



## Pearson UK – Funding News

12 March 2015

*Funding News provides a regular round-up of 16-18, 19+ and apprenticeship funding, and related news from government departments, funding agencies and other relevant organisations.*

***We've tried to make funding news easier to navigate by providing an index and grouping news by where it is coming from. Key funding news this week:***

### Government departments

- Implementing rigour and responsiveness (BIS and DfE)
- Traineeships framework for delivery 2015/16 (BIS and DfE)
- Traineeships evaluation (BIS)
- Apprenticeships Trailblazer evaluation (BIS)

### Skills Funding Agency

- Funding allocations for 2015/16
- Trailblazer apprenticeship funding rules 2014/15
- Expression of interest for higher apprenticeships
- Apprenticeship grant – fact sheet for training organisations
- Growth requests

### Other key agencies

- National Audit Office – Oversight of financial sustainability in the FE sector
- Education Select Committee – Apprenticeships and traineeships for 16 to 19s

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- 19+ funding and level 2 BTECs
- Steve Besley's Policy Watches

## Government departments

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### Implementing rigour and responsiveness (BIS and DfE)

A useful 11-page [brief](#) from Nick Boles, Minister for Skills and Equalities, was sent to all colleges on 10 March 2015, with an update on the FE reform programme. It contains short briefings on: Apprenticeships, Degree Apprenticeships, Traineeships, the Skills Funding Letter, the Education Funding Agency Letter, Maths and English, 16-19 Technical and Vocational Education, FE Workforce Strategy, FE Commissioner Summary Assessments, Intervention Evaluation, FE College Financial Health and Exceptional Financial Support, Outcome Based Success Measures, Vocational Qualifications, Technology, Responding to FELTAG, National Colleges, Special Educational Needs and Disabilities, and the Prevent Duty.

### Traineeships framework for delivery 2015/16 (BIS and DfE)

The Traineeships Framework for Delivery 2015/16 was published by BIS on 11 March. The Framework for Delivery sets out information for young people, providers and employers about how traineeships will be delivered from 1 August 2015.

### Traineeships evaluation (BIS)

BIS published an [evaluation](#) of the first year of Traineeships on 11 March. The 12-page Executive Summary provides an analysis of what employers and trainees think of the traineeships scheme which launched in 2013. It also looks at how effective the scheme has been at helping former trainees into apprenticeships and work. The accompanying BIS press release can be found [here](#), and the full report will be posted on the BIS webpage shortly.

## Apprenticeship Trailblazer evaluation (BIS)

This BIS [report](#) looks at apprenticeship trailblazers one year on from the launch of [the first standards](#) in March 2014. It involved 16 of the trailblazers and explores how trailblazer networks are established and structured, the processes involved in developing standards and detailed assessments, employer responses to the national principles, and the overall satisfaction of employers with the development process. In terms of funding, most standards were assigned to the funding cap that employers determined but some were not. In these cases, there were calls for greater transparency about the funding formula and the information used to arrive at a cap. This has been addressed in the latest guidance and a standardised template for estimating costs has been supplied by BIS. Generally, the principles of the funding reforms and the expectation for employer co-investment were viewed as simple but some employers were concerned about the lack of clarity about what would count towards co-investment and some were confused about this being 'in kind' rather than 'in cash'. There were concerns too about the potential reaction of small employers to the new model and fears that the requirement for a cash contribution would be off-putting. There were also concerns that small employers would lack the buying power of larger employers which could make it difficult to negotiate and source customised training for a small number of apprentices.

## Skills Funding Agency

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### Funding allocations for 2015/16

Next week the Agency will issue 2015/16 funding statements to colleges, training organisations, local authorities and employers. This [note](#) sets out the principles the Agency has used to calculate funding allocations. All providers are asked to read this note in conjunction with Peter Lauener's [letter](#) published on 26 February, which explains the context of funding reductions in 2015/16, and Keith Smith's letter that will accompany funding allocations.

### Trailblazer apprenticeship funding rules 2014/15

The Agency will shortly publish the following about Trailblazer apprenticeship funding for 2014/15:

- Trailblazer Apprenticeships Funding Rules 2014 to 2015 (Version 2) – to assist colleges, training organisations and direct grant employers delivering the new Trailblazer apprenticeships.
- Trailblazer Apprenticeships Funding Rules 2014 to 2015 Version 2: Summary of Changes since Version 1.
- Trailblazer Apprenticeship Funding 2014 to 2015: Requirements for Employers (Version 2) – to give employers further information on Trailblazer apprenticeships and funding arrangements.

The rules apply to apprentices who started on the Trailblazer apprenticeships from 1 September 2014 to 31 July 2015 and will be published on the [Funding Rules](#) and [Standards](#) sections of the Agency website.

### Expression of interest for higher apprenticeships

The Agency has launched a £10 million expression of interest for new training providers to deliver higher apprenticeships with HE content. Higher Education Institutions have been invited to submit an expression of interest as prime providers or in partnership with further education as subcontractors. Existing training providers wishing to expand their delivery of higher apprenticeships, including those with HE content, can apply for growth in their allocations. The next opportunity to apply for growth opens on 1 April. For further information email [higherapprenticeships@sfa.gov.uk](mailto:higherapprenticeships@sfa.gov.uk)

## Apprenticeship grant for employers – fact sheet for training organisations

The Agency updated the apprenticeship grant for employers of 16 to 24 year olds (AGE 16 to 24) [factsheet](#) on 4 March. This version relates to grants for apprentices starting from 1 January 2015. For learners starting before that the October 2014 version applies. The AGE 16 to 24 aims to support businesses to recruit individuals aged 16 to 24 into employment through the apprenticeship programme. The Agency can provide grants to eligible employers of £1,500 for each eligible apprentice. It is aimed at employers with less than 50 employees who are new to apprenticeships or haven't enrolled a new recruit or existing employee onto an apprenticeship programme in the previous 12 months. Employers can be paid up to 5 grants in total. The grant is available, subject to availability, until December 2015.

## Growth requests

On 4 March the Agency released [growth and virement request forms](#) for providers wishing to request an increase in, or virement of, their financial year contract values for periods 1 to 12 (August 2014 to July 2015). Providers can use these forms at any of the 3 performance-management points to ask for an increase to, or to move funding within, either 16 to 18 apprenticeships contract values or adult skills budget contract values.

## Other key agencies

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### National Audit Office – Oversight of financial sustainability in the FE sector

The National Audit Office (NAO) will be undertaking a [study](#) into the financial sustainability of the further education sector. It will examine the performance of the BIS and the Skills Funding Agency in overseeing the financial sustainability of the further education sector, with a particular focus on further education colleges. The report will address three key questions: whether the funding and oversight bodies effectively monitor the financial health of the sector to identify emerging risks; whether there is a clear framework for deciding whether and when to intervene if a college is in financial difficulty; and whether effective action is taken to manage financial health issues that arise. The report is scheduled for summer 2015.

### Education Select Committee – Apprenticeships and traineeships for 16-19s

Last week the Education Select Committee published the [outcome](#) of their inquiry into Apprenticeships and traineeships for 16 to 19 year olds. It picks up on various aspects of the programmes but there is a specific section on the [reform of apprenticeship funding](#). They make a number of recommendations and comments:

- Swift development of new apprenticeship funding proposals is vital to end uncertainty and make sure employers are not deterred from involvement.
- A new funding regime should offer SMEs a choice between administering funding or contracting it out, and Government should clarify what role training providers, local authorities, LEPs and others may have in assisting employers with administration.
- Government should ensure employment of young apprentices is made more attractive to employers, particularly SMEs, and that the benefits of taking on young apprentices be widely and effectively advertised.
- Government should set out in advance the criteria by which value for money and broader success of the new funding approach can, and will, be evaluated.
- They support the principle that apprentices accept a lower wage in exchange for training and the promise of a significant uplift at the end of the programme but this lower wage is a legal minimum and they are concerned that some young people are not receiving it. Government should take steps to ensure employers who flout the law on the apprenticeship minimum wage are identified and action is taken against them.
- Any review of the apprenticeship minimum wage should recognise the need for the internal economics of the apprenticeship to add up for the employer, and particularly the SME, or the number of apprenticeships on offer will drop further.

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### 19+ funding and level 2 BTECs

Following government announcements this spring, we can now clarify funding for students aged 19+ studying BTEC Firsts in England.

The Skills Funding Agency automatically fund qualifications approved by the DfE as level 2 Technical Certificates on the 16-19 performance tables. This means that all BTEC Firsts included on the Technical Certificate list are approved for 19+ funding for 2014/15 and 2015/16.

Where the NQF qualifications have not been approved as Technical Certificates, we have extended the existing BTEC Level 2 First Diplomas until 31/7/15 to ensure this provision remains available for 19+ learners for 2014/15.

We want to ensure you have continuity for your level 2 students in all subjects, so where BTEC Firsts are not approved as Technical Certificates, we are applying to the Agency for 19+ funding for 2015/16 for the next generation BTEC Level 2 Firsts (NQF) where appropriate, and extending, and applying to the Agency for 19+ funding for, the existing BTEC Level 2 First Diplomas (QCF). See the Pearson [website](#) for more.

### Steve Besley's Policy Watches

The latest from Steve Besley includes [Policy Eye - week ending March 6 2015](#), [Policy Tracker - Keeping track of what happened in the world of education in February 2015](#), [Policy Eye - week ending February 27 2015](#), [Policy Eye - week ending February 20 2015](#), [Pocket Watch – Helping young people into work](#), and [Pocket Watch – The UK's Digital Moment?](#) Find these and the archives on the [Pearson UK](#) website.

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Information is correct at the time of writing and is offered in good faith. No liability is accepted for decisions made on the basis of information given.