

Young People's Education and Skills Operational Sub-Group

Policy Update

Item No: 7

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Summary	This paper outlines the key changes affecting 14-19 policy since the last OSG meeting.
Recommendation	OSG members are asked to note the information in this paper.

1 Background

- 1.1 This paper outlines the key policy statements, consultations, changes and interest items in relation to 14-19 education and training which have occurred since the last OSG meeting.

2 16-19 funding formula review¹

- 2.1 The Government recently consulted with institutions and other stakeholders on options for changes to the way 16-19 education and training is funded. In total there were 695 responses received to the consultation document. It is now confirmed that for 2013/14 a new funding system will be introduced to support the raising of the participation age. The 16-19 funding formula review document and analysis of responses to the consultation document is available on the Department for Education website.
- 2.2 From the academic year 2013/14, funding for young people aged 16-19 and up to 24 for students with a Learning Difficulty Assessment will be calculated based on the following principles:
- 2.2.1. All full time students will be funded at the same basic funding rate per student, per year regardless of which type of institution and what they study (this will fund a programme of study for all students).
 - 2.2.2. Success rates will no longer be used in the calculation of funding and will be monitored through the wider accountability system; a retention factor will reduce funding if the student is not retained until the end of the programme of study for the academic year.
 - 2.2.3. The basic funding rate will be enhanced by a programme cost weighting to reflect the necessary additional costs of delivery for those courses that are proven to be more expensive to deliver.

- 2.2.4. A single disadvantage and learning difficulty and/or disabilities allocation will be calculated using two criteria:
- the additional costs of engaging, recruiting and retaining *economically disadvantaged young people* will continue to be recognised on a sliding scale based on the Index of Multiple Deprivation (IMD);
 - the costs of *additional learning support* (ALS) including for young people with low level needs related to learning difficulty or disability will be allocated based on the number of students who have not yet achieved a GCSE grade C in maths and/or English.
- 2.2.5. An area cost allowance will be funded for those areas where it is proven that the costs of delivery are higher than other areas on the same basis as it is now.
- 2.3 The current transitional protection will continue as previously published until and including 2014/15 and in addition Formula Protection Funding will be paid for three academic years until and including 2015/16.
- 2.4 A phased implementation of conditions of funding will begin to allow institutions time to change their provision to deliver English and maths to all students who have not gained a GCSE Grade C in these subjects (a condition of study programmes for 16 to 19 year olds).
- 2.5 Retention of an area cost allowance and the continued use of the IMD to recognise disadvantage within the formula are good news for London. Both these issues formed the basis of the London Councils response to the consultation.

3 Government response to the consultation on study programmes for 16 to 19 year olds and plans for implementation²

- 3.1 From September 2013, all 16 to 19 year olds will be offered 'high quality' study programmes aimed at giving them the best opportunity to move into higher education or secure skilled employment. This will mean that:
- 3.1.1. All students who are able will take either A levels, or a substantial qualification recognised by employers as being of real benefit to them in securing work or a university place. Where appropriate, students will also take part in work experience.
- 3.1.2. Students who do not have a GCSE in English and/or maths at 16 will continue to study these subjects after 16.
- 3.1.3. Students who are not able to study a substantial qualification will take a programme of work experience focusing on developing their employability skills, along with work to develop numeracy, literacy and other core education skills.
- 3.2 Whilst consultation respondents broadly welcomed the proposals, responses highlighted concerns that the proposed measures offered insufficient safeguards for adherence to the Study Programme principles (substantial qualification, non-qualification activity and English and maths to GCSE A*-C equivalent). The acid-test of these reforms will be how creative providers choose to be, particularly for young people studying at Foundation Level and Level 2.

4 RPA consultation response³

- 4.1 The overarching duties for Raising the Participation Age (RPA) are included in the Education and Skills Act 2008. This legislation sets out that from 2015, all 16- and 17-year-olds will be required to continue in education or training.

- 4.2 To support this legislation and clarify how the law should be applied in practice, limited regulations will be introduced from 2013. In early 2012, the Government consulted on what these regulations should be and has published its response. The headlines of this are:
 - 4.2.1. not to regulate to define residency in relation to RPA; and
 - 4.2.2. clarify that self-employment, volunteering and holding an office could combine with part-time study to meet the duty to participate.
- 4.3 A definition of full-time education for the purposes of RPA was also consulted upon, which highlighted the need for more thinking around 're-engagement' provision. In response to the consultation:
 - 4.3.1. A legal RPA minimum of 540 hours for Education Funding Agency funded provision will be set (to fit with the recent announcements that all students will be funded at a rate equivalent to 600 hours, with leeway either side for individual cases); and
 - 4.3.2. the Department for Education will work with voluntary and community sector partners to provide an alternative definition for 're-engagement' provision based on principles of good practice, rather than an hourly rate.
- 4.4 In relation to the potential fines for employers, the consultation has prompted the Government to look at this issue again. The primary legislation for RPA was developed during very different economic circumstances and consultation responses suggested that potential fines might act as a perverse dis-incentive, discouraging businesses from hiring 16-17 year-olds and so reducing the number of opportunities available for young people.
- 4.5 Consequently, Government has confirmed that the duties on employers within the RPA legislation will not be commenced in 2013. This means that employers will be able to hire 16-17 year-olds full-time without the need for checking course enrolments or organising work to fit round training if they do not offer it in house.
- 4.6 16 and 17-year-olds who do work full-time will still be under the duty to undertake education or training part-time alongside their work.
- 4.7 The findings from the consultation will inform the development of concise statutory guidance for local authorities (to be published in Autumn 2012) and focused secondary legislation (to be laid before Parliament by early 2013).

5 Work-related learning – removal of duty at Key Stage 4⁴

- 5.1 The statutory duty on schools to provide every pupil at Key Stage 4 with a standard amount of work-related learning will be removed from the National Curriculum with effect from this September.
- 5.2 The removal of the duty is consistent with the Government's underlying philosophy (outlined in the Schools White Paper of 2010) that schools should be able to exercise greater freedom over the curriculum, with less Government prescription. Schools will be free to determine whether and how work-related learning and work experience for young people should be provided at Key Stage 4.
- 5.3 The Department for Education announced its intention to remove the duty on 12 May 2011 in its response to the independent Review of Vocational Education by Professor Wolf. They accepted all the recommendations made by Professor Alison Wolf in her report, including recommendation 21 - that the Department should evaluate work experience models for 16- to 18-year-olds enrolled as full-time students, not apprentices, and for reimbursing local employers flexibly. She also recommended that schools and colleges should be encouraged to prioritise longer internships for older students, reflecting that few young people move into full-time employment at 16; and

that the Government should correspondingly remove the statutory duty to provide every young person in Key Stage 4 with a standard amount of “work-related learning”.

- 5.4 The Improving Choices for Young People Group, through a focussed task and finish group, is considering this change alongside the new duty on schools to deliver independent and impartial careers guidance and will be looking at how best to share emerging models of good practice across London.

6 Local authority 16-19 education & training funding guidance⁵

- 6.1 The new guidance for local authorities describes and outlines the system for funding 16-19 education and training provision for the 2013/14 academic year. It covers work with partners to shape provision in their area by identifying gaps, enabling new provision and developing the market.
- 6.2 The key changes for local authorities for 2013/14 are:
- 6.2.1. The Education Funding Agency’s (EFA) funding for institutions supports the Government’s desire to see all 16- and 17-year-olds continuing in education or training by 2013 and 2015 respectively.
 - 6.2.2. The EFA will simplify the 16-19 funding system so providers are paid per learner rather than qualification.
 - 6.2.3. In connection with the reform of high needs funding from 2013, local authorities will receive a high needs cash budget for 16-24-year-olds (which will be combined with their pre-16 high needs budget to create an all age budget) for the 2013-14 financial year. This will cover the final period of the SEN block grant (April to July 2013) and top-up funding for all 16-24 high needs students over the period August 2013 to March 2014.
- 6.3 Although similar in many ways to last years guidance, the 2013/14 version is leaner and its tone reflects the increasingly hands-off approach of central Government to prescription with providers.
- 6.4 The guidance restates the fundamentals of the government’s reform programme: student choice fuels funding of autonomous institutions, with local authorities having a “key leadership role to champion the interests of all young people in their area”. However, last year’s guidance states the first role of local authorities is: “securing local provision which meets the needs of young people and employers”, this has been replaced in the EFA document by a concluding bullet “supporting the development of provider and stakeholder networks that help to deliver the RPA targets”.
- 6.5 Furthermore, the EFA guidance on local authority strategic overviews omit last years references to the expectation that institutions were expected to respond to identified priorities.

¹<http://media.education.gov.uk/assets/files/pdf/f/ffr%20analysis%20of%20responses%20to%20consultation.pdf>

²[http://media.education.gov.uk/assets/files/pdf/g/government%20response%20to%20consultation%20on%20stud
y%20programmes%20for%2016-%20to%2019-year-olds%20for%20publication%20july%202012.pdf](http://media.education.gov.uk/assets/files/pdf/g/government%20response%20to%20consultation%20on%20study%20programmes%20for%2016-%20to%2019-year-olds%20for%20publication%20july%202012.pdf)

³<http://media.education.gov.uk/assets/files/pdf/r/rpa%20consultation%20report.pdf>

⁴[http://media.education.gov.uk/assets/files/pdf/c/consultation%20report%20%20%20work%20related%20learning.
pdf](http://media.education.gov.uk/assets/files/pdf/c/consultation%20report%20%20%20work%20related%20learning.pdf)

⁵[http://media.education.gov.uk/assets/files/pdf/g/guidance%20for%20local%20authorities%20funding%2016%201
9%20education%20and%20training.pdf](http://media.education.gov.uk/assets/files/pdf/g/guidance%20for%20local%20authorities%20funding%2016%2019%20education%20and%20training.pdf)