Evaluation of the Funding Models for Diplomas

Final Report
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A research report prepared by:
LSN

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# Contents

Executive Summary .................................................................................................................................................. 3

1  Introduction .......................................................................................................................................................... 9  
   1.1  Contextual background .................................................................................................................................. 9  
   1.2  Sources of funding for the Diploma ............................................................................................................. 10  
   1.3  Methods ....................................................................................................................................................... 12  

2  Findings .............................................................................................................................................................. 15  
   2.1  Funding mechanisms ....................................................................................................................................... 15  
   2.2  Level 2 delivered in one year .......................................................................................................................... 22  
   2.3  The Delivery of Additional and Specialist Learning (ASL) ............................................................................ 25  
   2.4  Transfer pricing .............................................................................................................................................. 28  
   2.5  Collaboration/ transport .................................................................................................................................. 33  

3  Conclusions and Recommendations .................................................................................................................. 36  

4  Summary of Recommendations .......................................................................................................................... 44  

Resources ............................................................................................................................................................... 45  

Annex 1: Consortia and Provider Interview Schedules ......................................................................................... 47
Executive Summary

In January 2009 the Learning and Skills Council (LSC) commissioned the Learning and Skills Network (LSN) to conduct research into the practices adopted to fund and deliver Diplomas in their first year of operation.

In particular the research set out to explore:

- The funding available to consortia, the distribution mechanisms used by them, the perceived effectiveness of those mechanisms and any plans to develop them over the next two years.
- Transfer pricing, the approaches to funding those elements of a Diploma delivered outside the host institution and the ways in which they are likely to develop in future.
- How consortia are approaching the delivery of Level 2 Diplomas for learners over the age of 16 when undertaken in one year, the guided learning hours being taught and the extent to which the ‘entitlement’ curriculum of enrichment and tutorial support is available to them.
- Current approaches to the provision of the Additional and Specialist Learning (ASL) element, their impact on delivery costs and the nature of the Diploma.
- The costs of collaboration and particularly the arrangements for and the costs of transport.

Methods

A total of 51 consortia and 11 providers were interviewed by telephone and face-to-face methods. The research results are summarised in the following sections. The interviews with consortia focused on a number of issues including funding models, management and consortium arrangements, transfer prices and transport. The provider interviews focused on the delivery of Level 2 Diplomas offered post-16 in one year.

Findings

The message from those interviewed during the research was generally that the delivery and development of Diplomas is progressing well and that learner progress and feedback is very positive. For the vast majority, the challenges identified and explored below should be seen in the context of a desire to improve Diplomas, not concerns about their introduction.

As the research was confined to those consortia that are delivering Diplomas this year (first delivery from September 2008), those interviewed are by definition at the forefront of developments. However even within this group there were striking differences in progress with some revealing a more secure basis for future
development than others. The characteristics of those who appeared to be better placed to meet future challenges can be summarised as follows. They:

- Have had experience of partnership working prior to Diploma development and have the active involvement of senior managers from the partners.
- Recognise the need to pool funding and either already have, or are developing an allocation system that covers all Diploma elements and the central costs of partnership working.
- See Diploma developments across the partnership as linked to school/college specialisms, performance improvement and capital investment programmes.
- Have common timetables that extend beyond a single day and thereby allow elements other than Principal Learning (PL) to be delivered outside the host institution.

Conclusions

In summary, the key conclusions from the research are outlined below.

Approaches to Funding and Transfer Pricing

- Many of the schools expressed a wish to maintain fully devolved funding. However a majority of those in this category also recognise that for effective management of Diploma funding, funds will need to be ceded to their local authority or 14-19 Partnership strategy group in the next few years. They recognised that the funding mechanisms used would not survive the necessary scaling up over the next two years.
- The main determinant of a consortium’s current or planned funding mechanism seems to be its projected level of Diploma activity. The higher the planned future level of activity (in terms of the number of Diploma learners, range of lines offered and particularly the extent to which learners move between partner institutions), the more likely it is that the partners are already discussing approaches to pooling Diploma funding.
- A growing trend towards pooled funding beginning with one off and Diploma Formula Grant (DFG) funding.
- A limited number of learner movements were identified pre 16 and none post 16. As a result most of the funding is being retained by the host institutions. However, it is recognised that this is likely to change as expanding Diploma provision will involve shared delivery of at least the Principal Learning.
- In 2008/09 this limited movement of learners between institutions slowed the development of appropriate transfer pricing systems.
• Notwithstanding the low level of learner movements, a large number of consortia recognised that their approaches to funding the delivery provided outside host institutions requires significant further development. This is reflected in the large number of consortia that are in the process of considering more radical proposals for 2009/10.

• The main areas of difficulty for those developing detailed transfer pricing systems are defining the percentage of the basic funding for a Key Stage 4 learner that is available to contribute to Diploma delivery and understanding course costing.

• Most of the consortia appeared to be involved in exercises to identify the costs of at least some of the elements of Diploma delivery.

From the evidence, the research team identified the following prerequisites to underpin rapid Diploma development. These are considered as essential to allow the scaling up of Diploma delivery:

• The pooling of the total funding available to consortia to deliver the Diploma (this to include the basic funding for Key Stage 4 and 5 learners as well as DFG and start up funding).

• Informed recognition within the consortia of the impact of Diploma delivery on each partner’s costs.

• An allocation system that is transparent, fairly reflects each partner’s costs and provides sufficient resources to fund the consortia’s central costs of partnership.

The discussions already taking place in the most active consortia have identified these prerequisites as key issues but most were struggling to resolve them satisfactorily. School partners in particular have limited experience of collaborative delivery and course costing.

Furthermore, it is clear that schools and colleges need to partake in full collaboration across the curriculum rather than just on Diplomas. Unless this is achieved then the goals of offering a wide curriculum whilst being cost effective will be difficult to realise.

We therefore, recommend that the LSC and DCSF consider making pooling funding the recommended route for consortia.

We also suggest that good practice guidance on pooling funding, developing transfer prices and costing provision should be published to support open and informed debate within consortia on the level of funding available to deliver Diplomas and the identification of the additional costs each partner is incurring.
Furthermore, we recommend that the LSC and DCSF work together to produce a model which would support consortia to calculate and agree the funding for delivery and central costs taking into account a range of issues, such as: the extent of funding available for 14-16 delivery, the costs of 14-16 delivery and the extent of funding to be made available for central/overheads costs and the proportion of AWPU to be ceded in relation to the Diploma. Where possible, this model should take account of the wider curriculum.

**Higher Diploma (Level 2) Delivered in One Year to Post-16 Learners**

- Most of the consortia interviewed reported, timetabling learners for 787 hours or more and additionally providing learners with opportunities for enrichment and tutorial support. There is a clear consensus that delivering the course required at least 800 Guided Learning Hours (GLHs).\(^1\)

- There was a general acknowledgment that delivering the Level 2 in one year was very challenging. This view was most strongly expressed by those consortia interviewed that had decided to deliver in fewer than 800 GLH.

- The successful achievement of three Functional Skills at Level 2 was universally identified as the most difficult element of the Diploma and the one learners were not likely to achieve. Of the three, mathematics was singled out most often. This raises a serious question over whether this one year qualification is the most appropriate route for those with weak or very weak GCSEs in mathematics and English.

- The pre-entry GCSE outcomes for learners enrolled were modest with few joining with more than 2/3 GCSEs at or above grade C and almost none with a C or above in both mathematics and English.

- Most schools and colleges had sought to use accreditation of prior learning to meet all or part of the ASL requirement. Its actual use was very limited because the prior attainments of the learners were insufficient, meaning the weakest learners faced the greatest challenge.

- All the schools and sixth form colleges in the sample timetabled their Diploma learners so that they could participate in the institution’s general enrichment activities. The Further Education (FE) colleges involved do not have a common afternoon for these activities but maintained that their Diploma learners had the same opportunity to access what was available as other 16-19 learners.

- Most institutions also maintained that they provided general tutorial support for their Diploma learners on the same basis as for other full-time 16-19 year olds. It was not clear how far the support provided exceeded that which would be expected as part of the Diploma programme.

\(^1\) Note that the Diploma at level 2 is designed to be delivered within 800 GLH. The funding cap however, sits at 787 hours.
• No evidence was available on the extent to which this group of Diploma learners actually access general enrichment activities but interviewees stressed that this would be true for all 16 – 19 learners. Some stated that the scale of the Diploma programme made it more difficult for their learners to participate in enrichment than others although they maintained that it was available and accessible.

• There were concerns expressed on the adequacy of funding for this course but to what extent these arose from a detailed comparison of costs and income rather than a ‘knee jerk’ reaction to the operation of the ‘cap’ we were unable to determine.

We therefore recommend that a detailed analysis of the outcomes for post-16 learners who have taken the Level 2 Diploma in one year begins as soon as possible and should include a review of entry requirements, prior achievement and consortium delivery.

Our fourth recommendation is that this year’s allocation per learner (including the £274) should be maintained while the other more critical issues identified are addressed so that the adequacy of funding is not used to obscure more important issues facing the one year Diploma.

Our next recommendation is that further investigation takes place of the relationship between entitlement funding and the tutorial and enrichment activity taking place in institutions, to explore the potential overlap in funding.

Additional and Specialist Learning (ASL)

• This year most Diploma learners in schools and sixth form colleges have been offered Additional Learning (AL) which is of general rather than of specific relevance to their PL. FE colleges by contrast allowed learners to access more Specialist Learning (SL) options. These findings applied to all Diplomas irrespective of level but there were differences between lines.

• There are pressures on schools to keep internal the delivery of ASL, restricting choice to AL selected from existing Key Stage 4 and post 16 options. These pressures are strong and include a wish to maintain their non-Diploma curriculum range, the cost of external delivery and organisational impediments such as timetabling.

A possible explanation of these findings is first year inexperience. However a majority indicated that they felt that the pressures to keep ASL teaching within host institutions would grow rather than decline as learner numbers increased. We therefore recommend that consultations be held with schools and colleges to explore how the perceived pressures to keep internal the delivery of ASL can be reduced.
Collaboration and Transport Costs

- In 2008/09 the costs of collaboration were high as consortia invested in start-up activities and development of their capacity to deliver Diplomas. These costs are being met from three main sources: one-off funding streams; local authority inputs and contributions from partners. No evidence was found of these contributions from post 16 Diploma funding. It was not possible to determine a standard proportion of delivery costs associated with collaboration.

- Many interviewees expressed concerns about the sustainability of these sources over the next few years. At the same time they saw a need for greater collaboration as the pattern of delivery grows in complexity.

- There was relatively little movement of learners in 2008/09 and the arrangements for travel tended to be ad hoc with the main categories being normal school/college transport, taxis, the use of school minibuses and learners making their own arrangements.

- Many of the consortia realised that in future, transport of Diploma learners would become a big challenge and are planning authority wide strategies to address it. In most cases these initiatives are confined to pre 16 learners.

The research team concluded that few consortia had a sustainable approach to funding the central functions required to support their developing 14-19 aspirations including the transport of increasing numbers of learners. We therefore recommend that, the pattern of expenditure on transport continues to be monitored in order that the need to spend can better be predicted and resourced and that any innovative practices in overcoming transport issues are identified and highlighted.

We also recommend that the collaborative element of Diploma funding should be separated and allocated to consortia rather than following the learner to their home institution.
1 Introduction

In January 2009 the Learning and Skills Council (LSC) commissioned the Learning and Skills Network (LSN) to conduct research into the practices adopted to fund and deliver Diplomas in their first year of operation. In particular the research set out to explore:

- The funding available to consortia, the distribution mechanisms used by them, the perceived effectiveness of those mechanisms and any plans to develop them over the next two years.
- Transfer pricing, the approaches to funding those elements of a Diploma delivered outside the host institution, and the ways in which they are likely to develop in future.
- How consortia are approaching the delivery of Level 2 Diplomas for learners over the age of 16 when undertaken in one year, the guided learning hours being taught and the extent to which the ‘entitlement’ curriculum of enrichment and tutorial support is available them.
- Current approaches to the provision of the Additional and Specialist Learning (ASL) element, their impact on delivery costs and the nature of the Diploma.
- The costs of collaboration and particularly the arrangements for and the costs of transport.

1.1 Contextual background

From September 2008 a new set of qualifications called Diplomas are being progressively made available across England. The implementation has been staged so that the first five ‘lines of learning’, namely Construction and the Built Environment; Creative and Media; Engineering; Information Technology and Society Health and Development were launched in September 2008. They will be followed by others each year until 2011 when the full complement of 17 will be available. There will be a national entitlement to access any of the Diploma lines at all levels by 2013.

The Diploma was developed as part of a wider 14-19 reform programme to address the need for a programme that conveys a range of widely applicable skills and knowledge, set in a ‘specialised’ context, to sit alongside GCSEs and A-levels as options for 14-19 year olds.\(^2\)

\(^2\) The Advanced level Diploma in Science (level 3) will be available from 2012.

The Diploma is offered at Foundation, Higher and Advanced levels, which are equivalent to the National Qualifications Framework (NQF) Levels 1, 2, and 3 respectively. Across all levels, and lines of learning, the Diploma has a common structure with the following components:

- **Principal Learning (PL)** – which focuses on developing and applying knowledge and skills relevant to the line of learning. A minimum of 50% is dedicated to the application of knowledge and skills through applied learning.

- **Generic Learning (GL)** – where learners develop and apply broad skills for learning, employment and personal development. These are taught within a variety of contexts, including the PL. Within this component lies:
  
  o **Functional Skills (FS)** in which English, mathematics and information and communications technology (ICT) is delivered.
  
  o **Personalised, learning and thinking skills (PLTS)**, which covers independent enquiry, creative thinking, reflective learning, team working, self-management and effective participation.

  o **Work experience** of at least 10 days.

  o **A project** offering to show breadth and independence of learning.

- **Additional and Specialist Learning (ASL)** – consists of qualifications chosen by the learner from the Diploma catalogue, to support further specialisation or the uptake of further relevant learning.

Consortia of local authorities, schools, colleges and work-based organisations have formed to deliver the Diploma. These consortia must undergo a process of approval through a Gateway process before they begin delivery. They also need to attract the necessary awarding body approval.

### 1.2 Sources of funding for the Diploma

There is a variety of funding streams available to support the delivery of the Diploma. Some relate to the delivery of the Diploma, some to ensuring the collaborative infrastructure is in place, and some support the physical infrastructure through capital projects. In addition to these, there are funds directed at building teaching capacity. This project focuses on the management of those funds available for Diploma delivery and to support collaboration.
**Diploma Delivery**

**Dedicated Schools Grant (DSG)** – This grant is the main source of income for the pre 16 Schools Budget. This grant is passed through local authorities and the schools forum who retain the responsibility for setting the overall level of the Individual Schools Budget and determining the schools’ budget share. This is achieved through the use of the Age Weighted Pupil Unit of Resource (or AWPU).

- **Practical Learning Opportunities** – this element of the DSG, amounting to £110 million, is earmarked to support practical and applied learning provision for 14-16 year olds. It is the local authority that determines how these monies are used through the schools forum, and it may delegate the funds to schools through the AWPU or some other basis, or hold it back to purchase provision centrally.

- **Diploma Formula Grant (DFG)** – the formula grant is provided to local authorities towards additional Diploma delivery costs that cannot be met through existing DSG funding. In 2008/09 £25 million was allocated, with a further £3 million to allow flexibility to address local funding issues, and additional places.

**Learning and Skills Council (LSC) Funding** – in 2008 the LSC introduced their *Demand Led Funding* system. This is the main source of funding for learners aged 16-19 undertaking a Diploma. A national formula, based on the nature of the programmes being undertaken is used to calculate the volumes of funding given attracted by a learner. The LSC has added a 10% premium to the funding for Diplomas to recognise additional hours, collaborative and work experience costs.

- **Additional £267 for level 2 Diplomas delivered in one year** – the LSC’s funding formula caps funding awarded for teaching an individual learner at 787 Guided Learning Hours (GLHs) in a given year. A Higher Diploma delivered in one year is designed to take 800 GLH; therefore the cap limits the funding for collaboration and work experience. In recognition of this a one-off payment of £267 was made by the LSC (funded by the DCSF), in 2008/09, for learners on this type of programme. This payment will continue to 2009/10 and has been increased to £274 for this year.

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44 Dedicated Schools Grant: Guidance to Local Authorities on the Operation of the Grant 2008-09, 2009-10, 2010-11  
55 Guidance to Local Authorities (LAs) and 14-19 Partnerships on Diploma Formula Grant: 2008-09  
66 http://www.lsc.gov.uk/providers/funding-policy/demand-led-funding/  
Collaborative Infrastructure

**Gateway Funding** – in 2008, through Gateway 1, local authorities received £30,000 per Diploma line of learning delivered by a consortium in its area. In addition to this, the local authority received £18,000 for every formed consortium that did not deliver in 2008. Further funding of £14,000 per consortium and £7,000 per line of learning were announced in January. Gateway 2 funding will ensure that local authorities receive a further £30,000 to help the consortium build capacity if they are delivering new Diploma lines in 2009.

**Transport and Access co-ordinators funding** – a total of £23 million was provided to rural local authorities, to ensure adequate transport infrastructure for the Diplomas. £20 million was provided for capital and equipment funding and shared equally between the 20 most rural local authorities. An additional £3 million was provided to support the posts of Transport and Access Co-ordinator in each of the 40 most rural local authorities (equivalent to £75,000 each).

Physical Infrastructure

- **Diploma Exemplar Funding** – this funding is in place to ensure that world-class facilities for delivering Diplomas for each of the 17 lines of learning are in place, so that others can learn from and seek to replicate it.
- **Authorities with all 10 diploma lines** – local authorities delivering all of the 10 Diploma lines from 2009/10 will receive additional capital funding of £1 million each.
- **Rural areas** – capital funding of £1 million was provided to the 20 most rural authorities in 2008/09.
- **Workforce Development** – £56.1 million of funding was provided to prepare the workforce for the delivery of the Diploma and Functional Skills.

1.3 Methods

The primary method of collecting data was through face-to-face and telephone interviews. The process was carried out in two phases.

1. An initial phase of desk research and data analysis was undertaken with the aim of informing the design of the sample and the development of interview schedules. Data on learner numbers and the take-up patterns of Diplomas were examined to generate a list of key consortia for interviewing. At the same time, key documents were inspected to ensure that the interview schedules developed addressed the main issues
surrounding Diploma funding for both consortia and providers. Copies of the interview schedules used are attached in Annex 1.

2. The second stage of the project involved carrying out a series of structured face-to-face and telephone interviews with representatives of consortia and providers, primarily targeting partnership leads and others involved with the management and delivery of Diplomas. The consortia leads were normally able to answer questions about the models used to allocate funding but often lacked information on the way the Diplomas were timetabled.

In total, interviews were undertaken with representatives of 51 consortia and 11 providers. An outline of the final sample, identifying the interview method used is provided in Table 1.

Table 1: Total number of participating consortia and providers by method of interview (February/March 2009)

<table>
<thead>
<tr>
<th>Method</th>
<th>Face-to-Face</th>
<th>Telephone*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consortia interviews</td>
<td>6</td>
<td>45</td>
<td>51</td>
</tr>
<tr>
<td>Provider interviews</td>
<td>3</td>
<td>8</td>
<td>11</td>
</tr>
</tbody>
</table>

*Note: The total number of consortia interviews carried out by telephone includes two surveys which were submitted via an online questionnaire.

During the course of the project, a number of difficulties were encountered in getting consortia and providers to participate in the surveys. Key reasons stated for not participating included workload pressures and the inability to take time out of their daily responsibilities, especially in regards to the face to face interviews. In order to boost the sample size, the consortia survey was made available as an online questionnaire. A small number of consortia submitted an online survey and all were contacted afterwards for a follow up telephone interview so their responses could be interrogated further. Therefore, the total number of surveys submitted online have been included within the total consortia telephone survey count of 45. This represents a response rate of 32%.  

Since a major focus of the research was to understand in detail how level 2 Diplomas were being timetabled when delivered in one year, additional structured telephone interviews were undertaken with individuals directly involved with the delivery of level 2 courses for post-16 learners. These formed the basis for in-depth analysis around experiences of delivery.

All survey and interview data gathered was collated centrally and analysed by expert contributors and members of the research team in order to draw out the key findings and issues of the research.

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8 Approximately 140 consortia were delivering Diploma's in 2008/09.
Overview of consortia sample

Survey returns were received from 51 consortia leads across the nine English regions. The greatest number of surveys were received from consortia in Greater London (10 consortia) and the fewest were received from the West Midlands (3). Overall similar numbers were received from other regions ranging from 7 in the South East to 4 in the East Midlands. Around a third of the consortia were in predominantly rural areas, a slightly smaller number in major conurbations while the rest were based around large towns or smaller cities.

Chart 1: Total number of consortia participating in the survey (February/March 2009)

The consortia covered between them the full range of lines and levels broadly mirroring the national pattern of take up. Learner numbers participating in either pre or post-16 provision across consortia tended to be fewer than 50. More than half of consortia delivering pre-16 Diplomas noted learner cohorts of fewer than 50 learners (27 consortia, 52%). The proportion of relatively small cohorts was substantially higher for post-16 provision (46 consortia, 90%). Provision was most frequently made at Level 2, and (other than level 3 programmes) was mainly offered pre-16.

At all levels the most common lines were, Engineering and Creative and Media. In the 14-16 phase, these two lines were very strongly represented in the sample; post 16 the Creative and Media line stood out from the rest. Overall, the distribution of learners across the lines of learning was broadly similar to the actual breakdown of learner participation registered in 2008.
2 Findings

The following section provides a discussion and analysis of findings drawn from the telephone and face-to-face interviews with consortia and providers. These are presented around key themes as outlined within the objectives of the research:

- Funding mechanisms
- Level 2 delivered in one year
- Delivery of Additional and Specialist Learning (ASL)
- Transfer pricing
- Collaboration/transport

Examples of the current arrangements and practices relating to these themes are discussed within the following sections.

2.1 Funding mechanisms

Feedback on approaches to funding Diploma delivery

The interviews revealed that the majority of those responsible for the actual delivery of Diplomas have little knowledge of the funding streams available and limited views on how it should be allocated across the consortia. Those involved with teaching or curriculum design were often only aware of their course budget and not of the origin of the funds. Greater awareness was found among the individuals with wider responsibilities, through participation or chairmanship of practitioner or decision-making groups within a consortium (or across consortia).

Examples of individuals who could identify the funding streams and their result in terms of delivery were rare. Given this, it is not surprising that the feedback on the allocation of funding revealed considerable variations in detailed practice and a strong emphasis on temporary rather than longer term solutions.

The interviews revealed a wide range of detailed practices but they broadly correspond to the three main funding models referred to in the Department for Education and Skills original consultation document: ⁹

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⁹ DfES (2007) Consultation on early years, schools and 14-16, Chapter 4 Funding Specialised Diplomas at 14 – 16.
**Model 1 Central Funding Pool – Insurance Model** – the Diploma grant and any school contributions are held and allocated centrally. – the proportion of AWPU for Diploma delivery is removed and provided to central funds prior to payment to schools.

**Model 2 Central Funding Pool and Partial Delegation Model** – the grant is held centrally but schools also make contributions from their own budgets – the proportion of AWPU for Diploma delivery is paid to schools and they then pool it to central funds.

**Model 3 Complete Delegation – Pay as you go Model** – the Diploma grant is delegated to schools.

The evidence collected from interviews indicates that while these models usefully describe the initial allocation models used by local authorities or consortia, they provide only limited insights in how Diploma funding is operating and developing in practice.

When the interviewees were asked to look beyond 2008/09 a majority predicted that they would change their approach over the next year or two. Of those interviewed, 62% (31) stated that they have plans to change how Diploma funds are managed in the future, whilst 38% (19) stated that they do not have any plans for change. The main reason given for this expectation was that this year’s experience had led to a growing recognition that the financial and administrative challenges associated with Diploma delivery could not be met without more developed collaborative models. For many consortia, this year was a trial run with a small number of Diploma lines and limited movement of learners between partner institutions. They recognised that the funding mechanisms used would not survive the necessary scaling up over the next two years. From the evidence collected it appears that the main driver of change is the level of activity planned for 2009/10 and beyond. In this context activity is defined in terms of the number of Diploma learners, range of lines offered and particularly the extent to which learners move between partner institutions.

For most of those interviewed the key prerequisite for future Diploma development was moving effective control of DFG funding to the local authority/partnership board. The thinking of many on the contribution of AWPU funding to the costs of Diploma delivery was much less developed, although a growing number of consortia are actively considering allocation models that assign an agreed percentage of the AWPU attributable to Diploma learners to a central pool to fund Diploma delivery. The percentages currently proposed vary considerably, for example, one uses 40% on the grounds that the Diploma is delivered over 2 days a week, another is based on total Key Stage 4 GLH and proposes 37.5% for a level 1 and 50% for a level 2, and another expects the school to meet the entire cost of the Diploma delivery and retains the DFG to meet central administrative costs and learner transport. In one well developed consortium, schools entering the consortia must pay a membership fee of
£10,000 – this was said to contribute to the costs of coordination and also ensure commitment to the consortia.

At the other extreme of this debate are those consortia that claim that the average school makes no savings as a result of a percentage of their Key Stage 4 learners undertaking Diplomas. Taken at its face value, the implication of this statement is that the entire cost of the Diploma delivery must be met from additional funding. However, further questioning of those expressing this view revealed that their actual approach was at variance with this inference. It turned out that their view was that there were no savings to cover certain elements of the Diploma. Most referred to PL and the Project, although a minority of this group also included Functional Skills and/or the work placement. None included ASL which is not surprising given that the interviews found no schools that offered SL at Key Stage 4. All relied on existing Key Stage 4 options. This means that even those consortia apparently at the ‘extreme’ end of this debate in fact accept that a significant part of the Diploma’s delivery costs should be met from the learners’ AWPU.

These findings indicate no clear split between those consortia that already, or plan to, explicitly recognise an AWPU contribution to the cost of delivering Diplomas and those claiming ‘no savings are possible’. Rather the differences in position across all consortia revolve around the percentage of a Diploma learner’s AWPU each believe is available to fund Diploma delivery. The fact that some express the percentage explicitly while others do it implicitly by defining a number of Diploma elements as ‘part of a learner’s normal Key Stage 4 curriculum’ should not be mistaken for a fundamental difference of practice. This still leaves unresolved the major issue of what that percentage, whether implicit or explicit, should be. The evidence so far on this point is that it is likely to vary significantly with the individual school’s Diploma participation rate at Key Stage 4 as the key variable. Where this is high, the percentage contribution should be greater than for schools where it is low. Post 16, this is not really an issue as the funding available to deliver the Diploma is defined.

On the basis of the evidence collected, the research team concluded that while the three models usefully describe the initial allocation models used by local authorities or consortia, they provide only limited insights in how Diploma funding is operating and developing in practice. It is therefore suggested that it may be more useful to have a classification of consortia that differentiates between those that are pooling or planning to pool all Diploma funding (accepting that they will define the quantum differently) and those not currently planning to do so. From the evidence collected the following broad profiles for these two groups were identified:
Consortia already pooling or planning to do so next year had the following profile:

- Significant numbers of learners are undertaking a range of Diplomas currently or will be in 2009/2010.
- Discussions within the consortia include the development of a strategy to deliver the entitlement by 2013.
- Many of the pre-16 Diploma learners are or will be undertaking part of their course outside their host institution.
- A growing number of SL options delivered outside a learner’s host institution are being taken and or are planned.
- The central administration of time allowances for Diploma leads, appointment of Diploma Director, attendance and performance monitoring, organisation of learner travel, and the booking of specialist rooms and staffing, have or are becoming critical to the successful delivery of Diplomas.

To support this profile, their approach to funding is characterised by:

- An agreed and sustainable approach to funding the necessary central administration functions.
- An agreed methodology for allocating the available funding which fairly reflects each partner’s average delivery costs (based on reasonable efficiency and taking into account the impact of agreed group sizes). The definition of ‘available funding’ includes an element of AWPU as well as DFG and any other elements of Diploma related funding.
- Overall transparency covering income, expenditure and the process of allocation.

Consortia not currently pooling or planning to do so next year had the following profile:

- Small numbers of learners from a sub-set of partners undertaking a limited number of Diplomas.
- Limited movement of learners between institutions. Where this does take place, it typically involves only PL and attendance for this is either one day or two half days a week.
- Limited central administration of the Diploma. Central protocols and systems are under developed with ad hoc inter-partner arrangements being used to fill the gaps in areas like attendance and performance feedback, transport arrangements and the pricing of third party delivery.
Those consortia with the above profile tended to demonstrate the following approaches to funding:

- The vast majority of the funding available for Diploma delivery is allocated directly to the host schools for pre-16 learners and the main provider, school or college, for the post-16 provision.
- Financial discussions within the consortium will tend to focus on additional diploma funding (i.e. DFG and other designated one-off allocations) but are unlikely to include consideration of the element of the AWPU applicable to Diploma delivery.
- The £30,000 payment per new Diploma line can be used to fund collaborative development and Diploma leads but in large part is delegated to partners.
- Where delivery of part of the Diploma (usually the PL) takes place outside the host institution, ad hoc arrangements are made. The rate may be established by the consortium or by bilateral negotiations. It will often have been set by reference to that charged for external delivery under the Increased Flexibility Project (IFP).

From this evidence the research team identified the following prerequisites to underpin rapid Diploma development. These are considered as essential to allow the scaling up of Diploma delivery:

- The pooling of the total funding available to the consortia to deliver the Diploma (this to include a significant element of basic funding for Key Stage 4 and 5 learners as well as DFG and start up funding).
- Informed recognition within the consortia of the impact of Diploma delivery on each partner’s costs
- An allocation system that is transparent, fairly reflects each partner’s costs and provides sufficient resources to fund the consortia’s central costs of partnership.

The discussions already taking place in the more active consortia have identified these prerequisites as key issues but most were struggling to some extent to resolve them satisfactorily. This was particularly true of school partners because of their limited experience of collaborative delivery and course costing. Given that all consortia are working to resolve the same basic issues and most are finding it challenging, the potential benefits of national guidance would appear to be great.
The perceived adequacy of Diploma funding for 2008/09 Diplomas.

Those interviewed expressed considerable reservations about the adequacy of funding for the Diplomas. When asked ‘How well in your view do the arrangements for funding the Diploma meet your costs?’ the answers were as follows:

- 4 answered ‘completely’
- 7 ‘substantially’
- 17 ‘adequately’
- 18 ‘hardly at all’.

When responses were probed more deeply however most reported a broadly satisfactory position this year, though this seemed to derive primarily from special one-off arrangements which might not be sustained. Many interviewees considered that 2008/09 was untypical of future years in terms of either funding or expenditure and pointed to a number of advantageous circumstances that underpinned a positive position in 2008/09. The main concerns identified were:

- **One-off payments.**

  The £30,000 start up funding per line was identified as a significant addition, particularly in cases where the Diploma is being delivered in one centre with low learner numbers. The additional payment of £267 for Level 2 learners undertaking the Diploma in one year was used to reduce the perceived funding gap for that course. Other funding streams channelled via local authorities were identified as being helpful this year but were recognised as not being guaranteed in the longer term. These flows contributed to central consortia expenses, training costs and transport and were mainly confined to schools and pre 16 learners.

- **Internalised delivery.**

  In a large majority of cases in this sample, individual schools are delivering the whole Diploma in-house at Key Stage 4.

  At post-16, of the schools and colleges interviewed, all delivered the whole Diploma. Those delivering pre-16 will already have received all or part of the £30,000 per Diploma line last year and this year DFG payments that average £1,000 per learner. These payments are in addition to the AWPU they receive for all their pupils, including those taking Diplomas. Given that the ASL elements of the Diploma are mainly being covered by existing Key Stage 4 courses, the key additional cost is the delivery of the Principal Learning. Even this cost is partially off set from savings resulting from the reduced number of
Key Stage 4 options required given that part of the cohort spends a day a week taking Principal Learning.

There are additional costs associated with the project, Functional Skills and work placements but early indications suggest that these have been contained within available additional funding. Even where the PL is contracted to another institution or work based training provider, the evidence so far suggests that a positive inflow remains for the school.

Longer term concerns by consortium leads and provider representatives include recognition that, the proportion of the Diploma delivery contracted out will increase and its cost will rise. It is likely that one-off payments will cease and the level of DFG each learner attracts could fall. As a result, respondents fear that total payments to third parties could exceed the DFG element of school funding. In theory these net outflows per Diploma line could be matched or exceeded by the revenue received from other schools for the PL and SL carried out on their behalf. In practice they consider this unlikely because few schools feel they will be in a position to offer more than two or three Diploma lines.

If this is the position then the outflows from an individual school would exceed the Diploma specific inflows. Schools are particularly concerned about this possibility because it would mean that part of the AWPU funding for Diploma learners would flow to third parties. In that event they fear they will be faced with reduced budgets necessitating reductions in their existing staffing profile and the range of non-Diploma Key Stage 4 options they can offer. One co-ordinator, recognising this, wondered whether in the future, only the local grammar schools would be able to offer history and geography at GCSE. Their fear of these potential threats may result in the general attitude to Diploma funding becoming more negative.

The research team concluded that many schools fear that Diploma delivery will be detrimental to them in terms of its impact on their range of GCSEs and in some cases post 16 provision. This fear is reflected in a number of defensive attitudes to Diploma development expressed by interviewees. These include the desire to deliver within the learners home school as much of the new curriculum as possible, even if this approach limits their learners' choice and publicly claiming that Diploma funding is inadequate and its introduction will therefore 'damage the school'.

These issues underline the point that schools and colleges need to partake in full collaboration across the curriculum rather than just in relation to Diplomas. Unless this is achieved then the goal of offering a wide curriculum whilst being cost effective will be difficult to realise.
2.2 Level 2 delivered in one year

In order to explore the operational details of the delivery of post-16 Level 2 courses, telephone interviews were undertaken with as many front line delivery staff as possible. The results of these interviews are summarised below. These interviews focussed in particular on the relationship between those activities funded as part of the 16-19 entitlement (enrichment and tutorial support) and similar activities which are part of the overall Diploma offer. For example the Diploma programme includes provision for some tutorial support and for visits, work experience and visiting speakers which in other contexts are part of the entitlement offer. There is a potential for double funding if a learner on a Diploma programme only undertakes the same activities outside class as other students.

Although the only evidence in this report relates to the Higher Diploma it should be stressed that the issue is common to all Diploma programmes offered post-16. Indeed the potential for double funding is perhaps greater in relation to the level 3 Diploma as the operation of the funding cap prevents institutions from drawing down entitlement funding for the Higher Diploma programme. There is a strong case for reviewing the operation of entitlement funding overall and to do so in the context of the four learning pathways rather than just the level 2 Diploma.

On the basis of this limited set of interviews, and analysis of administrative data, the researchers found:

- The vast majority of learners taking Level 2 post-16 Diplomas are undertaking the course in one year. The interviews identified a very small number taking it over two years. In these cases they were combined with learners taking the Diploma pre-16 and the conclusion of both consortia was that they would ‘not repeat the experiment’.

- The interview evidence indicates that the Engineering and Construction Diplomas are predominantly delivered by FE colleges and that the entire course is delivered at a single institution. The average group sizes are low with only two starting with more than 13 learners. The impact of these small groups has been average costs per learner that are significantly higher than for the other three Diploma lines.

- Interview data suggests that the other three Diplomas (Creative and Media, Society, Health and Development and Information and Communication Technology), are split between school and college delivery with a majority offered within a school or sixth form college setting. This year little movement of learners between schools or school and college was identified, with the

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10 The four pathways are GCSEs and A level; Diplomas; the Foundation Learning Tier and Apprenticeships.
The vast majority of them being taught wholly within the host school. Most of those interviewed felt that for these three Diploma lines they were operating at or near an ‘economic group size’.

- The evidence collected shows that many of the consortia interviewed are timetabling the Diploma for 787 hours or more and additionally report providing learners with enrichment and additional tutorial opportunities.

- A minority are delivering it in significantly fewer hours. Those interviewed in this category expressed considerable concerns about their ability to deliver the full course in the time available. In one case the lower number of hours was explained by funding considerations ‘we can only afford…’

- The interview evidence on ASL indicates a split by institutional type. All the schools and sixth form colleges interviewed had an ASL offering to their learners that was drawn from their existing range of Level 2 courses. For C&M and IT this allowed most learners to access ASL in the form of relevant GCSEs and BTEC modules that complemented their PL. In other Diploma lines the relevance was less direct. In colleges the same approach of offering existing courses also prevailed but given their larger range of relevant courses their nature was usually more directly supportive of the PL.

- The interview evidence indicated that most consortia had a policy of using accreditation of prior learning (APL) to meet the ASL requirement and thereby reduce the workload of learners. However in practice its use was limited to a small number of learners. The explanation for this apparent contradiction appeared to be that the relatively poor GCSE grades that this learner cohort brought to the course meant few were eligible. There was no evidence found of APL being used in colleges and the reason put forward for this by one was that the inclusion of SL made the ‘course more coherent and better met the needs of employers’.

- In the interviews with those directly involved in the delivery of courses they were asked about any areas of difficulty they were experiencing. Functional Skills was the aspect identified by all of them as the biggest challenge facing their learners in successfully completing the Diploma. The main reasons given for this result were:
  - Poor prior attainment in English and mathematics.
  - The difficulty of providing additional support to weaker learners given the intensive nature of the course; and, particularly in respect to numeracy.
  - That the Functional Skills were actually more challenging for the learners than the GCSEs particularly in the case of mathematics.

In response to these concerns a number of the course leaders have already increased the time available for Functional Skills while others are looking to an extension of the teaching year.
In most cases Functional skills are being delivered through extra taught classes rather than embedded in PL (for example, refer to case studies 2 and 3). Many course leaders expressed the view that embedding was a preferable approach for the learner but less likely to achieve a pass due to the nature of the tests.

Exploration in the interviews of the entitlement curriculum experienced by learners on the Diploma courses revealed that it can be broken down into three main categories These are:

- **Course content related**, sometimes delivered outside normal school hours e.g. trips, company visits and outside speakers (refer to case study 5 as an example). There is a potential overlap between these activities and what would be expected as part of a Diploma programme.
- **Tutorials** covering personal and social issues, as opposed to an individual’s academic progression which was seen as within the Diploma programme (refer to case study 6 as an example).
- Access to the **general enrichment activities** available in the learner’s institution e.g. sport, clubs and societies etc (refer to case study 7 as an example).

All the schools and sixth form colleges in the sample reported timetabling their Diploma learners so that they could participate in the institution’s general enrichment activities.

The FE colleges involved do not have a common afternoon for these activities. In FE, enrichment is often planned to complement the nature of a specific vocational programme rather than being a free choice of recreational activities. ¹¹

Where there was a general enrichment offer, some interviewees acknowledged that the Diploma’s high contact hours meant that these learners find it more difficult to find the time to access it than those on less intensive 16-19 programmes. No evidence was collected on the extent to which this group of Diploma learners actually access general enrichment activities but interviewees stressed that this would be true for all 16 – 19 learners.

¹¹ Previous LSN research (16-18 Unit Costs, LSN, 2008) found that while colleges and learners found enrichment activities to be valuable, there was a great deal of variation across colleges in the allocation of funding and GLHs to the activities. The study found that there is very little data collected by colleges on enrichment allocations and insufficient evidence to support the estimations of average funding and GLHs assigned to enrichment. Our findings support this in that the consortia and delivery staff were not able to determine if learners are taking up enrichment activities since they do not monitor in this way. Further work with learners directly would need to be completed to test this out.
Those interviewed also stressed that the tutorial support available to these learners generally matches that available to those taking other Key Stage 5 courses. Most quoted the number of hours timetabled for such activities, and indicated that they focused on more general personal and social issues rather than academic progress. It is not clear however how far the tutorial support provided exceeded that which would be expected as part of a Diploma programme.

No-one interviewed reported that Diploma learners were treated differently in relation to the entitlement curriculum because of the nature of the programme that they were following.

The interviews that informed this section were largely with teachers and lecturers delivering these Diplomas. This year the course numbers are relatively low and most involve learners from a single institution. As a result those teaching them seem to have had significant flexibility in timetabling the course. They have found this helpful as they adjust inputs in the light of experience but it did also mean that requests for definitive timetables were met with comments like ‘we have set hours but within them the content has been delivered flexibly’. As a result, detailed comparative data on hours and particularly hours split by Diploma element have not been attainable. The feedback from these teachers gave two clear messages; that the hours allowed by their institution were tight and that the Functional Skills were giving them most concern with the possibility that a significant minority of the learners would not successfully complete the full Diploma as a result.

The research team concluded that as these will be the first Diploma outcomes made public and a significant risk had been identified that success rates might become an issue of concern, it would be advisable to immediately begin to analyse the cohort in terms of entry qualifications and predicted progression routes. They also felt that given the major issues identified, it would be appropriate to continue with the additional funding until they had been resolved. This should allow funding adequacy to be eliminated as the possible reason for learner performance below expected outcomes.

2.3 The Delivery of Additional and Specialist Learning (ASL)

The role of ASL within the structure is to be complementary to the particular Diploma line. For the purpose of this section, the distinction drawn between ASL is its relationship with the Diploma’s core element of PL. Specialist Learning (SL) is defined as studies that directly build on and broaden the PL, whereas Additional Learning (AL) is defined as Key Stage 4 or 5 options that may be
relevant to or broaden the learner’s studies but do not directly build on and broaden the PL.  

Using this definition, the findings indicate that a vast majority of the current pre-16 Diploma learners are being offered only AL drawn from the KS4 options traditionally available at their school. Pre-16 delivery in schools shows some differences in practice between Diploma lines with SL more available in some than others.

For post-16 Diploma learners at both levels there appears to be a college/school division. In FE colleges, most Diploma learners are offered SL courses directly relevant to their Diploma line. In schools and sixth form colleges the offer is drawn from the other post-16 courses the school offers and this limits its relevance.

The current and planned approach to ASL by the vast majority of schools and sixth form colleges surveyed is likely to restrict the development of Diplomas. Despite this projection many of the staff teaching Diplomas recognise the need to broaden the ASL offer but they identify four potential impediments to progress:

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12 The definitions used in this report are provided merely to reflect what is happening in practice. QCA provide a formal definition as follows: Additional and Specialist Learning (ASL) must provide high quality breadth and/or depth of curriculum experience, without duplication of Principal Learning, and be based on a solid evidence-base of progression opportunities for learners who want to progress into immediate employment with training, or full-time further and/or higher education (QCA, http://www.qcda.gov.uk/19352.aspx, accessed July 2009).
1. **Financially**, schools and sixth form colleges recognise the benefits of covering the ASL requirement by infilling Diploma learners on to existing Key Stage 4 and 5 courses rather than developing a free-standing SL course. This tendency to internalise is strengthened by the fact that schools in particular do not have the necessary specialist staff and equipment to deliver SL applicable to most Diploma lines and would therefore have to pay a college or another school to deliver it. Although an intention of the Diploma is to use the strengths of all institutions within the consortium, contracting out SL is seen by many schools as a potential threat to their existing budgets with a consequential detrimental impact on staffing levels and the range of Key Stage 4 GCSEs and non-Diploma vocational courses they can offer.

2. **Organisationally**, the main impediments are timetables and transport. Currently a large majority of the consortia are operating with one common day for Diploma delivery. In general this allows sufficient time to deliver the PL at another institution. To also facilitate the possibility of learner movement for ASL and the project requires at least another half day of the weekly timetable to be common to all partners. Additionally it necessitates more travel for learners and increases the cost of transport and potentially supervision.

3. **Competition.** A sense of competition between schools poses further difficulties for collaboration on the delivery of ASL. An example was cited where, in order to accrue benefits in collaborating on media related ASL, a school would have had to give up its capacity to put on a school production. They would not do this as they perceived it would put them at a fundamental disadvantage in relation to perceptions of parents. In another case, the perception of the poor quality ASL provision in another provider stopped them from collaborating, because of their concerns over achievement of ASL and the impact on league tables.

4. **Cultural** impediments include perceptions of a school’s standing and a wish to maintain control over its own provision. These appear to be strong drivers for maintaining the internalisation of ASL provision. One 14-19 development manager remarked, “if Ofsted made it a condition of achieving a grade 1 inspection that partnership arrangements were in place, we would not have this problem”.

These pressures are seen as producing a strong incentive to keep ASL for all Diploma learners within their host school. While many of those interviewed recognised that their Diploma learners would benefit from the availability of more
SL options designed to directly support their PL, they did not see this as the likely outcome.

When questioned on what they thought would happen to ASL as the percentage of a school’s Key Stage 4 cohort opting for Diplomas increased, most responded that they thought that the pressure to retain ASL would rise rather than reduce. Their reasoning behind this conclusion was that schools, and particularly smaller schools, will see the internalising of ASL as an essential step to protect their net budget, staffing profile and the range of non-Diploma Key Stage 4 options they can sustain.

Many of the changes taking place are significant for schools and colleges and require a big cultural shift in the way they work, particularly in relation to working within a consortium and coming together to utilise the strengths of each partner institution for successful ‘partnership’ delivery.

The research team considered that a possible explanation of these findings was first year inexperience. However a majority indicated that they felt that the pressures to keep ASL teaching within the home institution would grow rather than decline as learner numbers increased. Given the need to increase the SL available to learners this potential impasse needs to be addressed with schools, and colleges to ensure that the perceived impediments are productively addressed.

2.4 Transfer pricing

The original intention was to investigate the extent to which rates had been set and how they were negotiated; then collect data on the transfer prices currently being paid for each Diploma element and analyse them to enable current practice to be represented statistically. Unfortunately, for most of the consortia interviewed the request for such detailed data was premature. Typically in 2008/09 there are relatively few movements of learners between institutions and the price charged for those that are is often the result of ad hoc negotiations rather than a longer term pricing strategy.

A majority of consortia stated that they had arrangements in place to determine transfer prices in all cases; but the paucity of evidence on what rates were actually used tends to undermine confidence in this assertion. The two exemplars below illustrate some of the approaches being adopted.
Exemplar 1 – Little movement of learners this year but planning allocation system based on income per learner.

This consortium is offering a range of Diplomas in 2008/09 with several hundred learners across all three Levels. Their allocation system is fully delegated but the Schools Forum agreed to ‘pay back’ 15% of the DFG towards the cost of the coordinators. The DSG for practical learning opportunities 14-16 is all delegated to schools and is already committed to non-Diploma activities. The £30,000 start up costs per line is split two-thirds to schools and one-third to central costs. The schools contract separately with Education Business Partnership (EBP) to procure work experience places. In 2008/09 there has been little movement of learners between institutions and where it has taken place, its cost has been addressed using ad hoc arrangements.

In preparing for the growth in Diploma lines, learner numbers and learner movements in 2009/10, the Diploma Strategy Group has assessed different approaches to allocating resources. While they have reaffirmed that the DFG should be devolved to institutions they have also agreed that a common system for paying for provision delivered outside the host institution is essential. To meet this they are proposing a system based on ‘fairly sharing income’ rather than ‘charging actual costs’. The income that will be fairly shared is defined as:

- 37.5% of AWPU for a Level 1 or 50% of AWPU for a Level 2 plus 85% of the average DFG. The remaining 15% is retained to cover central costs.

The total pool per learner for Diploma delivery (i.e. for a Level 2, 50% of their AWPU + 85% of the average DFG) is to be divided by the total GLH, 800 for Level 2, to establish an income per GLH.

It is proposed that this figure multiplied by the group size, can be used to establish the income attributable to each element of the Diploma. Annual income for an element is to be: learner income per GLH x number of learners x GLH for the element.

The strength of this approach is it is simple to understand and administer. It appears to be fair as everyone gets the same rate per hour and ensures that the Diploma funding is fully recognised. Unfortunately it also has a number of significant weaknesses:

- It fails to differentiate between the relative costs of Diploma lines or the individual elements within each Diploma. Clearly this lack of discrimination would not matter if one institution delivers the whole Diploma but in other cases it is likely to lead to an unfair allocation.
- The proposal to use income per learner means that the actual income received for a particular element will depend on the group size. This means that smaller than average group sizes will tend to be under funded and larger
groups more generously treated. Given that some of the most expensive Diploma elements are also characterised by low maximum numbers e.g. workshop based courses, institutions delivering these parts could face the double jeopardy of higher delivery costs and lower income.

- The impact on the economics of a school’s traditional Key Stage 4 options is not recognised as a cost of Diploma delivery.
- It is not clear that the 15% of DFG will prove sufficient to meet the central costs of the consortium as the complexity of its administration grows.

Exemplar 2 – The consortium had significant movements of learners in 2008/09 and plans to develop this much further in 2009/10.

The consortium has a tradition of collaborative working that predates the delivery of Diplomas. As a result the movements of funding between partners was already established and carried over to Diplomas in 2008/09. In the light of this year’s experience they recognise that a more developed system that defines and shares the Diploma resources is required. The model's development is being based on the premise that in the longer term the Diplomas must be self-supporting in terms of funding.

Their proposed model takes a two year view of funding and defines the derived funding per Diploma learner as:

\[ 0.4 \times \text{AWPU} \times 2 \text{years} + \text{average DFG} \]

Over the two years this formula produces an estimated income of about £4,650. The model then splits the income across the elements of the Diploma: PL delivery 53%, Central funding 7.5%, ASL delivery 13% and home institution support 16.5%. Ten percent is held back for contingencies.

These broad funding categories are made up of individual costs including staffing costs, examination fees and overheads. These totals will be split in proportion to the actual teaching carried out by an institution e.g. PL could be shared by three institutions each of which would receive a share of the 53% based on the proportion of the element each deliver.

The assumptions underlying these calculations include group sizes (16 for PL and 25 for ASL and Functional Skills), level of overheads applicable and the diseconomies the host institution experiences in respect to its traditional Key Stage 4 options.

This transfer pricing model is complex and well developed. It builds on the trust and experiences already existing in the consortium and clearly defines in considerable detail the assumptions on which the allocations are based. This should facilitate informed debate if differences of view arise.
In these circumstances it will be possible to identify the assumptions and explore the impact of any changes proposed on the funding available for other elements. In general it is a strong model that identifies and addresses all the main issues. As with any model it is only as good as its underlying assumptions and some of them may require more analysis and experience. For example:

- Their defined group sizes of 16 and 25 may prove too inflexible in practice. For instance, modest recruitment or recruitment of numbers not divisible by 25 or 16 or the need to split groups for particular activities could result in some institutions being disadvantaged.
- The model recognises both institutional overheads and the diseconomies of Diploma delivery on the traditional Key Stage 4 option package. Initially both these elements have been set at 10% of assessed income but no analysis appears to have been done to establish whether this level is about right or not.
- The DFG figure used is the average for the consortium which means that those institutions delivering the more expensive Diplomas will lose out.
- The model uses an average cost per teacher hour and that could be seen as favouring the colleges that generally have a lower cost per hour than schools and encouraging the use of lower cost staff on Diplomas.

Development of transfer prices for Diploma delivery pre-16

The importance of developing a more advanced transfer pricing system is that without it the ability of consortia to grow and develop their Diploma provision is inhibited. This year’s experience has led many to recognise that the financial and administrative challenges associated with Diploma delivery can not be met without agreement on both the total funding available and the basis on which it will be shared.

While the majority of consortium (34) indicated overall that they were very satisfied or satisfied with the way the transfer arrangements were working, for many consortia 2008/09 was a trial run involving a small number of Diploma lines and limited movement of learners between partner institutions. This limited experience however has convinced most of those interviewed that the funding mechanisms used would not survive the scaling up necessary over the next two years.
Indeed, many consortia recognise the need to move towards a more sophisticated approach to transfer arrangements. The above diagram illustrates the relationship between the funding mechanisms in use and how transfer processes are dealt with. Of those interviewed, it became clear that many consortia are within stage 1 but are acutely aware of the need to develop through the stages. Many are discussing their options and planning to move directly to the stage 3 scenario where rates are agreed across the consortium for all Diploma elements and pooling funding ensures sustainable delivery.

Costing

Several instances were encountered where members of a consortium were estimating the actual costs of delivering the Diploma, and using this to underpin discussions on the prices they would charge for delivering components of the Diploma. Overheads were considered, which varied depending on the delivery model. In one particularly detailed example of costing Diploma activity, a framework for each of element of the Diploma was assembled that considered:

- Staff Costs;
  - Teaching costs of the practical element.
  - Teaching costs of the theoretical element.
  - Technician support for practical lessons.
  - Group overheads.
  - Group cost items.

- Individual Learner Costs;
  - Training material costs (books / publications for issue to learners, consumables, photocopying).
  - Exam entry fees.
  - Other individual learner costs items.
In one of the consortia, the real costs to the institutions were captured in a spreadsheet for each element of the Diploma (e.g. PL, Functional Skills) where additional considerations were calculated (cost per learner, cost per hour). This information was then used to feed a separate charging spreadsheet which underpinned discussion on the funding of consortium activity. The efforts this consortium went through to develop and implement this model were extensive, and required a comprehensive dissemination strategy and visits to institutions to ensure they understood and could use the model. Benefits over the charging of a flat transfer price were cited in that the real costs of delivering the Diploma were often not understood. After providers in the consortia had undertaken the exercise, unfounded feelings that they were not being adequately funded were sometimes discharged. The negative aspects were the large amounts of time the process took to implement.

The research team recognised that all consortia, even those at the forefront of developments, were struggling to develop robust systems based on an accurate estimate of the total funding available to deliver the Diploma and agreed allocations that fairly reflect each partner’s costs. Given the time and emotional energy being committed by many consortia to resolve these issues national guidance based on previous and current experience and best practice would seem to be worthwhile.

2.5 **Collaboration/ transport**

In 2008/09 the costs of collaboration were high as consortia invested in the start-up and development of their capacity to deliver Diplomas. It did not prove possible however to obtain accurate estimates of consortia’s actual expenditure on collaboration. The costs of collaboration are being met from three main sources:

- One-off funding streams.
- Local authority inputs.
- Contributions from partners.

However, it was also acknowledged by many consortia that individual partners are contributing significantly to the cost in terms of unfunded staff time.

The formalised contributions of partners were found to be very variable with many top slicing between 10% and 30% of the Diploma grant and many using all or most of the £30,000 start-up funding for this purpose. These central funds are being used to cover academic staff training and cover, administrative staff, consortium/14-19 leads and transport. The main concern expressed was in
respect of the sustainability of these sources over the next few years in the face of the need for greater collaboration as the delivery model grew in complexity.

The collaborative arrangements\(^{13}\), in terms of the group structures in place in support of the Diplomas, had varying configurations across the consortia surveyed. In most consortia there was differentiation between operational and decision-making groups. The decision making groups were typically comprised of senior staff (Principals, budget holders, etc.) and various operational groups, formed of practitioners, were in place underneath these. The operational groups, and their inter-relations, often reflected the priorities of the local authority; for instance several consortia had separate Information, Advice and Guidance groups, and another had a Foundation Learning Tier group reporting to the same overarching committee as the Diploma Delivery group.

The survey found that there was relatively little movement of learners in 2008/09. The arrangements for travel tended to be ad hoc with the main categories being normal school/college transport, taxis, school minibuses and learners making their own arrangements.

The most frequent arrangement reported was a mix of arrangements (17 out of the 45 consortia, 38\%). This was followed by learners making their own arrangements (15 out of the 45, 33\%). However it is apparent from the data gathered that the overriding observation is that this year, schools are responsible for meeting the transport costs. Many of the consortia realise that in future transport of Diploma learners will become a big challenge and are planning authority wide strategies to address it.

There was also evidence of innovation in the approach to transport arrangements. In one Consortium the funds made available for a transport coordinator were used to hire an individual with experience across the wider access agenda. Access to learning through virtual environments, and similar developments, were seen as part of the same issue as transport. These consortia did not just focus on the logistics of moving learners. Another consortium had a shared timetable where all local learners, and relevant teachers from schools in the consortium, would travel into the local college. The college then hosted the delivery of all elements of the Diploma apart from ASL, which was the responsibility of the home institution of the learner.

The research team concluded that few consortia had a sustainable approach to funding the central functions required to support their developing 14-19 aspirations including the transport of increasing numbers of learners. Under the

\(^{13}\) Collaborative arrangements refer to the institutional partners coming together as a consortium for Diploma delivery. In addition 14-19 Partnerships involve a range of strategic partners across Local Authority areas. These are distinct from consortia but as we move towards 2013, 14-19 Partnerships will become the significant driver to Diploma delivery in the sense of requiring to plan for 2013 entitlement.
current system the funding for partnership working is included in the amount allocated per learner and is therefore allocated initially to their home institution. This means that the consortia has to then obtain these funds from individual partners to meet the costs of partnership working. The evidence suggests that this collection process is proving difficult and is potentially undermining consortia cohesion. Additionally it was noted that the transport systems necessary to support Diploma development are not yet in place and while much development is planned the task still looks daunting in many areas.
3 Conclusions and Recommendations

A common thread running through the interviews was the upbeat message that the delivery and development of Diplomas is progressing well and that learner progress and feedback is very positive. For the vast majority of those involved in the delivery of Diplomas the challenges identified and explored in this research are recognised but in the context of their desire to improve Diplomas, not concerns about their introduction and future.

As the research was confined to those consortia that are delivering Diplomas this year (from September 2008), those interviewed are by definition at the forefront of developments. However even within this group there were striking differences in progress with some revealing a more secure basis for future development than others. The characteristics of those who appeared to be more advanced can be summarised as follows. They:

- Had experience of partnership working prior to Diploma development and the active involvement of senior managers from the partners.
- Recognised the need to pool funding and either already have, or are developing, an allocation system that covers all Diploma elements and the central costs of partnership working.
- Saw diploma developments across the consortium linked to school specialisms, performance improvement and capital investment programmes.
- Had common time tables extending beyond a single day and thereby allowing elements other than PL to be delivered outside the host institution.

In summary, the key conclusions from the research are outlined below.

Approaches to Funding and Transfer Pricing

- Many of the schools expressed a wish to maintain fully devolved funding. However a majority of those in this category also recognise that effective control of Diploma funding will need to be ceded to their local authority or 14-19 Partnership strategy group in the next few years. They recognised that the funding mechanisms used would not survive the necessary scaling up over the next two years.
- The main determinant of a consortia’s current or planned funding mechanism seems to be its projected level of Diploma activity. The higher the planned future level the more likely it is that the partners are already discussing approaches to pooling Diploma funding. In this context activity is defined in terms of the number of Diploma learners, range of lines offered and particularly the extent to which learners move between partner institutions.
A growing trend towards pooled funding beginning with one off and DFG funding.

A limited number of learner movements were identified pre 16 and none post 16. As a result most of the funding is being retained by the host institutions. However, it is recognised that this is likely to change as expanding Diploma provision will involve shared delivery of at least the PL.

In 2008/09 this limited movement of learners between institutions slowed the development of appropriate transfer pricing systems.

Notwithstanding the low level of learner movements, a large number of consortia recognised that their approaches to funding the delivery provided outside host institutions requires significant further development. This is reflected in the large number of consortia that are in the process of considering more radical proposals for 2009/10.

The main areas of difficulty for those developing detailed transfer pricing systems is defining the percentage of the basic funding for a Key Stage 4 learner that is available to contribute to Diploma delivery and understanding course costing.

Most of the consortia appeared to be involved in exercises to identify the costs of at least some of the elements of Diploma delivery.

In many cases experience this year of limited scale delivery has increased appreciation of the complexity of collaboration and the associated level of administrative overhead that will result if a common system for pooling and allocating funding is not in place. However, a large majority of those interviewed cited practical and cultural factors that they felt would continue to slow progress towards this end. These included defining the total funding available to deliver the Diploma, recognition that its elements have differing delivery costs and that the saving and costs associated with delivery will vary with each institution’s circumstances. The research team concluded that most of the consortia were struggling to develop funding mechanisms that are sufficiently robust to support the rapid development of Diplomas.

Currently these issues are more obvious pre than post 16. In the latter, few learner movements were identified this year and therefore, in most instances all the funding is being retained by the host institution. However this is likely to change as many of the schools interviewed saw Diplomas as a route to expand their post 16 provision and recognised that this would involve shared delivery of at least the PL. The development of appropriate transfer pricing systems was slowed by the limited number of learners moving institution in 2008/09. This was particularly marked post 16 where insignificant movements were found, but even pre 16 there was a high incidence of single institution Diplomas and cases where only a small subset of the partners were participating. As a result most consortia had not developed approaches to transfer pricing and the systems operated by others were not fully tested. Despite this a majority of those interviewed had
appreciated that development was necessary and were in the process of considering proposals for 2009/10.

From the evidence the research team identified the following prerequisites to underpin rapid Diploma development. These are considered as essential to allow the scaling up of Diploma delivery:

- The pooling of the total funding available to the consortia to deliver the Diploma (this to include the basic funding for Key Stage 4 and 5 learners as well as DFG and start up funding).
- Informed recognition within the consortia of the impact of Diploma delivery on each partner’s costs.
- An allocation system that is transparent, fairly reflects each partner’s costs and provides sufficient resources to fund the consortia’s central costs of partnership.

The discussions already taking place in the most active consortia have identified these prerequisites as key issues but most were struggling to resolve them satisfactorily. School partners in particular have limited experience of collaborative delivery and course costing.

Furthermore, it is clear that schools and colleges need to partake in full collaboration across the curriculum rather than just in relation to Diplomas. Unless this is achieved then the goals of offering a wide curriculum whilst being cost effective will be difficult to realise.

**Recommendations**

- **The LSC and DCSF consider making pooling funding the recommended route for consortia.**

- **Publish good practice guidance on pooling funding, developing transfer prices and costing provision to support open and informed debate within consortia on the level of funding available to deliver Diplomas and the identification of the additional costs each partner is incurring.**

- **The LSC and DCSF work together to produce a model which would support consortia to calculate and agree the funding for delivery and central costs taking into account a range of issues, such as the extent of funding available for 14-16 delivery, the costs of 14-16 delivery, the extent of funding to be made available for central/overheads costs and the proportion of AWPU to be ceded in relation to the Diploma. Where possible, this model should take account of the wider curriculum.**
Higher Diploma (Level 2) Delivered in One Year to Post-16 Learners

- Most of the consortia interviewed reported timetabling learners for 787 hours or more and additionally providing them with tutorial and enrichment opportunities.\textsuperscript{14} It was not possible to identify how far these activities were additional to those that would be expected as an integral part of the Diploma programme. Where sporting opportunities were available these were clearly additional but some elements, such as trips and visits could be offered under either category.

- There was a general acknowledgment that delivering the Level 2 in one year was very challenging. This view was most strongly expressed by the few consortia interviewed that had decided to deliver in fewer than 800 GLH.

- The successful achievement of three Functional Skills at Level 2 was universally identified as the most difficult element of the Diploma and the one learners were least likely to succeed. Of the three, mathematics was singled out most often.

- The pre-entry GCSE outcomes for learners enrolled were modest with few joining with more than 2/3 GCSEs at or above grade C and almost none with a C or above in both mathematics and English.

- Most schools and colleges had sought to use accreditation of prior learning to meet all or part of the ASL requirement. Its actual use was very limited because the prior attainments of the learners were insufficient, meaning the weakest learners faced the greatest challenge.

- All the schools and sixth form colleges in the sample timetabled their Diploma learners so that they could participate in the institution’s general enrichment activities. The FE colleges involved did not have a common afternoon for these activities but maintained that their Diploma learners had the same opportunity to access what was available as other 16-19 learners.

- Most institutions also maintained that they provided general tutorial support for their Diploma learners on the same basis as for other full-time 16-19 year olds. It was not clear how far this was in addition to the tutorial support that would be expected as part of the Diploma.

- No evidence was available on the extent to which this group of Diploma learners actually access general enrichment activities but interviewees stressed that this would be true for all 16 – 19 learners. Some stated that the scale of the Diploma programme made it more difficult for their learners to participate in enrichment than others although they maintained that it is available and accessible.

The research team found that nearly all the interviewees teaching Level 2 in one year were concerned that a significant minority of their learners would not

\textsuperscript{14} Note that the Diploma at level 2 is designed to be delivered within 800 GLH. The funding cap however, is set at 787 hours.
successful complete the whole Diploma. They highlighted Functional Skills as the main source for this concern and stressed how difficult it was proving to cover the Diploma curriculum and achieve the three Functional Skills given the cohort’s modest prior attainment, particularly in mathematics and English. Although it proved impossible to obtain detailed data on prior attainment for all learners involved in the case studies, all the staff interviewed confirmed that few if any of their learners achieved mathematics and English at grade C or above and the percentage with one of these was not much greater.

We concluded that there was a serious question over whether this one year Diploma was the right post 16 qualification for those with weak or very weak GCSEs in mathematics and English. This was a view endorsed by a number of those teaching the course this year and has led one consortia proposing to deliver it next year to suggest a minimum entry qualification of C or above for maths and English. This approach looks impractical as most learners with these GCSEs will also have three or more other subjects at grade C or above and would thereby be qualified to enter at Level 3. This incidence of low prior attainment also resulted in few learners using accreditation of prior learning to meet all or part of the ASL requirement. Thus increasing, or at least not reducing, the workload pressures on the weaker learners.

We also found that all the schools and sixth form colleges in the sample said they timetabled their Diploma learners so that they could participate in the institution’s general enrichment activities, as well as have access to tutorials and course content related enrichment. The FE colleges involved did not have a common afternoon for these activities but maintained that their Diploma learners had the same opportunity to access what was available as other 16­19 learners. There was therefore, no evidence that they did not have the same opportunity to access these activities as other 16­19 learners in the same institution. The major unknown is whether the curriculum pressures of this course meant that they were statistically significantly less likely to make use of these opportunities than their peers. This could only be resolved by interviewing a representative sample of learners in each institution and was not within the scope of the research.

It was unclear how far the entitlement offer to Diploma learners went beyond that which would normally be expected as part of the Diploma programme. Where the extra offer involved sport for example it was clear that it was additional, but other activities such as trips and visits could fall under both categories. No member of staff interviewed however reported that Diploma students were treated differently to other students in relation to the entitlement because of the nature of their programme. We conclude that there is potential for double funding in this area but have no clear evidence that it is taking place.

There was a clear consensus that delivering the course required at least 800 GLHs. Those interviewed that are attempting to deliver in fewer hours expressed problems with the time constraint in the strongest terms. We concluded that this
summer’s results, the first for a completed Diploma, could be very mixed. We therefore recommend that a detailed analysis of the outcomes for post-16 learners who have taken the Level 2 Diploma in one year is began as soon as possible to inform future selection of learners and review pedagogy and curriculum design.

There were concerns expressed on the adequacy of funding for this course but to what extent these arose from a detailed comparison of costs and income rather than a ‘knee jerk’ reaction to the operation of the ‘cap’ we were unable to determine. Our second recommendation is that this year’s allocation per learner (including the £274) should be maintained while the other more critical issues identified are addressed so that the adequacy of funding is not used to obscure more important issues facing the one year Diploma.

Recommendations

- **Carry out a detailed analysis of the outcomes for post-16 learners who have taken the Level 2 Diploma in one year, this will include entry requirements, prior achievement and consortium delivery.**

- **Maintain this year’s allocation per learner (including the £274) while the other more critical issues identified are addressed so that the adequacy of funding is not used to obscure more important issues facing the one year Diploma.**

- **Further investigate the relationship between entitlement funding and the tutorial and enrichment activity taking place in institutions, to explore the potential overlap in funding.**

Additional and Specialist Learning (ASL)

- This year most Diploma Learners in schools and sixth form colleges have been offered AL which is of general rather than of specific relevance to their PL. FE colleges by contrast allowed learners to access more SL options. These findings applied to all Diplomas irrespective of level but there were differences between lines.

- There are pressures on schools to keep internal the delivery of ASL, restricting choice to AL selected from existing Key Stage 4 and post 16 options. These pressures are strong and include a wish to maintain their non-Diploma curriculum range, the cost of external delivery and organisational impediments such as timetabling.

The research team found that the overwhelming majority of learners undertaking Diplomas at all levels were taking ASL in their host institution and being offered only existing Key Stage 4 or post 16 options. In colleges, because of the range of
courses they offered, this usually meant that they could take courses that directly supported their PL. In schools and sixth form colleges a similar approach gave learners in Art, Media & Design and IT the same opportunity but for other Diploma lines, the relevance of the ASL was much less direct. This approach is clearly not congruent with the vision for the Diploma and may be explainable in terms of inexperience and low learner numbers.

Our concern, expanded in the text, was that the majority of those interviewed when asked to look forward indicated that they felt that the pressures to keep ASL teaching within the host institution would grow rather than decline as learner numbers increased. If this were to be the medium term outcome, the Diploma would be less attractive to learners and employers. As a result we recommend that consultations be held with schools and colleges to explore how the current pressures to keep internal the delivery of ASL can be reduced.

**Recommendations**

- **Commission work with schools and colleges to explore how the current perceived pressures to internalise ASL to the host institution can be reduced.**

**Collaboration and Transport Costs**

- In 2008/09 the costs of collaboration were high as consortia invested in start-up activities and development of their capacity to deliver Diplomas. These costs are being met from three main sources: one-off funding streams; local authority inputs and contributions from partners. No evidence was found of these contributions from post 16 Diploma funding. It was not possible to determine a standard proportion of delivery costs associated with collaboration.

- Many interviewees expressed concerns about the sustainability of these sources over the next few years. At the same time they saw a need for greater collaboration as the pattern of delivery grows in complexity.

- There was relatively little movement of learners in 2008/09 and the arrangements for travel tended to be ad hoc with the main categories being normal school/college transport, taxis, the use of school minibuses and learners making their own arrangements.

- Many of the consortia realised that in future, transport of Diploma learners would become a big challenge and are planning authority wide strategies to address it. In most cases, these initiatives were confined to per 16 learners.

The research team concluded that few consortia had a sustainable approach to funding the central functions required to support their developing 14-19 aspirations including the transport of increasing numbers of learners. Under the
current system the funding for partnership working is included in the amount allocated per learner and it therefore, goes initially to their home institution. This means that the consortium has to then obtain these funds from individual partners to meet the costs of partnership working. The evidence suggests that this collection process is proving difficult and is potentially undermining consortia cohesion. Additionally it was noted that the transport systems necessary to support Diploma development are not yet in place and while much development is planned the task still looks daunting in many areas.

Recommendations

- That the pattern of expenditure on transport continues to be monitored in order that the need to spend can better be predicted and resourced and that any innovative practices in overcoming transport issues are identified and highlighted.

- That the collaborative element of Diploma funding should be separated and allocated to consortia rather than following the learner to their home institution.
4 Summary of Recommendations

A summary of all recommendations outlined above are listed below.

It is recommended that LSC/YPLA:

- Consider making pooling funding the recommended route for consortia.
- Publish good practice guidance on pooling funding, developing transfer prices and costing provision to support open and informed debate within consortia on the level of funding available to deliver Diplomas and the identification of the additional costs each partner is incurring.
- Work together to produce a model which would support consortia to calculate and agree the funding for delivery and central costs taking into account a range of issues, such as the extent of funding available for 14-16 delivery, the costs of 14-16 delivery, the extent of funding to be made available for central/overheads costs and the proportion of AWPU to be ceded in relation to the Diploma. Where possible, this model should take account of the wider curriculum.
- Carry out a detailed analysis of the outcomes for post-16 learners who have taken the Level 2 Diploma in one year, this will include entry requirements, prior achievement and consortium delivery.
- Maintain this year’s allocation per learner (including the £274) while the other more critical issues identified are addressed so that the adequacy of funding is not used to obscure more important issues facing the one year Diploma.
- Further investigate the relationship between entitlement funding and the tutorial and enrichment activity taking place in institutions to explore the potential overlap in funding.
- Carry out consultations with schools and colleges to explore how the current perceived pressures to keep the delivery of ASL internal can be reduced.
- Continue to monitor the pattern of provision and expenditure on transport in order that the need to spend can better be predicted and resourced and that any innovative practices in overcoming transport issues are identified and highlighted.
- Separate the collaborative element of Diploma funding and allocate directly to consortia rather than it following the learner to their home institution.
Resources


Department for Children Schools and Families (2008), *Guidance to Local Authorities (LAs) and 14-19 Partnerships on Diploma Formula Grant: 2008-09.*
Available at: http://www.dcsf.gov.uk/14-19/documents/Diploma_Grant_allocation_guidance.doc


HEDRA (2009), Diploma Costs and Funding at Key Stage 4 Study. Published by Department for Children, Schools and Families. Available at: http://www.diploma-support.org/system/files/DCSF-RR076_0.pdf

Learning and Skills Council (2009) Funding Policy Website. Available at: http://www.lsc.gov.uk/providers/funding-policy/strategic-overview/


Annex 1: Consortia and Provider Interview Schedules

Diploma Funding Models – Consortia Leads Survey

<table>
<thead>
<tr>
<th>Consortium</th>
<th>Role</th>
<th>Name</th>
<th>Tel</th>
<th>Consortium</th>
<th>Email</th>
<th>Date of interview</th>
<th>Interviewer</th>
<th>Region</th>
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Could you confirm the numbers below and the numbers of participating institutions?

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<thead>
<tr>
<th>Line</th>
<th>Level 1 Pre 16</th>
<th>Post 16</th>
<th>Level 2 Pre 16</th>
<th>Post 16</th>
<th>Level 3 Pre 16</th>
<th>Post 16</th>
<th>FE</th>
<th>School</th>
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Please confirm pupil numbers and indicate the numbers of participating institutions.
Q1 Managing the Diploma Funds

1.1 Which of the DCSF models for managing the diploma grant has been adopted by your local authority?

**Insurance model** - the diploma grant and any school contributions are held and allocated centrally

**Pooling model** - the grant is held centrally but schools also make contributions from their own budgets

**Delegated model** - the diploma grant is delegated to schools

Insurance…….Pooling…….Delegated…….Other…….

1.1.1 If other state how funds are handled .................................................................

1.2 How satisfied are you with the way this model is working (as opposed to the overall level of funds)  

Very satisfied…….Satisfied…….Not satisfied…….Very unsatisfied

1.3 Please give reasons for your answer........................................................................

1.4 How satisfied do you believe partners are with the way this model is working (as opposed to the overall level of funds)  

Very satisfied…….Satisfied…….Not satisfied…….Very unsatisfied

1.5 Please explain e.g. are all types of provider equally satisfied/unsatisfied.

1.6 Do you have plans to change the way that diploma funds are managed in the future  

Yes…..No…….and if so how

1.7 How are you using the extra one-off payment of £267 made this year in respect of level 2 post 16 diplomas?

1.8 In what circumstances do you feel that schools can make savings to help meet the extra costs of the Diplomas .................................................................

1.9 Do you have plans for schools to make financial contributions in the future?

2. Transfer Prices

2.1 Has your consortium/LA determined the rates to be used when pupils attend a partner institution?  

Yes in all cases

Yes in some case

No
**Where rates have been determined please indicate in £/GLH the rates set**

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<tr>
<th>Element</th>
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<th>Eng</th>
<th>Notes</th>
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<td>Overall Rate in £/GLH</td>
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If your consortium/LA has determined rates for the different elements of the diplomas please indicate in the grid below:

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<tr>
<th>Principal Learning&lt;sup&gt;15&lt;/sup&gt;</th>
<th>PL 1</th>
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If the delivery of PL is split between partners indicate how e.g. does one do theory and one practical etc.?

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<sup>15</sup> If the delivery of PL is split between partners indicate how
Evaluation of the Funding Models for Diplomas

2.5 How satisfied is the consortium as a whole with the way these transfer arrangements are working (as opposed to the overall level of funds)  Very satisfied……Satisfied……Not satisfied……Very unsatisfied

2.6 Please give reasons for your answer………………………………………………………………………………

2.7 Does your LA/consortium have plans to change the transfer arrangements in the future and if so how? ……………………………………………………………………………………………………………..

3. What sums are allocated to meeting the overhead costs of delivering the Diploma for the consortium as a whole?
………………………………………………………………………………………………………………..

3.1 Of this total how much will your consortium spend this year on additional transport costs relating to Diploma delivery?
  a) in total ………

  b) per pupil using specially arranged extra transport ……

3.2 Where pupils have to travel to a partner provider do they:
  Make their own arrangements …….. Use normal school/college transport ……..
  Use specially arranged transport……… A mix of the above…………………………

3.3 How well in your view do the arrangements for funding the Diploma meet the costs providers incur? Completely…… Substantially …….. Adequately ……….. Hardly at all ………

3.4 Please give reasons for your answer…………

4 Are there any other comments you would like to make about the funding arrangements for the Diploma programme
……………………………………………………………………………………………………………………..
Diploma Funding Models – Provider In-depth Interviews

Please complete a separate copy of this page for as many programmes as possible. Give priority to level 2 post 16 programmes delivered in one year.

Programme................................................................. Region......................

Institution.........................................................Role..............................................

Name..............................................................Tel...........................................

Consortium.........................................................Email.................................

Date of interview..............................Interviewer.............................................

Please identify lead institution and number of partners for this line/level

<table>
<thead>
<tr>
<th>Line</th>
<th>Level 1 Pre 16</th>
<th>Level 1 Post 16</th>
<th>Level 2 Pre 16</th>
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Please indicate your pupil numbers............. Consortium total.................for this line/level
### Q1. Delivery model

Please summarise the time allocated to the different elements of this diploma programme in annual GLH showing where they are delivered in the grid below.

<table>
<thead>
<tr>
<th>Element</th>
<th>Home</th>
<th>Partner 1</th>
<th>Partner 2</th>
<th>Transfer price</th>
<th>Notes; eg what is delivered in ASL &amp; enrichment; how (if at all) is PL split</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Learning</td>
<td>PL 1</td>
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<td>PL 2</td>
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<td>* If the delivery of PL is split between partners indicate how and why</td>
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<td>Generic Learning</td>
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<td>Other</td>
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Please describe the timetable clarifying any details of the pattern of delivery not clear from notes above eg whether attendance at partners is full day, half day, block etc.

Please describe the arrangements for enrichment activities; what is offered, is participation optional and if so how many participate, do the arrangements for diploma students differ from others etc.

### Q2 Consortium arrangements

2.1 Which of the DCSF models for managing the diploma grant has been adopted by your local authority?

- **Insurance model** - the diploma grant and any school contributions are held and allocated centrally
- **Pooling model** - the grant is held centrally but schools also make contributions from their own budgets
- **Delegated model** - the diploma grant is delegated to schools

Insurance…….Pooling…….Delegated…….Other…….

2.1.1 If other state how funds are handled .................................................................
2.2 How satisfied are you with the way this model is working (as opposed to the overall level of funds)

Very satisfied…… Satisfied…… Not satisfied…… Very unsatisfied

2.3 Please give reasons for your answer………………………………………………………………………..

2.4 How are other funds available for the support of the diploma managed

Held and allocated centrally…….Wholly delegated……..Mixed model ..........

2.5 How are you using the extra one-off payment of £267 made this year in respect of level 2 post 16 diplomas?

2.6 Has your consortium/LA determined the rates to be used when pupils attend a partner institution for all elements … some elements……no elements..........

2.7 How satisfied are you with the way this model is working (as opposed to the overall level of funds) Very satisfied……..Satisfied…… Not satisfied…… Very unsatisfied

2.8 Please give reasons for your answer………………………………………………………………………..

2.9 Does your LA/consortium have plans to change funding arrangements in the future and if so how? ........................................................................................................................................

2.10 Where pupils have to travel to a partner provider do they

Make their own arrangements .... Use normal school/college transport .... Use specially arranged transport........

2.11 How well in your view do the arrangements for funding the Diploma meet the costs you incur

Completely…… Substantially ........ Adequately .......... Hardly at all ............

2.12 How far and in what circumstances do you feel that schools can make savings to help meet the extra costs of the Diplomas .................................................................

3.0 Are there any other comments you would like to make about the funding arrangements for the Diploma programme .................................................................................................................................