



HOUSE OF COMMONS
LONDON SW1A 0AA

All replies:
Oldham Office
11 Church Lane
Oldham OL1 3AN
Tel-0161 626 5779

Dr Carolyn Wilkins
Chief Executive
Oldham Council
Civic Centre
West Street
Oldham
OL1 1UG

Our Ref: SB/OMBC01002/01150344

12 June 2015

Dear Carolyn

Re: Oldham Council Resolution – Adult Skills Funding

Thank you for your letter relating to the above motion passed at full Council on the 1 April. The reduction in the adult skills budget is of major concern and I have raised this with the DBIS and the Secretary of State for Education on several occasions in 2014 and 2015.

I have attached a copy of the latest response I received on the 9 April 2015 for the Council's information. The reply is disappointing, but I understand the budget for adult education is included within the devolution agreement for Greater Manchester and I am sure the council and local schools and colleges will wish to work with the Combined Authority to map out sensible approaches as to how a future budget is spent.

I think at this stage and in light of the fact that I have just received a response I think it is probably pointless raising the issue again, as the Government is adamant that the funding for adult education is to be cut or invested via different routes.

I am due to meet with the Principle of Oldham College again soon, in order to discuss the funding in more detail, and I will endeavour to keep the council informed of any further developments.

Yours sincerely

The Rt Hon Michael Meacher MP
Oldham West & Royton
Including Chadderton & Hollinwood
Encl.



Department
for Education

The Rt Hon Michael Meacher
Oldham Office
11 Church Lane
Oldham
OL1 3AN

9 April 2015

Dear Mr Meacher,

Thank you very much for your letter of 9 March to Nicky Morgan, on behalf [REDACTED] about adult further education funding reductions. I am replying as the Minister responsible.

I do understand the impact of the reduction in funding. There is no doubt that the scale of reductions will be challenging for the sector and different organisations will be affected in different ways. Additional funding of £498 million will be available in 2015-16 for 24+ Advanced Learning Loans which will help to mitigate the reductions.

While total funding has been reduced, priority has been given to the areas where we know it has the most impact - apprenticeships, traineeships and support with English and Maths. Evidence shows apprenticeships give the highest return on investment for vocational learning. Those who complete an Intermediate Apprenticeship earn between £48,000 and £74,000 more over their lifetime than similar individuals with Level 1 or other Level 2 qualifications. Those who achieve an Advanced Apprenticeship earn on average between £77,000 and £117,000 more than those with Level 2 qualifications.

I appreciate the concerns [REDACTED] raises about the impact of protecting apprenticeship funding, but I believe that apprenticeships are the gold standard for vocational education and this is reflected in prioritised funding. The sector was made aware at the time of the last spending review that government funding was reducing and of the need to generate other income streams, creating sustainable business models for the future.

We should also remember that private investment in skills training is high, so Government funding - although important - is not the only funding available. Many colleges and training organisations have responded well to the need to find other income streams for skills provision and it is this entrepreneurial approach that will help ensure sustainable future business models, with less reliance on government funding.

I do hope this information is helpful and that [REDACTED] is able to look into other income streams.

pp. R. McNamee

NICK BOLES



Department
for Business
Innovation & Skills

Minister for Skills and
Equalities

1 Victoria Street
London
SW1H 0ET
T +44 (0) 20 7215.5000
E enquiries@bis.gov.uk
www.gov.uk/bis
www.education.gov.uk

Our ref: MCSL2015/06156
Your ref: SB OLDH01012 01150116

Approved by the Minister
and signed in his absence