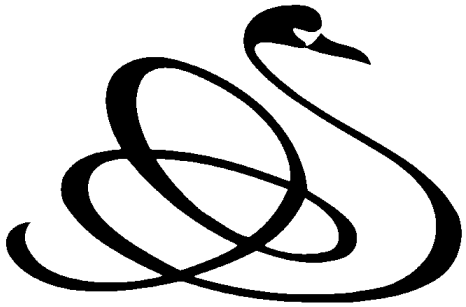


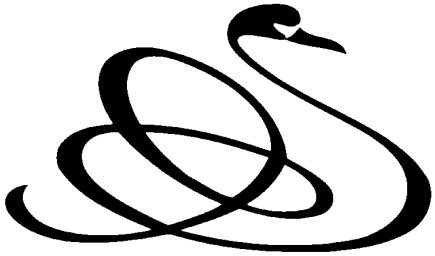
York Consulting

LEARNING AND SKILLS COUNCIL

INCREASED FLEXIBILITY FOR 14-16 YEAR OLDS
COSTING STUDY

FINAL REPORT

December 2003



York Consulting

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Dated: 10th November 2003

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Dated: 28th November 2003

LEARNING AND SKILLS COUNCIL

INCREASED FLEXIBILITY FOR 14-16 YEAR OLDS COSTING STUDY

Contents

REPORT SUMMARY

Introduction (Section 1)

- **The following 12 pages provide a summary of the full report.**
- **For Sections 2 to 7, key paragraphs are clearly referenced to the main body of the report.**

1) The national office of the Learning and Skills Council LSC) and the Department for Education and Skills (DfES) jointly commissioned York Consulting Limited (YCL) to undertake this costing study in order to demonstrate and evidence the full costs of delivery of Increased Flexibility for 14-16 Year Olds. The study has involved:

   - initial analysis of data about the characteristics of the 270 Increased Flexibility (IF) partnerships;
   - based on this analysis, selection of 32 sample partnerships;
   - visits to the 32 sample partnerships to collect information about delivery and costs;
   - analysis of the data and information collected from the sample partnerships.

2) This report provides a summary of the findings associated with analysis of sample partnerships that are delivering one or more of the eight applied GCSEs in Cohort 1. In particular, we provide:

   - estimates of the costs associated with an “average” sample partnership;
   - estimates of the costs associated with individual courses;
   - development of a draft costing model for applied GCSEs.

Conclusions (Section 8)

- **It is strongly recommended that the conclusions are not read in isolation and that the reader also reviews the individual sections of the report.**
- **The average amount of indirect costs across 30 partnerships over a two-year period is £78,414, representing 78% of core funding.**
- **Delivery costs for Increased Flexibility are generally higher than 16-19 funded delivery, due to the additional costs associated with partnership delivery, support required for the age group and smaller teaching group sizes.**
- **Delivery costs vary across the eight GCSEs, with Engineering generally incurring the highest costs and Health and Social Care the lowest.**
- **We have estimated that total costs for a partnership delivering three applied GCSEs across four schools over two years would be £228,777, exceeding the core funding by around £130,000.**
- **The most significant variable cost factor is the number of students within a group; fewer students incur higher per student costs.**
- **It would be possible to develop a funding model for Increased Flexibility based on key principles that more closely reflect the activities associated with partnership working and delivery.**

Establishing Average Costs

Variability

3) The unit and total costs of Increased Flexibility (IF) for any one partnership vary significantly, depending on the number of partners, type/nature of delivery models and/or characteristics that are being employed.

4) Similarly, indirect costs vary according to size of delivery and whether provision is new (set-up costs); the extent to which students require additional support and teachers/tutors require training and development (support and development costs); and the type of delivery mechanism and steering group arrangements (ongoing management costs).

Delivery Costs - Costing Model

5) Our estimates of average costs for the eight applied GCSEs show that the cost of delivery of IF is, on the whole, likely to be higher than similar delivery for 16-19 year olds (as indicated by the LSC 16-19 funding model).

6) The most significant factor increasing delivery costs for IF is the number of students within a teaching group. In cohort 1 this has tended to be less than 25 and, for 53% of the GCSE groups delivered by the sample partnerships, student numbers have been 15 or less. Whilst the increase in student numbers in Cohort 2 is likely to lead to an increase in group size, the size of a teaching group is often a function of the nature of IF delivery and they may therefore remain relatively small for many partnerships.

Costs versus Funding

7) The actual total costs of delivery for IF are generally significantly higher than the core funding available.

8) The average amount of indirect costs across 30 partnerships over a two-year period is £78,414 representing 78% of core funding. Core funding over the two-year delivery period (£100,000) does not cover indirect costs for 30% (9) of the sample partnerships.

9) Our estimate for an 'average' sample partnership shows that the total contribution from other funding or from the partners themselves can be as much as 57% of the total cost of delivery over two years (£130K of total costs of £230K). For some of the individual sample partnerships the contribution is much larger, due to the mix of courses being delivered, or number of schools, students and/or courses involved.

10) Many partnerships have accessed additional funds in the form of IF discretionary funding, Learning and Skills Development Agency (LSDA) and Local Intervention and Development (LID) funding, which help to cover the additional costs associated with IF.

11) Seven partnerships have also charged schools for IF delivery taking place within Further Education (FE) colleges. This is likely to become a more common practice for Cohort 2 although there may be debate within partnerships about the rationale for, and the level of, charges.

Additional Costs

12) The 'additional' costs associated with IF delivery, as opposed to other 14-16 or 16-19 provision, can be summarised as:

- indirect costs, including:
  - partnership set-up costs;
  - support and development costs;
  - ongoing management costs (college and schools) and coordination/ facilitation of the partnership;
- delivery costs, including:
  - low student numbers;
  - additional timetabling costs;
  - set-up costs for new courses;
  - provision of additional learner support, depending on student ability;
  - transport costs;
  - employer liaison and placements.

Opportunity Cost v Double Funding

13) Given that schools access Local Education Authority (LEA) funding to deliver to the students that are undertaking IF courses, it is perhaps appropriate that they should be charged by colleges where delivery is within the college, or that they should 'contribute' to the costs of delivery in school. If IF funding is being used to cover the total cost of delivery to these students, stakeholders may assume that a degree of 'double funding' is taking place.

14) However, as this analysis has demonstrated the costs of delivering IF courses are often likely to be significantly greater than the average cost of delivery of 16-19 provision or other 14-16 provision. Therefore the 'opportunity cost' associated with widening the curriculum to include more vocational learning translates into a real cost that is currently being absorbed.

15) In addition to the range of factors accounted for through the multipliers in our costing models, the timetabling constraints associated with sending students to college mean that often there are further additional costs for the schools concerned.

Funding Model Development – Initial Ideas

16) It would be possible to develop a funding model for IF based on key principles that more closely reflect delivery. Any model would need to be fully tested and preferably piloted with a sample of partnerships before being implemented across all partnerships. In our view, the following key features are the starting point for considering a funding model for IF:

- provision of partnership funding using a combination of core IF and other funding routes to cover the indirect costs – the level of funding should vary by key partnership characteristics, including number of schools involved;

- there appears to be a case for an element of charging where delivery takes place within college. Links need to be made to core funding being received from the LEA for students, any savings made by the school and the base costs established in our 30 student group size costing model (or the LSC funding model for 16-19 provision, to include overheads);

- provision of additional course funding, using the multipliers established in our two costing models (Tables 6.2A and 6.2B, pages 79-85), which will vary depending on the number of students, subject of course, stage of development of the course, and need for transport;

- the scope of the study did not provide an opportunity to estimate the costs associated with delivering the G/NVQs and other qualifications. A funding model could be developed based on a mix of the LSC 16-19 funding model and the multipliers established for the applied GCSEs costing model.

17) At this stage, this funding model does not account for the costs of college overheads such as heating, lighting and on-costs.

Partnership Delivery Characteristics (Section 2)

- **Partnerships are using a wide range of delivery mechanisms reflecting the flexibility of the programme.**
- **Care needs to be taken with interpreting the number of student entries, number of participating schools and number of partnerships delivering particular qualifications due to the variety of delivery mechanisms being used.**

18) Detailed costing information is available for 30 out of the 32 sample partnerships we have consulted with. One partnership is primarily using IF funding to facilitate vocational learning rather than deliver qualifications and the other partnership has not been able to provide the costing data by the deadline required. *{Para 2.2, page 5}*

19) The majority of partnerships include schools and FE colleges with existing links. In some instances IF has stimulated greater partnership working and has increased the number of school partners. *{Para 2.3, page 5 and Table 2.1, page 6}*

20) Partnerships within our sample include between one and seventeen partner schools and between 32 and 495 student entries. *{Para 2.3, page 5 and Table 2.1, page 6}*

21) 45 different qualifications are being delivered across the 30 partnerships resulting in 3,111 student entries. The breakdown across the 45 qualifications is as follows: *{Para 2.3, page 5 and Table 2.1, page 6}*

- 8 applied GCSEs;
- 6 GNVQs;
- 17 NVQs;
- 14 other vocational qualifications.

22) Applied GCSEs account for 60% of total student entries and are being studied by students attending 105 schools. Just under one quarter (24%) of student entries are for NVQ qualifications and the remaining 15% of entries are for GNVQs/other vocational qualifications. *{Para 2.4, page 5 and Table 2.1, page 6}*

23) A range of learning environments (school, college and school/college) is being used to deliver applied GCSEs. *{Para 2.5, page 9 and Table 2.1, page 6}*

24) All NVQs, GNVQs (except Health and Social Care) and other vocational qualifications are being studied at college. *{Para 2.6, page 9 and Table 2.1, page 6}*

Partnership Unit Costs (Section 3)

- **All unit costs relate to the delivery of cohort 1 over a two year period, for 30 sample partnerships.**
- **Unit costs per partnership need to be interpreted with care. Low or high unit costs can mask complex delivery mechanisms and are no indication of the quality of provision.**

25) Original shadow unit costs (core funding divided by baseline student numbers) *{Paras 3.3 and 3.4, page 12}* range between £234 and £11,111. The average original shadow unit cost is £2,211 per student. *{Para 3.7 to 3.10, pages 13-16 and Figure 3.2, page 15}*

26) The revised shadow unit cost (core funding divided by actual student numbers) *{Para 3.5, page 12}* ranges from £202 to £3,125. The average revised shadow unit cost is £1,470 per student. *{Paras 3.11 to 3.13, pages 16-17 and Figure 3.2, page 15}*

27) The real unit cost (total costs divided by actual student numbers) *{Para 3.6, page 13}* ranges between £682 and £8,141. The average real unit cost is £3,166 per student. *{Paras 3.14 to 3.17, page 17, Figure 3.2; page 15 and Table 3.1, page 18}*

28) The majority (53%) of unit costs are between £1,000 and £3,000 per student. There is only one unit cost below £1,000 per student and there are five unit costs above £5,000 per student. *{Paras 3.14 to 3.17, page 17 and Table 3.1, page 18}*

29) On average, the apportionment of total costs across the two-years of delivery is incurred on a 55:45 ratio. This reflects the extra (10%) costs associated with establishing partnerships arrangements, and/or delivering new provision in the first year of delivery. *{Table 3.1, page 18}*

Indirect Costs (Section 4)

- **Indirect costs include set-up costs, support and development costs and the costs of the ongoing management of the Increased Flexibility Programme.**
- **Indirect costs have been calculated across the two years of delivery for cohort 1, for 30 sample partnerships.**

30) The majority of partnership set-up costs relate to management and equipment; the majority of support and development costs relate to additional student support and teacher/tutor training and development; and the majority of ongoing management costs refer to management and administration costs incurred by the college, school and additional costs associated with partnership liaison activity. *{Table 4.1, page 20}*

31) The average set-up cost per partnership is £10,670 and set-up costs range between £150 and £23,300. *{Table 4.2, page 21}*

32) Nine partnerships have zero set-up costs. These tend to be partnerships that existed and were active prior to participating in IF and are using IF funding as an income stream to develop their vocational curriculum. *{Table 4.2, page 21}*

33) The average support and development cost is £19,934. Support and development costs range from £1,796 to £59,096. *{Table 4.2, page 21}*

34) Nine partnerships have zero support and development costs. These partnerships tend to integrate student support within the delivery of individual qualifications and have not seen the need for teacher/tutor training and development within the timescale of the first cohort. It is likely that as delivery expands and more teachers/tutors are required, training and development will become more important. *{Table 4.2, page 21}*

35) The most significant indirect cost category is ongoing management with an average cost per partnership of £56,991. Ongoing management costs range between £10,566 and £119,260. *{Table 4.2, page 21}*

36) The average amount of indirect costs across the 30 partnerships over a two-year period is £78,414 representing 78% of core funding. *{Table 4.2, page 21}*

37) Core funding over the two-year delivery period (£100,000) does not cover indirect costs for 30% (9 partnerships) of the sample partnerships. *{Table 4.2, page 21}*

38) Indirect costs, on average, represent one third of total delivery costs although there is a wide range (between 4% and 77%) across the 30 partnerships. *{Table 4.2, page 21}*

39) The average unit cost for indirect costs per student is £757 and is broken down as follows: *{Table 4.2, page 21}*

- £72 per student for set-up costs;
- £135 per student for support and development costs;
- £550 per student for ongoing management costs.

Delivery Costs (Section 5)

- **Analysis of the variance in costs for individual delivery elements, identified that there are some inconsistencies in the way in which costs have been reported.**
- **In one or two cases, it was felt that the costs provided were unrealistic.**
- **We have revised or excluded data that we perceive to be inconsistent or unrealistic.**

40) The average costs for delivery of the eight applied GCSEs vary considerably across the sample partnerships. *{Paras 5.3 to 5.6, pages 25-26 and Table 5.1, page 27}* In order to understand the factors influencing such variability we have analysed the individual costs associated with the key cost elements, as follows: *{Para 5.2, page 25}*

- Core Delivery: i) Teaching; ii) Curriculum Planning; iii) Facilities; iv) Resources & Equipment; v) Registration/entry fees;
- Additional Delivery: vi) Student Support and Monitoring; vii) Transport; viii) Employer Liaison/Placements.

41) After removing the inconsistencies across the partnerships, we identified a range of additional factors that lead to variable costs for the individual delivery elements, as follows:

- the most significant variable cost factor is the number of students within a group; fewer students incur higher per student costs; *{Para 5.49, page 59}*
- Model of Delivery: There are a number of ways in which this varies, including: *{Figure 5.1, page 32}*
  - place of delivery – in college or school delivery, mixed delivery or joint delivery (where school and college staff teach together);
  - hours/weeks of delivery – the majority of GCSEs involve 5 hours per week, though in some cases this is more; the number of weeks in a school and college term also vary;
  - teacher level – the grade of teacher/tutor (and therefore associated costs) vary across courses and partnerships;

- Nature of Delivery/Course: Different subject areas incur different resources and equipment costs; *{Para 5.26, page 43}* some incur additional technician support costs; *{Figure 5.1, page 32}*

- Stage of Course Development: Costs for curriculum development and resources/equipment are different for new courses to those that are already established; *{Paras 5.21, page 38 and 5.26, page 43}*

- Learner Support: Many partnerships have incurred additional learner support costs due to the need to provide appropriate support to particular age/ability groups of students; *{Paras 5.33 to 5.38, pages 51-52 and Table 5.9, page 53}*

- Transport: The significant cost of transporting students to and from college is a dominant characteristic associated with most IF delivery. Factors influencing the level of costs incurred include proximity of school to college, models of delivery, number of students, access to existing means of transport; *{paras 5.39 to 5.42, pages 54 & 56 and Table 5.10, page 55}*

- Employer Liaison/Placements: Some partnerships have incurred various costs linked to industry visits and short term placements. *{Paras 5.43 to 5.47, pages 56-57 and Table 5.11, page 58}*

42) To account for these variable factors that influence delivery costs, we have established a series of costing models and options. We use these to establish some estimates of average costs for each of the eight applied GCSEs: *{Paras 5.48 to 5.50, page 59 and Tables 5.12A to 5.12C and 5.13A to 5.13C, pages 61-72}*

- **Engineering:**
  - £1,288 to £2,192 per student for a group of 30 students;
  - £2,308 to £4,202 per student for a group of 15 students;
- **Leisure & Tourism:**
  - £1,110 to £1,927 per student for a group of 30 students;
  - £2,044 to £3,680 per student for a group of 15 students;
- **ICT:**
  - £1,004 to £1,822 per student for a group of 30 students;
  - £1,813 to £3,448 per student for a group of 15 students;
- **Manufacturing:**
  - £963 to £1,781 per student for a group of 30 students;
  - £1,818 to £3,454 per student for a group of 15 students;
- **Art and Design:**
  - £961 to £1,865 per student for a group of 30 students;
  - £1,665 to £3,473 per student for a group of 15 students;

- **Science:**
  - £923 to £1,740 per student for a group of 30 students;
  - £1,770 to £3,406 per student for a group of 15 students.
- **Business:**
  - £858 to £1,676 per student for a group of 30 students;
  - £1,562 to £3,197 per student for a group of 15 students;
- **Health & Social Care:**
  - £812 to £1,630 per student for a group of 30 students;
  - £1,538 to £3,173 per student for a group of 15 students.

Partnership Costs & Costing Model (Section 6)

- **Based on the average characteristics of the sample partnerships that are delivering applied GCSEs, we have established an 'average' sample partnership as one consisting of a college, four partner schools, delivering three applied GCSEs to a cohort of 94 students.**

43) We have estimated that total costs for an 'average' sample partnership would be £228,777, including indirect (set-up, support and development and ongoing management costs) costs of £67,694 and delivery costs of £161,083 for three GCSEs involving four schools over two years. Therefore, the total costs for this 'average' sample partnership exceed the core funding by around £130,000. *{Paras 6.3 to 6.5, page 74 and Table 6.1, pages 75-76}*

Costing Model

44) Using the analysis from Section 5, we have developed a draft costing model for the delivery of applied GCSEs through IF. This shows that base unit costs (costs per student) are between 50% and 60% lower than the LSC 16-19 funding per student. However, some of this difference might be accounted for the fact that we have not included estimates for overheads such as heating, lighting and employment on-costs. *{Paras 6.6 and 6.7, page 77 and Table 6.2A, page 79}*

45) Application of multipliers to the base cost to account for additional costs associated with the provision of technicians, a start-up course, learner support, transport costs and employer liaison/placements, increases the per student cost (and therefore total costs) of IF by between 74% and 122% across the eight applied GCSEs. *{Para 6.7, page 77 and Table 6.2A, page 79}*

46) Whilst there is a variety of characteristics associated with IF delivery that result in this higher cost, the one factor which has the most dramatic impact is group size. The base costs for a group of 30 students are increased by between 74% and 91% across the eight GCSEs, if student numbers are only 15 in a group. Base costs are multiplied further for the '15 student' model when additional options are added – a further 84% to 136% additional per student cost depending on the GCSE being delivered. *{Para 6.9, page 78 and Table 6.2B, page 82}*

47) This is a significant issue, given that only 17% of the GCSE groups being delivered in cohort 1 (across the 27 sample partnerships) involved 25 or more students, suggesting that actual costs of delivery for IF cohort 1 were considerably higher than 16-19 funded delivery. In 53% of cases, group size is 15 or less. *{Para 6.10, page 78}*

48) Average and total costs for cohort 2 of IF are likely to change for a number of reasons, including significant increases in student numbers; new courses; additional schools; and cost efficiencies associated with management/coordination, set-up and development costs. *{Paras 6.13 and 6.14, pages 86-87}*

49) The higher cost, '15 student' costing model, may still be valid for cohort 2, given that the nature of IF delivery may mean that it is difficult to increase group sizes significantly. *{Para 6.14, page 87}*

Funding (Section 7)

- **27 partnerships received core funding of £100,000 for delivery of cohort 1 over two years. The remaining three partnerships received double core funding (£200,000) either because of size, double partnerships or receiving funding from another partnership that did not get off the ground.**

50) The three most predominant additional funding streams are IF discretionary funding, LSDA funding and LID funding. *{Table 7.2, page 89}*

51) Additional funding represents between 5% and 42% of the total funding received. *{Table 7.2, page 89}* Seven out of the 30 partnerships include colleges that charge for delivery generating between £12k and £80k of additional funding. *{Table 7.2, page 89}*

52) The average charge per student is £513 over two years. The highest charge of £1,200 per student works out as £300 per student per day. *{Table 7.2, page 89}*

53) In all cases, core funding is not covering the full costs of delivery and in the majority of cases total funding received is inadequate resulting in a shortfall per student. *{Para 7.1, page 88 and Table 7.2, page 89}*

1 INTRODUCTION

Key Points

- The national office of the Learning and Skills Council (LSC) and the Department for Education and Skills (DfES) jointly commissioned York Consulting Limited (YCL) to undertake this costing study in order to demonstrate and evidence the full costs of delivery of Increased Flexibility for 14-16 Year Olds. The study has involved:
  - initial analysis of data about the characteristics of the 270 IF partnerships;
  - based on this analysis, selection of 32 sample partnerships;
  - visits to 32 sample partnerships to collect information about delivery and costs;
  - analysis of the data and information collected from the sample partnerships.
- This report provides a summary of the findings associated with analysis of sample partnerships that are delivering one or more of the eight applied GCSEs in Cohort 1. In particular, we provide:
  - estimates of the costs associated with an "average" sample partnership;
  - estimates of the costs associated with individual courses;
  - development of a draft costing model for applied GCSEs.

1.1 The national office of the Learning and Skills Council (LSC) and the Department for Education and Skills (DfES) jointly commissioned York Consulting Limited (YCL) to undertake this costing study in order to demonstrate and evidence the full costs of delivery of Increased Flexibility for 14-16 Year Olds. The objectives of the Increased Flexibility (IF) programme are to:

- identify fixed and variable costs – key activities and associated costs;
- identify the range and mix of funding sources;
- establish whether there are optimum models for delivery versus cost;
- establish average costs by vocational course, per student and per hour;
- provide recommendations for future funding of IF partnerships and programmes.

1.2 The study has involved:

- initial analysis of data about the characteristics of the 270 IF partnerships (supplied by NFER as part of the national evaluation of IF);

- based on this analysis, selection of 32 sample partnerships;
- visits to the 32 sample partnerships to collect information about:
  - courses being delivered and student numbers;
  - the method of delivery;
  - costs associated with delivery of Cohort 1 (actual costs for year one, 2002/03, and estimates of costs for year two, 2003/04);
  - an understanding of how courses, delivery, students numbers have changed for Cohort 2 (2003/04 to 2003/05), and therefore how costs are likely to differ;
  - analysis of the data and information collected from the sample partnerships.

1.3 It was originally intended that the analysis to demonstrate and evidence the full costs of delivery of IF would involve:

- the establishment of variable and average costs for each of the sample partnerships;
- using data about the characteristics of all 270 IF partnerships to apply the sample partnerships' variable and average costs to the full programme of IF for Cohort 1 (2002/03 to 2003/04).

1.4 Unfortunately, due to some significant variance between the partnership characteristics established during the sample partnership visits and those available from the evaluation, it has not been possible to establish and estimate full programme costs in this way. We have, as an alternative, used the analysis of sample partnerships costs only to provide:

- estimates of the costs associated with an "average" sample partnership;
- estimates of the costs associated with individual courses.

1.5 In addition, it is only possible to use the information from 30 of the 32 partnerships visited, since one was unable to provide the costing data by the deadline required and the other is primarily using IF funding to facilitate vocational learning rather than deliver qualifications.

1.6 This report provides a summary of the findings associated with analysis of sample partnerships that are delivering one or more of the eight applied GCSEs in Cohort 1, in relation to the following aspects:

- **Section 2** outlines the key characteristics of each of the sample partnerships;
- **Section 3** summarises the unit costs for delivery for the sample partnerships for Cohort 1;
- **Section 4** focuses on the indirect costs associated with operation of the sample partnerships and estimates average and unit costs for each 'indirect' element;
- **Section 5** looks in detail at the delivery costs associated with the eight applied GCSEs that are being delivered in Cohort 1;
- **Section 6** pulls together the analyses in Sections 4 and 5 to outline estimated average costs, per student and per hour costs for each of the eight applied GCSEs and for an 'average partnership' for Cohort 1;
- **Section 7** provides an analysis of the funding sources being used by the sample partnerships, including comment on school charging and the difference between funding and total costs;
- **Section 8** outlines some conclusions for the study.

2 PARTNERSHIP DELIVERY CHARACTERISTICS

Key Points

- Detailed costing information is available for 30 out of the 32 sample partnerships we have consulted with. One partnership is primarily using IF funding to facilitate vocational learning rather than deliver qualifications and the other partnership has not been able to provide the costing data by the deadline required.
- The majority of partnerships include schools and FE colleges with existing links. In some instances IF has stimulated greater partnership working and has increased the number of school partners.
- Partnerships include between one and seventeen partner schools and between 32 and 495 student entries.
- 45 different qualifications are being delivered across the 30 partnerships resulting in 3,111 student entries. The breakdown of qualifications is as follows:
  - 8 applied GCSEs;
  - 6 GNVQs;
  - 17 NVQs;
  - 14 other vocational qualifications.
- Applied GCSEs account for 60% of total student entries and are being studied by students attending 105 schools. Just under one quarter (24%) of student entries are for NVQ qualifications and the remaining 15% of entries are for GNVQs/other vocational qualifications.
- A range of learning environments (school, college and school/college) is being used to deliver applied GCSEs.
- All NVQs, GNVQs (except Health and Social Care) and other vocational qualifications are being studied at college.

Introduction

2.1 We have consulted with all the colleges and the majority of partner schools for the 32 partnerships that were selected as being representative of the total population of IF partnerships.

2.2 We have compiled a complete set of delivery data for 30 out of the 32 partnerships. The reasons why it was not possible to collate a complete data set for two of the partnerships are as follows:

- one partnership has essentially used IF funding to manage a vocational learning programme for all schools in the city. Delivery of the qualifications is being funded using European Social Fund resources. This delivery mechanism is somewhat unique and would have skewed the costing and partnership data. It was therefore agreed that the partnership's data set would be excluded from the analysis;

- after an initial meeting with YCL, it was agreed that the other partnership needed to convene an internal meeting in order for the costing information we required to be made available. Unfortunately a key member of the college became ill, the internal meeting had to be postponed and the data was not available in time for the deadline for analysis.

Key Characteristics

2.3 The key characteristics of the 30 partnerships are presented in **Table 2.1**. The key points to note are:

- the smallest partnership consists of one FE college and one partner school. The largest partnership includes an FE college and 17 partner schools;

- the number of student entries per partnership varies between 32 and 495 students. The total number of student entries is 3,111. This works out at an average of 104 students per partnership;

- 45 different qualifications are being delivered across the 30 partnerships. The breakdown of qualifications is as follows:

  - 8 applied GCSEs;
  - 6 GNVQs;
  - 17 NVQs;
  - 14 other vocational qualifications.

2.4 Applied GCSEs account for 60% of total student entries and are being studied by students attending 105 schools. Just less than one quarter (24%) of student entries are for NVQ qualifications and the remaining 15% of entries are for GNVQs/other vocational qualifications.

TABLE 2.1: PARTNERSHIP DELIVERY CHARACTERISTICS							
Course Title	**No. of partnerships**	**No. of schools**	**No. of students**	**Place of Delivery**			
				school	**college**	**mix**	**WBTP**
Art & Design GCSE	5	5	86		3	2	
Business GCSE	5	5	103	2	1	2	
Engineering GCSE	18	32	397	1	12	4	1
Health & Social Care GCSE	11	15	229	5	5	2	
ICT GCSE	8	16	514	2	3	3	
Leisure & Tourism GCSE	12	18	313	5	4	3	
Manufacturing GCSE	5	9	79		3	2	
Applied Science GCSE	4	5	142	1	1	3	
Building Environment GNVQ	1	1	12		1		
Construction GNVQ	1	4	16		1		
Foundation Construction GNVQ	1	3	93		1		
Health & Social Care GNVQ	1	1	14	1			
Hospitality & Catering GNVQ	1	2	31		1		
Manufacturing GNVQ	1	1	12		1		
Beauty Therapy NVQ	2	6	47		2		
Catering NVQ	5	22	63		4	1	
Childcare NVQ	1	5	20		1		

TABLE 2.1: PARTNERSHIP DELIVERY CHARACTERISTICS							
Course Title	No. of partnerships	No. of schools	No. of students	Place of Delivery			
				school	college	mix	WBTP
Construction NVQ	4	22	108		4		
Engineering NVQ Level 1	5	16	66		4		
Food Preparation & Cookery NVQ	2	9	19		2		
Hair & Beauty Therapy NVQ Level 1	2	9	43		2		
Hairdressing NVQ	9	42	146		9		
Horsecare NVQ	2	7	11				2
Hospitality & Catering NVQ Level 1	1	2	7		1		
Motor Vehicle NVQ	4	22	110		4		
Performing Arts NVQ	1	5	15		1		
Performing Engineering & Operations NVQ	2	6	44		1	1	
PEO NVQ Engineering	1	1	15		1		
Sports NVQ	1	11	30		1		
Wood Occupations NVQ	1	5	7		1		
Agriculture C&G Level 1	1	6	16		1		
Animal Care C&G Level 1	1	8	16		1		
Equine C&G Level 1	1	5	10		1		
Horticulture C&G Level 1	1	6	10		1		
Motor Vehicle C&G Levels 1 & 2	1	2	62		1		

TABLE 2.1: PARTNERSHIP DELIVERY CHARACTERISTICS							
Course Title	No. of partnerships	No. of schools	No. of students	Place of Delivery			
				school	college	mix	WBTP
Abc Found Motor Vehicle	2	2	17		2		
Alternative Curriculum	1	1	unknown			1	
Automotive Vehicle Servicing & Repair Progression Award L. 2	1	4	13		1		
Catering HAB Level 1	1	1	4		1		
Construction (CITB)	2	6	22		2		
Construction FCA	1	1	4		1		
Construction: Foundation Certificate in Building Craft Occupation	1	7	15		1		
Entry Level	1	4	72		1		
Foundation Construction Award	1	4	18		1		
Motor Vehicle Engineering: Pre Apprenticeship Motor Vehicle Maintenance	1	2	15		1		
Reflex Programme	1	3	17		1		
Science (Sports Studies) First Diploma	1	4	4		1		
Sheet Metalwork - non voc	1	1	4		1		

2.5 A range of learning environments (school, college and school/college) is being used to deliver applied GCSEs although there is a greater likelihood that the more technical subjects (Engineering and Manufacturing) are delivered at college and applied GCSEs, such as ICT and Leisure and Tourism, are delivered at school.

2.6 All NVQs, the vast majority of GNVQs (the exception is Health and Social Care) and all 'other' vocational qualifications are being delivered at college.

2.7 The three most popular courses by number of student entries, number of participating schools and number of participating partnerships are shown in **Table 2.2** below. It is interesting to note that:

- 17% of student entries relate to the applied GCSE in ICT. A relatively small number of partnerships are delivering a large number of ICT qualifications with plans for expansion in Cohort 2;
- in contrast, the most prevalent qualification being studied analysed by the number of participating schools is an NVQ in Hairdressing. However, partner schools tend to send small number of students per course;
- an analysis of qualifications by partnership demonstrates that applied GCSEs are the most prevalent qualification. In particular, the applied GCSE in Engineering is being delivered by 60% of the partnerships in our sample.

Table 2.2: Most Prevalent Qualifications

No. of Student Entries	No. of schools	No. of Partnerships
Applied ICT (514)	Hairdressing NVQ (42)	Applied Engineering (18)
Applied Engineering (397)	Applied Engineering (32)	Applied Leisure & Tourism (12)
Applied Leisure & Tourism (313)	Catering, Construction, Motor Vehicle NVQ (22)	Applied Health and Social Care (11)

2.8 Care needs to be taken with interpreting the data. For example, a large number of student entries could be allocated across a narrow range of qualifications. The number of participating schools and number of qualifications being delivered is not necessarily related to the number of student entries per partnership. This reflects the wide range of delivery mechanisms being used by partnerships, which in-turn reflects the in-built flexibility of the IF programme.

3 PARTNERSHIP UNIT COSTS

Key Points

- Unit costs per partnership need to be interpreted with care. Low or high unit costs can mask complex delivery mechanisms and are no indication of the quality of provision.
- Original shadow unit costs (core funding divided by baseline student numbers) range between £234 and £11,111. The average original shadow unit cost is £2,211 per student.
- The revised shadow unit cost (core funding divided by actual student numbers) ranges from £202 to £3,125. The average revised shadow unit cost is £1,470 per student.
- The real unit cost (total costs divided by actual student numbers) ranges between £370 and £8,141. The average real unit cost is £3,157 per student.
- The majority (53%) of unit costs are between £1,000 and £3,000 per student. There is only one unit cost below £1,000 and there are five unit costs above £5,000 per student.
- On average, the apportionment of total costs across the two-years of delivery is incurred on a 55:45 ratio. This reflects the extra (10%) costs associated with establishing partnerships arrangements, and/or delivering new provision in the first year of delivery.

Introduction

3.1 In this Section we present the unit costs for the 30 sample partnerships for which we have complete sets of data. In particular we analyse the following:

- original shadow costs;
- revised shadow costs;
- actual unit costs.

3.2 This Section sets the context for the more detailed analysis of indirect costs (Section 4) and delivery costs (Section 5). Unit costs per partnership need to be interpreted with care. For example, low unit costs could reflect large-scale delivery of applied GCSEs within a school learning environment, where as a high unit cost may indicate a wide range of vocational courses being delivered in a college environment with additional teacher support and high transport costs because of the rural location of the partnership. Both delivery mechanisms are valid resulting in very different unit costs. Therefore, the unit cost per student per partnership does not reflect the quality of provision or how effectively resources are being used, but it does give a 'real cost' indication of the level of activity involved in delivery for Cohort 1.

Unit Cost Definitions

Original Shadow Unit Cost

3.3 We have calculated a 'shadow unit cost' for each of the partnerships participating in the programme on the following basis:

$$\text{Shadow unit cost} = \frac{\text{core funding (£100k over 2 years)}}{\text{number pupils involved in delivery}}$$

3.4 It should be noted that baseline data received by the National Evaluator of IF, NFER, has been used for the denominator in the shadow cost calculation. Whilst this data was accurate at the time of collation (Autumn 2002), not all participating schools responded and in some circumstances the number of qualifications and pupils participating changed after the data was received.

Revised Shadow Unit Cost

3.5 This is the same definition as for the original shadow unit cost but replacing the denominator with the actual number of students involved in delivery where this is different from the baseline figures provided by NFER.

Actual Unit Costs

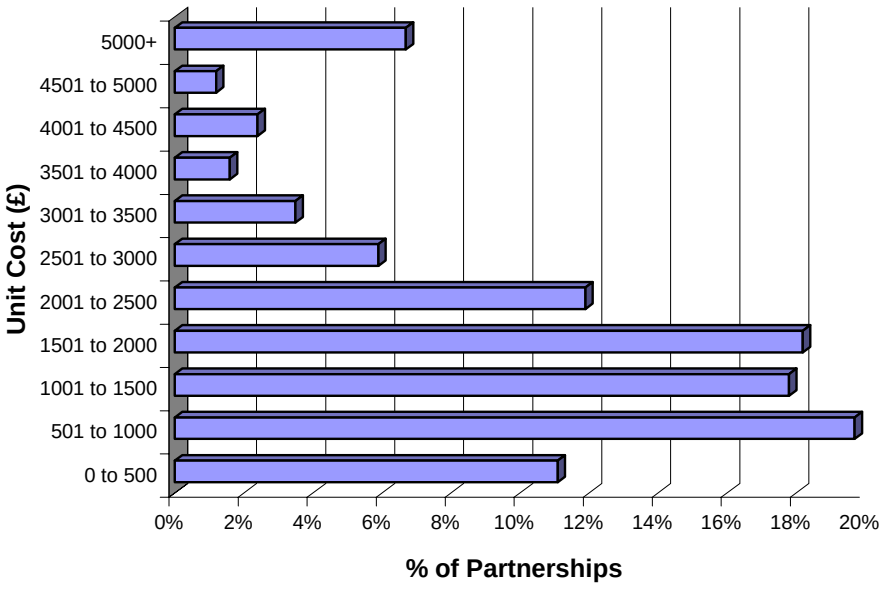
3.6 Based on our consultations with the FE colleges and schools involved in delivery, we have calculated the unit cost of delivery using actual costs incurred in cohort 1, year 1 and an estimate of the cost of delivery of cohort 1, year 2, divided by the actual number of students participating in cohort 1.

Original Shadow Unit Costs

3.7 The range of shadow costs across the 270 IF partnerships is presented in **Figure 3.1** on the following page. The key points to note are:

- shadow costs range from £109 to £12,500 per student;
- just under one in five partnerships have a shadow cost between £501 and £1,000 per student;
- over half of the partnerships have a shadow cost between £501 and £2,000 per student;
- just over 10% of partnerships have a shadow cost of over £4,001 per student.

Figure 3.1: Shadow Unit Costs (All Partnerships)

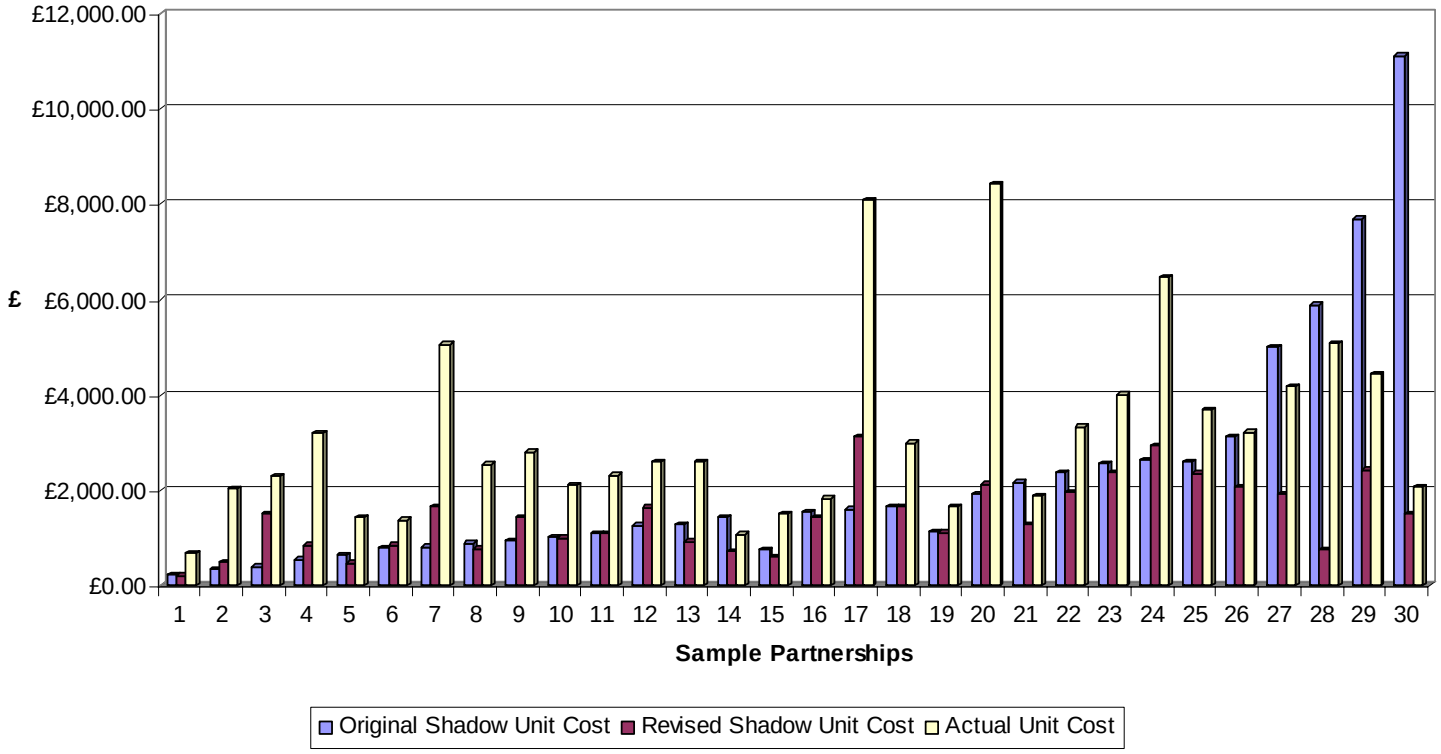


3.8 We can compare the range of shadow unit costs presented in **Figure 3.1** with the shadow, revised and actual unit costs for the 30 sample partnerships for which we have complete data sets. Where:

- shadow unit costs are calculated according to the definition presented in paragraph 3.2;
- revised shadow costs are defined as core funding divided by the actual number of participating students, where this is different from the baseline dataset;
- actual unit costs are defined as the true cost of delivering IF taking into account college and school costs and dividing this by the number of participating students.

3.9 These three sets of unit costs are shown for the 30 partnerships in **Figure 3.2**.

Figure 3.2: Sample Partnership Unit Costs



3.10 As the sample partnerships were selected on the basis that they were representative of the total population of partnerships as a whole, it is no surprise to find similar characteristics:

- the shadow unit costs for the sample range from £234 to £11,111;
- 40% of the partnerships have a shadow unit cost between £500 and £1,500;
- four of the thirty partnerships have a shadow unit cost in excess of £5,000 per student;
- the average unit cost across the sample is £2,211 per student.

Revised Shadow Unit Cost

3.11 By applying the actual number of students participating and recalculating the shadow unit costs we find:

- the range of unit costs has narrowed to between £222 and £3,125 per student;
- just under one third of the unit costs are less than £1,000 per student;
- a further 47% of unit costs are between £1,000 and £2,000 per student;
- seven sample partnerships have unit costs in excess of £2,000 and only one unit cost is more than £3,000;
- the average unit cost has reduced to £1,470 per student.

3.12 These changes are not surprising as we have kept the numerator constant (funding per partnership) and have altered the denominator to reflect the actual number of students participating in each partnership.

3.13 It is interesting to note that there has only been a net increase of 54 students participating across the 30 partnerships. Our conclusion therefore is that the small number of partnerships with initial high unit costs are likely to have got off to a slow start and have subsequently recruited higher numbers of students therefore reducing their unit costs. By way of contrast the majority of partnerships that had 'steady state' delivery during the first term of IF, lost a number of students either via drop-out or by decisions taken by the partnership to not deliver all the qualifications they initially intended to.

Actual Unit Costs

3.14 **Table 3.1** shows the unit cost for year 1 of cohort 1, year 2 of cohort 1 and a combined unit cost for the cohort as a whole.

3.15 As the denominator is the same as for the revised shadow unit costs, if the actual cost of delivery was £50k in each year or £100k across the two years then the actual unit cost would be the same as the revised shadow unit cost.

3.16 All the actual unit costs have increased compared to the revised shadow unit cost indicating that the £50k block grant per cohort per year is not meeting the real costs of delivery.

3.17 The key points to note are:

- unit costs range from £682 to £8,411 per student per cohort;
- the majority of unit costs (57%) are between £1,000 and £3,000 per student;
- there is only one unit cost below £1,000 per student and there are five unit costs above £5,000 per student;
- the average unit cost across the 30 partnerships is £3,166 per student;
- on average, the apportionment of total costs across the two-years of delivery is incurred on a 55:45 ratio. This reflects the extra (10%) costs associated with establishing partnerships arrangements, and/or delivering new provision in the first year of delivery.

Table 3.1: Sample Partnership Unit Costs (Actual)			
Partnership No.	Cohort 1		Total Unit Cost for Cohort 1
	Year 1	Year 2	
1	£369.36	£312.87	£682.23
2	£588.79	£494.14	£1,082.93
3	£744.13	£630.96	£1,375.09
4	£840.91	£589.71	£1,430.62
5	£780.52	£725.39	£1,505.91
6	£873.79	£785.21	£1,659.00
7	£961.64	£871.70	£1,833.34
8	£1,059.12	£820.50	£1,879.62
9	£1,083.97	£960.94	£2,044.91
10	£1,212.22	£855.31	£2,067.53
11	£1,191.67	£918.38	£2,110.05
12	£1,259.68	£1,037.86	£2,297.54
13	£1,239.81	£1,080.22	£2,320.03
14	£1,363.92	£1,184.99	£2,548.91
15	£1,520.70	£1,082.70	£2,603.40
16	£1,371.61	£1,233.18	£2,604.79
17	£1,437.94	£1,365.56	£2,803.50
18	£1,546.70	£1,447.55	£2,994.25
19	£1,731.51	£1,481.92	£3,213.43
20	£1,980.36	£1,235.58	£3,215.94
21	£2,227.50	£1,112.00	£3,339.50
22	£1,954.98	£1,726.05	£3,681.03
23	£2,055.92	£1,953.89	£4,009.81
24	£2,068.85	£2,115.00	£4,183.85
25	£2,787.59	£1,642.68	£4,430.27
26	£2,578.25	£2,485.58	£5,063.83
27	£2,513.60	£2,571.99	£5,085.59
28	£3,407.62	£3,063.56	£6,471.18
29	£4,949.19	£3,136.69	£8,085.88
30	£4,504.17	£3,906.83	£8,411.00

4 INDIRECT COSTS

Key Points

- Indirect costs include set-up costs, support and development costs and the costs of the ongoing management of the IF programme.
- The majority of partnership set-up costs relate to management and equipment.
- The majority of support and development costs relate to additional student support and training and development for teachers/tutors.
- The majority of ongoing management costs refer to management and administration costs incurred by the college, school and additional costs associated with partnership liaison activity.
- Nine partnerships have zero set-up costs and nine partnerships have zero support and development costs.
- The average set-up cost per partnership is £10,670 and set-up costs range between £150 and £23,300.
- The average support and development cost is £19,934. Support and development costs range from £1,796 to £59,096.
- The most significant indirect cost category is ongoing management with an average cost per partnership of £56,991. Ongoing management costs range between £10,566 and £119,260.
- The average amount of indirect costs across the 30 partnerships over a two-year period is £78,414 representing 78% of core funding.
- Core funding over the two-year delivery period (£100,000) does not cover indirect costs for 30% (9 partnerships) of the sample partnerships.
- Indirect costs, on average, represent one third of total delivery costs although there is a wide range (between 4% and 77%) across the 30 partnerships.
- The average unit cost for indirect costs per student is £757 and is broken down as follows:
  - £72 per student for set-up costs;
  - £135 pr student for support and development costs;
  - £550 per student for ongoing management costs.

4.1 Our costing model asked partnerships to identify the following three types of indirect costs:

- **set-up costs** – these are classified as one-off costs that would only be incurred in year 1 of cohort 1;
- **support and development costs** – these would include costs that are incurred once per cohort or for every year of delivery;
- **ongoing management costs** – these are annual costs related to delivering IF.

4.2 Partnerships detailed a wide range of indirect costs, but on analysis, the range of cost sub-categories could be narrowed down to two or three items that accounted for 85%-95% of the total of indirect costs. These predominant sub-categories are shown in **Table 4.1** below.

Table 4.1:
Predominant Indirect Cost Sub-Categories

Set-up	Support & Development	Ongoing Management
Management	Student support	Management & administration (college)
Equipment	Training and development	Management & administration (school)
		Partner communication and liaison

4.3 The key points summarised at the start of this section have been drawn from an analysis of indirect costs for 30 of the sample partnerships. This analysis is presented in **Table 4.2**.

Table 4.2: Indirect Costs per Partnership								
Partnership No.	Set-up Costs	Set-up Unit Cost	Support & Development Costs	Support & Development Unit Costs	Ongoing Management Costs	Ongoing Management Unit Costs	Total Indirect Costs	Proportion of Total Cost (%)
1	£0.00	£0.00	£0.00	£0.00	£35,875.00	£72.47	£35,875.00	20
2	£0.00	£0.00	£15,889.00	£260.48	£39,280.00	£643.93	£55,169.00	35
3	£23,250.00	£455.88	£0.00	£0.00	£58,673.21	£1,150.46	£81,923.21	48
4	£22,555.36	£221.13	£23,866.43	£233.98	£52,057.88	£510.37	£98,479.67	47
5	£23,300.00	£728.13	£32,894.00	£1,027.94	£69,128.00	£2,160.25	£125,322.00	48
6	£6,750.00	£164.63	£36,931.00	£900.76	£37,286.00	£909.41	£80,967.00	45
7	£13,873.37	£175.61	£25,690.98	£325.20	£95,725.88	£1,211.72	£135,290.23	47
8	£0.00	£0.00	£3,363.00	£44.25	£38,125.00	£501.64	£41,488.00	29
9	£3,000.00	£42.86	£32,320.00	£461.71	£44,582.00	£636.89	£79,902.00	62
10	£10,000.00	£238.10	£0.00	£0.00	£105,281.25	£2,506.70	£115,281.25	54
11	£1,000.00	£15.38	£3,000.00	£46.15	£53,300.00	£820.00	£57,300.00	43
12	£5,082.00	£19.93	£0.00	£0.00	£91,868.00	£360.27	£96,950.00	15
13	£16,059.00	£272.19	£30,095.55	£510.09	£41,037.50	£695.55	£87,192.05	46
14	£0.00	£0.00	£28,534.30	£731.65	£87,255.36	£2,237.32	£115,789.66	77
15	£12,747.36	£108.95	£59,096.00	£505.09	£49,168.00	£420.24	£121,011.36	32
16	£4,443.00	£130.68	£3,800.00	£111.76	£95,236.00	£2,801.06	£103,479.00	47
17	£0.00	£0.00	£0.00	£0.00	£10,566.00	£64.43	£10,566.00	4
18	£0.00	£0.00	£0.00	£0.00	£24,100.00	£172.14	£24,100.00	16
19	£12,800.00	£213.33	£4,500.00	£75.00	£88,720.00	£1,478.67	£106,020.00	35

Table 4.2: Indirect Costs per Partnership								
Partnership No.	**Set-up Costs**	**Set-up Unit Cost**	**Support & Development Costs**	**Support & Development Unit Costs**	**Ongoing Management Costs**	**Ongoing Management Unit Costs**	**Total Indirect Costs**	**Proportion of Total Cost (%)**
20	£0.00	£0.00	£0.00	£0.00	£43,573.67	£372.42	£43,573.67	14
21	£13,093.40	£211.18	£8,000.00	£129.03	£87,737.20	£1,415.12	£108,830.60	34
22	£0.00	£0.00	£5,651.30	£63.50	£13,760.00	£154.61	£19,411.30	13
23	£10,550.00	£50.72	£25,750.00	£123.80	£42,404.00	£203.87	£78,704.00	21
24	£2,016.00	£30.55	£0.00	£0.00	£39,000.00	£590.91	£41,016.00	27
25	£9,510.00	£48.03	£0.00	£0.00	£119,260.00	£602.32	£128,770.00	32
26	£2,405.13	£40.76	£4,948.44	£83.87	£46,974.16	£796.17	£54,327.73	31
27	£2,635.98	£50.69	£1,796.00	£34.54	£20,687.00	£397.83	£25,118.98	12
28	£10,000.00	£90.91	£14,350.00	£130.45	£35,688.00	£324.44	£60,038.00	24
29	£18,995.00	£404.15	£19,400.00	£412.77	£107,408.94	£2,285.30	£145,803.94	50
30	£0.00	£0.00	£38,733.00	£328.25	£35,985.40	£304.96	£74,718.40	46
Total	**£224,065.60**	**£72.09**	**£418,609.00**	**£134.69**	**£1,709,743.45**	**£550.11**	**£23,52418.05**	**33**

5 DELIVERY COSTS

Key Points

- The average costs for delivery of the eight applied GCSEs vary considerably across the sample partnerships. In order to understand the factors influencing such variability we have analysed the individual costs associated with the key cost elements, as follows;
  - Core Delivery: i) Teaching; ii) Curriculum Planning; iii) Facilities; iv) Resources & Equipment; v) Registration/entry fees;
  - Additional Delivery: vi) Student Support and Monitoring; vii) Transport; viii) Employer Liaison/Placements.
- Analysis of the variance in costs for these individual elements, identified that there are some inconsistencies in the way in which costs have been reported and, in one or two cases, it was felt that the costs provided were unrealistic.
- After removing these inconsistencies across the partnerships, we identified a range of additional factors that lead to variable costs for the individual delivery elements, as follows:
  - the most significant variable cost factor is the number of students within a group; fewer students incur higher per student costs;
  - Model of Delivery: There are a number of ways in which this might vary, including:
    - ~ in college or school delivery, mixed delivery or joint delivery (where school and college staff teach together);
    - ~ hours/weeks of delivery – the majority of GCSEs involve 5 hours per week, though in some cases this is more; the number of weeks in a school and college term also vary;
    - ~ teacher level – the grade of teacher/tutor (and therefore associated costs) vary across courses and partnerships;
  - Nature of Delivery/Course: Different subject areas incur different resources and equipment costs; some incur additional technician support costs;
  - Stage of Course Development: Costs for curriculum development and resources/equipment are different for new courses to those that are already established;

- Learner Support: Many partnerships have incurred additional learner support costs due to the need to provide appropriate support to particular age/ability groups of students;

- Transport: The significant cost of transporting students to and from college is a dominant characteristic associated with most IF delivery. Factors influencing the level of costs incurred include proximity of school to college, models of delivery, number of students, access to existing means of transport;

- Employer Liaison/Placements: Some partnerships have incurred various costs linked to industry visits and short term placements.

- To account for these factors that have an influence on delivery costs, we have established a series of models and options. We use these to establish some estimated average costs for each of the eight applied GCSEs, as outlined in Tables 5.12A, 5.12B, 5.12C, 5.13A, 5.13B and 5.13 C at the end of this Section.

- Average costs for each course have the following ranges depending on the model and option identified:

  - **Engineering:**
    - ~ £1,288 to £2,192 per student for a group of 30 students;
    - ~ £2,308 to £4,202 per student for a group of 15 students;
  - **Leisure & Tourism:**
    - ~ £1,110 to £1,927 per student for a group of 30 students;
    - ~ £2,044 to £3,680 per student for a group of 15 students;
  - **ICT:**
    - ~ £1,004 to £1,822 per student for a group of 30 students;
    - ~ £1,813 to £3,448 per student for a group of 15 students;
  - **Manufacturing:**
    - ~ £963 to £1,781 per student for a group of 30 students;
    - ~ £1,818 to £3,454 per student for a group of 15 students;
  - **Art and Design:**
    - ~ £961 to £1,865 per student for a group of 30 students;
    - ~ £1,665 to £3,473 per student for a group of 15 students;
  - **Science:**
    - ~ £923 to £1,740 per student for a group of 30 students;
    - ~ £1,770 to £3,406 per student for a group of 15 students;
  - **Business:**
    - ~ £858 to £1,676 per student for a group of 30 students;
    - ~ £1,562 to £3,197 per student for a group of 15 students;
  - **Health & Social Care:**
    - ~ £812 to £1,630 per student for a group of 30 students;
    - ~ £1,538 to £3,173 per student for a group of 15 students.

Introduction

5.2 In this Section we provide a detailed analysis of the delivery costs across the 27 sample partnerships that are delivering applied GCSEs in order to estimate average costs (and where relevant, per student, per group and per hour costs) for each of the eight applied GCSEs being delivered. The section is structured under the following headings:

- **Average Costs and Range**;
- **Core Delivery Costs**:
  i) Teaching;
  ii) Curriculum Planning;
  iii) Facilities;
  iv) Resources and Equipment;
  v) Registration and Entry Fees;
- **Additional Delivery Costs**:
  vi) Student support and monitoring;
  vii) Transport;
  viii) Employer liaison and placements;
- **Estimated Average Delivery Costs.**

Average Costs and Range

5.3 **Table 5.1** shows, for each of the applied GCSEs being delivered across the sample partnerships, the average costs and range of costs reported, in terms of:

- total costs;
- costs per student;
- costs per teaching group;
- costs per hour.

5.4 The tables in **Annex A** provide further detail of the costs reported per course for each of the 27 sample partnerships that are delivering one or more of the applied GCSEs.

5.5 Table 5.1 shows considerable variability, both across partnerships for specific courses (for example total costs for GCSE engineering range from just under £10,000 to just under £100,000) and across course types (a sample partnership average of £22,715 for GCSE Manufacturing compared to £51,575 for GCSE ICT). Whilst this is at first glance alarming, the reason for the vast majority of the variation is a result of how different partnerships have costed their provision, rather than a reflection of actual differences in cost.

5.6 In the following we unpick the costs provided to us by the partnerships in order to identify the "real" variation in costs and the reasons for this. We then go on to use this to establish estimates for average costs and how these might vary by type of model, location and/or other factors.

Table 5.1: Two Year Delivery Costs by Course - Sample Partnerships' Average and Range

Course	Total Costs			Per Student			Per Group			Per Hour		
	Partnership Average	Min	Max	Partnership Average	Min	Max	Partnership Average	Min	Max	Partnership Average	Min	Max
GCSE Engineering	£44,444	£9,976	£92,701	£1,971	£839	£773	£28,740	£9,976	£72,705	£78	£39	£168
GCSE Art & Design	£27,991	£15,422	£61,380	£2,387	£1,055	£1,598	£27,991	£15,422	£61,380	£73	£43	£142
GCSE Health & Social Care	£28,882	£6,603	£64,893	£1,383	£550	£534	£21,472	£6,603	£37,894	£58	£18	£108
GCSE ICT	£51,575	£15,018	£155,615	£1,636	£459	£882	£24,702	£14,147	£36,024	£66	£37	£103
GCSE Leisure & Tourism	£30,384	£6,603	£65,206	£1,290	£414	£811	£21,027	£6,603	£54,640	£55	£18	£126
GCSE Manufacturing	£22,715	£9,202	£36,043	£1,999	£588	£1,200	£22,715	£9,202	£36,043	£68	£51	£100
GCSE Science	£42,858	£26,490	£58,753	£1,245	£662	£507	£21,429	£13,245	£29,376	£55	£37	£77
GCSE Business	£30,212	£11,078	£55,724	£2,721	£317	£2,197	£23,532	£5,539	£51,440	£60	£19	£119

Core Delivery Costs

5.7 **Table 5.2** shows, for each of the applied GCSEs being delivered across the sample partnerships, the core costs reported. We have defined core costs as those that we consider will always be incurred whatever the model or location of delivery or type of course[1]. The tables in Annex A provide further detail of the costs reported per course for each of the sample partnerships.

5.8 For each of the five core cost categories (teaching, curriculum planning, facilities, materials, registration/entry fee) Table 5.2 outlines, across all sample partnerships:

- average total cost;
- average cost per student;
- average cost per teaching group;
- average cost per hour, where relevant.

[1] Not all sample partnerships have, in fact, provided costs for each of the core elements we identified. However, as will be seen in the discussion which follows the reasons for this are more likely to be associated with the way in which individual partnerships have calculated costs rather than that they have not incurred these costs. For example, some partnerships included the cost of facilities within teaching costs.

Table 5.2: Two Year Core Costs by Course - Sample Partnerships' Average

Course		A) Teaching				B) Curriculum Planning			C) Facilities			
		Total	Per Student	Per Hour	Per Group	Total Cost	Per Student	Per Group	Total Cost	Per Student	Per Hour	Per Group
GCSE Engineering	Average	£25,456	£1,096	£44	£15,651	£2,776	£95	£1,436	£10,547	£572	£23	£9,505
	Minimum	£6,480	£317	£15	£6,480	£450	£24	£309	£600	£36	£2	£533
	Maximum	£64,600	£1,935	£85	£32,300	£13,091	£385	£6,546	£45,630	£2,535	£106	£45,630
GCSE Art and Design	Average	£16,064	£1,371	£44	£16,064	£1,539	£130	£1,539	£22,748	£1,625	£53	£22,748
	Minimum	£9,720	£728	£27	£9,720	£720	£87	£720	£22,748	£1,625	£53	£22,748
	Maximum	£20,304	£2,430	£90	£20,304	£2,597	£180	£2,597	£22,748	£1,625	£53	£22,748
GCSE Health & Social Care	Average	£21,787	£984	£42	£15,387	£2,092	£108	£2,092	£7,712	£537	£14	£5,979
	Minimum	£2,888	£241	£8	£2,888	£720	£29	£720	£2,800	£82	£8	£2,800
	Maximum	£59,780	£2,173	£75	£25,200	£6,000	£273	£6,000	£10,400	£867	£23	£9,936
GCSE ICT	Average	£37,969	£1,051	£43	£16,100	£2,881	£131	£1,530	£1,600	£130	£5	£1,600
	Minimum	£7,200	£395	£19	£7,200	£400	£18	£400	£400	£27	£1	£400
	Maximum	£133,760	£2,100	£90	£25,200	£6,000	£441	£4,406	£2,800	£233	£8	£2,800
GCSE Leisure & Tourism	Average	£23,867	£1,053	£44	£16,973	£2,393	£68	£1,072	£5,368	£173	£12	£5,168
	Minimum	£2,888	£241	£8	£2,888	£250	£13	£200	£800	£25	£1	£400
	Maximum	£52,000	£2,656	£120	£52,000	£6,000	£120	£2,000	£9,936	£321	£23	£9,936
GCSE Manufacturing	Average	£11,199	£967	£35	£11,199	£964	£139	£964	£2,720	£257	£10	£2,720
	Minimum	£6,380	£316	£27	£6,380	£450	£32	£450	£1,440	£206	£10	£1,440
	Maximum	£17,000	£1,639	£47	£17,000	£1,500	£250	£1,500	£4,000	£308	£10	£4,000
GCSE Science	Average	£29,250	£842	£38	£14,625	£1,933	£56	£966	£800	£24	£1	£400
	Minimum	£16,000	£471	£21	£8,000	£400	£12	£200	£800	£24	£1	£400
	Maximum	£40,975	£1,322	£54	£20,487	£3,239	£88	£1,619	£800	£24	£1	£400
GCSE Business	Average	£17,104	£1,595	£32	£11,963	£1,300	£37	£650	£5,200	£520	£12	£5,200
	Minimum	£4,290	£217	£10	£3,800	£1,300	£37	£650	£5,200	£520	£12	£5,200
	Maximum	£43,810	£4,593	£58	£21,905	£1,300	£37	£650	£5,200	£520	£12	£5,200

Table 5.2 cont: Two Year Core Costs by Course - Sample Partnerships' Average

Course		D) Materials & Equipment				E) Registration/Entry Fee			
		Total Cost	Per Student	Per Hour	Per Group	Total Cost	Per Student	Per Hour	Per Group
GCSE Engineering	Average	£7,528	£345	N/A	£4,649	£1,099	£54	N/A	£798
	Minimum	£665	£28	N/A	£395	£200	£33	N/A	£200
	Maximum	£31,495	£847	N/A	£15,748	£1,935	£85	N/A	£1,700
GCSE Art and Design	Average	£1,981	£192	N/A	£1,981	£605	£53	N/A	£605
	Minimum	£600	£38	N/A	£600	£180	£37	N/A	£180
	Maximum	£3,044	£382	N/A	£3,044	£1,080	£77	N/A	£1,080
GCSE Health & Social Care	Average	£2,012	£78	N/A	£1,587	£1,163	£50	N/A	£910
	Minimum	£438	£23	N/A	£400	£407	£37	N/A	£407
	Maximum	£5,338	£194	N/A	£4,666	£2,890	£85	N/A	£2,890
GCSE ICT	Average	£3,457	£175	N/A	£2,403	£3,573	£49	N/A	£932
	Minimum	£600	£2	N/A	£55	£540	£36	N/A	£540
	Maximum	£8,000	£496	N/A	£4,962	£15,255	£85	N/A	£1,418
GCSE Leisure & Tourism	Average	£4,197	£114	N/A	£1,786	£1,016	£37	N/A	£638
	Minimum	£600	£9	N/A	£200	£405	£13	N/A	£320
	Maximum	£13,282	£214	N/A	£3,321	£2,970	£45	N/A	£1,125
GCSE Manufacturing	Average	£4,176	£36	N/A	£455	£653	£51	N/A	£653
	Minimum	£240	£6	N/A	£90	£200	£29	N/A	£200
	Maximum	£12,781	£81	N/A	£1,213	£1,184	£96	N/A	£1,184
GCSE Science	Average	£3,179	£81	N/A	£1,364	£1,463	£45	N/A	£731
	Minimum	£456	£13	N/A	£228	£1,395	£45	N/A	£698
	Maximum	£6,000	£194	N/A	£3,000	£1,530	£45	N/A	£765
GCSE Business	Average	£1,028	£144	N/A	£895	£1,179	£56	N/A	£758
	Minimum	£800	£23	N/A	£531	£600	£37	N/A	£600
	Maximum	£1,250	£333	N/A	£1,250	£2,070	£75	N/A	£1,035

Core Element i) Teaching Costs

5.9 **Table 5.2** above shows that costs for teaching vary considerably across all courses being delivered. Investigation of these differences reveals that much of the overall variance in average costs across the sample partnerships stems from this core costing factor.

All inclusive hourly teaching cost

5.10 The most significant factor contributing to the variances in teaching costs is a difference in how the sample partnerships have recorded and reported the costs to us. In particular, a number of partnerships have included some or all of the following factors:

- overheads;
- facilities;
- curriculum planning;
- course materials;
- registration & certification;
- staff development;
- learner support assistants.

5.11 For the purposes of establishing a reasonable estimate of average cost per course for pure teaching time, we have excluded these elements and deal with them separately in the sub-sections below.

Factors influencing teaching costs

5.12 **Figure 5.1** overleaf lists the range of factors that contribute to the variance in teaching cost for the delivery of applied GCSEs through IF. These primarily relate to differences in the model of delivery for IF.

Figure 5.1: Teaching Costs – Factors influencing Cost

1. **Unrealistic costing** – for two of the partnerships delivering the applied GCSEs we do not feel that the hourly teaching costs provided are realistic. In one case the per hour charge is too low (£10 to £15) for a college and in another the costings were based on funding received rather than actual costs of delivery;

2. **Place of delivery** – in college, school, work based training provider or mixed;

3. **Joint delivery** – the most common type of joint delivery involves some schools sending school teaching staff to college for the element of the course delivered at college – where this occurs, the number of teaching hours this involves for the 'extra' member of school staff varies, but the most common model is for the school staff to attend the college for 2 of the 5 core hours (so school and college staff x 2 hrs each) and for the school staff to deliver the remaining 3 hours in school;

   In addition, in one partnerships teaching at College is only in year 1 and all teaching transfers to the school in year 2;

4. **Hours of teaching** – this is generally 5 hours per week, but varies from 4 to 6;

5. **Teacher Level** – the grade of teacher/tutor (and therefore associated costs) vary across courses and partnership;

6. **Timetabling** – in some cases it is necessary for schools to provide additional cover for the IF students undertaking private study when in school;

7. **Nature of course** – the provision of technicians to support learning is provided by some schools – this is the case for some engineering and art and design.

8. **Student numbers and group size**– per student costs are more significant where numbers are low. Therefore delivery to 30 students in one group is more cost-effective than delivery to 4 students in one group.

Estimated average costs for teaching

5.13 Given such variability in models of delivery, it is difficult to establish just one estimate of average costs for the teaching of applied GCSEs through IF. Therefore, we have identified **three delivery cost models – A, B, and C –** which will have different average costs:

- **Model A:**
  - 5 hours over 36 weeks per year;
  - college, school or mixed delivery;
  - average per hour teaching costs;
- **Model B:**
  - 5 hours over 36 weeks per year;
  - joint delivery, where the school delivers 3 hours per week and the school and college delivery 2 hours per week together;
  - average per hour teaching costs;
- **Model C:**
  - 5 hours over 36 weeks per year;
  - college, school or mixed delivery;
  - higher than average per hour teaching costs.

5.14 **Figure 5.2** overleaf outlines the various assumptions we have used to identify these models and to account of each of the factors outlined in Figure 5.1.

Figure 5.2: Assumptions for Three Models of Estimated Average Teaching Costs

1. **All inclusive hourly cost**
   - We have removed the costs associated with overheads and other elements as outlined in 1. in Figure 5.1 above.

2. **Unrealistic Costing:**
   - We have removed the partnerships for which we consider the costings for teaching time are unrealistic.

3. **Place of delivery:**
   - Average hourly costs for schools and colleges (£34 and £35 per hour respectively), once the all-inclusive elements and unrealistic costings have been taken out, do not vary as significantly as we might expect given the perceived differences in salary between the FE and school sectors. This may be a function of the level of teaching staff being used for IF activity. For example, in one model costs for a relatively senior tutor and the head of subject contribute to the hourly cost for the college;

   - We have therefore assumed that place of delivery does not influence the costs of teaching significantly (though clearly it impacts on other costs such as transport which we address separately). **We use a base average of £34.50 per hour for the average hourly teaching cost for Models A and B**. Note, however, if the IF model of delivery involved a work-based training provider this is likely to have a more significant impact on the average hourly cost of teaching. We are unable to account for this in our analysis as there was only one work-based training provider involved in delivering an applied GCSE and we do not believe that the costs provided for this partnership were realistic.

4. **Joint Delivery:**
   - This factor clearly could potentially have a significant impact on cost. We account for this **within Model B, where we assume that delivery is split between the school only providing 3 hours of teaching and the college and school providing 2 hours of teaching together**.

5. **Hours of Teaching:**
   - Whilst there is some variability in hours of teaching for an applied GCSE, by far the majority of partnerships deliver 5 hours per week. The number of weeks delivery also varies, but averages at 36 weeks. We therefore assume that hours of teaching are **5 hours over 36 week per year for all three Models**.

Figure 5.2: Assumptions for Three Models of Estimated Average Teaching Costs

6. **Teacher Level:**
   - **Model C** assumes that more experienced and senior staff are being used to deliver the IF provision and so we have used a higher hourly cost for teaching of **£40 per hour**.

7. **Timetabling:**
   - **Model B** could also be used to account for extra timetabling for IF students in school for 2 hours of school staff time (rather than double staffing in college).

8. **Nature of course:**
   - **All three models** include two options (**Options 1 and 2**)– one without provision of a technician and one with costs associated with 2 hours for a technician for the Engineering and Art and Design qualifications only.

9. **Student numbers:**
   - For each of the **three models we show the costs associated with delivery for one group, for one school, of 30 students, one group, for one school, of 15 students and one group, for one school, of 3 students.**

5.15 Using these assumptions, **Table 5.3** overleaf outlines our estimated average teaching costs per group (for three different group sizes), per hour and per student for one school and one college working collaboratively to deliver an applied GCSE. Manufacturing and Art and Design are shown separately for the second option for all models as they include the provision of a technician for 2 hours.

Cost Element ii) Curriculum Planning

5.16 **Table 5.2** (page 29) shows that the average cost for curriculum planning across the eight courses ranges from just under £1,000 over the two years to just under £3,000. These partnership averages for each GCSE mask some big differences across individual sample partnerships - the highest cost for curriculum planning, of £13,091, is provided by a partnership delivering GCSE engineering, and the lowest, of £250, by a partnership delivering GCSE Leisure and Tourism.

Table 5.3: Estimated Teaching Costs for IF, Applied GCSEs								
	Total Costs, 1 School, 1 Group over 2 years	Per Hour	Per Student over 2 years			Model & Option Assumptions		
			30 students	15 students	3 students			
Model A1 all applied GCSEs; A2 for all except Art & Design; Engineering	£12,420	£34.50	£414	£828	£4,140	**All Models:**	5 hrs x 36 weeks delivery	
Model A2, Art & Design; Engineering (with technician time)	£15,012	£41.70	£500	£1,001	£5,004	**Model A:**	College, school or mixed delivery	
Model B1, all applied GCSEs; B2 for all except Art & Design; Engineering	£17,388	£48.30	£580	£1,159	£5,796	**Model B:**	Joint delivery, 3hrs school only, 2hrs school & college	
Model B2, Art & Design; Engineering (with technician time)	£19,980	£55.50	£666	£1,332	£6,660	**Model C:**	College, school or mixed delivery	Higher teaching salary
Model C1, all applied GCSEs; C2 for all except Art & Design; Engineering	£14,400	£40.00	£480	£960	£4,800	**Option 1:**	No technician	
Model C2, Art & Design; Engineering (with technician time)	£16,992	£47.20	£566	£1,133	£5,664	**Option 2:**	Technician for Art & Design, Engineering	

Notes: More schools = multiply total cost by number of schools; More groups = multiply total cost by number of groups

5.17 However, again due to differences in the way partnerships have reported costs it is necessary to make some adjustment to these figures. For three of the partnerships, the curriculum planning category includes costs associated with networking, coordination, assessment and review (in fact the highest cost of £13K quoted above is associated purely with coordination and networking costs). For most other partnerships, these costs have been accounted for distinct of the individual courses being delivered and we have already analysed these in Section 4.

5.18 Removing these inconsistencies, results in an average cost for curriculum planning across all partnerships and all courses of £1,270 for two years. There is no distinct difference in the costs of curriculum planning across the 8 GCSES. However, there is a difference in how individual partnerships have accounted for the cost – some have included annual costs (4 partnerships), some for a cohortly cost (5 partnerships) and others for a one-off start up cost associated with IF (4 partnerships).

5.19 Whilst not all partnerships costed for the curriculum planning element, this may be a function of this cost being included elsewhere in the costings provided by individual partnerships (namely within teaching costs). Given that we excluded this element, where it had been included by the individual partnership, to establish our estimated average cost for teaching time, our model for estimated average costs for curriculum planning assumes all partnerships incur some curriculum planning costs.

5.20 The number of schools involved with a partnership may influence curriculum planning costs as each individual school needs to undertake its own planning. Based on the costs given by the partnerships for this element, and taking into account the factors discussed above our estimate of average costs for curriculum planning is as follows:

- a one-off cost for development of a new applied GCSE when first introduced of £800;
- a cohortly cost to the college of £600 per course;
- a cohortly cost to the school of £800 per course.

5.21 **Table 5.4** overleaf shows the curriculum planning costs for two **Options – Option 3** for a newly established course and **Option 4** for an existing course. It shows how costs might vary according to the number of schools involved with the course being delivered and provides per student costs. Costs are assumed to be similar for all types of GCSE.

Table 5.4: Estimated Curriculum Planning Costs for IF, Applied GCSEs

	Total Costs over 2 years			1School - Per student, over 2 years			1 School - per group, over 2 years		
	1 School	2 schools	5 schools	30 students	15 students	3 students	1 group	2 groups	3 groups
Models A3, B3, C3	£2,200.00	£3,000	£5,400	£73	£147	£733	£73	£147	£733
Models A4, B4, C4	£1,400.00	£2,200	£4,600	£47	£93	£467	£47	£93	£467

Notes: More schools = see change in total costs for 1, 2 and 5 schools. More groups = total costs do not change

Model & Option Assumptions		
All Models:	5 hrs x 36 weeks delivery	
Model A:	College, school or mixed delivery	
Model B:	Joint delivery, 3hrs school only, 2hrs school & college	
Model C:	College, school or mixed delivery	Higher teaching salary
Option 3:	New course	
Option 4:	Established course	

Cost Element iii) Facilities

5.22 Only 12 of the 27 sample partnerships delivering applied GCSEs for cohort 1 have provided costings for facilities. Many of those that have not, have included a costing for facilities within the overall teaching cost.

5.23 **Table 5.2** (page 29) shows that the average cost for facilities across the eight courses ranges from £800 to £22,748 (across 12 partnerships providing details). Average per hour costs range from £1 to £53, across the eight GCSEs. Whilst the cost for facilities appears to vary significantly across the GCSE types, this does not appear to be a function of different courses but rather different methods of estimating costs across partnerships, as follows:

- **Number of rooms:** The largest individual partnership cost of £45,630 for two years **includes the cost of facilities for two rooms** (a classroom and a workshop) as opposed to just the one room accounted for in most other partnerships' costings;
- **Inclusion of other cost elements:** Some partnerships have included the cost of facilities only, whereas others have included other elements, such as materials and registration and certification;
- **Unit cost base:** Different partnerships have used different starting points for their estimates of facilities costs - per hour, per student, or per room;
- **Unrealistic costings**: The costs provided by three partnerships are considered to be unrealistic, because the partnership has provided estimated figures which are significantly lower than the others.

5.24 Removing the inconsistencies highlighted in the bullets above results in an estimated average cost per hour for facilities of **£18 per hour**. [In establishing an estimated average cost for facilities we have used the per hour (rather than per student) averages as a starting point, since this is the way in which the majority of partnerships estimated their costs and per student costs will vary according to student numbers and group size.]

5.25 However, it is also important to highlight that the individual partnership costings include facilities costs for the college, but not, on the whole, for the schools involved (only one partnership provided schools' facilities costs). We have therefore excluded the facilities costs for schools from our estimated average cost table - **Table 5.5** overleaf. The table shows how facilities costs might vary by group and student numbers.

Table 5.5: Estimated Facilities Costs for IF, Applied GCSEs

Models A, B & C			Model & Option Assumptions		
1 room, Per hour		£18			
Total costs per year, 1 room, 5 hrs pw over 36 weeks		£3,240	**All Models:**	5 hrs x 36 weeks delivery	
Total Costs over 2 years, 1 school	**1 group**	£6,480	**Model A:**	College, school or mixed delivery	
	2 groups	£12,960	**Model B:**	Joint delivery, 3hrs school only, 2hrs school & college	
	3 groups	£19,440	**Model C:**	College, school or mixed delivery	Higher teaching salary
Per student costs over 2 years, 1 school, 1 group	**30 students**	£216			
	15 students	£432			
	3 students	£2,160			

Notes: More schools = multiple total cost by number of schools. More groups = see change in cost for 1, 2 and 3 groups

Cost Element iv) Resources and Equipment

5.26 **Table 5.2** (page 29) shows the range of costs provided by the sample partnerships for resources and equipment. The factors that influence the costs for resources and equipment are linked to the nature of the course as follows:

- **One-off capital costs:** Engineering and manufacturing sometimes involve large one-off start-up costs associated with the purchase of capital equipment. Other courses also have some start-up costs but they are not as common as for engineering and manufacturing. Whether a partnership includes these one-off costs or not is likely to be a function of how new the course is to them. Average one-off capital or equipment costs per course are as follows:
  - **Art & Design:** one course included £2,750 one-off start-up cost;
  - **Business:** none;
  - **Engineering**: £12,060; range £665 to £31,495;
  - **Health & social care**: £664;
  - **ICT**: £3,149;
  - **Leisure & tourism:** £6,941;
  - **Manufacturing:** £4,557; range £455 to £12,500;
  - **Science:** £4,330;

- **Boots, overalls and protective clothing:** For engineering and manufacturing. The costs for these varied, but an estimated average is **£16 per head;**

- **Other kit, books and photocopying/other documents:** Averages for each course are:
  - **Art & Design:** £212 per head over two years;
  - **Business:** £109 per head over two years;
  - **Engineering:** £122 per head over two years;
  - **Health & Social Care:** £41 per head over two years;
  - **ICT:** £150 per head over two years;
  - **Leisure & Tourism:** £129 per head over two years;
  - **Manufacturing:** £47 per head over two years;
  - **Science:** £29 per head over two years.

5.27 **Table 5.6** overleaf shows the estimated average costs using these averages across the eight GCSEs. We show each applied GCSE for both **Options 3 and 4** (newly established and already existing courses, as outlined under curriculum development/planning above) to reflect the one-off capital costs.

Table 5.6: Estimated Resources & Equipment Costs for IF, Applied GCSEs

		Total costs over 2 years, for one school & one group					Per student costs, over 2 years			
		One-Off Capital Costs	Variable Costs							
			50 students	30 students	15 students	3 students	50 students	30 students	15 students	3 students
GCSE Art & Design	**Models A3, B3, & C3**	£0.00	£10,650	£6,390	£3,195	£639	£213	£213	£213	£213
	Models A4, B4, & C4	£0.00	£10,650	£6,390	£3,195	£639	£213	£213	£213	£213
GCSE Busines	**Models A3, B3, & C3**	£0.00	£5,500	£3,300	£1,650	£330	£110	£110	£110	£110
	Models A4, B4, & C4	£0.00	£5,500	£3,300	£1,650	£330	£110	£110	£110	£110
GCSE Engineering	**Models A3, B3, & C3**	£12,060.00	£6,900	£4,140	£2,070	£414	£379	£540	£942	£4,158
	Models A4, B4, & C4	£0.00	£6,900	£4,140	£2,070	£414	£138	£138	£138	£138
GCSE Health & Social Care	**Models A3, B3, & C3**	£664.00	£2,100	£1,260	£630	£126	£55	£64	£86	£263
	Models A4, B4, & C4	£0.00	£2,100	£1,260	£630	£126	£42	£42	£42	£42
GCSE ICT	**Models A3, B3, & C3**	£3,149.00	£7,550	£4,530	£2,265	£453	£214	£256	£361	£1,201
	Models A4, B4, & C4	£0.00	£7,550	£4,530	£2,265	£453	£151	£151	£151	£151
GCSE Leisure	**Models A3, B3, & C3**	£6,941.00	£6,500	£3,900	£1,950	£390	£269	£361	£593	£2,444

Table 5.6: Estimated Resources & Equipment Costs for IF, Applied GCSEs

		Total costs over 2 years, for one school & one group					Per student costs, over 2 years			
		One-Off Capital Costs	Variable Costs							
			50 students	30 students	15 students	3 students	50 students	30 students	15 students	3 students
& Tourism	Models A4, B4, & C4	£0.00	£6,500	£3,900	£1,950	£390	£130	£130	£130	£130
GCSE Manufacturing	Models A3, B3, & C3	£4,557.00	£3,150	£1,890	£945	£189	£154	£215	£367	£1,582
	Models A4, B4, & C4	£0.00	£3,150	£1,890	£945	£189	£63	£63	£63	£63
GCSE Science	Models A3, B3, & C3	£4,330.00	£1,500	£900	£450	£90	£117	£174	£319	£1,473
	Models A4, B4, & C4	£0.00	£1,500	£900	£450	£90	£30	£30	£30	£30

Notes: Total One-off cost occurs for a new course only (Option 3) and are the same regardless of number of schools or groups involved. Total variable costs vary by number of students, regardless of the number of schools or groups involved.

Model & Option Assumptions

All Models:	5 hrs x 36 weeks delivery	
Model A:	College, school or mixed delivery	
Model B:	Joint delivery, 3hrs school only, 2hrs school & college	
Model C:	College, school or mixed delivery	Higher teaching salary
Option 3:	New course	
Option 4:	Established course	

Registration and Entry Fees

5.28 **Table 5.2** (page 29) shows that the average partnership cost per student for registration/entry fee ranges from £37 to £56 for individual applied GCSEs. For an individual partnership the minimum cost is quoted as £13 and the maximum as £96. The partnership average cost per student across all courses is £49. The reason for variance is associated with some partnerships providing us with estimates of total costs rather than actual costs per students for applied GCSEs.

5.29 For our estimated average cost model we use a per student cost of **£45** for each applied GCSE based on consultations with three awarding bodies. **Table 5.7** overleaf shows how estimated average total costs will vary for different numbers of students. All partnerships will incur these costs.

Table 5.7: Estimated Registration Costs for IF, Applied GCSEs					
Models A, B & C			**Model & Option Assumptions**		
Total costs over 2 years	**50 students**	£2,250	**All Models:**	5 hrs x 36 weeks delivery	
	30 students	£1,350	**Model A:**	College, school or mixed delivery	
	15 students	£675	**Model B:**	Joint delivery, 3hrs school only, 2hrs school & college	
	3 students	£135	**Model C:**	College, school or mixed delivery	Higher teaching salary
Notes: Total variable costs vary by number of students, regardless of the number of schools or groups involved.					

Additional Costs

5.30 There are three categories of additional costs that may be involved in the delivery of IF. These additional costs will only be incurred by some partnerships and this will depend on the model of delivery, the nature of the course being delivered and the proximity of the college and schools involved.

5.31 The three potential additional costs are as follows:

- student support and monitoring;
- transport;
- employer liaison and placements.

5.32 **Table 5.8** overleaf shows the average partnerships costs across each course for each of the eight applied GCSEs.

Table 5.8: Two Year Additional Costs by Course - Sample Partnerships' Average

Course		F) Student Monitoring/Support				H) Transport				I) Employer Liaison/Placements			
		Total Cost	Per Student	Per Group	Per Hour	Total Cost	Per Student	Per Group	Per Hour	Total Cost	Per Student	Per Group	Per Hour
GCSE Engineering	Partnership Average	£3,682	£189	£2,459	£7	£5,246	£192	£2,984	N/A	£2,294	£70	£1,293	N/A
	Minimum	£400	£15	£225	£1	£1,224	£31	£408	N/A	£666	£33	£666	N/A
	Maximum	£10,992	£625	£6,876	£19	£14,800	£358	£6,080	N/A	£5,342	£124	£2,671	N/A
GCSE Art and Design	Partnership Average	£2,905	£394	£2,905	£7	£3,345	£270	£3,345	N/A	£0	£0	£0	N/A
	Minimum	£2,088	£266	£2,088	£6	£1,185	£71	£1,185	N/A	£0	£0	£0	N/A
	Maximum	£3,722	£522	£3,722	£9	£11,150	£796	£11,150	N/A	£0	£0	£0	N/A
GCSE Health & Social Care	Partnership Average	£1,170	£81	£1,120	£3	£796	£51	£603	N/A	£1,582	£85	£1,577	N/A
	Minimum	£400	£30	£200	£0	£300	£6	£100	N/A	£27	£1	£9	N/A
	Maximum	£1,928	£175	£1,928	£5	£1,912	£100	£1,200	N/A	£5,035	£265	£5,035	N/A
GCSE ICT	Partnership Average	£3,419	£208	£3,110	£8	£4,166	£196	£3,009	N/A	£3,699	£94	£1,961	N/A
	Minimum	£640	£21	£320	£1	£600	£50	£600	N/A	£666	£56	£666	N/A
	Maximum	£6,000	£400	£6,000	£17	£8,665	£578	£8,665	N/A	£7,431	£118	£3,716	N/A
GCSE Leisure & Tourism	Partnership Average	£3,853	£173	£2,547	£7	£1,388	£80	£1,184	N/A	£443	£18	£245	N/A
	Minimum	£1,120	£75	£1,120	£3	£216	£7	£101	N/A	£114	£4	£57	N/A
	Maximum	£7,840	£245	£3,920	£10	£3,672	£216	£3,672	N/A	£716	£38	£500	N/A

Table 5.8: Two Year Additional Costs by Course - Sample Partnerships' Average													
		F) Student Monitoring/Support				H) Transport				I) Employer Liaison/Placements			
Course		Total Cost	Per Student	Per Group	Per Hour	Total Cost	Per Student	Per Group	Per Hour	Total Cost	Per Student	Per Group	Per Hour
GCSE Manufacturing	Partnership Average	£4,041	£253	£4,041	£11	£3,807	£254	£3,807	N/A	£1,050	£34	£1,050	N/A
	Minimum	£2,880	£0	£0	£0	£932	£30	£932	N/A	£1,050	£34	£1,050	N/A
	Maximum	£6,000	£400	£6,000	£17	£9,645	£643	£9,645	N/A	£1,050	£34	£1,050	N/A
GCSE Science	Partnership Average	£19,200	£565	£9,600	£25	£2,435	£71	£1,218	N/A	£5,688	£183	£2,844	N/A
	Minimum	£19,200	£565	£9,600	£25	£690	£20	£345	N/A	£5,688	£183	£2,844	N/A
	Maximum	£19,200	£565	£9,600	£25	£4,080	£110	£2,040	N/A	£5,688	£183	£2,844	N/A
GCSE Business	Partnership Average	£425	£26	£313	£1	£953	£26	£502	N/A	£23,253	£2,071	£21,626	N/A
	Minimum	£400	£13	£225	£1	£150	£12	£150	N/A	£6,505	£141	£3,253	N/A
	Maximum	£450	£40	£400	£1	£2,277	£50	£1,139	N/A	£40,000	£4,000	£40,000	N/A

Student Support and Monitoring

5.33 Student support and monitoring is primarily a cost for those partnerships that have a **college only or mixed delivery model**. It generally involves the schools sending a Learning Support Assistant (LSA) to college to support the 14-16 year olds whilst in college, though there is one partnership that employs a LSA where delivery is in school.

5.34 There are two primary reasons for this support:

- to provide college tutors with additional support in dealing with an age group that they are less experienced with;
- to provide those students that are less able with additional support.

5.35 The need to cost for the latter is a **function of the way in which students are selected to participate in IF programmes**. Some partnerships have offered the applied GCSE opportunity to all students where as others have encouraged those students that are less able to participate.

5.36 The need for student monitoring does not appear to be a function of the subject type of a course. The unit cost most applicable to this element is the cost per hour for the LSA. The partnership average cost per hour for student monitoring and support ranges from £1 to £25. The reasons for such variance are linked to:

- **Different levels of staff:** In some cases, the partnership has employed a relatively senior coordinator that provides student monitoring and support across the range of courses. In others one LSA (with lower employment costs) supports students for individual courses;
- **Student ability**;
- **Place of delivery:** In school or mixed/in college;
- **Joint delivery:** This will influence the number of hours for which learner support is required in college;
- **Student numbers/Group numbers:** Per student/per group costs are lower for a higher number of students/groups.

5.37 The partnership average across all courses is £9 per hour. We have used this as our base for the estimated average cost models. To take account of the variables listed above we use the following three options for our estimated average costs:

- **Option 5:** No learner support is provided;
- **Option 6:** Learner support is provided for the time that students are in college;
- **Option 7:** Learner support is shared across two courses.

5.38 **Table 5.9** overleaf shows the estimated average costs across two years for these models and options, for:

- total costs;
- per student costs for 30, 15 and 3 students.

Table 5.9: Estimated Average Costs for Learner Support for IF, Applied GCSEs								
	Total Costs, 1 School, 1 Group over 2 years	Per Hour	Per Student over 2 years, 1 group			Model & Option Assumptions		
			30 students	15 students	3 students			
Model A5, B5 & C5, All GCSEs	£0	£0.00	£0	£0	£0	**All Models:**	5 hrs x 36 weeks delivery	
Model A6 & C6, All GCSEs	£3,240	£9.00	£108	£216	£1,080	**Model A:**	College, school or mixed delivery	
Model B6, All GCSEs	£1,296	£3.60	£43	£86	£432	**Model B:**	Joint delivery, 3hrs school only, 2hrs school & college	
Model A7 & C7, All GCSEs	£1,620	£4.50	£54	£108	£540	**Model C:**	College, school or mixed delivery	Higher teaching salary
Model B7, All GCSEs	£648	£1.80	£22	£43	£216	**Option 5:**	No learner support	
Notes: More schools = multiply total cost by number of schools; More groups = multiply total cost by number of groups.						**Option 6:**	Learner support for time students are at College	
						Option 7:	Learner support shared across two groups	

Transport Costs

5.39 The factors that influence whether a partnership incurs transport costs include:

- **Model of delivery:** Whether the courses are delivered in college, mixed or in school;
- **Proximity:** Where delivery is in college, do students make their own way or does the partnership need to provide transport?
- **Number of students:** In some cases the partnerships have paid for taxis rather than providing coach or bus transport as the number of students involved is so small;
- **Access to existing means of transport:** Whether the partnership has access to its own buses or coaches, needs to source buses/coaches externally or can pay for bus passes on public transport;
- **Nature of course:** Some partnerships have included the cost for industry visits – for example to Alton Towers for Leisure and Tourism.

5.40 The majority of partnerships have incurred some transport costs because they are operating a college or mixed delivery model.

5.41 In **Table 5.10** overleaf we provide the estimated average costs for three models as follows:

- **Option 8:** No transport costs – because a school only delivery model is being operated or students are able to make their own way to college;
- **Option 9:** Low cost transport to college for students involves getting shared taxis or public transport, at an average of £58 per student over two years (which is the average across 19 partnerships where low costs are quoted);
- **Option 10:** Medium cost transport to college involving the use of existing coach/bus services available to the partnerships, at an average of £204 per student, for 30 students, over two years (which is the average across 18 partnerships where medium to high costs are quoted);

Table 5.10: Estimated Average Costs for Transport for IF, Applied GCSEs

	Total Costs, 1 School, 1 Group over 2 years	Per Student over 2 years, 1 group			Model & Option Assumptions		
		30 students	15 students	3 students			
Model A8, B8 & C8 All GCSEs	£0	£0	£0	£0	**All Models:**	5 hrs x 36 weeks delivery	
Model A9 & C9, All GCSEs	£1,740	£58	£116	£580	**Model A:**	College, school or mixed delivery	
Model B9, All GCSEs	£870	£29	£58	£290	**Model B:**	Joint delivery, 3hrs school only, 2hrs school & college	
Model A10 & C10, All GCSEs	£6,120	£204	£408	£2,040	**Model C:**	College, school or mixed delivery	Higher teaching salary
Model B10 All GCSEs	£3,060	£102	£204	£1,020	**Option 8:**	No transport costs	
Model A11 & C11, All GCSEs	£18,060	£602	£1,204	£6,020	**Option 9:**	Low cost transport to college	
Model B11 All GCSEs	£9,030	£301	£602	£3,010	**Option 10:**	Medium cost transport to college	
Notes: More schools = multiply total cost by number of schools; More groups = multiply total cost by number of groups.					**Option 11:**	High cost transport to college	

- **Option 11:** High cost transport to college involving arranging specific coaches and buses, at an average of £602 per student, for 30 students, over two years (which is the average across 3 partnerships where high costs are quoted).

5.42 Costs associated with travel to industry and employer trips/excursions are included in the employer liaison/placement element, which we discuss below.

Employer Liaison and Placements

5.43 Relatively few of the partnerships visited have incurred costs associated with employer liaison and placements and there were none for the applied GCSE Art and Design course (though industry visits were organised for this course by some partnerships and such costs were accounted for under transport costs).

5.44 Where costs are incurred they are generally associated with, one-off short placements and/or industry visits and excursions. The average costs of these short placements and visits/excursions, including travel, arranging and monitoring across 20 partnerships is £1,250 for one group over two years.

5.45 One partnership pays for health and safety visits and insurance for placements, but does not incur any costs associated with transport and arranging the visits.

5.46 There is only one partnership that, for the applied Business GCSE, operates a model where students spend one day in college and one day in an employer placement. The partnership purchases services from a private training providing to arrange and monitor these placements. The costs associated with this are £20,000 per annum for 16 students (£2,500 per student over two years).

5.47 In **Table 5.11** overleaf we provide the estimated average costs associated with the one-off placements and industry visits/excursions only. We have not included a delivery model involving one-day industry placements within our three models of delivery (A, B and C) given that it is a model used by only one partnership for Cohort 1. The two options for employer liaison and placement are therefore:

- **Option 12**: No employer placements or industry visits/excursions;
- **Option 13:** One off placements and industry visits/excursions, at an average of £1,250, for one group over two years.

Table 5.11: Estimated Average Costs for Employer Liasion/Placements for IF, Applied GCSEs

	Total Costs, 1 School, 1 Group over 2 years	Per Student over 2 years, 1 group			Model & Option Assumptions		
		30 students	15 students	3 students			
Model A12, B12 & C12 All GCSEs	£0	£0	£0	£0	**All Models:**	5 hrs x 36 weeks delivery	
Model A13, B13 & C13, All GCSEs	£1,250	£42	£83	£417	**Model A:**	College, school or mixed delivery	
					Model B:	Joint delivery, 3hrs school only, 2hrs school & college	
					Model C:	College, school or mixed delivery	Higher teaching salary
					Option 12:	No employer liaison costs	
					Option 13:	Average costs for short placements and industry visits	

Notes: More schools = multiply total cost by number of schools; More groups = multiply total cost by number of groups.

Estimated Average Delivery Costs

5.48 **Tables 5.12A to 5.12C (pages 61, 63 and 65) and 5.13A to 5.13C (pages 67, 69 and 71)** pull together all delivery costing elements to outline our estimates for average costs for delivery of the eight GCSEs based on the assumptions, models and options outlined in detail above:

- **5.12A to 5.12C** show the costs associated with delivering an applied GCSE to one group of 30 students, for the 3 delivery models A, B and C;
- **Tables 5.13A to 5.13C** show costs, for a group of 15 students for the three delivery models A, B and C.

5.49 This demonstrates the effect of **the most significant cost variable** – **the number of students in a delivery group**. For example, the average cost per student of core delivery Model A for an applied GCSE in Engineering to a group of 30 students is £1,288 (page 61, Table 5.12A) compared to £2,394 (page 67, Table 5.13A) for a group of 15 students.

5.50 The tables also demonstrate the complexity associated with establishing estimated average costs given the range of additional factors that influence them, as outlined in detail in the discussion above. In summary, Tables 5.12 and 5.13 seek to show differences in average cost associated with:

- **Model of Delivery:** Models A, B and C provide three different types of delivery;
- **Nature of Delivery:** Option 2 (included with the medium and high costs for all models) includes costs associated with providing a technician to support delivery for Art and Design and Engineering;
- **Stage of Course Development:** Option 3 (included in the low and high costing) and Option 4 (included within the medium costing) demonstrate the cost effect of delivering a new or established course;
- **Learner Support:** Provision of additional learner support is a feature of many of the GCSEs being delivered by IF partnerships – Options 6 and 7 (included within the medium and high costings) account for different levels of learner support;

- **Transport:** The significant cost of transporting students to and from college is a dominant characteristic associated with most IF delivery. Options 10 and 11 (included within the medium and high costings) account for different levels of transport costs;

- **Employer Liaison/Placements:** Option 13 (included within the medium and high costings) includes some costs associated with industry visits and short term placements.

Table 5.12A: Estimated Average Delivery Costs for Applied GCSEs Delivery Model A: College, school or mixed delivery, 5 hrs x 36 weeks per annum										
Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					30 Students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Engineering	Base	£38,650	£0	£38,650	£1,288	£0	£1,288	£107	£0	£107
	Medium	£28,382	£8,990	£37,372	£946	£300	£1,246	£79	£25	£104
	High	£41,242	£22,550	£63,792	£1,375	£752	£2,126	£115	£63	£177
GCSE Art and Design	Base	£28,840	£0	£28,840	£961	£0	£961	£80	£0	£80
	Medium	£30,632	£8,990	£39,622	£1,021	£300	£1,321	£85	£25	£110
	High	£31,432	£22,550	£53,982	£1,048	£752	£1,799	£87	£63	£150
GCSE Health & Social Care	Base	£24,374	£0	£24,374	£812	£0	£812	£68	£0	£68
	Medium	£22,910	£8,990	£31,900	£764	£300	£1,063	£64	£25	£89
	High	£24,374	£22,550	£46,924	£812	£752	£1,564	£68	£63	£130
GCSE ICT	Base	£30,129	£0	£30,129	£1,004	£0	£1,004	£84	£0	£84
	Medium	£26,180	£8,990	£35,170	£873	£300	£1,172	£73	£25	£98
	High	£30,129	£22,550	£52,679	£1,004	£752	£1,756	£84	£63	£146
GCSE Leisure & Tourism	Base	£33,291	£0	£33,291	£1,110	£0	£1,110	£92	£0	£92
	Medium	£25,550	£8,990	£34,540	£852	£300	£1,151	£71	£25	£96
	High	£33,291	£22,550	£55,841	£1,110	£752	£1,861	£92	£63	£155

Table 5.12A: Estimated Average Delivery Costs for Applied GCSEs										
Delivery Model A: College, school or mixed delivery, 5 hrs x 36 weeks per annum										
Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					30 Students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Manufacturing	Base	£28,897	£0	£28,897	£963	£0	£963	£65	£25	£90
	Medium	£23,540	£8,990	£32,530	£785	£300	£1,084	£80	£63	£143
	High	£28,897	£22,550	£51,447	£963	£752	£1,715	£77	£0	£77
GCSE Science	Base	£27,680	£0	£27,680	£923	£0	£923	£63	£25	£88
	Medium	£22,550	£8,990	£31,540	£752	£300	£1,051	£77	£63	£140
	High	£27,680	£22,550	£50,230	£923	£752	£1,674	£72	£0	£72
GCSE Business	Base	£25,750	£0	£25,750	£858	£0	£858	£69	£25	£94
	Medium	£24,950	£8,990	£33,940	£832	£300	£1,131	£72	£63	£134
	High	£25,750	£22,550	£48,300	£858	£752	£1,610	£72	£63	£134

Base Costs: Option 1 (no technician), Option 3 (new course), Option 5 (no learner support), Option 8 (no transport costs), Option 12 (no employer liaison/placements)

Medium Costs: Option 2 (technician for Art & Design, Engineering), Option 4 (established course), Option 7 (learner support shared across two groups), Option 10 (medium transport costs), Option 13 (average costs for short placements & industry visits)

High Costs: Option 2 (technician for Art & Design, Engineering), Option 3 (new course), Option 6 (learner support for time students are at college), Option 11 (high transport costs), Option 13 (average costs for short placements & industry visits)

Table 5.12B: Estimated Average Delivery Costs for Applied GCSEs Delivery Model B: Joint delivery, 3 hrs school only, 2 hrs school & college x 36 weeks per annum										
Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					30 Students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Engineering	Base	£43,618	£0	£43,618	£1,454	£0	£1,454	£121	£0	£121
	Medium	£33,350	£4,958	£38,308	£1,112	£165	£1,277	£93	£14	£106
	High	£46,210	£11,576	£57,786	£1,540	£386	£1,926	£128	£32	£161
GCSE Art and Design	Base	£33,808	£0	£33,808	£1,127	£0	£1,127	£94	£0	£94
	Medium	£35,600	£4,958	£40,558	£1,187	£165	£1,352	£99	£14	£113
	High	£36,400	£11,576	£47,976	£1,213	£386	£1,599	£101	£32	£133
GCSE Health & Social Care	Base	£29,342	£0	£29,342	£978	£0	£978	£82	£0	£82
	Medium	£27,878	£4,958	£32,836	£929	£165	£1,095	£77	£14	£91
	High	£29,342	£11,576	£40,918	£978	£386	£1,364	£82	£32	£114
GCSE ICT	Base	£35,097	£0	£35,097	£1,170	£0	£1,170	£97	£0	£97
	Medium	£31,148	£4,958	£36,106	£1,038	£165	£1,204	£87	£14	£100
	High	£35,097	£11,576	£46,673	£1,170	£386	£1,556	£97	£32	£130
GCSE Leisure & Tourism	Base	£38,259	£0	£38,259	£1,275	£0	£1,275	£106	£0	£106
	Medium	£30,518	£4,958	£35,476	£1,017	£165	£1,183	£85	£14	£99
	High	£38,259	£11,576	£49,835	£1,275	£386	£1,661	£106	£32	£138

Table 5.12B: Estimated Average Delivery Costs for Applied GCSEs Delivery Model B: Joint delivery, 3 hrs school only, 2 hrs school & college x 36 weeks per annum										
Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					30 Students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Manufacturing	Base	£33,865	£0	£33,865	£1,129	£0	£1,129	£94	£0	£94
	Medium	£28,508	£4,958	£33,466	£950	£165	£1,116	£79	£14	£93
	High	£33,865	£11,576	£45,441	£1,129	£386	£1,515	£94	£32	£126
GCSE Science	Base	£32,648	£0	£32,648	£1,088	£0	£1,088	£91	£0	£91
	Medium	£27,518	£4,958	£32,476	£917	£165	£1,083	£76	£14	£90
	High	£32,648	£11,576	£44,224	£1,088	£386	£1,474	£91	£32	£123
GCSE Business	Base	£30,718	£0	£30,718	£1,024	£0	£1,024	£85	£0	£85
	Medium	£29,918	£4,958	£34,876	£997	£165	£1,163	£83	£14	£97
	High	£30,718	£11,576	£42,294	£1,024	£386	£1,410	£85	£32	£117

Base Costs: Option 1 (no technician), Option 3 (new course), Option 5 (no learner support), Option 8 (no transport costs), Option 12 (no employer liaison/placements)

Medium Costs: Option 2 (technician for Art & Design, Engineering), Option 4 (established course), Option 7 (learner support shared across two groups), Option 10 (medium transport costs), Option 13 (average costs for short placements & industry visits)

High Costs: Option 2 (technician for Art & Design, Engineering), Option 3 (new course), Option 6 (learner support for time students are at college), Option 11 (high transport costs), Option 13 (average costs for short placements & industry visits)

Table 5.12C: Estimated Average Delivery Costs for Applied GCSEs Delivery Model C: College, school or mixed delivery, higher teaching salary, 5 hrs x 36 weeks per annum										
Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					30 Students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Engineering	Base	£40,630	£0	£40,630	£1,354	£0	£1,354	£113	£0	£113
	Medium	£30,362	£8,990	£39,352	£1,012	£300	£1,312	£84	£25	£109
	High	£43,222	£22,550	£65,772	£1,441	£752	£2,192	£120	£63	£183
GCSE Art and Design	Base	£30,820	£0	£30,820	£1,027	£0	£1,027	£86	£0	£86
	Medium	£32,612	£8,990	£41,602	£1,087	£300	£1,387	£91	£25	£116
	High	£33,412	£22,550	£55,962	£1,114	£752	£1,865	£93	£63	£155
GCSE Health & Social Care	Base	£26,354	£0	£26,354	£878	£0	£878	£73	£0	£73
	Medium	£24,890	£8,990	£33,880	£830	£300	£1,129	£69	£25	£94
	High	£26,354	£22,550	£48,904	£878	£752	£1,630	£73	£63	£136
GCSE ICT	Base	£32,109	£0	£32,109	£1,070	£0	£1,070	£89	£0	£89
	Medium	£28,160	£8,990	£37,150	£939	£300	£1,238	£78	£25	£103
	High	£32,109	£22,550	£54,659	£1,070	£752	£1,822	£89	£63	£152
GCSE Leisure & Tourism	Base	£35,271	£0	£35,271	£1,176	£0	£1,176	£98	£0	£98
	Medium	£27,530	£8,990	£36,520	£918	£300	£1,217	£76	£25	£101
	High	£35,271	£22,550	£57,821	£1,176	£752	£1,927	£98	£63	£161

Table 5.12C: Estimated Average Delivery Costs for Applied GCSEs Delivery Model C: College, school or mixed delivery, higher teaching salary, 5 hrs x 36 weeks per annum										
Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					30 Students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Manufacturing	Base	£30,877	£0	£30,877	£1,029	£0	£1,029	£86	£0	£86
	Medium	£25,520	£8,990	£34,510	£851	£300	£1,150	£71	£25	£96
	High	£30,877	£22,550	£53,427	£1,029	£752	£1,781	£86	£63	£148
GCSE Science	Base	£29,660	£0	£29,660	£989	£0	£989	£82	£0	£82
	Medium	£24,530	£8,990	£33,520	£818	£300	£1,117	£68	£25	£93
	High	£29,660	£22,550	£52,210	£989	£752	£1,740	£82	£63	£145
GCSE Business	Base	£27,730	£0	£27,730	£924	£0	£924	£77	£0	£77
	Medium	£26,930	£8,990	£35,920	£898	£300	£1,197	£75	£25	£100
	High	£27,730	£22,550	£50,280	£924	£752	£1,676	£77	£63	£140

Base Costs: Option 1 (no technician), Option 3 (new course), Option 5 (no learner support), Option 8 (no transport costs), Option 12 (no employer liaison/placements)

Medium Costs: Option 2 (technician for Art & Design, Engineering), Option 4 (established course), Option 7 (learner support shared across two groups), Option 10 (medium transport costs), Option 13 (average costs for short placements & industry visits)

High Costs: Option 2 (technician for Art & Design, Engineering), Option 3 (new course), Option 6 (learner support for time students are at college), Option 11 (high transport costs), Option 13 (average costs for short placements & industry visits)

Table 5.13A: Estimated Average Delivery Costs for Applied GCSEs Delivery Model A: College, school or mixed delivery, 5 hrs x 36 weeks per annum										
Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					15 students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Engineering	Base	£35,905	£0	£35,905	£2,394	£0	£2,394	£100	£0	£100
	Medium	£25,637	£8,990	£34,627	£1,709	£599	£2,308	£71	£25	£96
	High	£38,497	£22,550	£61,047	£2,566	£1,503	£4,070	£107	£63	£170
GCSE Art and Design	Base	£24,970	£0	£24,970	£1,665	£0	£1,665	£69	£0	£69
	Medium	£26,762	£8,990	£35,752	£1,784	£599	£2,383	£74	£25	£99
	High	£27,562	£22,550	£50,112	£1,837	£1,503	£3,341	£77	£63	£139
GCSE Health & Social Care	Base	£23,069	£0	£23,069	£1,538	£0	£1,538	£64	£0	£64
	Medium	£21,605	£8,990	£30,595	£1,440	£599	£2,040	£60	£25	£85
	High	£23,069	£22,550	£45,619	£1,538	£1,503	£3,041	£64	£63	£127
GCSE ICT	Base	£27,189	£0	£27,189	£1,813	£0	£1,813	£76	£0	£76
	Medium	£23,240	£8,990	£32,230	£1,549	£599	£2,149	£65	£25	£90
	High	£27,189	£22,550	£49,739	£1,813	£1,503	£3,316	£76	£63	£138
GCSE Leisure & Tourism	Base	£30,666	£0	£30,666	£2,044	£0	£2,044	£85	£0	£85
	Medium	£22,925	£8,990	£31,915	£1,528	£599	£2,128	£64	£25	£89
	High	£30,666	£22,550	£53,216	£2,044	£1,503	£3,548	£85	£63	£148

Table 5.13A: Estimated Average Delivery Costs for Applied GCSEs Delivery Model A: College, school or mixed delivery, 5 hrs x 36 weeks per annum										
Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					15 students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Manufacturing	Base	£27,277	£0	£27,277	£1,818	£0	£1,818	£76	£0	£76
	Medium	£21,920	£8,990	£30,910	£1,461	£599	£2,061	£61	£25	£86
	High	£27,277	£22,550	£49,827	£1,818	£1,503	£3,322	£76	£63	£138
GCSE Science	Base	£26,555	£0	£26,555	£1,770	£0	£1,770	£74	£0	£74
	Medium	£21,425	£8,990	£30,415	£1,428	£599	£2,028	£60	£25	£84
	High	£26,555	£22,550	£49,105	£1,770	£1,503	£3,274	£74	£63	£136
GCSE Business	Base	£23,425	£0	£23,425	£1,562	£0	£1,562	£65	£0	£65
	Medium	£22,625	£8,990	£31,615	£1,508	£599	£2,108	£63	£25	£88
	High	£23,425	£22,550	£45,975	£1,562	£1,503	£3,065	£65	£63	£128

Base Costs: Option 1 (no technician), Option 3 (new course), Option 5 (no learner support), Option 8 (no transport costs), Option 12 (no employer liaison/placements)

Medium Costs: Option 2 (technician for Art & Design, Engineering), Option 4 (established course), Option 7 (learner support shared across two groups), Option 10 (medium transport costs), Option 13 (average costs for short placements & industry visits)

High Costs: Option 2 (technician for Art & Design, Engineering), Option 3 (new course), Option 6 (learner support for time students are at college), Option 11 (high transport costs), Option 13 (average costs for short placements & industry visits)

Table 5.13B: Estimated Average Delivery Costs for Applied GCSEs Delivery Model B: Joint delivery, 3 hrs school only, 2 hrs school & college x 36 weeks per annum										
Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					15 Students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Engineering	Base	£40,873	£0	£40,873	£2,725	£0	£2,725	£114	£0	£114
	Medium	£30,605	£4,958	£35,563	£2,040	£331	£2,371	£85	£14	£99
	High	£43,465	£11,576	£55,041	£2,898	£772	£3,669	£121	£32	£153
GCSE Art and Design	Base	£29,938	£0	£29,938	£1,996	£0	£1,996	£83	£0	£83
	Medium	£31,730	£4,958	£36,688	£2,115	£331	£2,446	£88	£14	£102
	High	£32,530	£11,576	£44,106	£2,169	£772	£2,940	£90	£32	£123
GCSE Health & Social Care	Base	£28,037	£0	£28,037	£1,869	£0	£1,869	£78	£0	£78
	Medium	£26,573	£4,958	£31,531	£1,772	£331	£2,102	£74	£14	£88
	High	£28,037	£11,576	£39,613	£1,869	£772	£2,641	£78	£32	£110
GCSE ICT	Base	£32,157	£0	£32,157	£2,144	£0	£2,144	£89	£0	£89
	Medium	£28,208	£4,958	£33,166	£1,881	£331	£2,211	£78	£14	£92
	High	£32,157	£11,576	£43,733	£2,144	£772	£2,916	£89	£32	£121
GCSE Leisure & Tourism	Base	£35,634	£0	£35,634	£2,376	£0	£2,376	£99	£0	£99
	Medium	£27,893	£4,958	£32,851	£1,860	£331	£2,190	£77	£14	£91
	High	£35,634	£11,576	£47,210	£2,376	£772	£3,147	£99	£32	£131

Table 5.13B: Estimated Average Delivery Costs for Applied GCSEs Delivery Model B: Joint delivery, 3 hrs school only, 2 hrs school & college x 36 weeks per annum										
Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					15 Students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Manufacturing	Base	£32,245	£0	£32,245	£2,150	£0	£2,150	£90	£0	£90
	Medium	£26,888	£4,958	£31,846	£1,793	£331	£2,123	£75	£14	£88
	High	£32,245	£11,576	£43,821	£2,150	£772	£2,921	£90	£32	£122
GCSE Science	Base	£31,523	£0	£31,523	£2,102	£0	£2,102	£88	£0	£88
	Medium	£26,393	£4,958	£31,351	£1,760	£331	£2,090	£73	£14	£87
	High	£31,523	£11,576	£43,099	£2,102	£772	£2,873	£88	£32	£120
GCSE Business	Base	£28,393	£0	£28,393	£1,893	£0	£1,893	£79	£0	£79
	Medium	£27,593	£4,958	£32,551	£1,840	£331	£2,170	£77	£14	£90
	High	£28,393	£11,576	£39,969	£1,893	£772	£2,665	£79	£32	£111

Base Costs: Option 1 (no technician), Option 3 (new course), Option 5 (no learner support), Option 8 (no transport costs), Option 12 (no employer liaison/placements)

Medium Costs: Option 2 (technician for Art & Design, Engineering), Option 4 (established course), Option 7 (learner support shared across two groups), Option 10 (medium transport costs), Option 13 (average costs for short placements & industry visits)

High Costs: Option 2 (technician for Art & Design, Engineering), Option 3 (new course), Option 6 (learner support for time students are at college), Option 11 (high transport costs), Option 13 (average costs for short placements & industry visits)

Table 5.13C: Estimated Average Delivery Costs for Applied GCSEs
Delivery Model C: College, school or mixed delivery, higher teaching salary, 5 hrs x 36 weeks per annum

Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					15 Students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Engineering	Base	£37,885	£0	£37,885	£2,526	£0	£2,526	£105	£0	£105
	Medium	£27,617	£8,990	£36,607	£1,841	£599	£2,440	£77	£25	£102
	High	£40,477	£22,550	£63,027	£2,698	£1,503	£4,202	£112	£63	£175
GCSE Art and Design	Base	£26,950	£0	£26,950	£1,797	£0	£1,797	£75	£0	£75
	Medium	£28,742	£8,990	£37,732	£1,916	£599	£2,515	£80	£25	£105
	High	£29,542	£22,550	£52,092	£1,969	£1,503	£3,473	£82	£63	£145
GCSE Health & Social Care	Base	£25,049	£0	£25,049	£1,670	£0	£1,670	£70	£0	£70
	Medium	£23,585	£8,990	£32,575	£1,572	£599	£2,172	£66	£25	£90
	High	£25,049	£22,550	£47,599	£1,670	£1,503	£3,173	£70	£63	£132
GCSE ICT	Base	£29,169	£0	£29,169	£1,945	£0	£1,945	£81	£0	£81
	Medium	£25,220	£8,990	£34,210	£1,681	£599	£2,281	£70	£25	£95
	High	£29,169	£22,550	£51,719	£1,945	£1,503	£3,448	£81	£63	£144
GCSE Leisure & Tourism	Base	£32,646	£0	£32,646	£2,176	£0	£2,176	£91	£0	£91
	Medium	£24,905	£8,990	£33,895	£1,660	£599	£2,260	£69	£25	£94
	High	£32,646	£22,550	£55,196	£2,176	£1,503	£3,680	£91	£63	£153

Table 5.13C: Estimated Average Delivery Costs for Applied GCSEs Delivery Model C: College, school or mixed delivery, higher teaching salary, 5 hrs x 36 weeks per annum										
Course		Over 2 years; 1 school; 1 group			Cost per student, over 2 years			Cost per hour of teaching		
					15 Students					
		Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs	Core Delivery	Additional Delivery	Total Costs
GCSE Manufacturing	Base	£29,257	£0	£29,257	£1,950	£0	£1,950	£81	£0	£81
	Medium	£23,900	£8,990	£32,890	£1,593	£599	£2,193	£66	£25	£91
	High	£29,257	£22,550	£51,807	£1,950	£1,503	£3,454	£81	£63	£144
GCSE Science	Base	£28,535	£0	£28,535	£1,902	£0	£1,902	£79	£0	£79
	Medium	£23,405	£8,990	£32,395	£1,560	£599	£2,160	£65	£25	£90
	High	£28,535	£22,550	£51,085	£1,902	£1,503	£3,406	£79	£63	£142
GCSE Business	Base	£25,405	£0	£25,405	£1,694	£0	£1,694	£71	£0	£71
	Medium	£24,605	£8,990	£33,595	£1,640	£599	£2,240	£68	£25	£93
	High	£25,405	£22,550	£47,955	£1,694	£1,503	£3,197	£71	£63	£133

Base Costs: Option 1 (no technician), Option 3 (new course), Option 5 (no learner support), Option 8 (no transport costs), Option 12 (no employer liaison/placements)

Medium Costs: Option 2 (technician for Art & Design, Engineering), Option 4 (established course), Option 7 (learner support shared across two groups), Option 10 (medium transport costs), Option 13 (average costs for short placements & industry visits)

High Costs: Option 2 (technician for Art & Design, Engineering), Option 3 (new course), Option 6 (learner support for time students are at college), Option 11 (high transport costs), Option 13 (average costs for short placements & industry visits)

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6 PARTNERSHIP COSTS AND COSTING MODEL

Key Points

- We have estimated that total costs for an 'average' sample partnership would be £228,777, including indirect (set-up, support and development and ongoing management costs) costs of £67,694 and delivery costs of £161,083 for three GCSEs involving four schools over two years. Therefore, the total costs for this 'average' sample partnership exceeds core funding by around £130,000.

- Using the analysis from Section 5, we have developed a draft costing model for the delivery of applied GCSEs through IF. This shows that base unit costs (costs per student) are between 50% and 60% lower than the LSC 16-19 funding per student. However, some of this difference might be accounted for the fact that we have not included estimates for overheads such as heating, lighting and employment on-costs.

- Application of multipliers to the base cost to account for additional costs associated with the provision of technicians, a start-up course, learner support, transport costs and employer liaison/placements, increases the per student cost (and therefore total costs) of IF by between 74% and 122% across the eight GCSEs.

- Whilst there is a variety of characteristics associated with IF delivery that result in this higher cost, the one factor which has the most dramatic impact is group size. The base costs for a group of 30 students are increased by between 74% and 91% across the eight GCSEs, if student numbers are only 15 in a group. Base costs are multiplied further for the '15 student' model when additional options are added associated – a further 84% to 136% additional per student cost depending on the GCSE being delivered.

- This is a significant issue, given that only 17% of the GCSE groups being delivered in cohort 1, across the 27 sample partnerships, involved 25 or more students, suggesting that actual costs of delivery for cohort 1 were considerably higher that the 16-19 funded delivery. In a number of cases, group size is less than 10 students.

- At this stage, we suggest that a mix of the LSC 16-19 funding model and the multipliers established for the applied GCSEs costing model above are used to provide a basis for estimating the costs associated with delivering the G/NVQs and other qualifications.

- Average and total costs for cohort 2 of IF are likely to change for a number of reasons, including significant increases in student numbers; new courses; additional schools; and cost efficiencies associated with management/coordination, set-up and development costs.

- The higher cost, '15 student' costing model, may still be valid for cohort 2, given that the nature of IF delivery may mean that it is difficult to increase group sizes significantly.

Introduction

6.2 In this section we pull together the analyses from Sections 4 and 5 to outline estimated costs for an 'average' partnership and develop a costing model for establishing the cost of individual GCSEs.

Estimated Unit Costs – Average Partnership

6.3 **Table 6.1** overleaf outlines the costs associated with our 'average' sample partnership, which is based on the average characteristics of the 27 sample partnerships that are delivering the applied GCSEs, as follows:

- an existing but developing partnership;
- staff development costs across the partnership over two years, based on the average across 30 sample partnerships;
- college and school related management costs, including partnership liaison involving two steering groups per term with one representative from each partner attending;
- one college and four schools in the partnership;
- three GCSEs being delivered, in Engineering, Leisure & Tourism, and Health & Social Care;
- two schools involved with Engineering and one school with each of Leisure & Tourism and Health & Social Care.

6.4 We have used the delivery models A, B and C and varied the 'options' (as discussed in Section 5) for each of the three GCSEs in order to represent different methods and natures of delivery. The unit cost for this 'average' sample partnership is **£2,434 per student**, which compares to an average real unit cost across the 30 sample partnerships (across all courses delivered) of £3,133 per student.

6.5 The total costs for this 'average' sample partnership over two years exceed the core funding by around £130,000. If no other funding were available to the partnership (Section 7 provides details of funding sources being used by IF partnerships), this would be the contribution to IF delivery being made by the college and schools within the partnership.

Table 6.1: Average IF Partnership - Estimated Unit Costs				
College	1			
Schools in Partnership	4			
GCSEs delivered	**Engineering**	**Leisure & Tourism**	**Health & Social Care**	
Schools in GCSEs	2	1	1	
Groups in GCSEs	2	1	1	
Student numbers	46	27	21	
Delivery Model	A	B	C	
Hours per week	5	5	5	
Weeks in year	36	36	36	
Place of Delivery	College (5 hrs)	Joint (School 3 hrs, School/College 2hrs)	School (5 hrs)	
Salary level	Average	Average	High	
Technician	Yes	No	No	
New course	Yes	Yes	Yes	
Learner support	Yes	Yes	Yes	
Transport	Yes, medium	Yes, medium	No	
Employer placements	Yes	Yes	Yes	
Facilities	Yes	Yes	Yes	
Resources & Equipment	Yes	Yes	Yes	
Registration	Yes	Yes	Yes	

Table 6.1: Average IF Partnership - Estimated Unit Costs				
Indirect Costs (over 2 years)				
Set-up costs	£12,921			
Support & Development	£6,330			
On-going management	£48,443			
Total Indirect Costs	**£67,694**			
Delivery Costs				
	Total costs over 2 years	**Cost per student over 2 years**	**Cost per group over 2 years**	**Cost per hour**
GCSE Engineering	£87,682	£1,906	£43,841	£122
GCSE Leisure & Tourism	£43,340	£1,605	£43,340	£120
GCSE Health & Social Care	£30,061	£1,431	£30,061	£84
Total Delivery Cost	**£161,083**	**£1,714**	**£40,271**	**£112**
Total Costs:	**£228,777**			
Core Funding	**£100,000**			
Contribution from Partnership	**£128,777**			

Costing Model – Applied GCSEs

6.6 As discussed in Section 5, the establishment of estimated average costs for the delivery of the applied GCSEs is a complex exercise given the range of factors that can influence such costs. As a result we have established a draft costing model, incorporating **a base cost to which various multipliers can be applied** depending to the model of delivery that is being employed.

6.7 **Table 6.2A** (page 79) on outlines these multipliers for one group of 30 students for each of the applied GCSEs. The table also includes a list of the funding per student available for 16-19 provision, as determined from the LSC funding model for post-16 provision. Key points to note are:

- the estimated base cost for all applied GCSEs is between 50% and 60% lower than the LSC 16-19 funding per student. However, the LSC 16-19 provision is designed to cover a college's 'estimated' overheads. Whilst our base costs include some estimate of the cost of facilities, they do not include other overheads such as heat, lighting and on-costs for employment;

- applying multipliers to the base cost to account for additional costs associated with the provision of technicians, a start-up course, learner support, transport costs and employer liaison/placements, increases the per student cost (and therefore total costs) of IF by between 74% and 122% across the eight GCSEs;

- IF delivery appears, therefore, to be considerably more expensive than 16-19 delivery (as indicated by the LSC funding methodology) if a 'high spec' model of delivery, including high cost transport, is used.

6.8 Whilst there is a variety of characteristics associated with IF delivery that result in this higher cost, the **one factor which has the most dramatic impact is group size**.

6.9 **Table 6.2B** (page 82) shows the same costing model, but based on a group size of 15 students. This shows the **considerable impact on costs of delivery to a smaller number of students in a group** – the base costs for a group of 30 students are increased by between 74% and 91% if student numbers are only limited to 15 in a group. Base costs are multiplied further for the '15 student' model when additional options are added – a further 84% to 136% additional costs per student cost depending on the GCSE being delivered.

6.10 This is a significant issue, given that only 17% of the GCSE groups being delivered in cohort 1, across the 27 sample partnerships, involved 25 or more students, suggesting that **actual costs of delivery for cohort one were considerably higher that the 16-19 funded delivery**. In 53% of cases, group sizes are 15 students or less. These group sizes are therefore clearly sub-optimal.

Table 6.2A: Costing Model for Applied GCSEs
- Base, Multipliers and Comparison to LSC Funding for 16-19 Provision
- maximum group size of 30 students for one group
- average across Models, A, B and C

Course		LSC 16-19 Funded Cost per student	Base Cost (Options 1, 4, 5, 8,12)	Multipliers - applied to cost per student								Each New School	
				Technician (Opt. 2)	New Course (Opt. 3)	Learner Support (Opt. 6)	Transport Costs			Employer Liaison (Opt. 13)	All (Opt. 2, 3, 6, 11, 13)	Base, 2 schools	Plus All Options, 2 schools
							Low (Opt.9)	Medium (Opt.10)	High (Opt.11)				
GCSE Engineering	**Multiplier**			**1.09**	**1.46**	**1.09**	**1.05**	**1.18**	**1.54**	**1.04**	**2.22**	**Plus £800 per school**	
	Total Cost		£28,089	£30,698	£40,949	£30,681	£29,539	£33,189	£43,139	£29,339	£62,450	£28,889	£63,250
	Cost per student	**£1,491**	**£936**	£1,023	£1,365	£1,023	£985	£1,106	£1,438	£978	£2,082	£963	£2,108
	Cost per hour		£78	£85	£114	£85	£82	£92	£120	£81	£173	£80	£176
GCSE Art and Design	**Multiplier**			**1.09**	**1.03**	**1.09**	**1.05**	**1.17**	**1.50**	**1.04**	**1.74**	**Plus £800 per school**	
	Total Cost		£30,339	£32,948	£31,139	£32,931	£31,789	£35,439	£45,389	£31,589	£52,640	£31,139	£53,440
	Cost per student	**£1,491**	**£1,011**	£1,098	£1,038	£1,098	£1,060	£1,181	£1,513	£1,053	£1,755	£1,038	£1,781
	Cost per hour		£84	£92	£86	£91	£88	£98	£126	£88	£146	£86	£148
GCSE Health & Social Care	**Multiplier**			**1.10**	**1.06**	**1.10**	**1.06**	**1.20**	**1.60**	**1.05**	**1.91**	**Plus £800 per school**	
	Total Cost		£25,209	£27,818	£26,673	£27,801	£26,659	£30,309	£40,259	£26,459	£48,174	£26,009	£48,974
	Cost per student	**£1,285**	**£840**	£927	£889	£927	£889	£1,010	£1,342	£882	£1,606	£867	£1,632
	Cost per hour		£70	£77	£74	£77	£74	£84	£112	£73	£134	£72	£136

Table 6.2A: Costing Model for Applied GCSEs
- Base, Multipliers and Comparison to LSC Funding for 16-19 Provision
- maximum group size of 30 students for one group
- average across Models, A, B and C

Course		LSC 16-19 Funded Cost per student	Base Cost (Options 1, 4, 5, 8,12)	Multipliers - applied to cost per student								Each New School	
				Technician (Opt. 2)	New Course (Opt. 3)	Learner Support (Opt. 6)	Transport Costs			Employer Liaison (Opt. 13)	All (Opt. 2, 3, 6, 11, 13)	Base, 2 schools	Plus All Options, 2 schools
							Low (Opt.9)	Medium (Opt.10)	High (Opt.11)				
GCSE ICT	**Multiplier**			**1.09**	**1.14**	**1.09**	**1.05**	**1.18**	**1.53**	**1.04**	**1.89**	**Plus £800 per school**	
	Total Cost		£28,479	£31,088	£32,428	£31,071	£29,929	£33,579	£43,529	£29,729	£53,929	£29,279	£54,729
	Cost per student	**£1,285**	**£949**	£1,036	£1,081	£1,036	£998	£1,119	£1,451	£991	£1,798	£976	£1,824
	Cost per hour		£79	£86	£90	£86	£83	£93	£121	£83	£150	£81	£152
GCSE Leisure & Tourism	**Multiplier**			**1.09**	**1.28**	**1.09**	**1.05**	**1.18**	**1.54**	**1.04**	**2.05**	**Plus £800 per school**	
	Total Cost		£27,849	£30,458	£35,590	£30,441	£29,299	£32,949	£42,899	£29,099	£57,091	£28,649	£57,891
	Cost per student	**£1,147**	**£928**	£1,015	£1,186	£1,015	£977	£1,098	£1,430	£970	£1,903	£955	£1,930
	Cost per hour		£77	£85	£99	£85	£81	£92	£119	£81	£159	£80	£161
GCSE Manufacturing	**Multiplier**			**1.10**	**1.21**	**1.10**	**1.06**	**1.20**	**1.58**	**1.05**	**2.04**	**Plus £800 per school**	
	Total Cost		£25,839	£28,448	£31,196	£28,431	£27,289	£30,939	£40,889	£27,089	£52,697	£26,639	£53,497
	Cost per student	**£1,491**	**£861**	£948	£1,040	£948	£910	£1,031	£1,363	£903	£1,757	£888	£1,783
	Cost per hour		£72	£79	£87	£79	£76	£86	£114	£75	£146	£74	£149

Table 6.2A: Costing Model for Applied GCSEs
- Base, Multipliers and Comparison to LSC Funding for 16-19 Provision
- maximum group size of 30 students for one group
- average across Models, A, B and C

Course		LSC 16-19 Funded Cost per student	Base Cost (Options 1, 4, 5, 8,12)	Multipliers - applied to cost per student								Each New School	
				Technician (Opt. 2)	New Course (Opt. 3)	Learner Support (Opt. 6)	Transport Costs			Employer Liaison (Opt. 13)	All (Opt. 2, 3, 6, 11, 13)	Base, 2 schools	Plus All Options, 2 schools
							Low (Opt.9)	Medium (Opt.10)	High (Opt.11)				
GCSE Science	**Multiplier**			**1.10**	**1.21**	**1.10**	**1.06**	**1.21**	**1.61**	**1.05**	**2.07**	**Plus £800 per school**	
	Total Cost		£24,849	£27,458	£29,979	£27,441	£26,299	£29,949	£39,899	£26,099	£51,480	£25,649	£52,280
	Cost per student	**£1,285**	**£828**	£915	£999	£915	£877	£998	£1,330	£870	£1,716	£855	£1,743
	Cost per hour		£69	£76	£83	£76	£73	£83	£111	£72	£143	£71	£145
GCSE Business	**Multiplier**			**1.10**	**1.03**	**1.10**	**1.05**	**1.19**	**1.55**	**1.05**	**1.82**	**Plus £800 per school**	
	Total Cost		£27,249	£29,858	£28,049	£29,841	£28,699	£32,349	£42,299	£28,499	£49,550	£28,049	£50,350
	Cost per student	**£1,147**	**£908**	£995	£935	£995	£957	£1,078	£1,410	£950	£1,652	£935	£1,678
	Cost per hour		£76	£83	£78	£83	£80	£90	£117	£79	£138	£78	£140

Table 6.2B: Costing Model for applied GCSEs
- Base, Multipliers and Comparison to LSC Funding for 16-19 Provision
- group size of 15 students for one group
- average across Models, A, B and C

Course		LSC 16-19 Funded Cost per student	Base Cost (Options 1, 4, 5, 8,12)	Multipliers - applied to cost per student								Each New School	
				Technician (Opt. 2)	New Course (Opt. 3)	Learner Support (Opt. 6)	Transport Costs			Employer Liaison (Opt. 13)	All (Opt. 2, 3, 6, 11, 13)	Base, 2 schools	Plus All Options, 2 schools
							Low (Opt.9)	Medium (Opt.10)	High (Opt.11)				
GCSE Engineering	**Multiplier**			**1.10**	**1.51**	**1.10**	**1.06**	**1.20**	**1.59**	**1.05**	**2.36**	**Plus £800 per school**	
	Total Cost		£25,344	£27,953	£38,204	£27,936	£26,794	£30,444	£40,394	£26,594	£59,705	£26,144	£60,505
	Cost per student	**£1,491**	**£1,690**	£1,864	£2,547	£1,862	£1,786	£2,030	£2,693	£1,773	£3,980	£1,743	£4,034
	(Multiplier for lower student no.s)		**1.80**	**1.82**	**1.87**	**1.82**	**1.81**	**1.83**	**1.87**	**1.81**	**1.91**		
	Cost per hour		£70	£78	£106	£78	£74	£85	£112	£74	£166	£73	£168
GCSE Art and Design	**Multiplier**			**1.10**	**1.03**	**1.10**	**1.05**	**1.19**	**1.57**	**1.05**	**1.84**	**Plus £800 per school**	
	Total Cost		£26,469	£29,078	£27,269	£29,061	£27,919	£31,569	£41,519	£27,719	£48,770	£27,269	£49,570
	Cost per student	**£1,491**	**£1,765**	£1,939	£1,818	£1,937	£1,861	£2,105	£2,768	£1,848	£3,251	£1,818	£3,305
	(Multiplier for lower student no.s)		**1.74**	**1.77**	**1.75**	**1.76**	**1.76**	**1.78**	**1.83**	**1.75**	**1.85**		
	Cost per hour		£74	£81	£76	£81	£78	£88	£115	£77	£135	£76	£138

Table 6.2B: Costing Model for applied GCSEs
- Base, Multipliers and Comparison to LSC Funding for 16-19 Provision
- group size of 15 students for one group
- average across Models, A, B and C

Course		LSC 16-19 Funded Cost per student	Base Cost (Options 1, 4, 5, 8,12)	Multipliers - applied to cost per student								Each New School	
				Technician (Opt. 2)	New Course (Opt. 3)	Learner Support (Opt. 6)	Transport Costs			Employer Liaison (Opt. 13)	All (Opt. 2, 3, 6, 11, 13)	Base, 2 schools	Plus All Options, 2 schools
							Low (Opt.9)	Medium (Opt.10)	High (Opt.11)				
GCSE Health & Social Care	**Multiplier**			**1.11**	**1.06**	**1.11**	**1.06**	**1.21**	**1.63**	**1.05**	**1.96**	**Plus £800 per school**	
	Total Cost		£23,904	£26,513	£25,368	£26,496	£25,354	£29,004	£38,954	£25,154	£46,869	£24,704	£47,669
	Cost per student	**£1,285**	**£1,594**	£1,768	£1,691	£1,766	£1,690	£1,934	£2,597	£1,677	£3,125	£1,647	£3,178
	(Multiplier for lower student no.s)		**1.90**	**1.91**	**1.90**	**1.91**	**1.90**	**1.91**	**1.94**	**1.90**	**1.95**		
	Cost per hour		£66	£74	£70	£74	£70	£81	£108	£70	£130	£69	£132
GCSE ICT	**Multiplier**			**1.10**	**1.15**	**1.10**	**1.06**	**1.20**	**1.59**	**1.05**	**2.00**	**Plus £800 per school**	
	Total Cost		£25,539	£28,148	£29,488	£28,131	£26,989	£30,639	£40,589	£26,789	£50,989	£26,339	£51,789
	Cost per student	**£1,285**	**£1,703**	£1,877	£1,966	£1,875	£1,799	£2,043	£2,706	£1,786	£3,399	£1,756	£3,453
	(Multiplier for lower student no.s)		**1.79**	**1.81**	**1.82**	**1.81**	**1.80**	**1.82**	**1.86**	**1.80**	**1.89**		
	Cost per hour		£71	£78	£82	£78	£75	£85	£113	£74	£142	£73	£144

Table 6.2B: Costing Model for applied GCSEs
- Base, Multipliers and Comparison to LSC Funding for 16-19 Provision
- group size of 15 students for one group
- average across Models, A, B and C

Course		LSC 16-19 Funded Cost per student	Base Cost (Options 1, 4, 5, 8,12)	Multipliers - applied to cost per student								Each New School	
				Technician (Opt. 2)	New Course (Opt. 3)	Learner Support (Opt. 6)	Transport Costs			Employer Liaison (Opt. 13)	All (Opt. 2, 3, 6, 11, 13)	Base, 2 schools	Plus All Options, 2 schools
							Low (Opt.9)	Medium (Opt.10)	High (Opt.11)				
GCSE Leisure & Tourism	**Multiplier**			**1.10**	**1.31**	**1.10**	**1.06**	**1.20**	**1.60**	**1.05**	**2.16**	**Plus £800 per school**	
	Total Cost		£25,224	£27,833	£32,965	£27,816	£26,674	£30,324	£40,274	£26,474	£54,466	£26,024	£55,266
	Cost per student	**£1,147**	**£1,682**	£1,856	£2,198	£1,854	£1,778	£2,022	£2,685	£1,765	£3,631	£1,735	£3,684
	(Multiplier for lower student no.s)		**1.81**	**1.83**	**1.85**	**1.83**	**1.82**	**1.84**	**1.88**	**1.82**	**1.91**		
	Cost per hour		£70	£77	£92	£77	£74	£84	£112	£74	£151	£72	£154
GCSE Manufacturing	**Multiplier**			**1.11**	**1.22**	**1.11**	**1.06**	**1.21**	**1.62**	**1.05**	**2.11**	**Plus £800 per school**	
	Total Cost		£24,219	£26,828	£29,576	£26,811	£25,669	£29,319	£39,269	£25,469	£51,077	£25,019	£51,877
	Cost per student	**£1,491**	**£1,615**	£1,789	£1,972	£1,787	£1,711	£1,955	£2,618	£1,698	£3,405	£1,668	£3,458
	(Multiplier for lower student no.s)		**1.87**	**1.89**	**1.90**	**1.89**	**1.88**	**1.90**	**1.92**	**1.88**	**1.94**		
	Cost per hour		£67	£75	£82	£74	£71	£81	£109	£71	£142	£69	£144

Table 6.2B: Costing Model for applied GCSEs
- Base, Multipliers and Comparison to LSC Funding for 16-19 Provision
- group size of 15 students for one group
- average across Models, A, B and C

Course		LSC 16-19 Funded Cost per student	Base Cost (Options 1, 4, 5, 8,12)	Multipliers - applied to cost per student								Each New School	
				Technician (Opt. 2)	New Course (Opt. 3)	Learner Support (Opt. 6)	Transport Costs			Employer Liaison (Opt. 13)	All (Opt. 2, 3, 6, 11, 13)	Base, 2 schools	Plus All Options, 2 schools
							Low (Opt.9)	Medium (Opt.10)	High (Opt.11)				
GCSE Science	**Multiplier**			**1.11**	**1.22**	**1.11**	**1.06**	**1.21**	**1.63**	**1.05**	**2.12**	**Plus £800 per school**	
	Total Cost		£23,724	£26,333	£28,854	£26,316	£25,174	£28,824	£38,774	£24,974	£50,355	£24,524	£51,155
	Cost per student	**£1,285**	**£1,582**	£1,756	£1,924	£1,754	£1,678	£1,922	£2,585	£1,665	£3,357	£1,635	£3,410
	(Multiplier for lower student no.s)		**1.91**	**1.92**	**1.92**	**1.92**	**1.91**	**1.92**	**1.94**	**1.91**	**1.96**		
	Cost per hour		£66	£73	£80	£73	£70	£80	£108	£69	£140	£68	£142
GCSE Business	**Multiplier**			**1.10**	**1.03**	**1.10**	**1.06**	**1.20**	**1.60**	**1.05**	**1.89**	**Plus £800 per school**	
	Total Cost		£24,924	£27,533	£25,724	£27,516	£26,374	£30,024	£39,974	£26,174	£47,225	£25,724	£48,025
	Cost per student	**£1,147**	**£1,662**	£1,836	£1,715	£1,834	£1,758	£2,002	£2,665	£1,745	£3,148	£1,715	£3,202
	(Multiplier for lower student no.s)		**1.83**	**1.84**	**1.83**	**1.84**	**1.84**	**1.86**	**1.89**	**1.84**	**1.91**		
	Cost per hour		£69	£76	£71	£76	£73	£83	£111	£73	£131	£71	£133

Costing Model – GNVQs, NVQs, and other

6.11 In addition to the eight applied GCSEs, the 30 sample partnerships have delivered a range of other qualifications including GNVQs, NVQs and other vocational courses (as outlined in **Section 2**). The inconsistencies in methods and quality of costings provided by each of the sample partnerships has meant that the establishment of estimated average costs for the applied GCSEs has been a complex and time consuming exercise. Given that 60% of the students studying through IF are undertaking the applied GCSEs we have focused our analysis here.

6.12 At this stage, we suggest that a mix of the LSC 16-19 funding model and the multipliers established for the applied GCSEs costing model above are used to provide a basis for estimating the costs associated with delivering the GNVQ, NVQ and other qualifications through IF.

Cohort 2

6.13 Average and total costs for cohort 2 of IF are likely to change for a number of reasons, including:

- there has been a significant increase in the number of students in cohort 2;
- linked to this, many partnerships have introduced new courses;
- additional schools have been brought on board;
- cost efficiencies are introduced for the partners, given that management/coordination time is shared across two cohorts;
- set-up and development costs are reduced.

6.14 Larger student numbers may result in larger group sizes and it may therefore be possible to apply the 30 student group size base costs and multipliers. However, we are also aware that, for many partnerships, an increase in student numbers may be linked to additional schools being brought into the partnership rather than (or in addition to) a higher number of students from each school. If delivery is in school, therefore, group sizes may still be relatively small (compared to group sizes for other 14-16 provision). Where delivery is in college, we also understand that some colleges have chosen not to mix students from different schools due to the tensions and disruption this can cause. The 15 student costing model may therefore still be valid for cohort 2 onwards.

7 FUNDING

Key Points

- 27 partnerships received core funding of £100,000 over two years. The remaining three partnerships received double core funding (£200,000) either because of size, double partnerships or receiving funding from another partnership that did not get off the ground.
- The three most common additional funding streams are IF Discretionary funding, LSDA funding and LID funding.
- Additional funding represents between 5% and 42% of the total funding received.
- Seven out of the 30 partnerships include colleges that charge for delivery, generating between £12k and £80k of additional funding.
- The average charge per student is £513 over two years. The highest charge of £1,200 per student works out as £300 per student per day.
- In all cases, core funding is not covering the full costs of delivery and in the majority of cases total funding received in inadequate resulting in a shortfall per student.

7.1 The key points shown above have been derived from analysing the funding data for 30 partnerships. Complete sets of data were available for 25 partnerships. This data is presented in **Table 7.2** on the following pages. The net shortfall per student per cohort is shown in **Table 7.1** below. Taking into account all funding received, partnerships are not recovering all costs per student and a minority are experiencing a shortfall in excess of £2,000 per student. Undertaking the same analysis but for core funding only, the net shortfall per student increases resulting in more partnerships experiencing a net shortfall of between £501 and £2,000 per student and one more partnership subsidising students by more than £2,000 per place.

TABLE 7.1:
Net Shortfall per Student per Cohort

	£0 - £500	£501 - £2,000	£2,000+
Total Funding Received by Partnership	9	13	3
Core Funding Received by Partnership	5	16	4

Table 7.2 Funding Cohort 1 (Year 1 & 2)										
Partnership No.	Core Funding	Other Funding		Charging schools (Y/N)	Amount Charging (£)	Number of Students Cohort 1	Additional Funding as % of Total Funding	Average Charging Per Student	Unit Cost (difference to total funding)	Unit Cost (difference to core funding)
		Amount	Source							
1	£100,000.00	£10,000.00	IF discretionary (02/03)	N		450				
		£110,000.00				**450**	9.09%	-	£127.74	£168.14
2	£100,000.00	£0.00		N		61				
		£100,000.00				**61**	-	-	£965.45	£965.45
3	£100,000.00	£20,000.00	IF discretionary (02/03)	N		51				
		£9,300.00	LSDA monies (02/03)							
		£20,000.00	IF discretionary (03/04)							
		£149,300.00				**51**	33.02%	-	£412.04	£1,378.71
4	£100,000.00	£9,000.00	LSDA grant	N		103				
		£109,000.00				**103**	8.26%	-	£1,000.05	£1,088.28
5	£100,000.00	£31,000.00	IF discretionary (02/03)	Y	£38,400.00	32				
		£131,000.00			**£38,400.00**	**32**	6.87%	£1,200.0	£2,847.25	£5,016.00

Table 7.2 Funding Cohort 1 (Year 1 & 2)										
Partnership No.	Core Funding	Other Funding		Charging schools (Y/N)	Amount Charging (£)	Number of Students Cohort 1	Additional Funding as % of Total Funding	Average Charging Per Student	Unit Cost (difference to total funding)	Unit Cost (difference to core funding)
		Amount	Source							
								0		
6	£200,000.00	£0.00		N		79				
		£200,000.00				**79**	-	-	£1,149.38	£1,149.38
7	£100,000.00	£10,000.00	LSDA funding (02/03)	N		41				
		£25,000.00	IF Discretionary (03/04)							
		£8,000.00	IF discretionary (03/04)							
		£3,750.00	LSDA (03/04)							
		£146,750.00				**41**	31.86%	-	£851.00	£1,991.24
8	£100,000.00	£5,000.00	IF discretionary (02/03)	N		76				
		£105,000.00				**76**	4.76%	-	£498.04	£563.83
9	£100,000.00	£3,000.00	discretionary	N		70				
		£7,500.00	LSDA							
		£110,500.00				**70**	9.50%	-	£254.77	£404.77
10	£100,000.00	£0.00		N		42				

Table 7.2 Funding Cohort 1 (Year 1 & 2)										
Partnership No.	**Core Funding**	**Other Funding**		**Charging schools (Y/N)**	**Amount Charging (£)**	**Number of Students Cohort 1**	**Additional Funding as % of Total Funding**	**Average Charging Per Student**	**Unit Cost (difference to total funding)**	**Unit Cost (difference to core funding)**
		Amount	**Source**							
		£100,000.00				**42**	-	-	£1,628.86	£1,628.86
11	£100,000.00	£5,000.00	IF discretionary (02/03)	N		65				
		£105,000.00				**65**	4.76%	-	£452.14	£529.06
12	£200,000.00	£13,000.00	LIF (02/03)	Y	£40,250.00	255				
		£40,000.00	Neighbourhood Renewal Fund		£40,250.00					
		£253,000.00			**£80,500.00**	**255**	5.14%	£315.69	£1,241.07	£1,764.60
13	£100,000.00	£8,000.00	IF discretionary (02/03)	Y (yr 1)	£5,779.00	59				
		£16,184.00	LIF (02/03)	Y (yr 2)	£6,318.00					
		£23,408.00	LIF (03/04)							
		£20,000.00	capital grant							
		£167,592.00			**£12,097.00**	**59**	40.33%	£205.03	£170.36	£1,521.03
14	£100,000.00	£30,000.00	not known			39				
		£130,000.00				**39**		-	£749.12	£1,518.35

Table 7.2
Funding Cohort 1 (Year 1 & 2)

Partnership No.	Core Funding	Other Funding		Charging schools (Y/N)	Amount Charging (£)	Number of Students Cohort 1	Additional Funding as % of Total Funding	Average Charging Per Student	Unit Cost (difference to total funding)	Unit Cost (difference to core funding)
		Amount	Source							
15	£100,000.00	£12,600.00	Training for Youth in Medway (TYME)	Y (yr 1) (tbc)	£28,488.00	117				
		£1,000.00	Medway Education Business Partnership (MEBP)	Y (yr 2) (tbc)	£28,488.00					
		£113,600.00			**£56,976.00**	**117**	11.97%	£486.97	-	-
16	£100,000.00	£10,500.00	LSDA (02/03)	Y (yr 1)	£10,200.00	34				
		£62,688.00	LID LSC (02/03)	Y (yr 2)	£10,200.00					
		£173,188.00			**£20,400.00**	**34**	42.26%	£600.00	£777.41	£3,530.00
17	£200,000.00	£11,500.00	Yr 1 transport (from LSC)	N		164				
		£9,170.00	Yr 2 transport costs incurred							
		£11,500.00	LSDA networking (yr1)							
		£17,575.00	LSDA networking (yr2)							

Table 7.2 Funding Cohort 1 (Year 1 & 2)										
Partnership No.	**Core Funding**	**Other Funding**		**Charging schools (Y/N)**	**Amount Charging (£)**	**Number of Students Cohort 1**	**Additional Funding as % of Total Funding**	**Average Charging Per Student**	**Unit Cost (difference to total funding)**	**Unit Cost (difference to core funding)**
		Amount	**Source**							
		£249,745.00				**164**	4.60%	-	+£16.92	£286.40
18	£100,000.00	£0.00		N		140				
		£100,000.00				**140**		-	£368.64	£368.64
19	£100,000.00	£6,000.00	discretionary (to be confirmed)	N		60				
		£106,000.00				**60**	5.66%	-	-	-
20	£100,000.00	£10,000.00	discretionary	Y (NVQ)	£59,500.00	85				
				N (others)		32				
		£110,000.00			**£59,500.00**	**117**	9.09%	£508.55	£1,662.66	£1,748.13
21	£100,000.00	not known	not known	Y (reflex)	£17,000.00	17				
				others		45				
		£100,000.00			**£17,000.00**	**62**	-	£274.19	-	-
22	£93,800.00	£18,725.00	discretionary	N		89				

Table 7.2 Funding Cohort 1 (Year 1 & 2)										
Partnership No.	Core Funding	Other Funding		Charging schools (Y/N)	Amount Charging (£)	Number of Students Cohort 1	Additional Funding as % of Total Funding	Average Charging Per Student	Unit Cost (difference to total funding)	Unit Cost (difference to core funding)
		Amount	Source							
		£112,525.00				**89**	16.64%	-	£394.67	£535.40
23	£100,000.00	£65,000.00	LSC Flexibility funding	N		202				
		£165,000.00				**202**	39.39%	-	£1,016.76	£1,338.54
24	£100,000.00	not known	not known	not known	not known	66				
		£100,000.00				**66**	-	-	-	-
25	£100,000.00	not known	not known	Y	not known	198				
		£100,000.00				**198**	-	-	-	-
26	£100,000.00	£30,000.00	LSC (not sure of exact funding source)	N		59				
		£130,000.00				**59**	23.08%	-	£790.86	£1,299.34
27	£100,000.00	£0.00		N		52				
		£100,000.00				**52**	-	-	£2,260.77	£2,260.77
28	£100,000.00	£9,300.00	LSDA funding (02/03)	N		110				
		£109,300.00				**110**	8.51%	-	£1,326.39	£1,410.94

Table 7.2
Funding Cohort 1 (Year 1 & 2)

Partnership No.	Core Funding	Other Funding		Charging schools (Y/N)	Amount Charging (£)	Number of Students Cohort 1	Additional Funding as % of Total Funding	Average Charging Per Student	Unit Cost (difference to total funding)	Unit Cost (difference to core funding)
		Amount	Source							
29	£100,000.00	£30,000.00	pump priming money from LSC LIF	N		47				
		£130,000.00				**47**	23.08%	-	£3,453.56	£4,091.85
30	£100,000.00	£16,666.67	discretionary	N		117				
		£3,333.00	LSDA money							
		£119,999.67				**117**	16.67%	-	£1,297.07	£1,297.07

8 CONCLUSIONS

Key Points

- It is strongly recommended that the conclusions are not read in isolation and that the reader also reviews the individual sections of the report.
- The average amount of indirect costs across the 30 partnerships over a two-year period is £78,414, representing 78% of core funding.
- Delivery costs for IF are generally higher than 16-19 funded delivery, due to the additional costs associated with partnership delivery, support required for the age group and smaller teaching group sizes.
- Delivery costs vary across the eight GCSEs, with Engineering generally incurring the highest costs and Health and Social Care the lowest.
- We have estimated that total costs for a partnership delivering three applied GCSEs across four schools over two years would be £228,777, exceeding the core funding by around £130,000.
- The most significant variable cost factor is the number of students within a group; fewer students incur higher per student costs.
- It would be possible to develop a funding model for IF based on key principles that more closely reflect the activities associated with partnership working and delivery.

Establishing Estimated Average Costs

Variability

8.1 The cost analysis undertaken in the preceding sections, shows that unit and total costs for any one partnership will vary significantly, depending on the number of partners, type/nature of delivery models and/or characteristics that are being employed.

8.2 Similarly indirect costs vary according to size of delivery and whether provision is new (set-up costs); the extent to which students require additional support and teachers/tutors require training and development (support and development costs); and the type of delivery mechanism and steering group arrangements (ongoing management costs).

Costing Model Development

8.3 For delivery costs we have developed a costing model for the eight applied GCSEs, which enables the establishment of estimated average costs across the range of courses and delivery model types.

8.4 This shows that the cost of delivery of IF is, on the whole, likely to be considerably higher than similar delivery for 16-19 year olds (as indicated by the LSC 16-19 funding model).

8.5 The most significant factor increasing this cost is the number of students within a teaching group. In cohort 1 this has tended to be less than 25 and, for 53% of the GCSE groups delivered by the sample partnerships, student numbers have been 15 or less. Whilst the increase in student numbers in cohort 2 is likely to lead to an increase in group size, the size of a teaching group is often a function of the nature of IF delivery and they may therefore remain relatively small for many partnerships.

Costs versus Funding

8.6 The actual costs of delivery for IF are generally significantly higher than the core funding available.

8.7 The average amount of indirect costs across the 30 partnerships over a two-year period is £78,414, representing 78% of core funding. Core funding over the two-year delivery period (£100,000) does not cover indirect costs for 30% (9) of the sample partnerships.

8.8 Our estimate for an 'average' sample partnership shows that the total contribution from other funding or from the partners themselves can be as much as 57% of the total cost of delivery over two years (£130K of total costs of £230K). For some of the individual sample partnerships the contribution is much larger, due to the mix of courses being delivered, or number of schools, students and/or courses involved.

8.9 Many partnerships have accessed additional funds in the form of IF discretionary funding, LSDA and LID funding. Furthermore, seven partnerships have also charged schools for IF delivery taking place within colleges. This is likely to become a more common practice for cohort 2 although there may be debate within partnerships about the rationale for, and the level of, charges.

8.10 The rationale used to estimate costs for school delivery and school input for IF provision varies widely across partnerships. This is largely a function of core funding, which means that the individual cost of delivery elements (teaching time, learning support, materials etc.) are not usually known or required by school staff. This is especially true with respect to fixed costs, for example, the use of facilities and the apportionment of overheads.

8.11 Many colleges already know the standard hourly cost for provision (usually around £65 - £85 per hour, including teaching, facilities and overheads) as individual qualifications are delivered on at least a cost-recovery basis. Qualification co-ordinators are responsible for ensuring the financial viability of course delivery or providing a sound rationale for why this may not be the case. In addition, colleges are more used to providing financial information about delivery for internal or external inspection purposes. Where colleges are charging for IF, however, they have generally applied a "discounted rate" per hour of between £35 and £50 either because school partners are unprepared or unable to pay the standard rate, or colleges are expecting that a proportion of costs will be recovered via students who decide to continue their post-16 education at the college.

Additional Costs

8.12 The 'additional' costs associated with IF delivery, as opposed to other 14-16 or 16-19 provision, can be summarised as:

- indirect costs, including:
  - partnership set-up costs;
  - support and development costs;
  - ongoing management costs (college and schools) and coordination/facilitation of the partnership;

- delivery costs, including:
  - low student numbers;
  - additional timetabling costs;
  - set-up costs for new courses;
  - provision of additional learner support, depending on student ability;
  - transport costs;
  - employer liaison and placements.

Opportunity Cost v Double Funding

8.13 Given that schools access LEA funding to deliver to the students that are undertaking IF courses, it is perhaps appropriate that they should be charged by colleges where delivery is within the college, or that they should 'contribute' to the costs of delivery in school. If IF funding is being used to cover the total cost of delivery to these students, stakeholders may assume that a degree of 'double funding' is taking place.

8.14 However, as this analysis has demonstrated the costs of delivering IF courses are often likely to be significantly greater than the average cost of delivery of 16-19 provision or other 14-16 provision. Therefore, the 'opportunity cost' associated with widening the curriculum to include more vocational learning translates into a real cost that is currently being absorbed.

8.15 In addition to the range of factors accounted for through the multipliers in our costing models, the timetabling constraints associated with sending students to college mean that often there are further additional costs for the schools concerned.

Future Funding Model – Initial Ideas

8.16 It would be possible to develop a funding model for IF based on key principles that more closely reflects delivery. Any model would need to be fully tested and preferably piloted with a sample of partnerships before being implemented across all partnerships. The following key features are the starting point for considering a funding model for IF:

- provision of partnership funding using a combination of core IF and other funding routes to cover the indirect costs – the level of funding should vary by key partnership characteristics, including number of schools involved;
- there appears to be a case for an element of charging where delivery takes place within college. Links need to be made to core funding being received from the LEA for students, any savings made by the school and the base costs established in our 30 student group size costing model (or the LSC funding model for 16-19 provision, to include overheads);
- provision of additional course funding, using the multipliers established in our two costing models (Tables 6.2A and 6.2B, pages 79-85), which will vary depending on the number of students, subject of course, stage of development of the course, and need for transport;
- the scope of the study did not provide an opportunity to estimate the costs associated with delivering the G/NVQs and other qualifications. A funding model could be developed based on a mix of the LSC 16-19 funding model and the multipliers established for the applied GCSEs costing model.

8.17 At this stage, this funding model does not account for the costs of college overheads such as heating, lighting and on-costs.