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Pearson UK – Funding News

18 March 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 Funding News this week is the Budget 2016, the DfE White Paper, and the DfE Strategy 2015 to 2020.

Government departments

- Treasury: Budget 2016
- BIS: Letter from Secretary of State to Chair of BIS committee on the productivity plan
- DfE: White paper, Educational excellence everywhere
- DfE: Strategy 2015 to 2020

Funding agencies

- SFA: Funding 16 to 18 apprenticeships and SFA-funded 16 to 18 traineeships
- SFA: Growth and virement requests for performance management point 2
- EFA: Post-16 allocation statements for 2016 to 2017 academic year

Universities UK

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Government departments

Treasury: Budget 2016

Published on Wednesday this week the key education and skills news in the [Budget 2016](#) were:

- From April 2017, employers will receive a 10% top-up to their monthly levy contributions in England and this will be available for them to spend on apprenticeship training through their digital account. The government will set out further details on the operating model in April and draft funding rates will be published in June.
- An extra £500 million core funding for schools largely to support an accelerated shift towards a national fair funding formula from 2017/18.
- The full academisation of the school system and the target date for all schools to become academies by 2020 or have plans to become academies by 2022.
- £520 million from the proposed sugar tax levy to be used to double the primary school PE and sport premium from £160 million per year to £320 million per year from September 2017, provide up to £285 million a year to give 25% of secondary schools increased opportunity to extend their school day to offer a wider range of activities for pupils, including more sport, and provide £10 million funding a year to expand breakfast clubs in up to 1,600 schools starting from September 2017.
- £20 million a year of new funding in a Northern Powerhouse Schools Strategy. The new funding is aimed at ensuring rapid action is taken to tackle the unacceptable divides that have seen educational progress in some parts of the North lag behind the rest of the country. In support of this, Sir Nick Weller will lead a report into transforming education across the Northern Powerhouse.
- A review by Professor Sir Adrian Smith of how improve the study of maths from 16 to 18 to ensure the future workforce is skilled and competitive, including looking at the case and feasibility for more or all students continuing to study maths to 18, in the longer-term. The review will report during 2016.
- The continuation of the freeing up of student number controls for alternative providers predominantly offering degree level courses for the 2017-18 academic year. The best providers can also grow their student places further through the performance pool.
- A review of the gaps in support for lifetime learning, including for flexible and part-time study. The government will bring together information about the wages of graduates of different courses and the financial support available across further and higher education to ensure that people can make informed decisions about the right courses for them.
- The announcement of more devolution deals many of which will impact on the commissioning of skills provision in the future.
- Following the recommendations of the Low Pay Commission, the increase in National Minimum Wage rates from October 2016.

BIS: Letter from Secretary of State to Chair of BIS committee on the productivity plan

Earlier in March Sajid Javid, Secretary of State for BIS [wrote](#) to Iain Wright MP, Chair of the BIS Committee thanking him for the select committee's [report on the productivity plan](#) published in February. It explains that government has adopted three methods to monitor implementation and to oversee the productivity plan. Firstly, a range of Cabinet level Committees provide oversight on the main policy areas; secondly a working level official group handles co-ordination; and thirdly, delivery is tracked by Single



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Departmental Plans (SDPs). It also says that BIS, following from the consultation on the Apprenticeships Levy published in November 2015, will continue to engage with employers to help shape the levy according to their needs.

DfE: White paper, Educational excellence everywhere

Yesterday the Education Secretary published the White Paper [Educational Excellence Everywhere](#). The paper seems to bring together existing reforms. The paper has seven themes: ensuring great teachers, developing 'great' leaders, academising the school system, preventing under performance, curriculum reform, accountability and funding. The funding section is all about the current [consultation](#) on fair funding and the new schools national funding formula which opened on 7 March and closes on 17 April.

DfE: Strategy 2015 to 2020

The DfE [Strategy 2015 to 2020: world-class education and care](#) was also published yesterday which looks at what the DfE is going to do, and why, across early years, children's services, schools and 16-to-19 education over this Parliament. A one-page overview explains the strategy and gives an explanatory narrative. It gives a preview of what the Sainsbury Review may say (page 29):

- *'...we will establish a new set of technical and professional education routes that are as clear and simple to understand as the long-established academic path of Alevels. For too long, 'vocational' studies have been viewed as second best thanks to a confusing proliferation of poorly-designed courses that have let young people down by not guiding them to high-quality destinations. Building on the post-16 reforms of the last Parliament, we will ensure each route is designed to help students meet the level of technical competency required for the occupation concerned – not in the opinion of government or of the training providers, but as judged by the employers themselves. We will focus on outcomes: completion of a route will be certified in a way that provides employers with clear signals of capability – thus having real value in the labour market and being transferrable to other pathways if the young person wants to then pursue an academic route.*
- *We will ensure the funding system is stable, transparent and will incentivise behaviour to support the new system. Part of this will be ensuring that funding sits at the right level, continuing the national funding formula in 16-19, while routing apprenticeship funding directly to employers to purchase the necessary training.*
- *To deliver these new routes, the nation's provider-base must be supported to become more sustainable and resilient over the long-term. It must be responsive to local needs and national economic conditions. So, we will work with local areas to identify the right mix of institutions. The result will be a change in the focus of the existing provider base, bringing it closer to apprenticeship delivery and making it more financially sustainable. This will include moving to fewer, larger, more specialised institutions where appropriate.'*

Funding agencies

SFA: Funding 16 to 18 apprenticeships and SFA-funded 16 to 18 traineeships

The SFA will fully fund all high-quality 16 to 18 apprenticeship and SFA-funded 16 to 18 traineeship delivery from August 2015 to March 2016. They have based this on individualised learner record (ILR) R07 data collection returns up to 4 March. This is in addition to £25 million growth awarded through performance-management point 1. The SFA will continue to review the funding position through to performance-management point 2, which launches this month. They will also shortly set out further information on the process for requesting growth.



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SFA: Growth and virement requests for performance management point 2

The SFA have said that colleges and providers will shortly be able to submit requests for increases and virements to the 2015 to 2016 funding year contract. They will publish a form [here](#) which colleges and providers will need to submit to ProviderPerformanceManagement@sfa.bis.gov.uk by 5.00pm on 1 April. As part of the performance-management point 2 review the SFA will review August 2015 to March 2016 delivery of adult apprenticeships for any delivery above contract values. (This does not need to be included on the growth and virement form.)

EFA: Post-16 allocation statements for 2016 to 2017 academic year

Final allocation statements for special post-16 institutions (excluding student support allocations) and non-maintained special schools (including student support allocations) will be available today from the EFA. All statements, including those uploaded in February, are available on the [EFA Information Exchange](#). All statements issued so far to schools, academies and FE colleges exclude allocations of student support funding. The EFA will shortly begin to upload revised statements inclusive of student support funding and expect these to be issued by 24 March. They will not include any outcomes for business cases which will be processed after the deadline of 8 April and institutions will be informed of outcomes by the end of May. Final allocation statements for charitable and commercial providers will also be available on EFA Information Exchange by the end of March (including student support allocations).

Universities UK

The future growth of degree apprenticeships

A [report](#) published this week commissioned by Universities UK reviews the development of degree apprenticeships to date, and examines what needs to happen to ensure their future growth and success. The report finds that: degree apprenticeships are particularly attractive to non-traditional students, providing an opportunity for universities to support widening participation goals, universities can diversify their offer and promote alternatives to traditional full-time on-campus study by developing degree apprenticeships, and universities need to be involved in the development of policy around degree apprenticeships.

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Reminder: an update on the latest on qualifications approved for 19+ funding

We will continue to use Funding News to update you with the latest on qualifications approved for 19+ funding. There is no new news since last week but we have repeated the latest news here for anyone new to Funding News (and with apologies again to those who have already seen this).

The document published by the SFA on the 28 January, [Adult Education Budget January 2016 Changing Context and Arrangements for 2016 to 2017](#), provides a crucial outline of the changes the SFA plans to make to the adult skills system with the creation of the education budget following the publication of the Skills Funding Letter including the move to devolution and the funding streams listed below that the SFA will identify qualifications for.

Qualifications approved for the 19-23 level 2 and 3 entitlement 2016/17: The SFA has published an [initial list](#) of qualifications approved for the 2016/17 funding year as part of the 19-23 level 2 and 3 entitlement. They undertook a consultation about other qualifications that should be added to this list (which Pearson responded to with help from colleges and providers and which ended on the 29 March).



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The SFA will publish a final list of qualifications at the end of March. Many new BTEC Nationals have been submitted for 16-18 performance tables, and if they are accepted by the DfE, these qualifications will be automatically approved for entitlement funding by the SFA. We don't yet know if the QCF Nationals in the same subject areas will continue to be approved for entitlement funding. More on how the SFA are approving qualifications for the 19-23 level 2 and 3 entitlement in 2016/17 can be found [here](#).

Qualifications approved for the 19+ English and maths entitlement 2016/17: The SFA has published an [initial list](#) of qualifications approved for the 2016/17 funding year as part of the 19+ English and maths entitlement. The SFA are working with DfE to move towards a single list of stepping stone qualifications from Entry to Level 1. The Hub contains details of the DfE approved stepping stone qualifications but the SFA know there are some stepping stone qualifications, which serve the needs of particular groups of 19+ learners that are not on the DfE list and will add these to the final list which will be published at the end of March. They will also continue to make units of stepping stone qualifications available to eligible learners. More on how the SFA are approving qualifications for the 19+ English and maths entitlement in 2016/17 can be found [here](#).

Qualifications approved for local flexibility funding 2016/17: The government is moving towards full devolution of the Adult Education Budget (AEB) and as part of this transition the SFA have introduced local flexibility. This recognises that localities, colleges and other training organisations are best placed to decide on the most appropriate type of provision to respond to local needs. To support local area needs and deliver agreed local outcomes, colleges and other training organisations will decide on the most appropriate form of training provision. This may or may not include qualifications and the SFA has therefore removed the requirement for all the activity they fund to be in the form of a qualification. (Delivery of a qualification is only required where a learner exercises their legal entitlement to a first full level 2 or 3 qualification and/or English and maths.) Where qualifications are delivered, these will not now have to go through a formal approvals process but the SFA will apply principles to identify which qualifications are eligible. Eligible qualifications will be added to the [Hub](#) in April and the SFA will start a monthly eligibility process for new qualifications. So, many qualifications not approved under the entitlement will be approved under local flexibility funding. More on how the SFA are approving qualifications for local flexibility funding in 2016/17 can be found [here](#).

Qualifications approved for 24+ loan funding for levels 3 and 4 in 2015/16, and 19+ loan funding for levels 3-6 in 2016/17: From the end of 2015 awarding organisations could make submissions for qualifications to be eligible for loan funding as a separate process to making submissions for qualifications to be made eligible for entitlement funding. Previously, submissions for loan funding had been caught up in the funding moratorium so no new submissions could be made. In addition to this, whilst for 2015/16 loans are available those aged 24+ for qualifications at levels 3 and 4, from 2016/17 loans will be available for individuals aged 19 or above for qualifications at Levels 3 to 6. The [advanced learner loans qualifications catalogue](#) lists the qualifications available for an advanced learner loan up to 31 July 2017, and the date the qualification is available to start (i.e. level 5 and 6 qualifications aren't available to start until the 2016/17 funding year). Learners will be able to make applications for a loan for 2016/17 from May 2016. So, many qualifications not approved under the entitlement will be approved under local flexibility funding. So, many qualifications not approved under the entitlement will be approved for advanced learner loans. More on how the SFA are approving qualifications for 24+ loan funding for levels 3 and 4 in 2015/16, and 19+ loan funding for levels 3-6 in 2016/17 can be found [here](#). The SFA also announced on 22 February that they will [remove advanced learner loans subcontracting](#) from the start of the 2017 to 2018 funding year.

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Information is correct at the time of writing and offered in good faith. No liability is accepted for decisions made on the basis of information given.