

## POLICY WATCH

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### 'New Localism and 14 - 19 Funding: Putting Learner Choice First'

Just weeks before an important consultation on 14 - 19 funding is launched, this useful Paper helps set the whole thing in context. Written by Mark Corney and Mick Fletcher for *Select Education* and the *Campaign for Learning*, the Paper looks at the impact of what they call "the great funding transfer" - the proposed transfer of 16 - 19 funding from the LSC to Local Authorities to help create an all through 14 - 19 funding system.

The logic, as presented through various Government documents last year, appears indisputable; namely a single 14 - 19 funding system, routed through Local Authorities and designed to support an all through 14 - 19 phase of learning. But strangely, as the authors point out, "the issue of a specific 14 - 19 funding system is emerging very late in the day" despite calls by the Select Committee and others for such a move. It also appears driven more by a range of broader policy initiatives than by specific 14 - 19 learning policy per se. The authors cite three in particular. First, what they term new localism, in effect a desire to devolve more to the front line in pursuit of the stronger strategic role identified for Local Authorities under the 2006 Education Act and the 2007 Lyons 'local government' Review. Second, the need to drive forward the integrated service model of Every Child Matters. And third, and under the spotlight at the moment, the proposals to extend the compulsory participation age. There are of course others, not least the imminent transfer of the Connexions Service to Local Authorities, but as the authors conclude, this all suggests that when push comes to shove in terms of change, it's funding and structures that count more than provision and curriculum.

So how much money are we talking about in this great funding transfer? Percentage wise "87% of the total DCSF funding of 16 - 19 education and skills provision could be transferred to Local Authorities." Numbers wise, this adds up to about £6.1bn by 2010/11, the year in which the transfer is expected to take effect, a significant, but perhaps not enormous slice of what will be by 2010/11 a £46.8bn 'ring fenced Local Authority education and skills budget.' The two exceptions to this package at present are Academies, where funding remains 'outside' and Apprenticeships where funding is currently split between DCSF and DIUS but is intended in due course to come under a new National Apprenticeship Service (NAS.)

If that's the amount of money involved, what sort of system is needed to manage it all? Here too thinking appears to be evolving rather slowly. There was only a brief reference to 'the need to consider the impact of the decision to route all 16 - 19 funding through Local Authorities' in last year's important Schools Funding Formula Review while the subsequent Machinery of Government changes letter in November stuck with listing the objectives behind the transfer: local accountability, a mixed economy planning model and national 'steerage' and preferred to leave all talk of a new system to the promised consultation. Even the latest 14 - 19 funding notice from the DCSF, issued this month to Directors of

Children's Services, has precious little in it on any possible future funding system although it does helpfully confirm a commitment to fund other qualifications where appropriate, "*the key requirement is to ensure that there is no fall in take up of applied qualifications that work well before Diplomas are available in all areas.*"

Everything thus points to an important funding consultation when it eventually arrives, particularly as it seems that it will be part of a bigger jigsaw of changes.

Ultimately, the authors believe, there should be an integrated 14 - 19 funding system "*where Local Authorities manage a single ring - fenced 14 - 19 grant covering 14 - 15 provision and 16 - 19 provision in the round.*" And this should be in place from 2011/12 to allow for the system to be built ready to accommodate such initiatives as the 14 - 19 entitlement and the first stage of the extension of the participation age both due two years later.

While an integrated system might be the ideal, there's a lot that needs sorting to turn the ideal into a reality. For a start it would mean pulling together four streams of funding, 14 - 19 school, 16 - 19 college, E2E and Learner Support, and possibly six, if you include Academy and Apprenticeship funding. In addition some difficult policy tensions lie in wait such as the alignment between the objectives of Children's Trusts with the learning targets of 14 - 19 partnerships, while on top of that the marriage needs consuming between two different funding models: the Dedicated School Grant for 3 - 15 education and the LSC's Standard Learner Number for 16+ education. As the authors point out, "*Local Authorities fund pupils. The LSC funds provision.*" Different starting points, different conventions.

So how should we go about getting such a system in place? The authors point to three features: a central objective, some core principles and a phased implementation.

The central objective is familiar and has already been signed up to by Government in its Machinery of Government letter and is that funding should follow the learner or as the authors put it slightly more strongly, "*it must maximise choice.*" This is maxim where rhetoric and reality meet head on; is it possible for example for a Diploma to become the '*qualification of choice*' while at the same time the learner is encouraged to adopt their own free choice?

As for the core principles, there are eight. The first three are essentially admin in nature: funding should be based on participation, on national rates and be fully devolved. Each of these would support the application of learner choice but could come as a cost, for example any transfer from local to national rates could involve some upping of contributions where differentials are great. The fourth principle is that 14 - 19 funding should be driven by learner needs rather than say local targets; fifth, all 14 - 19 funding should be devolved to Local Authorities; sixth and seventh, that Academies and Apprenticeships respectively should be included; and eighth, to ensure maximum flexibility, a single funding block rather than a number of separate streams, is needed.

And the phased implementation refers to the need to line up the funding changes to best support the key policy changes waiting to be implemented over the next few years, the 14 - 19 learning entitlement, the compulsory participation age and so on. "*Get it right rather than do it early*" as the authors put it but in 14 - 19, change tends to have a mind of its own.

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