



Rt Hon Michael Gove MP
Secretary of State

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DJ ves,

This grant letter confirms the funding that will be available to the Young People's Learning Agency (YPLA) in the financial year 2011-12 for the achievement of its remit. As in 2010-11, the grant letter will be updated over the course of the year as and when necessary - in particular to confirm the small number of funding lines which are still to be finalised and to reflect the volume of 16-19 learners to be funded as a result of the allocations process.

The legislative basis for this grant letter remains in Schedule 3 (paragraph 18) of the Apprenticeships, Skills, Children and Learning Act (2009), which allows the Secretary of State to make grants to the YPLA for the purposes of any of its functions, and also Section 78 which allows the Secretary of State to make grants to the YPLA for the purposes of any functions that are or may be conferred or imposed on the YPLA under Academy arrangements.

The purpose of this funding is to allow the YPLA to fulfil its objectives as described in legislation and in the remit letter (including the associated Academy Arrangements). I expect the YPLA to use the grant only for this purpose and at all times to comply with legislation and specified requirements. As set out in paragraph 18 of Schedule 3, the grant is subject to repayment if these conditions are not complied with.

The grant letter is supported by the YPLA remit letter and financial framework, the 16-19 Funding Statement issued in December 2010, and the appointment letter of your Chief Executive as Additional Accounting Officer. The YPLA must always consider propriety, regularity and value for money in its use of resources, and the maintenance of budgetary control over the resource set out in this letter is one of the YPLA's core responsibilities. This will be a key element in our continuing overall

assessment of YPLA effectiveness. In the case of the budget for Academies, this will need to be kept under particularly close review between YPLA and DfE officials, since the final budget required will depend on the number of Academies, the split of the total number in terms of primary, secondary and other types and the pattern of start over the year.

Funding for 2011-12

The YPLA has published its 16-19 Funding Statement for the academic year 2011/12 which set out the funding, learner volumes and policies for the year. This grant letter differs from the Funding Statement in a number of ways. It includes the key budget and volume elements of the Funding Statement apart from 16-19 Apprenticeships which will be funded through the National Apprenticeships Service. The funding and associated volumes for 16-19 participation are subject to revision in the light of final allocations to be issued to providers by 31st March 2011. The grant letter also covers:

- funding for participation in Academies pre-16;
- funding for those programmes of financial support for adult learners which the YPLA will be responsible for delivering on behalf of the Chief Executive of Skills Funding, on a shared service basis;
- funding to deliver education to young offenders detained in the prison service Young Offenders Institutes (YOIs);
- funding for capital programmes to support sixth form colleges and 16-18 demographic growth;
- a small one-off budget for targeted improvement support for serious underperformance in sixth form colleges;
- a small contingency to ensure support for good quality providers and to prudently manage the 16-19 participation budget;
- funding for existing young apprentices.

Funding for learner support for young people aged 16-18 will be confirmed as soon as possible.

The level of expenditure on education for young offenders detained in YOIs will vary depending on a number of factors, including planned decommissioning of institutions during 2011-12. Any savings generated will be agreed between the Ministry of Justice (MoJ) and YPLA and retained by MoJ. This Department and the MoJ are in discussion concerning handling of any redundancy costs relating to decommissioning.


Administration budgets

You will be aware that there are changes to the administration budget for Departmental ALBs, including the YPLA, starting in the 2011-12 financial year. Most significantly, the administration budgets for ALBs are being met from the Department's own overall administration allocation.

Administration budgets cover the costs of all activities not related to direct frontline service provision or in support of frontline service delivery. The Department has provided the YPLA with detailed guidance on the types of spending which are considered as administrative activity; for the YPLA this will include items such as staff salaries, pensions, accommodation and office services (eg stationery, telephone charges and computer maintenance). It is important that the YPLA works closely with the Department's Sponsorship and Finance teams to make sure this guidance is followed.

You should also ensure as an overarching priority that the YPLA's funding delivers the maximum value for money, focuses clearly on the Government's priorities and takes into account the need for significant efficiencies as part of the spending review process and the wider reforms programme.

I would like to conclude by thanking you, the Board and all of the staff in the YPLA for their work and achievements so far. I look forward to seeing this contribution continued through 2011-12.

✓
Lewis, 

MICHAEL GOVE

Annex 1 to YPLA Grant Letter: Planned Investment 2011-12

	2011-12 Planned spend £m
16-19 Participation¹	
Of which Further Education	4,009.30
School Sixth Forms (include. Academies & Special Educational Needs (SEN)/Special Schools post 16)	2,426.00
Specialist provision for learners with LDD 16-24	258.00
FE provision for learners with LDD 19-24	52.60
Young offender education	12.00

Non-Participation	£m
<i>Learner Support²</i>	
BIS programmes of learner support	151.40
<i>Other</i>	
Young Apprenticeships	15.30
Local authority transport partnership	3.80 ³

Pre-16 Academies⁴	£m
General Annual Grant and other Academy costs	4,915.81

Capital Grants	£m
SFC Building Condition Improvement Fund	57.33
16-19 Demographic Growth Capital Fund	30.00
SFC Devolved formula capital	3.93
Devolved formula capital (pre-16) Academies and CTCs	9.85

Administration	£m
Administration	48.07

TOTAL	£11,993.39
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¹ Planned funding for FE and sixth forms has been revised since the 16-19 Funding Statement in the light of final allocations due to be issued to providers by 31st March 2011.

² Funding for learner support for young people aged 16-18 will be confirmed as soon as possible.

³ The local authority transport partnership fund comes to an end in 2010/11. These funds were drawn down in 2010-11 financial year. £3.8m represents the proportion that falls into 2011-12 financial year and is not additional funding.

⁴ The amounts relating to particular Academy costs are to be confirmed.

Annex 2 to YPLA Grant Letter: Planned Participation in Number of Learners - 2011/12

Forecast Numbers of Young People Learning in England

	2011/12 estimated (000s)
Total participation	1,337 ⁵
Of which Further Education	875
School Sixth Forms (include. Academies & Special Educational Needs (SEN)/Special Schools post 16)	454
Specialist provision for learners with LDD 16-24	4
FE provision for learners with LDD 19-24	4

⁵ Learner volumes have been updated since the 16-19 Funding Statement to reflect allocations due to be issued to providers by 31st March 2011.