



Learning to Succeed – school sixth-form funding

1. FEDA is pleased to have the opportunity to comment on proposals to reform the way in which provision in school sixth forms is funded. FEDA is the leading national research and development agency providing services for the post-school sector. Its views are informed by a detailed knowledge of the full range of post-16 education and training built up over many years. It shares the commitment of the Government to raising standards, widening participation and meeting the skills agenda, and its comments reflect that commitment.

General issues

2. In relation to the funding of school sixth forms our comments are particularly informed by our experience of the following.
3. *The impact of the FEFC and FEFCW methodologies*
Our work suggests that they have had a positive impact upon the responsiveness of the sector and have helped to raise standards.
4. *Approaches to funding Government-funded training*
In our experience the contracting approaches adopted by TECs were burdensome to administer and the heavy emphasis on output-based funding tended to distort provision.
5. *Disparities in funding levels between sectors*
We are aware from both national research and local contacts that there are wide and unjustifiable

differences in the level of funding for similar students and programmes.

6. *The reforms set out in curriculum 2000*
We welcome the curriculum changes as the basis for a new and improved curriculum offer for young people but also see them as a challenge to providers, particularly smaller institutions.
7. On the basis of this evidence we would strongly support the proposals of the Government to bring sixth-form funding within the scope of a new integrated approach to planning and funding post-16 provision. A demand-driven system based on a national tariff appears to us to be the best way of ensuring efficiency and equity, but it can only achieve its full potential if all providers are included.

Question 1. Are the safeguards appropriate?

8. FEDA recognises that the changes proposed may appear threatening to some schools and that it is wise to offer specific safeguards. In particular it seems sensible to underline that the changes do not affect provision pre-16. Institutions should remain free to deploy their resources flexibly between pre- and post-school education. While managers and governors ought to take decisions about cross subsidy consciously rather than by default we would hope that there would be no elaborate accounting arrangements required for them to be able to demonstrate this.

9. We welcome the safeguard that the present level of funding will be at least maintained as long as numbers are maintained. This reaffirms the assurance of ministers that the discrepancies between FE and schools funding will be eliminated by levelling up rather than levelling down.
10. Finally we welcome the intention that there should be no noticeable change in the audit burden on schools but wonder whether this is attainable in practice.

Question 2. What should be the administrative requirement on schools to ensure proper accountability for post-16 funds whilst minimising school burdens?

11. The aim of minimising the administrative burden on schools is one we would support. Our experience of post-16 funding arrangements suggests, however, that there is always a tension between simplicity and equity, and we would not wish to see a system developed which was not capable of recognising the variety of learner needs and contexts which funding should reflect.
12. In respect of accountability there is a relatively simple set of data required. Institutions need to provide auditable evidence in relation to students: their numbers, key characteristics which might influence funding such as the nature of their programme, their continuing attendance at perhaps two annual census points and their achievements. It may prove desirable to provide information about personal characteristics of the students; possibly their postcode and certainly if they require specific learning support. We would not wish to see any burdensome requirements to prove that money was spent on particular groups of students or spent at all.
13. We also believe that robust and reliable data, gathered in consistent format is vital to monitoring and formulating policy. We wonder however whether the focus on accountability covers all the needs for information. The context for the reforms is the need to improve the planning of post-16 education and the provision of information to users. The administrative requirements on schools should be capable of meeting these needs as well.

Question 3. Would you prefer the funding for school sixth forms to flow:

- from the Department for the Environment, Transport and the Regions block grant to local education authorities (LEAs), and then from LEAs to schools (as in option A); or
 - from the Learning and Skills Council to LEAs, and then from LEAs to schools (as in option B)?
14. We support option B. We see clear advantages in the direct involvement of the Learning and Skills Council in funding school sixth forms. This would:
 - facilitate the preparation of coherent plans for provision in a local area
 - assist the phased convergence of both funding principles and funding levels between sectors
 - help remove unjustifiable local variations in levels of funding.
 15. There are also less tangible benefits in schools being seen, and seeing themselves as part of the new post-16 sector and being able from the start to help frame its approaches.
 16. There are two major issues which need to be addressed at an early stage in the development of the new arrangements and there are clear advantages in the Learning and Skills Council handling them consistently across the full range of provision.
 - The standard spending assessment reflects in the distribution of grant to LEAs a measure of social disadvantage, and provides extra funds for the most needy areas. In further education this element was initially ignored; more recently the widening participation factor has had a similar function. Steps need to be taken to ensure that this important aspect of funding is not lost through simplification or over hasty convergence.
 - A key difference between the funding of schools and the funding of colleges has long been that schools funding is driven directly by pupil numbers. The funding of colleges and training providers, while influenced by demand has also reflected decisions on how many learners the Government is prepared to fund. A reconciliation of these principles will be needed to underpin the work of the local learning partnerships.

Question 4. If LEAs were to continue to allocate funds to sixth forms (as in option A), would you like to see school sixth-form funding move to a more transparent distribution methodology based on recruitment, programme costs and achievement, along the lines of the sixth-form funding pilots?

17. We agree that whatever the institutional arrangement the principles for allocating funds should move in the directions piloted in a number of LEAs and applied in different ways in the FE and training sectors. We would note however that the advantage of such arrangements is not primarily their transparency – current arrangements are transparent. The arguments for change are twofold:
- linking funding to student recruitment and performance can, within limits, act to drive up standards and encourage participation
 - the application of consistent funding principles across the sectors is a precondition for a more equitable distribution of funds.

Question 5. In option B, is it appropriate for LEAs to have an explicit power to vary the money for school sixth forms?

18. We support a system whereby funding is determined by the tariff, and would not support further local variance of funding. The powers of the local learning and skills council already provide for local discretion. Local variation could undermine the creation of a strong and coherent national system.
19. The reason for transmitting funds via LEAs should not be to enable them to vary the funding, but should be for the administrative convenience of schools. Funding via LEAs will mean schools are accountable to a single body for funding, and will minimise the burden of data return.
20. Local variance could confuse messages which the Learning and Skills Council might want to transmit through the funding methodology. To the extent that the LEA sought to reflect local circumstances in funding it might duplicate actions planned by the local learning and skills councils and either overemphasise or contradict any local incentives from that body.

21. We believe that over time consideration should be given to a move to direct funding, if the capability of individual sixth forms to receive funding and handle data returns is established. There would be symbolic advantages in signalling that schools are full partners in the new sector. Although for some schools it would be a new step to work with funding from different sources many already do so effectively already. If they are involved with community education for example or with National Lottery funding they have had to learn to work with varied funding sources.

Question 6. If the LEAs (in option A) or the Learning and Skills Council (in option B) are to take account of guidance from the Secretary of State, what should that guidance cover?

22. It would be useful for the guidance from the Secretary of State to encourage funders to build on the growing body of evidence about how funding mechanisms can best improve institutional performance. In our experience efficiency, effectiveness and responsiveness to local and individual circumstances is best provided by a system which:
- is substantially demand driven
 - is based on a tariff which irons out the impact of legitimate variations in cost
 - provides modest incentives to raise student achievement
 - allows providers to manage resources flexibly
 - encourages partnership with and between providers.
23. We would encourage the Secretary of State to resist those who would wish to introduce a greater degree of central planning of provision.

Question 7. How should the Government deal, under either option, with i) the funding of post-16 provision for pupils with special educational needs in special schools, ii) the funding of provision for pupils with statements in mainstream sixth forms?

24. FEEDA has recently concluded an external review of the additional support mechanism, used by the FEFC to fund the specific requirements of individual learners who require additional learning support. The mechanism appears to be highly effective and might usefully form the basis of new arrangements for school sixth forms.

Question 8. What arrangements would you see as appropriate in respect of capital funds for school sixth forms under i) option A, and ii) option B?

25. Decisions about capital funding are closely tied to decisions about the future shape of provision in a local area and the respective contributions of different providers. For these reasons we see a need for the central involvement of the local learning and skills councils. Capital developments and the provision of support with transport can also be alternatives and for these reasons they should be considered by the same body.

Question 9. From what date should any new arrangements be implemented (subject to appropriate phasing)?

26. While recognising the need for phasing we cannot see why the new arrangements should not be introduced from August 2001 along with the new Learning and Skills Council. If school sixth

forms are to be seen and to see themselves as part of the new sector they need to be involved from the beginning.

Home-to-school transport

27. The consultation paper does not mention support for pupils with home-to-school transport yet the new arrangements for learning and skills might provide a useful opportunity to bring together the fragmented arrangements for transporting students to schools and colleges. The local learning and skills councils will be responsible for planning provision in their local area. The provision of effective transport arrangements, or in some cases, support with residential accommodation might on occasions be alternatives to the development of new provision. Alternatively, the development of a new centre might yield savings in revenue costs. These matters are best planned together by the one body which can see the broader picture.