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Pearson UK – Funding News

15 July 2016

Funding News provides a regular round-up of 16-19, 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 cabinet reshuffle and department re-organisation which has resulted in a new Secretary of State for Education, the DfE taking on responsibility for skills and higher education, and the resignation of Nick Boles as Minister of State for Skills, all of which may also have an impact on the publication of the information we are expecting about the apprenticeship levy. In other news, the EFA has published their post-16 sub-contracting guidance, and Warwick Institute for Employment Research has released a study into adult education. We also include a number of reminders: the publication of the Post-16 Skills Plan, updated funding rules from the SFA, new funding hub information, and various reminders about qualification funding in 2016/17.

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Government departments

BIS and DfE: Cabinet reshuffle and department re-organisation

Justine Greening has been appointed [Secretary of State for Education](#), taking over from Nicky Morgan, and the DfE will now take responsibility for higher education, further education, apprenticeships and wider skills policy from BIS. BIS will disappear in its current form and form part of the newly named Department for Business, Energy and Industrial Strategy, which will also encompass the Department of Energy and Climate Change. The new Department for Business, Energy and Industrial Strategy will be headed up by Secretary of State for Business, Energy and Industrial Strategy [Greg Clark](#), previously Secretary of State for Communities and Local Government. In what looks like a straightforward switch, [Sajid Javid](#) has been appointed Secretary of State for Communities and Local Government. [Nick Boles](#), former, [Minister of State for Skills](#), a role shared between DfE and BIS has resigned. Damien Green, former Minister of State for Police and Criminal Justice, becomes the new [Secretary of State for Work & Pensions](#), replacing Stephen Crabb. Michael Gove has been replaced by [Elizabeth Truss](#) as [Secretary of State of Justice](#).

BIS and DfE: Potential impact of cabinet reshuffle and department re-organisation on publication of apprenticeship funding information, and new register of apprenticeship training organisations

Skills Minister Nick Boles announced at the AELP conference earlier this month that the apprenticeship funding information due out before the end June would be delayed as a result of Brexit, but that it was expected 'well before' the summer recess (21 July). It isn't clear as yet whether the cabinet reshuffle and the department re-organisation will have an impact on this – it may be that it will be delayed further.

The information we are expecting (more detail can be found [here](#)) will set out the following for apprenticeship funding from April 2017:

- provisional funding bands, which set maximum amount of funding available for each apprenticeship
- provisional level of government support available towards the cost of apprenticeship training if you aren't a levy paying employer
- provisional level of extra payment for hiring 16 to 18 year old apprentices
- provisional amount paid for English and maths training for apprentices who need it
- eligibility rules that set who you are able to spend apprenticeship funding on, and where
- more information on who can provide apprenticeship training and how organisations can set themselves up to deliver apprenticeship training.

We also expect a consultation to be released (and again, this may now be delayed) on a new set of criteria for providers who want to deliver apprenticeships. Any new criteria will allow for providers who currently subcontract to be able to access the new register.

Further information on the apprenticeship levy is due out in October and December this year:

- October 2016: the final levels of funding, government support, 16 to 18 payments, and English and maths payments for apprentices starting from April 2017, and full, draft funding and eligibility rules
- December 2016: final detailed funding and eligibility rules, and further employer guidance from HM Revenue and Customs (HMRC) on how to calculate and pay the apprenticeship levy

A [Pearson Funding Focus](#) is available on apprenticeships funding which provides a brief update on the changes to apprenticeship funding.



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BIS and DfE: Reminder, Sainsbury Review and Post-16 Skills Plan

At the end of last week BIS and the DfE published the long awaited [Sainsbury Review of technical and professional education in England, and, alongside it, the Post-16 Skills Plan](#). The key headlines are that at the age of 16, students will have to choose between an academic option and a new technical option, and, be able to switch between the two routes. Under the technical option 15 routes will be available (agriculture, environmental and animal care; business and administrative; catering and hospitality; childcare and education; construction; creative and design; digital; engineering and manufacturing; hair and beauty; health and science; legal, finance and accounting; protective services; sales, marketing and procurement; social care; transport and logistics) and within each route learners can choose between a two-year, college-based programme (including compulsory work experience), or an employment-based programme, such as an apprenticeship (including at least 20% college-based provision). Older learners will also be entitled to take these programmes. A transition year or traineeship will be available for those not ready to access a technical education route at 16.

The new, independent and employer-led body, the Institute for Apprenticeships will be expanded and be responsible for a new framework for technical education. It will have the remit to develop a coherent strategy and put employers in the lead of designing the standards across all technical education – college-based as well as apprenticeships.

The plan sets out the timeline for reform between now and 2020. Government is 'committed to taking forward the reforms quickly, and in particular establishing all 15 technical education routes as soon as possible' but recognise that certain lead-in times are required for reform on this scale. The reforms will be phased in 'progressively' and a small number of 'pathfinder' routes will be established which will start developing standards this year for first delivery in September 2019, with additional routes becoming available for teaching in phases between 2020 and 2022.

Further details from government on how the reforms will be implemented will be provided in the autumn.

Pearson will bring you further analysis of these in the coming days and weeks (in [Policy Watch](#) and in [Funding News](#)). We will also track the funding implications when they start to become clearer.

BIS and DfE: Developing an insolvency regime for the further education and sixth-form sector

BIS and DfE have released a [consultation](#) seeking comments on proposals to introduce procedures for further education and sixth-form colleges which become insolvent. The proposals include a Special Administration Regime, giving extra protection to ensure continuity of service. The insolvency regime would be designed to protect learners from disruption to their courses, help the rehabilitation of a college where possible, and provide an orderly wind-up procedure if a college becomes insolvent. They propose insolvency procedures for colleges in line with those given to companies under the [Insolvency Act 1986](#), including administration and liquidation. The consultation closes on 5 August.

Funding agencies

SFA: Reminder, updated funding rules published

The SFA has published version 3 of several of their funding rules documents: [Skills Funding Agency: common funding rules](#), [Apprenticeships: common funding rules](#), [Apprenticeship framework funding rules](#), [Adult education budget funding rules](#), and [Advanced learner loans funding rules](#). They have also updated

the [SFA funding rules 2016 to 2017: summary of changes](#). They can all be found on the [SFA's funding rules 2016/17](#) page.

SFA: Reminder, 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 colleges and 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 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.

To be eligible for 19+ funding a qualification needs to be showing as valid for adult skills, and then the category of funding they are eligible for can be checked in the category tab.

EFA: Post-16 sub-contracting guidance

The EFA has published the 2016/17 [funding guidance for young people: sub-contracting controls](#). The guidance gives notice of 2 significant new restrictions: the first applies to maintained schools and academies that have whole programme sub-contracting arrangements (both local and at a distance), and the second applies to colleges sub-contracting provision wholly or substantially to a special school for provision for 19 to 25 high needs students (HNS). Any institutions with sub-contracted provision are advised to ensure that they review the guidance and take the required actions.

Warwick Institute for Employment Research

Report: Adult education: too important to be left to chance

On 6 July the Warwick Institute for Employment Research (IER) published [this study](#) (along with a summary), commissioned by the All Party Parliamentary Group for Adult Education, which scopes the need, reach and areas for policy and practice development for adult education for disadvantaged adults. The focus of the research was on a wide range of adult learners who may be out of work, in work, transitioning between roles and those who are older learners. It gathered the views of key stakeholders,



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partners and providers on their top priorities for adult learning in 2016 and over the next 5 – 10 years. It looked at what motivates and demotivates adult learners and what can be done to increase participation and attainment levels. The report notes that funding for adult education has slipped down the policy agenda over past years and is fixed in cash terms for the next four years at £1.5 billion, and that financial support is increasingly moving towards loan funding for adult education at level 3 and above.

It makes five key recommendations: Establish a national and regional strategy for adult education, health, employability and wellbeing; The new commissioning system needs to have an adult education framework that seeks to rebuild and rebalance resources fairly for adults across the different life-stages; Provide careers information, advice and guidance in local communities and building capacity in the adult education workforce to make greater use of labour market intelligence and mid-life reviews; Ensure a systematic approach to identifying and gathering evidence on the full impact of adult education; and More employers need to step up and offer opportunities to adults, particularly older adults keen to remain active in employment.

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Reminder, Pearson Funding Focus, an overview of devolution deals

Since 2014 government has announced ten devolution deals between government and regions in England to support economic growth, public service reform and improved local accountability. They are the latest in a range of initiatives designed to support localism and decentralisation. The deals transfer certain powers, funding and accountability for policies and functions previously undertaken by central government. Deals in other areas are also being explored. A [Funding Focus](#) summarising the deals in place, and focusing on the devolved powers for skills provision and funding is available on the [Pearson Funding News](#) page.

Reminder, Pearson monthly advanced learner loan submissions update

This update will now be published at the beginning of each month after we have made our monthly submission. It lets you know which qualifications Pearson are currently submitting for advanced learner loan funding and the latest is available on the [Pearson Funding News](#) page [here](#). The full document includes information on the submission process, qualifications eligible for loans, the extension of the loan offer in 2016/17, and further information and links.

If you want to offer a qualification under loan funding that isn't on this list, or isn't already confirmed for loan funding on the [funding hub](#) or on the SFA's [Advanced learner loans qualifications catalogue](#), please email funding@pearson.com

Pearson's advanced learner loan submissions

Loan funding has recently (30 June) been confirmed for six qualifications submitted in May. We made submissions for three qualifications at the beginning of July, and plan to make submissions for a further two qualifications at the beginning of August.

QN	Title	Specification	Status
600/3994/2	Pearson Edexcel Level 3 NVQ Diploma in Wall and Floor Tiling (Construction) (QCF)	Click here	Confirmed for loan funding
600/9097/2	Pearson Edexcel Level 3 NVQ Diploma in Decorative Finishing - Painting and Decorating (Construction) (QCF)	Click here	Confirmed for loan funding



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600/3263/7	Pearson Edexcel Level 3 NVQ Diploma in Plastering (Construction) (QCF)	Click here	Confirmed for loan funding
500/9771/4	Pearson Edexcel Level 6 NVQ Diploma in Senior Site Inspection (QCF)	Click here	Confirmed for loan funding
601/6283/1	Pearson BTEC Level 3 Certificate in Recruitment Practice (QCF)	Click here	Confirmed for loan funding
601/6188/7	Pearson Edexcel Level 3 NVQ Diploma in Recruitment (QCF)	Click here	Confirmed for loan funding
600/0872/6	Pearson BTEC Level 3 Certificate in Hospitality and Catering Principles (Professional Cookery) (QCF)	Click here	Submitted on 5 July
600/3924/3	Pearson Edexcel Level 3 Diploma in Retail Skills (Sales Professional) (QCF)	Click here	Submitted on 5 July
600/4105/5	Pearson Edexcel Level 3 Diploma in Retail Skills (Management) (QCF)	Click here	Submitted on 5 July
601/6284/3	Pearson BTEC Level 4 Diploma in Recruitment Management (QCF)	Click here	Plan to submit in August
601/5877/3	Pearson Edexcel Level 4 NVQ Diploma in Recruitment (QCF)	Click here	Plan to submit in August

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 this entitlement can be found [here](#).
- **Qualifications approved for the 19-23 level 2 and 3 entitlement 2016/17:** The SFA's latest list of qualifications approved for the 19-23 level 2 and 3 entitlement in 2016/17 can be found [here](#) (third document down). More on how the SFA approve qualifications for this entitlement can be found [here](#).
- **Qualifications and components 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](#). Components (or units) of qualifications started to be uploaded this month (June). 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's latest list of qualifications approved for advanced learner loans can be found in the [advanced learner loans catalogue](#). These are also showing on the [funding hub](#). More on how the SFA approve qualifications loan funding 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 very useful outline of the changes the SFA are making to the adult skills system with the creation of the adult education budget, following the publication of the Skills Funding Letter.

Reminder, Updated Funding Focus, learner and qualification eligibility for 19+ funding 2016/17

A Funding Focus is available ([160603 Funding Focus – Updated – Learner and qualification eligibility for 19+ funding 2016/17](#)) which summarises learner eligibility for 19+ funding 2016/17, qualification and unit



eligibility for 19+ funding 2016/17, and how qualifications and units will be made eligible for 19+ funding 2016/17.

Reminder, Updated Funding Focus, BTEC Firsts and Nationals approved for funding in 2016/17

The DfE has published an [updated list](#) of technical and vocational qualifications to be included in the 2018 performance tables. This is important for 19-23 funding as qualifications included in this list are automatically approved for legal entitlement funding in 2016/17. We were successful with the appeal for the Pearson BTEC Level 3 National Diploma in Fitness Services (60172150) and this qualification is now eligible for 19-23 entitlement funding in 2016/17. See the updated document, [160628 Funding Focus – Updated – BTEC Firsts and Nationals – Funding in 2016/17](#), on the [Pearson Funding News page](#) for details.

Steve Besley's Policy Watch

The latest from Steve Besley includes [Policy Eye - Highlights of week ending Friday 8 July 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.