



## **Association of Teachers and Lecturers (ATL Cymru's) and ACM/AMiE Response to an Inquiry into the Funding of Post 16, Further and Higher Education**

**The Association of Teachers and Lecturers** represents over 160,000 education professionals across the four constituent parts of the United Kingdom. It draws its membership from teachers and lecturers, leaders and support staff in maintained and independent schools, and Further Education Colleges. As well as campaigning vigorously to protect and enhance members' pay and conditions ATL also believes that the education profession has a key role in developing education strategy and policy. ATL Cymru represents over 6,500 education professionals in colleges and schools across the whole of Wales.

The Association for College Management is the TUC affiliated trade union and professional association that champions, represents and supports managers in the post-16 education and training sector throughout the United Kingdom. Our membership embraces academic and business managers at all levels up to and including college principals. In Wales the Association is governed by the ACM Wales Committee, an autonomous committee of the ACM National Executive Council. There are over four hundred further education college managers in membership of ACM in Wales.

In 2008, realising the common shared values and commitments of both Associations, ACM and ATL joined together to form AMiE – the Association of Managers in Education. AMiE represents managers across the spectrum of colleges and secondary and primary schools. As an organisation that crosses the traditional divide between schools and colleges it is thus uniquely placed to voice concerns and provide innovative solutions to the challenges of post-16 education.

The remit of the committee mentioned two considerations, which we will address in turn:

- To consider the expenditure provision made for Post 16, Further and Higher Education in the Welsh Assembly Government's 2010-11 budget having regard to the current economic circumstances and the changes made in other Welsh Assembly Government budgets in the Government's 2010-11 budget.
- The Committee is also particularly interested in considering how budget provision may impact upon specific programmes or courses,

and it would be helpful if examples of case studies of potentially affected schemes could be provided.

## THE EXPENDITURE PROVISION FOR 2010 -2011

According to the Welsh Assembly draft budget report 2010-2011<sup>1</sup> 'The Lifelong Learning and Providers budget provides funding for the learning that takes place in 6th Forms, FE Colleges, adult community learning centres, work based learning locations and Careers Wales. The learning that it funds includes A-level courses, vocational provision, community provision such as Welsh for Adults, apprenticeships and Skillbuild – it therefore develops the skilled workers for the Welsh economy and the qualified sixth-formers entering university... The budget of Careers Wales will be increased by £0.8 million (with a further ESF contribution on top) as part of the measures to counter unemployment. The budget also includes funding to drive the strategic changes in the provider network through the transformation agenda.' This expenditure is therefore crucial to the success of our young people but also to the renewed prosperity of Wales.

Money spent on education and training now will pay dividends for the whole of Welsh society in the future, we were therefore alarmed to read that '**The budget will require an average efficiency gain across the post-16 sector of around 5 per cent**'. Further attempts to clarify the exact nature of these euphemistically entitled cuts have not been entirely successful and we fear a re-run of last years funding fiasco where the WAG attempted to cut 7.43% from College's budgets only to be forced to replace the money after strong concerted action from the trades unions and fforwm (as Colegau Cymru was then called).

There is, still, an uncertainty as to the meaning of the draft budget. The FE sector's initial understanding was that it would be a 'flat line budget' i.e. the same in absolute terms as last year, but there has been some suggestions that this is not the case. Anything worse than a flat line budget would be indefensible, given that the sector has been led to believe that this is the case. Hitherto, although we have repeatedly emphasised that the quantum of funding for education needed substantial increase (a fact accepted to his credit by the new First Minister), the budget process for FE has been clear, and colleges have clearly known their indicative budgets. Now it appears as if the notorious 'funding fog' has seeped from the schools sector into FE. We believe that lack of clarity can derive from three sources: because the subject matter itself is inherently unclear; there is deliberate obfuscation to cover unpalatable facts; there is fundamental confusion of aim on the part of those tasked with delivery. We hope the committee will judge the cause of confusion we note above.

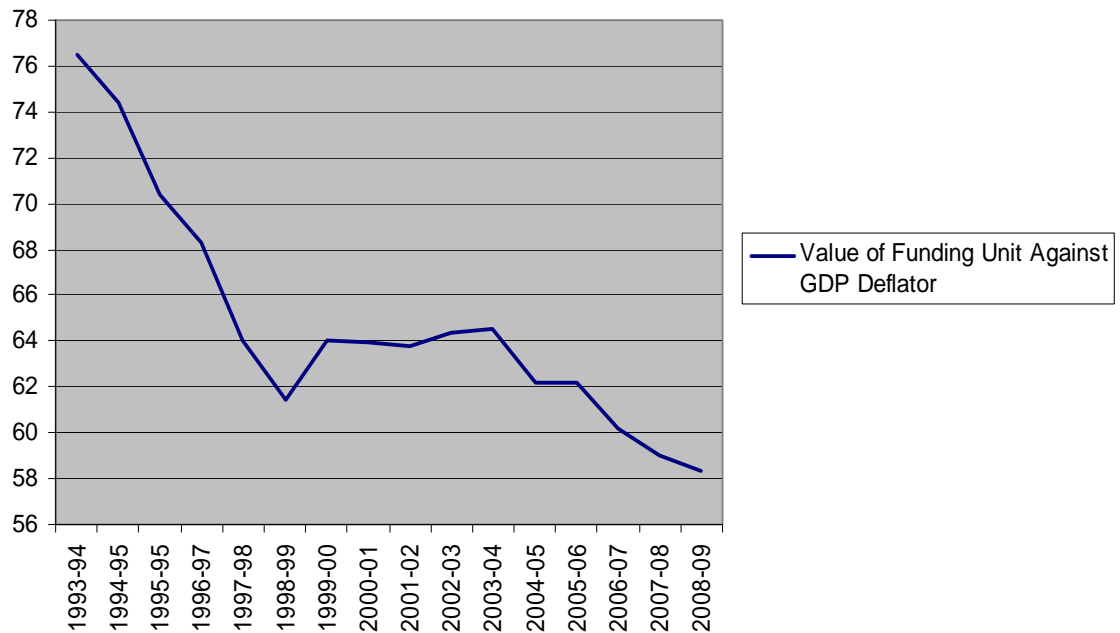
The clear message from those working in the FE sector and schools is that *there are no more efficiencies to be found*. Colleges have been delivering increasing value for money over the last 15 years – the graph below shows

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<sup>1</sup> Welsh Assembly Government, *Draft Budget 2010-2011*, October 2009

how the value of the funding unit has been falling since 1993. Although the value of the funding unit has been falling the sector has still been able to meet growth targets and deliver high quality to learning to an increasing number of learners and communities. Not only have Colleges delivered on the value for money agenda, but, and one could argue more importantly, they have delivered on the quality agenda, and on all the other issues where WAG have brought forward new policies. The sector is efficient and it is effective, and is seen to be such, as is testified by numerous Estyn reports – the most recent Estyn Annual report (2007 – 2008) states in FE ‘standards as judged during inspections have exceeded targets set by the Welsh Assembly Government’,

Value of Funding Unit Against GDP Deflator



Senior managers in Colleges are clear that there is no further 'fat' to be trimmed. Staff are often working more than their contracted hours, and student contact hours are at a minimum. Management structures are tight, after repeated restructures, and managers are often working an unhealthy number of hours to continue to deliver the high quality of education that learners have come to expect. These long hours parallel those worked by many head teachers which have recently given cause for concern and action. The stark fact is that *colleges and schools cannot provide the same level of output for less funding*. There are also fundamental questions about well being and work life balance raised by this situation.

The FE sector has terms and conditions where there are automatic increments – costing around 1% to 2% per annum. We applaud the WAG's decision to seek pay parity between lecturers and teachers. This policy ties lecturer's pay to the teacher's pay settlement, currently 2.5%, and as a result the sector faces increasing costs of around 4% to 5% per annum. Furthermore, as a result of people living longer and the variable stock market performance pension costs are rising. One college has seen its FRS17 charge increase this year from £250k to £837k, an increase of £587k or 3.5% of salary costs. Such costs are not taken into account in funding settlements; Colleges simply have to deal with them from the monies received. Due to the incorporated structure of Further Education Colleges, the Colleges are required to set, at worst, break even budgets within the constraints of a funding regime which is highly uncertain and set on an annual basis. A funding regime that was longer term, and allowed greater flexibility, at least in the short term, would assist the sector.

## **IMPACT ON COURSES AND LEARNERS**

It is too easily assumed that colleges are well placed to obtain revenue from sources other than government. In a recession it is not easy for Colleges to find other sources of income, such as full cost recovery course. The majority of costs are fixed and, as a result, Colleges will focus on their highest cost – people. This could lead to: yet another review of management with all the problems noted above; a review of staffing levels with the threat of large numbers of potential compulsory redundancies with the understandable concomitant industrial unrest; a move from high cost, social capital rich areas into 'cheaper' alternatives, with its concomitant disproportionate impact on vulnerable groups such as NEETs

Colleges and schools have supported the transformation agenda, and the enormous changes happening within the 14 – 19 agenda. The reduction in funding causes tensions among the partners in consortia as schools and colleges each try to manage the impact of inadequate budget settlements. Increase in the recharge costs between schools and FEI lead to tensions and this is not conducive to the partnership working that is sought in transformation. There are variations in the manner in which the financial arrangements between FEI and schools are managed at present and, where

charges exist, the fee per hour can vary between £29 and £59. We think this variation is unacceptable and would wish to see a Wales wide fee structure.

Where a college is the only post 16 provider FE funding cuts have and will obviously impinge on all post 16 learners. Where there is a more mixed economy the picture is more nuanced, although many schools are finding huge pressures on their ability to maintain their post 16 options. In one such college subjects that we might consider core such as A Level Economics and A Level DCT, as well as A Level Environmental Studies, have disappeared from the curriculum. It is not politically or socially acceptable that students in one part of Wales do not have an opportunity to study, say Economics, while students in other parts of the country do have that opportunity. Such a situation runs completely counter to the very principles on which the Transformation agenda is based – widening of choice and opportunity.

Members across colleges and schools report increasing class sizes with several hitting 25+. This imposes massive strains on students and staff alike. In one college PSE time has been cut by 33%, imposing limits on the delivery of the Assembly's PSE agenda. We have also been told of freezes on the employment of new staff which has led to existing staff having to teach in subject disciplines which are new to them (e.g. a Computing Lecturer teaching Chemistry, a Classics lecturer teaching Politics). The reduction of contact time for courses has meant a cramming of the syllabus with little opportunity for thought and discussion, which surely are the hall marks of education in later years?

Many are concerned that reduction of funding to 19+ students for non-vocational subjects (GCSE's AS/A Levels) as hitherto would have a very damaging effect of such students. To such students, these courses are a vital 'second chance' as a route to employment or further training including HE and professional courses have done to date. Such cuts would severely endanger many part time courses of this nature that have run fruitfully and successfully for many years.

The restriction on growth for Colleges will mean that not all demand is met. The increasingly tight economic circumstances require, in effect, that all provision meets economic viability. This has already led to the closure of much provision in adult community learning, which is often the first step for some learners in returning into learning, and into social engagement. Expensive provision, such as that for students with SLDD has also been hit. Larger class sizes are now required to ensure economic viability and this will lead to less provision actually running. In the South Wales valleys provision that is, in effect, basic skills provision, will not run as the class sizes are often below 10, which is an uneconomic size. Colleges will seek to reduce rental costs and will be under pressure to focus the locations in which they offer learning and this will reduce the geographic spread of learning opportunities. This will have a deleterious effect on other attempts to make Wales a 'learning country' and will disproportionately impact on NEETs and other vulnerable groups.

It is important to note that it is not only the headline budget figures that affect the FE sector. There has been, for example, a 30% reduction in supplementary funding which funds the learning support needs identified for students with particular learning needs. This will have a direct impact on the quality of support for students with learning needs – an area where Colleges have been able to demonstrate considerable success.

The financial contingency fund, a hardship fund for students who are over 19 and seeking to return to learning with a view to entering employment anew or even for the first time, has been reduced and there are concerns that it will be removed entirely. This fund is often used by students to place their child in a College nursery and the removal of this fund could then have unfortunate unintended consequences. There is great concern that changes due to the CQFW will lead to funding reductions, especially regarding NVQs. There has been a reduction in the capital maintenance budget over the last few years which causes pressure on the revenue budget where this grant is insufficient.

Some Colleges, which wish to access the Strategic Investment Fund choose not to apply as the costs of preparing a bid are prohibitive. This parallels the experience of schools who have found the bidding culture an intolerable burden. The present school grants and bids culture is complex, arbitrary, and disproportionately time consuming in terms of auditing requirements. There have been numerous complaints about lack of information about additional funding offers being communicated to school budget holders in sufficient time. There is also a view that the fund favours large projects, which may not be the kind of project that the more rural Colleges will be engaged in.

In addition, the funding for the Welsh Baccalaureate is due to be reduced and will have an effect on the funding no matter what the final funding settlement is. The increase in the tuition fees in HE is likely to affect the take up of places on foundation degrees and this is likely to have a negative effect on Colleges that offer these degrees from next September. There is uncertainty about the future of the pathway to apprenticeship scheme. If the funding moves from funding new entrants to funding only those students continuing on the scheme then the monies for the PTA will at least partly move to work based learning providers and this, again, would lead to funding moving from FEIs.

In conclusion we thank the committee for the opportunity to share our concerns and questions about post 16 education in Wales. Our message is clear:

- colleges and schools are uncertain of their future budgets for post-16 education
- any cuts in budget will severely impact on the WAG's policy agenda in general and the Transformation Agenda in particular.

### **Contact**

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