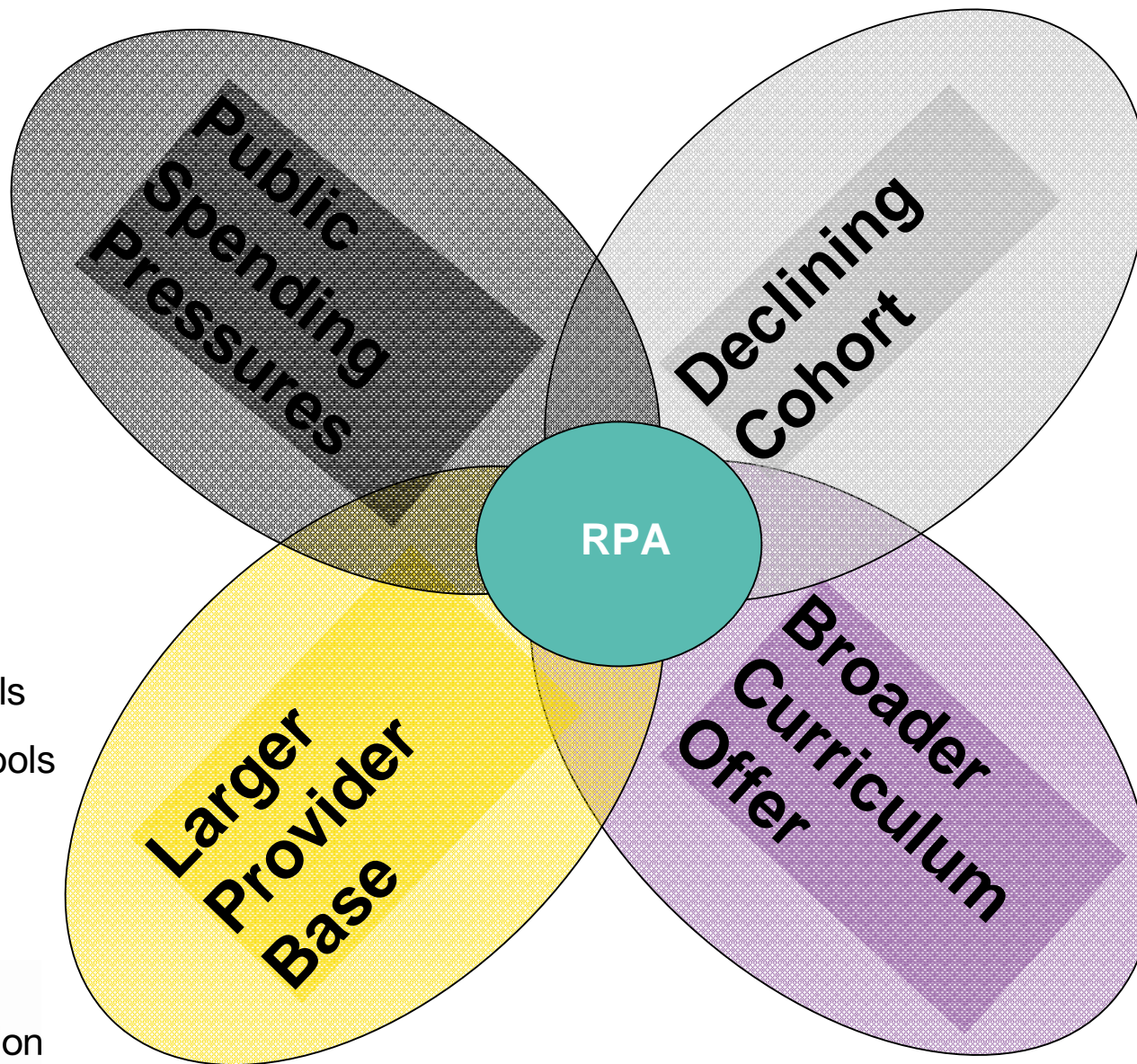


# Changes to the 16-19 Funding Formula

**Peter Mucklow**

**National Director for Young People  
Education Funding Agency**



- Fewer 16-18 year olds by 2015

#### **Wolf**

- Substantial programmes
- English and maths

#### **Apprenticeship**

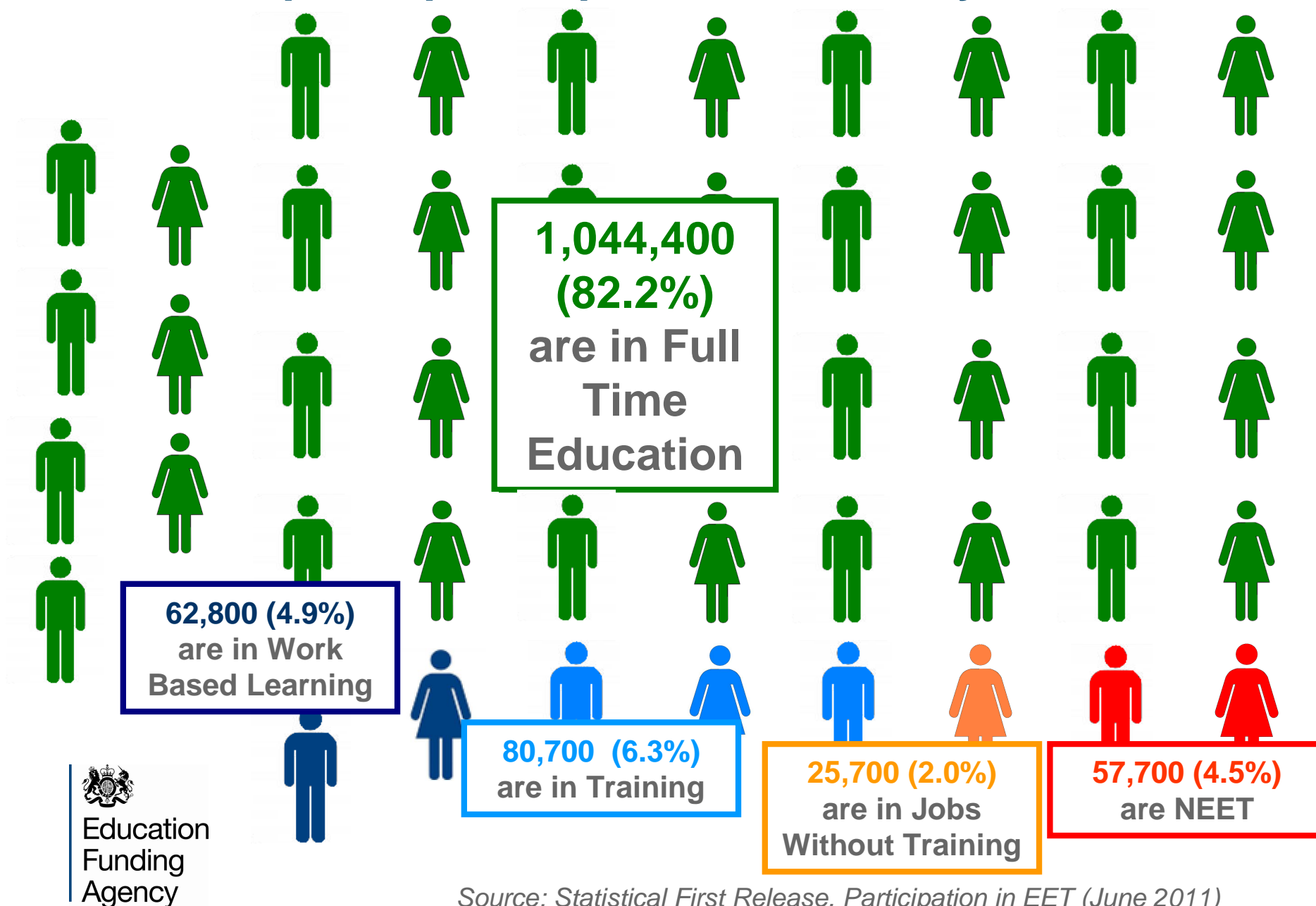
- 1 in 5

- Free Schools
- Studio Schools
- UTCs

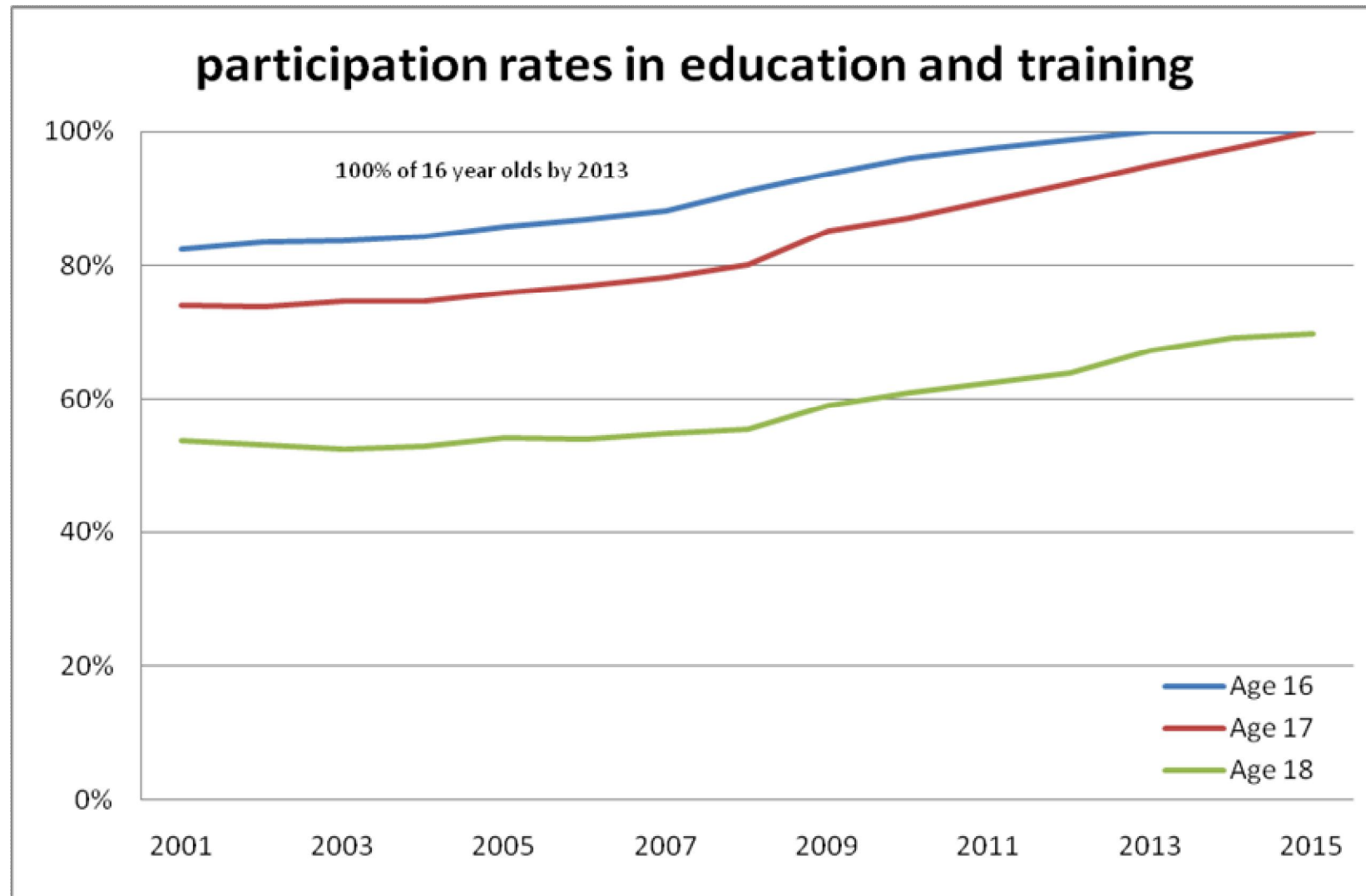


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# The current participation picture for 16-17 year olds

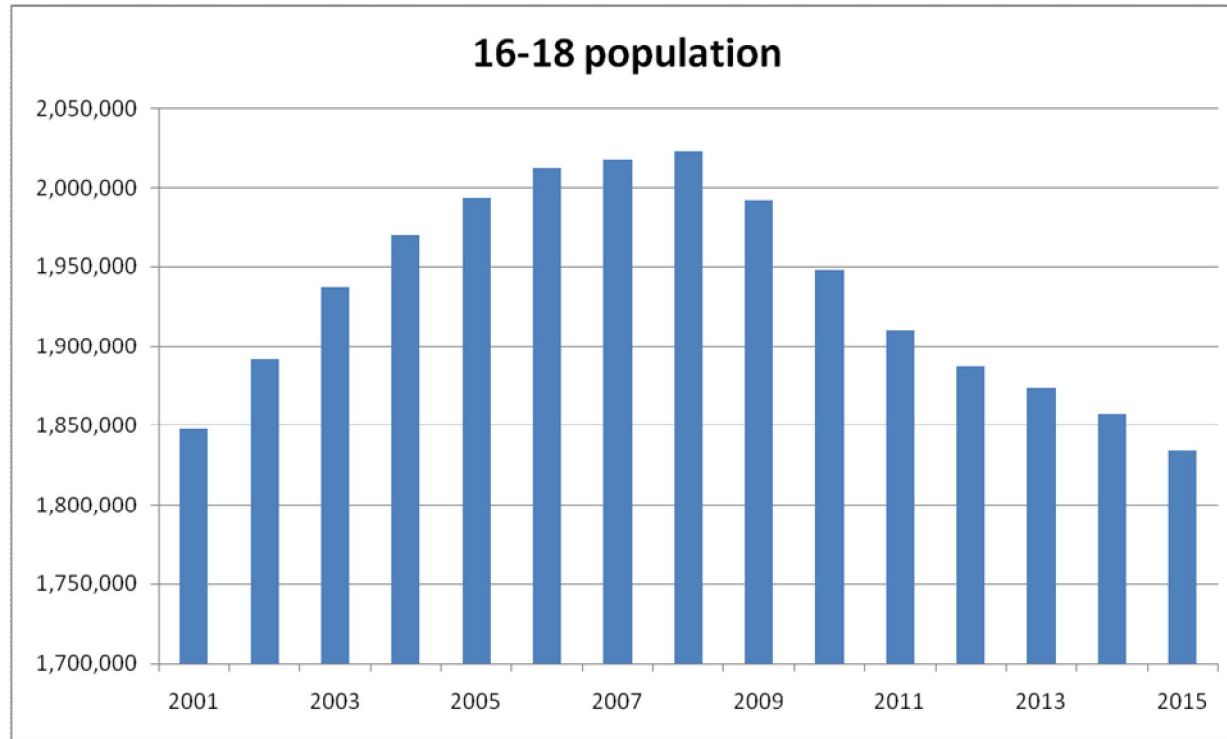


# Participation rates



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# Population - ONS projections

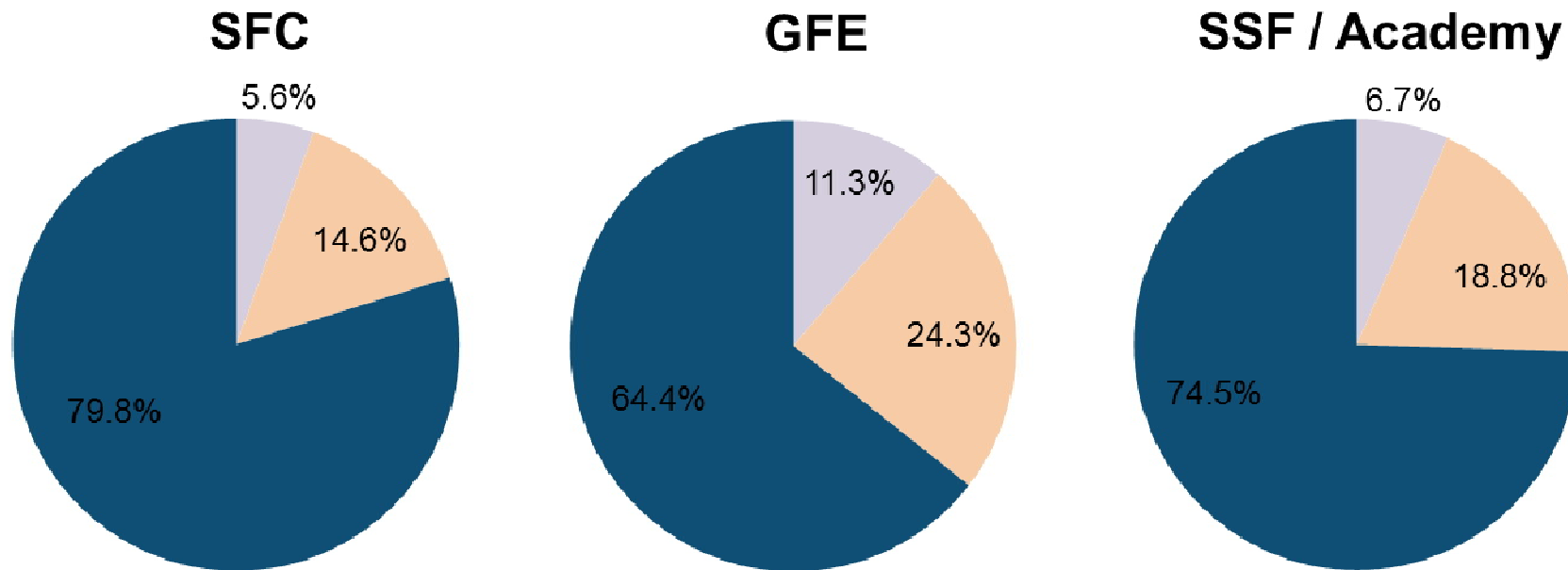


- **Past the peak**
- **Population will keep dropping until 2018**



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# Year 12 Learners who Undertook A-Level Programmes in 2009/10

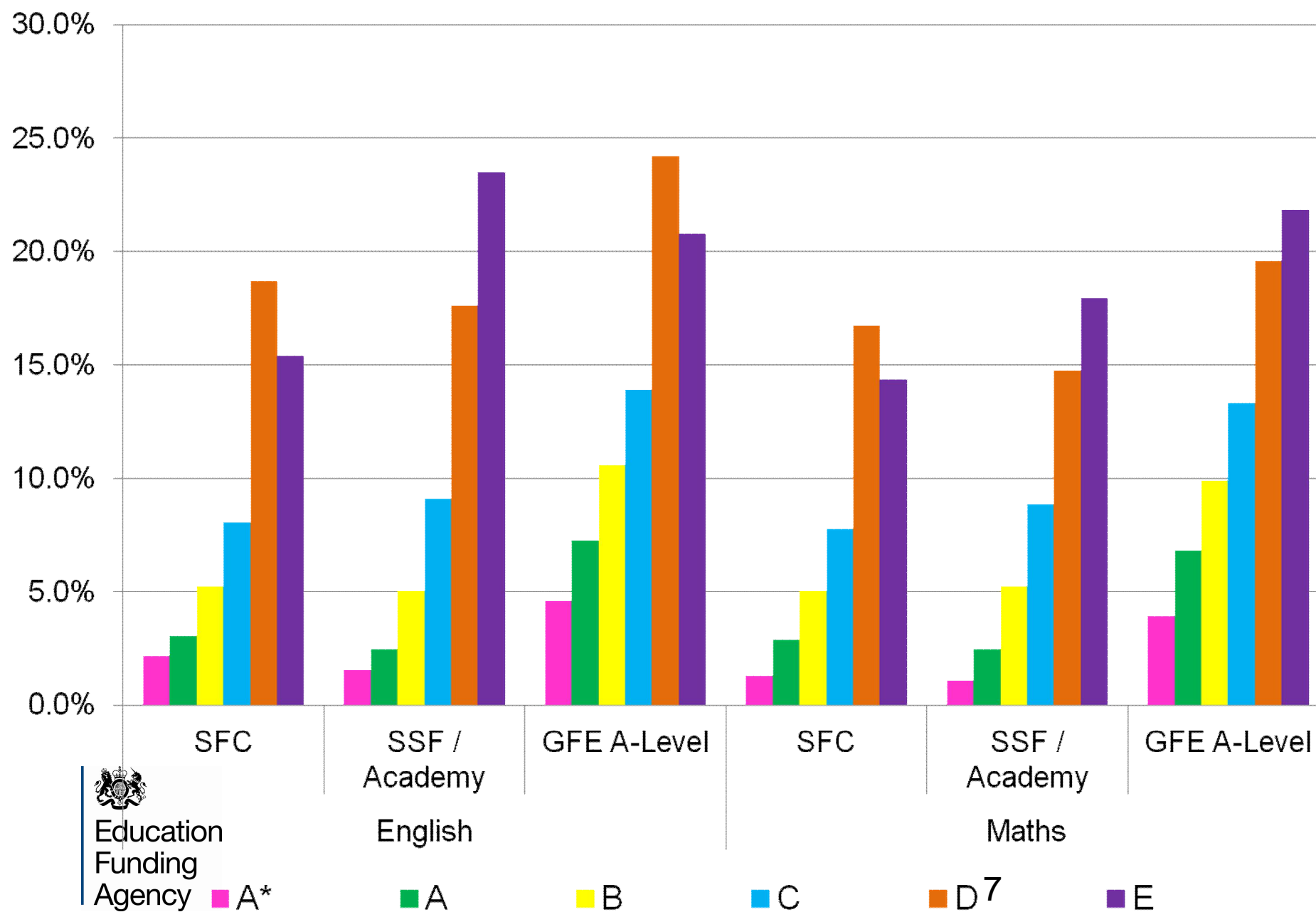


Legend:  Dropped Out in Year 12  Finished Year 12, but did not progress to Year 13  Progressed to Year 13



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## % Drop out by GCSE English / Maths grade



# DfE Vocational Education/Wolf Reforms - Aims

- Increase the number of students achieving **high-quality and valuable vocational qualifications** which enable progression to higher levels of study and skilled employment;
- Raise standards in **post-16 English and mathematics** so that higher numbers of students study English and mathematics (level 2) and work towards achieving GCSE A\*-C in these subjects;
- Improve young people's **employability skills** by increasing the number of students who experience the workplace and participate in other activity of value which does not necessarily lead to qualifications but enables progression into employment.





# DfE Reforms - Substance

**Study Programmes** – *‘breadth, depth and progression into higher education, further study or skilled employment without unduly limiting the options open to them’*

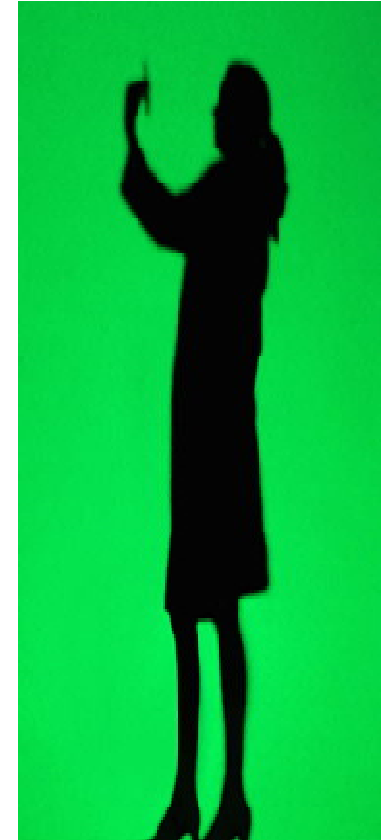
**Funding Reform** – ‘funding per learner’, removing perverse incentives

**Minimum Standards** – minimum levels of performance

**Inspection** – new Ofsted framework, focusing on coherence and appropriateness of students study programmes

**Performance and Data Reporting** – including attainment, progression, education and employment destination measures

**Employer Involvement** – consultation on how best to enable schools and colleges meet local and national employer needs



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# Main Features of Study Programmes for 16-19 year olds

- *'coherent, well thought out study programmes'* should be governed by a set of principles relating to content, structure, assessment and contact time, and:
  - not be wholly occupational
  - include at least one qualification of substantial size which offers progression into education or employment
  - include high quality work experience or internships (where appropriate) and non-qualification activity, for example tutorial time, study skills and other enrichment activities
  - include GCSE A\*-C in English and/or maths or qualifications that lead towards this level, for students who have not already achieved them



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# 16-19 Review - Case for change

## Schools White Paper

- “We are also committed to all young people staying on in education and training to age 18 and a simple post-16 funding system which is fair and transparent will underpin this commitment.”

## Wolf Review

- Funding for full-time students age 16-18 should be on a per programme basis, with a given level of funding per student [adjusted] for differences in the content-related cost of courses, and for particular groups of high need students.”
- Students without Grade C English and maths should progress towards them post 16

## Purpose of funding formula review

- To ensure the 16-19 funding formula better supports the Government’s aims for transparency and fairness
- To respond to the social mobility agenda through funding for disadvantage

## Raising of the participation age

- To support the reforms recommended in the Wolf Review
- Compulsory participation for 16 and 17 year olds by 2015.

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# A clear set of principles for the new system

## Supports policy objectives

- Supports full participation in education and training up to age 18 by 2015 and continued drive to close the gap between rich and poor
- Removes risks of perverse incentives to 'pile up' qualifications and steer students onto easy courses

## Fair

- Funding follows the learner based on lagged funding
- Where practical, the basic elements of the formula should be aligned with proposals for a fair funding formula pre-16

## Simple and transparent

- The formula should contain as few variables as possible and the main users are able to understand how budgets are calculated
- Funding is based on inputs (currently guided learning hours) which recognise the cost of delivery, not outputs

## Affordable

- Delivers change without additional costs over the SR period
- The formula should allow costs to be managed – no 'hidden' demand-driven elements

## Avoids destabilising quality provision

- The changes should be managed carefully for example through transitional protection, to avoid destabilising quality provision



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# The Proposals

- Funding per Student not per qualification
- Remove Success rates but possibly include retention
- Simplified funding for disadvantage
- Simplified and reduced programme weightings
- Review Area Costs
- Detach Residential Care Standards
- Remove Short Programme modifier



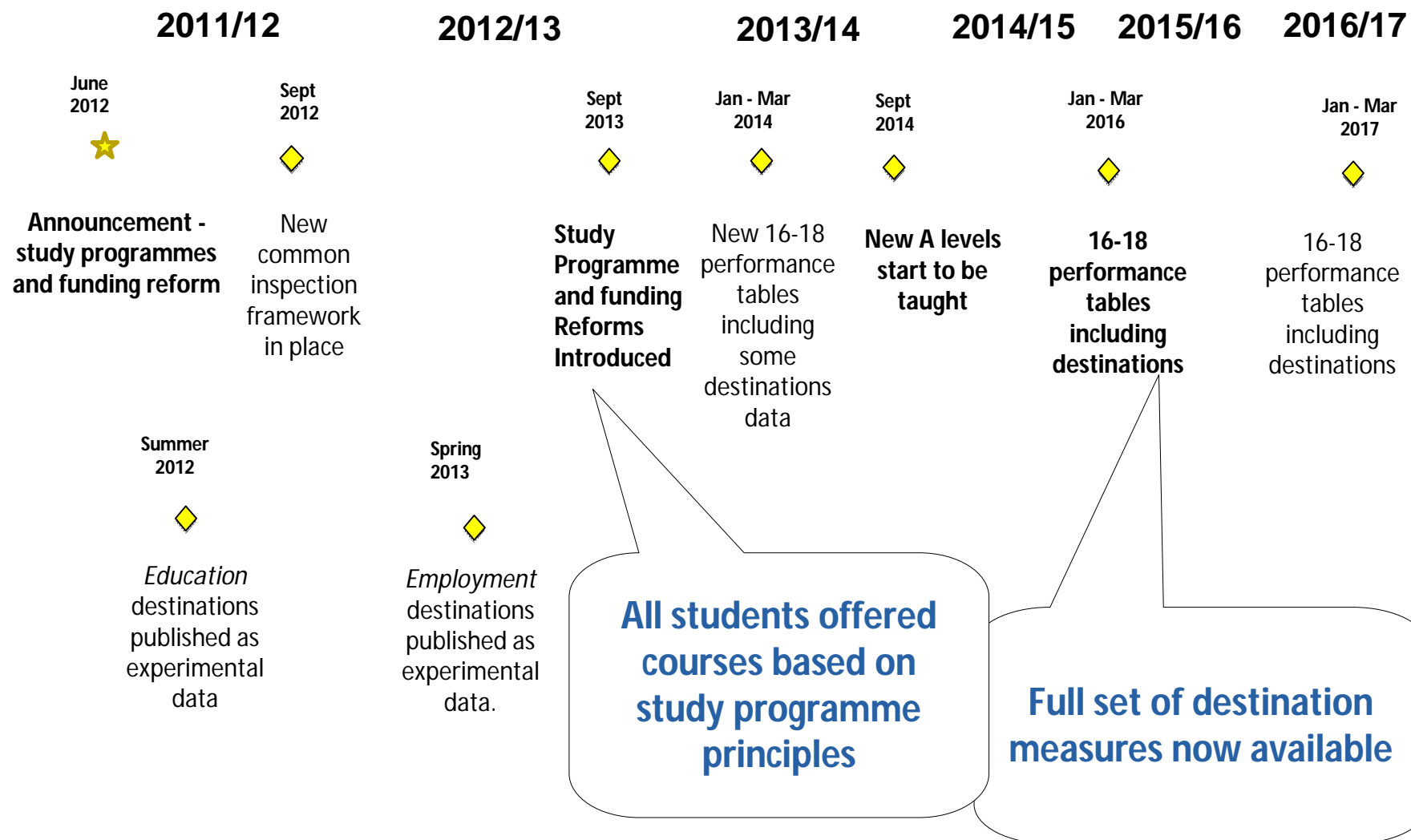
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# Funding Formula Review: process

- Sector engagement in the development of issues for consultation
- Consultation closed January 2012
- Ministers engaged in options appraisals which have now concluded
- Expectation is for Ministers to announce their decisions very soon
- Next steps will be to:
  - Brief the sector
  - Engage with provider associations on technical implementation
  - Deliver a shadow version of the 2012-13 allocation for all providers



# Five Year Timeline



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# Discussion Points

- How can we develop the funding system further to help institutions and providers meet young people's needs?
- How can the Education Funding Agency improve its service to you?



**Peter Mucklow**  
**National Director for Young People**  
**Education Funding Agency**  
**[peter.mucklow@education.gsi.gov.uk](mailto:peter.mucklow@education.gsi.gov.uk)**