

Skills for Sustainable Growth and Investing in Skills for Sustainable Growth

Frequently Asked Questions (FAQs)

Date of issue 24 February 2011
Audience External

CONTENTS

SECTION	SUBJECT	PAGE
1	Approved College and Training Organisation Register (ACTOR)	2
2	Apprenticeships	3
3	Careers Guidance	3
4	Entitlements, Funding, Fees and Loans	4
5	Equality and Diversity	6
6	English for Speakers of other Languages (ESOL)	6
7	European Social Fund (ESF)	7
8	Learner Support	7
9	Local Determination of Provision	7
10	Minimum Contract Level (MCL)	8
11	Quality and Intervention in Failure	10
12	Sector Skills Councils (SSCs) and National Skills Academies (NSAs)	10
13	Simplification and Reducing Bureaucracy	11
14	Training for Unemployed People	12
15	Train to Gain	14
16	Annex 1- Full and Part Learner Subsidies for Learners aged 19 years and over	15

Skills Funding Agency

Cheylesmore House Quinton Road Coventry CV1 2WT
T 0845 377 5000 www.skillsfundingagency.bis.gov.uk
An agency of the Department for Business, Innovation & Skills

1. ACTOR

1.1 What is ACTOR?

The Approved College and Training Organisation Register (ACTOR) is the Skills Funding Agency's new online e-tendering application. ACTOR replaced the previous Qualified Provider Framework (QPF) with effect from 20 October 2010.

1.2 Which providers will be registered on ACTOR?

All those providers previously registered on the QPF or contracted to the Skills Funding Agency were automatically migrated to ACTOR at the point of launch. These organisations were not required to complete the Pre-Qualification Questionnaire (due diligence information) when tendering for provision in 2011/12. However, they did have to complete Invitations to Tender (ITTs) for those areas of provision that they were interested in delivering.

All organisations wishing to deliver education and vocational training services must be registered on ACTOR for at least one of the programmes funded by the Skills Funding Agency.

1.3 Will FE Colleges also have to be registered on ACTOR?

Yes. To be registered on ACTOR, colleges and training organisations must have passed a due diligence Pre-Qualification Questionnaire (PQQ) and have submitted at least one on-line Invitation to Tender (ITT).

From 2011/12, the Skills Funding Agency will only consider funding organisations approved through ACTOR. However, all FE colleges registered on the QPF have already had their due diligence information automatically migrated (for 2011/12 only). Any colleges that are unsure about their registration status should consult the list of migrated providers on the Skills Funding Agency website.

1.4 Why are you introducing a new approved supplier register for the Skills Funding Agency? Is this just creating unnecessary bureaucracy?

ACTOR will actually reduce bureaucracy, as it will replace a number of existing processes with a single application. This will provide a more streamlined route for providers to become eligible to be considered for contracting purposes and will increase transparency in the awarding of contracts. In time, once ACTOR has become established and more widely understood, it will help to give confidence to the public and others that those who receive public funding have passed minimum due diligence thresholds.

1.5 You said that existing providers would be automatically migrated, yet they still have to provide additional information.

Whilst all existing providers will get an automatic 'pass' through the first due diligence section of the approval process, the Skills Funding Agency will still need to obtain the most up-to-date information about the programmes the provider is interested in delivering and, in future, organisations will be required to only refresh their due diligence information on an annual basis. It will be important for providers to check and update their information regularly as their business develops and changes.

ACTOR is a more automated approach, which means that organisations have a simpler process to navigate to be considered for funding and the questions have been significantly simplified. Once organisations are registered on ACTOR, they can be *considered* for new provision against the programmes for which they have submitted an

ITT and so reduce the need to submit multiple tenders. The new process removes the need for providers to respond to frequent tendering exercises.

2. APPRENTICESHIPS

2.1 Why are none of the recently announced additional Apprenticeship places for 16-18 year-olds?

The Coalition Government is strongly committed to investment in Apprenticeships for 16-18 year-olds, which is why the Agency has an ambitious planning assumption of 131,000 Apprenticeships for 2010-11, which allows for significant growth.

Detailed spending plans for the training and education of 16 to 18 year olds were published in the [YPLA's 16-19 Funding Statement](#) in December 2010. This announced that there would be a 5.5% increase in Apprenticeship starts in the funding year 2011/12 and 2.4% increase in budget in the financial year 2011-12.

2.2 How will loans work for Apprenticeships?

In 2013/14, loans will apply equally to adult Apprenticeships, and will replace the existing government contribution for individuals starting an Advanced (Level 3) and Higher (Level 4) Apprenticeships on or after their 24th birthday. Apprenticeships at Level 2 for learners who start on or after their 19th birthday will remain co-funded at 50%. Employers will still be required to make a contribution towards the costs of an apprenticeship. See section 4.

2.3 A key strategy for Apprenticeship growth is for employers to contribute towards the costs of learning. Will this actually happen, as there is huge resistance?

16-18 Apprenticeships will continue to be fully funded. For 19+ Apprenticeship, we will continue to fund them on the basis that it is expected employers will contribute towards overall costs. Employers are heavily investing in training and see Apprenticeships as a key cornerstone in developing their business and this has been confirmed in recent research

3. CAREERS GUIDANCE

3.1 How much resource will the all-age careers service have?

The Department for Education (DfE) and the Department for Business, Innovation and Skills (BIS) are working through the detail of their spending settlements and are unable to confirm the funding for the All Age Careers Service. It will be important that efficient and creative use be made of the available funding, to achieve the best possible value for money.

3.2 Next Step has improved careers guidance for adults. How will you ensure that the all-age service continues to meet the needs of adults?

When we commission and contract for the new service we will set out a clear set of expectations for delivery. By taking the best of what we have already developed through Next Step we can ensure adults continue to receive a professional, high quality, highly effective and relevant service that meets their needs.

3.3 How will you ensure a seamless transition from Connexions to the All Age Careers Service?

In consultation with local authorities and others, we are developing plans for the transition to the new service. We will continue to work with them to ensure that young people receive appropriate support throughout the period leading up to the establishment of the all-age service.

An element of the Early Intervention Grant for 2011/12 will be used to fund transitional advice services for young people according to local priorities. We also aim to make as much progress as possible with elements of the all-age careers service, such as the website and helpline before its commencement in its entirety in April 2012.

3.4 How will you work with and influence local authorities and other stakeholders during the transition?

We are already working closely with the LGA (Local Government Association) and other key stakeholders such as the NCN (National Connexions Network), and we will continue to do so as we work towards the establishment of an all-age careers service.

3.5 How will the all-age service work with Jobcentre Plus?

We already have well tested arrangements between Jobcentre Plus and Next Step that are being strengthened as part of the Skills Strategy - the All Age Careers Service will bring added benefits of direct engagement with young unemployed people, removing overlap between Connexions and Next Step that could act as a barrier to effective support.

4. ENTITLEMENTS, FUNDING, FEES AND LOANS

4.1 With the introduction of FE fee loans for 24+ learners, will learners aged under 24 be required to pay upfront for their training?

From 2012/13 we expect that legislation will have been passed which means that full Government funding will continue for basic literacy and numeracy for all and first full Level 2 and 3 for those aged 19 up to 24.

Outside of these areas, for training for below Level 3, the Government will continue to share the cost of training with individuals. It will continue to be for the learners to discuss with their college or training organisation how they meet the cost of their training in the absence of fee loans.

4.2 How does narrowing the fee remission categories sit with focusing resources to the most disadvantaged?

During this time of limited resources, it is critical we focus our investment where its impact is maximised – learners with low skills, young adults, and fully funding the unemployed on active benefits to support them moving from welfare to work.

4.3 The changes in Fee Remission mean that those individuals currently on Incapacity Benefit, who will transfer to Employment Support Allowance Work Related Activity Group (WRAG) but have not done so, will not get full fee remission. Since it is Coalition Government policy to transfer those on Incapacity Benefit to Employment Support Allowance (ESA) by 2014, will this not disadvantage those individuals on Incapacity Benefit who have not been transferred, but should get full fee remission?

The current 2010/11 fee remission rules do not automatically give full fee remission to those on Incapacity Benefit. Analysis has shown that no new claims for Incapacity Benefit have been approved over the last two years and when this change is introduced, it will be nearly three years. All new claims go straight onto ESA. Those currently on

Incapacity Benefit are those on long-term benefit and they are unlikely to be ready to enter the labour market and therefore will not be transferring to ESA WRAG. The changes are aimed at providing skills training for those who are most likely to be able to enter the labour market with this support.

4.4 Will there be an entitlement to funding for Level 1 provision for those not on active benefits, as this group represents a large proportion of the students in some colleges?

Learners who study at Level 1 are already and will continue to be co-funded for 50% of their fees. The Coalition Government is focusing additional resources on those unemployed people who are closest to the labour market by fully funding these learners. BIS and the Skills Funding Agency are currently discussing to the possibility of extending the Level 2 entitlement to those where Foundation Learning is a step toward Level 2 attainment,

4.5 What will the terms of the fee loans be?

Detailed implementation work is current in progress. The intention is to align the approach to fee loans in further education to that used for higher education. This means that the repayment threshold will be the same as for higher education.

4.6 Who will be responsible for administering the loan scheme?

BIS have committed to further consultation on the design and implementation of the FE fee loans. This will work through the detailed implementation issues, and include giving consideration to the most appropriate delivery method.

4.7 Will Learning Accounts be real money accounts?

No. The important thing is to empower learners and encourage them to value their own, their employer's and the state's contribution to learning. Options being considered include a voucher mechanism that gives the learner choice and influence, so that real money follows the voucher to the college or training organisation of the learner's choice.

4.8 Is there a table setting out how entitlements will change in 2011/12 and 2012/13?

Yes, a summary table was published in the Skills Strategy and we have provided a more detailed breakdown for providers at Annex 1.

The new single Adult Skills Budget enables FE colleges and training organisations to offer the range and balance of programmes in the mode of delivery that will best meet the needs of learners, employers and communities (classroom, workshop, on-line and in the workplace). Eligibility for fee remission is dependent upon the learner's circumstances, the programme e.g. Skills for Life, and whether the learner is employed by an SME. Eligibility is set out in the Skills Investment Strategy, [Investing in Skills for Sustainable Growth](#) and detailed guidance provided in [Guidance Note 6](#).

4.9 Does Formal First Step have its own budget or is it part of the single budget.

Formal First Step was included in *Investing in Skills for Sustainable Growth* within the Adult Skills Budget line. For 2011/12, this will be allocated alongside the Adult Safeguarded Learning Budget as they are both non-formula funded. There are some Formal First Step providers who will not have an Adult Skills Budget allocation.

4.10 Could there be significant differences in funding rates for 16-18 and 19+?

No decision has been made on what, if any, the relationship should be between 16-18 and 19+ rates. However, the Skills Funding Agency works closely with the YPLA with

both organisations ensuring that, where possible and practicable, funding and operational systems will align,

4.11 How does a 1% reduction in allocation match up with 25% savings over 4 years?

The further education budget for adults will reduce by 25% in real terms over the period of the Spending Review, up to 2014-15. The profile of this saving increases in the final two years with the progressive introduction of the new loan facility, which will remove grant funding from the 2013/14 academic year. Additionally, other budgets outside of the Teaching and Learning block have been subject to a greater proportionate reduction in 2011-12, reducing the impact on the Adult Skills budget. The allocations to individual colleges and training organisations will also be affected by the level of Apprenticeship delivery.

4.12 How will Outcome Incentive Payments work?

As part of the reform of the funding system, the Coalition Government has set out its intention to introduce Outcome Incentive Payments (OIP). These will provide a way of incentivising colleges and training organisations to deliver wider economic outcomes. For 2011/12, the Agency will pilot this approach through the introduction of funding for job outcomes to incentivise colleges and training organisations to get people off active benefits and into work.

The job outcome payment is planned to focus on those on Jobseekers Allowance and the Employment Support Allowance (Work Related Activity Group) at the start of their learning programme. We will be working with sector representatives, in early 2011, to develop and communicate our approach.

4.13 Why do we have 2 different definitions of a large employer?

They relate to 2 different processes, eligibility and funding.

The eligibility of a learner will be defined in workplace learning by the size of their employer. In this eligibility rule we will be using a definition of a Small and Medium Sized Enterprise (SME) that is 250 employees or less.

In the funding of workplace learning for 2011/12, we will be continuing to apply a reduction in funding of 25% where the learner is employed by an employer that has 1,000 or more employees and the learner starts on or after their 19th birthday.

More detail on this is available through the Skills Funding Agency website.

5. EQUALITY AND DIVERSITY

5.1 Has an Equality Impact Assessment been undertaken re the Skills Strategy, Skills for Sustainable Growth and Investing in Skills for Sustainable Growth?

Yes and it is available on the [BIS website](#).

6. ESOL

6.1 What is the position on ESOL?

From 2011/12, ESOL will continue to be co-funded for eligible learners (as previously set out in the learner eligibility guidance) and will be fully funded for those who are on JSA or ESA in the Work Related Activity Group. If ESOL is delivered in the workplace it will be ineligible for Skills Funding Agency funding.

7. European Social Fund (ESF)

7.1 Can the Adult Skills budget fund PfU and ESF?

ESF is a fund not a programme. The Adult Skills budget will be used for unemployed people – the budget is as flexible as possible. Supporting the unemployed is also a priority for ESF, which will be used in line with mainstream eligibility to enable more capacity.

7.2 Will it be possible to use ESF funding to provide training to groups who are no longer eligible?

No, ESF funding must be used to support and add value to Government policy, not to circumvent it.

8. LEARNER SUPPORT

8.1 What is the budget for learner support?

The budget for learner support in 2011-12 is £151.4m. This includes the budget for the enhanced discretionary Learner Support Fund, referred to in paragraph 44 of [Investing in Skills for Sustainable Growth](#), which may be subject to change in 2011-12. This budget supports the breadth of discretionary learner support, from discretionary awards to the Professional and Careers Development Loan programme that supports individuals enter and stay in learning.

8.2 When will the changes come in?

The timing for introducing changes to the new learner support fund is set to be from 2011/12. We are expecting precise timings to be finalised shortly

8.3 Will the current childcare support continue to exist?

The current learner support arrangements are being reviewed to ensure they target individuals in need. Support for childcare costs is an important factor in helping many adult learners who have childcare needs to achieve their learning aims. BIS is working closely with the Department for Work and Pensions (DWP) to ensure that childcare support is available for those most in need of financial assistance to study.

9. LOCAL DETERMINATION OF PROVISION

9.1 Who will make sure there is provision to meet local needs?

Colleges and training organisations are expected to engage directly with their local partners (Local Enterprise Partnerships, Local Authorities, employers, community groups and Jobcentre Plus etc); consulting with them on their business plans so that they set out how their offer, and the public funding invested in it, contributes to the local economic priorities.

Colleges and training organisations are being encouraged to form self-organised networks so they can engage more easily with Local Enterprise Partnerships (LEPs) and other local partners, to work together in responding to local economic and skills priorities.

The Coalition Government has made clear that the relationship between the college or training organisation and their direct customers takes primacy; where colleges and

training organisations have been freed up to respond to the demands articulated by employers and individual citizens. The Skills Funding Agency and BIS will continue to work with the sector through the Association of Colleges (AoC), the Association of Learning Providers (ALP) and 157 Group, supported by the Learning and Skills Improvement Service to encourage the development of networks and to identify and disseminate existing good practice.

9.2 What happens if partners think colleges and training organisations are not meeting their needs?

Colleges and training organisations will be expected to report on their delivery, including on the feedback of learners and businesses using their services.

Where local and national partners feel the sector is not responding they will be expected to challenge the leadership of the sector locally, including college governors and principals and to raise issues with representative bodies, who are expected to take a stronger peer role in driving up improvement. Should a dispute or difference of opinion arise between a college/training organisation and a local stakeholder (for example, a LEP), we would encourage the LEP and college/provider to intervene to resolve the issue.

Where this is not successful, we would encourage the wider sector to get involved – for example, through any self-organised network that may exist, or sector bodies such as the AoC or 157 Group. As a last resort, the Skills Funding Agency may be called upon to intervene, and help broker a resolution.

The Skills Funding Agency will work with the sector and LEPs to assist in the development of their new responsibilities. The Skills Funding Agency will then be alert to any issues and problems, only getting involved by exception and in proportion to need.

9.3 What is the Agency's provider strategy? What kind of providers are you looking for?

We are not planning to have a provider strategy in the way that the LSC did. Our role is to provide a simple, non-bureaucratic framework within which the market can operate, and the best providers can flourish with details of those that are eligible for Skills Funding Agency funding included on ACTOR. Ministers will be making clear their vision for the sector over the coming months to give some sense of direction to the sector.

9.4 How will Local Enterprise Partnerships (LEPs) be resourced in the light of significant budget cuts across local authorities?

It is up to each Local Enterprise Partnership to agree resource arrangements.

10. MINIMUM CONTRACT LEVEL

10.1 How will the voluntary sector be able to play a role when the minimum contract level will significantly reduce the numbers of organisations securing funding from the Skills Funding Agency?

Voluntary organisations will continue to be eligible to receive public funding directly, as well as indirectly through sub-contracting, and consortium arrangements, to support delivery across the whole of the skills system. By removing the requirement for a direct contractor to deliver at least half of the contracted provision, the Skills Funding Agency has made it easier for small voluntary organisations to work together through collaborative contract arrangements.

However, the role of voluntary organisations is often wider than just being a provider. BIS and the Skills Funding Agency value and engage with voluntary sector organisations as employers, advocates for learners and partners in other areas of the skills system e.g. advice and referrals. We also expect colleges and main contractors to work closely with voluntary organisations that can bring expertise in working with excluded groups, thus widening the scope of delivery.

The Skills Funding Agency has established a strong relationship with the Third Sector National Learning Alliance (TSNLA), the sector representative body. TNSLA is a key member of BIS and Skills Funding Agency stakeholder and consultation group.

10.2 Could more providers be added to the Minimum Contract Level (MCL) list as a result of current actions?

In [*Investing in Skills for Sustainable Growth*](#), the Coalition Government set out its intention to introduce a Minimum Contract Level for 2011/12. This was based on the value of the 2010/11 allocation, taken at a fixed point, and therefore the number of providers affected is not expected to change as a result of any in-year changes to that allocation (either increases or decreases). However, discussions are ongoing with DfE, to consider whether the MCL should apply to 16-18 Apprenticeships. This may affect the range of providers in scope for the MCL.

10.3 Is there scope for 'get out' clauses for providers entering new arrangements flowing on from MCL?

The introduction of MCL is not about removing high quality provision but encouraging an increasingly autonomous and efficient provider base and, in doing so, realising greater efficiencies across the sector and the Skills Funding Agency. The process that has been developed is designed to give organisations the maximum flexibility in moving to alternative delivery arrangements.

The specific nature and content of arrangements is a matter for the providers concerned. We are encouraging all providers to seek full legal advice before entering into new arrangements.

Please note, once arrangements have been entered into, sub-contractors and consortium members will not be able to transfer their share of provision, as this will be held by the lead provider. In addition, the Agency will only expect to have a contractual relationship with lead providers. It is the discretion of the lead provider what proportion of provision a sub-contractor or consortium member should receive.

10.4 What are the timescales for notifications from providers on MCL?

Providers would have informed the Skills Funding Agency of their initial intentions by the middle of January in order to monitor the progress and impact of the implementation of MCL.

Providers are then required to submit a formal declaration of intent to the Agency by the 28 February 2011. (Further instructions on this will be sent directly to the relevant providers before this date).

Following the first information freeze date in January, ACTOR has been re-opened to allow providers to update their existing records to reflect any new arrangements as a result of MCL. Information on ACTOR will be frozen again on 11 March and 15 April to capture updated information.

Due to the ongoing discussions between BIS and DfE regarding the application of MCL to 16-18 Apprenticeships, the Agency recognises that many providers will require more time to agree new arrangements. Relevant providers will be provided with the

opportunity to request more time through the return submitted at the end of February. All new arrangements will need to be in place before the end of June so that contracts can be issued in advance of the 11/12 contract/academic year.

10.5 Can we have a national 'RAG' rating process for logging potential issues with provision because of MCL?

The Skills Funding Agency is keen to ensure that there are no unintended consequences because of implementing this policy and is closely monitoring the impact of MCL on providers and areas of provision.

10.6 Provision currently delivered by Higher Education Institutes is exempt from MCL. Will this always be the case?

Higher Education Institutes have been exempted from MCL for 2011/12. The Agency will undertake an impact assessment on all aspects of the MCL policy applied in 11/12. It will therefore keep this issue under review and continue to work with HEFCE to ensure appropriate arrangements are implemented.

10.7 Will the agency allow a provider who has only previously managed a contract of say £300K to manage a contract of over £1M due to the MCL policy?

The Agency will not prescribe the structural model for providers to adopt, but expects to see a range of options including consortium arrangements, and various sub-contracting models. A provider who had previously had a smaller contract would have to demonstrate financial viability in the same way as any other provider. The Learning and Skills Service (LSIS) has been funded by the Agency to support providers affected by the introduction of MCL to enter into new arrangements.

11. QUALITY AND INTERVENTION IN FAILURE

11.1 How will you tackle failing colleges?

High quality further education is at the heart of our strategy for skills. Inadequate performance will be tackled head on. Those who do not meet minimum levels of performance will not have their contracts renewed for the relevant provision. Where the college as a whole is failing, and more action that is radical is needed, alternative delivery models will be considered. These could include opening up opportunities for others to run the college – these could be drawn from groups of employers, training organisations and other employer-led organisations. Further details of this approach will be developed as part of the policy on delivery models being developed by BIS that will be produced in the Spring 2011.

11.2 How will the new arrangements be different?

The FE Quality Assurance System involves trusting the majority of colleges and providers to deliver high quality provision and perform well. Providers judged 'outstanding' by Ofsted will be exempt from inspection. Close monitoring of all will identify those performing poorly and ensure this is robustly and rapidly addressed. Inadequate providers will be removed from the register of providers (ACTOR) and be ineligible for public funding.

12. SECTOR SKILLS COUNCILS AND NATIONAL SKILLS ACADEMIES

12.1 Why are you reviewing the role of Sector Skills councils (SSCs) when they have just completed a robust relicensing process?

The Skills Strategy outlines new challenges and new opportunities for SSCs. The future role of SSCs will focus on raising employer ambitions by creating the conditions for increased investment in skills, better utilisation of skills and for these to drive growth, productivity and innovation. This role requires a high performing network that is responsive to the requirements of employers. There are pressures on public funding that we all must face, and we need to prioritise the work of SSCs.

12.2 Will you reduce the number of SSCs proposed by the last Government?

The number of SSCs should be determined by employers, taking account of the structure of the economy and the need to use resources effectively.

12.3 How will National Skills Academies (NSAs) be sustained especially in a period of economic downturn?

NSAs have to prove their worth to employers in the three-year period. If they are offering “the right skills, at the right time in the right place” then employers will continue to invest. The first four NSAs, Manufacturing, Food and Drink, Construction and Financial Services are now self-financing.

12.4 Why are you increasing the number of NSAs at a time that the Coalition Government is looking to simplify the skills system?

NSAs have been very successful examples of collective employer action and co-investment in skills. There is still strong demand from employers to establish new NSAs, as demonstrated by the interest in the recent 5th Round.

12.5 Don't NSAs duplicate existing provision?

No, NSAs work through a network of existing providers to focus the FE system in an innovative way to deliver the skills that employers want.

13. SIMPLIFICATION AND REDUCING BUREAUCRACY

13.1 How will you reduce bureaucracy in the FE and Skills sector?

Colleges and training organisations will be freed from unnecessary burden and bureaucracy and we will simplify the landscape in three ways:

- The number of bodies in FE and skills will be reduced and those that remain will be streamlined.
- Systems and procedures will be simplified to cut down on bureaucracy and enable the system to operate more efficiently.
- Centrally imposed targets and controls will be abolished to free colleges and training organisations to deliver for their local communities.

13.2 Will the Coalition Government reduce the data burden on the sector?

Data burdens across the sector will be reduced based on the principle that data is collected once and reused across operational areas. Appropriate data governance arrangements will be in place to challenge requirements. The Skills Funding Agency is continuing to work with the Information Authority and the Data Service. This work will take into account the simplification of the funding process as outlined in the consultation carried out by BIS in 2010.

13.3 What regulations will the Coalition Government remove from the sector?

A number of freedoms have already been announced, including the introduction of the single Adults Skills Budget; suspending the inspection of ‘outstanding’ colleges and

training organisations unless their performance drops; and removing the requirement for principals to hold the Principals' Qualifying Programme (this came into force 1 November 2010).

The recently introduced [Education Bill](#) includes clauses to repeal a number of duties and powers placed on sixth forms and further education colleges.

13.4 Will the simplifications to the FE system for the single adult budget also apply to 16-18?

The work being done by the Skills Funding Agency applies only to Adult Skills.

13.5 In John Hayes' letter to colleges dated 8 December, there is reference to setting colleges free from unnecessary duties and requirements – 'The duty on colleges to promote the economic and social wellbeing of their areas' – how does this fit in with latest guidance given to colleges and training organisations on freedoms and flexibilities?

The freedoms and flexibilities for colleges and training organisations do not remove their strategic role within their local community to best meet the needs of the individuals and employers from that community. In giving colleges and training organisations these freedoms and flexibilities the Coalition Government is allowing colleges and training organisations to work with local communities, employers and other stakeholders to best decide how this will be done and how resources will be deployed.

13.6 Earlier guidance notes suggested monthly returns from colleges and training organisations, how will ongoing performance information be captured?

Discussions are continuing with the Information Authority and the Data Service on the actual mechanics for data collection in 2011/12. In addition, these organisations are also consulting with the sector on the future of data collection. They plan to share the 2011/12 process in February 2011. In the meantime, we will expect colleges and training organisations to continue with their monthly returns on Apprenticeship and other workplace learning data. These are critical in helping us to monitor progress on expanding the Apprenticeship offer, and are used to set the baseline for future allocations. Because there are more freedoms and flexibilities the Agency does need to have good and frequent management information to be able to intervene in the very small minority of cases where things are not going well.

14. TRAINING FOR UNEMPLOYED PEOPLE

14.1 Why is BIS, and not DWP, investing in skills training for unemployed people?

Tackling welfare dependency and helping the unemployed back into work are an essential part of the Coalition Government's wider aim of supporting a return to economic growth and involves co-ordinated working across Government Departments. BIS and the Skills Funding Agency are working very closely with DWP and Jobcentre Plus to ensure a good fit between our proposals and the wider welfare reform agenda.

It is right that skills provision for people who are unemployed should be delivered through the mainstream skills system, to optimise quality, ensure the provision is accredited and portable, and thus support career progression opportunities for learners.

This is essential if those at a disadvantage in the labour market, because of their current level of skills, are to have the opportunity to improve and therefore secure rewarding jobs, achieve their potential and improve their life chances.

14.2 How will we ensure that the momentum created by the Programmes for the Unemployed is not lost when the programmes end in April and before the new offer starts in August?

We are moving away from the current suite of ring-fenced programmes for unemployed people to a simplified system in which provision will be funded through the mainstream skills budget, enabling a more flexible, needs-led approach.

To ensure that the momentum of provision to the unemployed group is maintained when current ring fenced programmes finish, the Skills Funding Agency is using parts of the European Social Fund to ensure continuation of provision during the April to July period to ensure providers keep engaged with the active unemployed client group. This funding will pay for both shorter, work focused training and longer more significant upskilling opportunities to those who are unemployed, to help them to gain the skills needed for sustainable employment.

We have also written to colleges and training organisations to ask them to look at flexibilities within their existing budgets to ensure provision is maintained and targeted at those on active benefits during this period. This provides an opportunity for Jobcentre Plus and local colleges and training organisations to engage early to ensure that the provision between April and July will be sufficient to meet the needs of the unemployed.

14.3 What provision will there be for the unemployed?

FE Colleges and training organisations will be expected to engage with Jobcentre Plus locally in order to meet the needs of Jobseekers and those claiming the Employment Support Allowance, in the Work Related Activity Group. We expect that this engagement will take place at both a strategic and operational level. Providers should work with Jobcentre Plus when planning their delivery for the coming years. This will be both in terms of a valid curriculum offer that supports the needs of recruiting employers, and in determining the service requirements to meet best the needs of unemployed learners - such as flexible start dates' part time opportunities and the delivery of units of qualifications tailor-made to meet the needs of learners in their local labour market. We will also expect providers to consider seriously the support they can offer to Service Academies as they are rolled out next year. Service Academies will combine work placements with pre-employment training, leading to guaranteed interviews with employers. The final details are still being agreed and we will provide further information as soon as we can.

14.4 How will you ensure that those who are on active benefits will receive both the right access and type of training?

The availability of fee remission for active benefit claimants and the introduction of outcome incentive payments should help to make them an attractive client group for colleges and training organisations. . The flexibility to deliver units to them that are designed to meet their needs in the local labour market should help.

Our approach frees colleges and training organisations to respond to local need and give Jobcentre Plus and employers a key role in shaping provision.

14.5 How will the new eligibility criteria meet the needs of those people that are economically inactive on benefits that are now out of scope?

Government funding will still be available to support those who have lower level skills attainment or poor literacy/numeracy skills. Those individuals who are economically inactive but on benefits will continue to receive full or partial government subsidy in order to improve their skills up to and above level 2 in 2011/12.

14.6 What about the particular needs of offenders in the community?

Offenders in the community remain a high priority across the Coalition Government. The costs of reoffending run into billions of pounds but research supports the assertion that sustainable employment can significantly reduce reoffending rates. It is therefore important that the skills system plays its part in helping unemployed offenders to secure employment. Colleges and training organisations should consider strengthening their links with local probation services to promote their services to this important client group.

15. TRAIN TO GAIN

15.1 In terms of Train to Gain, what will be the cut off point for new starts? There are potential issues with Period 1-8 MCVs if starts are taken earlier.

As announced in a letter from the BIS Secretary of State to the Skills Funding Agency Chief Executive in June 2010, Train to Gain will be abolished from the 2011/12 academic year. It will be replaced by a new workplace training offer, aimed at supporting smaller employers.

Guidance Note 6 set out the revised eligibility criteria for non-Apprenticeship workplace training, delivered as part of the Adult Skills Budget. This includes removing the eligibility for ESOL in the workplace, funding for repeat Level 2s in large employers (defined as those with 250 or more employees) and non-entitlement Level 3s.

Changes to funding eligibility will come into effect on 1 August 2011, but will only apply to new learners. That means learners already in learning and continuing into another funding year will not become ineligible because of these policy changes and are encouraged to successfully complete and achieve their learning aims.

Changes to rates will also come into effect in August 2011. These **will** apply to all learners.

It should be noted that it is a provider's responsibility to manage any carry in. The early issuing of indicative allocations should help with the planning and management of this.

Annex 1¹ Full and Part Learner Subsidies for Learners aged 19 years and older (updated February 2011)

2011/12			Classroom based		Workplace based (SME)		Workplace based (large employer 250 ⁺ employees or more)	
			25+, without a first Level 2	25+ qualified to Level 2 or above	25+, without a first Level 2	25+ qualified to Level 2 or above	25+, without a first Level 2	25+ qualified to Level 2 or above
Stand alone units	Fully funded	Not funded	Not funded	Not funded	Not funded	Not funded	Not funded	Not funded
Adult Basic Skills including Functional Skills	Fully funded	Fully funded	Fully funded	Fully funded	Fully funded	Fully funded	Fully funded	Fully funded
ESOL	Fully funded	Co-funded [#]	Co-funded	Co-funded	Not funded	Not funded	Not funded	Not funded
Foundation Learning (Entry & Level 1)	Fully funded	Co-funded (vocational Level 1 only) [#]	Co-funded	Co-funded	Co-funded (vocational Level 1 only)	Co-funded (vocational Level 1 only)	Co-funded (vocational Level 1 only)	Co-funded (vocational Level 1 only)
Full Level 2	Fully funded	Fully funded (for those without a Level 2) otherwise co-funded (workplace delivery SME only otherwise not funded) (fully funded for 19-23 year olds, from 2012/13)	Fully funded (co-funded for 24+, from 2012/13)	Co-funded	Fully funded (co-funded for 24+, from 2012/13)	Co-funded	Fully funded (co-funded for 24+, from 2012/13)	Not funded
Other Level 2	Fully funded	Co-funded*	Co-funded	Co-funded	Not funded	Not funded	Not funded	Not funded

* classroom based only # workplace based only [^] large employer in the context of eligibility (reduction in funding still applies to employer 1,000 employees or more)

¹ From 2011/12 academic year there will be a single Adult Skills Budget covering Classroom and Work place based learning with earmarked delivery for Apprenticeships. The Skills Funding Agency will set out a minimum expectation of Apprenticeship delivery. The Adult Safeguarded Learning (consolidated from 4 separate funding lines to 1), as well as funding for Offender Learning and Skills and the European Social Fund will remain separate and outside the single budget approach.

2011/12			Classroom based		Workplace based (SME)		Workplace based (large employer* 250 employees or more)	
			25+, without a first Level 2	25+ qualified to Level 2 or above	25+, without a first Level 2	25+ qualified to Level 2 or above	25+, without a first Level 2	25+ qualified to Level 2 or above
Full Level 3	Fully funded	Fully funded (for those without a level 3) otherwise co-funded (fully funded for 19-23 year olds, from 2012/13;	Fully funded	Co-funded	Fully funded (not funded for 24+, from 2012/13)	Not funded	Fully funded (not funded for 24+, from 2012/13)	Not funded
Other Level 3	Fully funded	Co-funded*	Co-funded	Co-funded	Not funded	Not funded	Not funded	Not funded
Full Level 4	Fully funded	Fully funded (for those without a level 3) otherwise co-funded (fully funded for 19-23 year olds, from 2012/13)	Fully funded (co-funded for 24+, from 2012/13)	Co-funded	Fully funded (not funded for 24+, from 2012/13)	Not funded	Fully funded (not funded for 24+, from 2012/13)	Not funded
Apprenticeships (all Levels)	Not funded	Co-funded#	Not funded	Not funded	Co-funded	Co-funded	Co-funded	Co-funded

*classroom based only # workplace based only * large employer in the context of eligibility (reduction in funding still applies to employer 1,000 employees or more)

Notes

- Where provision is delivered in the workplace, e.g. Apprenticeships, there is an assumption that the employer contributes 50% of the costs
- Areas highlighted in **red** are a change from 2010/11
- Areas highlighted in **yellow** are likely to change in 2012/13

Please note, the table does not reflect the changes to funding eligibility expected in 2013/14, as a result of loans, as this is subject to further consultation. However, it is likely that **all Level 3 and above provision, including Apprenticeships, for those aged 24+** will be funded through loans.

Date created 24 February 2011

Version 1