

Open Report on behalf of Andy Breckon, Assistant Director, Children Services and Director of School Improvement Service

Report to:	Lincolnshire Schools Forum
Date:	12 October 2011
Subject:	School Sixth Form Allocations

Summary:

Some school sixth forms are likely to face significant reductions in funding over the next 2 years due to changes in the funding rates, reducing transitional protection and falling demographics.

Recommendation(s):

The report should be noted

Background

1. Allocations to School Sixth Forms for the Academic Year Sep 11 to Jul 12 were issued by the Young People's Learning Agency (YPLA) in March 2011. The allocations are calculated using a formula, the elements of which are derived from the school census.
2. The government has begun the process of bringing funding for all post-16 education – schools, colleges and independent providers – into line. A key part of the process is the equalisation of the rate used in the funding formula. In 11/12 that rate for sixth forms fell from £3007 to £2920. Contribution to the teachers' pension scheme was also scrapped; all sixth forms will therefore get less money per learner.
3. To bridge the funding gap the YPLA has introduced a system of transitional protection for school sixth forms which will provide reducing amounts of bridging funding over 3 years.
4. In the 11/12 allocation round the YPLA also provided some additional money from Education Maintenance Allowance. This is unlikely to be repeated in 12/13.
5. Schools that did not significantly exceed their learner number targets in 09/10 will be less well funded in 11/12 than they were in 10/11. Those that failed to meet the learner number target in 09/10 will be, in some cases, a lot worse off in 11/12.
6. For the schools we know about (the YPLA does not provide detail on academies) 4 will be more than £100k worse off in 11/12, 2 more will be more than £200k worse off and a further 8 will be between £7k and £80K poorer.

7. The outlook for the 12/13 round remains bleak; the allocation methodology is unchanged for that round. That means that the biggest determinant of funding will remain i.e. the number of learners recorded in the October 2011 census. The YPLA calls this part of the formula 'lagged learner numbers', which basically means that a sixth form will be funded in 12/13 based on the numbers it had in 11/12.
8. We know that demographics are on a downward trend and that there are fewer 16 year olds around this year. Therefore some schools are likely to fail to meet their learner number target, which, if they are in a declining financial situation in 11/12, will further exacerbate the financial problem in 12/13.
9. All schools who received Transitional Protection Funding in 11/12 will find that the amount of protection will reduce in 12/13 by 1/3.
10. Finally, the YPLA provided the opportunity to sixth forms to review and change the success factor it proposes to use in the 12/13 allocation round. The success factor is again derived from the census data and is the second most important determinant of funding. That review opportunity is unlikely to be repeated in following years.

Conclusion

Overall we expect 12/13 to be a very difficult year financially for school sixth forms. The most immediate issue arising from financial difficulty is likely to be the ability to provide a curriculum offer as comprehensive as in previous years. The issue of the curriculum offer for 12/13 is likely to be increasingly to the fore in 11/12 as the allocation round progresses. We will be able to update our projection of sixth form finance very shortly after the school census deadline date of 7th October 2011.

Consultation

a) Policy Proofing Actions Required

n/a

Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
YPLA Funding Guidance	http://www.ypla.gov.uk/aboutus/ourwork/guidance/funding/

This report was written by Roy Nelson, who can be contacted on 07717768419 or roy.nelson@lincolnshire.gov.uk.

