

Dear Principal/headteacher,

## **LSC 16-18 FUNDING ALLOCATIONS FOR YOUR SCHOOL SIXTH FORM 2009/10**

We wrote to you in January detailing your provisional funding statement for 2009/10, based on your autumn 2008 census data, a provisional provider factor and 2006/07 SLN/learner ratio. Since then we have been able to do further work to establish likely volumes in the sector: and this letter updates the content and detail of that provisional funding statement and establishes your final allocation for 2009/10. Should you have any questions or queries on the allocation these must be raised by the 11<sup>th</sup> March and, so that we can finalise your allocation on the 13<sup>th</sup> March.

### **Overall Situation**

Taking into account any additional numbers expected as part of local infrastructure changes (for example major capital projects or collaborative 14-19 partnership developments) the projected number of young people in School Sixth Forms for 2009/10 is in excess of the anticipated number in the Statement of Priorities.

We are awaiting the Secretary of State's approval for this increase. If it is forthcoming then the LSC will, in 2009/10, be funding 390,000 places in School Sixth Forms 18,000 more than anticipated in our Statement of Priorities. These places are in addition to the 27,000 places being funded by DCSF in academies. This is an overall increase of 12,000 learners (3%) over the number of learners funded in 2008/09. These increased places are funded by an increase of £80m in the budget for School Sixth Forms.

Overall 16-18 providers of all types have exceeded expectations on recruitment and this means we are ahead of our profile for increasing participation. These additional places are in most cases being consolidated into the 2009/10 allocations. This is supported by nearly £200m of new money. As I am sure you appreciate it has been difficult to find this new money in the current economic climate. We must ensure that this new money 'follows the learner' whichever route they choose. This means we need the capacity to re-consider allocations in light of the choices young people make. Therefore for 2009/10 we are working with representatives of the sector to develop proposals, to Ministers, for a system whereby schools and colleges who do significantly under achieve on recruitment targets return some funds so these funds can be allocated to providers who have significantly over recruited. We envisage that any return of funds would be at a reduced rate to take into account of the fixed costs incurred by schools. Equally any additional funds would also be allocated at a reduced rate.

Private providers are already subject to contract reductions in year and we are looking to formalise this for all 16-18 Apprenticeship providers. The details of how this will work will be worked up through a dedicated advisory group and in a way that means the majority of the sector has a stable allocation and only those that significantly over or under recruit see changes. All providers will get the opportunity to comment on the proposals.

## Your Allocation

Wherever possible we have used the data you submitted in the autumn 2008 census. The learner number count, learning aim data and provider factor have all been updated with this 2007/08 data. The 2007/08 data used has shown far greater levels of volatility at an individual school level than we expected. In some cases this shows changes in funding which would cause significant financial difficulties to those schools and therefore it would be unacceptable to use this data in the allocations process without some form of protection. We have therefore changed the point in the formula at which we apply transitional protection. Instead of applying it to funding per SLN at the start of the calculation we have applied it at funding per learner at the end of the process. This absorbs the volatility, ensures most schools receive at least the 2.1% Minimum Funding Guarantee and some receive more, up to the 4.2% maximum allowed under the principles of transitional protection.

Using this principle schools that are already funded at over £3,200 per SLN will receive the same funding per learner as they received in 2008/09 as they converge towards the national funding rate. Schools where the formula allocates less than a 2.1% increase between 2008/09 funding per learner and the 2009/10 rate will receive the full 2.1% increase and those that show an increase above 2.1% will receive the additional uplift up to a further 2.1% (4.2% in total).

I am pleased to enclose your 2009/10 academic year 16-18 allocation for your School Sixth Form. The enclosed proforma shows information on learner numbers and funding for the 2009/10 Academic year only. Financial year figures will follow shortly. Your allocation is made up of the following constituent parts:

- Participation Funding for 16-18 year olds (excl Apprenticeships)
- Additional Learning Support for 16-18 year olds (excl Apprenticeships)
- Teachers' pension

*This allocation does not yet include the additional 0.1 SLNs required for the delivery of Diplomas in 2009/10. We have set aside funds to meet these additional costs and will allocate them in the autumn when the number of actual starts is confirmed through the census.*

*[DN: To be changed if Diplomas have been included to]*

*Your allocation includes an allowance for your planned Diploma numbers at 0.1 SLN per learner. This will need to be adjusted once final learner numbers are known in the autumn.*

I have enclosed guidance notes relating to the Proforma to enable you to understand how your allocation is arrived at and a question and answer sheet that should answer many of your questions.

You will be aware that the LSC must provide assurances over the distribution of its budget and will therefore conduct audit visits to a sample of School Sixth Forms. By accepting this allocation you have an obligation to have in place adequate control

procedures to keep errors to a minimum and to keep and allow auditors, appointed by the LSC, access to learner records in accordance with published funding guidance. Errors identified by auditors may result in a reduction to this allocation.

If you have any questions relating to this allocation you should contact your local Partnership manager **[insert name]** by 11<sup>th</sup> March to enable queries to be resolved by the 13<sup>th</sup> March after which I will confirm your allocation and provide a final financial year split.

Yours sincerely

**Area Director XXXXX Learning & Skills Council**