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Rt Hon Anne Milton MP

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Caroline Lucas MP

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Dear Anne

21st September

Thank you very much for your email of 7 September, about post-16 funding.

In the answer to the written question from Nic Dakin (number 3811) we indicated that spending on 16 to 19 education was lower than we had estimated. This was due to slightly lower numbers of students in financial years 2014-15 and 2015-16, by £135 million and £132 million respectively. This was also the case in 2016-17 by around £106 million. I do recognise that if these funds had been available for 16 to 19 provision in each of the years, and if they were then allocated to institutions, they could have provided some additional per-student funding beyond the set rates.

Underspends occur because the department must work out indicative 16 to 19 budgets in advance, and it does this by using estimates of student numbers. As you mention, estimates of student numbers can be higher than the actual numbers. This has been the case in recent years resulting in underspends against the annual budget. These underspends, however, have not affected the previously agreed amount of funding allocated for each student. The schools and colleges in your constituency received funding based on the actual students that they recruited.

To make sure that schools and colleges know what funding they will receive and can plan their finances, funding rates per student are set in advance. They cannot then be increased or decreased during the year depending on whether student numbers are lower or higher than expected. In the same way that funding rates per student stay the same if there are fewer students than expected, we maintain rates at the same level even if there are more students than expected. The department has to consider any underspends in the context of its wider finances, as there may actually be over commitments in other budget areas.

I am aware of the recommendations from the Sixth Form College Association and I do recognise that finances in colleges and school sixth forms are difficult, and that the base funding rate has not changed for some time. We are working to make sure that every young person should have access to an excellent education, and the Secretary of State continues to keep this and all aspects of the department's funding under consideration.

We have treated pre-16 schooling as a priority in recent years in terms of funding as pre-16 education is critical to the success of students post-16. However, at post-16 there is enough funding to deliver established study programmes including 3 A levels, plus additional hours on other subjects such as English or maths. Students on large study programmes such as those containing 4 or 5 A levels already receive additional funding through the large programme uplift, and there is over £500 million of funding to provide extra support to disadvantaged students.

We have shown our commitment to developing and improving the offer across post-16 education and funding it sustainably. We have increased funding available for T-levels and we are already seeing the benefits of the Apprenticeship Levy. Our Higher Education student finance system is fair and sustainable - disadvantaged young people were 43 per cent more likely to go to university in 2016 than in 2009. As we implement our current reforms and develop plans for the future, funding will remain a key focus.

I hope you are assured that our investment in post-16 education supports students and employers, and that the funding system functions effectively for schools and colleges.

A handwritten signature in blue ink, appearing to read 'Post 16'.A handwritten signature in blue ink, appearing to read 'Anne Milton'.

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