



## Pearson UK – Funding News

24 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.*

**Internal and external colleagues can sign up to receive Funding News directly to their inbox by subscribing [here](#).**

It's been a busy week for funding with a flood of papers released from government and other agencies including details from HM Treasury about the approach to Spending Review 2015, a DfE and BIS paper on the post-16 education and training institutions review, and an NAO report on financial sustainability in FE. We also link to two papers Pearson has produced in partnership with HEPI, and with the CBI.

### Home Office

- Changes to immigration rules for tier 4 international students

### HM Treasury

- The government's approach to Spending Review 2015

### DfE

- Raising the participation age

### BIS

- Further education reform: update for colleges
- New Trailblazer groups and the creation of the Apprenticeship Delivery Board
- Alternative providers of HE: improving quality and value for money – consultation response
- Higher education franchise arrangements for 2015 to 2016

### DfE and BIS

- Post-16 education and training institutions review
- Future of apprenticeships in England: guidance for trailblazers

### BIS and DCLG

- Cornwall devolution deal

### Skills Funding Agency

- Changes to funding allocations for 2015 to 2016
- Annual report and accounts, 2014 to 2015
- Register of apprentice assessment organisations
- New and updated apprenticeships guidance

### NAO

- Overseeing financial sustainability in the further education sector

### House of Commons Education Committee

- Apprenticeships and traineeships for 16 to 19 year olds report: government response

### UKCES

- High level STEM skills requirements in the UK labour market

### Hefce

- Consultation on future approaches to quality assessment

### Pearson

- Pearson and HEPI report, Pearson and the CBI report, and Steve Besley's Policy Watches

## Home Office

---

### Changes to immigration rules for tier 4 international students

On the 13 July the government announced changes to the immigration rules and the Home Office published a statement on [immigration rule changes for tier 4 students](#) explaining the changes to be made from 3 August 2015. Tier 4 is the element of the immigration rules which relates to international students travelling to the UK to study at their own expense. The Home Office has also published a [briefing note](#) on the changes.

## HM Treasury

---

### The government's approach to Spending Review 2015

On 21 July the government published their approach to the Spending Review 2015. [A country that lives within its means](#) outlines the government's priorities for the 2015 Spending Review and the principles that will guide its decisions. It also outlines the scope, process and timetable for delivering the Spending Review and announces that it will conclude on 25 November 2015. The Spending Review will set out how the government will both invest in priority public services and deliver the £20 billion in further savings required to eliminate Britain's deficit by 2019/2020.

## Department for Education

---

### Raising the participation age

A quick reminder that the first phase of Raising the Participation Age (RPA) started in June 2013 which required young people to continue to participate in education and training for a further year after the end of compulsory schooling. The second phase started in June 2015 and requires young people to continue until they are at least 18-years-old. Those who left year 11 in summer 2014 will be the first group affected. Young people can choose to participate through full-time education, a job or volunteering combined with part-time study, or through an apprenticeship or traineeship. Colleges and other training organisations should ensure that young people meet RPA requirements. Further information can be found in the [statutory guidance](#).

## Department for Business, Innovation and Skills

---

### Further education reform: update for colleges

On 21 July Nick Boles [wrote](#) to all colleges updating them on the further education (FE) reform programme. This update includes short briefing on apprenticeships, degree apprenticeships, traineeships, English and maths, technical certificates, FE workforce strategy, and outcome based success measures.

### New Trailblazer groups and the creation of the Apprenticeship Delivery Board

In a [press release](#) on the 22 July BIS confirmed the creation of 26 new Trailblazer groups which have been formed to create apprenticeship standards in 39 sectors. The 26 new Trailblazer groups are listed. In addition, the creation of the Apprenticeship Delivery Board which will advise on how best to expand the apprenticeship programme was confirmed. The Board will be jointly chaired by David Meller, and Richard Harrington MP, the Prime Minister's Advisor on Apprenticeships.

## Alternative providers of higher education: improving quality and value for money – consultation response

The government published its [response](#) to the consultation on proposals to improve the quality and value for money achieved by alternative providers of HE which ran from 27 February 2015 to 27 March 2015. The proposals in the consultation to improve English language requirements, provide better information for prospective students, and relate student number controls to provider performance will all be implemented and these measures will apply from the 2016 to 2017 academic year. Further detail can be found in the course designation guidance.

## Higher education franchise arrangements for 2015 to 2016

On the 23 July BIS published a [statement](#) on franchise provision delivered by alternative providers within HE in England. The statement is for all Hefce-funded providers that currently have franchise arrangements in place with an alternative provider. It sets out arrangements for franchise provision delivered by alternative providers within higher education in England. The Secretary of State for BIS has decided to provide blanket specific designations for all franchised courses for 2015 to 2016.

## Department for Education, and Department for Business, Innovation and Skills

---

### Post-16 education and training institutions review

On 20 July 2015 BIS and the DfE published the [post-16 education and training institutions review](#) which sets out how government will support a restructure of the post-16 education and training sector through a national programme of area-based reviews. The report describes the need to move towards fewer, often larger, more resilient and efficient providers. The first review will take start in Birmingham later in July, and the next phase will start in September following publication of guidance on the review guidance in August.

### Future of apprenticeships in England: guidance for trailblazers

The DfE and BIS published [guidance](#) on 22 July which explains how to develop new apprenticeships in England, from bidding to develop a standard to preparing for the standard to be used. The guidance also contains templates to help employer groups, as well as details of the timing and process for the next round of submission of bids, draft standards and draft assessment plans for approval.

## Department for Business, Innovation & Skills, and Department for Communities and Local Government

---

### Cornwall devolution deal

BIS and the DCLG published a [devolution deal](#) giving Cornwall greater control over transport, skills, business support and other areas on 22 July. The deal builds on earlier [Growth Deals](#) and will give the area more freedom to tailor services to local needs, support local businesses and create jobs.

## Skills Funding Agency

---

### Changes to funding allocations for 2015 to 2016

The Agency [communicated](#) the impact on FE and skills of savings required across government to colleges and training organisations on 20 July. The Agency will fund all current apprenticeship growth requests for the 2014 to 2015 funding year but are reducing non-apprenticeship adult

skills and discretionary learner support allocations by 3.9% for colleges and training organisations in the 2015 to 2016 financial year. To enable colleges to reflect the changes in their financial plans the Agency will allow colleges to submit updated plans by 30 September.

## Annual report and accounts, 2014 to 2015

The Agency published their [annual report and accounts for 2014 to 2015](#) on 20 July detailing accounting and expenditure information for the financial year 2014 to 2015. The accounts set out the activities of the Skills Funding Agency over the period 1 April 2014 to 31 March 2015, and provide detailed information on the Agency's performance, how resources were used, and the Agency's objectives.

## Register of apprentice assessment organisations

The Agency has [released](#) information on the register of apprentice assessment organisations (RAAO) for employers seeking an independent end-point assessment organisation, and potential applicants to the register. The register is a list of organisations that have been assessed as being suitable to conduct independent end-point assessment of apprentices and be in receipt of public funds. Pearson has been approved as an assessment organisation for all six standards applied for namely: Dental Laboratory Assistant, Dental Practice Manager, Dental Technician, Housing/Property Management, Property Maintenance Operative, and Railway Engineering Design Technician.

## New and updated apprenticeships documents

The Agency has produced a new [checklist](#) to help school leavers search and apply for an apprenticeship, a [presentation](#) which provides an introduction to apprenticeships as an option into a career path for years 7 to 11, and [guidance](#) on how to register and use the 'Find an apprenticeship' vacancy system. It has also updated the [parent's guide to apprenticeships](#), and the [guide to apprenticeships for apprentices](#).

## National Audit Office

---

### Overseeing financial sustainability in the further education sector

The National Audit Office published their [report](#) on 20 July investigating the financial health of further education (FE) colleges since 2010/11. The NAO expects the number of colleges in financial difficulty to rise rapidly, and believes there are fundamental structural problems which might require decisions at a regional or sector-wide level. NAO recommends that the BIS and the Skills Funding Agency take a more strategic look at the implications of the rapid growth in the number of colleges in poor financial health. In 2013/14, the FE college sector was in deficit for the first time, and the number of colleges with an operating deficit rose to 110, from 52 in 2010/11.

## House of Commons Education Committee

---

### Apprenticeships and traineeships for 16 to 19 year olds: government response to the committee's sixth report of session 2014-15

The Education Committee reported to the House on Apprenticeships and Traineeships for 16-19 year olds in its Sixth Report of Session 2014-15, published on 16 March 2015. In this 14 page [report](#) the government respond to the committee's conclusions and recommendations regarding the benefits of apprenticeships, engaging young people, reform of apprenticeship standards, reform of apprenticeship funding, increasing employer engagement, and traineeships.

## UKCES

---

## High level STEM skills requirements in the UK labour market

Published on the 10 July the UKCES [report](#), High level STEM skills requirements in the UK labour market, shows vacancies in high level STEM occupations are almost twice as likely to be left unfilled. The review identifies those occupations which have a strong requirement for high level STEM skills, examines the labour market need associated with them, and considers priorities for the future development of work-based provision, including higher apprenticeships. The findings of the review are presented in a summary document and a more detailed evidence report.

### Hefce

---

## Consultation on future approaches to quality assessment

At the end of June Hefce released a consultation on the future approaches to quality assessment in England, Wales and Northern Ireland. It sets out for consultation the proposals of the three higher education funding bodies in England, Wales and Northern Ireland for future approaches to quality assessment. The consultation represents the next phase of the Quality Assessment Review initiated by the funding bodies in October 2014 as part of each funding body's statutory duty for quality assessment in higher education.

### Pearson

---

## Pearson and the Higher Education Policy Institute (HEPI): Raising productivity through better technical education

On 16 July HEPI, in partnership with Pearson, released a [report](#) outlining the problems faced in rebalancing our country's skills profile. Dr Scott Kelly (lecturer in British Politics at New York University in London and former policy adviser to the Rt Hon John Hayes MP) sets out a vision for how we achieve rebalancing and contribute to the UK's long-term competitiveness. He argues there should be a well-defined set of institutions where the core mission is to deliver technical and professional qualifications, that work-oriented qualifications at higher levels should be validated and funded by the same processes, and that public policy should acknowledge and address the barriers to employer engagement.

## Pearson and the Confederation of British Industry (CBI): Education and skills survey

This year's [education and skills survey](#), published on 10 July, found that demand for higher-level skills in British industry is set to grow in years ahead. The report argues that the UK must strengthen its education and skills systems to meet future demand and avoid being outpaced by international competitors, young people need to build their workplace skills but many are still leaving school with poor literacy and numeracy skills, careers guidance and support must be improved to, most jobs created in the decade to 2022 will be high-skilled ones, and that the government's plans to move towards a demand-led skills system are key, but big challenges lie ahead in ensuring that the reforms ensure employers remain in the driving seat.

## Steve Besley's Policy Watches

The latest from Steve Besley includes [Pocket Watch – New skills agenda](#), [Policy Eye - week ending July 17 2015](#), [Policy Eye - week ending July 10 2015](#), [Primary Policy Watch - Here comes the sun...](#) and [a flurry of announcements](#), and [Policy Eye - week ending July 3 2015](#). Find these and more on the [Pearson UK website](#) or [sign up for email updates](#) direct to your inbox.

### Siân Owen

Head of Stakeholder Engagement (Funding)

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.