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Pearson UK – Funding News

5 August 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.

Funding News this week is mainly made up of reminders: of the Post-16 Skills Plan; where to find the latest on adult funding; and the delay to the publication of the apprenticeship funding information. We also include news about the delay to the introduction of the new funding formula for schools. Funding News has been re-organised to make it easier to use and lists items under topic headings. We also link to Pearson policy and funding documents where relevant and include a full list of the latest.

Post-16 policy

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Post-16 policy

Reminder: Sainsbury Review and Post-16 Skills Plan, plus a *Pearson Handy Guide*, and a *Pearson Pocket Watch*

On the 8th July 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 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 and within each route learners will 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 the 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, and further details from government on how the reforms will be implemented will be provided in the autumn.

Pearson has created a [Handy Guide to the Sainsbury Review](#) which gives an overview of the report and the accompanying Post-16 Skills Plan, and Steve Besley's [Pocket Watch \(2016/7\)](#) explains why the latest Skills Plan is important and next steps. We will bring you news about the funding implications of the changes as they start to become clearer.

Technology in FE: Report on SFA actions from the FELTAG report

NIACE report to the Skills Funding Agency on the actions arising from the FELTAG report

The aim of the [Further Education Learning Technology Action Group \(FELTAG\)](#) was to identify obstacles preventing further education providers taking full advantage of technology. The group's recommendations were designed to remove these obstacles, and encourage the further education system towards the digital future expected by learners and employers. The [government response](#) to the FELTAG recommendations included a number of actions for the SFA who then commissioned the Learning and Work Institute (formally known as NIACE) to undertake an examination of the actions. The NIACE report makes 13 recommendations including; that the SFA should not set an online learning rate, whether it be lower or higher than the standard rate; that the SFA should not set percentage targets but should re-assert its current guidance, and that they should not look to implement sanctions or incentives, or change its approach to evaluation of online learning success rates with conventional learning methods. The SFA has confirmed they will not set a separate online learning rate.

Adult funding

Reminder: Qualification and learner eligibility, and four *Funding Focuses*

The SFA document published on the 28 January, [Adult Education Budget January 2016 Changing Context and Arrangements for 2016/17](#), provides a 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. A [Pearson Funding Focus](#) is available 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.

Qualifications approved for adult funding can be found on the funding hub, and in some cases, also in separate documents published by the SFA:

- Qualifications approved for the 19+ English and maths entitlement 2016/17: The list of qualifications approved for the 19+ English and maths entitlement in 2016/17 can be found [here](#) (fourth document down). These are also 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 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 on the [funding hub](#). More on how the SFA approve qualifications for this entitlement can be found [here](#). A *Pearson Funding Focus* shows which QCF, and new, BTEC Firsts and Nationals are approved for funding in 2016/17.
- Qualifications and components approved for local flexibility funding 2016/17: The SFA is not producing a list of qualifications eligible for local flexibility funding in 2016/17; these qualifications will be confirmed for funding on the [funding hub](#). 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 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](#). A *Pearson Funding Focus* providing links to further information about advanced learner loans, and the *Pearson monthly advanced learner loan submissions update* will both shortly be available on the [Pearson Funding](#) page.

Reminder: Using the funding hub

The SFA has produced an [updated guide](#) on the definitions and guidance for each category on the [funding hub](#). New categories have been introduced for 2016/17 which helps 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.

Reminder: Adult funding rules 2016/17

Version 3 of the funding rules documents have been released by the SFA. They can all be found on the [SFA's funding rules 2016/17](#) page:

- [Skills Funding Agency: common funding rules](#)
- [Apprenticeships: common funding rules](#)
- [Apprenticeship framework funding rules](#)
- [Adult education budget funding rules](#)
- [Advanced learner loans funding rules](#)
- [SFA funding rules 2016/17: summary of changes](#)

Apprenticeship: funding, AGE, and Ofqual and EPA

Reminder: Delay to publication of apprenticeship funding information, and a *Funding Focus*

We have been awaiting further detail about how apprenticeship funding will work from April 2017, since the end of June 2016. Following both Brexit and the departmental re-organisation, the information has been delayed again, and is now expected in September (though this isn't confirmed by BIS). The information 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.

The following information was also originally expected in October 2016, and December 2016, but we don't know as yet if this will also be delayed:

- 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 the 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.

For the latest see the [Pearson Funding Focus](#) which explains what we know so far about the changes to apprenticeships funding, and the latest update from BIS on the [Apprenticeship levy: how it will work](#).



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Apprenticeship grant for employers: Leeds City Region Enterprise Partnership

The Leeds City Region Enterprise Partnership will be making changes to the [eligibility criteria for its Apprenticeship Grant for Employers \(AGE\) programme](#). This will apply to small and medium sized businesses based in the Bradford, Calderdale, Kirklees, Leeds, Wakefield and York local authority areas that recruit apprentices from 1 August to 31 December 2016.

Ofqual's approach to regulating apprenticeship end-point assessments

Ofqual has published their [approach to regulating the end-point assessments \(EPAs\)](#) of apprenticeships which is aimed at the trailblazer groups responsible for developing new apprenticeship standards. The guidance will allow these groups to make an informed decision about whether to ask Ofqual to provide their external quality assurance arrangements and assist assessment organisations in understanding the implications of Ofqual regulation. Ofqual will only regulate end-point assessments where they are asked to do so by the trailblazer responsible for developing the associated apprenticeship standard and assessment plan. The guide explains that Ofqual will regulate EPAs as qualifications, and what that means; the process for a trailblazer to request Ofqual to regulate its EPAs; that assessment organisations wanting to offer EPAs which Ofqual will regulate, will need to be recognised by Ofqual before applying to the Skills Funding Agency's Register of Apprenticeship Assessment Organisations, and the approach Ofqual will take to regulating EPAs.

16-19 funding and 19-25 high needs funding

Sub-contracting controls guidance for 2016/17

The EFA has published the [sub-contracting controls guidance for 2016/17](#) which includes notice of a significant new restriction which applies to maintained schools and academies that subcontract the whole of a student's programme (both local and at a distance). A [letter from Peter Lauener](#) sets out the rationale, and underlining the importance of the change in respect of whole programme sub-contracting for academies and maintained schools. The letter stresses that subcontracting the whole of a post-16 student's programme by schools or academies to another organisation is a practice the EFA are particularly keen to see discontinued.

19-25 high needs funding

Learning difficulty assessments and high needs funding 2016/17 and 2017/18

Learning difficulty assessments (LDAs) will cease to have statutory basis from 1 September 2016. The EFA has updated their [high needs funding: operational guide 2016/17](#) which describes the specific circumstances where 19-25 year old students who have a LDA, and are currently funded as high needs students will continue to be eligible for high needs funding.

The DfE has also announced the [schools and high needs funding arrangements for 2017/18](#). These are broadly similar to 2016/17 and confirm that no local authority (LA) will receive less in 2017/18 (adjusted to reflect updated baselines) on their schools and high needs blocks than they did in 2016/17, the minimum funding guarantee (MFG) of -1.5% per pupil for schools will be retained, and that DfE will not proceed with proposals to create a new central schools block, allow local flexibility on the MFG or to ring fence the schools block within the dedicated schools grant in 2017/18.



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Schools funding

Schools block funding formulae 2016/17

The EFA has published data showing [local authorities' formulae for allocating dedicated schools grant \(DSG\) schools block funding for 2016/17](#). The document provides an overview of the formula factor values chosen by local authorities. It provides charts and briefing commentary on the ranges of unit funding amounts selected and funding attributed under each of the permitted factors.

Schools funding 2017/18

EFA has published the [schools funding arrangements for 2017-18](#), including the LA funding tables. LA operational guidance and the draft Authority Proforma Tool will follow shortly. Local authorities can now begin the process of setting their local schools formulae and final allocations for the schools and high needs blocks will follow in December on the basis of pupil numbers recorded in the October census.

Delay to implementation of national funding formula to 2018/19

The DfE will not implement the new national funding formula in 2017/18 and will launch the second stage of the national funding formula consultation for schools and high needs in the autumn. This new formula will now apply from 2018/19. Education Secretary Justine Greening explains that 'given the importance of consulting widely and fully with the sector and getting implementation right, the new system will apply from 2018/19.

Latest list of Pearson policy and funding updates

- [A Handy Guide to the Sainsbury Review](#)
- [Pocket Watch \(2016/7\) – Why the latest Skills Plan is important and next steps](#)
- [Funding Focus – Apprenticeship funding – A brief update](#)
- [Funding Focus – Updated – Learner and qualification eligibility for 19+ funding 2016/17](#)
- [Funding Focus – Updated – BTEC Firsts and Nationals – Funding in 2016/17](#)
- [Funding Focus – Advanced learner loans – Where to find out more](#) – shortly available on the [Pearson Funding page](#)
- [Pearson UK – Monthly advanced learner loan submissions update 4 August 2016](#) – shortly available on the [Pearson Funding page](#)
- [Funding Focus – Devolution deals – An overview](#)
- The latest from Steve Besley including [Policy Tracker – Keeping track of what happened in the world of education in July 2016](#), [Policy Eye - Highlights of week ending Friday 22 July 2016](#), [Pocket Watch \(2016/7\) - Why the latest Skills Plan is important and next steps](#), [Policy Eye - Highlights of week ending Friday 15 July 2016](#). See the latest from [Policy Watch](#) for these 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.