



“Funding is a major barrier and is variable across different areas of Scotland. There is an apparent lack of rationale in the resources available to the different groups ..... In training, output based funding is another barrier.”

[SKILL: National Bureau for Students with Disabilities].



“Lack of funding and retrospective funding inhibits expansion and leads to a shortage of suitable places. Adequate funding structures need to be identified to improve physical access to some buildings and to ensure that appropriate equipment is available to meet student needs.”

[Association of Scottish Colleges].

# 10 Improving Provision

## Funding

### The Issue

10.1 The Committee has examined the current funding arrangements for further education and training. There has been an almost unanimous view from our consultation responses that the current funding regime in both sectors does not adequately recognise the diverse and complex needs of young people who have additional support needs, whether those needs arise from disability or educational or social disadvantage. **The issue is how to adapt and develop funding systems which recognise and meet the range of learning and support needs among young people with additional support needs. This is an essential part of promoting and developing a range and continuum of learning opportunities.**

### The Committee's View

10.2 The findings of the FE survey have shown considerable variation in the application of funding for special programmes (group 18) and Extended Learning Support. The Committee has also received a substantial number of representations about the barriers to funding appropriate training for young people with low basic skills, poor educational attainment and social and behavioural problems. Skillseekers funding is primarily geared towards the achievement of vocational qualifications. There are other examples of projects around Scotland which all point to the need to rethink our funding arrangements and provision for the most vulnerable young people as they come to the end of their compulsory education.

10.3 The Committee has examined 3 main areas:

- funding within Skillseekers;
- further education funding;
- the possibility of a national support fund.

### Funding Arrangements within Skillseekers

10.4 The Skillseekers funding regime is an output based system geared towards the achievement of a qualification (SVQ Level II and above). Payments are made on the basis of starts, progress or milestones stages and the final outcome. Skillseekers also funds young people on Special Training Needs (STN) programmes which lead to pre-vocational qualifications or SVQ Level I. Funding for STN training is mainly based on attendance although some LECs have introduced an element of output based funding e.g. for units towards a qualification or to reward achievement of "soft" goals. There have been strong representations from special training providers and others including careers service companies that the system is too inflexible to meet the needs of young people who have additional support needs. A significant number of those who are "endorsed" Skillseekers need support to improve their literacy and numeracy skills and their personal skills e.g. self-confidence, motivation and reliability, before they can pursue a vocational qualification or meet the requirements of an employer. The probability is that some of these young people will also need help with housing, health issues (possibly drug or alcohol problems), social, emotional and behavioural problems. They are also likely to have financial difficulties. While Skillseekers funding is available to young people who have physical or learning disabilities, sensory impairments or mental health problems, in practice this group of young people account for less than 5% of Skillseekers in training. This is another aspect of funding which needs to be considered.

10.5 Our consultation exercises identified a number of other problems arising from the current funding arrangements:

- young people who have a low level of personal and social skills and poor basic skills find it difficult to sustain attendance at a training centre (or employer placement). Voluntary bodies and specialist training providers believe that the funding arrangements should recognise achievement of learning goals based on the "soft" skills e.g. reliability, positive attitude, willingness to learn; and allow for "regression" as well as progression;
- the current funding arrangements include penalties for non-attendance (abatement). This causes financial difficulties for training providers. They argue that young people may need time to sort out housing and health problems and this may reduce attendance. For some young people, the nature and extent of their problems is such that they cannot sustain attendance for 5 days a week, while 2 or 3 days may be manageable;
- there are a number of specialist training providers who offer training in different parts of Scotland. There are no standard national funding agreements between LECs and training providers. This can lead to variations in the quality of training delivered by the same provider in different areas;
- performance monitoring of STN training should place greater emphasis on the "input", the quality of training received. This is on the basis that a supportive training

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environment will contribute significantly to improving the personal skills and attributes of the young person.

10.6 These are important issues both for the training providers and the LECs. The output based funding system introduced in the Skillseekers programme has enhanced the value and effectiveness of the young people's training programme. The enterprise networks will wish to maintain a rigorous and effective funding regime which achieves the best value for money and the best outcomes for the young people. The Committee believes that the personal profile and action planning system set out in Chapter 7 meets those objectives. It offers the basis for a more flexible funding system and, at the same time, sets agreed measurable goals designed to encourage progression. It also ensures that there is regular monitoring and review. In our view, a personal profile and action planning system would promote a more inclusive training programme and encourage a more flexible training market. **We therefore recommend that the enterprise networks work together to develop a more flexible funding mechanism for training which is based on an individual profile and action planning system and is responsive to the needs of learners with additional support needs.**

## Further Education Funding

### GROUP 18 and Extended Learning Support

10.7 Within the recurrent funding methodology used in the FE sector (based on Student Units of Measurements (SUMS)), Group 18 funding is provided for special programmes in colleges e.g. extension courses for students with learning difficulties.

10.8 Colleges may provide specialised and intensive support for students who have difficulties in gaining access to a mainstream curriculum which is suited to their abilities and aspirations. Extended Learning Support (ELS) applies to provision which is sufficiently costly to require additional funding from the Scottish Executive eg technological aids, sign language interpreter. The current funding regime for extended learning support pays money retrospectively (2 years later) to colleges. The money payable to colleges for providing ELS is included in the overall funding for colleges and is not ring-fenced.

10.9 The FE survey indicated that some colleges had rejected applications from at least one student because they would have been unable to offer the appropriate support. This may have arisen because the existing infrastructure (buildings, staffing) was unable to meet the need but it may have been a funding issue. This is a specific area where an Inclusiveness policy would require colleges to review such cases and examine both their approach to young people with support needs and the constraints of their infrastructure.

10.10 The Committee has identified a number of disadvantages in the present method of funding colleges for special courses:

## Improving Provision Funding

- Evidence from the FE survey suggests that there are variations both within the interpretation and the application of Group 18 funding;
- Group 18 and extended learning support funding is at one level i.e. it is not based on the type and level of individual student need. This can be a disincentive to colleges to take on students with a greater level of support need;
- Group 18 funding requires colleges to identify particular programmes as "special programmes". This can lead to students being categorised and discourages more imaginative ways of providing a curriculum and support suited to the individuals;
- The retrospective nature of ELS funding may make colleges reluctant to commit resources to extra staff or other support. There are also implications for planning of provision when the resource may not be allocated to ELS in the subsequent years;
- Colleges cannot claim both extended learning support **and** group 18 funding. However, there may be students who are on special programmes and who require extended learning support e.g. a student on a special programme may require a sign language interpreter.

10.11 The Committee acknowledges that not all colleges will be able to provide the same level of extended learning support. Some will have particular areas of expertise. It may not be cost effective for several colleges within an area to purchase expensive equipment on an individual basis. This is an area where colleges can collaborate to provide a better level and quality of support. This approach would be in the spirit of "Opportunities for Everyone – The Strategic Framework for Scottish Further Education" which encourages local collaboration between colleges.

### Disabled Students Allowance

10.12 The Committee has considered the case for introducing a Disabled Students Allowance (DSA) into non-advanced further education (NAFE). Currently students on a NAFE course do not receive DSA, whereas students on full-time higher education courses do receive DSA. The allocation is based on the estimated cost of the services and equipment as identified by an approved assessment process. Higher education students both in Universities and FE colleges can then use the allowance to purchase a piece of equipment or employ a personal assistant. However, it should be noted that DSA does not help all students who have additional support needs e.g. those with mental health problems and those who require flexibility in the curriculum, smaller teaching groups and special exam arrangements.

10.13 The main characteristics of a DSA model are:

- Learners purchase services and equipment from a personal allocation of funds;

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- a flexible central block of funding;
  - body to develop/operate application and award procedures;
  - eligibility criteria;
  - a mechanism for transferring funds to learners and for purchasing;
  - controls over expenditure;
  - approved assessment procedures.

10.14 A DSA model would target funding directly target at individuals. It would, therefore, satisfy one of the key principles of Inclusiveness. There are other factors, however, which might indicate that a DSA model would not offer the best use of resources within non-advanced further education:

- non-advanced further education lasts for a shorter time compared to higher education;
- young people may not be ready or have the skills to administer an allowance such as DSA;
- support to individuals for the purchase of equipment would need to be supported by the college with regard to the upkeep of the equipment and training on how to use the equipment. The purchase of equipment by individuals would have to be supported by the college offering advice and training on how to use the equipment.

10.15 We are particularly aware of the potential differences in the purpose of the funding. In HE, the purpose of DSA is to assist the student to meet the demands of the course. In NAFE, we are actively promoting the idea that courses should be designed or adapted to meet the needs of the young people. We are inclined to the view that there may be greater benefit to a greater number of young people if the additional funding was made available to colleges. Colleges could then apply for funding on behalf of the young person based on the individual's assessed needs. There would be scope for colleges in an area to work together to apply for funding for specific assistance eg a sign language interpreter, scribe, whose services might be available to a number of young people (whose attendance at college may be only 2 or 3 days a week).

10.16 This is similar to the approach to additional support funding for learners in colleges in England. The Further Education Funding Council for England assesses need and allocates funding within 8 different bandings. Funding is made available for equipment or other kinds of personal support.

10.17 The issue of how to allocate funding most effectively to young people in colleges who require additional support is an important one but difficult to resolve. There may be merit in the introduction of a specific funding mechanism, such as DSA, but further work needs to be done to

agree the most effective approach. The Committee has also given specific consideration to ideas about improving access to equipment earlier in this section. In addition, we have considered the idea of a broader national fund to support all young people with additional support needs. However, this would be a longer-term exercise. Some action needs to be taken in the immediate future to target funding more effectively to the needs of the individual. **We, therefore, recommend that the SFEFC should examine ways to direct funding towards learners with additional support needs, paying particular attention to the model of the Disabled Students Allowance, and develop funding methods which target individual needs.**

### National Support Fund

10.18 At the Consultation Workshops a proposal emerged from a number of the discussions that there should be a new model of funding to assist all the providers of post-school education and training to access funds for additional support needs. The aim was to set criteria for funding which would cover both specialist equipment or personal support e.g. sign language interpreter **and** the kind of support which might be needed by "disaffected" young people e.g. intensive staff time or perhaps a "coach".

10.19 The idea behind this proposal is that education and training providers should be allocated core funding but should also have access to a separate fund or "pot" of money for the additional support. The assessment process would be integral to the arrangements since it would have identified the type and level of learning and support needs. The application for funding would be based on the assessment and the outcome would be an "individualised package of funding".

10.20 This funding model would require:

- a flexible, central block of funding;
- a body to develop/operate application and allocation procedures (possibly by historical core plus in-year adjustment);
- eligibility criteria;
- controls over expenditure;
- approved assessment procedures;

The characteristics of this funding model would be:

- providers apply for funding (real-time for colleges) to central pool;
- and can do so in collaboration with other providers;
- to cover costs of additional services/support;

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- for any students/trainees who need it;
  - as identified by an approved assessment process;
  - based on an estimated cost;
  - and confirmed in an individual action plan.

10.21 This model may be more straightforward to operate in a college setting because colleges already have core funding and access to additional funding through Group 18 or ELS. It may be more difficult to develop within the training sector since providers operate on a contractual basis with the LECs and the funding which reflects the value of the qualification is attached to the young person. To take this model forward the enterprise networks would have to examine the funding structure with a view to identifying core funding, taking full account of the core needs of STN trainees, and what potential additions would be reasonable and appropriate for "individualised packages of funding".

10.22 The views offered to the Committee on the proposal for a national support fund have been based on the idea that the application for funding is more likely to be made by the provider than the individual. There is a link here with the discussion on the merits of a Disabled Students Allowance. There are also links to the proposal for an equipment loan/fund. We believe that the principle behind the idea of a national support fund is worth further consideration. **We, therefore recommend that SFEFC and the enterprise networks should work together to review the ideas discussed in this chapter and examine the feasibility of a national support fund.**

### Summary of Recommendations

The Committee recommends that:

The enterprise networks work together to develop a more flexible funding mechanism for training which is based on an individual profile and action planning system and is responsive to the needs of learners with additional support needs. (Paragraph 10.6)

SFEFC should examine ways to direct funding towards the learners with additional support needs, paying particular attention to the model of the Disabled Students Allowance, and develop funding methods which target individual needs. (Paragraph 10.17)

SFEFC and the enterprise networks should work together to review the ideas discussed in this chapter and examine the feasibility of a national support fund. (Paragraph 10.22)

