



Department  
for Business  
Innovation & Skills

**BIS PERFORMANCE INDICATORS**

Average funding per course in  
BIS-funded adult further  
education

JULY 2014

# Average funding per course in BIS-funded adult further education

## Why is this indicator important?

Over the period of this Spending Review, up to 2014-15, the Further Education resource budget will be reduced by 25%. Dealing with this reduction will be a challenge and individuals, training organisations and colleges will have to adapt to change. Nevertheless, this challenge has stimulated fresh thinking about priorities and how we finance them.

Savings will be made by making the Further Education system more efficient. This will include: policy changes; unit cost reductions; reforming the statutory entitlements to fully subsidised training; rebalancing the investment from public spending towards greater contributions from individuals and employers who benefit most and can afford to pay. This indicator will assist in providing an assessment of whether these efficiencies are being delivered.

## How are we performing?

**Table 1: Average funding per course in BIS funded adult further education, 2003/04 – 2012/13, England**

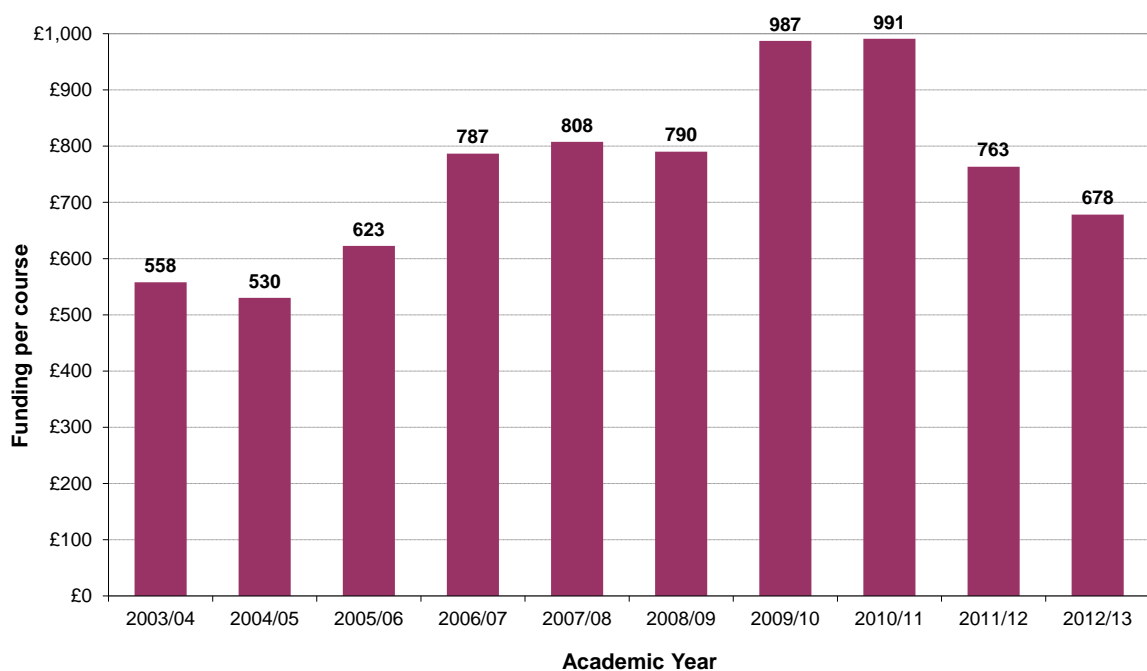
Year	Total funding £m	Total Learning Aims	Average funding per course £
2003/04	3,893	6,977,600	558
2004/05	4,009	7,562,400	530
2005/06	4,093	6,573,400	623
2006/07	4,026	5,118,200	787
2007/08	4,252	5,264,800	808
2008/09	4,617	5,842,900	790
2009/10	5,143	5,209,200	987
2010/11	4,622	4,663,900	991
2011/12	3,839	5,028,700	763 <sup>1</sup>
2012/13	3,681	5,427,100	678

*Sources:* Funding figures are obtained via BIS finance systems and are on a financial year basis. Learning aims are recorded on an academic year basis via the Individualised Learner Record (ILR).

<sup>1</sup> 2011/12 average funding per course previously shown as £953 due to an incorrect total learning aims figure of 4,028,700 being recorded.

Table 1 and Chart 1 show how the average funding per learning aim has fluctuated in recent years. A period of increasing levels of overall funding peaked at £5.14 billion in 2009/10 but has steadily fallen in the three subsequent years to £3.68 billion in 2012/13. Over the same three years the total number of aims studied has remained at around 5 million, resulting in a reduction in the average funding per course. The estimated unit cost has fallen in the last few years from a peak of £991 per learning aim in 2010/11 to £678 in 2012/13. This is the lowest unit cost since 2005/06.

**Chart 1: Average funding per course in BIS funded adult further education, 2003/04 – 2012/13, England**



Source: Individualised Learner Record

## What will influence this indicator?

Changes in the indicator will depend on the type and mix of provision. For example an increasing average funding per course could result if learners attend longer, more costly courses which better reflect the demand for skills in certain sectors. It should not be assumed that any increase in average funding per aim in itself is a poor outcome.

In order to obtain a clearer picture, a breakdown of participation by level of learning is provided in the indicator relating to the number of government-funded learners participating in Further Education.

## What is BIS's role?

BIS provides funding, through the Skills Funding Agency and the National Apprenticeship Service, for learners in further education and sets the policy framework for the further education system.

## Indicator definition

The average funding per learning aim for all learning aims funded by BIS undertaken by adults (aged 19 or over) in the adult further education system, taken across the full range of government-funded provision within the sector, within an academic year.

A learning aim is a single course or qualification. This is different from the number of learners in further education as an individual could study more than one learning aim within an academic year.

A learner's age is calculated as at 31st August in the relevant academic year: for example, for the 2012/13 academic year, age is calculated as at the 31st August 2012.

Expenditure on adult participation is measured through BIS finance systems and is on a financial year basis.

## Further information

Information on learning aims is published in the supplementary tables that accompany the [Further Education & Skills Statistical First Release](#)<sup>2</sup>.

## Related indicators

[Number of government-funded learners participating in Further Education](#)<sup>3</sup>

[International comparison of the qualification levels of the working age population in the UK](#)<sup>4</sup>

[Total achievements in full Level 2 or 3 Further Education of people academic age 19 years and over](#)<sup>5</sup>

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<sup>2</sup><https://www.gov.uk/government/publications/learner-participation-outcomes-and-level-of-highest-qualification-held>

<sup>3</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/288789/Number\\_of\\_government-funded\\_learners\\_participating\\_in\\_Further\\_Education\\_December\\_2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/288789/Number_of_government-funded_learners_participating_in_Further_Education_December_2013.pdf)

<sup>4</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/255927/international-oecd-comparison-of-qualification-levels-of-working-age-population.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255927/international-oecd-comparison-of-qualification-levels-of-working-age-population.pdf)

<sup>5</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/288794/Total\\_achievements\\_in\\_full\\_Level\\_2\\_or\\_3\\_Further\\_Education\\_of\\_people\\_academic\\_age\\_19\\_years\\_and\\_over\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/288794/Total_achievements_in_full_Level_2_or_3_Further_Education_of_people_academic_age_19_years_and_over_FINAL.pdf)

## Status

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