

Briefing: funding – suggested questions for management

This briefing should read in conjunction with the briefing on funding which gives the details of all national funding allocations for the learning and skills sector.

Below are suggested questions for college managements. Not all the questions below will be relevant to all colleges and services, but will depend on what programmes the college/service is delivering.

16-19 Funding

Funding for 16-19 has actually increased slightly. Funding is up by 6.6% and the numbers required only by 6.4%. So there should be no cuts in this provision.

However some colleges have received cuts in their allocation. UCU branches in colleges that have received a cut, should seek the reasons why this has happened. The most obvious reasons are:

- There may be a new provider in the college's catchment area such as an academy. The college's allocated numbers of young people may have been reduced to allocate to this new provider. Ask management if there are any new providers, or if any are being planned.
- The college may not have achieved its target numbers agreed with the LSC for 2009-2010. Consequently its target numbers will have been reduced to the numbers achieved last year. Ask management if the college missed its 16-19 targets, if so by how many, and is it likely that the college will reach its targets for the current year.
- Changes in the funding formula for some colleges. The Standard Learner Number (SLN) is a measure of the volume of a course taken by a student. This was frozen in cash terms, resulting in 51% of colleges in a AoC survey, seeing a cut. Ask if this cash freeze on SLNS has had impact on the college, and if so by how much.
- In 2009-2010, there was an underestimation of the numbers of young people deciding to continue to participate in education and training. This was largely due to the recession and increasing numbers of young unemployed staying on in learning. The government found an additional £600m. Providers had to bid for the additional places in May 2009. A college may not have achieved its bid, but will have enrolled the additional numbers of young people in September 2009. If its bid for additional places for young people was not successful, it will have had to fund these young people from its own resources, and may be continuing to do so. The LSC has stated that all the additional places for young people in 2009-2010, will be funded in 2010-2011. Ask the

college if it is carrying unfunded 16-19 students this year and if so, whether its 2010-2011 allocation has now funded such students.

- If a college has had a reduced allocation in the numbers of young people for 2010-2011, and it is not for the reasons above, the UCU branch at that college should be asking what the reason for the loss of places is, and let the Regional Office and the UCU Policy Department know what the reason given is. Contact Dan Taubman dtaubman@ucu.org.uk

Adult Learning funding

Adult Responsive funding: this covers all the adult courses that a college puts on for adults (although there may be young people in the courses as well) that are part of their 'menu' of courses: that is courses that are not directly linked to an employer – Train to Gain , Apprenticeships, full costs courses.

- Colleges and adult learning services are only receiving 75 to 90% of what they received for this last year. It is imperative that branches find out what level of cut has taken place overall on Adult Responsive, what impact this is going to have on the programmes delivered, what programmes will be discontinued, what job losses may be. The level of cut in adult responsive was calculated by the LSC on the amount of 'priority provision' that the college funded from Adult Responsive last year. 'Priority provision' is defined as Full levels 2, 3 and 4 programmes, Foundation Learning, Skills for Life (approved and non approved but the non approved has to be no more than 10% of the total). Learning Difficulties/Disabilities, 19+ learners completing 16-18 programmes, Trade Union Studies, and non-HEI FE Initial Teacher Training. Ask management what the proportions of priority and non priority provision the college had last year. Ask what plans the college may have in trying to transform non priority provision into priority provision in the next academic year.
- This funding stream is also taking a 3% reduction in terms of funding rates – that is the cash that the college get per students. Branches should ask how this is impacting on the college in terms of programmes, jobs and workloads.
- **Skills for Life:** this part of adult responsive a sub set. So it is taking a 3% cut on funding rates. But also there is an uplift applied to the funding formula that what they receive per student. The uplift has been 1.4. So instead of counting a full time equivalent as 1, it has been counted as 1.4. This year that uplift is reduced to 1.2. This means a cut in the funds per Skills for Life student – that is literacy, numeracy and ESOL. Ask management what this will mean to these programmes – job cuts, what courses are being cut out/reduced, workloads, waiting lists.
- Within Skills for Life, funding priorities for ESOL were going to be set by the local authority with providers and community organisations. UCU has heard recently that the SFA will not be monitoring these local authority plans, nor funding to these plans. Ask your college if it knows this, and if so what discussions it has had/is having with the local authorities in the college's catchment areas as to funding priorities, and if this is likely to change the pattern of ESOL provision.

- **Foundation Learning:** This is all the low level courses below usually Level 1. It includes programmes for students with learning difficulties and Entry to Employment. It is a new funding part of adult learning and all those low level courses are being swept up into that. From the national funding figures it looks as though this has now emerged as a new funding line with adult responsive. It looks to have grown but it is difficult to tell when previous funding lines are merged this way. Branches should be asking management what is the likely impact of the changes in Foundation Learning on the way that these programmes will be delivered.
- **Development Learning:** also part of Adult Responsive: this funds a whole range of programmes that are not in mainstream Adult Responsive or Employer Responsive. So it funds some train union education, some work with learners with learning difficulties/disabilities, some college work in the community, and a lot of low level literacy, numeracy and especially ESOL. These are programmes that are not part of the 'mainstream' Skills for Life' because they are at a level below which the national targets kick in. But they are essential programmes for students to progress on to the Skills for Life programmes that are in the targets. Again ask management what will happen in terms of job losses and programme cuts. Also ask what will be the effect in say 3 years on the Skills for Life target programmes, if there are no progression routes on to them.

Employer Responsive: this funds work direct with employers – Train to Gain and Apprenticeships – both for young people and adults. Here the funding rate on Train to Gain is cut by 6%; Adult Apprenticeships by 10%.

- **The Train to Gain** numbers required are up. The Recession has of course cut into employers' demand for Train to Gain. When the Recession first started then there was a huge increase in demand for T2G, but this may have tailed off as the Recession has gone on longer. Ask how much did the college have invested in Train to Gain programmes; what is the impact on the college's Train to Gain programmes of the reduction in the Train to Gain funding rates, especially the impact on jobs. Also T2G numbers are capped in this financial year and the SFA is looking to 'smooth out' (that is re-profiling the numbers across the financial year) the profile of T2G numbers across the financial year; ask how this is affecting the college.
- **Apprenticeship** numbers are up for those apprenticeships up to the age of 30. Ask how this is impacting on the college. The problem with apprenticeships is that the apprentices should be in employment. This is of course a problem in a Recession. Ask if the college has lost the off-job training component of apprenticeships. The Government has also declared that it intends to run down and stop 'programme-led' apprenticeships. These are for those young people wanting to undertake an apprenticeship, but who are unable to secure a place with an employer. So they are the off-the-job component of apprenticeships. Ask if your college is delivering programme-led apprenticeships and what the impact on jobs and courses will be of these programmes being cut.

Programmes for the Unemployed: there are two current lines of funding for work with the unemployed: one is the 6 month Unemployment Programme. Funding for this has risen from £26.5m in 2009-2010 to £56.5m 2010-2011. The other programme is the Young Person's Guarantee which is up from £21m. in 2009-2010, to £100.9m in 2010-2011. Both these programmes are secured through negotiated commissioning using open and competitive tendering. Ask your college is it has bid for these programmes, and/or if it intends to. If it has bid, did it succeed? If it did gain funding how are these programmes being delivered and by whom?

Higher Education in FE programmes: the HEFCE funding allocations direct to some colleges are now known. Within that overall figure, there are wide differences among the 123 colleges which receive HEFCE teaching funding. Some have received cuts amounting to over 20%. Some have received cash increases. In all 55 - or 45% of - colleges are getting a cut in cash terms. 40 (33%) of HEFCE-funded colleges are getting a cash increase above the forecast level of inflation. Of these 11 colleges are getting a cash increase above 10%. Other FE colleges receive their HE funding through a higher education institution through franchising, accreditation or validation processes. The cuts in higher education are coming through as a cap on student numbers. Higher Education Institutions may well be clawing back the student numbers, they have been using FE colleges to deliver. So ask college management:

- If it receives direct HEFCE funding, and if so has this year's allocation risen or been cut. If cut ask for the impact on jobs and programmes.
- If it deliver HE programmes through an arrangement/s with higher education institutions, have students numbers been reduced or increased for next year? If reduced what will be the likely impact on jobs and programmes?

Adult and community learning: comes from a separate LSC/SFA funding stream – Adult Safeguarded funding. This supports local authority ACL services. Some colleges may still have their local authority ACL funding contract. Check with management if the college has the ACL contract. If so ask if this has been reduced this year. Overall the national funding for this stream has not be reduced, but some local authorities may have reduced the value of the contract. If they have, again ask about job and programme losses. From the summer 2011 local authorities are supposed to have convened a committee of non/informal adult learning providers and community organisations. For 2011-12 funding will be to a non/informal adult learning plan that this grouping has created. It may be worth asking college management if they are aware of this impending proposal, and if they hold the local authority ACL contract, how it may affect that.

Prison/offender learning: has increased overall by £2.2m. However juvenile secure units and Youth Offender Institutions are being transferred to local authorities. If your college holds contracts for prison/offender education, find out what the allocation/contract is for 2010-11, and if this has reduced, what the reasons for this are. If your college holds

contracts for juvenile secure units and/or Youth Offender Institutions, ask if the transfer of these will impact on funding.

Other consequences of funding allocations

These are some of likely consequences of the reduced funding allocations that colleges are facing. Branches should be aware of these.

- Job cuts: UCU have created a form through a Survey Monkey on which branches are urgently requested to fill in when they have firm information on what is happening in their college. Branches must report through this so we know what is happening.
<https://www.surveymonkey.com/s/FEcutssurvey>
- Given that the funding cuts are much more severe in adult learning, it may be that job losses are most likely in lecturers and tutors working in adult learning, and especially vocational programmes. Branches will be well aware that colleges do not operate in separate silos for work with young people and work with adults. If this is true of your college, ask how job cuts in adult learning/vocational work will affect 16-18 programmes.
- Colleges under very severe financial pressure so will be looking to make 'efficiency savings' and increase productivity. So there will be extreme pressure on workloads, increase of contact hours, shorter holidays, larger classes etc.
Dilution of professionalism: substituting of full lecturers by instructors, assessors, associate teachers.
- Fragmentation of workforce: into core and peripheral. Already 1 college proposing 2 mainstream employment contracts: one for 16-19 one for post 19
- College mergers and other arrangements e.g. confederations. We may well see some colleges trying to take over colleges well outside their area.
- Minimum Performance Levels: these are the minimum levels of quality that colleges will be judged on per programme. They are based on success rates, that is achievement x retention. Branches should be seeking information on which college programmes are not achieving the Minimum Performance Levels, and so may well be under threat in the coming academic year.
- Fee levels: fees for adults not entitled to full remission of fees, that is the unemployed and those on other forms of benefit; and those not coming under one of the entitlements – 16-18, first full level 2, first full level 3 up to the age of 25, will now be at 50% of the assumed costs of the programme. This may well be resulting in a loss of some students on some programmes. Ask management if the rise in fees has impacted on any programmes, if so which programmes and are there any job losses as a result of the rise in college fees. This rise has been taking place for some years, with a 2.5% increase each year. The loss of students therefore may be cumulative.

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