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Pearson UK – Funding News

8 April 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 includes the delay to the new funding system for those employers not paying the levy, a £10 million fund to support degree apprenticeships, and a useful guide from the SFA on higher and degree apprenticeships for, amongst others, those looking at this route as an alternative to university. Two interesting reports have been released looking at young people on vocational learning routes into work and recommending actions that need to be taken to support them. The actions recommended include changes to the funding system and funding priorities.

Government departments

- BIS: Apprenticeship funding system for non-levy payers
- BIS: Immigration skills charge
- BIS: £10 million fund for degree apprenticeships
- BIS: Increase in the number of higher apprenticeships

Lords select committee

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- SFA: The complete guide to higher and degree apprenticeships

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Government departments

BIS: Apprenticeship funding system for non-levy payers

At the end of March Minister for Skills, Nick Boles MP, confirmed that the new apprenticeship funding system is not expected to be rolled out to all employers until 2019. The levy will be introduced as planned in April 2017 and the digital apprenticeship service (DAS) will support these employers but the current funding system will continue for non-levy payers for perhaps two years. The timescale for the switchover is not yet decided but it is expected to be by the end of the Parliament in 2019-20. It means that large employers who pay the levy will use the digital accounts but employers not paying the levy will continue to be funded in the way they currently are: colleges and training providers will receive contracts for provision.

We expect more information to be available in an employer operating guide due to be published in April. Draft funding rates for apprenticeships funded via the levy are expected in June and final funding rates are expected in the autumn.

BIS: Immigration skills charge

The government [confirmed](#) at the end of March that it is going ahead with plans to reduce Britain's reliance on migrant workers through a new skills charge. The immigration skills charge is set to be introduced in April 2017 and will be levied on employers that employ migrants in skilled areas. The charge will be £1,000 per employee per year, and a reduced rate of £364 will be in place for small or charitable organizations. The purpose is to reduce the number of businesses taking on migrant workers and incentivise training British staff to fill those jobs. The charge won't apply to PhD-level jobs and international students switching from student visas to working visas.

BIS: £10 million fund for degree apprenticeships

On 24 March Business Secretary Sajid Javid [announced](#) a £10 million fund to boost the number of degree apprenticeships. £8 million of the funding will be focused on supporting universities to design and deliver new degree apprenticeships; the remaining £2 million will be devoted to encouraging more learners to choose degree apprenticeships. The fund will run for the next 2 years and the process for universities bidding for the funds will be announced in April 2016. Universities and colleges can find out more about support for degree apprenticeships and what changes to policy might mean for them on the Hefce website.

BIS: Increase in the number of higher apprenticeships

At the end of March BIS [reported](#) that the latest provisional figures show an increase in the number of people starting higher apprenticeships. More than 11,000 higher apprenticeships started between August 2015 and January 2016, and there have been 366,000 apprenticeship starts so far in the current parliament.

Lords select committee

Social mobility committee report

A Lords select committee report published today, '[Overlooked and left behind: improving the transition from school to work for the majority of young people](#)', finds that the current policy structure means a large number of young people do not have good options when it comes to finding high quality career paths after leaving school, and are not supported to make a choice which works for them and is successful. The majority of young people do not go to university; they find jobs or they continue with some form of



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vocational education. The current system for young people who do not follow an academic route is complex and incoherent, with confusing incentives for young people and employers. The Committee makes eight recommendations to government, which support the development of a more coherent and straightforward system to help young people aged 14 and over through the transition from education to work and include a recommendation to reducing unfairness between academic and vocational routes to work, particularly in funding.

Funding agencies

SFA: The complete guide to higher and degree apprenticeships

The SFA added this [complete guide to higher and degree apprenticeships](#) to its higher and degree apprenticeship pages early this month. The guide has been produced by Which? University in conjunction with the National Apprenticeship Service and covers what students need to know about apprenticeships; what they are, how much students can earn while they learn, subjects, universities and employers involved in higher and degree apprenticeships and real stories from apprentices and employers. There's also practical information around long term career prospects and next steps to apply and succeed.

AELP/Pearson

Report: 'Routes into Work – it's alright for some'

Research undertaken by the AELP and Pearson published this month finds that a lack of awareness about vocational learning routes into work may be holding back many young people from finding sustainable employment. The report finds that a lack of awareness about vocational learning routes into work may be holding back many young people from finding sustainable employment. It makes several key recommendations and identifies the need for new research on a number of topics. The recommendations identify a number of areas where a deeper understanding of the factors in play is still needed and include recommending prioritising funding for adult skills training, including English and mathematics, for the young unemployed and deploy ESF funding effectively to support young peoples' transitions to training and work. The report highlights areas where action could be taken relatively quickly to improve the situation and calls for a concerted effort across relevant government departments and their agencies.

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The latest on qualifications approved for 19+ funding

Qualifications approved for the 19-23 level 2 and 3 entitlement 2016/17

There is little new news this week but we can confirm that the SFA will not approve six qualifications we made an appeal for for the 2016/17 funding year for the 19-23 level 2 and 3 entitlement:

- On 23 March the SFA published the [list](#) of qualifications approved for the 2016/17 funding year for the 19-23 level 2 and 3 entitlement (third document down).
- We expect more qualifications to be added to this list. Many new BTEC Nationals have been submitted for 16-18 performance tables and if approved by the DfE, these qualifications will be approved for the 2016/17 funding year for the 19-23 level 2 and 3 entitlement.
- As soon as we have news from the DfE we will provide detailed information of the qualifications approved for the 2016/17 funding year for the 19-23 level 2 and 3 entitlement in every sector.



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- The following qualifications were **not approved** for 19+ legal entitlement funding in 2016/17 and following an appeal the SFA has confirmed these will not be approved:
 - Pearson BTEC Level 1/Level 2 First Extended Certificate, and Diploma, in Sport
 - Pearson BTEC Level 1/Level 2 First Extended Certificate, and Diploma, in Business
 - Pearson QCF BTEC Level 3 Subsidiary Diploma, and 90-credit Diploma, in Music Technology (however, we are awaiting confirmation from the DfE that the replacement qualifications for level 3 music technology are approved for 16-18 performance tables and if approved, the new qualifications will be approved for the 2016/17 funding year for the 19-23 level 2 and 3 entitlement).
- 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

- On 23 March the SFA published the [list](#) of qualifications approved for the 2016/17 funding year for the 19+ English and maths entitlement (fourth document down).
- 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 funding. 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.
- 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.
- Qualifications approved for the 2016/17 funding year for the 19-23 level 2 entitlement are automatically approved for local flexibility funding. In addition, many qualifications not approved under the entitlement will be approved for local flexibility funding.
- Eligible qualifications will be added to the [Hub](#) in April and the SFA will start a monthly eligibility process for new qualifications.
- More on how the SFA are approving qualifications for local flexibility funding in 2016/17 can be found [here](#).

Qualifications approved for loan funding 2015/16 and 2016/17

- In 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.
- Qualifications approved for the 2016/17 funding year for the 19-23 level 3 entitlement are automatically approved for loan funding. In addition, many qualifications not approved under the entitlement will be approved for advanced learner loans.
- On the 23 March the [advanced learner loans qualifications catalogue](#) was updated. It lists the qualifications available for an advanced learner loan up to 31 July 2017, and the date the qualification



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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.)

- 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](#).

We will continue to use Funding News to update you with the latest.

'Do read' document from the SFA

The document published by the SFA on the 28 January, [Adult Education Budget January 2016 Changing Context and Arrangements for 2016/17](#), 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. It includes information on the move to full devolution and the new funding streams.

Steve Besley's Policy Watch

The latest from Steve Besley includes [Policy Eye - Highlights of week ending April 1 2016](#). See the latest from [Policy Watch](#) for this and more.

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