



Nick Gibb MP

Minister of State for Schools

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT
tel: 0870 0012345 ministers@education.gsi.gov.uk

Les Walton
YPLA Chair
Young People's Learning Agency
Cheylesmore House
Quinton Road
Coventry
CV1 2WT

02 July 2010

Dear Mr. Walton,

Thank you for your letter of 16 June setting out the views of the Board of the Young People's Learning Agency on how best to simplify the funding and commissioning of provision for 16-19 year olds. I was pleased to have had an early opportunity to meet you and your Board colleagues and I am grateful for your quick work to develop the proposals you have set out.

The Coalition Government is committed to increasing participation and tackling educational inequality so that young people of all backgrounds have the opportunity to progress. Our collective challenge is to achieve this within a greatly simplified system at the heart of which are reduced bureaucracy, increased value for money and maximum autonomy for post-16 institutions. In that context I welcome the three proposals you have set out and am keen to see rapid progress so that we do not allow the complex and bureaucratic processes currently proposed in the National Commissioning Framework to take hold and become embedded.

I agree with the principle that we should remove layers from the process by abolishing the requirement for local authorities to form sub-regional groups and to come together in regional planning groups. Partnership working at a local and regional level between local authorities and providers is vital but it is not the role of central government or its agencies to prescribe how this should be done and I therefore welcome a more permissive approach. In your letter you raise the important set of issues around young people with learning difficulties and disabilities and I agree that it is important that we give this important matter further consideration is given to this area.

I am attracted in principle to your proposals to simplify the complex processes for paying providers by YPLA taking on direct payment of General FE and Sixth Form Colleges as it could be an opportunity to remove burdens on local authorities as they would no longer need to put in place grant agreements and contracts or carry out financial audits. This, in turn, would free local authorities to focus on their strategic leadership role as champions of young people and as place-shapers to ensure the sufficiency and quality of provision and, critically, to ensure access particularly amongst the most vulnerable groups. I have therefore asked my officials to take forward urgent discussions on this with the Local Government Association and the YPLA executive and to come back to me quickly with further advice so I can take a final decision on this specific proposal.

In terms of your third suggestion, I agree that the YPLA should not proceed with the previous Government's plans to introduce in year adjustments (apart from in cases of extreme variation) and you will be aware that I have already announced this in my speech to the Sixth Form Colleges' Forum on 24th June. Whilst it is a fundamental principle of the Coalition Government that funding should be fair and follow the student, we must achieve that in a way that it is transparent and as free from bureaucracy as possible.

As you have indicated, the next phase of this work will be to develop the practical implementation of these proposals and ensure that they are put into effect as quickly as possible. However, whilst what is proposed in your letter will go a good way to achieving the simplification aims we share, I believe there is more scope to streamline the 2011/12 allocations round within the current legislative framework. I should therefore be grateful if you could work with my officials in establishing proposals to streamline the annual process of establishing funding in future years, for example by basing the allocations on the equivalent of lagged pupil numbers provided directly by schools and colleges in their data returns. This would reduce burdens on the YPLA, local authorities and schools and colleges.

Once again, I am grateful for the Board's commitment to improving outcomes for young people whilst reducing bureaucracy and simplifying the funding system.

With best wishes.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nick Gibb', written in a cursive style.

Nick Gibb MP
Minister of State for Schools