

## Briefing for MPs

Westminster Hall debate: the future of Catholic sixth form colleges

9.30am, March 5<sup>th</sup> 2019

- The 14 Catholic sixth form colleges in England are, like the wider sixth form college sector, very high performing institutions. The table below provides a summary of the latest Department for Education performance tables.

	Av. point score per A level entry	A level value added score	Av. progress made in English	Av. progress made in maths
Catholic sixth form colleges	32.37	0.03	0.37	0.44
Sixth form colleges	32.34	0.03	0.44	0.40
School/academy sixth forms	31.91	-0.01	0.37	0.28

- The future of Catholic sixth form colleges (and the excellent performance highlighted above) is largely dependent on three issues set out in this briefing note:
  1. Revenue funding
  2. Capital funding
  3. Academy conversion

### Revenue funding: the problems

- This year's spending review will be a pivotal event for Catholic sixth form colleges. Since 2010, funding for 16 to 18 year olds has been cut sharply, costs have risen significantly, the needs of students have become more complex and government has demanded much more of colleges. The purchasing power of sixth form funding has been greatly diminished as a result.
- [Recent research from London Economics](#) found that in real terms, sixth form colleges received £1,380 less per student in 2016/17 than they did in 2010/11 – a 22% decline in funding. The [Institute for Fiscal Studies](#) has shown that *“funding per student aged 16 to 18 has seen the biggest squeeze of all stages of education for young people in recent years.”*
- Sixth form education inhabits a funding chasm between schools and universities. Since 2010, successive governments have prioritised investment in other stages of education. The [average funding](#) per student for sixth formers (£4,545) is now 15% lower than for 11 to 16 year olds (£5,341) and around half the average university tuition fee (£8,901).

- The impact on students could not be clearer. Our recent [funding impact survey](#) found that:
  - **50%** of schools and colleges have dropped courses in modern foreign languages as a result of funding pressures, with A levels in German, French and Spanish the main casualties
  - **34%** have dropped STEM (Science, Technology, Engineering, Maths) courses
  - **67%** have reduced student support services or extra-curricular activities – with significant cuts to mental health support, employability skills and careers advice
  - **77%** are teaching students in larger class sizes

## Revenue funding: the solution - #raisetherate

- The national funding rate for 16 and 17 year olds (which is by far the biggest component of the 16 to 18 funding formula) has remained frozen at **£4,000** per student, per year since 2013/14. The rate for 18 year olds is set even lower at £3,300 per student. There is only one way to ensure that schools and colleges can continue to deliver a high quality, internationally competitive, sixth form education and that is to [Raise the Rate](#) for 16, 17 and 18 year olds to at least **£4,760** per student, per year in the 2019 spending review.
- The rate should then rise in line with inflation each year. Recent research from [London Economics](#) found that this was the *minimum* level of additional funding required to increase student support services to the required level (e.g. mental health support), protect minority subjects that are at risk of being dropped (e.g. modern foreign languages), and increase non-qualification time (e.g. extra-curricular activities, work experience).
- The government likes to target funding at individual subjects or qualifications but this has little impact. The amounts involved are simply too small. For example, the government [spent £7.24 million](#) on the large programme uplift last year (funding to stretch students that study 4 or more A levels) against an annual budget for 16 to 18 education of over £5 billion. The £500 million investment in T-levels - the government's proposed new suite of technical qualifications - will not fully materialise until 2023, and even when it does, it will not benefit the [vast majority](#) of students that pursue academic or applied general qualifications (90% of all Level 3 students and 96% of Level 3 students in sixth form colleges).

## The capital impasse

- The future for Catholic sixth form colleges is also partly dependent on changes to capital funding. A number of institutions are keen to expand but cannot access the funding to educate more students, others have increased student numbers as a response to funding pressures, but have now reached maximum capacity and lack the capital needed to satisfy demand. The absence of a sufficient national capital fund, and the growing reluctance of banks to lend for capital projects means that many sixth form colleges now have nowhere to turn.
- SFCA believes that establishing a capital expansion fund for dedicated 16 to 18 institutions like sixth form colleges is the way to break this impasse. This would help to increase the number of young people being educated in high performing institutions. It would also do so at a lower cost to the public purse, and with a higher likelihood of success, than continuing to establish new (usually much smaller) providers. These providers (particularly school sixth forms) do not have the economies of scale to deliver strategically important, but less popular subjects such as modern foreign languages.
- As the number of 16 to 18 year olds is set to increase, it is also important that funding is made available to deal with this demographic upturn. Sixth form colleges, as large, specialist, 16 to 18 institutions with a proven track record are best placed to cater for the upturn in student numbers, but they urgently need access to capital funding to build the necessary capacity. A non-selective, sixth form adaptation of the [Selective Schools Expansion Fund](#) should therefore be a major priority in the 2019 spending review.

## The academisation impasse

- At the time of writing, 23 sixth form colleges have taken the opportunity to change their status and become 16 to 19 academies. The option to convert is not currently available to Catholic sixth form colleges.
- While school sixth forms and 16 to 19 academies have their VAT costs refunded, Sixth Form colleges do not. The VAT anomaly was partly addressed in the 2015 spending review, when the government announced (in response to SFCA's *Drop the Learning Tax* campaign) that Sixth Form Colleges could become 16 to 19 academies, and in doing so recover their VAT costs. But those colleges that do not convert are still subject to the VAT 'learning tax' – leaving the average sixth form college with £385,914 less to spend on the front line education of students each year.
- Catholic sixth form colleges (in common with all colleges that do not convert) face a further financial disadvantage due to the government's implementation of the teachers' pay grant. In September 2018, the government [extended the teachers' pay grant](#) to cover 16 to 19 academies, but not sixth form colleges. Sixth form colleges have the same workforce, pay rates and negotiating machinery as almost every 16 to 19 academy and there is no justification for treating them differently when it comes to teacher pay. This decision further complicates an already difficult pay negotiation with the teacher unions and undermines efforts to improve teacher recruitment and retention in the sixth form college sector.
- SFCA has urged the government to revisit this decision. Extending the teachers' pay grant to sixth form colleges would relieve pressure on the front line and level the playing field between institutions that are delivering exactly the same type of education. The cost would be small (in the region of £2.5million for the 2019/20 financial year), but the impact would be significant - not just in terms of an individual college's financial position, but also in terms of reassurance for the sector that its work, its curriculum and its workforce are properly understood and appreciated by the government.
- The VAT and teachers' pay grant are two examples of how sixth form colleges are treated differently to 16 to 19 academies and schools. One solution would be to address both anomalies without requiring sixth form colleges to change their legal status. But the other, perhaps more realistic, solution would be for the government to explore legislative and non-legislative options for Catholic sixth form colleges to convert whilst retaining their religious character.
- Non-Catholic sixth form colleges have benefited from [£10 million of government funding](#) to aid the academy conversion process through the area review [restructuring facility](#). That facility closes this month and Catholic sixth form colleges that wish to academise have been unable to benefit from it. The government should commit to allowing Catholic sixth form colleges to academise after the March 2019 deadline set in the area reviews and ensure they can access government funding to aid the academisation process on the same terms as non-Catholic sixth form colleges.

## More information

- For more information about this briefing note, or the [#raisetherate](#) campaign, please contact James Kewin [james.kewin@sixthformcolleges.org](mailto:james.kewin@sixthformcolleges.org) or Vanessa Donhowe [vanessa.donhowe@sixthformcolleges.org](mailto:vanessa.donhowe@sixthformcolleges.org) at the Sixth Form Colleges Association