



## Pearson UK – Funding News

10 July 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.*

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Key news this week is the summer budget announced on the 8 July, and in particular, the apprenticeship levy; and the productivity report 'Fixing the foundations: Creating a more prosperous nation' published this morning.

Other news includes links to updates to the English and maths condition of funding from the Department for Education and Education Funding Agency, and plenty of news from the Skills Funding Agency including new guidance for searching the Hub, the updated course directory, and the latest list of apprenticeship training agencies. Useful reports and guides include 'Fixing a Broken Training System: The case for an apprenticeship levy' from Professor Alison Wolf, and the Social Market Foundation, a 'Guide to the skills system' from the Skills Commission, and a 'Guide for skills and welfare-to-work providers' from the National Institute of Adult Continuing Education (NIACE). We also include the links to the latest Policy Watches from Steve Besley.

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## HM Treasury

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### Summer or emergency budget 2015

The big news this week was the [emergency, or summer, Budget](#) from the Chancellor. Useful articles are available on FE Week from Julian Gravatt from the Association of Colleges (AoC) on [The Budget – a quick checklist for colleges](#) and from Mick Fletcher on [Will loans and the levy save adult FE?](#) The plan is make more cuts than set out originally but to make them over four years (2016-17 through to 2019-20) rather than two (2016-17 and 2017-18).

Key news for funding in the Budget included:

- A surprise announcement in the form of a national apprenticeship levy to be paid by large companies. This mirrors the recommendations made in Professor Alison Wolf's report (more below). The levy will fund the 3 million new apprenticeships and formal engagement with business on the implementation of the levy will take place which will also consider the interaction with existing sector levy boards. Further details will be set out at the autumn Spending Review.
- A youth obligation 'to help young people move into and get on in work' from April 2017.
- Further powers being devolved to Greater Manchester, a push for more powers to be devolved to the Midlands, and work towards devolution deals with the Sheffield City Region, Liverpool City Region, and Leeds, West Yorkshire and partner authorities as part of building a 'Northern Powerhouse'.
- LEPs on the agenda in various areas: to help map strengths and identify potential areas of strategic focus, in new bids for Enterprise Zones, and in a delivery plan for the Midlands LEPs to support a regional approach to skills.
- Higher education funding will be put onto 'a more sustainable footing' by increasing maintenance loan support but replacing maintenance grants with loans, allowing institutions to increase their tuition fees, and opening the sector to new entrants.

We expect announcements shortly about 2015-16 funding allocations from the Education Funding Agency (EFA), Skills Funding Agency (the Agency) and the Higher Education Funding Council for England (Hefce), but Nick Boles has already confirmed there will be no change to EFA's main 2015-16 allocations for the education of 16 to 18-year-olds. Future funding will be determined by the autumn Spending Review.

### Productivity plan: Fixing the foundations: Creating a more prosperous nation

The [productivity plan](#) confirms some of the details released in Wednesday's budget. The report outlines the government ambition for a highly skilled workforce, with employers in the driving seat and states that 'The UK's skills weaknesses – and failure to grow a serious system of respected employer-led professional and technical qualifications – are of such long standing, and such intractability, that only the most radical action can address them'. In summary, the government will:

- Target 'coasting' schools for improvement as well as outright school failure, improve teaching quality, and make schools funding fairer.
- Respond to businesses' calls to improve work-ready skills: reforms are increasing the rigour of GCSEs and A levels, including in maths and science.
- Introduce a new compulsory apprenticeship levy requiring large employers to invest so that the 3 million apprenticeships delivered during this Parliament will be well funded, high quality, and meet employers' needs.
- Radically simplify and streamline further education qualifications and move away from funding on a per qualification basis; invite local areas to participate in the reshaping and commissioning of local provision; and create a network of prestigious Institutes of Technology, focussed on the higher level skills employers demand.

In Higher Education the government want to keep the sector competitive and open to all who can benefit and state that this cannot be done unless hard choices are made about funding. The government will:

- Remove the student numbers cap so that anyone with the right qualifications can study at university.
- Ensure the long term sustainability of investment in universities by replacing maintenance grants with loans for new students from 2016-17, while providing more cash in hand in real terms to help students from lower to middle income backgrounds.
- Introduce a new Teaching Excellence Framework to sharpen incentives for providing an outstanding education to students.
- Allow institutions offering high teaching quality to increase tuition fees with inflation.
- Open the higher education market to more new entrants.

## Department for Education, and Education Funding Agency

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### English and maths condition of funding

The [English and maths condition of funding webpage](#) has been updated to reflect the recent announcement on a good pass for the new GCSEs. The information on qualifications that are equivalent to GCSE has also been refreshed.

A [list of stepping stone qualifications](#) that were nominated by providers and that have been approved by the DfE has been published and will be updated on the funding hub. In June 2015, the Department of Education approved a range of new stepping stone qualifications at entry and Level 1 which were nominated by 16 to 19 providers. They are all modular in nature, and can be used to target specific English and maths topics a student might need to focus on ahead of progressing to a Functional Skills or GCSE qualification.

## Skills Funding Agency

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### New learning aim search guidance for the hub

The Agency has updated the [learning aim search guidance](#) on the [funding hub](#). It explains how to search the website by the associated data of a learning aim. The document should be used alongside the 'Known Issues' document. Both documents can be accessed using the links on the right of the Learning Aims webpage.

### Course directory

The latest (June) [course directory](#) has been published which contains information on courses offered by learning providers who are contracted with the Agency. The course directory contains information from over 900 organisations including colleges, training providers and local education authorities and is updated monthly. Courses featured include adult further education, adult community learning, Apprenticeships, courses that are co-funded by the European Social Fund, and courses aimed at people aged 16 to 18. Further information about the course directory, and the format and structure of the data contained in this file can be found on the [Course Directory Provider Portal](#).

### List of apprenticeship training agencies

The Agency has updated the list of approved [apprenticeship training agencies](#) (ATAs). Employers interested in employing an apprentice but who cannot currently commit to the length of time needed for a full apprenticeship, may use an ATA who can recruit, employ and arrange training for apprentices on behalf of employers. The [guidance and the application form to become a recognised ATA](#) was published in January 2015.

## In-service initial maths teacher training in further education now closed

The [scheme](#) to support graduate in-service initial maths teacher training in further education (FE) is now full and closed to new applicants. The scheme was operational for the funding year 2014 to 2015 only. Details of other schemes to support the recruitment of new staff or improve the skills of existing staff in English and maths are available on the [FE Advice](#) website and queries can be sent to the FE advice line: [feadviceline@etfoundation.co.uk](mailto:feadviceline@etfoundation.co.uk)

## Equality and diversity good practice fund: the further education equality knowledge exchange

In October 2014 the Agency [invited](#) Agency-funded colleges and other training organisations to bid for up to £30,000 to deliver projects which advance equality, diversity and inclusion. This year the Agency has funded 29 equality projects through their managing agent, Equality Challenge Unit (ECU). Colleges and other training organisations will shortly complete their projects and share good practice at two free events on Tuesday, 14 July in London and Thursday, 16 July in Manchester. The events are designed to help organisations make programmes more inclusive and meet the public sector equality duty. For further information about the projects, please refer to the [ECU website](#).

## Professor Alison Wolf, and the Social Market Foundation

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### Fixing a Broken Training System: The case for an apprenticeship levy

On 2 July, Professor (Baroness) Alison Wolf of Kings College London published, in partnership with Social Market Foundation (SMF) '[Fixing a Broken Training System: The case for an apprenticeship levy](#)' on the government pledge to deliver 'three million new apprenticeships' over the next five years, and to 'ensure they deliver the skills employers need'. It argues that the two commitments are going to be hard to reconcile: apprenticeships should be seen as important for successful job generation, productivity and wage growth, but the funding and tools are not in place to make this a reality. This has of course been reflected in the Budget announcement yesterday where the Chancellor introduced a national apprenticeship levy to be paid by large companies to fund the target of 3 million apprenticeships. There will be formal engagement with business on the implementation of the levy, which will also consider the interaction with existing sector levy boards, and further details, including rates and implementation, will be set out in the Spending Review.

## Skills Commission

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### Guide to the skills system

This [guide to the skills system](#) from the Skills Commission, an independent group of leading experts and opinion formers from the education and skills sector, is a bite-size guide aimed at Parliamentarians and their researcher to assist them to make the best possible policy decisions in this key area, as well as the wider policymaking community. The useful guide contains six key messages for reform in this Parliament to provide better understanding for better policy making, and provides a short history of skills looking at past skills policy and comparing key bodies, funding structures and regulators, an overview of the skills system with maps and infographics on qualifications, funding, learner numbers and more, and a policy review of the last five years from 2010-15.

## National Institute of Adult Continuing Education (NIACE)

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### Guide for skills and welfare-to-work providers

The National Institute of Adult Continuing Education (NIACE) has published a [guide for skills and welfare-to-work providers](#). The guide has been developed by a sector led group to tackle some

of the myths, misconceptions and issues about partnership working between welfare-to-work programme providers and skills providers in England. The guide begins with an overview of the adults skills system and welfare-to-work provision, discusses the availability of skills provision for welfare-to-work participants, and describes skills provision content, format and outcomes, learner eligibility for skills provision, funding arrangements and referral, assessment and screening processes. The guide is primarily aimed at welfare-to-work programme providers and adult skills providers but other stakeholders may also find it useful.

## Pearson

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### Steve Besley's Policy Watches

The latest from Steve Besley includes [Pocket Watch – Two months and counting](#), and [Policy Eye - week ending July 3 2015](#). Watch [this space](#) for more analysis on the budget or [sign up for Policy Watch email updates](#) direct to your inbox.

### Siân Owen

Head of Stakeholder Engagement (Funding)

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