

# 16-19 Statement of Priorities and Investment Strategy 2010-11

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department for  
**children, schools and families**



Leading learning and skills



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# Introduction from Iain Wright, Parliamentary Under-Secretary of State for 14-19 Reform and Apprenticeships



**Iain Wright**

Parliamentary Under-Secretary of State for 14-19 Reform and Apprenticeships

The past year has seen record numbers of young people participating in post-16 education and training. Through the September Guarantee we are ensuring the offer of a suitable place in education and training to every 16- and 17-year-old who wants one, and we are building on this with the January Guarantee to offer all 16- and 17-year olds who are not in education, employment or training in January 2010 an appropriate offer of a place in training. Increased investment is leading to increased attainment with more learners than ever before gaining the skills and qualifications they need to prepare them for life and work. This success is testament to the hard work of schools, colleges and work-based learning providers, working in partnership with the Learning and Skills Council and local authorities.

But there are still too many young people who remain disengaged from education, employment or training and the gap in attainment persists between those from the most disadvantaged backgrounds and their peers. We must continue to raise skills levels if we are to meet the twin challenges of the new global economy, with increasing competition from nations such as India and China, and the short-term economic difficulties being faced across the world. Now, more than ever, it is vital that we continue to take decisive action to ensure that all young people – including the most vulnerable – are able to participate in learning, so that they have the knowledge, skills and aptitudes they need to secure a bright future.

This statement of priorities sets out the Government's continued commitment to increased investment in education and training for young people. As a result of the additional investment secured through Budget '09 and the Pre-Budget Report, total funding for 16-19 learning will rise to nearly £8.5 billion. But if we are to realise our collective ambition to support ever greater numbers of young people to participate, alongside the increased investment comes the responsibility for both Government and the sector as a whole to continue to make tough decisions – such as our decision to remove the EMA bonus system from the next academic year – and drive out greater efficiencies.

This statement of priorities sets out the Government's continued commitment to increased investment in education and training for young people. The Apprenticeships, Skills, Children and Learning Act, which received Royal Assent in November 2009, presents an historic opportunity to bring services together around the needs of all young people. Local authorities, supported by the Young People's Learning Agency from 1 April 2010, will have the tools they need to plan and commission a coherent, integrated and responsive offer to all young people, extending the range of learning opportunities available including through greater access to Apprenticeships, Diplomas and Foundation Learning and creating the right infrastructure to fulfil our historic commitment to raise the participation age to 18 by 2015. The investment in young people's learning set out here for 2010-11 will ensure that the best outcomes – in terms of participation, attainment and progression – can be delivered for all young people.

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



# Foreword from Les Walton, Chair of the Young People's Learning Agency Committee



**Les Walton OBE**  
Chair, Young People's Learning Agency Committee

This document sets out the key issues that those planning and commissioning provision should ensure are addressed in plans for the 2010/11 learning year.

It is issued at an important time of transition as the statutory responsibility for 16-19 education and training is transferred from 1 April 2010 from the Learning and Skills Council to local authorities. The Young People's Learning Agency Committee of the Learning and Skills Council is working to ensure that this is a smooth transition.

During this period, it is vital that all partners remain focused on what matters most – continuing to improve the learning offer and support for all young people. So we want to see continued increases in participation, in particular in Apprenticeships and Diplomas, with fewer young people not in education, employment or training; we want to see increased levels of achievement at all levels, and a reduction in the achievement gap between those who have been eligible for free school meals and their peers; we want to see significant improvements in the information, advice and guidance offered to young people; and we want to see continued progress in helping young people with learning difficulties and/or disabilities to overcome the barriers that many still face.

I believe the reforms set out in the Apprenticeships, Skills, Children and Learning Act will enable us together to continue to drive up participation, attainment and progression as we move to full participation up to age 18 from 2015. These reforms, however, cannot be achieved by local authorities acting on their own. They depend on creating a new level of partnership unprecedented in the education system in this country. Schools (including Academies), colleges, independent and Third Sector training providers, those who manage the youth custody system and, crucially, employers, all need to take their place as full and equal partners.

The Young People's Learning Agency, which will be fully established from 2010, will be there to underpin and support this spirit of partnership. We begin from a position of strength: participation in learning is at an all-time high, as are the levels of attainment at both age 16 and age 19. We have record levels of investment in learning and skilled and professional teachers, lecturers, trainer and support staff in all parts of the system.

We have a shared commitment to ensure that all young people are enabled to reach their full potential, the strength of which is best summed up as follows: 'We are 100 per cent for 100 per cent.'

# Section 1 – Priorities for Young People

## Introduction

**1** The new arrangements for the planning and funding of education and training for young people will come into effect from April 2010. From this time, the priorities for young people and the responsibility for the outcomes achieved by them will be shared by local authorities, the Young People's Learning Agency (YPLA) and the schools, colleges and training organisations that work directly with all those aged 16-19 and those aged 19-25 who are subject to a learning difficulty assessment. The National Apprenticeship Service (NAS) will be responsible for increasing the number of Apprenticeships for all ages. Local authorities and the YPLA will work with NAS to make sure young people realise their Apprenticeship ambitions. The priorities for investment in adult skills in 2010-11 were published in *Skills Investment Strategy* by the Department for Business, Innovation and Skills (BIS) in November 2009.

**2** The investment in young people by each of these partners must be driven by the shared ambition to raise the participation age to 17 by 2013 and 18 by 2015. By 2013, there should be in place a broad and high-quality curriculum offer, together with the necessary comprehensive support packages – the '14-19 Entitlement'. The September Guarantee for 16-and-17-year-olds and the financial support available has meant that more young people than ever before are participating in learning and achieving their full potential after the age of 16. Our main priorities for young people in the coming year build on this success.

**3** The fundamental changes in responsibilities brought by the Apprenticeships, Skills, Children and Learning Act 2009 (ASCL Act) do not change the key goals of increased participation, attainment

and progression for all. This Statement of Priorities sets out the Government's investment strategy for young people as well as actions which are specific to the YPLA in the first year of its operation.

## Increasing Investment in Young People

**4** It is vital for the wellbeing of individuals, society and the economy that young people participate in learning and achieve qualifications that will enable them to pursue full and productive careers and give them the best life chances. That is why the 2009 Budget and the Pre-Budget Report of December 2009 signalled record levels of investment in the education and training of young people in England. The Government is investing over £8.2 billion in 2010-11 to fund learning for over 1.6 million young people – the highest level ever.

## Public Service Agreement

**Public Service Agreement targets (NI 79, NI 80, NI 117)<sup>1</sup>**

**5** The Public Service Agreements (PSA) with targets specifically in respect of the young people covered by this statement of priorities are:

PSA 10 Increase the proportion of young people achieving:

- Level 2 at age 19 to 82 per cent in 2011 (from 73.9 per cent in 2007);
- Level 3 at age 19 to 54 per cent in 2011 (from 48.0 per cent in 2007).

PSA 14 Reduce the proportion of young people who are not in education, employment or training by 2 percentage points by 2010 (from 9.7 per cent in 2004).

<sup>1</sup> For the benefit of local authorities any relevant indicators from the National Indicator (NI) Set are identified in brackets.

**6** In addition, whilst not including specific targets for those young people, the actions outlined in this document will contribute to:

PSA 11 Narrow the gap in educational achievement between children from lower income and disadvantaged backgrounds and their peers.

PSA 14 Increase the number of children and young people on the path to success.

PSA 15 Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief.

## Guaranteeing Places and Increasing Participation

### Raising the Participation Age

**7** The age of compulsory participation in education or training will be raised to 17 in 2013 and to 18 in 2015. The success of this move will be grounded in actions taken in 2010-11, as local authorities work with their partners to develop clear trajectories leading to full participation. The first cohort to be affected is currently in Year 8. *Raising the Participation Age: supporting local areas to deliver*, published in December 2009, sets out what local authorities and other partners need to do by 2013, and the support available to start their preparations.

### September Guarantee

**8** Since 2007, the September Guarantee has contributed significantly to record levels of participation by 16- and 17-year-olds. Local authorities have overall responsibility for delivery of the Guarantee at the local level, working in partnership with schools, colleges, training providers, Connexions services and, currently, the Learning and Skills Council (LSC), to ensure that they prepare, support and enable all 16- and 17-year-olds to secure a suitable place in learning. The transfer to local authorities of the responsibility for planning

and commissioning the provision of education and training for young people from 2010 will provide a unique opportunity for local areas to enhance this process and ensure that the supply of provision fully meets the needs of all young people and the needs of the labour market.

### Reducing the proportion of young people not in education, employment or training

**9** In December 2009 the Government published *Investing in Potential*, a joint Department for Children, Schools and Families (DCSF), Department for Business, Innovation and Skills (BIS) and Department for Work and Pensions (DWP) strategy to increase the proportion of 16- to 24-year-olds in education, employment or training. Local authorities will lead the strategy and plans to drive down the number of young people not in education, employment or training (NEET). Collaborative working with a broad range of local partners should:

- identify at an early stage and track rigorously those young people who are at risk of disengaging, or have disengaged, from learning, and provide the right learning opportunities and support to maintain their engagement;
- ensure that young people receive high-quality, relevant and personalised advice, guidance and support through learning providers, Connexions and targeted youth support services so that they become – and remain – engaged;
- ensure that the provision on offer in every local area closely matches the needs and aspirations of the young people in that area;
- reduce the length of time that young people spend out of learning by ensuring that there is sufficient flexible provision to allow them to reengage as soon as they are ready; and

- ensure that young people receive wrap-around support at transition points (such as at ages 16 and 18) through integrated youth support services and close joint working with Jobcentre Plus.

**10** In November 2009 the Prime Minister announced additional funding to put in place a January Guarantee for 2010 to provide all 16- and 17-year-olds who were not in employment, education or training at that time with an offer of a place in Entry to Employment (E2E). A total of 10,000 additional E2E learners will be funded as part of the Guarantee offer.

## Routes for Young People

Central to the 14-19 reforms is the full availability of high-quality learning routes to suit and motivate all young people. This section sets out those learning routes where we expect to see further growth during 2010/11.

### Apprenticeships (NI 79,80, 91)

**11** The Government wants to see continued growth in the number of young people undertaking an Apprenticeship to meet the long-term ambition that at least one out of every five young people are undertaking an Apprenticeship programme. The ASCL Act will ensure that by 2013 an Apprenticeship place will be available to all suitably qualified young people, increasing the number and variety of places available. Work will also continue to address stereotyping and under-representation across all equality strands, including gender, race and disability.

**12** The current economic downturn has affected 16-18 Apprenticeship recruitment, especially in those sectors most affected by the downturn. In order to provide the additional Apprenticeships needed, a particular focus for the NAS in 2010-11 will be to increase the number of employers engaged in the Apprenticeships programme, particularly in sectors which do not have a strong tradition

of Apprenticeships – such as the public sector. The ASCL Act will also provide a specific focus on the progression of young people into a Level 3 Advanced Apprenticeship. Colleges and providers will be expected to continue to engage and support the progression of suitably qualified young people into Advanced Apprenticeship programmes.

### Diplomas (NI 90)

**13** The year 2010 will see the first teaching of the Phase 3 Diplomas, in: Public Services; Retail Business; Sport and Active Leisure; and Travel and Tourism. The Diploma consortia will be delivering increased numbers of Diploma places by offering young people a choice of Phase 1, 2 and 3 qualifications. It is also a critical year for 14-19 Partnerships in terms of ensuring that they have robust plans to secure enough places to deliver the Diploma entitlement in 2013. In 2010, the first Advanced Diploma learners will complete their Diploma and progress to further study or employment.

### Foundation Learning (NI 79, NI 91, NI 117)

**14** By 2010/11, all local authorities should be delivering Foundation Learning for 14-19 year olds in their areas, building on previous programmes, evidence from pilots and the phased implementation of Foundation Learning in the post-16 sector. From 2010/11, the majority of 16-19 providers should be involved in its delivery, as Foundation Learning will encompass all existing programmes at Entry Level and Level 1 for 16- to 19-year-olds, including E2E. Some schools in every area should also be involved, as Foundation Learning will have absorbed the Key Stage 4 Engagement programme for 14- to 16-year-olds. By 2011/12 the majority of schools should be involved in delivering Foundation Learning, working with local authorities and partners across the 14-19 age range to ensure that provision bridges the age 16 divide effectively to support Raising the Participation Age. The key challenges include making sure that engagement provision leads to Foundation Learning and sits within it as a learning programme;

ensuring that all provision supports progression to Level 2; and securing flexibility in delivery, not least for young people in jobs without training.

### Functional Skills

**15** Functional Skills qualifications are now available at Entry Level, Level 1 and Level 2. Providers are now expected to deliver these Qualifications for young people wherever possible. This means that it should no longer be necessary for learners to take adult literacy or numeracy qualifications and, therefore, the number of young people taking those qualifications should reduce significantly in 2010/11. It is our intention, subject to confirmation by the Joint Advisory Committee on Qualifications Approval (JACQA) Biennial Review, that adult literacy and numeracy qualifications will no longer be funded for young people after 2010/11.

### Community service

**16** It is the Government's ambition that, in time, all young people will complete at least 50 hours of community service by the time they reach the age of 19. The community service for 16- to 18-year-olds initiative will continue and be integrated into Foundation Learning from 2010/11 and, together with the local authority 14-16 pilots launched in early 2010, will inform future developments, including on the issues of capacity, delivery and recognition.

### Flexible provision

**17** Flexible and responsive provision is essential if every young person is to be enabled to participate in learning. In order to meet the requirements of vulnerable young people (for example, teenage parents and those with caring responsibilities), provision may need to be available at different times of the day. Furthermore, a range of flexible start dates should be available from colleges and other providers throughout the year so that young people dropping out of learning are able to re-engage with learning as quickly as possible.

**18** Foundation Learning and the European Social Fund will offer flexible programmes, but these may not be suitable for the significant number of young people who have already attained Level 2. Local authorities will want to work with schools, colleges and training providers in their area to ensure that there are sufficient flexible opportunities at the right level.

## Support for Young People

This section sets out the range of financial and other support available for young people and the actions that the YPLA, local authorities and providers will need to take to ensure that they are able to take up the opportunities which are on offer.

### Financial support

**19** Financial support plays a key role in encouraging and enabling more young people from lower income households to participate, achieve and progress in post-16 learning. Local authorities and the YPLA will have an important role in ensuring that young people who are considering their post-16 options are aware of the support available and how they can access it, that young people are encouraged to utilise this support, and that this support for learners is delivered effectively and efficiently.

**20** The Government has said that Education Maintenance Allowance (EMA) and Care to Learn childcare support will continue after the participation age is raised. The *New Opportunities* White Paper, published in January 2009, announced a cross-departmental review of financial support for 16- to 18-year-olds. That review is considering what support young people will need once the participation age is raised. The review is due to report in Spring 2010, and its findings will inform Government policy to ensure that the whole of the financial support system for 16-19 year olds is as effective as possible as the participation age is raised.

## Access to learning and transport

**21** Post-16 transport will be important in delivering the 14-19 Entitlement and in raising the participation age. Collaboration by local authorities in Sub-Regional Groupings will offer an opportunity to address inconsistencies in the post-16 transport policies of different local authorities and to ensure that learners receive equitable transport support, so that they can access provision. A short-term £12 million Transport Partnership Fund has helped local authorities to develop innovative and sustainable transport solutions. This fund will continue in 2010-11 and will be administered by the YPLA.

## Information, Advice and Guidance

**22** Local authorities should take forward the DCSF information, advice and guidance (IAG) Strategy: *Quality, Choice and Aspiration*, to ensure that the right support and guidance is in place for all young people by 2013 as an essential component of the 14-19 Entitlement. That support and guidance must comprise: high quality and impartial IAG and support to make the right choices at ages 14 and 16; a 14-19 Prospectus; the Common Application Process; Apprenticeship Vacancies online; the September Guarantee; and positive activities for young people. Local authorities will be expected to follow the related Directions and Statutory Guidance which is expected to be issued in Spring 2010.

**23** Local authorities must work with and through 14-19 Partnerships to ensure that the Common Application Process is in place by September 2011 for all young people in Year 11. The Common Application Process links with the 14-19 Prospectus and aligns with the Apprenticeship Vacancies online system to give young people ownership of the application process and equal access to all curriculum routes. Local authorities will also work to improve their 14-19 Prospectus and to achieve the ambitions set out in the DCSF's *Action Plan for the 14-19 Prospectus and Common Application Process*.

## Work experience for people over compulsory school age

**24** As part of the new vision for work experience and the review of the DCSF's work experience standard (as announced in October 2009 in *Quality, Choice and Aspiration*), more post-16 work experience with employers will be promoted. From 2010, local authorities will have the power to secure the provision of work experience for people aged 16-19 within their area, and for those aged 19-25 who are subject to a learning difficulty assessment. Local authorities will also have a duty to encourage 16- to 19-year-olds to participate in work experience, and to encourage employers to provide opportunities for such work experience. One of the priorities for the £10 million being made available through the Youth Sector Development Fund (also announced in *Quality, Choice and Aspiration*) to support IAG for young people will be to encourage new approaches to introducing young people to the world of work.

## Learner voice

**25** The 14-19 Partnerships are developing good practice that enables the learner voice to be heard at the local level. The National 14-19 Learner Panel has informed national policy development and implementation of the 14-19 reform. The Learning and Skills Council's YPLA Committee has committed itself to listening to the learner voice in its deliberations, and it is planned that this will continue after April 2010 when the YPLA begins to operate.

## Education of young offenders (NI 19, NI 45)

**26** The YPLA will support local authorities in fulfilling their new responsibilities from 2010 to commission and fund education and training for young offenders in youth custody (this includes young people aged 10-17 and some 18-year-olds near the end of their sentence who remain in youth custody). A key challenge in 2010/11 will be to ensure that home local authorities (that is, where the

young person is ordinarily resident) and host local authorities (that is, the local authority area in which the custodial establishment is based) understand and fulfil their respective responsibilities.

**27** Local authorities must maintain continuity of learning for young offenders as far as possible as they move into custody, between institutions in the custodial estate and when they leave custody. Local authorities should also work to improve the learning opportunities open to young people serving their sentence in the community.

## Attainment and Progression

This section sets out actions to ensure that all young people attain their full potential and can progress to further learning and work.

### Narrowing the attainment gaps (NI 81, NI 82, NI 148)

**28** Narrowing the gap between the attainment of the most disadvantaged young people (including those who are looked after or who are care leavers) and their peers is a key policy priority. The gap in attainment at both Level 2 and Level 3 between those who are eligible for free school meals and those who are not has narrowed over recent years, but that progress needs to be accelerated. The YPLA will provide local authorities, Sub-Regional Groupings and Regional Planning Groups with data on, and strategic analysis of, the attainment gaps. Local authorities should use this information to understand their own positions and, where appropriate, identify what action is necessary.

**29** As part of the development of the Framework for Excellence (see paragraph 33) the idea of an 'educational inclusion' indicator will be explored, which could recognise those providers that are most successful at narrowing attainment gaps.

## Equality and diversity

**30** The LSC will ensure that those providers it commissions comply with all the relevant legislation that relates to gender, race, disability, sexual orientation, religion/belief, age and transgender equality, and the statutory codes of practice for education published by the Equality and Human Rights Commission. The YPLA will develop a single equality scheme, and it will consult with, and involve, equality groups when developing policy. Equality and diversity will be embedded in the new commissioning arrangements.

**31** In July 2009, the Women and Work Commission made a series of recommendations to address both gender stereotyping and gender inequality. Many of those recommendations are for action by DCSF, local authorities and the YPLA. A progress report has been requested by March 2012.

**32** All the proposed policies, or policy changes, set out in this document will be subject to an initial equality impact assessment and, where appropriate, a full impact assessment.

## Raising the Quality of Provision for Young People

### Raising the quality of provision for young people

**33** The Framework for Excellence (FfE) is the Government's performance assessment framework for further education colleges and post-16 education and training providers. It is formed of a set of key performance indicators, covering success rates, the views of learners and employers, learner destinations and finance. Together, these provide an independent, quantitative assessment of the performance of individual providers and the sector as a whole. The Framework for Excellence will be implemented in schools with sixth forms from 2010. The framework is being piloted currently by schools and local authorities, and those pilots will help determine how best it should be implemented.

**34** Commissioning for provision in 2010/11 will take account of providers' success rates in 2008/09 in determining whether performance meets Minimum Levels of Performance. These are unchanged from those applied in commissioning for 2009/10.

### Non-section 96 funding

**35** In 2009 an impact assessment, using 2008/09 data, was undertaken of a proposal that external qualifications for young people should only be funded if they have been approved by the Secretary of State under Section 96 of the Learning and Skills Act 2000.

**36** Following consideration of the results of this impact assessment, funding will be withdrawn from 31 July 2010 from over 1,000 qualifications that are currently eligible for funding. A list of those qualifications will be published on the LSC's website in January 2010. In exceptional circumstances (for example, where there is no alternative provision on the National Qualifications Framework or the Qualifications and Credit Framework) there will be an opportunity for awarding organisations to make a case for continued eligibility for funding until August 2011.

### 14-19 Qualification Strategy

**37** The 14-19 Qualification Strategy is designed to ensure by 2013 the majority of young people will access qualifications through one of the four national learning routes: Apprenticeships; Diplomas; Foundation Learning; and GCSEs/A levels.

**38** In early 2010 JACQA will publish its report to the Government in its findings from its first Biennial Review. All providers should note that this will result in changes to the qualifications that are eligible for funding in 2010/11. Providers are responsible for ensuring that they deliver only those qualifications approved by the Secretary of State under section 96 of the Learning and Skills Act 2000 and should also be working to align their offer to the four national routes.

### Level 2 to Level 3 conversion

**39** Around a quarter of young people who achieve Level 2 do not go on to achieve Level 3. This includes some 30 per cent of those who achieve eight GCSEs at grade A\*-C and 40 per cent of those who achieve seven GCSEs at grades A\*-C. Local authorities should consider with their 14-19 Partnerships how such young people can be best supported to achieve Level 3.

**Table 1: Minimum Levels of Performance: 2008/09 success rates for 2010/11 commissioning**

Programme/qualification type	Minimum level
FE long qualification Entry and Level 1	60%
FE long qualification Level 2	60%
FE long qualification Level 3	60%
A-levels	75%
FE long qualification Level 4 or higher	58%
FE short qualification (all levels/5 to 24 weeks)	62%
Apprenticeships (full framework)	50%
Advanced Apprenticeships (full framework)	50%

## Learners with Learning Difficulties and/or Disabilities

### Budgetary control

**40** A key challenge for local authorities from 2010 will be to maintain control of the budgets to support learners with Learning Difficulties and/or Disabilities (LDD). Much of this provision is necessarily relatively high-cost. As they continue to encourage more young people with LDD to participate in learning, it is important for local authorities to be rigorous in ensuring that the provision represents value for money. In particular, they should, through Children's Trusts, seek to ensure that third-party contributions are secured wherever appropriate.

### Roles and responsibilities

**41** The ASCL Act fundamentally changes the responsibilities of local authorities for learners with LDD. Local authorities become the sole accountable bodies for all the outcomes and services for learners with LDD aged 0-19 and for those aged 19-25 who are subject to a learning difficulty assessment. Local authorities must secure appropriate provision for these learners.

### Ofsted review

**42** The development of provision for learners with LDD will be informed by an Ofsted review that began in Autumn 2009 and that will report by July 2010. The review will evaluate the extent to which the organisation of services and workforce practices are improving outcomes and meeting the needs of children and the expectations of parents. Included in the scope will be those services relevant to young people in the 16-25 age group including those in work-based learning.

### Local provision

**43** As progress is made towards raising the participation age in 2013 and again in 2015, increasing the participation of young people requires the development of more and better-quality provision that is suitable for learners with

LDD within their local communities. It will be important for local authorities to develop a clear understanding of existing provision for learners with LDD, and to identify existing and future demand for such provision.

### Inclusion in mainstream learning

**44** The inclusion of more young people with LDD in mainstream learning (for example in FE colleges) will remain a key priority. Local authorities should be working towards the development of high-quality provision to enable learners to participate locally (rather than be reliant on residential provision which can often be some considerable distance from the learner's home).

### Employment

**45** By September 2010, providers will no longer be funded to deliver work-preparation programmes for learners with LDD that do not focus on learning in the workplace and the supported employment model. More young people with LDD will be expected to gain meaningful employment as a result of:

- better preparation for work by schools, colleges and training providers;
- better work experience;
- job coaching in Foundation Learning;
- Skills Accounts and the Adult Advancement and Careers Service being fully accessible to people with LDD up to the age of 25.

### Access to Apprenticeships

**46** The NAS recently issued a prospectus inviting bids for critical-mass pilots which will aim to improve the diversity of Apprenticeships in England, including by improving access to Apprenticeships for people with LDD. The pilots are expected to begin in April 2010. The ASCL Act provides for access to Apprenticeships through a portfolio of evidence and Sector Skills Councils will be asked to include in their frameworks reference as to how the portfolio will operate in their sector.

# Section 2 – Investment and Allocations Strategy

## Investing in Young People

**47** This section of the statement sets out how the YPLA will invest and deploy the funds available through its grant and what outcomes are expected from that investment.

**48** Funds will be allocated through the national funding formula and allocations methodology to local authorities to enable them to achieve the targets, priorities and policy intentions set out in this document.

**49** A stocktake of mainstream 16-19 provision in Autumn 2009 showed greater than expected demand for and uptake of learning by young people. The additional learner numbers have a knock-on effect on the expected demand in 2010/11 and this has been taken into account in the funding for 16-19 learning for 2010-11. As a result of the additional investment by the Government in Budget '09 and the Pre-Budget Report, investment in education and training for young people will rise to nearly £8.5 billion. These funds will enable additional learner numbers above those funded in 2009/10, resulting in over 1.6 million places in learning for young people. This will enable schools, colleges, providers and local authorities to deliver the September Guarantee for all 16- and 17-year-olds, and continue to make progress towards full participation by all 17-year-olds by 2013 and all 18-year-olds by 2015.

**50** The Pre-Budget Report confirmed that for 2011-12 and 2012-13 there will be real terms increases of 0.9% each year for 16-19 learning. This additional investment brings with it an obligation to secure the best possible value for money from the available funding and the YPLA will work with local authorities and providers to support them to achieve efficiencies in 2011-12 and 2012-13. The Government has maintained the base rates of funding for 2010/11 at 2009/10 levels. The Government has also ensured that 80,000 more young people can receive Education Maintenance

Allowances, by re-directing funds from the existing bonus scheme in 2010-11, alongside extra funding announced in the Pre-Budget Report.

**51** This investment will be directed to achieve the Government's key priorities as outlined in the previous section. In summary, for the 16-19 education and training sector, this means:

- a £439 million (6.2%) increase in the funds available for participation across the sector and a budget of nearly £8.5 billion, which includes £8.5 billion for learning places, £677 million for learner support and a contribution to the Government's programme of efficiency savings;
- revenue funding for over 1.6 million learners; a 70,000 (4.5%) increase on those funded in 2009/10;
- planned participation is 97% for 16-year-olds and 92% for 17-year-olds;
- progress towards the Apprenticeships aspiration of at least 1 in 5 young people participating in an Apprenticeship by funding an additional 21,000 places;
- an increase in the Additional Learning Support (ALS) budget to support the sector to narrow the attainment gap;
- record levels of support for learners with increases to budgets for EMA and Care 2 Learn to support an additional 80,000 learners;
- capital funding of £270 million – an increase of £30 million on previously planned investment ;
- support from the European Social Fund of £53 million in the financial year 2010-2011;
- investing over £67 million in 14-19 reforms;
- increasing the investment in LLDD specialist provision to £267 million.

**52** The funding methodology and allocations process will recognise the changes in the 16-19 cohort and support key Government policies by:

- consolidating all participation achieved by providers by Autumn 2009, subject to adjusting for the different levels of cohort and infrastructure changes around the country;
- distributing any additional growth in learner numbers to regions based on the numbers of young people in their region not in education, employment or training;
- providing an uplift of 10% for all learners undertaking a 14-19 Diploma and continuing the collaboration payment for Higher Diplomas delivered in one year;
- targeting ALS at those with the lowest GCSE points scores in English and mathematics and increasing the resources available for ALS;
- merging the E2E programme budget with that spent on Foundation Learning in further education to form a new Foundation Learning budget;
- only funding qualifications which are approved on Section 96 of the Learning and Skills Act 2000 or where the awarding body has submitted and had approved a business case, and only then for the 2010/11 year;
- continuing to prioritise numeracy and literacy for funding as additional qualifications to enhance learners' chances of attaining a Level 2 or 3 qualification.

**53** There are a small but critical number of technical/formula and rates changes for 2010/11, which will be detailed in further guidance (see paragraph 96); these are:

- maintaining the base rate of funding per Standard Learner Number (SLN) for all providers in 2010/11 at 2009/10 rates;
- there will be a system of in-year adjustments which moves funding from providers who significantly under-deliver on learner numbers in the Autumn against their allocation to those who have significantly over-performed on recruitment;
- all Foundation Learning programmes will be funded under the Demand-led funding model;
- challenging those providers with the highest average size and most expensive programmes for each learner with a view to reducing their funding per learner towards the 90% benchmark;
- the success rates used to calculate the allocations will be those generated for learners completing their programmes in 2007/08.

**54** The figures in tables 2 to 5 below are planning assumptions, and are likely to change as a result of the allocations dialogue with providers and to reflect actual delivery during the year.

**Table 2: Planned investment****Planned funding for young people learning in England 2009-10 and 2010-11<sup>2</sup>**

<b>Participation (through YPLA)</b>		<b>2009-10 estimated outturn £ million</b>	<b>2010-11 planned investment £ million</b>	<b>% increase (decrease)</b>
	Further education (including foundation learning and previous E2E budget)	3,776	4,025	6.6%
	School sixth forms (including academies)	2,317	2,392	3.2%
	Specialist LLDD Provision age 16-25	237	267	12.7%
	Education in youth custody <sup>3</sup>	18	18	0%
<b>Participation (through NAS)</b>				
	Apprenticeships (DCSF)	695	780	12.2%
<b>TOTAL PARTICIPATION<sup>4</sup></b>		7,043	7,482	6.2%
<b>Non-participation</b>				
	EMA and Learner Support	671	677	0.9%
	14-19 Reform (including Education Business Partnerships, Young Apprenticeships)	109	67	(38.5%)
<b>TOTAL NON PARTICIPATION</b>		780	744	(4.6%)
<b>TOTAL REVENUE</b>		7,823	8,226	5.2%
<b>16-19 Capital</b>		213	270	26.8%
<b>TOTAL INVESTMENT<sup>5</sup></b>		8,036	8,496	5.7%

2 This table includes funding for all government funded learners aged 16-19, and to age 25 for Learners with Learning Difficulties or Disabilities, including Academies and City Technology Colleges. It does not include funding for learners under age 16 in Academies.

3 Final figure will depend on the number of beds that are commissioned.

4 Includes £33m over both years to fund 10,000 learners on E2E to meet the January Guarantee in 2010 and excludes £11 million to fund significant over-recruitment in 2009/10.

5 From April 2010, local authorities will be legally responsible for funding 19-25 year olds who are subject to a learning difficulty assessment. Therefore this budget will be supplemented by a transfer of funding from BIS to DCSF for 2010-11 to take account of this legal duty. The final figure is still subject to agreement but is expected to be in the region of £50m to take account of those learners with ALS needs over £5,500. This funding is not currently included within the totals shown in the table.

**Table 3: Planned participation in number of learners**

	<b>2008/09 Actual outturn</b>	<b>2009/10 Projected outturn</b>	<b>2010/11 Planned delivery</b>
Further Education all levels <sup>6</sup>	888,000	933,000	943,000
Of which were E2E Learners <sup>7</sup>	78,000	108,000	N/A
Of which are Foundation Learning	147,000	146,000	237,000
Apprenticeships <sup>8</sup>	181,000	202,000	223,000
School sixth forms all types	399,000	420,000	431,000
Of which are Maintained School sixth forms	384,000	395,000	395,000
Of which are Academy Sixth Forms (includes CTCs)	15,000	25,000	37,000
Specialist provision for LLDD 16-25	4,000	4,000	4,000
Further Education Provision for LLDD age 19-25	4,000	4,000	4,000
<b>Total Learners</b>	<b>1,476,000</b>	<b>1,563,000</b>	<b>1,605,000</b>

**Table 4: Participation rates by percentage****Projected participation in learning between 2007/08 and 2010/11**

	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
Proportion participating at age 16	88%	90%	95%	97%
Proportion participating at age 17	78%	80%	87%	92%
Proportion participating at age 18	54%	56%	59%	61%
Proportion participating at age 16-18	73%	75%	80%	83%

**Table 5: Progress towards Level 2/3 targets****Projected attainment levels between 2007/08 and 2010/11**

	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
Proportion reaching Level 2 by age 19	77%	79%	81%	85%
Proportion reaching Level 3 by age 19	50%	51%	54%	60%

<sup>6</sup> Further education now includes all learners on Foundation Learning including those who would previously have been on Entry to Employment (E2E).

<sup>7</sup> E2E merges with Foundation Learning as at the start of 2010/11.

<sup>8</sup> Reduction from Annual Statement of Priorities 2009-10 due to 19 year olds being counted as adults.

## **Increases in unit costs**

**55** Unit costs of funding learners have also increased since 2003-04, mainly due to inflation, increased success rates, increases in the size of learner's programmes (such as the new Diplomas) and recruiting more learners from disadvantaged areas. For example, the funding per learner for a further education or Apprenticeship place has increased by almost 45% and a school sixth form place by 25%. This has closed the funding gap between school sixth forms and colleges from around 14% in 2002/03 to under 6% in 2009/10.

**56** The Government has asked the 16-19 education and training sector to control further increases in unit costs and absorb some of the planned increases for 2010-11. These efficiencies are being achieved by maintaining funding rates per SLN at 2009/10 rates and lower costs of participation than originally planned, based on the actual choices young people are making. Advice from the YPLA Committee and sector representatives suggests that this will allow schools, colleges and providers to determine the most effective way of achieving their share of the efficiencies, whilst retaining the ability to ensure learners are supported appropriately. Schools, colleges and providers are asked to work collaboratively to develop and implement innovative ideas to achieve the required efficiencies.

## **Funding Academies**

**57** In 2010/11 the number of sixth form learners in Academies will increase by nearly 12,000 (48%) to a total of 37,000 places. Academy sixth forms are funded through the same funding formula and at the same funding rates as maintained school sixth forms. As the majority of Academies are still expanding, growth is negotiated each year. DCSF and the shadow YPLA are working together closely to ensure a smooth transfer of the funding of open academies along with other functions from DCSF to the YPLA.

## **Youth custody education and training**

**58** While the provision for adults and for young people has been split into separate units of procurement, there will be interdependencies between the Offender Learning and Skills Service (OLASS) in the Skills Funding Agency (SFA) and the Youth Custody Education and Training service in the YPLA. The LSC will work with the YPLA, the SFA and stakeholders to oversee the transition of responsibility and ensure that it is as smooth as possible, in order to minimise any disruption to young people's learning as a result of the changes.

**59** The funding of learning and skills provision in Young Offender Institutions for 15- to 17-year-olds is allocated in accordance with the full capacity of each establishment. An agreed 'bed price' is paid and is only amended if the Youth Justice Board and prison service changes the full capacity. Currently, the LSC provides over £18 million to fund 2,495 places in Young Offenders Institutions. Because many young offenders only stay in an institution for a short period of time, nearly 21,000 learners receive education or training each year.

## **Foundation Learning**

**60** Although it is expected that the majority of learners working below Level 2 will be following a full Foundation Learning programme in 2010/11 based on Qualifications and Credit Framework (QCF) qualifications, there may sometimes be circumstances outside the provider's control which mean some learners are not immediately able to access such provision. To maintain flexibility for this range of circumstances, a weekly funding rate will be available. However, providers should seek to ensure learners' achievements are captured in inclusive QCF qualifications as soon as possible so there will be a maximum of 10% of SLNs that can be used to fund flexible non-qualification based learning and there will be published conditions for when the weekly rate can be used.

**61** These conditions will focus on activity where even inclusive QCF qualifications cannot readily be used; where there are gaps in QCF provision where non-QCF qualifications could be used temporarily; and some very specialist provision for learners with LDD or Special Educational Needs (SEN).

**62** For 2010/11 funding for Foundation Learning will take into account the provider's qualification success rate. During the coming year consideration will be given to the use of progression rates and programme success rates.

### **14-19 Reform**

**63** The 14-19 Reform agenda will be supported by investment of £67 million, including funding Education Business Partnership Services and Young Apprenticeships.

### **Capital funding**

**64** The YPLA will be responsible for the 16-19 capital programme in 2010-11 and thereafter. For 2010-11, the YPLA will be responsible for ensuring projects are monitored, reporting on project progress, reporting on budget spending and supporting local authorities as they take on their new role of monitoring individual projects. Most funding decisions for 2010-11 will have been made before the YPLA succeeds the LSC. The total investment for 2010-11 is expected to be £270 million, including an additional £30 million above previously planned investment.

### **European Social Funds for young people**

**65** The SFA will administer the European Social Fund (ESF) for young people on behalf of the YPLA and will focus funding for 14-19 year olds on two main priorities:

- engaging young people not in employment, education or training (NEET) and adding value to Foundation Learning. Young people in custody and in the community will also be engaged through ESF;

- focusing on engagement with young people in jobs without training (JWT).

**66** Young people who are NEET will be likely to be those who face multiple barriers to their participation and need a different type of offer of post -16 provision to engage them in learning and keep them engaged. Such groups include, for example: those with learning difficulties and/or disabilities; care leavers; young people with mental health difficulties; young offenders; and teenage parents.

**67** The main focus of using ESF funding for the period 2011-13 will be securing the continued provision of individually tailored packages of education and support, which will enable the engagement of such young people. This could include providing more of existing types of provision or enabling the procurement of an appropriate alternative that meets the needs of the individual learner.

**68** ESF should always add value to mainstream activities; supporting, enhancing and filling gaps in mainstream governmental budgets and policies.

**69** ESF will ensure sufficient regional flexibility is retained to meet regional skills needs; and the ESF activities, outputs and evaluations will be used to inform mainstream development and approaches.

### **Supporting learners**

**70** The total Learner Support allocation for young people in 2010-11 is in excess of £677 million. These funds are managed by the YPLA Learner Support Directorate, supporting learners either directly or indirectly, for example by paying EMA, childcare or travel costs, and is entirely demand-led – albeit within the parameters of individual scheme eligibility criteria. In addition the Directorate manages around £200 million of Learner Support for adults on behalf of BIS.

**71** To ensure EMA can support increasing numbers of additional learners from low-income households,

the EMA twice-yearly bonus scheme will be removed from 2010/11. As a result of this decision and the additional investment secured through the Pre-Budget Report, an extra 80,000 young people will be able to benefit from the Educational Maintenance Allowance (EMA), enabling them to participate and achieve qualifications. In addition the successful Care 2 Learn childcare programme will increase by nearly 30% to a budget of £43 million.

### **National funding rates**

**72** The national funding rate per Standard Learner Number for 2009/10 will be £3,007 for school sixth forms and £2,920 for Apprenticeships, further education institutions and other providers. The funding rates for all other providers, for example Independent Specialist Providers for those with LLDD and the Youth Custody Education and Training service, will also be maintained at current 2009/10 rates.

### **The national funding formula**

**73** In 2010/11 the national demand-led funding formula will be used to calculate allocations and outturn for schools, colleges and other providers. The details of the formula can be found on the LSC web site.

### **Annual review of qualification SLN values and programme weightings**

**74** Any changes to programme weightings for the competence-based elements of Apprenticeships in 2010/11 are not intended to affect Apprenticeship funding, as SLN values will be adjusted to maintain the level of funding. Continuity will be sought when funding is assigned to frameworks developed in the context of the QCF.

**75** Any changes in SLN values resulting from the annual review of Learner Responsive rates will be published in January 2010.

### **Additional Learning Support**

**76** There are no changes to the calculation of Additional Learning Support ALS in 2010/11, other than the extension of ALS to cover all Foundation Learning provision, including E2E provision. This will result in a change in the balance of funding between programme funding (SLN) and ALS, along the lines of the indicative figures given in the Funding Guidance for 2009/10.

### **Commissioning**

#### **The commissioning cycle**

**77** Young people's learning provision will be purchased for the 2010/11 academic year during 2009/10. The commissioning strategy and allocations process focus on the priorities and targets set out in this document. The LSC will retain accountability for commissioning during 2009/10, but will endeavour to undertake commissioning activity in ways that support capacity building within local authorities and that move towards the new arrangements for the planning and funding of young people's learning, as set out in the White Paper *Raising Expectations: enabling the system to deliver* (March 2008).

**78** Below is a model for the commissioning cycle for young people's learning in 2010/11. It shows the key outputs and activities at a national and a regional/local level.

## LSC Commissioning Cycle for Young People's Learning 2010/11



## **Strategic commissioning approach**

**79** In planning for 2010/11, a commitment will remain to ensuring that the commissioning strategy encourages existing successful providers to grow and be innovative. The strategy will continue to prioritise negotiations with providers who deliver successful, high-performing provision.

**80** In 2009/10, there will be a nationally consistent approach to the involvement of local authorities, Sub-Regional Groupings and Regional Planning Groups in delivery of the planning process and the commissioning cycle for young people in the 2010/11 academic year. Local authorities, Sub-Regional Groupings and Regional Planning Groups will be involved and will be consulted wherever practical. Local authorities will be supported and enabled to play as active a role as is possible in working with the LSC during this final year before responsibility transfers to them.

## **Tendering**

**81** There will be circumstances where tendering is used – for example to fill gaps, replace poor provision or cater for new or niche provision to meet European Social Fund commitments. This will continue to be co-ordinated through an e-tendering solution and will follow a structured process. Where innovation in delivery is required for specialised or local services, a less structured tender process may be used to stimulate flexible approaches to delivery.

## **Qualified Provider Framework**

**82** The Qualified Provider Framework will continue to be used this year in deciding with whom negotiations will be conducted or from whom tenders will be invited. The process for becoming part of the framework and for remaining an approved provider will be made clear, using performance and financial criteria within the Framework for Excellence.

## **National Apprenticeship Service**

**83** The National Apprenticeship Service (NAS) will discuss Apprenticeship commissioning requirements with local authorities in their Sub-Regional Groupings and Regional Planning Groups. These discussions will cover the demand from young people (including current levels or participation), support of employers and the overall performance of young people in Apprenticeships in the local area. As a result, the anticipated demand for Apprenticeships will be discussed, and will be agreed at the regional planning group as part of the 16-19 commissioning process. The NAS will procure provision to meet this need through the SFA, providing sufficient flexibility to respond to demand as it emerges. The NAS will provide monitoring information at local authority level, and progress will also be discussed with Regional Planning Groups.

## **National commissioning framework**

**84** A draft national commissioning framework (NCF) was released for consultation in November 2009. Following consideration of the responses to that consultation, the finalised NCF, which will take the form of statutory guidance, will be published by the YPLA in April 2010. The NCF will describe the overall process for planning, commissioning and funding 16-19 education and training for the 2011/12 academic year. It will also provide guidance in relation to 19-25 learners with learning difficulties and/or disabilities and young people in youth custody.

## **Allocations Strategy**

### **Introduction**

**85** In planning for 2010/11, the LSC will make allocations direct to providers on behalf of the YPLA. In this transition year the LSC's Young People's Learning Division will work closely with local authorities, Sub-Regional Groupings and Regional Planning Groups to trial key elements of the NCF which will come into effect for 2011/12. The

process will be based on the national formula and criteria described in the NCF. From April 2010, local authorities will actually deliver the allocations to providers.

## Essential dates for allocations

**86** The key dates in the allocations process are shown in table 6 below.

Key Date	Activity
<b>January 2010</b>	Notification of Sustainable Baseline Allocations (without Negotiated Growth) for Learner Responsive Providers only.
<b>31 March 2010</b>	Final allocations for all 16-19 Providers, including Maximum Contract Values for Apprenticeships
<b>31 May 2010</b>	Agree each providers' contribution in terms of learners pursuing qualification outcomes in line with progressing the 14-19 Qualification Strategy

## Principles of allocations

### Calculation of learner numbers

**87** The allocations process depends on the accuracy of the learner number baseline. For 2010/11 the LSC is committed to taking account of the cohort decline or increase at local authority and institutional level. This will be achieved by the following 4-step methodology:

**Step 1:** Calculate consolidated baseline – this baseline is the actual recruitment of the provider in learner numbers as at Autumn 2009. For FE providers this will be uprated to a full year estimate.

**Step 2:** Create a sustainable baseline in learner numbers by adjusting school sixth form and FE allocations for changes in cohort size.

**Step 3:** Adjust the sustainable baseline for structural Infrastructure changes in the first two years of their operation.

All adjustments for infrastructure changes are

subject to regional and national moderation and are subject to affordability.

For 2010/11 a further 11,900 school sixth form places will move to Academies. This means that in some cases whole school sixth forms will simply change status but in other cases the Academy will cause displacement from other school sixth forms or colleges. This must be taken into consideration and the number of places allocated to the Academy reduced from other allocations. The displacement of learners from other infrastructure changes must also be taken into account. Care will be needed not to double count reductions made in Step 2 above. Reductions will be considered at moderation.

**Step 4:** Negotiated Growth – on completion of Steps 1 to 3 regions will be allocated remaining growth (if any) using published DCSF data on young people not in education, employment or training. This will start to address the gap between participation of the 16-18 cohort and full participation for each local authority. This will be established by residency. The regional LSC (shadow YPLA) will then allocate the growth by negotiation to individual providers based on that the provider is best placed to:

- meet the needs of young people not in education, employment or training;
- fill gaps in provision required to meet the September Guarantee;
- meet any other needs identified in the 14-19 plan, and the regional commissioning statement.

The region then agrees these provider level allocations with the local authority Sub-Regional Grouping and Regional Planning Group. It is not anticipated that the calculation of growth at local authority level is restricted to allocations to providers in that area. This is for the LSC to decide taking into account feedback from the Regional Planning Group.

## **Allocations supporting the 14–19 Qualification Strategy**

**88** 2010/11 is the first year of implementation of the 14-19 Qualification Strategy and the LSC and subsequently the YPLA will commence prioritising qualifications that contribute to the strategy for funding. Following the allocation of learner numbers to providers each provider will be required to complete a 16-18 Planning Volumes Sheet which identifies the number of learners on one of the four national routes and those that are undertaking just components, stand alone or other qualifications.

### **Use of the SLN to Learner ratio (programme size)**

**89** The SLN/Learner ratio is a critical ratio to the allocations process: it represents the size of learners' programmes. There are several factors in its use including it being a key variable in controlling affordability, management of the size of learners programmes, the availability of data, significant variations between providers and the degree to which increases are in line with policy.

**90** Should the latest (2008/09) ratio be used this would build in all unplanned increases in programme size. Therefore the lower of 2009/10 allocated ratio and the 2008/09 actual ratio will be used. This method takes account of adjustments made for 2009/10 (for example, for Diplomas, International Baccalaureate) and reductions in the curriculum size. In addition allowance will be made for increases for the following policy reasons:

- a significant shift from part to full time participation which impacts on the SLN/ Learner ratio and therefore will be taken into consideration;
- the introduction of roll-on/roll-off provision where it is a substantial change to the historical recruitment pattern agreed in advance with the LSC;

- the introduction of Diplomas which increases programme size and therefore affects the ratio. The ratio used for 2009/10 is due to be increased for actual Diploma delivery and this revised ratio will need to be used for the baseline. Diploma numbers are hard to predict and therefore it is proposed that additional funds be allocated for 2010/11 Diplomas against starts in the Autumn not in the initial ratio;
- any approved infrastructure changes such as those listed above plus the introduction of the International Baccalaureate where this affects a whole cohort of learners;
- an adjustment will be needed for the integration of E2E into the 16-18 learner responsive model and Foundation Learning for 2010/11 only. This will be achieved by ranking E2E provision by provider type and average SLN usage and allowing increases for those with the lowest use.

### **Significant variations between providers**

**91** In 2009/10 it was agreed that the top 10 per cent of SLN/Learner ratios for each provider type should be considered for a reduced ratio. This principle has been adapted into a formulaic approach for 2010/11 to ensure consistency, and therefore:

- the top 10 per cent of providers will be identified by six provider types (school sixth forms, general FE colleges, specialist FE colleges, tertiary colleges, sixth form colleges and independent Foundation Learning providers);
- the SLN/ Learner ratio of those providers will be reduced by 50 per cent towards the benchmark for the top 10 per cent of providers. This is to be mandatory unless the provider submits a successful appeal to national moderation against agreed criteria.

## Additional Learning Support

**92** Additional Learning Support will again be allocated by formula (100 per cent for school sixth forms and 60 per cent for FE providers) and for FE providers (including private and third sector providers) 40 per cent by negotiation/local discretion.

**93** The principles for allocating the negotiable element are given below as the sector has asked for further clarity on how this element is allocated. The negotiated element is based on:

- meeting the disability equality duty;
- cushioning transition to the new arrangements;
- the provider's action to address the needs of the NEET group;
- the provider's capacity to meet the needs of specific learning difficulties;
- the provider's contribution to the Learning for Living and Work and Mental Health strategies.

## Apprenticeship allocations

**94** The allocation of funds for Apprenticeships to providers will be managed by the NAS through contracts from the SFA. The Performance Management Framework for Apprenticeships will enable funding to be transferred between providers delivering within a region, to ensure funding is available to meet the needs of young people and employers undertaking and providing Apprenticeships and arrangements will be in place to respond to variances which may emerge.

## Future Developments and Next Steps

### Future developments

**95** The national funding methodology and allocations process will continue to be developed. Developments that are in progress to inform 2011/12 allocations are as follows:

- consultation on the National Commissioning Framework;
- research into the practices of providers funded through the employer responsive model in their application of Additional Learning Support;
- reviewing the funding for the Youth Custody Education and Training Service;
- research into SEN funding for special schools;
- implementing the action plan that resulted from the Learning and Skills Network project to investigate how well the funding for Diplomas was working on the ground in the first year;
- responding to the Biennial Review of stand-alone qualifications by JACQA;
- continuing reform of provision for those with LLDD;
- responding to the review of Demand-led funding;
- examining the role of funding in supporting the 14-19 Qualification Strategy.

### Further guidance

**96** In January 2010 the LSC will publish the results of its annual review of SLN values and programme weightings; this will be followed by YPLA funding guidance in April 2010. The findings and any resultant changes to qualifications to be funded will be ratified early in 2010.

