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Pearson UK - Funding News

5 February 2016

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 SFA's invitation to providers to an online forum on the 2016/17 funding rules, the updated advanced learner loans prospectus 2015/16 and 2016/17 which sets out the simplified and more regular process awarding organisations will now use to designate technical and professional qualifications that are eligible for loans, and a new cap introduced for apprenticeship standards in 2016/17. At the time of writing (5 February am) we are still awaiting from the SFA the initial list of qualifications which are part of the national entitlement for 2016/17, and the rules for awarding organisations to include qualifications to be eligible for 19+ funding.

Government departments

- BIS select committee: Report on the productivity plan
- BIS and DfE: Apprenticeships delivery board
- HM Revenue and Customs: Policy paper, apprenticeship levy

Funding agencies

- SFA: Funding rules 2016/17, online forum
- SFA: Advanced learner loans prospectus 2015/16 and 2016/17
- SFA: Advanced learner loans facility, change request form
- SFA: Apprenticeship standards funding, new funding cap introduced for 2016/17
- SFA: Apprenticeship grant for employers 2016
- EFA: Post-16 student number statements and 2016/17 allocations
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Education and Training Foundation

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Government departments

BIS select committee: Report on the productivity plan

A [report](#) published this week by the BIS committee on the government's productivity plan includes a number of conclusions and recommendations critical of the policies with the plan. The report recommends that government, in its response to the report, sets out the rationale (and publishes the evidence base) for it setting a target of three million apprentice starts when that may run against what businesses actually require, and that government consults with industry to ensure that the apprenticeship levy is implemented in such a way as to allow sectors to invest in skills through different qualifications and training methods applicable to their specific needs. FE Week [interviewed](#) chair of the BIS select committee Iain Wright about the report.

BIS and DfE: Apprenticeships delivery board

Earlier in January the [apprenticeship delivery board](#) was announced and its terms of reference published. The board has been set up to help the government reach its target of creating 3 million apprenticeships by 2020 and will advise ministers on how best to expand the apprenticeship programme. It will be chaired by apprenticeship advisor Nadhim Zahawi, MP and apprenticeship champion [David Meller](#), and includes representatives from some of the UK's top employers who will act as champions within their sectors to increase both the number of places on offer and the supply of talented candidates. Members include:

- David Abraham, chief executive of Channel 4
- Mike Thompson, head of apprenticeships at Barclays
- Rami Ranger, chairman of Sun Mark
- Melanie Hayes, resourcing and development director at Compass Group
- Simon Blagden, non-executive chairman of Fujitsu
- James Wates CBE, chairman of Wates Construction

HM Revenue and Customs: Policy paper, apprenticeship levy

- HMRC have posted [information](#) about the apprentice levy on their website.

Funding agencies

SFA: Funding rules 2016/17, online forum

The SFA are currently hosting an online forum on [feconnect](#) to answer questions, comments or requests for clarification on the [funding rules 2016/17](#) published last week. The feedback will be used to inform version 2 of the funding rules which will be published in March. The forum closes on Friday 12 February.

A quick reminder that last week SFA also published the [funding rates and formula 2016/17](#), and a supporting document [Adult education budget – changing context and arrangements for 2016-17](#) which summarises the changes the SFA plans to make to the adult skills system.

The rules and the document [Adult education budget – changing context and arrangements for 2016-17](#) signal a number of significant changes to adult funding including more flexible funding to allow colleges and other providers to respond to local needs by delivering a range of local provision for learners that need support to engage and progress in learning to reach a full level 2 or 3 that may include bespoke, locally designed or tailored training provision (for example, employability skills and confidence-building), and/or eligible qualifications and/or components from the Regulated Qualification Framework (RQF). More information can be found in the full documents above, and a summary is available in the Pearson [Funding Focus](#) (see 2016; January).



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SFA: Advanced learner loans prospectus 2015/16 and 2016/17

The SFA updated the [advanced learner loans prospectus 2015/16 and 2016/17](#) on 1 February. It sets out the simplified and more regular process awarding organisations will now use to designate technical and professional qualifications eligible for loans. The updated prospectus includes updated information on qualification eligibility for 2016/17 and the process for updating the new loans catalogue for 2015/16 and 2016/17. The [current loans catalogue](#) lists the qualifications available for loans up to 31 July 2016.

SFA: Advanced learner loans facility, change request form

The SFA has updated the [advanced learner loans facility change request form](#) for 2015/16. The [Operational Performance Management Rules](#) describe the process to request an increase to your advanced learner loan facility or loans bursary. If you already have a loan facility you can use the form to ask for an increase or reduction, or to have your loan facility and loans bursary funding removed. If you do not have a loan facility you can use this form to request one for the first time but you must have an adult skills budget funding agreement with the SFA to do this.

SFA: Apprenticeship standards funding, new funding cap introduced for 2016/17

Following a review of the apprenticeship funding model the SFA are introducing an additional maximum funding cap which is set at £13,000. In 2015/16 there were five maximum funding caps (i.e. the maximum core government contribution for a standard): £2,000, £3,000, £6,000, £8,000 and £18,000. This new cap means that for 2016/17 there will be six maximum funding caps: £2,000, £3,000, £6,000, £8,000, £13,000 and £18,000. More detail can be found in the [apprenticeship standards funding rules 2016/17](#). Any standards allocated to one of the existing five funding caps by 31 July 2016 will stay on that cap in 2016/17. New standards will now be allocated to one of the six funding caps.

SFA: Apprenticeship grant for employers 2016

The [apprenticeship grant for employers \(AGE\) 16 to 24](#) programme will continue for apprenticeships that start in 2016. The SFA will issue contracts for the period from 1 January 2016 until the end of the programme (currently July 2017). This 19-month contract will cover two separate phases: a) from 1 January 2016 to the end of the 2015/16 financial year. b) from 1 April 2016 onwards. All claims up to the 31 March must comply with the existing eligibility criteria which can be found in the January 2016 fact sheets. The SFA are currently developing the details of the AGE 16 to 24 programme for implementation from April 2016 and will issue revised eligibility criteria and provider claims processes later in the month.

EFA: Post-16 student number statements and 2016/17 allocations

The EFA uploaded the post-16 student number statements for further education institutions (except for commercial and charitable providers (CCPs)) to the [EFA information exchange](#) on 29 January and will be uploading post-16 student number statements and a toolkit for academies and maintained schools in early February. Files are in EFA Information Exchange: 'Revenue Funding' folder, under 'AY 2016-17 (2016/17)'. The EFA also release information about how post-16 allocations are [calculated](#).

EFA: Formula protection funding

Further [guidance](#) is now available on how formula protection funding (FPF) will be implemented for 2016/17. FPF was introduced in 2013/14 to moderate the impact of the funding formula changes in order for institutions to manage and plan for the change to study programmes. The EFA originally committed to providing FPF for three years, up to and including 2015/16, and then to review it. Ministers have confirmed that FPF will be phased out over the next 6 years. The first reduction will be made in 2016/17 and the last payments in 2020/21. The guidance explains how FPF will be applied in 2016 to 2017 academic year and support institutions to understand how it will apply to their own allocation.



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Education and Training Foundation

Functional skills survey with employers

Working with Pye Tait Consulting, the Education and Training Foundation (ETF) has launched a new [survey](#) to gather views from employers and technical experts on how maths and English Functional Skills qualifications should be reformed. The survey is part of ETF's review of maths and English Functional Skills which will develop reformed qualifications to be launched in 2018. The survey asks over 25 questions on maths and English Functional Skills, and will be open until late March. A second consultation with providers and other sector experts is also expected to run from mid-May until late June. Full details of the review can be found [here](#).

Migration Advisory Committee

Balancing migrant selectivity, investment in skills and impacts on UK productivity and competitiveness

The Migration Advisory Committee (MAC), a quango sponsored by the Home Office, published a [report](#) in January proposing an Immigration Skills Charge (ISC). The charge would see employers pay £1,000 per year for every highly-skilled foreign worker they recruit from outside the European Union, in order to encourage businesses to upskill UK workers. The ISC would, it is argued, incentivise employers to reduce their reliance on employing migrant workers and to invest in training and upskilling UK workers, and the ISC would provide a source of funding to help with this training and upskilling. No detail is given about how the funds would be used. Neil Carberry, director of employment and skills at the Confederation of British Industry, has expressed concerns that the proposal could hold back firms' ability to grow and create jobs, particularly for exporting, medium-sized businesses. The Home Office are considering the report findings.

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Funding focus on the funding rules, rates and formula, and the adult education budget

As mentioned above, a Pearson [Funding Focus](#) is available (see 2016; January) which signposts the funding rules and funding rates and formula 2016/17, and summarises the 'AEB changing context and arrangements' document, all recently released by the SFA.

Steve Besley's Policy Watch

The latest from Steve Besley includes [Policy Tracker – Keeping track of what happened in the world of education in January 2016](#), and [Policy Eye – week ending January 29 2016](#). Find these and more on the Pearson UK website or [sign up](#) to receive the latest.

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