

# Minutes

<b>Date</b>	1 October 2010, 11:00-14:30
<b>Subject</b>	Skills Funding Agency and YPLA Sixth Form, College and Training Organisation Advisory Forum
<b>Location</b>	Coventry
<b>Publication intent</b>	NOT PROTECTIVELY MARKED

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**Present:**

Rob Wye	Young People's Learning Agency (Co-Chair)
Geoff Daniels	Young People's Learning Agency
Jane Cowell	Young People's Learning Agency
David Hughes	Skills Funding Agency (Co-Chair)
Julie Nugent	Skills Funding Agency
David Way	National Apprenticeship Service
Sue Baldwin	Department for Education
Ruth Curry	Department of Business, Innovation and Skills
Julian Gravatt	Association of Colleges
Sue Rimmer	Association of Colleges
Marion Plant	Association of Colleges
Stewart Segal	Association of Learning Providers
David Igoe	Sixth Form Colleges Forum
Andrew Jones	Sixth Form Colleges Forum
Tim Ward	Third Sector National Learning Alliance
David Kendall	NatSpec
Malcolm Trobe	Association of School and College Leaders
Bob Powell	HOLEX
Donald Rae	Local Government Association
Alan Tuckett	NIACE
David Lawrence	Landex
Angela O'Donohue	157 Group
Nigel Robins	Tertiary Colleges Forum
Alastair Moon	Independent Academies Association
Fiona Waye	Universities UK

**Apologies received from:**

Susan Pember	Department of Business, Innovation and Skills
Graham Hoyle	Association of Learning Providers
Jim Chambers	Association of Learning Providers

**Skills Funding Agency**

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An agency of the Department for Business, Innovation & Skills

## **Item 1. Welcome and introductions**

- 1.1 David Hughes welcomed the group and gave a broad introduction to the group and the role it would play.

## **Item 2. Terms of reference**

- 2.1 The group discussed the terms of reference and DH agreed to circulate for review at the next meeting.

## **Item 3. Changes to 16-18 and post-19 funding arrangements**

- 3.1 Rob Wye introduced a paper on the development of the YPLA funding approach. He outlined four 'givens':

- Simple as possible
- Lagged funding system with learner choice leading funding
- Strong autonomous institutions determining the curriculum offer
- Local Authorities taking a local leadership role

Rob informed the group that the draft guidance is now out for discussion. The following issues were raised:

1. There was a question about paragraph 50 and how LLDD funding will be managed. Rob clarified that no decision on the funding of placements has been taken and on how this will happen and there is more work to be done. The decision on placements is with the Local Authorities, but how money flows may not all be through Local Authorities if a simpler process can be developed.
2. There was a question about whether the process for LLDD placements will be common to all Local Authorities. Sue Baldwin said that the Green paper on Special Education will need to address this.
3. When asked if the Green Paper would cover 25+ issues for LLDD, the answer was 'we would hope so.'
4. Sue confirmed that there was no decision yet as to whether the contracts for YOI would also go to Local Authorities.
5. The group asked whether it would be possible to share the draft YPLA funding agreement when it came out in October.
6. There was a question about the YPLA position on significant under or over-recruitment. Rob said in the majority of cases this will be addressed by lagged process. But if the numbers were significant – they would anticipate a very small number of cases – they would try to support. A broad discussion on the pros and cons of this followed.
7. Concern was expressed that independent providers are the only place where funding can be reduced for under-delivery. The key issue is where any recovered funding can and will be reinvested.
8. There is an issue of how lagged learner numbers will operate in terms of rates and with 16-18 apprenticeships. Sue Baldwin said we need to await the CSR before we can know this. Comment from the group

was that we need to understand how low rates can go before quality is hit, with some saying rates are as low as can be. Sue Baldwin reassured the group that after the CSR the Department for Education will work with the sector to discuss/understand rates/learner numbers etc.

9. There is an issue on learners being 'claimed for' more than once, because data checking does not always happen.

3.2 David Hughes tabled a Skills Funding Agency presentation on the possible future funding system. The following points were raised:

- MCL – concerns about bureaucracy of sub-contracting arrangements on one hand and need to ensure transparent and fair framework on the other. Concern about potential loss of choice and the impact on SFCs, niche providers
- Outcome incentive payments – concern that this does not lead to more bureaucracy, and desire that funding is released as early as possible in-year. The detail around defining some of these – particularly job outcomes – is critical. The sector won't appreciate increased bureaucracy, however, there is existing practice to build on (around PFU)
- Need to ensure that good quality / specialist provision is protected – will be important to consider impact on learners (particularly e and d implications)  
**Action: SFA to consider as part of Equality Impact Assessment**
- More work needed on sub-contracting framework: need to get the balance right between a fair and transparent approach and a light touch Agency requirement. Some concerns that the current framework is too onerous.  
**Action: need to meet with AOC,ALP,TSNLA, HOLEX/NIACE to consider how best this should work**
- Work on rates needs to consider the impact on 19-24 year olds...ie many of these take as long to teach as 16-18 year olds, where the rate is higher. Any rate reductions may impede sector's ability to deliver to this group.  
**Action Agency/BIS to consider as part of work on rates**
- There will be winners/losers with simplification of rates – if we move to an output/outcome model, will we truly understand/reflect the costs required to deliver provision?
- Mixed views on whether Agency should determine mode of delivery – not defining can encourage innovation/efficiency/greater responsiveness etc – but, there is a risk that we only fund assess assess type provision
- Broad concept of plans endorsed – private providers and employers should engage with relevant stakeholders and publish a statement of what they intend to do / have done with public money, However, we need to recognise that notion of locality / stakeholders will vary...many organisations work nationally, sectorally and/or range of localities
- Need to consider the impact on institutions/sector – of funding changes and the SR settlement. Some parts of the sector (eg specialist providers) may be more affected than others.
- Some concerns about notion of other organisations signing off plans / formally holding sector accountable

- 3.3 A presentation was tabled on Joint Skills Funding Agency/YPLA working  
The following points were raised:  
Need to engage TNSLA, HOlex and Niace in these and other discussions  
Need to look more at finance, data, intervention as well  
There was consensus that the approach was broadly welcomed

**Item 4. Any other business**

- 4.1 Some future agenda items were agreed:  
CSR outcomes  
Framework for Excellence  
Wider government interactions/systems

**Item 5. Date of next meeting**

- 5.1 The next meeting will take place on **19 November 13:00-16:00** at The Conference Centre, 1 Victoria St, London, SW1E 0ET. (A buffet lunch will be provided.)

<b>Meeting chair</b>	David Hughes
<b>Minutes creator</b>	David Hughes/Julie Nugent
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