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## Pearson UK - Funding News

26 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 a speech by Nicky Morgan to the AoC which highlights the Sainsbury Review due to report to Ministers in March, the release by the SFA of the 2016/17 funding statements, and the change to the policy for advanced learning loans which means that provision can no longer be subcontracted. Also, the SFA's Register of training organisations closes for applications on 2 March, and colleges and other training organisations that do not have advanced learner loans facility can apply for £75,000 to £500,000 of facility for 2016/17 academic year if they submit applications by 14 March.

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## Government departments

### **BIS: FE Commissioner: annual report 2014/15**

Earlier this month BIS published the [report](#) summarising the FE Commissioner's interventions in UK colleges between 1 August 2014 and 31 July 2015. The Further Education Commissioner summarises his interventions in colleges between 1 August 2014 and 31 July 2015 and shares his reflections on the lessons learnt from those interventions and looks ahead to the coming year.

### **DfE: Advice and application form for sixth-form colleges wishing to become an academy**

The DfE has published [information](#) for sixth-form colleges that wish to become 16 to 19 academies. This is available as part of the area review of post-16 education and training process. It sets out the criteria and process for making an application. It also gives information and advice to help sixth-form colleges decide if becoming a 16 to 19 academy is the right option in their individual circumstances. For further information email the Joint Area Review Delivery Unit at [area.reviews@education.gsi.gov.uk](mailto:area.reviews@education.gsi.gov.uk)

### **DfE: Nicky Morgan speech to the AoC**

Nicky Morgan gave [a speech](#) to the Association of Colleges on Wednesday 24 February. In it she highlighted the Sainsbury Review, the expert panel led by Lord Sainsbury, tasked with making recommendations to government on technical and professional routes for 16-18 year-olds due to report to Ministers in March. Ms Morgan said: 'There are over 13,000 qualifications available to 16-18 year-olds... That is why we will be simplifying the over-complex skills system by creating up to 20 new technical and professional routes to skilled employment. Helping students to make the transition from compulsory schooling to employment with the right skills for their chosen industry.'

### **Cabinet Office: Single departmental plans for 2015 to 2020**

Earlier in February the Cabinet Office released [new single departmental plans](#) setting out how government will deliver its priorities by 2020. All 17 central departments (including the DfE and BIS) have published detailed plans setting out how they will deliver the government's priorities and manifesto commitments over this Parliament and which bring together efficiency, spending review and activity plans into a single, clear road map for the first time. The plans will provide a new way of monitoring performance against department objectives and improve financial management across government.

## Funding agencies

### **SFA: Funding statements 2016/17**

The SFA will shortly release 2016 to 2017 funding statements which set out college and provider allocations for: adult education budget (including community learning and discretionary learner support); adult apprenticeships; 16 to 18 apprenticeships and SFA-funded traineeships; loans facility; loans bursary; apprenticeship grant for employers. The SFA advise that the statements should be read alongside the [Skills Funding Letter](#) to the SFA and the [Adult Education Budget: Changing Context and Arrangements for 2016 to 2017](#) document, in order to understand the context and direction of travel.

### **SFA: Advanced learner loans: removal of subcontracting**

The SFA will remove advanced learner loans subcontracting from the start of the 2017 to 2018 funding year. This follows a review of subcontracted loans delivery and learner and sector feedback. The SFA have taken this step to protect the interests of learners who use loans for training, and protect public



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funds. They consulted with stakeholders including the Student Loans Company and informed the Association of Employment and Learning Providers (AELP) and Association of Colleges (AoC) in advance of the announcement. The SFA have allowed an 18-month period to enable lead contractors and current loans subcontractors to transition to the new arrangements. They are asking colleges and providers who want to provide feedback about how this affects delivery models for subcontracted loans to email [advancedlearnerloans@sfa.bis.gov.uk](mailto:advancedlearnerloans@sfa.bis.gov.uk). FE Week reports on the AoC's support for the move, but that the AELP has some concerns.

## **SFA: Advanced learner loans: application guidance for a loan facility**

Colleges and other training organisations that do not have advanced learner loans facility can apply for £75,000 to £500,000 of facility for 2016/17 academic year. Application guidance and criteria are available on the SFA's [advanced learner loans](#) page. To apply send applications to [advancedlearnerloans@sfa.bis.gov.uk](mailto:advancedlearnerloans@sfa.bis.gov.uk) by Monday 14 March.

## **SFA: Register of training organisations: closing for applications Wednesday 2 March**

The Register of Training Organisations (the Register) is currently open and closes for applications at 5.00pm on Wednesday 2 March. This opening is for new applications and for those organisations that are required to enter the Register, as detailed in the [SFA's Funding Rules 2015 to 2016](#) (paragraphs 4 and 24). For further information, please refer to the SFA's [information on the Register](#) or email register help at [Register.help@sfa.bis.gov.uk](mailto:Register.help@sfa.bis.gov.uk)

## **SFA: Funding rates for 24+ advanced learning loans designated qualifications 2016/17**

The SFA has published the [methodology](#) for establishing maximum amounts for advanced learner loans designated qualifications and confirmed the maximum amounts for the funding year 2016/17. The document confirms what the maximum loan amounts are for all designated qualifications, where learners start these qualifications between 1 August 2016 to 31 July 2017.

## **SFA: Cut to apprenticeship funding rates**

The SFA are changing the funding rate of the advanced apprenticeship framework in IT, Software, Web & Telecoms Professionals. This is part of a regular review of apprenticeship framework costs. From 1 April 2016 the funding values will be reduced for new apprenticeship starts; those already on programme will remain on existing rates. The published rate for the competency aims will be changed from £8,673 to £6,650; a 23% reduction. The SFA will make the new funding rates available on the [Hub](#) before the individualised learner record R07 opens on Monday 22 February. The SFA expect more reviews to lead to cuts in framework funding rates in the spring.

## **SFA: Guidance for young people on higher and degree apprenticeships**

The SFA has updated the [factsheet](#) providing information for young people on the opportunities, progression and benefits of doing a higher or degree apprenticeship.

## **EFA: Post-16 final allocation statements 2016/17**

The EFA are in the process of uploading post-16 final allocation statements to the EFA Information Exchange. They expect that for most institutions these statements will be available by the end of February 2016. Student support allocations will not be part of the initial allocations statements. The EFA expect to be able to confirm student support allocations in March and allocation statements will be re-issued. Further information about the final allocation statements and the business case process for data errors is available [here](#) under 'Final Allocation Statements 2016/17'. The EFA ask anyone experiencing problems accessing the EFA Information Exchange to submit a [support request](#).



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## Office for National Statistics

### Employment and labour market statistical bulletin: NEET young people

On 25 February the ONS released the [latest quarterly figures](#) on young people not in education, employment or training (NEET). For October to December 2015: there were 853,000 young people (aged from 16 to 24) in the UK who were NEET, an increase of 5,000 from July to September 2015 and down 110,000 from a year earlier; the % of all young people in the UK who were NEET was 11.8%, up 1.0 % points from July to September 2015 and down 1.4 % points from a year earlier; under half (42%) of all young people in the UK who were NEET were looking for work and available for work and therefore classified as unemployed.

## Association of employment and learning providers

### Magazine article on apprenticeship reforms

In conjunction with the Skills Summit on 18 February, Training Journal published the Dods Guide to Apprenticeships 2016. The supplement includes an article by Stewart Segal on the current state of play on the apprenticeship reforms. The pdf can be downloaded [here](#). The webpage also links to The Training Journal interview with skills minister Nick Boles which can be found [here](#).

### AELP briefing paper no37 SFA funding rules 2016/17

A useful [briefing](#) is available from the AELP on the new SFA released funding arrangements for 2016/17 which sets out the key changes for AELP members.

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### Reminder: Funding news, and focus on the funding rules, rates and formula, and the adult education budget

A quick reminder that [Funding News](#) last week (160219) focused on the documents recently released by the SFA on the way the new Adult Education Budget will be used and the new policy and processes the SFA will use to make qualifications eligible for public funding in 2016/17. There is also a [Funding Focus](#) (160203) signposting the funding rules and funding rates and formula 2016/17, and summarising the 'AEB changing context and arrangements' document. This includes the news that colleges and other providers will be able to respond to local needs and contribute to local outcomes by delivering a range of local provision that may include bespoke provision, and that loans will be extended to 19 year-olds, and to qualifications at level 5 and 6.

### Steve Besley's Policy Watch

The latest from Steve Besley can be found on the [Pearson UK website](#) or [sign up](#) to receive updates.

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