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Pearson UK – Funding News

15 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 grants of up to £100,000 to support significant changes resulting from area reviews, the implementation of the abolition of employer NI for apprentices under 25, a letter from Peter Mucklow on the collaboration between the SFA and the EFA, and geographic delivery data from the SFA. The EFA has updated the information on the maths and English condition of funding, and published the 2016/17 funding rates and formula, 2016/17 funding regulations, and guidance on 2016/17 financial support for students. We include the usual (now) update on qualifications approved for 19+ funding, and links to the latest from Steve Besley's Policy Watch.

Government departments

- BIS, DfE (and the SFA and EFA): Post-16 transition grants for area reviews
- BIS and SFA: Abolition of employer national insurance for apprentices under 25
- BIS: Reminder, consultation on FE education maintenance loans

Funding agencies

- SFA and EFA: Intervention work
- SFA and EFA: Financial planning handbook 2015/16
- SFA: Geographic delivery data 2014/15
- EFA: Updated information on the maths and English condition of funding
- EFA: Funding guidance for young people 2016/17, rates and formula and regulations
- EFA: Financial support for students
- EFA: Condition improvement fund, 2016/17 outcome

UKCES

- UK labour market projections: 2014 to 2024

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- The latest on qualifications approved for 19+ funding
- Steve Besley's Policy Watch



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Government departments

BIS, DfE (and the SFA and EFA): Post-16 transition grants for area reviews

On 11 April BIS, DfE, in conjunction with the SFA and the EFA published [guidance](#) explaining how to apply for transition grants to support the changes following area review recommendations. The document provides guidance on transition grants to support the implementation of recommendations following [area reviews of post-16 education and training institutions](#) and includes what the grants are and the amounts available, the funding conditions, and the application process. Successful applications will receive a grant of up to £100,000 in the case of a closure of a college, a merger of more than 2 institutions or of 2 institutions with a combined turnover of more than £25 million, or an establishment of a multi-academy trust of 2 or more colleges; and a grant of up to £50,000 will be provided for single sixth form college conversion to a 16 to 19 academy, a merger of 2 institutions with a combined turnover of less than £25 million, or a significant rationalisation or other significant change at a college or colleges where this change is reasonably expected to have significant upfront costs. The guidance is for all post-16 education and training institutions involved in area reviews, particularly further education and sixth form college chairs, boards and principals. If you meet the criteria set out in the guidance you can complete your application form and send it to enquiries.efa@education.gsi.gov.uk.

BIS and SFA: Abolition of employer national insurance for apprentices under 25

As announced by HMRC in the [Autumn Statement 2014](#) from April 2016 employers of apprentices under the age of 25 will no longer be required to pay secondary Class 1 (employer) national insurance contributions (NICs) on earnings up to the Upper Earnings Limit, for those employees. [Guidance](#) published by BIS and the SFA this week explains that employers look to save around £1,000 a year when employing an apprentice earning £16,000. This exemption applies to both existing employers with apprentices and those taking on a new apprentice.

BIS: Reminder, consultation on FE education maintenance loans

A quick reminder that BIS is currently running a [consultation](#) on the introduction of maintenance loans for higher-level learners in technical and professional education. This includes the new National Colleges and learning at the emerging Institutes of Technology. BIS want to remove the up-front cost and increase the uptake of technical and professional learning in sectors that are important to the economy. The evidence gathered through this consultation will be used to make decisions on whether introducing the loans would increase take up, the scope of the loans, and eligibility to receive the loans. The consultation closes on 16 June.

Funding agencies

SFA and EFA: Intervention work

This week Peter Mucklow, Director for Young People, EFA, and Director for Intervention, SFA, [wrote](#) to the sector to provide an update on intervention work across SFA and EFA and on changes implemented from 1 April 2016. The letter details the changes made to the EFA and SFA senior management teams and explains that the two agencies have been working increasingly closely together on assessing risk and on intervention. EFA and SFA staff have been brought together to enable the agencies to work more efficiently to identify institutions at risk, intervene to prevent or remedy significant difficulties in individual institutions, and to support the delivery of Area Reviews and support implementation of their agreed recommendations. He stresses that 'This is not a merger between the agencies'.



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SFA and EFA: Financial planning handbook 2015/16

The SFA and EFA have published the [Financial Planning Handbook 2015/16](#) which gives guidance for FE colleges on financial planning information that the SFA and the EFA require. It provides a single document to which colleges can refer when completing their financial plans and aims to accommodate changes in generally accepted accounting principles issued by the Accounting Standards Board and other guidance issued by the funding bodies.

SFA: Geographic delivery data 2014/15

The SFA will be publishing data setting out college and provider's proportion of delivery within their home local authority and region. The data is based on learners' postcodes and relates to non-apprenticeship Adult Skills Budget (ASB) delivery in the 2014/15 funding year. The SFA are publishing the data to support college and providers in discussion with local government authorities in future Adult Education Budget (AEB) commissioning discussions to help establish a shared understanding of the current pattern of delivery. This will be particularly important if you work in areas that have a skills devolution agreement or a skills incentive pilot. The SFA included the same information (in a map) as part of the funding statements setting out 2016/17.

EFA: Updated information on the maths and English condition of funding

The EFA has generally updated information on the [maths and English condition of funding](#) for academic years 2014/15 to 2016/17, and added new information on about institutions that have worked collaboratively to ensure their students meet the condition of funding.

EFA: Funding guidance for young people 2016/17, rates and formula and regulations

This week the EFA published the funding guidance for young people 2016/17: [rates and formula](#), and funding guidance for young people 2016/17: [funding regulations](#).

EFA: Financial support for students

This week the EFA updated their [advice for institutions on the financial support young people may be able to access](#) to help them participate in education and training to include 2016/17 changes. It covers a number of schemes: the 16 to 19 Bursary Fund (pays a bursary of up to £1,200 a year to support young people in one of the defined vulnerable groups and enables institutions to make discretionary awards); free meals in further education; Care to Learn (support with the costs of childcare); Residential Bursary Fund (allocations given to specialist institutions to help them contribute to the costs of accommodation); Residential Support Scheme (income-assessed support to help with the costs of accommodation); Dance and Drama Awards (scholarships offering income-assessed support for tuition fees and living costs).

EFA: Condition improvement fund, 2016/17 outcome

The EFA has announced the [outcome of the Condition and Improvement Fund \(CIF\) for 2016/17](#). Applications were invited from academies and sixth form colleges in the autumn, with bids due in before Christmas. Just over 3,500 applications were received and funding of over £435 million has been announced for 1,276 projects across 1,030 academies and sixth-form colleges. The funding will help to ensure there is a good local school place for every child, and that all children are being taught in safe and fit for purpose school buildings. Details of the announcement have been sent to all applicants and where applications were unsuccessful, the EFA will look for opportunities to fund further high scoring applications from this year's bidding round should additional funding become available.



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UK labour market projections: 2014 to 2024

UKCEs has released their latest Working Futures labour market projections. Working Futures provides a comprehensive and detailed model of the UK labour market and projects the future size and shape of the labour market by considering employment prospects by industry, occupation, qualification level, gender and employment status. This edition of the report projects labour market information is for the period 2014 to 2024.

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The latest on qualifications approved for 19+ funding

Again, little new news this week but below is a summary of the latest on qualifications approved for funding in 2016/17.

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

- 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 continue to wait for the DfE to publish the final level 3 Applied General and Tech Level lists as these qualifications will be automatically approved for 19-23 entitlement funding. The lists were expected before Easter but the DfE has indicated these will not be available until mid-late April.
- 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.
- 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 (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



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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.
- The process for uploading the [Hub](#) is starting this week so qualifications will begin to appear shortly and the SFA will then 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 for 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 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 8 2016](#). See the latest from [Policy Watch](#) for this and more.

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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.