



## Pearson UK: Funding News

18 December 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 release of the Skills Funding Letter from BIS which sets out the SFA's priorities and funding for the 2016 to 2017 financial year. Other news includes a report from BIS estimating the economic benefits to unemployed individuals from achieving FE qualifications; updated information about colleges in scope of area reviews as well as the timescales, roles and responsibilities within the review process; groups set up by the Skills Funding Agency to advise on the nature of the provision which may be commissioned within a locally driven funding system for adult skills and on technical aspects of the funding system for the 2016 to 2017 adult education budget; and the publication of the House of Commons Public Accounts Committee report on the financial stability of the further education sector.

### Government departments

- BIS: Skills funding letter, April 2016 to March 2017
- BIS: Further education: impact of skills and training on the unemployed
- BIS: Higher education, student support regulations 2015, equality analysis
- BIS and DfE: Reviewing post-16 education and training institutions, list of area reviews

### Skills Funding Agency

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## Government departments

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### BIS: Skills funding letter, April 2016 to March 2017

The 12-page [Skills Funding Letter](#), from Nick Boles MP to Peter Lauener, released on 15 December sets out the SFA's priorities and funding for the 2016 to 2017 financial year. The letter sets out BIS' priorities for funding and, unusually, says that these 'are valid through to 2020'. The intention is that future grant letters will confirm the funding available for the next year but not set new strategic direction. The priorities set out do not come as a surprise but confirmation is helpful and the letter does include some firmed up pointers for the future. It also sets out the total spending available for adult FE, how it is broken down for 2016-17, and the funding BIS expect to make available up to 2019-20. A summary will shortly be available on [Neo](#).

### BIS: Further education: impact of skills and training on the unemployed

On 3 December BIS released [research](#) estimating the economic benefits to unemployed individuals from achieving further education qualifications. The analysis of over 2 million unemployed found that further education can make a substantial impact on the chances of unemployed people finding work.

### BIS: Higher education, student support regulations 2015, equality analysis

BIS released an [assessment](#) on the 3 December on the effect of changes made to the education regulations 2015 for academic year 2016 to 2017. It covers the move from a system of maintenance grants to loans for students, as well as other changes to the student financial support system.

### BIS and DfE: Reviewing post-16 education and training institutions, list of area reviews

BIS and the DfE have updated [information](#) about colleges in scope of area reviews as well as the timescales, roles and responsibilities within the review process. The statement sets out the scope of the area reviews that make up the first wave of the review process and the first six areas included in the second wave. The second wave includes details of the local authorities and Local Enterprise Partnerships (LEPs) covered by the review. BIS will publish details of further wave 2 areas in due course. The area reviews in wave 1 began in September to November 2015; those in wave 2 are due to begin early in 2016.

## Skills Funding Agency

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### Qualifications task and finish group

This new group has been convened by the Funding Reform and Localism Steering Group (FRLSG) and will advise on the nature of the provision which may be commissioned within a simplified and locally driven funding system for adult skills. The group will also identify areas where regulated qualifications may remain a national requirement and ensure alignment with the wider programme of technical and professional education reform. The Chair is the employer representative from FRLSG and members include representative bodies of learning providers and awarding organisations, UKCES and Ofqual. The group is also seeking representation from a combined authority and from a Local Enterprise Partnership. The group met for the first time on 11 December and members aim to agree the core qualifications offer in early 2016.

## Technical funding task and finish group

The SFA has also established a new group to advise them on technical aspects of the funding system for the 2016 to 2017 adult education budget. They will ask this group for advice on the design and implementation of the funding system and to work with them on areas such as the funding rules and how the funding system operates. Members are all practitioners from FE colleges and training providers and met for the first time on 7 December.

## Public accounts committee

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### Overseeing financial sustainability in the further education sector

On 15 December the House of Commons Public Accounts Committee published their report on the [financial stability of the further education sector](#). The report concludes that the declining financial health of many FE colleges has potentially serious consequences for learners and local economies, but the bodies responsible for funding and oversight have been slow to address the problem. BIS and the DfE, it argues, appear to see area-based reviews of post-16 education as a fix-all solution to the current problems but they do not cover all types of provider and it is not clear how they will deliver a robust and financially sustainable sector.

## Ofqual

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### National statistics: vocational and other qualifications quarterly

On 17 December Ofqual published their [statistics on vocational qualifications](#) offered in England and Northern Ireland between July and September 2015. Headline statistics include: just under 3.8m certificates were awarded – an increase of 3% on the same quarter of 2014, and the number of available qualifications this quarter increased by 4% from 21,214 in the previous quarter to 22,140, the highest number of available qualifications recorded.

## Education Training Foundation

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### Future apprenticeships support programme: workshop information

The ETF has commissioned a new apprenticeship support programme for colleges and other training organisations. The [Future Apprenticeships](#) support programme provides resources to support the delivery of the new apprenticeship standards. As part of the programme, [workshops](#) will be held to explore the impact of the apprenticeship reforms on employers and how to support them with the new standards.

## Higher Education Policy Institute

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### Employability: degrees of value

On 10 December 2015 HEPI published [Employability: degrees of value](#), a paper calling for higher education to improve graduate employability. The report is published as part of the HEPI series of polemical occasional papers. The paper highlights a misplaced focus on employment rather than employability and proposes a metric of skills development for higher education courses that could be used as part of the Teaching Excellence Framework.

## Universities UK

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### Patterns and trends in UK higher education 2015

On 3 December Universities UK published its latest patterns and trends report which presents a range of data on the changing size and shape of UK higher education. This year's report, part of

an annual series, shows how the higher education sector is continuing to change and adapt. The report focuses on the decade between academic years 2004–05 and 2013–14, which was a period of considerable change for the UK's higher education sector.

## **Pearson**

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### Steve Besley's Policy Watches

The latest from Steve Besley includes [Policy Eye – week ending December 18 2015](#), [Policy Tracker – Keeping track of what happened in the world of education in December 2015](#), [Pocket Watch – What's being lined up for skills training 2016/17](#), and [Policy Eye – week ending December 11 2015](#). Find these and more on the [Pearson UK website](#) or [sign up](#) to receive the latest direct to your inbox.

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