



Young People's
Learning Agency

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To Directors of Children's Services
in Upper Tier Local Authorities

29 March 2011

PL/Mar/23/ss

Dear Colleague

16-19 Funding Allocations for 2011/12

This week maintained schools and other providers in your local authority area will receive details of their final allocation of budget and 16-19 student numbers for the academic year 2011/12. You will receive copies of the financial allocations that have been sent to your schools and the learner numbers for all providers in your local authority area. I also wanted to write to you personally at this stage to highlight some key points and alert you to the stage we have reached.

In recent years, schools, colleges and other providers have delivered significant increases in participation and improved the success of thousands of young people. The allocations for the next academic year are designed to build on these successes and provide a platform to increase participation further to full participation of 16 and 17 year olds and to close the attainment gap between learners from affluent and poor backgrounds.

As set out in our 16-19 Funding Statement published in December 2010, the four key principles we have used to guide our funding allocations for 2011/12 are that they should support:

- full participation;
- a rebalancing of funding to support disadvantaged learners – including an extra £150 million for 2011/12;
- protection for learners with learning difficulties and/or disabilities; and
- making funding fairer between different types of institutions.

We have also applied an important element of transitional protection so that no institution or provider sees a reduction in funding per learner of more than 3% in 2011/12.

In finalising the allocations, we have been able to make some important adjustments to the originally proposed basis of funding. In particular, we have been able to reinvest the additional £150 million for disadvantage after the transitional protection has been applied. Allocation statements received by providers will clearly identify their share of this £150m re-investment.

We are also aware that there are likely to be changes to the funding methodology following the Wolf Review, which has made some very important recommendations that will need to be addressed for 2012/13. In the light of this and the review of funding simplification we have decided not to apply an additional cap which we had previously proposed to those institutions in the top 20% in terms of programme size.

To ensure these two measures are affordable within the funding settlement and to allow us to cushion any decrease at 3% per learner, we have limited the increase for a small number of providers who would otherwise have received a funding increase per learner of more than 10%. Critically, by doing this, the full benefits of the £150m investment for disadvantage can be realised by the whole sector.

Allocations statements do not at this stage include a Discretionary Learner Support (DLS) allocation. The government announced in October 2010 its intention to end the Education Maintenance Allowance, replacing it instead with a means of providing financial support to young people that is better able to target those facing the greatest financial barriers to participation. The Secretary of State announced yesterday that, from September 2011, the government will be investing £180m per year in a new 16-19 Bursary Fund, which will be administered by schools, colleges and training providers, for 16-19 year olds in full-time education or training.

The Fund will provide bursaries of £1,200 to the most vulnerable young people - those in care, care leavers, and young people in receipt of income support - more than they would have received under previous arrangements. Beyond that, schools, colleges and training providers will have the discretion to use their allocation in ways that best fit the circumstances and needs of their students, for example, to provide help with books, transport, meals or other course-related costs.

The Department for Education has today launched a consultation on the details of the new scheme. That consultation, together with further details of how it is envisaged the scheme will operate, is available at www.education.gov.uk/consultations. The consultation closes on 20 May 2011. Do please take the time to contribute your views, and to encourage young people to do so. Schools and other providers will be notified of any allocation they might be due to receive under separate cover, following the consultation.

Finally, I thought I should say something about the YPLA's transition to the Education Funding Agency. As announced in the White Paper, *The Importance of Teaching*, and subject to the will of Parliament, the YPLA will be legally dissolved in April 2012 and replaced by an executive agency, the Education Funding Agency (EFA), which will be directly accountable to ministers. My Chair, Les Walton, and I have been asked to lead the evolution of the YPLA to the EFA and we will be working to ensure there is both a smooth transition and continuity of business service during the next year.

In conclusion I would like to reaffirm my personal commitment to work in partnership with you to support every local authority as well as all schools, Academies, colleges and other providers to provide the best possible outcomes for young people.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Lauener', with a long, sweeping flourish at the end.

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