

Further Education Funding

... an ever changing picture

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A decorative graphic at the bottom of the slide consisting of two overlapping, wavy lines. The top line is a dark blue color, and the bottom line is a dark red color. Both lines curve upwards from the left and downwards towards the right, creating a wave-like pattern.

Further Education Funding

Since 2011 - 2012

The unit rate of funding has increased by just 0.14%

But the increase in pay awards and other pay cost increases has been 12.68%

A difference of over 12.5%



Further Education Funding

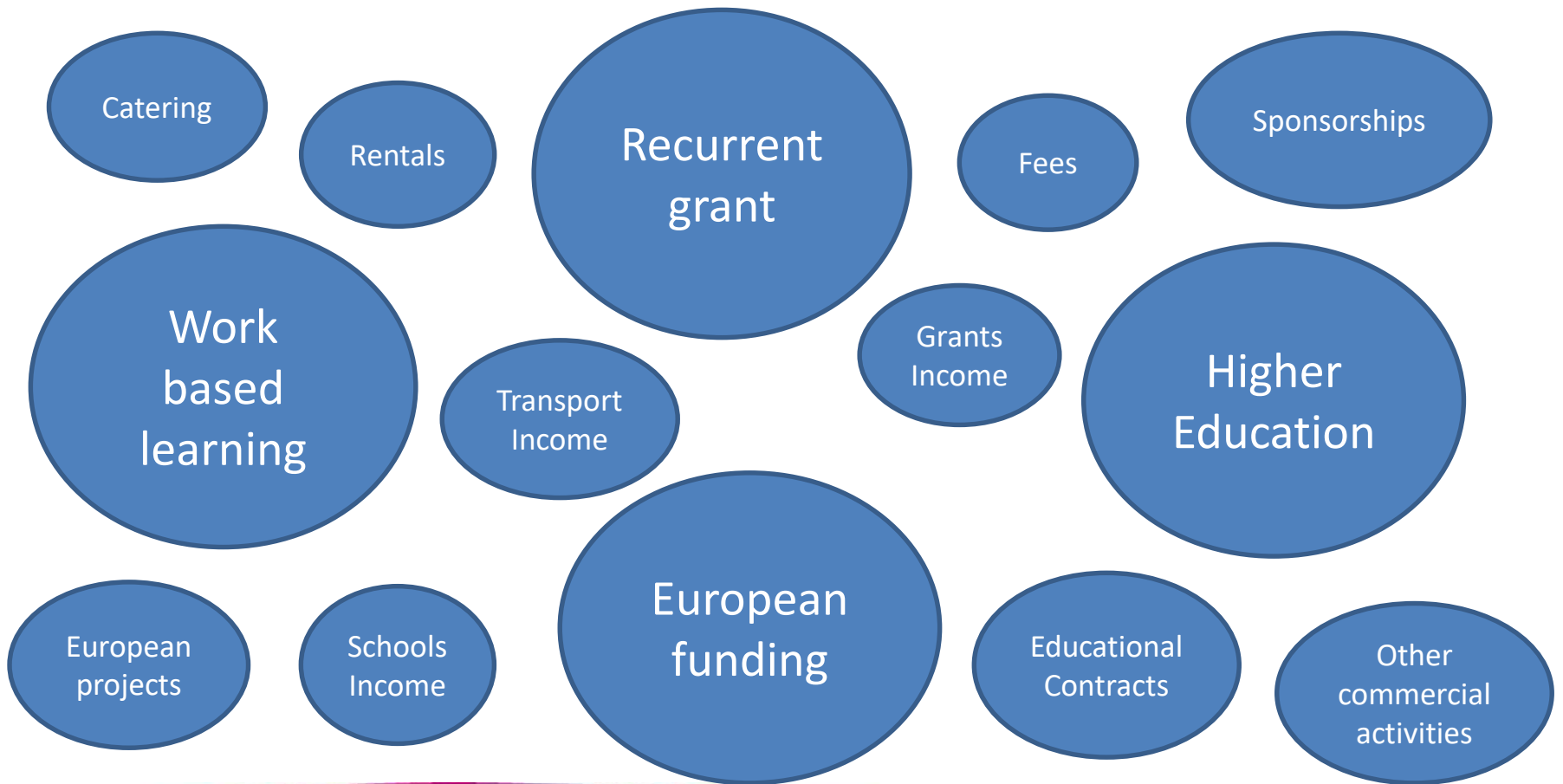
| | 2011 - 12 | 2018 - 19 Budget |
|--------------------|-----------|---------------------|
| | | |
| Number of Colleges | 17 | 13 |
| | | |
| | £000 | £000 |
| Total Income | 461,933 | 522,391 |
| | | |
| Recurrent Grant | 290,243 | 287,960 |
| | | |
| Other Income | £171,690 | £234,431 |
| | | |
| Income > £50m | 2/17 | 5/13 |

Further Education Funding

| | 2011 - 12 | 2018 – 19 Budget |
|-----------------------------|-----------|---------------------|
| | | |
| | | |
| Reliance on Recurrent Grant | 62.8% | 55.2% |
| | | |
| Reliance < £60% | 4/17 | 8/13 |
| | | |
| | £000 | £000 |
| Operating Surplus | £14,404 | £11,600 |
| | | |

Further Education Funding


What makes up a College's overall income?



Further Education Funding

FE Funding – Recurrent Grant


Approx £3,500 - £5,500 per student
dependent on student/programme

- Allocated approx 6 months in advance for generally 1 year only
 - Changes to 'methodology'
 - Many inefficiencies left unaddressed
 - Impact of competition
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Further Education Funding

FE Funding – Higher Education


Approx £7,500 - £9,000 per student
dependent on course/HEI

- Top sliced by HEI+ Bursary payments
 - Approval required by HEI
 - Long term sustainability?
 - Impact of competition
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FE Funding – Apprenticeships

Approx £2,000 - £4,000 per student
dependent on course

- Apprenticeship funding reduced in 2018/19
 - New 'pots' of funding to bid for
 - Lack of security in terms of having to bid for contracts and of course the future uncertainty of European funding.
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Further Education Funding

Some issues for discussion and consideration

1. Longer term funding settlements needed
2. Stability of funding model
3. Need to reduce competition
4. Need to address inefficiencies
5. Changes from secured to unsecured funding

and of course.....

6. Managing the impact of ongoing pay and pensions increases

Colleges constantly 'looking over their shoulder' for 'what is coming next'

