Skills for Life

The Funding Challenge

Mick Fletcher

Sources

- Skills Investment Strategy Nov. 2009
- BIS Funding Letter June 2010
- SFA Guidance note 3 March 2010
- SFA Guidance Note 4 June 2010
- YPLA e-bulletin No 1 June 2010

Overview

- **Rates** - being cut for 2010; less clarity on income per student
- **Allocations** - held for 2010/11 but wait for cuts in October CSR
- **Priorities** - signalled but no targets; more local discretion
- **Eligibility** - little change for 2010/11 but decision promised on functional skills

Adult Skills Funding

	2009 - 2010	**2010 - 2011**
Participation Funds	£3,411,543	£3,509,516
Total Funds	£4,934,372	£4,501,302

Budget June 2010

- Health & International Development protected – remainder 25% cut
- Concerns of Schools and Defence noted by chancellor
- IFS concludes that if schools & defence lose 10% then 33% for the rest
- 33% of adult skills is **£1.5 billion**

Adult Skills Funding

	Investment Strategy 11/09	Funding Letter 06/10
Adult Responsive	£1,782,906	£1,799,379
(of which Skills for life)	£514,871	- ? -
Employer Responsive	£1,381,781	£1,305,881
(of which Skills for life)	£84,532	- ? -
Safeguarded	£210,000	£210,000
OLASS	£134,828	£146,113

Virement

- Colleges can move funds between Employer Responsive & Adult Responsive budgets
- Except for
  - 16-18 apprenticeships
  - OLASS
  - Programmes for Unemployed ESF
  - Safeguarded programmes
  - Formal first step
  - Family Learning Imp[act Fund

Rate reductions

- Adult rates per SLN cut by 3% across the board
- Skills for life uplift (for adults) cut from 1.4 to 1.2 (a 14% reduction) except for entry 3 numeracy
- Revised SLN values on YPLA site
- Disadvantaged uplift for basic skills students remains

Rates

1. a new principle – rates reflecting a market price not cost
2. SLN values increasingly reflecting designers intentions not provider practice
3. the new funding model is opaque - (deliberately?)

Funding formula

- Funding = SLN x NFR x PF + ALS
- Provider factor (PF) combines programme weights, disadvantage and area uplifts and success rates.
- So difficult to say what any course ‘earns’

Eligibility

- Minimum Contract Value - £250 K for T2G providers from 2011 ?
- Functional Skills
  - To replace key skills from 2010
  - May be funded for adults from 2010
  - May replace SfL from 2012 (decision on basis of pilots in 2010)
  - Further work on whether they can replace ESOL
  - Not funded as stand-alone in Train to Gain ?
  - Weighted at 1.0 in apprenticeships

Summary

- Need to offer more for less
- Need to argue priority locally as well as nationally
- Need to prepare for CSR reductions