

**Select Committee on Children's Services – 26 January 2011**

**Report of the Acting Director of Children's Services**

**16-19 Funding and Commissioning for Young People and those aged 16-25  
Learners with Learning Difficulties or Disabilities**

**Purpose of Report**

1. To inform Select Committee of the revised budget allocation devolved to the Local Authority 2010-11 following Learning and Skills Council transfer.
2. To inform the Select Committee of the responsibility for funding and commissioning 16-19 learning provision by the Local Authority following central Government policy changes announced July 2010.

**Background**

3. The Local Authority became responsible for paying Further Education Colleges, School Sixth Forms and Learning Providers initially for the period from 1 April 2010 to 31 July 2010. The Learning and Skills Council provided a funding agreement and schedule for specific amounts payable to Dudley providers valued at £20,146,457.39.
4. The 16-19 Funding and Commissioning staff who transferred from the Learning and Skills Council worked with officers in Finance, Audit and Law to establish local authority protocol and processes, to undertake the arrangements to receive the funding from the Young People's Learning Agency, to reconcile the amounts and then make timely payments to providers.
5. Local Authority officers had delegated levels of authority granted from the Director of Children's Service in order to process the financial responsibilities to undertake this task effectively and maintained appropriate evidence to support decision-making process for audit compliance.
6. Each month, approximately £5.5 million was transferred to the three further education colleges, one school sixth form college, three school sixth forms and three foundation-learning providers. The task was completed successfully each month and reported back to the Director of Finance at Young People's Learning Agency.

7. The Assistant Director for Transforming Futures worked closely with the team to ensure that the Local Authority carried out the new functions correctly and reported any associated risks.

## **Finance**

8. Planning for the receipt and transfer of funding for the academic year commenced early in May 2010 however, this was abandoned due to fundamental changes to the funding of 16–19 education and training announced by the newly appointed Secretary of State for Education in July 2010.
9. The announcement removed the funding – approximately £55 million and associated risk management for provision delivered in 2010-11 from the Local Authority and reinstated the Young People’s Learning Agency as payment controller and manager of contracts. The rationale for this decision was that it would enable the Local Authority to be free of the daily risks involved in receiving, monitoring and auditing learning provision but they would retain the statutory duties placed it as set out in the Apprenticeship, Skills, Children and Learning Act 2009 (ASCL). Therefore, the statutory basis for Dudley MBC as a strategic commissioner and influencing role remains unchanged.
10. The special purpose grant of £371,787.82 was originally ring fenced for 2010-11 to support pay costs for the eight staff transferring together with a nominal amount of £3,884 per person for other costs i.e. information technology, travel and subsistence and other admin associated costs. Following the Ministerial announcement in July 2010, the budget is no longer ring-fenced.
11. The 16-19 Funding and Commissioning Team will no longer directly pay learning providers except for the four school sixth forms (Windsor High School Sixth Form opened September 2010).
12. As of 2012-13, it is expected that the Young People’s Learning Agency budget for learners with learning difficulties or disabilities (LLDD) will transfer to the Local Authority. The budget for 2010-11 for Dudley is approximately £1.6 million.

## **Law**

13. The Local Authority has a duty to maintain a strategic overview of provision and needs in this area by identifying gaps to enable new provision and future development of the market. The 16-19 Funding and Commissioning Team will be responsible for commissioning suitable, high-quality and diverse range of education and training to meet the reasonable needs of people residing here (regardless of where they want to learn) for:
  - a. Over compulsory school age but less than 19
  - b. Over compulsory school age and less than 25 identified as learners with learning difficulties or disabilities (LLDD)
  - c. Young person aged 10-19 returning to the borough from custodial sentence and wishing to complete their learning.

## **Equality Impact**

14. This report takes into account the Local Authority's Equality and Diversity Policy

## **Recommendation**

15. The Select Committee Members are asked to note the detail on the change of funding for 16-19 learning provision
16. The Select Committee Members are asked to note the budget for learners with learning difficulties or disabilities will be devolved from the Young People's Learning Agency.



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