

# Understanding the new funding landscape: outcome based funding

Offender Learning, Skills and Employability  
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Iris Flaum

Head of Funding Policy

# Offender Learning: The Funding Challenge

**Skills  
Funding  
Agency**

- Implementing the priorities of the BIS/MoJ Review of Offender Learning through a “reformed funding model”  
  
whilst
- Recognising the particular complexities of learning and skills delivery in prisons and ensuring security, safety etc not compromised

# Review Recommendations

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- Skills Funding Agency and National Offender Management Service working to ensure objectives of the Review are central to procurement and delivery of the Offenders' Learning and Skills Service phase 4 (OLASS 4)
- New service delivery specification with emphasis on prisons as places of preparation for work
- More vocational training taking place in immediate 12 months before release
- Greater role for lead governors and Heads of Learning and Skills in planning curriculum with providers

# OLASS Funding: principles

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- Total OLASS budget remains ring-fenced nationally
- Aim to improve value for money and the focus of spending
- Greater emphasis on what kind of learning and skills activity takes place and how it contributes to reducing re-offending
- Move from an input based system (tutor hours) to one based on outcomes (enrolments, achievements/success rates, progression)
- Phased approach over time to implement changes fully

# OLASS Funding: priorities

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- Clear priorities for learning activity:
  - Skills for life: English and Maths
  - Vocational skills training
  - Employability skills
- OLASS funding can be used for QCF units – short learning aims that can be built up into whole qualifications, including components of Apprenticeships
- Focus on nationally regulated qualifications
- Other kinds of learning activity will continue to be fully funded by Skills Funding Agency for OLASS provision only

# Funding Process for 2012/13

## **Skills Funding Agency**

- From August 2012 payments to providers made monthly against the allocation as now but the amount the provider earns will be calculated through the new funding formula using ILR data returns
- Simplified formula applies at learning aim level for units and qualifications
- Formula uses simple table of rates, based on QCF learning aim types e.g. Units, including uplifts/weightings to generate funding for learning aims and achievements

# Funding Process for 2012/13

## Skills Funding Agency

- Flexibility for redistributing funding within and between clusters of prisons as required
- Provider allocations subject to reconciliation using initial tolerance levels, as part of performance management framework
- Additional Learning Support (ALS) budget allocated to providers for 2012/13 for each unit of procurement
- Significant investment already in learning environment in prisons via Virtual Campus which can also help to support the employability agenda

# Next steps

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- Workshops for providers and lead governors from April/ May 2012 to discuss implementation of new funding and performance system
- Providers and lead governors in local discussions with Agency and key stakeholders (e.g. National Careers Service, JCP, DWP Work Programme, Probation Trusts), to ensure improved progression opportunities for offenders Through the Gate
- Operation of OLASS funding system will be monitored during 2012/13 and where necessary reviewed for 2013/14