

John Hayes MPMinister of State for Further Education,
Skills and Lifelong Learning

Dear Principal

8th December 2010

At the recent Association of Colleges Annual Conference Vince Cable and I set out the Coalition Government's *Skills for Sustainable Growth* strategy and *Further Education – New Horizon* investment strategy that will guide the reform of adult learning and skills over the remainder of this Parliament. By rebalancing investment towards areas of greatest need and securing genuine transfer of power and responsibility to individuals, employers and colleges we will bring about radical reform.

Funding Priorities

In order to help those who need it most, we will prioritise funding for Apprenticeships and fully subsidise provision for basic skills, training for young adults and skills to help unemployed people to get and stay in work. For individuals aged 24 or over studying qualifications at level 3 or above, we will progressively introduce a new loans facility from the 2013/14 academic year. The Department for Education will be setting out the 16-19 settlement before the end of the year.

As you know, I believe in a freer Further Education sector where the relationship between colleges, individuals, businesses and other partners is held in the highest esteem and where colleges are encouraged to build on those relationships to effect local change. Alongside Apprenticeships and basic skills, training for unemployed people is an area where success will make a genuine difference to people's lives and to whole communities. The flexibilities coming in effect from August 2011, created by the new funding arrangements, will enable you to develop an offer which meets both individual and employer needs. It will free colleges and Jobcentre Plus to work together more effectively to match training to the needs of learners, employers and the broader local community. In advance of these changes, it is important that we do not lose the current momentum and I would therefore urge you to consider using the flexibility in your budgets for the current year to provide targeted skills support to people on active benefits who are looking for work. This will also support your early planning and preparation for the new ways of working which will be introduced from August 2011.

1 Victoria Street, London SW1H 0ET
www.bis.gov.uk

Legislative Programme

I also believe that colleges and providers should be empowered and trusted to decide for themselves how best to meet the needs of learners and employers and in return, demonstrate how they have responded to those needs. I have already set out our intention to bring forward legislation to set colleges free from unnecessary duties and requirements, and I said I would continue to keep you informed as our plans are further developed and refined. It is our intention to use a first session Education Bill to bring forward a package of legislative reforms that will reduce bureaucracy in the sector and rebalance the relationship between the state and colleges by repealing:

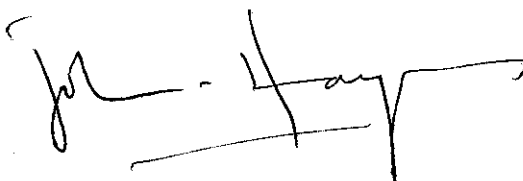
- i. The duty on colleges to co operate with Children's Trusts;
- ii. The duty on colleges to have regard to guidance on consultation with learners, and potential learners, and employers;
- iii. The duty on colleges to promote the economic and social wellbeing of their areas;
- iv. The requirement for colleges to seek consent from the Chief Executive of Funding before borrowing money;
- v. The requirement for inspection of outstanding colleges, unless their performance drops;
- vi. The powers of the Chief Executive of Skills Funding to direct a college to consider disciplinary action against a senior member of staff and to appoint up to two members of the Governing Body; and
- vii. The provisions relating to bodies with strategy setting powers and the attendant duty on the Chief Executive of Skills Funding to have regard to the Employment and Skills Board skills strategy.

It is also our intention to put on a statutory basis a requirement for the Chief Executive of Skills Funding to consult on the performance of his functions with specified stakeholders, including FE sector representatives.

Skills Conditionality - Public Consultation

You will also be interested to know that my colleague Chris Grayling, Minister for Employment, and I have today published our proposals for introducing skills conditionality. This involves enabling Jobcentre Plus to refer individuals who are claiming active benefits to colleges to undertake training opportunities with potential benefit sanctions should they not participate in those opportunities. These proposals take forward the Government's commitment to offer help for those who cannot work, training and targeted support for those looking for work, but sanctions for those who turn down reasonable offers of work or training. This is an important change, and one which we hope will result in improved participation and completion rates and better employment outcomes for unemployed people. I would very much welcome your views on how we can best implement this change. The consultation can be accessed at <http://www.dwp.gov.uk/consultations/2010/skills-conditionality.shtml> and remains open until 3 February 2011.

This has been a very significant year for further education. Since becoming Minister I have set out an ambitious programme of reform based on my trust in the sector because I want you to have the freedom to excel. Thank you for all your support and efforts on this important agenda. I will continue to keep you informed on the progress we are making to streamline systems and reduce regulation. In the meantime can I wish you all the best for this festive season and a very happy new year.

A handwritten signature in black ink, appearing to read 'John Hayes', with a long horizontal stroke extending to the right.

JOHN HAYES