



Pearson

Pearson UK – Funding News

12 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.

Key Funding News this week is the publication of the long awaited proposals for apprenticeship funding once the levy is introduced in April 2017. The new funding methodology will kick in from May 2017. The news in brief is included here, along with links to key documents, and next week we will provide a summary document to help you understand the changes.

DfE has opened a survey inviting views from all employers and training providers on the proposals for apprenticeship funding. The closing date for the survey is 5 September and your feedback will help DfE shape the final funding proposals which will be confirmed in October 2016.

DfE has also released a survey on proposals for a new Register of Apprenticeship Training Providers with the same closing date of 5 September.

Post-16 policy

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

Adult funding

- Pearson Funding Focus – Adult funding – Overview, and where to find out more

Apprenticeships

- Suite of guidance and information, and proposed funding guidance, published
- Two surveys on apprenticeship policy and provisional rates, and proposals for a new Register of Apprenticeship Training Providers
- Apprenticeship Grant for Employers 2016/17, change request form

Latest list of Pearson policy and funding updates



Pearson

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](#) 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.

Adult funding

[Pearson Funding Focus – Adult funding – Overview, and where to find out more](#)

The latest Funding Focus provides an overview of adult funding and shows you where to look for further information. It includes changes to adult funding in 2016/17, qualification eligibility, learner eligibility, using the funding hub, and the funding rules for 2016/17. It will shortly be available on the Pearson website: [Funding](#).

Apprenticeships

[Suite of guidance and information, and proposed funding guidance, published](#)

DfE has published the long-awaited provisional funding guidance for the apprenticeship levy. There were rumours that this would be delayed until September so it is good news that the wait hasn't been as long as it could have been. A suite of documents have been published:

- **Key document:** The full (23 page) [Proposals for apprenticeship funding from May 2017](#), along with Proposed funding bands for individual apprenticeship frameworks, and Proposed funding bands for individual apprenticeship standards, and a [survey](#) asking for views on the proposed funding plans for levy and non-levy funding for apprenticeships. The survey closes on **5 September** so colleges, providers, employers, and other interested parties only have **3 weeks and 3 days** to respond. Do respond to ensure your views are taken into consideration; your feedback will help DfE shape the final funding proposals which will be confirmed in October 2016.



- [Proposals for a new Register of Apprenticeship Training Providers](#) (17 pages) which organisations must apply to join if they want to deliver apprenticeship training from May 2017. When the digital apprenticeship service is introduced in May 2017, employers will be able to choose the training they'd like their apprentices to receive from an approved training provider. The basis of this list will be the RoATP. On behalf of employers who do not pay the levy, the SFA will contract with RoATP providers who are successful in an additional invitation to tender. DfE is undertaking a [survey](#) on these proposals. Again, the survey closes on **5 September** so colleges, providers, employers, and other interested parties only have **3 weeks and 3 days** to respond. Do respond to ensure your views are taken into consideration.
- A DfE [press release](#) which outlines what has been published.
- Updated guidance from DfE on the [Apprenticeship levy: how it will work](#).
- A 31 page [Employer-provider guide](#) which explains what employers need to do to become an apprenticeship training provider.
- [Information on the apprenticeship levy](#) with data broken down by size and sector and the total apprenticeship budget which shows how much money the government is spending on apprenticeships and the amount employers will pay as part of the apprenticeship levy (9 pages). It includes the amount of apprenticeship levy DfE expect employers will pay (shown by the proportion of employers DfE expect to pay the levy by different sectors, and the proportion of employers DfE expect to pay the levy by different size of employers), current spending on apprenticeships by size of employer and sector subject area, and how much the government is spending on apprenticeships this Parliament.
- An [online levy calculator](#) which employers can use to estimate if they will pay the apprenticeship levy, how much an organisation will have available to spend on apprenticeships and how much the government will contribute towards the cost of training. Employers will need to know their organisation's annual UK payroll to use it.

In short the funding proposals mean:

- Employers who are too small to pay the apprenticeship levy will have 90% of the cost of apprenticeship training paid by government.
- Government will pay an additional £2,000 for 16-18-year-olds, young care leavers and young people with an education, health and care (EHC) plan. £1,000 will go to employers and £1,000 will go to training providers.
- Employers with fewer than 50 employees will not have to pay anything towards the cost of training a 16-18-year-old, young care leaver or young person with an EHC plan.
- Government will pay training providers £471 English and maths qualifications as they do now when an individual is working towards an apprenticeship standard. This will come direct from the government and will not be deducted from an employer's digital account.
- There will be 15 funding bands, with the upper limit of these bands ranging from £1,500 to £27,000. All existing and new apprenticeship frameworks and standards will be placed within one of these funding bands.
- Each individual framework pathway will be allocated to a single funding band, regardless of the age of the learner, or geographic location. This will bring frameworks into line with the funding system for apprenticeship standards.
- Individual framework pathways will be allocated to the nearest funding band based on the current rate of funding the government pays providers for training adult apprentices but for all STEM framework pathways the current government-funded adult rate will be increased by 40% for level 2 and 80% for level 3 and above, and then allocated to the nearest funding band.
- Employers will be able to use the funds in their digital account, and be co-funded at 90% by government, to pay for training apprentices whose main place of work is in England whether they live in England or other parts of the UK.



Pearson

- Employers will be able to use levy funds to retrain workers in new skills, even if they have prior qualifications, as long as the apprenticeship is significantly different from their previous qualifications.
- From 2018 levy-paying employers will be able to transfer up to 10% of the annual value of funds entering their digital accounts to other employers on the digital system.
- Levy paying employers who use up their levy will have 90% of the cost of apprenticeship training paid by government for any additional apprenticeships.
- More organisations will be able to offer apprenticeships with the opening of the new Register of Apprenticeship Training Providers.

The publication of further guidance is now back on track, and we expect the following information to be available, as originally planned, in October 2016, and December 2016:

- 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.

Two DfE surveys on apprenticeship policy and provisional rates, and proposals for a new Register of Apprenticeship Training Providers

Just to highlight the two apprenticeship surveys again:

- A DfE [survey](#) has been published to help inform and finalise the currently [provisional apprenticeship policy and provisional rates](#). The closing date is **5 September** so colleges, providers, employers, and other interested parties only have **3 weeks and 3 days** to respond. Do respond to ensure your views are taken into consideration; your feedback will help DfE shape the final funding proposals which will be confirmed in October 2016.
- A further DfE [survey](#) has been published on the [Proposals for a new Register of Apprenticeship Training Providers](#) which organisations must apply to join if they want to deliver apprenticeship training from May 2017. When the digital apprenticeship service is introduced in May 2017, employers will be able to choose the training they'd like their apprentices to receive from an approved training provider. The basis of this list will be the RoATP. On behalf of employers who do not pay the levy, the SFA will contract with RoATP providers who are successful in an additional invitation to tender. Again, the closing date is **5 September** so colleges, providers, employers, and other interested parties only have **3 weeks and 3 days** to respond. Do respond to ensure your views are taken into consideration.

Apprenticeship Grant for Employers 2016/17, change request form

As flagged in the SFA's [Apprenticeship framework funding rules 2016/17](#) the SFA has now published the 2016/17 [change request form for Apprenticeship Grant for Employers \(AGE\)](#) allocations. This form can be used to request an increase to your AGE allocation, and if you do not have an AGE allocation it can be used to request one for the first time. Colleges and providers must have an apprenticeships funding agreement with the SFA for the appropriate age groups for a request to be made. See the SFA's [Apprenticeship framework funding rules 2016/17](#) for further information or contact your SFA business operations provider manager.



Pearson

Latest list of Pearson policy and funding updates

- Funding Focus - Adult funding - Overview, and where to find out more, will shortly be available on the Pearson website: [Funding](#).
- The latest Funding Focus guides including [Updated – BTEC Firsts and Nationals – Funding in 2016/17](#), [Advanced learner loans – Where to find out more](#), and [Devolution deals – An overview](#). See the latest on the Pearson website: [Funding](#), for these and more.
- [Pearson UK – Monthly advanced learner loan submissions update 4 August 2016](#)
- [A Handy Guide to the Sainsbury Review](#)
- The latest from Steve Besley including [Policy Eye – Highlights of week ending August 5 2016](#), and [Pocket Watch \(2016/7\) – Why the latest Skills Plan is important and next steps](#). See the latest from [Policy Watch](#) for these and more.

Siân Owen
Head of Stakeholder Engagement (Funding)
sian.owen1@pearson.com

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.