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## Pearson UK - Funding News

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*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](#). Funding News can also be found on the [Pearson UK website](#) along with Funding Focus documents which provide quick summaries of recent funding developments, or particular aspects of the funding system.*

Key news this week is the publication of the SFA's 2016/17 funding rules, funding rates and formula, the adult education budget letter which summarises the changes the SFA plans to make to the adult skills system, and the annual letter to the sector from the EFA explaining funding for 2016/17 for 16-19 students and 19-25 students aged with an education, health and care plan. We also include a link to the latest on qualifications in 16-19 performance tables (which are automatically approved for 19+ funding).

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## Government departments

### **BIS: Skills funding letter, April 2016 to March 2017 – a reminder**

A reminder that the 12-page [Skills Funding Letter](#) from Nick Boles MP to Peter Lauener which sets out the SFA's priorities and funding 2016/17 was released on 15 December. 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 [brief summary](#) is available on the Pearson UK website (see *2015; December*).

### **BIS and DfE: Consultation on public sector apprenticeship targets**

The DfE and BIS released a [consultation](#) this week seeking views on which public bodies in England should be set targets on the number of apprentices working for them. The consultation runs until 4 March. It sets out a proposal that the 2.3% target figure for public sector bodies will be applied to those employing 250 or more people in England. [FE Week](#) has highlighted that while it says some schools would be covered, it did not mention colleges and reports that government was unable to confirm ahead of publication if it definitely planned to exempt FE colleges from the target.

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

The information about the [colleges in scope of area reviews](#) as well as the timescales, roles and responsibilities within the review process has been updated to include information on Greater London.

## Funding agencies

### **SFA: Funding rules, funding rates and formula, online forum information, and adult education budget letter, 2016/17**

The SFA published the [funding rules and funding rates and formula 2016 to 2017](#) this week.

The funding rules set out the rules that must be followed for all SFA providers and the SFA has published separate funding rules for the new Adult Education Budget (AEB), apprenticeships and adult learner loans and included a document that sets out funding rules common to all apprenticeships, regardless of whether providers are delivering frameworks or standards.

There are no significant changes to the funding formula in for 2016/17. The only change is how the SFA set the rates for qualifications. If qualifications were funded in 2015 to 2016 the SFA will maintain that rate. Otherwise they will set the rate based on regulated guided learning hours and will no longer set rates based upon the credit value of the qualification. For learning activity not involving a qualification, the rate will be based on the planned hours of the learning.

You can see the main changes from the funding year 2015 to 2016 in the [summary of changes](#) document.

As set out in the [Skills Funding Letter](#) the AEB is a new budget with rules designed to provide greater local flexibility for providers to respond to local needs in advance of formal devolution of skills funding starting from 2018, subject to readiness conditions. The SFA has published a supporting document [Adult education budget – changing context and arrangements for 2016-17](#). It summarises the changes the SFA plans to make to the adult skills system.

The SFA invite all colleges and other training organisations to review the rules and feedback. They will

review the comments and publish a final version in March 2016. An online forum on [feconnect](#) will be hosted from Monday 1 February to Friday 12 February to answer questions.

### **SFA: Advanced learner loans seminars**

From Tuesday 23 February the SFA are holding a series of [seminars](#) on advanced learner loans with BIS. The seminars will give colleges and providers more detail on the changes to the loans offer in 2016/17. See the link for details and to book a place. Places are limited and registration closes on Friday 12 February.

### **SFA: Funding claims**

The SFA have published their [guidance](#) for those providers required to submit a funding claim for the year 2015 to 2016 for adult skills budget, discretionary learner support and advanced learning loans bursary, and community learning.

### **EFA and SFA: Delivering traineeships and Ofsted grading**

The [EFA](#) and the [SFA](#) (in the document called Funding Rules 2015 to 2016 Version 2 Addendum 3) have updated their guidance on delivering traineeships to include the update to the policy to allow institutions, previously ineligible, who can deliver from within an existing allocation, to begin delivery of Traineeships from 1 February 2016 (rather than from August 2016). From 1 August 2016 all institutions will have their 2016 to 2017 allocation from which they can choose how much funding to devote to traineeships. This follows on from the commitment to review the policy to allow only institutions graded good or outstanding by Ofsted to deliver Traineeships.

### **EFA and SFA: Payments and data**

Updated information is available on [payments and data](#). The page brings together all the latest information on payments and Individualised Learner Record (ILR) data collection to ensure that colleges, training organisations, local authorities and employers (further education providers) can access all of the information on the current data collection in one place.

### **EFA: Letter to the sector on 16-19 funding 2016/17**

On 14 January Peter Mucklow, National Director of Young People at the Education Funding Agency (EFA) wrote his [annual letter](#) to the sector explaining funding for 2016/17 for 16-19 students and 19-25 students aged with an education, health and care plan. The 8-page letter covers: funding for academic year 2016 to 2017: introduction, national funding rates, formula protection funding, large programmes, maths and English, discretionary bursaries and free meals double funding, high needs students, traineeships, and the allocations process and timeline. A 3-page [Funding Focus](#) summarising the letter is available on the Pearson UK website (see 2016; January).

### **EFA: Post-16 funding allocations supporting documents 2016/17**

The EFA has published an [explanatory note and field guide](#) which support the funding factor statement and allocation toolkit. The statement is the first step towards calculating an institution's 2016 to 2017 academic year funding allocation. The toolkit shows how the EFA has used institution data to calculate figures shown on the statement. Institutions can use the toolkit to check the figures on their funding factor statements. The EFA explain that this provides an opportunity for institutions to raise any queries but that business cases which relate to the data within this statement should only be made in March 2016, once institutions have received and reviewed their final allocation. The closing date for business cases will be confirmed after final allocations have been sent, but the EFA currently expect the deadline in most or all cases to be 8 April 2016.

## EFA: High needs funding arrangements 2016/17

On 14 January 2016 the EFA published [outcomes](#) of the 2016 to 2017 high needs place change request process. It presents validated results from the 2016 to 2017 high needs place change request process. Place change request outcomes will inform 2016 to 2017 high needs place funding in further education colleges, commercial and charitable providers, academies and free schools. They also impact on adjustments that will be made to local authority dedicated school grant allocations.

## Sub-committee on education, skills and the economy

### Nick Boles and the responsibilities of the Minister of State for skills

On Monday this week, the sub-committee on education, skills and the economy [heard from](#) Nick Boles MP on the responsibilities of his role. A few interesting remarks were made about funding.

When asked about cross-departmental working Nick Boles stated that he understood concerns from some colleges about the need this created for separate funding applications but believed the departments worked well together. When asked about oversight of the further education sector and whether the SFA and the EFA should be merged responded that there was a case for this but a decision should not be rushed into, and that the most important thing was how money was used and providers' access to it. He did not however exclude a restructuring.

When questioned about the apprenticeship levy and he stated he did not accept the CBI's claim that the levy would lead to job losses and that employers had benefitted in other ways, such as through corporation tax cuts. He was asked about the number of apprenticeships taken up by 16-19 year olds and said he was not projecting a significant increase in the proportion taken up by this age group. When asked if the levy would be a ring-fenced fund for apprenticeship training he explained it was ring-fenced only for training but not only for use by those companies who had paid the levy. He explained that firms paying the levy would have 'first dibs' on it through funding - equivalent to that paid via the levy - paid into their digital accounts – and expects there to be pressure on employers to take advantage of the new levy funding. When asked about training funding for smaller employers he explained that government did not expect every levy-paying employer to use the full value of their levy payment on training.

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### Qualifications in 16-19 performance tables and automatic approval for 19+ funding

The DfE has released their initial list of Applied General and Tech Level qualifications which will count towards post-16 performance measures in England for summer 2018 results. The Applied General and Tech Level qualifications which count towards these measures are also automatically approved for 19+ funding. See the [update](#) on the Pearson UK website for details.

### Steve Besley's Policy Watch

The latest from Steve Besley includes [Policy Eye – week ending January 22 2016](#), [Policy Eye – week ending January 15 2016](#), [Policy Eye - week ending January 8 2016](#), and [Pocket Watch – 2016 - Another year of change?](#) Find these and more on the Pearson UK website or [sign up](#) to receive the latest.

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