



**Rt Hon Ed Balls MP**  
Secretary of State

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31st

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Dear

Les

This Grant Letter confirms the funding that will be available to the Young People's Learning Agency (YPLA) in the financial year 2010-11 for the achievement of its remit. It also sets out key priorities for the first year of agency's operation. Details of the planned funding are set out at Annex 1 and the associated volumes of learners for the academic year 2010/11 are set out at Annex 2.

This Grant Letter should be read in conjunction with the YPLA Remit Letter and Financial Framework, the Statement of Priorities, and the appointment letter of your Chief Executive as Additional Accounting Officer. The YPLA must always consider propriety, regularity and value for money in its use of resources, and the maintenance of budgetary control over the resource set out in this letter is one of the YPLA's core responsibilities. This will be a key element in our overall assessment of YPLA effectiveness.

The legislative basis for this Letter is in Schedule 3 (paragraph 18) of the Apprenticeships, Skills, Children and Learners Act (2009), which allows the Secretary of State to make grants to the YPLA for the purposes of any of its functions, and also Section 78 which allows to the Secretary of State to make grants to the YPLA for the purposes of any functions that are or may be conferred or imposed on the YPLA under Academy Arrangements.

The purpose of this funding is to allow the YPLA to fulfil its objectives as described in legislation and in my accompanying remit letter (including the associated Academy Arrangements) and the additional priorities for 2010-11 set out in this letter. I expect the YPLA to use the grant only for this purpose and, at all times, to comply with legislation and specified requirements. As set out in paragraph 18 of Schedule 3, the grant is subject to repayment if these conditions are not complied with. This Grant Letter will be updated over the course of the year, as and when necessary - eg



department for  
**children, schools and families**

for programmes of adult learner support. In particular, certain Academies figures are provisional as they depend on transfers from the dedicated schools grant (DSG) transfer, which will be finalised during the course of the year.

### Main Priorities for 2010-11

I will expect the YPLA to remain flexible and able to contribute across a number of strategic priorities - for example in relation to the 14-19 qualifications strategy; to learners with learning difficulties and disabilities; to narrowing the achievement gap between different groups of young people; on the numbers of young people not in education, employment and training; on the raising of the participation age and delivering the September Guarantee; in raising attainment in particular at level 2 and level 3; in enabling progression to sustainable employment and to Higher Education; and in improving and maintaining high standards within the academies programme, in ensuring high quality learning for young people detained in youth custody and working with officials on the single integrated capital strategy. This will enable the organisation to maximise its contribution to PSA targets, and to work with DCSF on the implementation of new initiatives or developments to ensure they have the greatest possible impact on young people's lives.

In doing this, the following will be key:

- delivery of the 2010/11 Statement of Priorities;
- the operation of effective and efficient systems of financial management, that ensures the smooth and accurate flow of funds;
- publication of the first National Commissioning Framework and of an Intervention Strategy;
- ensuring that any residual issues arising from the transition process are resolved quickly and effectively - including the review of shared service operation which must be fully audited in the first year;
- ensuring Academies continue to raise educational standards.

This might also include exploring and evaluating new approaches to learning for young people. For example you will have responsibility for the Young Apprenticeship programme, in its seventh year as a pilot programme, and there may be other areas in which pilot provision will be helpful in generating an evidence base for future learning programmes.

Over the course of the YPLA's first year, I would like to see real evidence that the changes we are making to the commissioning of young people's learning are working through in terms of benefits for young people. These benefits will ultimately be in participation, attainment and progression - including reductions in the number of young people who are not in education, employment or training and successful implementation of the delivery plan for the raising of the participation age. They will also work through into, for example, the more effective provision of support for learners with learning difficulties and disabilities, improved value for money, and minimised bureaucracy for providers and learners.

I would also like you to work with local authorities to develop proposals for handing over responsibility for the commissioning of provision from Independent Specialist Providers for those learners with a learning difficulty assessment aged up to 25, with the aim that this transfers for 2012/13. It is important that this transition is managed carefully and that capacity and underpinning systems are developed in such a way that there is no disruption to the learners. You will also need to work with colleagues in the Skills Funding Agency, DCSF and the Department for Business, Innovation and Skills on the review of learner support delivery - ensuring that review timelines cohere with the timescale of the existing delivery contract.

In its first year, the YPLA will also need to support local authorities with Prison Service Young Offender Institutions in their area to assume their new commissioning functions, and will need to continue this role in the future as other local authorities assume commissioning functions for the remainder of the youth custody estate (privately managed young offender institutions, Secure Children's Homes and Secure Training Centres). I would like you to ensure that the experience and expertise of the LSC in offender learning is used to develop a smooth transition of commissioning responsibilities to local authorities, and that the YPLA ensures continued improvement on this agenda.

I would expect to see a significant increase in the numbers of learners benefiting from the Free Childcare for Training and Learning for work scheme and would also like you to work closely with the DCSF and the Department for Business Innovation and Skills in developing the plans to merge this scheme with the Sixth Form College Childcare scheme and the childcare part of discretionary learner support by September 2011.

In due course, the YPLA will want to review and refresh its organisational structure and strategies and to ensure that it is contributing to the achievement of our strategic objectives. Continued evidence that the engagement with local authorities is adding value will be of vital importance.

### Funding for 2010-11

Through the work of the YPLA Committee, the Learning and Skills Council and DCSF have already jointly published a Statement of Priorities for the academic year 2010/11. Section 2 of that Statement set out how the YPLA would invest and deploy the funds available through its grant and the outcomes that are expected for that investment. However this grant letter differs from the Statement of Priorities in a number of ways.

Funding for participation in Academies, pre-16, was not included in the Statement of Priorities. This, of course, will be a YPLA responsibility from April so is included in this grant letter. It is important to note, however, that funding for the YPLA's responsibilities with respect to Academies is distinct from other funding streams and virement between the two is not possible.

This grant letter does not include funding for Apprenticeships (£780m) which will flow through the National Apprenticeships Service. It will, however, include funding for those programmes of adult learner support which the YPLA will be responsible for delivering on behalf of the Chief Executive of Skills Funding, on a shared service basis. Virement between BIS budgets and DCSF budgets is not possible.

Budget and volume figures for participation have been amended to take account of the allocation process and reflect the aggregate of funding and planned volumes that have been allocated to providers. The FE budget figures includes a small amount of unallocated funds for Diplomas, recovery and reconstruction together with £7m to be prioritised in the financial year.

Original EMA requirements have been reviewed in work done through the Annual Statement of Priorities and now reflect a different mix than was originally envisaged, leading to a slightly lower requirement for EMAs of £574m.

Funding for the delivery of objectives in relation to JACQA was not included in the Statement of Priorities. I want YPLA to have joint responsibility with QCDA for the effective operation of JACQA and funding is included within this grant letter specifically:

- to provide effective scrutiny of qualifications intended for use by 14-19 learners against the section 96 criteria and provide robust, well evidenced, and timely advice to the Secretary of State on their eligibility for funding
- to take forward actions associated with Recommendation one of the Biennial Review to implement the managed withdrawal of funding for all internal qualifications by July 2011.
- Further funding to implement the other agreed actions arising from the 2009 Biennial Review will be made available subject to the agreement of a business case covering this work.

I look forward to discussing the YPLA's progress with you at our quarterly meetings.

Yours,



ED BALLS MP

## Annex 1 to YPLA Grant Letter: Planned Investment 2010-11

With the exception of the JACQA figure, all entries rounded to nearest £m.

<b>16-18 Participation</b>	<b>£m</b>
16-18 FE and FL	4,000
SSF (maintained)	2,247
SSF (academies)	169
Education in youth custody	18 <sup>1</sup>
<b>Pre-16 Participation</b>	<b>£m</b>
General Annual Grant <sup>2</sup>	1,661
Insurance <sup>3</sup>	20
Annual per capita grant <sup>4</sup>	16
National challenge advisers	7
Miscellaneous programme costs	1
TUPE and staff restructuring	7
Deficit funding	8
<b>Other Participation</b>	<b>£m</b>
LLDD revenue	262
19-25 high cost ALS	32
<b>Non-Participation</b>	<b>£m</b>
<i>Learner Support</i>	
EMA	574
16-18 SSF Hardship	4
16-18 FE Hardship	25
LEA Transport Partnership	12
16-18 Residential Bursaries	5
Care to Learn	43
Dance & Drama Awards	14
BIS programmes of learner support	37
<i>14-19 Reform</i>	
Education Business Partnerships	25
Young Apprenticeships	33
E2E Youth Community Action Capacity	3
Parents to Be Scheme	4
JACQA	0.310
<i>Other</i>	
Free Childcare for Training & Learning at Work	40
<b>Capital Grants</b>	<b>£m</b>
14-19 Capital Fund	270
LLDD Capital	5
Devolved formula capital (pre-16)	16
<b>Administration</b>	<b>£m</b>
Administration	44
Academies staff-related budget	4

<sup>1</sup> Final figure will depend on the number of beds that are commissioned.

<sup>2</sup> This figure is provisional: the final figure will depend on transfers from the dedicated schools grant (DSG), which will be finalised during the course of the year.

<sup>3</sup> As note 2.

<sup>4</sup> As note 2.

**Annex 2 to YPLA Grant Letter: Planned Participation in Number of Learners - 2010/11**

<b>PROGRAMME</b>	<b>2010/11 Planned Delivery</b>
Further Education all levels	931,000
<i>of which are Foundation Learning</i>	236,000
School sixth forms all types	439,000
<i>of which are maintained school sixth forms</i>	403,000
<i>of which are Academy Sixth Forms (includes CTCs)</i>	37,000
Specialist provision for LLDD 16-25	4,000
Further Education provision for LLDD age 19-25	4,000
<b>Total Learners</b>	<b>1,378,000</b>