

Date of meeting:	15 th March 2018
Title of report:	POST-16 E3 FUNDING FOR FURTHER EDUCATION COLLEGES
Type of report: Delete as required	For discussion
Executive summary: Including reason for submission	The paper proposes that NYCC operates a trial application process as an alternative to the CAN-Do for Post-16 FE Colleges. The proposal is for this alternative method to run in parallel to the Can-Do RAS which will continue to be the determinant of the Element 3 funding at the provider.
Budget / Risk implications:	No direct budgetary impact for 2018-19
Recommendations:	For an alternative method of allocating E3 Top-Up Funding to be explored in parallel to the existing CAN-Do RAS.
Voting requirements:	None
Appendices: To be attached	None
Report originator and contact details:	Stuart Williams
Presenting officer: If not the originator	Jane Le Sage, Assistant Director, Inclusion and Howard Emmet, Assistant Director, Strategic Resources

**POST-16 E3 FUNDING FOR FURTHER EDUCATION
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- 1.1 This paper proposed to run an application-based top-up funding system in parallel to the existing E3 Top-up mechanism (CAN-DO Resource Allocation System).

2.0 BACKGROUND

- 2.1 The current budget for 'Element 3 Top-up funding' for Post-16 colleges is £593k but the projected expenditure is £784k – a projected overspend of £191k (this represents a 32% overspend of the budget). Although the number of learners in receipt of Element 3 funding is also above that forecasted, this figure is only 9% higher.
- 2.2 Element 3 Funding is funded as per the CAN-Do Resource Allocation System. The amount is, in most cases, amended to take in to account the number of hours of attendance which is often less than when young people are attending school. The majority attend for 16 hours per week, but some do attend for more than this depending on their study programmes. A small number do also attend for 25 hours per week.
- 2.3 The current maximum Element 3 funding for a young person in a Further Education setting is £31,402 and the lowest amount of funding is £240. The average amount per young person is £3,626. If significant outliers (those with highest costs) are removed, this reduces to £3,426.
- 2.4 A number of providers have expressed concern about the amount of E3 funding allocated to a learner compared to the amount of expenditure actually incurred in providing the necessary level of support. This also includes queries that there is insufficient funding allocated via the CAN-DO, but often focuses on the issue that the figure generated may be greater than what is actually required.
- 2.5 A number of providers have to apply to other Local Authorities in order to receive Element 3 'Top-up' funding. This is normally via the completion of a 'High Needs funding application' form which is used to detail individual support costs for all High Needs students enrolling in the academic year. Providers are, in line with audit requirements, required to keep records of how they have supported the students and the associated spend.

3.0 PROPOSAL

- 3.1 The proposal is that NYCC trials a similar application process as above, preferably with a provider who already is used to this process and also has a significant number of high needs learners from North Yorkshire. This application process will run alongside the CAN-Do, which will continue to be the determinant of the Element 3 funding at the provider.
- 3.2 Following discussion with Darlington College, who complete high needs funding application forms for both Darlington Borough Council and Durham County Council, they are open to working with NYCC on a pilot. The intention would be to work with those learners who are looking to start at the college in September 2018 i.e. those where EHCPs will be finalised by 31 March.

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- 3.3 Application forms will be assessed by the fortnightly EHC panel in addition to the CAN-Do. Although the CAN-Do will continue to determine the actual funding to be paid, the panel can use the information contained within the form to monitor the possible variation in funding actually required by the college and it will also be more informed as to what the funding is being used for.
- 3.4 If the small sample of learners for whom an application form has been submitted indicates that there may be potential reductions in the amount of Element 3 funding that could be paid, then further options include:
- a widening of the application process to a range of FE providers to gain a more significant sample, or
 - all FE providers will be requested to submit forms, in addition to the CAN-Do, to determine the overall potential value of the implementation of a new model of funding.

TIMELINE

- 3.5 The following timeline for the pilot is proposed:
- January to March 2018 – work with Darlington College on a trial basis
 - April 2018 to May 2018 – evaluate outcome of the trial and review procedures.
 - June 2018 – widen pilot to some, or all, of the FE network.
 - September 2018 to February 2019 – commence receipt of forms from providers following consultations.
 - February 2019 - decision on whether to use the funding generated by the forms as the measure to agree the top up funding for academic year 2019-20.

4.0 RECOMMENDATIONS

- 4.1 Members of the North Yorkshire Education Partnership are asked to note and comment on the proposed pilot outlined in section 3.

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