

POLICY WATCH

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The economics of delivering 14 - 19 vocational provision. An LSN Report

As providers and Local Authorities grapple with their self assessment forms ready to submit them next month under the Gateway process, the question of how much it's going to cost to mount specialised Diplomas and who's going to pay is starting to rear its ugly head. Underneath the rhetoric the harsh reality is that funding tends to be the determining factor.

Criteria 2 in the Gateway's self assessment form states that "to deliver Diplomas you will require the facilities - resources, equipment and accommodation - to deliver high quality applied and practical teaching and learning within a context that clearly reflects employment." Such facilities do not come cheap. The FE White Paper released earlier this year argued that "there should be a single, integrated funding system for school sixth forms, colleges and training providers based on the approach set out in agenda for change." (6.8.) It went on to highlight various distribution models of funding that could support 14 - 16 year olds who moved off site. "All the money could go to the home school which could then pay the other school or college...alternatively the system could be managed centrally, as some Local Authorities are doing with the additional resources allocated through the Dedicated Schools Grant for off site vocational provision in Key Stage 4 in 2006/7, 2007/8." (6.10.)

What is missing from such scenarios is some evidence based analysis of what cost are involved in the first place. That's why this latest piece of research from the Learning and Skills Network is so valuable. Building on their earlier foray into this area, Mick Fletcher, Brian Styles and Rob Valentine set about exploring "the economics of delivering vocational elements of Key Stage 4 options in colleges" by looking in detail at four established partnerships involving over 50 schools.

Their conclusion is that the current mechanisms for supporting 14 - 16 provision in colleges, largely Increased Flexibility funding, ESF funding, some colleges cross subsidising and a dash of give and take where necessary, is not sustainable if significant growth in specialised Diploma provision is to happen.

Their main recommendation is that there should be "a funding system at Key Stage 4 that mirrors post 16 arrangements, where funding is based on qualifications rather than just pupil numbers." They support this recommendation by arguing that a single 14 - 19 funding source could generate economies of scale by encouraging learners to take Level 1 and 2 qualifications earlier thus reaching the all important Level 3 potentially quicker. It may also encourage learners to see their learning through.'

So are we moving towards a 14 - 19, post 19 funding model rather than a 14 - 16, 16 - 19, post 19 one? The idea has attracted considerable support over the years but would require a fair bit of structural upheaval to implement. The Education

and Inspections Act has recently put some of the strategic infrastructure in place to support 14 - 19 developments but it's hard to see further infrastructure change at present; at least not until next summer's Spending Review clears the air a bit.

As to what it costs a college to deliver courses to 14 - 16 year olds, the Report reckons "a typical vocational course offered by a college on one day a week for a year would have a total estimated delivery cost of £2300 per pupil." In turn, the net saving to a school when a pupil attends college one day a week can be anything between £0 and £400 depending on the numbers involved and other factors such as transport and associated admin and support.

Four issues arise from this set of figures.

First, why is there such a gap between the costs incurred by colleges and the savings realised by schools? Many reasons but principally two; group sizes on college courses are smaller, typically 10 - 12 against 18 - 20 for school based delivery; this is because of equipment costs, safety regulations and tuition arrangements. On top of that the most popular courses for young people in colleges, namely engineering, construction, hairdressing and beauty therapy are the most resource intensive.

Second, would the gap be so great if the provision were for specialised Diplomas which is after all more about applied than vocation specific learning? Yes, because these Diplomas are variously expected to excite, motivate and stimulate and that requires a high level of resources and facilities. In addition, some half of the Principal Learning in each Line of Learning is to be developed through work related contexts, and this too requires considerable resources.

Third, how is such a large funding gap between costs and savings being managed at present? Generally through two sources, ESF and/or Increased Flexibility and Partnership funding on the one hand and college cross subsidies on the other. Unsurprisingly college attempts to try and recoup some of the costs are not being received favourably by schools. As one head teacher put it, if charges go up we shall pull the learners back into school. At that point provision becomes determined by what's affordable rather than what's available, something that runs counter to the Diploma vision.

Fourth, rather than depending on short term project funding and cross subsidising where possible, surely provision of this ambition deserves "a sustainable funding methodology?" The Report argues that "the historic distinction between Key Stage 4 and post 16 funding needs to be blurred to allow funding of qualifications rather than of pupils." In effect a school would be funded for the parts they provided such as the National Curriculum or GCEs while the college would be funded for the particular elements it offered.

The 14 - 19 White Paper offered the tantalising vision of learners being offered "a wider choice of what and where to learn." The trouble is it hasn't been made clear yet who would pay for this or how.