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## Industry body backs colleges' call for freedom

By Joseph Lee

AN ENGINEERING industry body has backed college calls for more flexibility, saying they are better placed than the Government to meet employer needs.

The New Engineering Foundation (NEF), an industry-backed charity that supports vocational education in science and engineering, said the needs of employers were overlooked in an overly centralised system.

Saad Medhat, the foundation's chief executive, said: "At the moment, the result of all the pressure on colleges from above is that the Government, rather than communities, has been the customer.

"Colleges deserve the freedom to become more responsive to business, not by being pressured from Whitehall but by being given the elbow room they need to build their own relationships and do it their way," Professor Medhat said.

The foundation recommended cutting the number of people overseeing further education to ensure a greater proportion of funding reached the front line.

It called for age bands in apprenticeships to be abolished so that funds can be spent on whoever the greatest demand for training.

Providers are being urged to recruit 16- to 18-year-olds, where recruitment has been below target this year, instead of the over-25s, where demand is high.

The foundation also called for a simple funding system which would reward colleges for working with local businesses.

The recommendations echo colleges' own calls for greater freedom. A draft "manifesto for colleges" earlier this year from the Association of Colleges said: "It is important, as major corporations, that colleges should be free to operate, where appropriate, as businesses."



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## Funding gap with schools is up to 20%, says report

Much school-based sixth form provision is uneconomical and duplicates effort, association argues

By Alan Thomson

THE TRUE funding gap between colleges and schools is up to twice the size of previous estimates, according to a new report.

Colleges have up to a fifth less money to educate 16- to 18-year-olds than schools receive, according to a finance paper to be presented at next week's Sixth Form Colleges' Forum (SFCF) conference, jointly hosted by the Association of Colleges (AoC), in Cambridge.

For the typical sixth form college this equates to about £1 million a year less than it would receive if it were a school, the paper says.

Although the forum's report relates specifically to sixth form colleges, both the forum and the AoC say the funding gap applies equally to general further education colleges, which educate more 16- to 18-year-olds than sixth form

colleges and schools put together.

The paper says: "Given the undisputed quality of sixth form colleges, this is neither fair, equitable, nor in young people's interests. We believe it is the duty of government and the funding agencies, both current and planned, to address this issue urgently."

David Igoe, executive chairman of the forum, said: "Despite articulating this problem for many years, we appear not to have had much, if any, progress. We are not saying we want the same funding as schools, since we are more cost effective, but

there should be some move towards the middle."

The AoC said that colleges, including sixth form institutions, educate about six times more 16- to 18-year-olds than schools.

Julian Gravart, the association's director of funding and development, said: "Despite this, schools clearly have far more money, and many use this to keep class sizes small. But there are plenty of school sixth forms with fewer than 150 pupils. So this funding is subsidising uneconomic provision and duplication on an absurd scale."

Eddie Playfair, principal of Newham Sixth Form College (NewVIC) in east London, said: "It is galling that a student who has chosen to study in a sixth form college should attract 20 per cent less funding than one who is on exactly the same programme in a school sixth form – and may well be

studying in uneconomic groups."

Ruth Kelly, the former education secretary, told principals in 2005 that the intention was to cut the funding gap from 13 per cent to 5 per cent by 2008. According to the official method of calculating the gap, it is around 6 per cent today. However, a report for the Learning and Skills Council last year by KPMG, consultants, put the gap at up to 10 per cent, after factoring in the money given to schools – but not colleges – for teachers' pay. Ms Kelly's target failed to take this differential into account.

The SFCF finance paper has included further costs incurred by colleges but not schools, such as interest repayments on capital loans, to arrive at what it calls the "true" funding gap of around 20 per cent. [A rounder education, page 4](#)  
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