



Young People's  
Learning Agency

# 16–19 Funding Statement

Of interest to local authorities, schools, Academies, colleges and other providers

**December 2010**

For information

**Further information**

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**For information**

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# Foreword – from Les Walton Chair of the Young People's Learning Agency

This statement outlines the levels of funding and funding policies to be applied in 2011/12. The YPLA Board has discussed and agreed the principles which underpin this statement and these are to:

- support the drive to full participation;
- rebalance funding towards disadvantaged learners and those needing additional support;
- protect funding for learners with learning difficulties and/or disabilities; and
- make funding fairer between providers.

Whilst it is important to work to these principles, we must, like every other sector, also work within the budget set out in the Spending Review. Therefore in this statement, we are setting out plans that respond to a spending settlement for 16-19 education and training which is inevitably limited by current fiscal constraints.

We believe all young people should have the opportunity to continue their education after the age of 16. Ministers have indicated to us that they fully support this goal and have therefore made available an increase in funding between 2010-11 and 2011-12 to support an increased number of young people in education and training. But there will still need to be a real terms reduction in the funding per learner. We recognise the challenge this presents to all providers of 16-19 education and training.

We know that our partners in schools, Academies, colleges and other providers share our desire to put young people at the centre of their thinking and are committed to providing a varied and relevant curriculum as far as resources allow. We also recognise that if all young people are to be engaged in education or training we should in particular consider young people of greatest need. Therefore, in this statement we

have redirected investment towards provision for disadvantaged young people to help narrow the gap in educational performance; and we have maintained the budget for specialist provision for learners with learning difficulties and/or disabilities aged 16-24.

The YPLA fully supports the intention to end the historical disparity in funding for 16-19 year olds between schools and colleges. However, convergence of funding must be carefully managed over the Spending Review period with appropriate transitional protection to smooth the implementation.

The plans in this statement will be implemented using the existing funding methodology for 2011/12. This is intended to provide an element of stability in a statement that brings some significant changes and to give more time to consult with our partners about the future. We want to ensure that changes intended to simplify funding arrangements in future are made with our partners' agreement.

It is vital, in these challenging times, that we continue to work in partnership with each other; local authorities, schools, Academies, colleges, independent providers, employers and community organisations, drawing upon our shared expertise and experience. Our focus on partnerships will optimise the opportunities for young people and help us to address issues such as equitable and transparent funding in a period of limited funds.

**Les Walton OBE**

# Education and Training for Young People

1 The funding for young people's education and training over the period of this Spending Review<sup>1</sup> makes it possible to support delivery of full participation for 16 and 17 year olds by 2015. In 2011/12 we expect 98% of 16 year olds and 96% of 17 year olds to be in education or training. The overall rate of participation for 16-18 year olds, including those in higher education, is 87% – an increase of 7 percentage points in the last two years.

2 On average, over the Spending Review period, 1.64 million young people per annum aged 16 to 19 and up to 25 if they have a learning difficulty and/or disability (LDD), will have a place in Academy and school sixth forms, colleges and other providers, including in Apprenticeships. Supporting full participation during a period where the total population of 16-18 year olds is falling by over 90,000 means that we expect 62,000 additional places in learning by 2014/15 compared to the number funded in 2010/11.

3 In 2011-12 the total budget for education and training places is £7.6 billion. This includes around £800 million for Apprenticeships and £310 million for young people with LDD. This is a 1.5% cash increase over planned 2010-11 budgets. It will support record numbers of young people and the highest participation rates ever.

4 Despite this cash increase in a very tight fiscal position, greater efficiency will be required to make the most of the budget and make sure every young person is able to participate in education and training, whatever their background or experience. This requires tough decisions to be made.

5 These decisions include policy changes to make savings so that the proportion of funds directed at young people facing disadvantage and deprivation can be increased; unit cost reductions can be secured where a planned increase in growth in participation can be used to generate greater efficiency savings; and convergence in funding can be implemented between schools and colleges for like-for-like education to meet the Coalition Government's commitment to equalise funding<sup>2</sup>.

6 Core education programmes offered by schools, colleges and other providers are being protected. These cover a great range of diverse qualifications including A Levels, vocational qualifications, Foundation Learning and Apprenticeships. £150 million from savings, made by refocusing funding which supported additional provision introduced as part of Curriculum 2000, will now be redirected in 2011/12 to support disadvantaged young people. This increases the funding in the national funding formula which addresses deprivation<sup>3</sup> from £561 million in 2010/11 to around £770 million in 2011/12.

7 As schools and colleges need time to plan ahead and be confident that they will receive their allocations by the end of March 2011, these changes will be made within the existing funding formula for this allocation round.

8 A consultation in 2011 on the funding formula will look at how the formula can better support the Coalition Government's aims of transparency and fairness, and, in particular, how targeted support for young people can be aligned with the Pupil Premium and the National Scholarships Programme in Higher Education. The review of the funding formula will also take account of the recommendations from Professor Alison Wolf's review of vocational qualifications<sup>4</sup>.

9 The commitment to equalise funding between schools and colleges is made with an equal commitment to manage the convergence carefully. As a number of schools and colleges have yet to converge to the existing national rates, the existing arrangements for transitional protection are being replaced with a single scheme which will cover the impact of all changes to 16-19 funding. This means that in 2011-12, we expect the reduction in the average funding per learner to be no more than 3%. The current funding rates for learners with LDD will be maintained.

10 Financial support for young people will also be targeted at those most in need. The Department for Education (DfE) will announce details of the learner support to be made available from 2011-12 shortly.

<sup>1</sup> 2011-12 to 2014-15

<sup>2</sup> Set out in the Department for Education (DfE) White Paper *The Importance of Teaching* (November 2010)

<sup>3</sup> Provider Factor disadvantage uplift and Additional Learning Support

<sup>4</sup> Commissioned by the Department for Education (DfE). Professor Alison Wolf's review looks at the organisation of vocational education and its responsiveness to a changing labour market. It will report in spring 2011.

# Budget and Forecast Learner Numbers

## Budget

| (£ millions)  | 2009-10<br>Actual<br>spend <sup>1</sup> | 2010-11<br>Planned<br>spend <sup>2</sup> | 2011-12<br>Planned<br>spend | %change<br>09-10 to<br>11-12 | %change<br>10-11 to<br>11-12 |
|---|---|--|-----------------------------|------------------------------|------------------------------|
| <b>Total Teaching and Learning<sup>3</sup></b>  | <b>7,055</b>                            | <b>7,503</b>                             | <b>7,612</b>                | <b>7.9</b>                   | <b>1.5</b>                   |
| Of which:<br>Further Education  | 3,794                                   | 4,001                                    | 4,076                       | 7.4                          | 1.9                          |
| School Sixth Forms (incl. Academies & Special<br>Educational Needs (SEN)/Special Schools post-16) | 2,289 <sup>4</sup>                      | 2,414                                    | 2,426                       | 6.0                          | 0.4                          |
| Apprenticeships <sup>5</sup>  | 688                                     | 780                                      | 799                         | 16.1                         | 2.4                          |
| Specialist provision for learners with LDD 16-24  | 234                                     | 255                                      | 258                         | 10.3                         | 1.2                          |
| FE provision for learners with LDD 19-24  | 50 <sup>6</sup>                         | 53                                       | 53 <sup>7</sup>             | 6                            | 0                            |

<sup>1</sup> LSC Annual Report and Accounts 2009-10

<sup>2</sup> Adjusted figures from LSC 16-19 Statement of Priorities and Investment Strategy 2010-11, January 2010. Includes adjustments for efficiency saving and outcomes from the allocation process. The Department for Business, Innovation and Skills (BIS)/DCSF transfer for 19-25 year old LLDD of £53m is also included

<sup>3</sup> Excludes funding for young offender education. The Ministry of Justice will fund young offender education in 2011-12, based on the bed price model, and is determining the best mechanism for delivering this funding

<sup>4</sup> Includes £88m of funding for Academy sixth forms not routed through the then LSC

<sup>5</sup> Funding for Apprenticeships passes from the DfE to the Skills Funding Agency and is not part of the YPLA 2011-12 budget

<sup>6</sup> This budget was not separately identified until 2010-11 and this is an estimate

<sup>7</sup> Subject to final agreement between the DfE and the BIS.

### Forecast Numbers of Young People Learning in England

| (Thousands)  | 2009/10<br>estimated <sup>8</sup> | 2010/11<br>estimated <sup>9</sup> | 2011/12<br>estimated | % change<br>09/10-11/12 | % change<br>10/11-11/12 |
|--|-----------------------------------|-----------------------------------|----------------------|-------------------------|-------------------------|
| <b>Total participation:</b>  | <b>1,544</b>                      | <b>1,595</b>                      | <b>1,618</b>         | <b>4.8</b>              | <b>1.4</b>              |
| Of which:<br>Further Education   | 912                               | 920                               | 926                  | 1.5                     | 0.7                     |
| School Sixth Forms (incl. Academies & SEN/<br>Special Schools post-16) | 433                               | 449                               | 454                  | 4.8                     | 1.1                     |
| Apprenticeships  | 191                               | 218                               | 230                  | 20.4                    | 5.5                     |
| Specialist provision for learners with LDD 16-24                       | 4                                 | 4                                 | 4                    | 0                       | 0                       |
| FE provision for learners with LDD 19-24                               | 4                                 | 4                                 | 4                    | 0                       | 0                       |

<sup>8</sup> YPLA participation model, November 2010

<sup>9</sup> YPLA participation model, November 2010.

# How is the Policy and Funding for Young People Changing?

11 Both the Spending Review and the White Paper *The Importance of Teaching* (November 2010) made it clear that changes to the unit of funding will be required for reasons of fairness and efficiency. This includes the convergence of the funding for schools and colleges by 2015. The Coalition Government has also made it clear that the changes to funding must be carefully managed over the period of the Spending Review. To achieve these multiple aims a number of actions are taking place in 2011-12.

**Making changes to the funding so that it can be used to better meet the needs of young people, especially by increasing the proportion of funding in the national funding formula which addresses deprivation. This is the first step toward a more transparent approach to reflecting deprivation in 16-19 funding in the longer term:**

- Increasing by £150 million in 2011/12 the funds paid for young people that live in the most disadvantaged areas<sup>1</sup> of England and those who are disadvantaged by other circumstances. Funds will be redirected using the disadvantage uplift and the Additional Learning Support elements of the funding formula.
- Passing on these funds without ring-fencing, so schools and colleges have the freedom to employ the strategies they know will support their students to increase their attainment.
- For 2012 onwards, the review of the funding formula will recommend how a 'young person's premium' might operate in order to support attainment by the most disadvantaged students.

<sup>1</sup> identified as being in the lowest 27% of the ratings of the Index of Multiple Deprivation 2007

**From the 2011/12 academic year the Coalition Government's commitment to ending the disparity in funding for 16-19 year olds will be met by:**

- Funding all providers at one national rate, protecting the change so that resources are reduced gradually over the period of the Spending Review.
- Staging the removal of the Teachers' Pay Grant (post-16) paid to local authorities to cover pay progression and other pay benefits in schools that are not paid separately to other providers.
- Removing the additional payments to schools for teachers' pensions not made to other post-16 providers.
- Reducing the national funding rate for Apprenticeships funded by the DfE by 2% per year to reflect the better efficiency of the sector in delivering Apprenticeships to employers and the growth in planned numbers and budget.

**From the 2011/12 academic year onwards the main programmes of learning undertaken by 16-19 year olds such as A levels, Foundation Learning and Apprenticeships will be protected by:**

- Reducing funded guided learning hours (glh)<sup>2</sup> for the Curriculum 2000 'entitlement curriculum' for all full-time learners from 114glh to 30glh and removing the requirement to deliver specific activities through enrichment funding so that providers can continue - as far as resources allow - with those activities that learners value most and that contribute to improved retention, attainment, achievement of qualifications and successful progression.
- £150m of the savings from the reduced glh will be redirected to increase targeted funding for disadvantaged students.
- Making sure the expected increase in the number of 16-19 Apprenticeships is achieved by working with the National Apprenticeship Service (NAS) and the sector on achieving further efficiencies in managing delivery costs and removal of unnecessary bureaucracy from the Apprenticeship system.
- Encouraging and working with the sector in developing the right opportunities to support young people to progress into Advanced-level and Higher-level Apprenticeships and to maintain the focus on increasing the numbers of young people who start Apprenticeships in 2011.
- Avoiding detailed technical changes to the methodology for 2011/12 and providing transparent information to all providers on the impact to their allocation of the policy changes in this document.

<sup>2</sup> Guided Learning Hours are defined as all times when a member of staff is present to give specific guidance towards the learning aim being studied on a programme. Guided Learning Hours include lectures, tutorials and supervised study.

**Help schools, colleges and other providers, which have a track record of delivering quality education and training to manage the impact of funding changes by:**

- Implementing the changes in 2011/12, but providing transitional protection to smooth the implementation year on year, so enabling schools, colleges and other providers to plan effectively.
- Limiting the reduction in the average funding per learner in 2011/12 to a maximum of 3% per young person in learning.

## Impact on Learners

12 Funding will continue to support a full programme of study for learners (for example of up to 4 A/AS levels or their equivalent), including tutorials and other activities that provide some breadth or stretch. The reduction in funded g/h may, of course, be offset by individual schools and colleges from efficiencies they are able to make as they focus on their own priorities for their students.

13 £150 million of the savings made will be redirected to schools, colleges and providers as a result of the post-16 disadvantage funding changes, which will not be ring-fenced. Schools and colleges will have the freedom to employ the strategies that they know will support their students to increase their attainment.

## Impact on the Sector and Transitional Protection

14 By the end of the Spending Review period, funding rates for all schools, Academies, sixth form colleges and general further education colleges will be equivalent. Although the funding rates for schools and colleges have risen significantly over the last decade, it is still the case that the implementation of equal funding alongside other policy changes will need to be carefully managed. This will be done through the use of transitional protection.

15 Transitional protection will moderate the impact of the reductions over the period. To ensure providers can manage these cost reductions, we will ensure no individual provider loses more than 3 per cent of their funding per learner in 2011/12, compared to the funding per learner they were allocated in 2010/11. The maximum level of reduction may in fact be lower than this at between 2% and 3%. It will depend in part on the final estimates of recruitment – before confirming unit costs. The YPLA will confirm the exact amounts for transitional protection and unit of funding early in 2011. Transitional protection will apply over the Spending Review period.

16 The differential impact across the sectors results from the drive to reduce the funding gap between schools and colleges, the different range of courses on offer and the variable focus on the most disadvantaged students. Overall 16-19 funding for full-time students is reduced and an allowance made for cost pressures relating to part-time students. It is expected that part-time programmes will grow in size as Foundation Learning is implemented and also that there will be a continued shift from part-time to full-time programmes.

# Annex 1:

## Main Allocations – Technical Details and Timetable

### New Statutory Guidance

1 Statutory Guidance: Funding Arrangements for 16-19 Education and Training, has been prepared by the YPLA under the ASCL Act 2009 to describe how a simplified allocations and funding system for 16-19 education and training will be put into practice. It sets out the leadership role of local authorities, including their key statutory duty to secure suitable education and training for young people; and the role of autonomous schools, colleges and other providers of education and training working in partnership with each other and with local authorities to meet the needs of all young people.

2 It describes the system for the funding of education and training for young people in England for the academic year 2011/12.

### Allocations Timeline

3 The timeline for allocations for the 2011/12 year is as follows:

|                     |  |
|---------------------|--|
| December – February | <p>The YPLA uses data alongside information provided by local authorities to calculate provisional provider allocations. The first step will be an allocation of learner numbers and the final funding rate will be set later in the process.</p> <p>The YPLA exchanges information with providers. Local authorities receive information on provisional allocations to providers.</p> |
| March               | The YPLA confirms the final funding rate and final allocations to providers.   |
| May – August        | The YPLA issues funding agreements/contracts to organisations either directly or through the lead contact, which are required to be signed and returned by the funded organisation.  |
| August              | Payment commences for the academic year through the lead contact organisation where applicable.  |

## Application of the National Funding Formula

4 The YPLA's demand-led funding methodology recognises the costs of effectively delivered programmes. It gives an incentive to providers to enrol learners onto an appropriate learning programme and to support them to achieve. The additional costs of recruiting disadvantaged learners and supporting learners with low attainment in maths and English are also recognised by the formula. As in 2010/11, the YPLA is minimising the number of changes being made to the formula.

5 Providers will want to be aware of the following points about the way the formula will be applied for 2011/12:

- The level of funding in 2011/12 will be determined through lagged learner number funding based on the number of learners evidenced by providers' own data submitted in autumn 2010. For further education and private providers, this will be extrapolated to a full year estimate using historic data.
- The Index of Multiple Deprivation used in calculating allocations will be updated from the 2004 version to the 2007 release.
- The qualification success rate used for schools, colleges and other providers delivering learner responsive provision will be the 2008/09 success rate.
- Any provider that has previously delivered mostly Entry to Employment (E2E) provision will continue to be funded using a qualification success rate of 76%.
- All other data has been updated to the most recent available full year.

## Managing Programme Size

6 Allocations are based on lagged learner numbers and programme size. For allocations purposes, programme size is based on the average number of Standard Learner Numbers (each SLN representing 450glh) per learner; the SLN/Learner ratio. Over the past three years this ratio has been managed to control unit costs and ensure growth in programme size was in line with government policies. For 2011/12 we will continue to use the SLN/Learner ratio in allocations but will refresh how it is used. For 2011/12 we will:

- update the ratio using the latest available data; that is from the 2009/10 academic year;
- reduce the 2009/10 ratio to reflect the savings made by reducing the hours for the entitlement curriculum to 30 glh and the resulting reduction in the maximum programme size, to around 700 glh per learner for 2011/12 allocations; and

- in order to help address the significant variation that currently exists in the amount of learning funded per learner within similar institutions, where a provider would otherwise have one of the largest programmes for their provider type (i.e. in the top 20%), their programme size will be reduced half way to the 80th percentile. This will only affect a minority of providers and a roughly equal number will benefit.

## Additional Learning Support

7 ALS funds additional support for learners to participate and achieve their learning aims and to progress to further learning and employment. For school sixth forms the allocation is based entirely on the formula; for colleges and all other providers 60% is based on the formula and the remaining 40% on historical spend. The formula recognises prior attainment in maths and English using the GCSE points scores of the previous year's cohort. This provides funds to close the attainment gap for these learners.

8 However, we recognise that not all of the support necessary is determined by prior attainment; and for further education providers we will allocate the remaining 40 per cent based on the amount providers were allocated for 2010/11. This will reduce turbulence and enable providers to offer at least the same level of support as in previous years.

9 The Coalition Government plans to consult on reforms to funding of provision for learners with LDD and SEN in 2011. In preparation for any resulting changes, learners with ALS needs over £5,500 will be shown separately on allocations statements.

## Single Point of Contact for Funding

10 Funding will be delivered so that each provider receives their calculated allocation from a single source:

- Funding for maintained schools with sixth forms flows from the YPLA through local authorities.
- Funding for Academies, sixth form colleges and independent providers (in cases where YPLA is the main funder) passes directly to the provider from the YPLA.
- Funding for general further education colleges and for other independent providers flows from the YPLA through the Skills Funding Agency – subject to the respective legal powers and duties of the Chief Executive of Skills Funding and the YPLA.
- For Apprenticeships, funding for all ages comes through the Skills Funding Agency.

## Contracting

11 We are proposing the following funding agreement model in instances where providers deliver across more than one region:

- In most cases, where the YPLA is the lead contact (with the possible exception of contracts for provision for young offenders) we will ensure the issue of a single funding agreement to each provider covering all their provision across England.
- Allocations for business and third sector providers that deliver across more than one region will be made regionally and there will be a schedule for each delivery region.
- In the few cases where a college delivers across more than one region, a single allocation will usually be given.
- All providers including colleges that deliver across more than one local authority would be under an obligation to deliver their learner places broadly in line with their current delivery pattern for each local authority. Where the provider wishes to adjust the balance between local authorities significantly then the provider will be obliged to inform and discuss this with each local authority affected.

12 Further detail on contracting arrangements will be made available via the YPLA website.

## In-year and End-year Adjustments to Allocations

13 Grant funded providers must, as a condition of funding operate within a regulatory framework that imposes certain restrictions on the use of public funds. Therefore, 16-19 funding is paid on profile and, except in the case of emergencies, is not reconciled. Most commercial and charitable providers, however, are funded under a contract of services: during 2011/12, contract funded providers will be subject to one in-year adjustment should they not be on track to deliver their full-year allocation at the mid-year point. Reconciliation will take place at the end of the year and be complete by March 2013.

## Minimum Levels of Performance Thresholds

14 For 2011/12 allocations the YPLA will seek assurance that any providers already under a Notice to Improve have complied with the conditions of the Notice. Where this is not the case, the learner numbers for that provision may be removed and placed with other providers. Where providers' success rates, analysed using 2009/10 success rate data, are below the minimum levels published in December 2010, this will result in action being taken by the YPLA in accordance with its published implementation guidance (published jointly with the Skills Funding Agency).

15 The thresholds that apply to the provision and qualifications in scope are set out below. For more detailed information on the application of Minimum Levels of Performance (MLP) see the YPLA and Skills Funding Agency websites. Beyond this year, ministers, whilst committed to minimum standards, have asked for a review of this methodology and its fit with other measures.

| Programme/Qualification type                      | Minimum level |
|---|---------------|
| FE long qualification Level 1                     | 63 per cent   |
| FE long qualification Level 2                     | 63 per cent   |
| FE long qualification Level 3                     | 63 per cent   |
| A levels  | 75 per cent   |
| FE long qualification Level 4 or higher           | 61 per cent   |
| FE short qualification (all levels/5 to 24 weeks) | 65 per cent   |
| Apprenticeships (full framework)                  | 53 per cent   |
| Advanced Apprenticeships (full framework)         | 53 per cent   |
| Train to Gain                                     | 68 per cent   |

## **Qualifications Funding Policy – Non-section 96 Funding**

16 Following an impact assessment of learning aims that lead to internal qualifications or learning without attainment and aims recorded through generic class codes, the YPLA is proposing to make the following provision ineligible from 2011/12 for all YPLA funded activity: provider provision listed with individual codes on the Learning Aims Database (LAD); and learning aims recorded through generic class codes (e.g. Z9OP, ZILSK, Z9V etc). The exception to this will be non-accredited learning delivered as part of Foundation Learning (currently recorded through Z9OP codes) which will continue to be eligible for funding. A list of the aims that will no longer be funded will be published on the YPLA's website.

## **Qualifications and Credit Framework**

17 Approved qualifications on Section 96 include both National Qualifications Framework (NQF) and Qualifications and Credit Framework (QCF) qualifications. In 2011/12 the YPLA will continue to fund a mixed economy of provision subject to the outcome of Professor Wolf's review of vocational qualifications.

## **Further Simplification of Funding**

18 During 2010/11, the YPLA streamlined the overall allocations process. In 2011/12, the funding formula is to be reviewed and as part of that, we will examine how further simplification can be achieved.

# Annex 2:

## Allocations – Providers and Programmes

### Academies

1 In 2011/12 the number of sixth form students in Academies is expected to increase substantially as more schools become Academies.

2 Funding for 16-19 year olds in Academies will be calculated by the YPLA. Unless the individual funding agreement specifies otherwise, the allocation will be determined in the same way as for all other provider types – on a lagged basis, determined by delivery in the previous year. Where an Academy's funding agreement specifies an alternative, the YPLA will discuss and confirm the allocation with each Academy.

### Apprenticeships

3 The Coalition Government wants to see continued growth in the number of young people undertaking an Apprenticeship. For 2011/12, 230,000 Apprenticeship places, including apprentices continuing learning from previous years, will be funded at a cost of nearly £800 million. New Apprenticeships starts for 2011/12 will be 133,500 compared with 131,200 planned in 2010/11. Delivery of Apprenticeships will continue to be through the NAS. The funding methodology for 2011-12 will remain broadly the same. The DfE will include Apprenticeship funding in the review of 16-19 funding for implementation from 2012.

### Foundation Learning

4 2011/12 will be the second full year of Foundation Learning following the integration of E2E into the learner responsive programme in 2010/11. Professor Wolf's review of vocational education covers Foundation Learning. The DfE, YPLA and others will need to consider the review's recommendations and how to implement them.

5 Funding is paid on profile and providers justify this allocation by recruiting and delivering programmes to students during the year. During 2010/11, the YPLA introduced specific flexibilities within the learner responsive funding methodology to ensure that providers can earn an appropriate number of SLNs for their programmes (including through activities that do not lead directly to qualifications). These flexibilities have been successful and welcomed by providers, and we fully expect to continue these flexibilities for 2011/12. There are currently more than 1300 QCF and functional skills qualifications available to support Foundation Learning and providers are also able to use

non-QCF accredited qualifications where, in their professional judgement, they consider these to better meet students' needs.

### Learners with Learning Difficulties and/or Disabilities

6 The YPLA aims to increase the participation, attainment and progression of young people with LDD by working with local authorities and other partners to secure seamless learning pathways for young people with LDD aged 16–19 and up to the age of 25 for those subject to a learning difficulty assessment.

7 For 2011/12, the arrangements for funding SEN, high-cost ALS and residential placements for learners with LDD will remain largely unchanged.

8 There are three main routes for funding for learners aged 16-25 with LDD/SEN:

- The SEN block grant that local authorities receive to discharge their statutory duties towards those aged 16-19 with SEN in schools.
- ALS funding allocated to colleges and independent providers for learners aged 16-25 in local provision.
- Provision funded for individual learners with LDD aged 16-25, as part of the specialist placement budget, which includes provision at Independent Specialist Providers (ISPs) where their needs cannot be met in mainstream provision.

9 During 2011/12, the YPLA, working with local authorities, will develop, model, and test an integrated system for funding provision for learners with LDD across all provider types, including the closer alignment and more effective application of the separate budgets.

### Independent Specialist Providers

10 As for 2010/11, the YPLA will fund ISPs directly in 2011/12 on behalf of local authorities and in relation to the local authority statutory duty to make available suitable education and training. YPLA will also consider performance and satisfactory Ofsted and other agency inspection outcomes as a condition of funding.

### Learners aged 19-24

11 The YPLA funds the provision of suitable education for persons who are over compulsory school age but under 19 or who are under 25 but subject to a learning difficulty assessment (Section 139A/140). Similarly, the Skills Funding Agency is responsible for securing education for individuals aged 19 or over other than persons aged under 25 who are subject to a learning difficulty assessment.

12 Funding for 19-24 year olds will be as follows:

- **Funded by the YPLA**

All learners aged 19-24 who are in receipt of high-level and exceptional-level ALS amounts over £5,500 in-year either with or without a learning difficulty assessment (Section 139A/140).

- **Funded by the Skills Funding Agency**

All learners aged 19+ who are in receipt of low-level ALS support below £5,500 in-year either with or without a learning difficulty assessment (Section 139A/140).

13 These categories and the value of the transfer from the BIS to DFE will be reviewed by the YPLA and the Skills Funding Agency in spring 2011 and allocations for learners aged 19-24 with LDD will be made according to any agreed definition.

### 19+ Learners with Entitlement

14 Skills Funding Agency allocations will include funding to cover the costs of 19 year olds completing the programmes of study they started as 16-18 year olds, as well as all other 19+ provision. We are currently working with the Skills Funding Agency to agree how this funding will be administered as part of the arrangements for a single point of contact for all providers.

### Youth Custody Education and Training

15 The YPLA will support local authorities to fulfil their responsibilities in respect of young people serving a custodial or community-based sentence. We will work in partnership to assist local authorities to ensure the continuity of learning for young people as they enter custody. The YPLA is committed to supporting local authorities to minimise the effects of movement between custodial establishments and from custody back into the community. The funding and contracting route for learning in these establishments is currently under review.

### European Social Fund (ESF)

16 The focus for ESF monies for the period 2011-13 will be to secure the provision of individually tailored packages of education and support, which will enable the engagement of young people who are disengaged from learning or at risk

of becoming disengaged. Potential ESF allocations (priorities 1 and 4) for young people's provision total £157 million over the period of the programme from January 2011 to December 2013.

17 The majority of this provision was tendered during late autumn 2010 with contracts due to be awarded in early February 2011 to enable delivery to begin as soon as possible in 2011.



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Young People's Learning Agency

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