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Pearson UK – Funding News

13 May 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.

Funding News this week includes a reminder of the update from government on the details on the apprenticeship levy, the announcement of £80 million for national colleges, and research reports from BIS on the economic value of publicly funded training, and English and maths in FE. It also includes the new guidance from the SFA on using the funding hub.

We also include the news that the new BTEC level 1 introductory qualifications are now confirmed for funding on the funding hub, and that two funding guides are available from Pearson (on traineeships and apprenticeships). We provide a quick summary reminder of the qualifications available for adult funding in 2016/17 which includes an update to the Pearson guide to which BTEC Firsts and Nationals are approved for 19-23 entitlement funding in 2016/17.

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Government departments

BIS: Reminder re update on the apprenticeship levy how it will work

BIS published this [update](#) on the 21 April on the apprenticeship levy and how it will work. There are still many unanswered questions but the update explains more about how the levy will work and sets out the dates when more information will be available. The update includes information on paying the apprenticeship levy, accessing money paid under the apprenticeship levy, buying apprenticeship training, what you can spend apprenticeship funding on, eligibility for training, and when further information will be available. A Pearson Funding Focus is also available on apprenticeships funding which provides a brief update on the changes to apprenticeship funding.

BIS: £80 million for national colleges

The government has [confirmed](#) details of nearly £80 million in funding to support the creation of 5 new National Colleges. The colleges will deliver high-level technical training and support the delivery of major infrastructure projects like HS2 and New Nuclear. The National College for Digital Skills and the National College for the Creative and Cultural Industries will open in September 2016. The National College for High Speed Rail, the National College for Onshore Oil and Gas and the National College for Nuclear will open in September 2017.

- The National College for Digital Skills will open in September 2016 and will receive £13.4 million from BIS for refurbishment and equipment. The Greater London Authority (GLA) and the London Enterprise Panel is providing £18.2 million.
- The National College for the Creative and Cultural Industries will open in September 2016 and will receive £5.5 million from BIS for the construction of new buildings. £500,000 will be provided by Creative and Cultural Skills and industry is donating approximately £1 million in equipment.
- The National College for High Speed Rail will open in September 2017 and will receive £40 million from BIS for the construction of new buildings and equipment. Barnsley, Doncaster, Rotherham, and Sheffield Combined Authority and the Greater Birmingham and Solihull LEP are providing £6 million each and industry is donating approximately £5 million in equipment.
- The National College for Nuclear will open in September 2017 and will receive £15 million from BIS for the construction of new buildings and equipment. The South West LEP is providing £3 million and Bridgwater College is providing £4.5 million.
- The National College for Onshore Oil and Gas will open in September 2017 and will receive £5.6 million from BIS for equipment, with equipment donations from industry.

BIS: 24+ advanced learner loans, assessment of the first year

BIS released research yesterday evaluating 24+ advanced learner loans and the impact they have had on learners' decisions. The research found that there has been a drop since 2012/13 of 31% in the volume of learners aged 24+ on courses eligible for loans. This drop is broadly in line with expectations although the evaluation cannot isolate the effect of loans from other factors. However, 55% of providers also reported a drop in learner numbers and the majority of providers attributed this decrease to the introduction of loans. Despite the drop in the volume of learners, there is evidence to suggest that loans are viewed positively by learners: over 90% of loans learners stated that they would still have taken a loan knowing what they know now and; 40% of non-loans learners would have taken out a loan if they had known then what they know now about loans.

Loan funding has of course been expanded for 2016/17. Loans will now also be available for 19-23 year-olds who have already achieved at level 3 (these learners were previously co-funded), and they will be available for qualifications at levels 3-6 (they were previously available for levels 3 and 4). See the [advanced learner loans catalogue](#) for the latest list of qualifications available for advanced learner loans in



2015/16 and 2016/17 and the item below for more on how new qualifications can be added to this list (Pearson, reminder: how to find qualifications approved for adult funding in 2016/17).

BIS: Research into publicly funded training, impact on employers' productivity

BIS has published research looking at the [links between training and firm productivity](#). It concludes, very tentatively, that the data indicates that at industry level there are positive productivity and wage returns associated with increasing proportions of workers in the receipt of training, and that at firm level the data points to a positive impact of publicly funded training on wage bill and productivity. However, the researchers found that they were unable to draw any robust conclusions due to the data currently available and make several recommendations as to how the quality of the data could be improved.

BIS: Research into English and maths qualifications in FE, returns and benefits

BIS have also released research analysing the [economic benefits associated with maths and English qualifications in further education](#). It concludes that level 1 and 2 English and maths qualifications when studied alongside higher level qualifications, produce significant earnings benefits for achievers. Even though analysis by sector pushes the data to its limits, there is still evidence of significant earnings returns, and a significantly lower probability of being on benefits, across many of the sectors analysed. Statistically significant labour market returns are also widespread and persistent for English and/or maths learning at entry level, level 1, and level 2 when held as a highest learning aim; particularly for younger learners. ESOL learning also produces good earnings returns.

BIS: Adult FE, outcome based success measures, next steps

Yesterday BIS released proposals on the next steps for [outcome based success measures](#) in adult FE following the consultation which closed in December 2015. BIS plan to publish destinations data in Autumn 2016 for 2013 to 2014 learners, start to use the measures for accountability purposes formally from Autumn 2017, and continue to encourage including these measures in local outcome agreements. More details about how the measures will be used for accountability purposes will be published later this year.

Funding agencies

SFA: Funding hub guidance, new 'categories' to identify qualifications eligible for funding

The SFA has produced this [updated guide](#) on the definitions and guidance for each category on the [funding hub](#). New categories have been introduced for 2016/17 which help providers identify qualifications eligible for funding:

- **Legal entitlement level 2:** shows the level 2 qualifications that can be fully funded for 19-23 year olds if they are studying for a first qualification at level 2. These qualifications are also available for local flexibilities where a 19-23 year old learner is not undertaking a first qualification at level 2, or if the learner is 24 years old or above.
- **Legal Entitlement level 3:** shows level 3 qualifications that can be fully-funded for 19-23 year olds if they are studying for a first qualification at level 3.
- **Legal Entitlement English and Maths:** shows English and maths qualifications and their components that are available as part of the English and maths entitlement.
- **Local Flexibility entry to level 2:** shows qualifications at entry to level 2 and their components which can be delivered as part of local flexibilities.

The guide also explains the categories already in place and these include work preparation and work placement (for traineeships), Tech Levels achieved in 2017, Early Years Educators (EYE) 2015/16, loans



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length for qualifications which are not EYE or Tech Levels which identifies the maximum length which applies when the learning aim is funded by a loan, Local Enterprise Partnership Initiatives, Trades Union Congress, 'Standalone' and Licence to Practise, and class codes.

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New BTEC level 1 introductory qualifications: approved for adult funding in 2016/17

The new BTEC level 1 introductory qualifications have all now been confirmed for 16-18 funding and for 19+ local flexibility funding on the [funding hub](#). To search please ensure the 2016/17 'teaching year' is selected in the drop down box. Detailed information on the new BTEC level 1 introductory qualifications, developed for first teaching in September 2016, can be found on the [Pearson website](#). These graded qualifications give learners an introduction to their chosen sector, and develop the learning skills they need to be successful at level 2 and beyond. The new qualifications are aimed primarily at learners aged 16+, if you are in a school, you can offer them, but please be aware that they will not attract performance table points.

Reminder: how to find qualifications approved for adult funding in 2016/17

Qualifications approved for the 19+ English and maths entitlement 2016/17

- The SFA's list of qualifications approved for the 19+ English and maths entitlement in 2016/17 can be found [here](#) (fourth document down). These are also showing on the [funding hub](#).
- More on how the SFA approve qualifications for the 19+ English and maths entitlement can be found [here](#).

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

- The SFA's list of qualifications approved for the 19-23 level 2 and 3 entitlement in 2016/17 can be found [here](#) (third document down). These are also showing on the [funding hub](#).
- The BTEC Nationals recently approved by the DfE for 2018 16-18 performance tables will be added to this list when the SFA next update it.
- **An updated Pearson Funding Focus will shortly be available on the Pearson funding website which shows which BTEC Firsts and Nationals are approved for 19-23 entitlement funding in 2016/17. The update includes corrections to the original document.**
- More on how the SFA approve qualifications for the 19-23 level 2 and 3 entitlement can be found [here](#).

Qualifications approved for local flexibility funding 2016/17

- The SFA are not producing a list of qualifications eligible for local flexibility funding in 2016/17; these qualifications will be confirmed for funding just on the [funding hub](#). The SFA started to upload the hub with the details of qualifications available for local flexibility funding in May.
- More on how the SFA approve qualifications for local flexibility funding can be found [here](#).

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

- The SFA updated the [advanced learner loans catalogue](#) on 26 April which lists qualifications approved for advanced learner loans in 2015/16 and 2016/17. These are also showing on the [funding hub](#).
- Given the changes to the loan rules in 2016/17 (19-23 year-olds, and level 5 and 6 qualifications, are now eligible for loan funding) there are some qualifications which do not start until after 1 August 2016



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and these are identified in the catalogue. Eligible learners for these qualifications can apply for loans for 2016/17 from May 2016.

- The process of approving qualifications for advanced learner loan funding has been separated from the process for approving qualifications for 19-23 entitlement funding since December 2015. It means awarding organisations can now make submissions for qualifications to be made eligible for advanced learners loans even where they do not now meet the 19-23 entitlement funding criteria. Awarding organisations can make submissions at the beginning of each month and, if successful, the [funding hub](#) is updated in the third week of the month, and the [Student Loan Company portal](#) and the [advanced learner loans qualifications catalogue](#) are updated in the fourth week of the month.
- We are currently reviewing all our qualifications now eligible for loan funding and have already made a number of successful submissions so do check the catalogue for qualifications now eligible for loan funding in 2016/17. If you are looking to offer a qualification through loan funding which is not on the catalogue do get in touch (funding@pearson.com). We will review any requests and make a submission if the qualification is eligible. Qualifications need to be 150 glh or 15 credits to be eligible. Qualifications approved for the 19-23 funding entitlement are automatically approved for loan funding.
- 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](#).

'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.

Pearson Funding Focus: a guide to traineeship funding and an update on apprenticeship funding

Two new funding guides are available on the [Pearson funding website](#).

- [Funding Focus - Apprenticeships funding - An update](#), provides a brief update on the changes to apprenticeship funding, what we know so far, and information we are still waiting for. It includes an overview of changes, who will pay the levy and how, information we are still waiting for and when it will be available, links to further information, and a summary table of the changes.
- [Funding Focus - Traineeships - A summary of the funding rules 2016/17](#), summarises the 2016/17 funding rules for 16-18 and 19-24 year-old traineeships. It includes the overarching funding rules for all ages (16-24), delivering traineeships, provider eligibility and Ofsted, links to further information, and a summary table of the EFA and the SFA funding rules.

Steve Besley's Policy Watch

The latest from Steve Besley includes [Policy Eye - Highlights of week ending Friday 6 May 2016](#), and [Policy Eye - Highlights of week ending Friday 29 April 2016](#). See the latest from [Policy Watch](#) for these and more.

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