

department for
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Dear David

LEARNING AGREEMENT PILOTS

I am writing to let you know that Ministers have now had confirmed that there is no additional funding to continue or extend the Learning Agreement Pilots. I would be grateful if you could let the pilot areas know as soon as possible.

The pilots have an end date of 31 July 2009 and I know that you have already begun implementing exit strategies with the pilot areas to this effect.

Ministers appreciate that this is unwelcome news, but the decision has not been taken lightly and reflects a number of salient considerations:

- the pressures on overall post-16 funding in 2009-10;
- the impact of the economic downturn on the 16-18 job market; and
- the national overall evaluation evidence that the Learning Agreement Pilots have been relatively weak in terms of value for money*, although there was considerable variation between individual pilot areas

Taking each of these considerations in turn, the Government's priority is to ensure there is sufficient funding and provision for the greater numbers staying on in post-16 education and training and to ensure there is provision for the NEET group. Funding is very tight because of a big increase in post-16 participation but, of course, it is good that more young people are staying on. However, numbers of young people aged 16-18 in jobs has fallen – no doubt in part because of the current economic downturn. Numbers of 16-18s in Jobs Without Training has fallen from 9.8% of the cohort in Jan 2008 to 8.3% in Jan 2009 – a drop of 16%. Furthermore

the evidence is that LAP has, overall, been weak in value for money terms of the net costs and benefits of young people achieving higher qualifications. The pilots have been expensive. By the pilots' end in July they will have cost some £57m since April

2006 for only 8 areas of the country and the cost per additional qualification achieved is high.

The Learning Agreement Pilots have been an important set of pilots to help the Government test out interventions, incentives and options for getting young people in Jobs Without Training into learning. The information gathered and lessons learned have been very valuable. We are applying them in related contexts e.g. the continuing Activity Agreement pilots and Entry to Learning pilots. This will continue to be an important policy area in the context of Raising the Participation age to 17 and 18 from 2013 and 2015 when young people in work will also be required to be in learning. The Government will be considering options for future funding of interventions and programmes in the context of the next spending review covering the 3 years up to 2012-13.

In the immediate future the expansion of apprenticeships funding and increases in numbers of apprenticeship places presents excellent opportunities for many young people in jobs to get good quality learning leading to nationally recognised qualifications. We appreciate that this is not the answer for all young people who have been helped by the Learning Agreement Pilots, but the local authorities concerned can also decide to continue with some support, if they can and wish to, and we are aware that some areas are considering this route.

There is also access to a great variety of FE colleges courses available for young people in Jobs Without Training. We would expect Local Authorities and Connexions Services to continue to work with local providers to identify these opportunities for young people in the target group who have been involved in the Learning Agreement Pilots to date and or who request specific advice and support in future.

.We will ensure there is LSC funding in 2009-10 for an orderly run down so that staff and young people are not disadvantaged and that there are learning opportunities available to them. Further information about that will follow.

Yours Sincerely



DAVID TAYLOR
Deputy Director
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*Section 6.2 'Low take up limits the overall impact' from 'Learning Agreement Pilots Evaluation (Synthesis Report)' published 29 January 2009
<http://publications.dcsf.gov.uk/default.aspx?PageFunction=productdetails&PageMode=publications&ProductId=DCSF-RR071&>