

# The Ultimate Strategic Briefing

2<sup>th</sup> December 2011 ~ London



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**Lsect**  
Learning & skills ~ events,  
consultancy and training

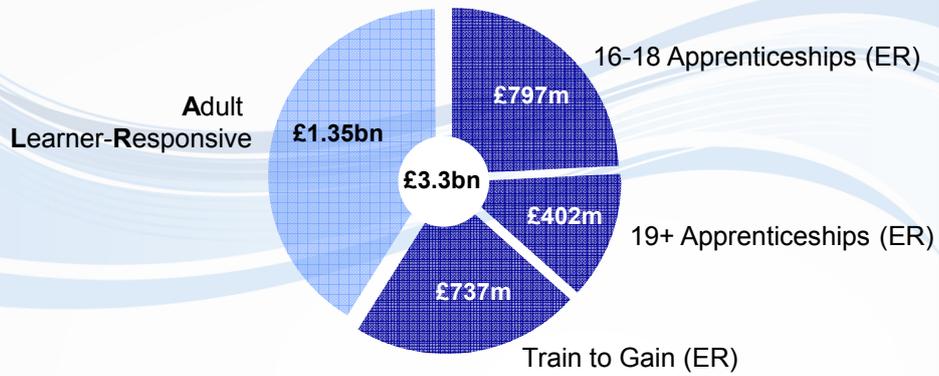
# Skills Funding Agency Summary



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## Let's start with the big numbers first

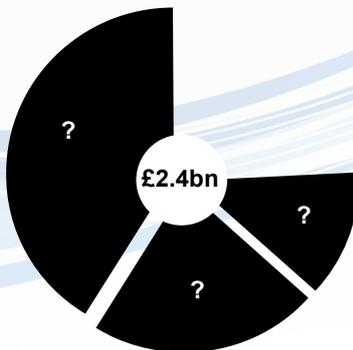
### ALR and ER overview in 2010/11



Source: Individual provider allocations [ENGLAND]  
(<http://tinyurl.com/2u4n4gm>)

## Single Adult Skills Budget in 2011/12

Allocations no longer published separately



The demand-led funded 19+ provision now with 'flexibility and freedom' for limited virement

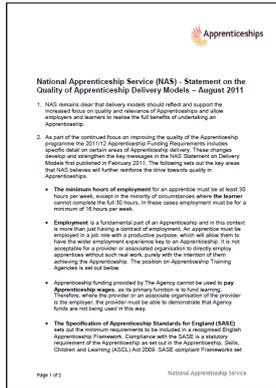
# Policy announcements

**BIS Skills Strategy (Nov 2010)** <http://tinyurl.com/35utxks>

**SFA Guidance Note 6 (Dec 2010)** <http://tinyurl.com/2ugc9t5>

**SFA Guidance Note 7 (April 2011)** <http://tinyurl.com/652d9ql>

**SFA Guidance Note 8 (Jul 2011)** <http://tinyurl.com/5rdpwn2>



**Quality statement (Aug 2011)**

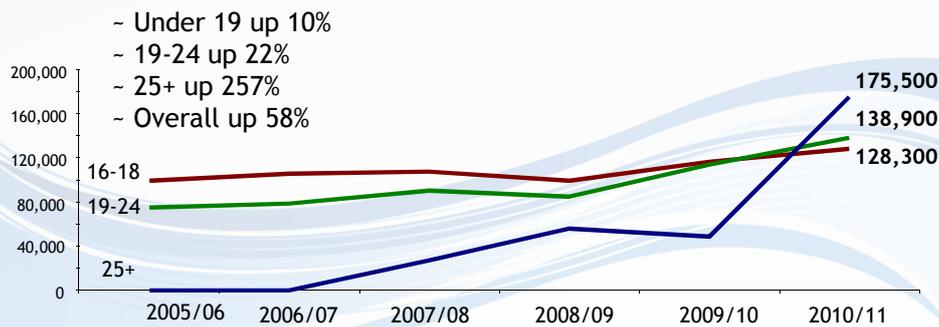
<http://tinyurl.com/5u8oba7>

**Short appren statement (Oct 2011)**

<http://tinyurl.com/6cky9v>



## Apprenticeship starts reach 442,700\*



Workplace learning (TtG) starts down from 574,900 starts, but still 444,700 starts in 2010/11

\* October Statistical First Release - Provisional Figures

### **Recent announcements**

Youth unemployment exceeds 1m

£1,500 Apprentice incentive for small businesses

£50m + £200m for employers to bid for

### **Published yesterday**

BIS Investment Statement 2011-2014

BIS response to their FE and Skills Consultation

See the technical spread in *FE Week*

### **So what of 2012/13?**

Minimum Contract Level now confirmed to remain at £500k

More 'freedoms' in form of colleges legally not being part of the Government estate

Increased percentage for Outcome Incentive Payment (and maybe some rules)

Significant changes to entitlement (fee eligibility). L2 and L3 23 year olds and below

End of the Skills Funding Agency and/or NAS?

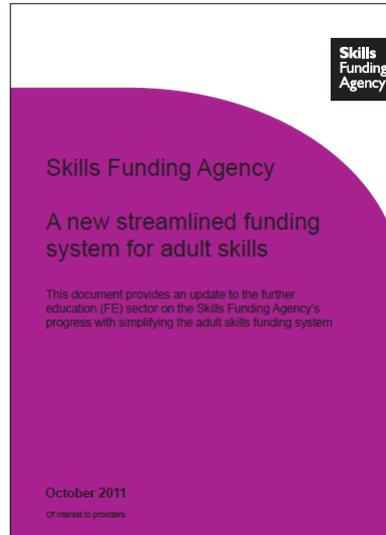
## Beyond 2012/13

In October the Skills Funding Agency Publish details for a new funding formula

Implementation delayed until 2013/14, but there will be 'shadowing'

'A new **simple** funding matrix'

You decide...



## 19+ funding rate reform

The new rates structure, with **illustrative** fully funded rates<sup>3</sup>, unless stated explicitly otherwise, is set out below:

Uplift <sup>4</sup> / learning aim type	Standard	Low	Medium	High	Specialist
Unit	£150	£168	£195	£240	£258
Award	£500	£560	£650	£800	£860
Certificate	£900	£990	£1,150	£1,440	£1,548
Diploma	£2,500	£2,800	£3,250	£4,000	£4,300
16-18 fully-funded full Apprenticeship framework	£4,000	£5,600	£7,200	£8,800	£12,000
19+ co-funded full Apprenticeship framework	£2,000	£2,800	£3,600	£4,400	£6,000

**20 + 10 = 30 qual rates**

Large employer and 25+ rate undecided...

## 19+ funding rate reform

Provider factor and historical data scraped  
Disadvantage and Area Cost Uplift remains

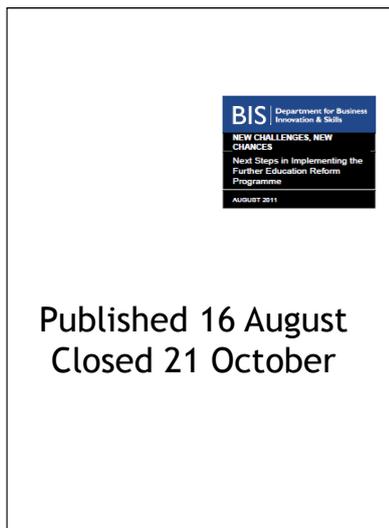
How will nested quals be funded  
(prior attainment, credit transfer)?

How will basic skills quals be  
funded?

How will the Outcome Incentive  
Payment be funded?

And don't forget....

## FE Reform Consultation



1. Vision for the FE landscape and shape of the sector
2. **Introducing level 3 /4 loans and sharing responsibility for investing in skills**
3. FE college and provider freedoms and flexibilities
4. Simplifying the funding system
5. Teaching, learning and qualifications
6. Review of Informal Adult and Community Learning
7. Review of literacy and numeracy provision for adults
8. Delivering higher education and skills
9. Deregulation and devolution

## FE Loans ~ the plan

All (?) 19+ LR (classroom) and ER (workplace) funding L3+ to be funded out of loans allocation

E.g. Apprentice takes out the income contingent loan, and pays back 9% of all earnings above £21k + 3% RPI (written off after 30 years)

Will Access to HE course be exempt?  
If so what else...

Provider to liaise with Student Loans Company

What of HE in FE and the Vocational Degree?

## Strategic summary simplified

### Priority

Job creation (incl. DWP funding) leading to sustainable work with an apprenticeship

### Buzz words

Freedom ~ Flexibility ~ Innovation ~ Quality ~  
Success ~ Outcomes ~ Entrepreneurial ~  
Streamlining ~ Value ~ Simplification

Others?

## YLPA Summary

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## 16-18 funding formula consultation

“Proposals in the consultation include moving away from the current complex system of funding on the basis of ‘payment per qualification’ to introduce a much simpler system of **funding at the level of the learner**.”

“Such a change is essential if we are to make a reality of the proposals in Professor Alison Wolf’s groundbreaking report on vocational education.”

<http://www.feweek.co.uk/index.php/2011/10/06/department-for-education-launch-16-19-funding-formual-review/>





## Example change (programme weightings)

Current weighting	Future weighting?
1	None (1) or 'standard'
1.12	
1.3	Low
1.4	
1.6	Medium
1.72	
1.92	Specialist

Likely to match 19+ reform (but where's the SFAs 'high'?)

But Area Cost Uplift could be changed to match pre-16

## 16-18 funding formula consultation

### Timetable for implementing changes

October 2011 to January 2012	Consultation with the sector, closing on 4 January.
Autumn 2011	YPLA staff attend stakeholder organisations' events
Spring 2012	Decision on and announcement of the changes to be made
2012/13	Development year – YPLA working with stakeholder organisations. Further equality analysis to be carried out on chosen options
2013/14	Raising of the participation age to 17
2013/14	Implementation of new funding arrangements for 16-19 providers
2015/16	Raising of the participation age to 18

## Strategic summary simplified

### Priority

Full participation.

Buzz words...

Others?

Thank you

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