Thus, both schools on RTG funding and LSC formula are funded at a level which covers non-statemented special educational needs.

Special schools

8.12 A consequence of the Council **not** having discretion over the funding for post-16 pupils with statements of SEN or over the placement of such pupils is that the funding of maintained special schools remains the responsibility of the LEA for 2003/04. The LEA's own funding formula - usually on a place-led rather than pupil-led basis - is unaffected by the Council's role.

8.13 For the same reasons, it also remains the LEA's responsibility to pay the fees of 16-19 pupils at non-maintained and independent special schools.

8.14 Local Learning and Skills Councils will wish of course to involve special schools in the maintained, non-maintained and independent sectors over local planning issues where appropriate.

Individual cases

8.15 The Council is forwarding in full the funding to the LEA as determined by the DfES. The Council's allocation plus the authority's settlement means that the LEA receives the same level of funding for post-16 SEN as well as retaining its statutory responsibilities.

8.16 The Council has not been given any extra funding to provide any additional resources. As in previous years, the LEAs will continue to be responsible for meeting the cost of new in-year statements. LEAs should not therefore expect additional resources from the Council to cover individual cases.

LEA flexibility over post-16 SEN funding

8.17 Post-16 SEN funding provided to the LEA by the Council has not been ring-fenced for 2003/04. Any funding remaining after supporting post-16 statements should be used to support SEN generally – statemented or non-statemented, pre- or post-16. LEAs must, of course, ensure that they fulfil all their duties to post-16 learners with statements.

The SEN code of practice

8.18 Under section 13 of the *Learning and Skills Act 2000*, the Council has to have regard to the needs of persons with learning difficulties, including when carrying out its funding duties under section 5(1) (a) to (d), and to any assessments under section 140 (*Assessments relating to learning difficulties*).

8.19 In addition, guidance from the DfES advises the Council to work closely with the Connexions Service with regard to young people with learning difficulties and

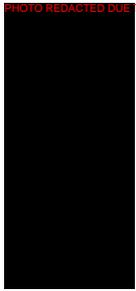
disabilities. The Connexions Service, under the SEN Code, is responsible for overseeing the implementation of the Transition Plan for young people with statements.

8.20 Local Learning and Skills Councils would be expected to assist Connexions staff, and LEAs more generally, in supporting the education of young people with SEN. These arrangements are not affected by the Council's funding role.

Funding beyond a pupil's 19th birthday

8.21 The SEN Code of Practice – paragraph 9.61 – refers to the Council making it a condition of funding that the LEA continues to maintain the statement, for a pupil who stays on in school after compulsory school age, until the end of the academic year in which the pupil's 19th birthday falls. The Council expects all LEAs to follow this good practice, as indeed many already do, in keeping with the tenet of the revised Code of Practice. Ministers have indicated that ceasing funding on a student's 19th birthday is unacceptable practice and have given assurances that conditions would be imposed to stop this practice.

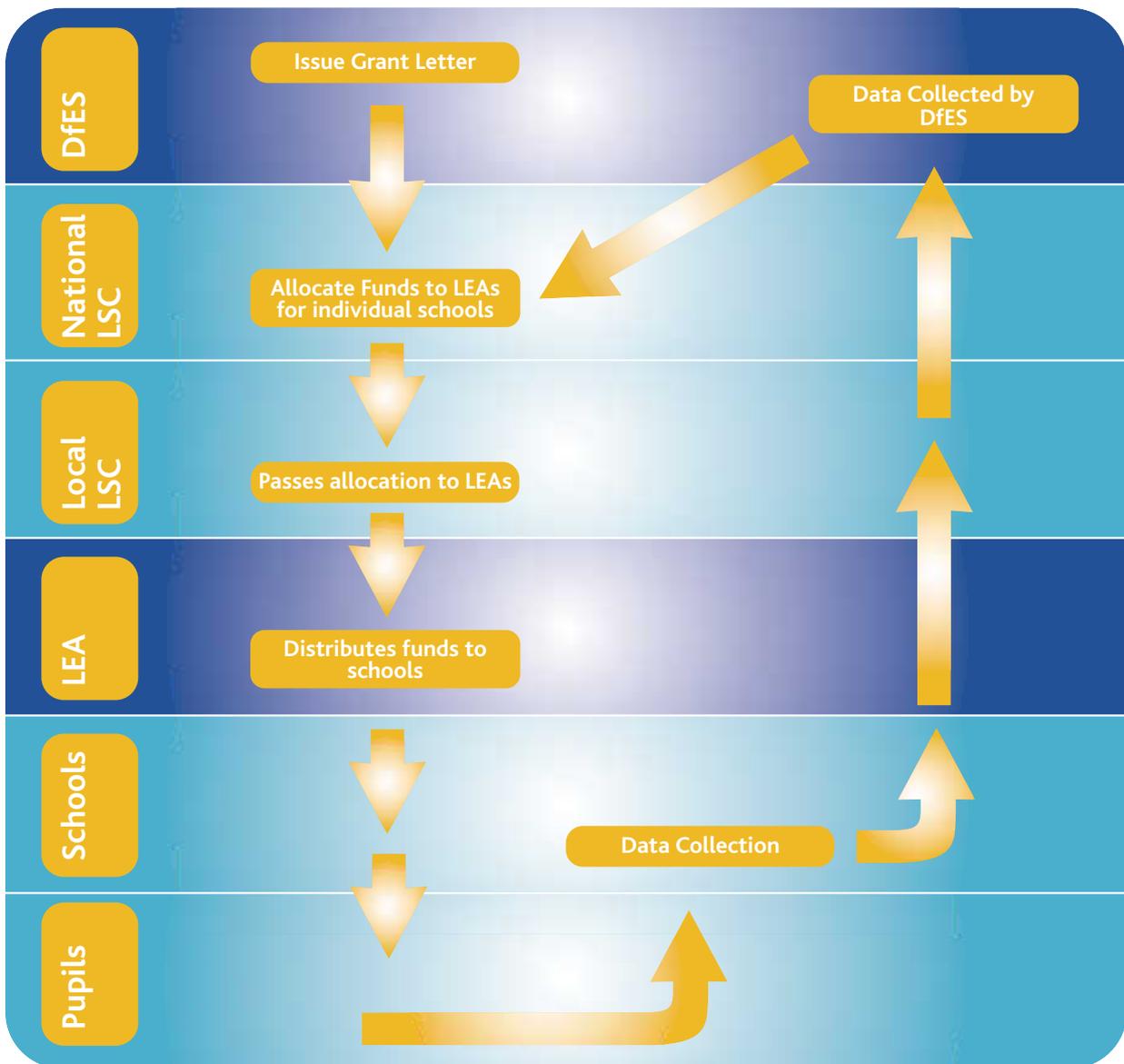
8.22 This is a formal condition of grant in 2003/04, which it was not in 2002/03.



Section 9: LSC Payments Profile to LEAs

Introduction

9.1 Whilst the LSC allocates funding to school sixth forms, the Council pays it as a grant to Local Education Authorities (LEAs). LEAs then include these sixth form funds within the school budget shares.



Grant payment process

9.2 In 2003/04, the Council pays a total grant to each authority using a funding year payment profile of 12 equal monthly payments. The Council consulted with the Local Government Association (LGA) and with a number of Local Authorities who agreed that a move to a 12 equal monthly payment profile would simplify the payment process and make it easier to follow. However, each LEA has the right to pass on LSC funding to schools in the way they feel appropriate within the prescribed regulations.

Conditions of grant

9.3 The Council will be setting out some general conditions on the grant in a letter to LEAs. These conditions are designed to make sure LEAs use LSC resources appropriately. In future, the Council plans to issue a new, revised letter containing conditions of grant across all relevant funding streams, not just school sixth forms. The Council intends to consult the Local Government Association on the proposed conditions.

9.4 These conditions of grant operate alongside the Financing of Maintained Schools Regulations. The Regulations take statutory precedence over the Council's conditions of grant.

9.5 The Council provides allocations for schools for the funding year, August to July, as it does for all institutions in all educational sectors.

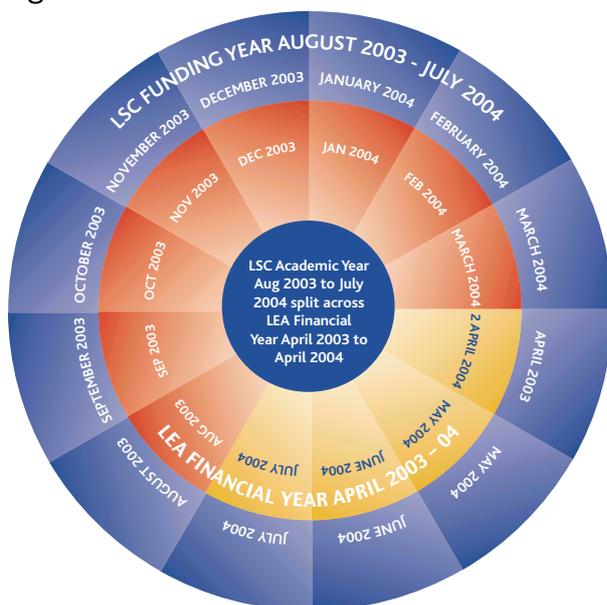
9.6 LEAs and schools set budgets for the financial year from April to March.

9.7 To help the understanding of this feature, the LSC attempts in its individual allocations to schools and in this Guidance to highlight the effects on its payments profile, of straddling two financial years. The Council is equally aware that, since the introduction of Local Management of Schools, schools have needed to calculate the cost of potential savings and costs from September to March – 7/12 of the financial year - when setting budgets in March for the following financial year.

9.8 To help this process, the LSC is planning to let schools and LEAs know the Pupil Adjustment for 2003/04 in November 2003, with the proposed adjusted payments profile to LEAs from January 2004:

- LEAs will receive funding for schools, who have increased funding from January to July 2004.
- The Council will adjust allocations to LEAs, which have schools with reduced payments from April 2004 in the new financial year 2004-05.

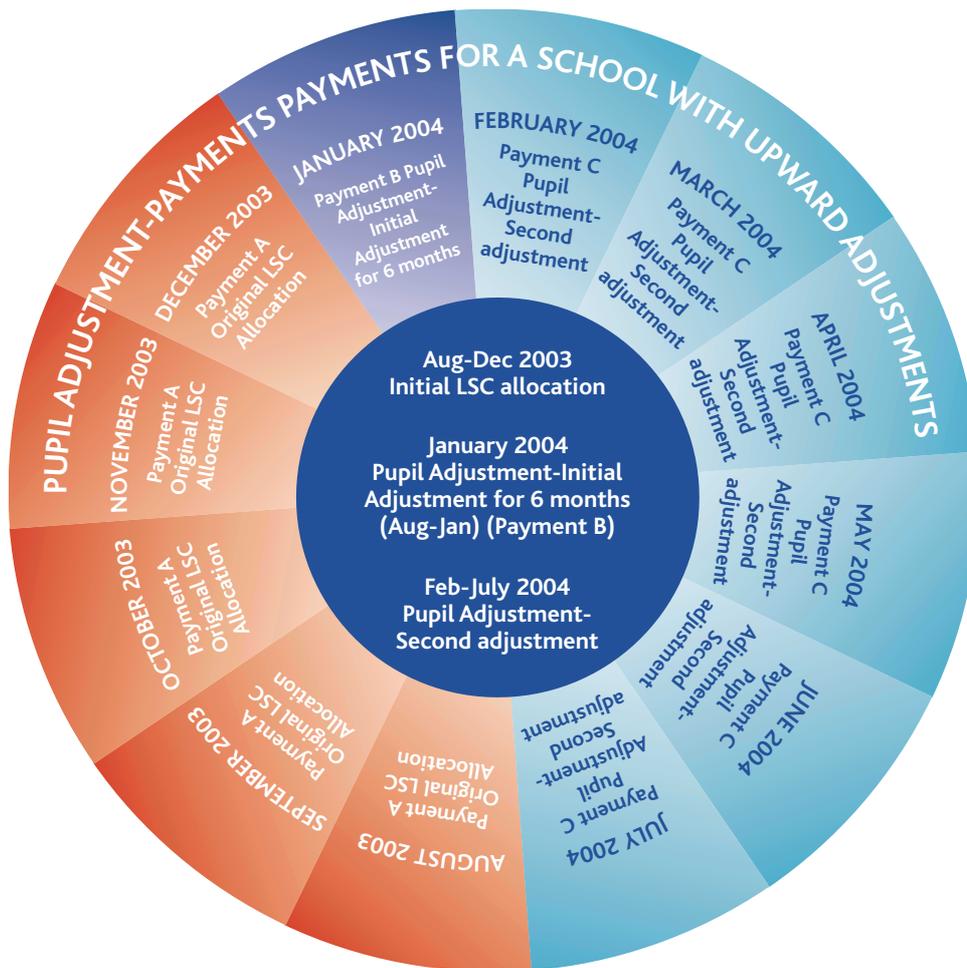
9.9 The LSC will increase payments appropriately from January to July 2004. In January 2004, LEAs will receive 50% of the Pupil Adjustment (i.e. the January payment and the preceding five months of the funding year) and then 1/12 of the Pupil Adjustment for each of the remaining six months (February to July 2004).



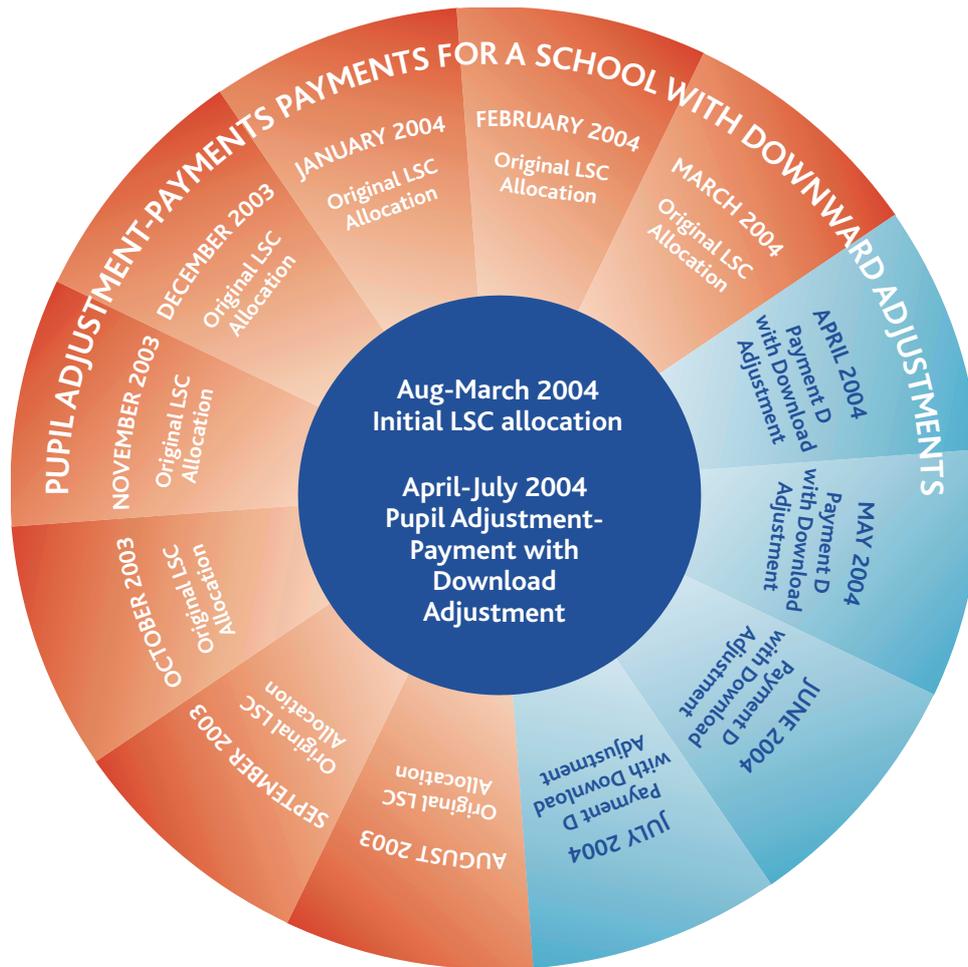


Payments of pupil adjustment

9.10 To help schools and LEAs understand the LSC’s Pupil Adjustment more clearly, and the change to payments, which will result, examples are included below. This assumes that the LEA is passing on LSC funding in 12 equal amounts throughout the year from August 2003 to the school.



Key Pupil Adjustments - Payments	
Payment A	Original Allocation
Payment B	January 2004 (6 months payment Aug 2003 to Jan 2004)
Payment C	Pupil Adjustment per month (Feb to July 2004)



Financial management

9.11 The LSC is conscious that it is probably more difficult for schools to make immediate savings at the start of the academic year. As a result the Council has decided not to reduce school budgets until April 2004 in the new financial year.

Schools in exceptional financial difficulties

9.12 The LSC is aware of the need for stability in sixth form funding as the loss of a proportionally large number of sixth formers in September can adversely affect a school's budget, and thus its ability to provide an

appropriate education for those sixth formers still in the school.

9.13 In addition to delaying downward adjustments until the following financial year, the LSC has been developing longer term support measures for those few schools which find themselves in more extreme financial difficulties.

9.14 This involves a three year financial and curriculum recovery plan drawn up and agreed by the school, LEA and LSC. This will give a planned and consistent approach to tackling more significant and longer-term difficulties in the school.



Section 10: School Sixth Form Additional Learner Support

10.1 Schools may be interested in the support the LSC gives two particular groups of pupils through its Learner Support Fund (LSF). Funds are allocated by the LSC to LEAs provided the LEA wishes to participate in the scheme and has completed a Certificate of Acceptance.

Childcare

10.2 The childcare pilot Care to Learn (C2L) has been extended in 2003/04 to all young learners on LSC funded courses – this includes schools. The maximum allowance for childcare has been raised to £5,000 for an individual pupil.

10.3 Childcare support will only be used to fund childcare, which is registered in accordance with the requirements of the *Children Act 1989*. The Act states that a child minder who looks after one or more children must be registered with Ofsted if they are to receive reward for minding the child in excess of two hours per day. Informal childcare, such as that provided by a relative, cannot be funded.

10.4 Learners can apply for support from C2L if they are aged 16 to 19 and have a dependent child. Learners must be eligible to take part in publicly funded learning to qualify for C2L. Payments will be made direct to the childcare provider by the DfES delivery agent, Manchester LEA, on the basis of the actual cost of the childcare up to a maximum of £5,000 per child per year, for the duration of the learner's course, to a maximum of 3 years. Providers should support and assist young parents seeking C2L.

10.5 C2L details can be obtained from the Help line, 0845 600 2809 or from the DfES web site, www.dfes.gov.uk/caretolearn.

10.6 The budget for this pilot is limited. The Council will advise schools when it has been fully taken up, at which point, applications for childcare support will need to be handled and

funded, where appropriate, by individual institutions.

Medically ill Pupils

10.7 When the LSC was given the responsibility for 16–19 education, the needs of pupils who are ill and out of education were not clearly defined, causing difficulties for medically ill pupils in accessing education. The DfES statutory guidance "Access to Education for Children and Young People with Medical Needs" stated that these pupils were entitled to a proper education.

10.8 These pupils are keen to study but have a debilitating and long-term illness such as ME. During such an illness, the pupil is capable of part time or full time study but requires additional support to undertake their studies - often they cannot leave home. Many of these pupils expect eventually to make a full recovery and continue in full time education.

Eligibility

10.9 Post-16 medically ill pupils are defined as pupils who are at home without access to education for more than 15 working days. These pupils who have an illness or diagnosis which indicates prolonged absence from school whether at home or in hospital need to have access to education as far as possible from day one.

10.10 The DfES statutory guidance is clear that LEAs rather than the LSC must support post-16 pupils who have had a disrupted year's education pre-16 and as a result have not completed their compulsory education.

10.11 All other medically ill pupils aged 16-18 will be supported by the LSC. These pupils qualify under the LSC's Learner Support Fund.

Accessing funding for medically ill pupils

a. Accessing LSC Basic Qualification rates

A school is entitled to claim the basic qualification rate for the courses that the pupil studies. This includes funding for the courses studied; entitlement funding; any disadvantage and area costs funding the school is entitled to. To access such funding the school needs to enter the pupil on its September Pupil Count Form as it does for other pupils.

b. Accessing specific support for medically ill pupils

To access specific funding to meet the needs of a medically ill pupil:

- a learner's plan needs to be drawn up by Connexions and/or Careers Service. This needs to include:
 - medical certification and support for a specific education programme;
 - an assessment led by Connexions involving the school, any other relevant professionals and family in identifying the necessary support needed for the individual to complete their studies; and
 - an assessment of the costs involved.
- There needs to be an Annual Review to ensure that provision is effective, relevant and necessary.
- The type of provision provided would depend on individual need but could include home tuition, distance learning, specialist equipment and transport costs.
- The amount of funding an individual could receive would need to be capped and the type and nature of illnesses involved be identified.

The LEA would then pay for the relevant provision from their Learner Support Fund allocation. If necessary the LSC will look to add additional funding to an LEA where justified at the end of the year.



Section 11: Schools with Opening or Closing Sixth Forms

Sixth forms that opened in September 2002

11.1 Sixth forms that opened in September 2002 have 2003/04 allocations based on two years. The Council has conducted a similar exercise to that for new sixth forms in order to produce RTG allocations, and used qualification data provided on the September 2002 pupil count form as a basis for the funding per pupil for the formula allocations for the whole sixth form. LSC funding for the full sixth form started in August 2003, and will be subject to the same reconciliation as with other sixth forms.

Sixth forms opening in September 2003

11.2 School sixth forms opening in September 2003 were not given a 2003/04 LSC allocation in the original allocation process. In order to inform the allocations for those school sixth forms, the Council has collected estimated pupil number data for the 2003/04 academic year.

11.3 The Council asked for evidence for, and validation of, those estimates; for example, details of where the pupils are expected to come from and/or why the current pattern of what their pupils do post-16 is expected to change.

11.4 The data collected has enabled us to calculate both a formula funding and an RTG figure for the new sixth form. **The allocation has been calculated on the basis of the average RTG and formula funding per pupil of the schools within the LEA area.** The school will receive the higher of the two. This allocation will be subject to subsequent reconciliation for pupil numbers following the September 2003 pupil count, in the same way as for other sixth forms.

11.5 The funding for these schools started to flow from the Council to LEAs in August 2003. Any adjustments from the September 2003 Pupil Count will take effect from January 2004, as with other school sixth forms.

11.6 The LSC does not allocate any "start up funding costs" for new sixth forms as part of its national funding system.

Sixth forms closed in July 2003

11.7 School sixth forms that closed in July 2003 have received a one-month allocation to cover August 2003 based on 1/12 of their end-year adjusted 2002/03 academic year allocations.

Sixth forms closing in July 2004

11.8 For sixth forms that are due to close in July 2004 a 13-month RTG and formula allocation for the period August 2003 to August 2004 has been recalculated on the basis of estimated pupil numbers for year 13 only.

Part B: Funding School Sixth Forms from 2004/05

Section 12: LSC Consultative Proposals

12.1 The LSC is reviewing and improving its funding system. We actively seek the views and expertise of those in schools and LEAs who have management or administrative responsibilities for school sixth forms.

12.2 In developing the future funding system, we shall be building on the improvements already introduced for 2003/04.

12.3 Any comments on these proposals would be welcome, and should be forwarded to your local LSC office by 3 November 2003. These proposals will be discussed at regional conferences on school sixth form funding in Autumn 2003. Consultation forms will be available at these conferences and on the LSC website from 23rd September.

General principles

12.4 Amongst the high level objectives that the Secretary of State has set the Council are to:

encourage young people to remain in learning and increase their attainment;

play a full part in the delivery of a more coherent phase of learning for 14-19 year olds.

12.5 The principles below are in line with these high level objectives and are guiding the development of the LSC's funding system from 2004/05:

funding follows the learner: the funding is for learners' benefit. That means distributing the money so that each

individual learner gets the maximum possible support for his or her programme, wherever that programme is delivered;

funding stability: the LSC aims to avoid undue funding turbulence. A feature of the consultation is how to achieve the right balance between stability and ensuring the available funding goes to where the learners actually are; and

minimising bureaucracy: it is a priority for the LSC to work with partners to avoid undue bureaucracy through the Bureaucracy Task Force. Work on data collection and audit in particular is being developed with this principle firmly in mind.

Secretary of State's school funding guarantee

12.6 On 17 July 2003, the Secretary of State made a statement to the House of Commons on school funding stability. In that statement, he referred to the LSC's role, including the autumn consultation on school sixth form funding.

12.7 The LSC's proposals already go with the grain of the policy of greater funding stability. There are two additional specific areas where the LSC is aligning its system directly with the Secretary of State's plans:

Guaranteed funding increase

12.8 The Secretary of State's guarantee is for a specified increase at school level in the per pupil funding level for each of the Financial Years 2004-05 and 2005-06. To align with that guarantee, the LSC will for both the 2004/05 and for the 2005/06 LSC funding years increase

the per pupil entitlement and all national qualification rates by the same percentage amount as the Secretary of State's guarantee.

12.9 It is proposed that each school's Real Terms Guarantee (RTG) baseline figure will also go up by the same amount, as would the RTG per pupil adjustment figure.

Earlier notification of allocations

12.10 The LSC is dependent on two DfES data collection processes to operate the funding system – the September Pupil Count and the PLASC. The LSC is working with the DfES to get data earlier from the Pupil Count to enable us to notify schools and LEAs of the allocations for 2004/05 in December 2003.

LSC proposals

12.11 Other specific LSC proposals for the future funding system include:

Retention

12.12 The LSC proposes to use the school's 2003/04 individual retention factor in the calculation of the 2005/06 allocation, and for no subsequent retention adjustment to be made.

12.13 The school's 2003/04 retention factor will be calculated by comparing the sixth form pupil numbers in the January 2004 PLASC with the numbers in the September 2003 Pupil Count Form.

12.14 The retention factor will be updated annually, and used to calculate the year after next's allocations. A comparison between sixth form pupil numbers in the January 2004 PLASC and the September 2003 Pupil Count Form will give the factor for calculating the 2005/06 allocation. When accurate data can be collected easily from schools, retention will be based on students being retained throughout the year. This is unlikely to be in place before 2006/07.

12.15 This simplifies and stabilises the allocation process by allowing the school to

know its complete allocation for 2005/06 in December 2004 except for one remaining variable – recruitment at the start of the 2005/06 academic year. This should give stability to school funding and aid schools' curriculum planning.

Achievement

12.16 The achievement element of the LSC formula is 10% of the total programme rate – that is the national base rate plus any programme weighting. This is not an additional amount – it is included within the programme rate.

12.17 An assumption of 87% achievement has been used to calculate schools' 2003/04 LSC formula allocations. It has not been reconciled against each school's actual achievement rate because the overall bureaucratic burden on schools would have been out of proportion to the benefits of making an additional funding adjustment.

12.18 The LSC intends to continue with the method of using a national achievement factor to calculate the allocations. However, we propose to move to a system which enables an individual factor to be used for each school – in a similar way to retention.

12.19 The LSC plans to do this through using data already collected – either by schools, exam boards or the DfES – rather than introducing a new data collection process in schools. This should be in place by 2005/06.

Disadvantage

12.20 The LSC had planned to change the method of calculating disadvantage from using the school's whole free school meals factor to using learner postcode as it does for other funding streams.

12.21 However, modeling implies that such a change runs a risk of undue funding turbulence. The LSC is therefore not proposing to change the method of calculating disadvantage – at least not before the 2006/07 funding year.

Recruitment

12.21 There is a tension between funding stability for an institution and responsiveness of the funding system to actual learner choice.

12.22 It is a key principle of the LSC's funding system that it should be responsive enough to direct the available funds to where the learners actually are. That is why the LSC adjusts allocations in the light of the actual pupil recruitment in September.

12.23 To strike the balance between stability and responsiveness to learners, the LSC is for the 2003/04 funding year implementing upwards allocation adjustments in the same Financial Year, and delaying implementing downward adjustments to the following Financial Year.

12.24 Downward adjustments are always uncomfortable, although delaying their implementation should contribute to better planning. It is not affordable to make upward adjustments only at current funding levels.

12.25 The options are:

- **not to make any adjustments upwards or downwards.**

12.26 The advantage is complete stability of funding, with the allocations unchanged after notification. The disadvantage is that schools with additional pupils do not get additional funding, which stands to disadvantage those pupils.

- **to retain a contingency to fund upward adjustments only.**

12.27 The advantage is that schools could be confident that their allocations would not be reduced even with lower pupil numbers, and that they would be increased for additional pupils. The disadvantage is that creating a contingency fund would reduce the overall amount available for allocation with a consequent reduction in national rates.

- **to fund increases straightaway and delay reductions.**

12.28 This is the option that the LSC proposes to embed for the future. It allows schools with additional pupils to get the benefit of increased funds within that same Financial Year, but helps proper planning for reductions by delaying them until the following Financial Year.

Data Collection

12.29 The LSC is committed to minimising the data collection on schools at the same time as accessing robust data for planning, funding and pupil tracking purposes.

12.30 The LSC is working with the DfES and headteachers to look at the possibilities created through schools' management systems, linking individual learners' aims in September with PLASC and the National Pupil Database. The latter includes exam achievement. The LSC might then have accurate and nationally consistent data for planning, funding and pupil tracking purposes without creating additional bureaucratic demands on schools.

12.31 The LSC has also been working with the DfES to look at school sixth form bureaucracy issues. The results are due in September 2003, and they will inform both the Bureaucracy Task Force and the DfES' Priority Review of School Bureaucracy.

12.32 Annex D outlines the possible adjustments and timescale of modifications to the sixth form funding system.



Section 13: Post-16 Special Educational Needs from 2004/05

13.1 The LSC has been working with partners to develop further the planning and funding of additional needs provision for 16-19 year-olds across the post-16 sectors.

13.2 The LSC's approach to SEN, which has been broadly welcomed by our partners, is based on the following funding and planning principles:

- as much consistency as possible for all learners between 16 and 19 with Additional Learning Support (ALS) needs, as defined by the LSC, whatever learning route they are following;
- a consistency of funding for special educational provision whether or not that provision is determined in a statement of SEN;
- consistency with the prevailing LEA funding arrangements as far as they reflect pre-and post-16 funding for additional and special educational needs;
- contributing to a continuum of appropriate special educational provision for each young person from the age of 14;
- contributing to increased participation of learners with ALS in education and training;
- contributing to the appropriate arrangement of special educational provision for pupils with a statement of SEN; and
- adding value to existing SEN provision.

13.3 Two groups of external partners have been working with us:

- the **Additional Learning Support Task Group**, which is examining a common funding approach across all sectors as outlined in the LSC's Circular 03/03: *The Development of a Common Funding Approach for Additional Learning Support*. The ALS task group is working with panels involving professionals in each post-16 sector, including schools; and
- the **Special Educational Needs Advisory Group (SENAG)**, which is looking at the issues that are specifically related to mainstream and special schools and LEAs.

13.4 The LSC's policy, developed by the SENAG, is outlined in *LSC Funding of Post-16 Special Educational Needs from 2004/05* which is due to be published in autumn 2003. This document will be the basis for an extensive consultation exercise.

Annex A: Area Costs 2002/05

The LSC, after advice from the National Rates Advisory Group (NRAG), has adjusted its Area Costs funding in the following manner. The accompanying tables explain the effects on individual areas and LSCs.

Two Year Timescale – half the increase in 2003/04; remainder in 2004/05

The agreed increases will be introduced over a two-year period – 2003/04 and 2004/05 - and areas will receive half of their agreed increase in 2003/04.

For example, Inner London (London A) has been increased from 1.18 to 1.20: an increase of 0.02. As a result, the Inner London increase for 2003/04 is 0.01 so that the London A area

uplift will be 1.19 for 2003/04. Check the tables for details.

Increased Area Costs

The increases over two years are;

- London A to 1.20:
- London B to 1.12.
- South East regions to a range of uplifts from 1.01 to 1.12. The tables attached need to be studied carefully to see the effects on individual areas and, consequently, schools. In some cases, the increases vary within an LSC area.

London A

	Weighting 2002/03	Weighting 2003/04	Increase 2003/04 relative to 2002/03	Weighting 2004/05	Increase 2004/05 with 2002/03
Camden	1.18	1.19	0.01	1.20	0.02
Islington	1.18	1.19	0.01	1.20	0.02
Kensington and Chelsea	1.18	1.19	0.01	1.20	0.02
Lambeth	1.12	1.16	0.04	1.20	0.08
Southwark	1.18	1.19	0.01	1.20	0.02
Westminster	1.18	1.19	0.01	1.20	0.02
Wandsworth	1.12	1.16	0.04	1.20	0.08
Hackney	1.18	1.19	0.01	1.20	0.02
Tower Hamlets	1.18	1.19	0.01	1.20	0.02
Lewisham	1.12	1.16	0.04	1.20	0.08
Newham	1.18	1.19	0.01	1.20	0.02
Haringey	1.12	1.16	0.04	1.20	0.08
Hammersmith & Fulham	1.12	1.16	0.04	1.20	0.08
City of London	1.18	1.19	0.01	1.20	0.02
Greenwich	1.12	1.16	0.04	1.20	0.08

London B

	Weighting 2002/03	Weighting 2003/04	Increase 2003/04 relative to 2002/03	Weighting 2004/05	Increase 2004/05 to 2002/03
Barking and Dagenham	1.06	1.09	0.03	1.12	0.06
Bexley	1.06	1.09	0.03	1.12	0.06
Havering	1.06	1.09	0.03	1.12	0.06
Redbridge	1.06	1.09	0.03	1.12	0.06
Barnet	1.06	1.09	0.03	1.12	0.06
Enfield	1.06	1.09	0.03	1.12	0.06
Waltham Forest	1.06	1.09	0.03	1.12	0.06
Bromley	1.06	1.09	0.03	1.12	0.06
Croydon	1.06	1.09	0.03	1.12	0.06
Kingston	1.06	1.09	0.03	1.12	0.06
Merton	1.06	1.09	0.03	1.12	0.06
Richmond	1.06	1.09	0.03	1.12	0.06
Sutton	1.06	1.09	0.03	1.12	0.06
Brent	1.12	1.12	0.00	1.12	0.00
Ealing	1.06	1.09	0.03	1.12	0.06
Harrow	1.06	1.09	0.03	1.12	0.06
Hillingdon	1.06	1.09	0.03	1.12	0.06
Hounslow	1.06	1.09	0.03	1.12	0.06

South East

	Weighting 2002/03	Weighting 2003/04	Increase 2003/04 relative to 2002/03	Weighting 2004/05	Increase 2004/05 to 2002/03
Bedfordshire & Herts non Fringe	1.00	1.015	0.015	1.03	0.03
Berks, Surrey & W.Sussex fringe	1.06	1.09	0.03	1.12	0.06
Berks non Fringe	1.00	1.06	0.06	1.12	0.12
Bucks non Fringe	1.00	1.035	0.035	1.07	0.07
Hampshire including Isle of Wight	1.00	1.01	0.01	1.02	0.02
Herts & Bucks fringe	1.03	1.065	0.035	1.10	0.07
Kent & Essex fringe	1.03	1.045	0.015	1.06	0.03
Oxfordshire	1.00	1.035	0.035	1.07	0.07
West Sussex non fringe	1.00	1.005	0.005	1.01	0.01

Bedfordshire and Hertfordshire Non Fringe

Full effect 1.03	
Bedfordshire County Council	Mid Bedfordshire
Bedford	North Hertfordshire
Luton	South Bedfordshire
	Stevenage

Berkshire, Surrey and West Sussex Fringe

Full effect 1.12	
Surrey County Council	Runnymede
Bracknell Forest	Spelthorne
Crawley	Surrey Heath
Elmbridge	Tandridge
Epsom and Ewell	Waverley
Guildford	Windsor and Maidenhead
Mole Valley	Woking
Reigate and Banstead	

Berkshire Non-Fringe

Full effect 1.12	
Reading	Wokingham
West Berkshire	

Buckinghamshire Non-Fringe

Full effect 1.07	
Aylesbury Vale	Milton Keynes
Wycombe	

Hampshire

Full effect 1.02		
Hampshire County Council	Hart	Eastleigh
Basingstoke and Deane	Havant	Fareham
East Hampshire	New Forest	Gosport
Isle of Wight	Porsmouth	Southampton
	Rushmoor	Test Valley
	Winchester	

Hertfordshire and Buckinghamshire Fringe

Full effect 1.10	
Broxbourne	South Bucks
Chiltern	St Albans
Dacorum	Three Rivers
East Hertfordshire	Watford
Hertsmere	Welwyn Hatfield

Kent and Essex Fringe

Full effect 1.06	
Basildon	Harlow
Brentwood	Sevenoaks
Dartford	Thurrock
Epping Forest	

Oxfordshire

Full effect 1.07	
Oxfordshire County Council	West Oxfordshire
Cherwell	Oxford
South Oxfordshire	Vale of White Horse

West Sussex Non-Fringe

Full effect 1.01	
Adur	Arun
Chichester	Horsham
Mid Sussex	Worthing

Annex B: Pupil Adjustment – Examples

LSC Formula

School A

Step A Recruitment

a. SPC 2003 Pupil Total	205
b. SPC 2002 Pupil Total	220
c. 2002 total deducted from 2003 total (b-a)	-15
d. Average per pupil amount (School's initial allocation divided by 2002 SPC Pupil Total)	£4,000
e. Recruitment Adjustment (c x d)	- £ 60,000

Step B Retention

f. Retention (based on 2002/03 retention percentage as a proportion of 2003/04 retention deduction)	£20,000
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Step C Pupil Adjustment

g. Pupil Adjustment Total (e+f)	- £40,000
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Your School – LSC Formula calculation

Step A Recruitment

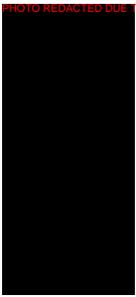
a. SPC 2003 Pupil Total	_____
b. SPC 2002 Pupil Total	_____
c. 2002 total deducted from 2003 total (b-a)	_____
d. Average per pupil amount (School's initial allocation divided by 2002 Pupil Total)	_____
e. Recruitment Adjustment (c x d)	_____

Step B Retention

f. Retention (based on 2002/03 retention percentage as a proportion of 2003/04 retention deduction)	_____
---	-------

Step C – Pupil Adjustment

g. Pupil Adjustment Total (e+f)	_____
---------------------------------	-------

**Your school – RTG calculation**

a. SPC 2003 Pupil Total	_____
b. SPC 2002 Pupil Total	_____
c. 2002 total deducted from 2003 total (b-a)	_____
d. RTG funding for additional pupils	£2,700
e. Recruitment Total (c x d)	_____
f. Retention (based on 2002/03 retention total)	Not applicable
g. Pupil Adjustment Total (e + f)	_____

Annex C: Other Qualifications – Teacher Contact Time

These categories indicate teacher contact time – the number of hours a pupil is taught during the year – and the consequent funding attached per pupil. This data is only a general guide to LSC funding rates. Schools should consult their local LSC for more specific information.

Qualifications in this category must be seen to be adding “additionality” – additional learning to that which a pupil receives which is beyond the pupil’s entitlement.

These qualifications must also be on the DfES Section 96 list of approved qualifications although many of these qualifications are funded through entitlement.

Teacher contact time		Programme weightings		
		A (1.0)	B (1.12)	C (1.3)
6	8	60	67.00	£78.00
9	13	90	100.00	£117.00
14	19	110	123.00	£143.00
20	29	130	145.00	£169.00
30	39	210	235.00	£273.00
40	49	250	280.00	£325.00
50	59	290	324.00	£377.00
60	89	360	403.00	£468.00
90	119	560	627.00	£728.00
120	149	670	750.00	£871.00
150	179	790	884.00	£1,027.00
180	209	900	1,008.00	£1,170.00
210	239	1,010	1,131.00	£1,313.00
240	269	1,130	1,265.00	£1,469.00
270	299	1,240	1,388.00	£1,612.00
300	329	1,360	1,523.00	£1,768.00
330	359	1,470	1,646.00	£1,911.00
360	389	1,590	1,780.00	£2,067.00

Teacher contact time		Programme weightings		
		A (1.0)	B (1.12)	C (1.3)
390	419	1,700	1,904.00	£2,210.00
420	449	1,810	2,027.00	£2,353.00
450	479	2,360	2,643.00	£3,068.00
480	509	2,360	2,643.00	£3,068.00
510	539	2,360	2,643.00	£3,068.00
540	569	2,360	2,643.00	£3,068.00
570	599	2,380	2,665.00	£3,094.00
600	629	2,470	2,766.00	£3,211.00
630	659	2,550	2,856.00	£3,315.00
660	689	2,630	2,945.00	£3,419.00
690	719	2,710	3,035.00	£3,523.00
720	749	2,790	3,124.00	£3,627.00
750	779	2,870	3,214.00	£3,731.00
780	809	2,950	3,304.00	£3,835.00
810	839	3,030	3,393.00	£3,939.00
840	869	3,110	3,483.00	£4,043.00
870	899	3,200	3,584.00	£4,160.00
900	929	3,280	3,673.00	£4,264.00
930	959	3,360	3,763.00	£4,368.00
960	989	3,440	3,852.00	£4,472.00
990	1019	3,520	3,942.00	£4,576.00
NVQ Bands Teacher contact time		A (1.0)	B (1.12)	C (1.3)
0	299	720	806.00	£936.00
300	449	1,080	1,209.00	£1,404.00
450	and above	2,720	3,046.00	£3,536.00

Annex D: Simplification of Sixth Form Funding System

The chart below summarises how the system could be simplified over the next two years:

2002/03	In-year adjustments	End-year adjustments
Recruitment	November: partial adjustment up and down against triggers	March: full adjustment both ways
Retention (against 90% assumption)	None	May: upwards only
Achievement	None	None

2003/04	In-year	End-year	Impact on future allocations
Recruitment	November 03: one single adjustment using Sept 03 actual pupil numbers and 02/03 actual retention.	None	None
Retention (against 90% assumption)	Upwards paid by Jan 04, downwards paid in 04-05 FY (subject to affordability)	None	Most recent retention factors used in following funding year's allocation
Achievement	None	None	None

2004/05	In-year	End-year	Impact on future allocations
Recruitment	Proposing up and down, but subject to consultation	None	None
Retention	None	None	Most recent retention factors used in following funding year's allocation
Achievement	None	None	Consult on using most recent achievement factors in following year's allocations



Annex E: Glossary

2003/04	denotes LSC funding year from August 2003 to July 2004
2003-04	denotes Financial year from April 2003 to March 2004
"additionality"	additional learning to that which a student receives which is beyond the student's entitlement
AVCE	Advanced Vocational Certificate of Education
AWPU	Age Weighted Pupil Unit
DfES	Department for Education and Skills
DfES Section 96	list of approved qualifications for LSC funding. Some Section 96 qualifications are funded through entitlement
FE	Further Education
GCSE	General Certificate in Secondary Education
ICT	Information/Communication Technology
LEA	Local Education Authority
LSC	The Learning and Skills Council
LSC formula	LSC Formula calculation for a school's sixth form incorporating the six elements
NRAG	National Rates Advisory Group , an independent group, which advises the LSC on rates issues, principally relativities between qualifications
QCA	Qualifications and Curriculum Authority
Real Terms Guarantee (RTG)	The RTG is a guarantee given by the Government, that schools would not lose any money under the LSC funding system. Schools are guaranteed that their overall funding will not reduce in real terms on account of the transition to the new funding regime, provided that they maintain their sixth form pupil numbers
SPC	September Pupil Count completed by schools in September and returned to the DfES
Teacher contact time	the hours a teacher takes in delivering a qualification to a pupil over a year

Notes

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