

Requirement for Local Authorities to Make a Grant Return and Use of Funds Statement to the YPLA

February 2011

© For action

Summary

1. The Young People's Learning Agency (YPLA) is funding local authorities for the financial year 1 April 2010 to 31 March 2011 for delivery of learning to young people in England. This requirement is for local authority chief financial officers to make a grant return and use of funds statement in respect of YPLA funds paid in 2010-11. The return must be submitted to the YPLA by 30 April 2011.

Background

2. In accordance with the requirements of the Joint Audit Code of Practice (the Joint Code), between local authorities and the YPLA, it is the responsibility of local authorities to put in place arrangements that allow local authorities' chief financial officers to make this grant return and use of funds statement to the YPLA.
3. This grant return and use of funds statement covers the financial year 1 April 2010 to 31 March 2011. Due to the in year changes in local authorities' assurance and financial monitoring responsibilities for YPLA funding, which took effect from 1 August 2010, the grant return and use of funds statement is in two parts: April - July 2010, and August 2010 - March 2011.
4. Local authorities must submit this grant return and use of funds statement to the YPLA in compliance with the requirements of the Joint Code. Signed, original copies should be sent to:

Assurance and Financial Monitoring Team
Young People's Learning Agency
Cheylesmore House
Quinton Road
Coventry
CV1 2WT
5. The grant return and use of funds statement should be returned by 30 April 2011, in order that YPLA can use the assurances provided in preparing its own annual financial statements and corporate governance statements for financial year 2010-11.
6. The grant return and use of funds statement should be completed clearly, **in block capitals and black ink**. Local authority chief financial officers must sign the required certification.

1 April 2010 to 31 July 2010

7. Between these dates, local authorities received 16-18 funding from the YPLA and were required to pass this funding to further education colleges, sixth form colleges, maintained school sixth forms, local authority controlled providers, higher education institutions and commercial and charitable providers. This is in accordance with the payment schedules included in the funding agreements transferred to local authorities from the former Learning and Skills Council. Local authorities also received some other funding from the YPLA, such as that for 14-19 reform, including young apprenticeships and education business partnerships. The YPLA provided detailed guidance to local authorities on how

they were to handle these funds in *YPLA Finance Guidance Note 1: YPLA 16-18 Funding for the Period 1 April 2010 to 31 July 2010*, published in March 2010.

8. For this period, local authorities are responsible for providing assurance on the use of all 16-18, adult, and funding from the Higher Education Funding Council for England (HEFCE) paid to colleges and learning providers for which local authorities were designated as the lead assurer, according to the principles contained within Part 1 of the Joint Code. Funding received from the European Social Fund via the Chief Executive of Skills Funding (CE of SF) is outside the scope of these provisions and assurance for the use of this funding remains with the CE of SF. The YPLA provided guidance to local authorities on how to fulfil this responsibility. The guidance was published in June 2010 as the *Practice Note on Financial Assurance after 1 April 2010* and the CE of SF and YPLA made available to local authorities details of their assurance approaches.
9. For learning providers other than sixth form colleges, local authorities' assurance under the Joint Code only requires consideration of whether learning providers have properly earned the funding in accordance with the YPLA and as appropriate SFA funding methodologies.
10. In respect of sixth form colleges, the requirement is extended to also include the:
 - a. Truth and fairness of the college's financial statements, as audited and reported upon by the college's external auditors.
 - b. Regularity and propriety of the college's expenditure, as audited and reported upon by the college's external auditors.
 - c. Adequacy of the college's systems of internal control, risk management and governance as audited and reported upon by the college's internal auditors.
11. Sixth form colleges were required to send their 2009/10 financial statements, regularity audit reports, external auditors' management letters and internal auditors' annual reports to the YPLA by 31 December 2010. Following review, in March 2011 the YPLA will be able to provide local authorities with details of the assurance available for each of the sixth form colleges in their area. The YPLA will expect local authorities to use this as a source of assurance in respect of the funds that they provided to sixth form colleges during this period.
12. Chief financial officers are required to give a "negative" form of assurance in respect of the use of YPLA and CE of SF funds during this period, i.e. they are not aware of any evidence to indicate that funds have not been used for the purposes intended.

1 August 2010 to 31 March 2011

13. During this period, the YPLA has paid 16-18 providers directly. Therefore, the only payments made by the YPLA to local authorities are for 16-18 provision in local authority controlled providers and maintained schools with sixth forms, together with any funding provided for 14-19 reform, including young apprenticeships and education business partnerships. Local authorities remain the assurance lead for these organisations and remain responsible for the assurance of these funds.

14. Local authorities also remain responsible for the assurance of any other funds paid to local authority controlled providers and schools with sixth forms, including any funding received from the CE of SF, with the exception of funds received from the European Social Fund.
15. The YPLA provided guidance to local authorities on how to fulfil this assurance responsibility, published as the *Practice Note on Financial Assurance after 1 April 2010 in June 2010* and the CE of SF and YPLA made available details of their assurance approaches.

General

16. There are a small number of local authorities who have collaborated to operate shared service arrangements for the payment and financial performance management of providers. For these arrangements, it is expected that the chief financial officer of the host authority for the shared service will sign the returns on behalf of all authorities for which the service is provided. However, which chief financial officer signs the return is for the local authorities concerned to decide.
17. The YPLA and the CE of SF do not require the figures contained in this return to be audited, but the return may be subject to review by local authority external auditors.
18. If applicable, local authority chief financial officers should list any exceptions to the certifications which they are required to make in a separate report. This report should detail the funding streams, providers and values of funding affected. The report should be attached to the submitted grant return and use of funds statement.
19. If local authority chief financial officers become aware that for any reason they will be unable to make the required certification, they should notify Phil Eames (phil.eames@ypla.gov.uk), YPLA Head of Assurance as soon as possible.

Certification

I certify that to the best of my knowledge and belief:

- 1) During the period from 1 April to 31 July 2010
 - a. the local authority received funding from the CE of SF and the YPLA as detailed in table 1
 - b. all funding received by the local authority from the CE of SF and YPLA for subsequent transfer to colleges and learning providers, including local authority controlled providers and maintained school sixth forms, was accurately and paid in full to them
 - c. I am not aware of any evidence to indicate that the funds received from the CE of SF and YPLA and subsequently paid to colleges and learning providers have not, in all material respects, been used for the purposes intended by the CE of SF or the YPLA and in accordance with the CE of SF or the YPLA's terms and conditions of funding

- 2) During the period from 1 August 2010 to 31 March 2011
 - a. the local authority received funding from the CE of SF and the YPLA as detailed in table 2
 - b. all funding received by the local authority from the CE of SF and YPLA for subsequent transfer to local authority controlled providers and maintained school sixth forms, was accurately and fully paid to them
 - c. the funds provided by the CE of SF and the YPLA to the local authority have, in all material respects, been used by the local authority controlled providers and maintained school sixth forms to which they were passed for the purposes intended by these funding bodies and in accordance with their terms and conditions of funding

This certification is made subject to the exceptions listed in the attached report [please delete if not applicable].

Chief Finance Officer

Signature: _____

Name (please print): _____

Date: _____

Title: _____

Contact officer for queries

Name: _____

Phone number: _____

email: _____

Table 1: Funds provided by the Chief Executive of Skills Funding and the Young People’s Learning Agency in the period from 1 April to 31 July 2010

Funding Stream	Funding received £
Chief Executive of Skills Funding	
16-18 Apprenticeships	
19+ Apprenticeships	
19+ Learner Responsive	
Train to Gain	
Adult Safeguarded Learning – Revenue	
Adult Safeguarded Learning – Capital	
Total	

Young People’s Learning Agency	
16-18 Learner Responsive	
Entry to Employment	
16-18 School Sixth Forms	
Young Apprenticeships	
Education Business Partnerships	
Parents To Be	
Total	

Table 2: Funds provided by the Chief Executive of Skills Funding and the Young People’s Learning Agency in the period from 1 August 2010 to 31 March 2011

Funding Stream	Funding received £
Chief Executive of Skills Funding	
16-18 Apprenticeships	
19+ Apprenticeships	
19+ Learner Responsive	
Train to Gain	
Adult Safeguarded Learning – Revenue	
Adult Safeguarded Learning – Capital	
Total	

Young People’s Learning Agency	
16-18 Learner Responsive	
Entry to Employment	
16-18 School Sixth Forms	
Young Apprenticeships	
Education Business Partnerships	
Parents To Be	
Total	

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