

Nick Bowes  
Head of Secretariat  
Advisory Committee on Mathematics Education  
The Royal Society  
6-9 Carlton House Terrace  
London  
SW1Y 5AG

30 April 2010

Dear Nick

**Re: Issues with New Funding Arrangements in Further Education**

Thank you for your detailed paper on the potential issues for learners seeking to complete 5 AS-level qualifications and the impact on Mathematics Programmes, associated with the new funding arrangement for funding Further Education.

Your letter highlights and challenges some of the fundamental principles of the Demand-Led Funding methodology and makes some more detailed points. I will respond to these separately below. On a national level we are extremely encouraged by the progress being made to increase the number of learners taking mathematics. In the 5 years to 2009 the number of learners taking A level mathematics has increased from 48,000 to 66,500 and further mathematics has increased from 5,443 to 10,073.

This is primarily due to the work of the Further Mathematics Network established in 2005. You will be aware that the DCSF agreed last year to fund the Further Mathematics Support Programme to continue this work. This recognises that we do need to continue to make progress and increase numbers to meet the needs of the economy.

**The Funding Cap**

As you know, the funding cap is set at 1.75 SLN (787 guided learning hours). This was the subject of a formal consultation process and meetings with the sector and their representatives. As a result of the consultation the cap was in fact raised from the proposed 1.6 SLN to 1.75 SLN to cater for precisely the issues you raise. This was the level agreed with the sector as the maximum likely programme size.

In 2008 we commissioned the Learning and Skills Development Agency to look at how institutions manage students who wish to, and are capable of, taking larger programmes. The work established that the total number of teaching/contact hours is not generally extended,

instead because of the learners ability to assimilate information quickly, each qualification is taught in fewer hours. In this way the costs are balanced and the programmes remain viable.

### **Entitlement Funding**

The other resource that is available to balance learners programmes is entitlement funding. Our work found that where learners do take larger programmes, learners do not have the time to engage with enrichment activities, even when these are available. You quote entitlement funding as 114 guided learning hours and this is of course correct, but it was never the intention that each learner actually spends 114 hours on these activities, so it is not a mandatory share of the timetable. Therefore, many institutions prefer to reduce entitlement activity to accommodate teaching time.

### **The Curriculum**

You highlight a number of potential risks to specific subjects because of reductions in the SLN/Learner ratio. We have analysed the range of SLN / learner ratios across the sector and established that the range is 0.66 SLN per Learner to 1.53 SLN/Learner and the average for general FE Colleges is 1.27 SLN. We believe that this is too great a range and that in fairness to these institutions with the lowest ratios, this gap should be reduced. It is true therefore that we have reduced the ratio for those colleges that have an SLN/learner ratio that is in the highest 10% of the range for England.

This action is being taken to ensure that we can meet every learner's entitlement for Education and Training as defined for The Raising of the Participation Age in 2013 and 2015.

Whilst I understand that this will create pressures for institutions that have larger programmes, it is for those institutions to decide what programmes they should run and how to balance their resources.

You make three recommendations for change and our response to each is set out below:

- **Re-categorise mathematics to have the same funding level as science**  
The Programme Weighting reflects the relative costs of delivering the relevant subject. In February 2009 **acl consulting** included a specific question on STEM subjects in their review of Programme Weightings and found little support for an increased weighting for STEM subjects.
- **Remove the cap for A-level combinations involving some form of mathematics**  
The cap is set at the maximum affordable level and any increase would need to be funded from elsewhere.
- **Review disparity between funding of schools and FE Colleges**  
The widely reported funding gap has been reduced from 14.2% to 5.6% since 2004/05. This is reviewed annually as part of the budget setting. Ministers remain committed to closing the funding gap as resources allow.

### **Next Steps**

It is likely that further efficiencies will be required from the sector over the next few years as we work towards full participation. Any efficiencies may have an effect on the specific subjects being made available by institutions. However, this is not something that can be mitigated by

changing the funding methodology because of the impact on all other provision. I would suggest that the solution lies in promoting benefits of these subjects to local authorities, who now make commissioning decisions, and the institutions themselves. Our expectation is that the work of the Further Mathematics Support Programme will assist with this promotion and I am sure the Advisory Committee will want to support them in this role.

Yours sincerely

A handwritten signature in black ink that reads "David Russell". The signature is written in a cursive style with a prominent initial 'D'.

David Russell  
Director of Finance, Funding and Corporate Services  
Tel: 024 7682 3596  
e-mail: david.russell@ypla.gov.uk