



Nick Gibb MP

Minister of State for Schools

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Mr Martin Doel
Association of Colleges
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19 July 2010

Dear Mr Doel

I am writing to let you know about a number of decisions that the Secretary of State has taken in order to simplify and streamline the structures and processes relating to 16-19 funding.

I know you are aware that I believe these systems are far too complex and burdensome and are in serious danger of diverting the energies of local authorities, schools and colleges away from their key task of educating and supporting all young people so that they can progress.

We have already announced a number of measures to free up local authorities, schools and colleges: outstanding General Further Education Colleges, Sixth Form Colleges and schools will be exempt from routine inspection; Sixth Form Colleges will no longer be required to undertake surveys of students' views as a condition of grant; the previous Government's plans to introduce in-year funding adjustments will be scrapped; and we are removing the requirement on local authorities to come together in sub-regional and regional planning groups.

Having taken advice from the Young People's Learning Agency (YPLA) Board, we want to take further steps to simplify systems and tackle head on complexity, wasted costs and over-management of the process by all concerned.

I am of the view that local authorities should include 16-19 provision in their wider education vision for their areas and will want to influence and shape that provision. How local authorities choose to do this is for them to decide. However, in many places there are highly effective 14-19 partnerships between authorities and providers which might indeed be the place to continue the development of shared understanding of the needs of young people.

That means that local authorities would be able to fulfil their strategic commissioning and influencing roles by maintaining the strategic overview of provision and needs in their area – identifying gaps, enabling new provision and developing the market - working closely with the YPLA in order to maintain control of the available budget.

In support of this role, we want the YPLA to develop further its professional role to provide local authorities with the comprehensive information on supply and demand that they will need to deliver to best effect in the interests of young people.

Secondly, with effect from the start of the coming academic year, we are asking the Young People's Learning Agency to make the financial payments to General FE and Sixth Form Colleges and other training providers. This will remove the need for local authorities to manage contracts and grant agreements with these providers as well as reducing burdens on them in terms of financial audit and assurance functions.

Thirdly, I want to be much more explicit that funding should follow the young person. I intend to do this by setting the 2011/12 core allocation budgets for school sixth forms and colleges based on the equivalent of lagged pupil numbers. This is consistent with the decision not to make in-year adjustments and will remove the need for protracted discussions between the different parties as the basis of the budget will be on straightforward data returns. It will also remove any concerns that the ability of schools and colleges to respond to the needs of the young people they serve is somehow lost or diminished. In keeping with what we have said elsewhere about devolving responsibility to frontline professionals, it will be for institutions to decide on their curriculum offer and mix of provision, responding to the needs of individuals and employers.

It is crucially important that these steps to free up local authorities, schools and colleges are implemented smoothly, effectively and with no disruption to delivery. Officials will be working with all concerned to make sure this is the case and I am grateful for your continued contribution.

With best wishes.

Yours sincerely,

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

Nick Gibb MP
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