

**Statutory Guidance:
Funding Arrangements for 16-19 Education and Training 2011/12 – Q&A**

Funding

1. Which provision and providers are subject to the lagged learner number funding approach?

All 16-19 provision, other than Apprenticeships, in schools, FE colleges, sixth form colleges and other education providers is subject to the lagged learner number approach; funding allocations will be calculated on the basis of the lagged number of learners participating in the previous year, taking into account recruitment through the year and flexible start dates. The approach for independent private providers will be very similar, but will include some in-year and end-year adjustments and reconciliation to meet with requirements on the YPLA to demonstrate regular and proper use of its funds and adherence with government accounting requirements.

Funding for 16-19 year olds in Academies will also be calculated by the YPLA. Unless the individual funding agreement specifies otherwise, the allocation will be determined in the same way as for all other provider types – on a lagged basis, determined by delivery in the previous year.

2. How will the lagged process work for independent private providers and for small providers with significant year-on-year changes in numbers?

The lagged learner number will be calculated using the actual recruitment over the last 12 months; this will be the period February to January of the previous year. Otherwise the calculation is the same as for all other providers.

3. Which provision and providers are NOT subject to the lagged approach?

Apprenticeships and provision in Young Offender Institutions and independent specialist providers are not subject to the lagged approach.

In the case of Apprenticeship providers, funding will be issued on an annual basis with quarterly reconciliation to accommodate for changes in learner numbers throughout the year. For Young Offender Institutions, funding is on the basis of the number of “beds” purchased by the Youth Justice Board. For independent

specialist providers, funding is currently on an individual placement basis, not by allocation.

4. What other exceptions are there to the lagged learner number funding approach?

The only other exceptions to the lagged learner number approach are a small number of exceptional and specific circumstances which are outlined in the guidance (para 30), where these needs cannot be met by providers within the allocation of funding generated by lagged learner numbers, and in anticipation of funding the next year for any growth in numbers generated.

Where provision falls below minimum levels of performance (MLP) and fails to improve, it will not be funded. If there are significant, formally notified issues relating to an institution's performance against MLPs and Ofsted inspection outcomes, the allocation of learner numbers may need to be changed. Proposals will be discussed with the provider, the local authority and the YPLA, taking account of the nature of the under-performance and the local authority's strategic overview of provision in the area. In the case of general further education colleges, any action required will be undertaken with the Skills Funding Agency.

5. What arrangements are there for the funding of provision in general FE for learners aged 19-24 who have a Learning Difficulty Assessment (LDA)?

For 2010 /11 the Chief Executives of the YPLA and Skills Funding Agency have agreed working arrangements to ensure all learners with an LDA aged 19-24 can access education or training and the necessary support to achieve and progress. These arrangements will be reviewed later in the year and the future arrangements confirmed. Local authorities are encouraged to ensure that, through the Connexions CCIS system, they know how many 19-24 year old young people in their area have had a learning difficulty assessment. Allocations for these learners will, as far as is practical, follow the lagged system announced by Ministers.

6. How does a local authority secure enough suitable education and training provision for all young people?

Local authorities working with their partners may shape provision in their area by identifying gaps, enabling new provision and developing the market. They may wish to set this out formally in a strategic overview of provision and needs in their area. This is part of their wider leadership of education up to the age of 19 and their place-shaping and economic development roles beyond 19. The needs of

young people are much more likely to be met where there are strong partnerships with those who provide education and training. There is no prescription about how this should be done but, in developing their overview, local authorities will want to work with their key partners, including schools, colleges and other providers, to identify the learning needs of young people in their area, the needs of employers, and the extent to which those demands and needs are being met overall.

To make information on needs and gaps transparent and capable of being responded to, local authorities, either individually or jointly, may then develop with their partners and share with the YPLA, a statement outlining their strategic overview. Schools, colleges and other providers are expected to be involved in the development of those statements and to respond to the priorities identified, whilst respecting learner choice. As part of the minimum bureaucracy brought by the system of lagged learner number funding, it is expected that schools, colleges and other providers will respond to demand from young people by taking on additional students during the year.

7. How will gaps be identified and filled?

The YPLA will support local authorities and providers in their respective roles through the provision of data and analyses on supply and demand of 16-19 provision. The local authority will use the outcome of the strategic analyses to develop with their partners a local statement. These statements may cover, for example, the overall position and trends on participation, attainment and provider quality; significant gaps in provision in relation to meeting the needs of young people.

Most gaps will be filled by responses of existing providers. The lagged learner numbers approach will meet the needs of the vast majority of young people as autonomous providers innovate to make provision available.

8. What will happen in those circumstances where existing providers cannot fill gaps?

For the majority of cases these needs will be met by providers within the allocation of funding generated by lagged learner numbers, and in anticipation of funding the next year for any growth in numbers generated. In the specific and exceptional circumstances where this is not possible because the scale of the additional requirements is of such significance, the local authority or authorities will be able to encourage the market to fill gaps. This may include consideration of innovative proposals such as University Technical Colleges, a new sixth form college, a Free School or a response to support young people not in education, employment or training. Local authorities and their partners should also consider responses to need based on Big Society principles. Such action would not

displace learner numbers from existing providers in that year, although provision is likely to move over time as and when students exercise their choices. The exception to this will be a change in allocation of places following agreement of all concerned and places may be moved between schools, colleges or other providers, with no overall increase in places or funding. Where any of these changes result in a requirement for additional funding the YPLA, as budget holder, will need to agree them and will only be able to meet them if the budget is available.

9. What mechanism will be used to allow new providers to come into the system?

To be determined by YPLA; new provision can be delivered by any existing YPLA provider and will normally be funded on a lagged learner number basis. Schools, Academies and colleges have approval through established mechanisms and processes of the DfE, Department of Business, Innovation and Skills (BIS) or local authorities. New providers such as University Technical Colleges, Studio Schools and Free Schools will follow their existing processes. In the case of independent private providers, a separate central, non-bureaucratic approval process, based upon fitness for funding will apply, to ensure that there are no significant barriers to entry to the market for the delivery of new provision.

10. Are there any decisions around the future arrangements for funding provision in young offender institutions?

Future arrangements around the funding route and management of the contracts is yet to be decided by Ministers; a formal announcement will immediately follow the decision.

11. Will the YPLA manage any capital funding?

The Department for Education (DfE) has commissioned the YPLA to manage the three new capital funds, announced by Lord Hill on 19 January 2011. The YPLA is now working with DfE on the methodologies for the new funds, including stakeholder consultation. The forthcoming DfE capital review (the James report) will shape capital programmes and funding for 2012-2013.

Quality, Intervention and Performance Management

12. If learner responsive provision is to be removed from a provider because of minimum levels of performance what will happen to learner numbers?

Any transfer of funding for learner responsive provision as a consequence of minimum levels of performance will be after discussion with the relevant local authority.

13. What are the roles of the YPLA/ SFA/ LAs in regards to MLP and Ntl processes?

The guidance document and technical annex which sets this out are available to download from YPLA's external website's document library. For YPLA staff, each region has a nominated person (usually their representative on the Quality & Intervention Technical Advisory Group) who has been briefed on the process for managing the analysis of reports, consideration of any exemptions from Notices to Improve and the moderation process.

14. How will the National Apprenticeship Service manage issues around quality and underperformance for 16-18 Apprenticeship provision?

The Skills Funding Agency has responsibility for the performance management of all providers of Apprenticeship provision. Apprenticeship performance is also available to both National Apprenticeship Service (NAS) and YPLA staff.

The Skills Funding Agency provides the NAS and YPLA with information about provision that has been removed as a consequence of being below Minimum Levels of Performance and providers that are subject to improvement conditions.

NAS colleagues in regions hold regular discussions throughout the year with LAs about the volume and mix of Apprenticeship provision for young people in their area, and will continue to work with LAs to keep them informed about the position in their area, particularly where the withdrawal of provision as a result of failure to meet the MLP threshold is significant.

The process for identifying providers with underperforming provision is a nationally consistent one based on published criteria. The link to the guidance document can be found at <http://www.ypla.gov.uk/aboutus/ourwork/qa/mlp>

Local authorities will be informed by their regional NAS contact as soon as possible in March 2011 as to the results of the application of the national criteria.

As set out in the guidance, where apprenticeship provision ceases with immediate effect, the Skills Funding Agency will ensure that as far as is practicable, affected learners are transferred to provision that is within reasonable travelling distance and at least meets a minimum quality standard and the regional NAS contact will liaise with the appropriate authority where there is an impact.

Finance and Contracting

15. For those providers delivering across more than one region, how will the YPLA ensure that learner numbers are delivered within a region/ locality and not outside it?

Allocations for business and third sector providers that deliver across more than one region would be made regionally and there would be a schedule for each delivery region. The implication of this is that providers would be restricted as a condition of funding to delivering the allocated volumes specified within each region. This would mean no automatic virement between regions and any tolerances in the reconciliation process being applied separately to each region. For the vast majority of providers, this is relatively simple. It is only where there is a substantially changing pattern of delivery between regions that there will be issues. However, where discussions have taken place with local authorities, regional schedules can be amended in advance.

In the few cases where a college delivers across more than one region, a single allocation will usually be given. There may be individual cases where more than one allocation is required but this will be carried out by exception and will not require a standard policy.

All providers including colleges that deliver across more than one local authority would be under an obligation to deliver their learner places broadly in line with their current delivery pattern for each local authority. A break-down of a provider's delivery is provided to local authorities in the Provider Data and MI Reports. Where the provider wishes to adjust the balance between local authorities significantly then the provider would be obliged to inform and discuss this with each local authority affected.

16. What does single point of contact mean for the provider?

We are working towards a single point of contact approach with providers from April 2011, and will consult with provider associations whilst developing our processes.

Discussions are ongoing between YPLA and the Skills Funding Agency to improve alignment and to ensure clear and accurate information is made available to providers in a timely way. YPLA will provide briefings and information relating to the 16-19 funding settlement. We will calculate 16-19 funding (with the exception of Apprenticeships), provide information relating to the calculations and answer technical queries. Discussions are underway to determine how final and combined funding agreements will be issued to providers and how the funds for 19+ continuers and other adult learner responsive allocations will be administered for sixth form colleges. For audit and performance purposes the Skills Funding Agency will take the lead for General Further Education Colleges and the YPLA

will take the lead for Sixth Form Colleges. For non grant funded providers the proposal is that the majority funder takes the lead.

These processes will be developed between January and March, and further information for providers and others will be published as soon as possible.

Health and Safety / Complaints

17. To whom do providers report Health & Safety Incidents?

Under Health and Safety at Work legislation, providers have a primary responsibility for learner health and safety in relation to provision funded by the YPLA.

However, the YPLA will include a condition within its contract that providers comply with all relevant health and safety legislation. It ensures that learning is delivered within a safe, healthy and supportive environment, which meets the needs of the learner.

The Health and Safety Executive (HSE) is the first point of contact for providers in the event of a learner incident.

Providers will also report to the YPLA injuries and diseases to learners within the scope of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 1995 and fatal road traffic accidents. The YPLA will share this information with the appropriate local authority.

For a learner accessing Academy provision, it is requested the Academies Liaison Officer based within the YPLA is notified.

Following a learner health and safety incident for a school based learner, a report should be made to the Health and Safety Executive and the appropriate local authority. It is requested this is also sent to the YPLA.

Further information on Health and Safety in relation to learners accessing independent specialist provider (ISP) placements is contained within the YPLA produced publications:

- Placement information: Learners with Learning Difficulties and/or Disabilities at Independent Specialist Providers 2011/12
- Placement Technical Guidance for Independent Specialist Providers 2011/12
- Education and Training Agreement (Contract for Services)

Any further questions around any aspect of Health and Safety in terms of placements at ISPs should be addressed to the regional Inclusion team in the first instance.

18. It will be a condition of most YPLA funded providers that they have in place appropriate arrangements for complying with their responsibilities for the health and safety of students – How will the YPLA enforce this?

The Health and Safety Executive acts as: an independent prosecutor and regulator; a specialist resource for policy-makers and businesses; and helps manage serious risks in the workplace. The HSE is the first point of contact for the provider in the event of a learner incident.

Under the Apprenticeships, Skills, Children and Learning Act 2009, the YPLA is not required to take steps to assess the arrangements made by a provider in relation to health and safety.

In the event of an incident being reported to the YPLA, it will consider whether the incident constitutes a breach of the conditions of funding and if so, will take appropriate action.

19. Which incidents should be reported to the YPLA?

Providers will report to the YPLA injuries and diseases to learners within the scope of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 1995 and fatal road traffic accidents. These are:

- work-related deaths
- major injuries
- over-three-day injuries
- work-related diseases
- dangerous occurrences
- Fatal road traffic accidents.

In the case of fatal accidents and major injuries (as defined in RIDDOR), the provider should inform the YPLA by telephone immediately the provider becomes aware of the event.

All other RIDDOR events should be reported to the YPLA within 10 days of the provider becoming aware of the event. The provider should submit the documentation used in the notification to the HSE under RIDDOR, along with the Provider's UPIN number and the name of the appropriate local authority.

20. If a student complains about a provider to the YPLA, what actions/ next steps will the YPLA take?

The procedure for dealing with complaints about providers funded by the Young People's Learning Agency is located [here](#).