# GUIDANCE ON SCHOOL SIXTH FORM FUNDING

# BRIEFING NOTE

Dear colleagues,

The sixth form allocations were sent to all local LSCs by 10am yesterday (Thursday 7 March)

Impact on LEA budgets

LEAs' overall funding levels

We were able to issue the allocations following DfES Ministers' agreement on

Tuesday to a mechanism that effectively weakens the link between the total

LSC grant to an authority and the amount transferred from the authority's

settlement by the DTLR in January.

This needs some explanation, and authorities may not be fully aware of this

- the DfES has not written separately to them.

The issue is around the total amount the authority stands to receive from

the settlement plus the LSC grant. The amount deducted from the settlement

for sixth forms was based on the provisional amount of grant the LSC

expected to pass to the authority for their school sixth forms. This sum

was based on January LSC figures.

As many of you will be aware, the allocations for a number of schools have

been revised - some upwards, many downwards. This affects the total to be

paid by the LSC to the authority. Where the new total is less than what was

transferred, the authority stood to have lost because the amount transferred

from it was greater than it stood to receive back - so that money would have

been 'lost' to that authority's area. Where the new total amount was

greater, the issue was where the LSC would get the money to fund the

increase.

Ministers have agreed a mechanism - and released some additional funding to

support it - whereby no authority will lose funds. Where the new total in

the allocations is less than the amount transferred, the LSC will not draw

down that funding, and the DfES will pass it on in full to the authority for

it to use on education in its area as it sees fit. The funding will come to

the authority as part of the Post-16 Budget Support Grant arrangements.

Where the new total is greater than the amount transferred, the DfES will

provide resources to allow the LSC to fully fund that increase. This will

also enable the LSC to confirm that it will be able to fund significant

pupil growth - including new school sixth forms - within the Financial Year

2002-03, and not necessarily having to wait until 2003-04 as some schools

and LEAs had feared. We shall soon be giving you more details about this.

A technical briefing note on the new mechanism is attached to the model

letter to LEAs which we e-mailed with the allocations.

There will therefore be no justification for local authorites to claim that

they are losing funds overall.

LEA 11-16 budgets

A number of LEAs are planning to reduce their 11-16 budgets for schools with

sixth forms to take account of 'additional' resources from the LSC for the

schools' sixth forms. The typical reason LEAs give is that, whilst they may

be receiving the same amount in total from the settlement plus the LSC

grant, the sixth form funding is ring-fenced and is more than they would

have given to the schools for sixth forms. Therefore they claim that they

have to eat into their pre-16 budgets to compensate.

As you will know, the DfES has already compensated the LEAs most affected by

this issue. LEAs are guaranteed a certain proportion of their residual

post-16 SSA compared to their overall post-16 SSA, and a certain proportion

of their overall increase in SSA after the amount for sixth forms has been

taken out. Sixth forms benefit form the overall increase in funding for

education, and there might be an expectation that LEA funding of sixth forms

would increase commensurately in 2002-03: the LSC is only redistributing the

amount for school sixth forms that would otherwise have been available to

local authorities nationally within the overall settlement.

So, whilst much of what LEAs may be doing over their 11-16 budgets may be

lawful, locally you may well wish to challenge the LEA over the necessity to

do so. The DfES has also written to authorities limiting their ability to

reduce the 11-16 budgets to take account of LSC grant. The school must

receive the full amount of LSC grant allocated to it - there is no question

about that. Where the school is funded on the RTG, the LEA should not

reduce the 11-16 funding because of the LSC allocation. Where the school is

on the formula, the LEA may lawfully reduce the 11-16 budget by up to

two-thirds of the difference between the RTG level and the formula level.

Special Educational Needs

The model letter to LEAs covers the funding for post-16 statemented SEN

issues quite fully.

The key message is:

 that local authorities will receive the same level of funds

for this purpose (settlement plus LSC grant) as they would under the

settlement alone. In relation to post-16 pupils with statements (in

contrast to young people in FE institutions) the LSC's role is to provide

resources to the LEA: it is NOT to fund individual pupils or their provision

- that firmly remains the LEA's statutory responsibility

 the funds are NOT ring-fenced for post-16 SEN in 2002-03. (We

expect this to be welcomed by LEAs)The issues around the pre- and post-16

school sixth form funding do not therefore apply to SEN funding.

In short, LEAs should continue to fund their maintained special schools and

fund the provision in statements as they would normally - they continue to

have the same level of resources and the same freedoms to do so.

The notification process

Yesterday, (Thursday 7 March) Ivan Lewis formally gave notice to Parliament of

the new money to support the allocations and stated that they were being

issued today.

As the model letter to LEAs states, LEAs should receive the summary data for

the schools in their area as soon as possible. We would be grateful if you

would forward it immediately to them for their information if you have not

already done so.

Schools should receive their allocations ideally on Monday 11 March, or as

soon as is practicable afterwards. They can receive it earlier if the LSC

and LEA agree.

The allocations themselves 'go public' on Monday 11 March, when the LSC's

national office is planning to issue a Press Release and the allocations

themselves will go on the website that day.

Next steps

There will inevitably be a number of issues and queries arising from the

allocations to schools. Key among those issues will be continuing the

clarification of the GNVQ unit numbers, General RE, and in-year adjustments

for pupil numbers, new and closing sixth forms etc. We shall try and keep

up with the briefing material, FAQs etc., and respond to your queries as

promptly as possible. Would you send any queries to Sharon Cropley, please?

Many thanks

John Ratcliff

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