



Pearson

## Pearson UK – Funding News

21 October 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 brings you updated information from the DfE on area reviews with a list of institutions taking part in area reviews, and details about how to apply for funding for financial support. We also bring you news that the SFA has confirmed that adult education contracts with independent training providers will end July 2017, and has published the 2016/17 funding allocations to training providers. In wider news, the Learning and Work Institute has published a report recommending changes to the plans for the levy, and the AoC has published their Autumn Statement submission which makes some key recommendations about the future of funding for the sector. Finally, we bring you the usual Pearson policy and funding updates, and, for those looking to offer legacy GCSEs in apprenticeships, news that these will be updated for apprenticeship funding on the funding hub next week.

### Post-16 funding

- Updated lists of institutions taking part in area reviews, and funding for financial support

### Adult funding

- SFA confirm current adult education contracts with independent training providers will end July 2017
- Funding allocations to training providers 2016/17

### Apprenticeships

- Learning and Work Institute report: Three million careers, Making the Apprenticeship Levy Work

### AoC

- Autumn statement submission 2016

### Pearson

- Pearson legacy English and maths GCSEs in apprenticeships
- Policy and funding updates
- Pearson webinars on apprenticeship developments: recordings and materials



## Post-16 funding

### **Updated lists of institutions taking part in area reviews, and funding for financial support**

On 19 October the DfE refreshed the [list of FE colleges, sixth-form colleges and providers](#) taking part in the area reviews of post-16 education and training institutions, to include updated information on waves 4 and 5. The document includes information about the [review of post-16 education and training institutions](#), including the 5 waves of the post-16 education area review, the sixth-form colleges, further education (FE) colleges and providers taking part in each review, roles and responsibilities within the review process, and start dates for each review.

The DfE has also updated the [guidance and forms](#) for sixth-form and FE colleges to apply for financial support from the government's area review 'restructuring facility'. It is for further education and sixth-form colleges that need to make major changes following an area review recommendation and cannot fund it themselves.

## Adult funding

### **SFA confirm current adult education contracts with independent training providers will end July 2017**

At the end of last week [FE Week](#) reported that the SFA has confirmed, in a letter to independent/private training providers on 12 October, that current adult education contracts will end next July rather than be automatically renewed as before. The new arrangements were flagged in the SFA's document published in January 2016 summarising the changes being made to the Adult Education Budget (AEB) following the publication of the [skills funding letter](#) last year: [Adult Education Budget January 2016 Changing Context and Arrangements for 2016 to 2017](#) (section 40). Colleges are not affected by the changes.

FE Week report that the letters confirm that changes to contracting regulations, which came into force in February, mean the SFA can no longer automatically renew contracts when they end and instead 'must procure future training provision', and to accept the letter as 'formal notice that your current contract will terminate on 31 July 2017'. The SFA will shortly be launching an open and competitive procurement exercise for AEB funded provision and further information is expected in the next few weeks.

### **Funding allocations to training providers 2016/17**

The SFA has published the [2016/17 funding year contract values](#) as at September 2016 for colleges, training organisations, local authorities and employers that have a contract for 2016/17. It excludes contract values that are not yet confirmed.

## Apprenticeships

### **Learning and Work Institute report: Three million careers, making the levy work**

In their report published last week, [Three million careers, Making the apprenticeship levy work](#), the Learning and Work Institute calls for full funding for young people who choose an apprenticeship, and an Apprentice Premium to ensure that additional funding supports high quality training for disadvantaged young people.



# Pearson

The report argues that government should waive the requirement for employer co-funding for 16-18 year olds for all employers, and introduce an Apprentice Premium, mirroring the Pupil Premium. This would be an additional amount paid to employers and providers recruiting apprentices with particular characteristics. This should start with 16-18 year olds and be higher than the current £1,000 proposed, and could be extended to apprentices from deprived areas or in priority sectors and occupations in line with industrial strategy, and topped up by devolved cities and local areas in accordance with local priorities. The thinking reflects some of the recommendations in the AoC's Autumn statement submission 2016 (below).

## AoC

### **Autumn statement submission 2016**

Earlier this month the AoC published their [Autumn Statement Submission 2016](#) in which they make a number of recommendations; two main, nine on funding, and nine on system improvements. In their main recommendations they ask that HM Treasury set a medium term target to increase spending on education and training to 5% of GDP and direct a share of the additional funding to post-16 education, and that management of education spending be reformed to improve efficiency, to allocate funds to areas of greatest need and to provide more predictability.

The nine funding recommendations are that:

- The national base rate for 16 and 17-year-olds (currently £4,000) should be increased so that it provides the necessary funds for high-quality education.
- The recommendations of the Sainsbury Review should be fully implemented and funded, including additional funding for work placements and for 18-year-olds.
- The Adult Education Budget should be sustained at least at £1.5 billion in the short term and should be used to guarantee a Citizen's Skills Entitlement. After 2019, the budget should be used to support a new English Social Fund (new ESF).
- The apprenticeship funding rates that take effect in May 2017 should include a higher factor for 16 to 18-year-olds, should reflect area costs for technical programmes and should retain a factor for those from low income families.
- The Government should topslice the apprenticeship levy to create a fund to use to promote access to apprenticeships and help raise quality.
- Financial support for young people should be reviewed to eliminate unhelpful obstacles to participation, for example transport costs and child benefit rules.
- DfE should reallocate capital budgets so that colleges have funding for building maintenance and equipment.
- HM Treasury and DfE should plan for the additional education places that will be needed when the number of 16-year-olds increases towards the end of the decade.
- There should be a 10-year programme to double the supply of maths teachers across all parts of the education system to reach a goal by 2030 that all 18-year-olds are qualified at the current level 2 standard and the majority reach level 3.



# Pearson

## Pearson

### Pearson legacy English and maths GCSEs in apprenticeships

We have had a number of queries about the legacy GCSEs qualifications as they are not yet showing on the funding hub as eligible for apprenticeship funding. We have spoken to the SFA and they have confirmed that the last date for new starts (LDNS) for the four qualifications will be updated on Tuesday next week (25 October 2016) to display 31/07/2017. The qualifications are listed below. These GCSEs were extended following the ruling by Ofqual and agreement by the funding agencies to fund them for one further year for certain learners, including apprenticeship learners.

- 50079165 GCSE in Mathematics A
- 50078860 GCSE in Mathematics B
- 60131573 GCSE in English
- 60131585 GCSE in English Language

### Policy and funding updates

The latest policy updates from Steve Besley include (see [Pearson Policy Watch](#) for these and more):

- [Policy Eye - Highlights of week ending Friday 14 October 2016](#)

The latest Funding Focus guides include (see [Pearson Funding News](#) for these and previous editions of Funding News):

- [Finding qualifications approved for the unemployed on the funding hub](#)
- [Funding for Pearson International GCSEs in 2016/17](#)
- [Comparing proposals for new apprenticeship funding from May 2017, with existing funding](#)
- [Apprenticeship funding after April 2017](#)
- [Proposed allocation of frameworks and standards to new funding bands from May 2017](#)
- [Proposals for a Register of Apprenticeship Training Providers, and Guidance for employers wanting to become apprenticeship providers](#)
- [Apprenticeship levy](#)
- [Adult funding – Overview, and where to find out more](#)
- [Advanced learner loans – Where to find out more](#)

### Pearson webinars on apprenticeship developments: recordings and materials

Insight webinar series for apprenticeships

#4. A new approach to apprenticeship funding

> Register now - free

Pearson recently ran a series of webinars on apprenticeships to help colleges, training providers and employers understand the latest developments. You can now find all the recordings of and materials from the events [here](#). The series covers:

- New apprenticeships, the story so far
- New standards, new delivery challenges
- Targeting and winning employer clients
- A new approach to apprenticeship funding

**Siân Owen**, Head of Stakeholder Engagement (Funding)  
[sian.owen1@pearson.com](mailto:sian.owen1@pearson.com)