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Pearson UK – Funding News

18 November 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.

In Funding News this week the second reading of the Technical and Further Education Bill took place in the House of Commons where many funding questions were raised and at the AoC conference Lord Sainsbury called for an increase to funding for further and technical education.

The EFA extended the tolerance for the English and maths condition of funding and published their approach to 16-19 audit, and the SFA published answers to questions about the new register to help with applications, we again include a quick guide to all the latest apprenticeship news, government has agreed an apprenticeship levy funding deal with devolved administrations, and level 3 and 4 qualifications are now eligible for ESF funding.

In HE news Alison Wolf published a report on HE, and government has published information about future joint working between OfS and UKRI.

Lastly, we bring you the usual Pearson round-up and an invitation: to become an apprenticeship provider for the Pearson employee apprenticeship programme.

House of Commons

- Second reading of the Technical and Further Education Bill

Post-16 funding

- Lord Sainsbury urges ministers to increase funding for further and technical education

16-19 funding

- English and maths condition of funding tolerance
- 16 to 19 provision: audit approach

Apprenticeship funding

- Government agrees apprenticeship levy funding deal with devolved administrations
- Register of apprenticeship training providers (RoATP): update
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- Levels 3 and 4 qualifications and components now eligible

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House of Commons

Second reading of the Technical and Further Education Bill

On Monday this week the [Technical and Further Education Bill](#) went through the [second reading](#) in the House of Commons. In the discussion Secretary of State, Justine Greening, reiterated that as part of last year's spending review government announced that: more than half a billion pounds would be provided this year to help FE colleges and sixth forms to support students from disadvantaged backgrounds or those with low prior attainment; had committed to doubling the 2010-11 spending on apprenticeships in cash terms by 2019-20; had protected the national base rate of £4,000 per student in 16-to-19 education for the duration of Parliament; and committed to spending £3.4 billion on 19-plus skills participation by 2019-20 which represents a cash increase of 40% on 2015-16.

The Secretary of State faced tough questions on funding however as MPs asked: whether area reviews will go any way towards addressing financial sustainability in the FE sector; the continued viability of Sixth Form Colleges; whether the AoC's call for a commitment to a 5% increase in college funding would be listened to; action being taken about provision at levels 4 and 5 quoting research from Alison Wolf's report (see more below) which shows that in 2014-15, only 4,900 learners achieved level 4 awards; the capacity the Institute for Apprenticeships and Technical Education will have, and how the institute will operate in the jungle of organisations that now exist.

Post-16 funding

Lord Sainsbury urges ministers to increase funding for further and technical education

At the AoC conference this week government skills advisor [Lord Sainsbury urged ministers](#) to increase funding for further and technical education. His [Report of the Independent Panel on Technical Education](#) was the blueprint for the government's subsequent skills plan and he stressed that the new system will need to be properly funded if it is to rival continental systems, particularly in Germany. When asked by a delegate how he would secure the extra cash, he said: 'All I can do is point out what cost is needed and do everything I can to convince the minister that this is needed. You only need to compare to more successful systems (overseas) in how much more they spend to see this.'

16-19 funding

English and maths condition of funding tolerance

In their regular [bulletin](#) this week the EFA confirmed (after the announcement at the AoC conference) that the 5% threshold of tolerance on the condition of funding rule has been extended into 2017/18 allocations. Funding reductions from 2015/16 (applied to 2017/18 allocations) for non-compliance with the 16-19 English and maths policy will only apply to institutions where more than 5% of students without A* to C GCSE in English and/or maths did not enrol on an approved qualification in these subjects. Funding



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reductions for these institutions will be removed at half the national funding rate above the tolerance (as was the case last year).. Ministers decided not to impose the full funding reductions in recognition of the continued efforts of post-16 providers to deliver the 16-19 English and maths policy.

The EFA explain that the sector has maintained compliance at around 97% but that there is still progress to be made in achieving full compliance. They will any school, college or provider that isn't fully compliant to submit a robust compliance plan and will provide further details to institutions about the compliance plan in due course.

16 to 19 provision: audit approach

The EFA has published the [audit approach](#) for 16 to 19 study programmes. The scope of the EFA audits is to: gain assurance over the existence and eligibility of students recorded on the institution's ILR; confirm that the submitted funding ILR data is supported by documentation held by the institution; ensure compliance with funding requirements, including the condition of funding for maths and English; and form an opinion on funding recorded by the institution.

Apprenticeship funding

Government agrees apprenticeship levy funding deal with devolved administrations

On Monday this week government agreed a funding deal for the upcoming apprenticeship levy for Scotland, Wales and Northern Ireland. The deal will provide the devolved administrations with a population share of the Office for Budget Responsibility's latest apprenticeship levy forecast (published in March 2016) and the UK government will manage any difference between the levy forecast and actual levy revenues. This population-based agreement is consistent with the UK's general approach to sharing UK-wide revenues. Beyond 2019-20, once the levy is embedded, the normal operation of the Barnett Formula should provide a similar outcome. The devolved administrations will now decide how to allocate this funding to their devolved responsibilities.

Population share of levy funding (£m)	2017-18	2018-19	2019-20
Scottish Government	221	230	239
Welsh Government	128	133	138
Northern Ireland Executive	76	79	82

Register of apprenticeship training providers (RoATP): update

The SFA has posted replies to questions on the [e-tendering portal Bravo](#) about the register of apprenticeship training providers (RoATP) and the invitation to tender (ITT) to work with employers without a digital account so other providers can use these replies as a useful source of information as they submit your own application. Providers can post questions up to 5pm on Wednesday, 23 November to allow the SFA to answer questions before the e-tendering portal closes at 5pm on Friday, 25 November.

Reminder: your quick summary guide to all the latest apprenticeship news

We again bring you the latest information on apprenticeship funding, the levy, detailed funding rules, and the register of training apprenticeship providers (RoATP) along with Pearson summaries and relevant links, so everything is available in one place. The information covers:



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- Summary of key funding and levy proposals confirmed, and new announcements
- Register of apprenticeship training providers (RoATP)
- SFA webinars on the reforms
- Guidance on the register of apprentice assessment organisations, and new programme to tackle the shortage of end-point assessors
- Links to further information
- Pearson summaries

Summary of key funding and levy proposals confirmed, and new announcements

Confirmed

- Government and employer contribution for non-levy payers: 90% contribution from government to the cost of training for employers that will not pay the levy.
- 16-18 year-olds: additional £1,000 paid to employer and £1,000 to provider.
- Disadvantaged 19-24 year-old care leavers or with an LA EHC plan: additional £1,000 paid to employer and £1,000 to provider.
- Small employer contribution (< 50): 100% contribution from government to the cost of training for small employers that will not pay the levy and who take on apprentices who are 16-18, 19-24 year old care leavers or with an Education and Health Care Plan (EHC plan).
- English and maths: Flat rate of £471 for each subject to provider.
- Prior qualifications: employers can use levy funds /access co-investment to train individuals on apprenticeship at same or lower level than a qualification they already hold, if this allows the individual to acquire substantive new skills and the content of the training is materially different from any prior training or a previous apprenticeship.
- Transfer of digital funds: A commitment to introducing the ability for employers to transfer digital funds to other employers in their supply chains, sector or to Apprenticeship Training Agencies in 2018, with a new employer group to help government develop this system so that it works for employers.

New

- Higher funding bands for some STEM apprenticeship frameworks and apprenticeship standards: the original funding bands set in August 2016 have been increased for some STEM frameworks, and for some standards.
- 16-18 year-olds on frameworks: additional 20% of funding band maximum will be paid to the provider. This is a transitional measure and will be kept under review and reduced as more apprenticeship starts are on new standards.
- 19-24 year-old care leavers or with an LA EHC plan on frameworks: additional 20% of funding band maximum will be paid to the provider. This is a transitional measure and will be kept under review and reduced as more apprenticeship starts are on new standards.
- All disadvantaged learners: additional £600 for those on framework living in top 10% of deprived areas (as per IMD), £300 for those living in next 10%, £200 for those living in next 7%. In place for the first year and will be kept under review to 'ensure equal opportunity to all, regardless of circumstances'.
- Longer period of time for employers to spend funds in their digital account: 24 months, up from 18.

Links

- [Apprenticeship funding from May 2017](#): How apprenticeship funding for employers will work, including details of funding bands and the apprenticeship levy.



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- [NEW Apprenticeship technical funding guide for starts from May 2017](#): Sets out the technical details of the funding system used to fund apprenticeship frameworks and standards starting on or after 1 May 2017.
- [Apprenticeship funding and performance management rules 2017 to 2018](#): The draft rules that will apply to all apprenticeship provision funded by the SFA following the introduction of the apprenticeship levy.
- [Apprenticeship funding: how it will work \(the levy\)](#): Details of how employers will be affected by the apprenticeship funding system introduced from May 2017.
- [A revised apprenticeship funding calculator](#): to help employers understand what levy they will pay and how they could use the new digital service to plan and fund training.
- [SFA Digital blog](#): to help people keep up to date with the development of the Digital Apprenticeship Service (DAS).

Register of apprenticeship training providers (RoATP)

The RoATP opened for applications on 25 October 2016 after a delay to its opening which was originally planned for 3 October. The first selection of assured providers will be drawn from those who complete applications by 5.00pm on 25 November 2016.

The information also includes details of the procurement exercise the SFA are running for the delivery of apprenticeship training to employers that will not use a digital account to pay for apprenticeship training. Organisations interested in applying for this must apply to the RoATP main application route and complete the invitation to tender for the procurement. Both the RoATP application and invitation to tender must be submitted by 5.00pm on 25 November 2016, and for those successful in the procurement, contracts will begin on 1 May 2017 and end on 31 July 2018.

- [Working with the SFA as an apprenticeship training provider](#): Information for all providers who wish to offer apprenticeship training in England from May 2017 including existing providers as well as organisations that might wish to enter the apprenticeship training market.
- [Register of apprenticeship training providers](#): This series brings together guidance on how to apply to the register of apprenticeship training providers (RoATP).
- The [apprenticeship employer-provider guide](#): Explains what employers need to do to become an apprenticeship training provider.
- SFA presentations on YouTube to provide information and guidance: [register of apprenticeship training providers](#), and [invitation to tender: apprenticeship training delivery for employers without a digital account](#).

SFA webinars on the reforms

Colleagues may also be interested in the SFA [webinars](#) available for stakeholders on the latest information on the funding reforms.

Guidance on the register of apprentice assessment organisations, and new programme to tackle the shortage of end-point assessors

- [Register of apprentice assessment organisations, overview](#): information on the new register of apprentice assessment organisations for employers seeking an independent end-point assessment (EPA) organisation, and for potential applicants to the register.
- [New programme to tackle shortage of end-point assessors](#): funded by the DfE and commissioned by the ETF, with the aim of improving capacity to deliver independent EPAs in apprenticeships.



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[Links to further information](#)

- Justine Greening's (Secretary of State for Education and Minister for Women and Equalities) [written ministerial statement](#) on supporting apprenticeships.
- [Press release](#): New apprenticeship funding to transform investment in skills.
- [Research and analysis, The apprenticeship levy: how will employers respond?](#): research into how employers are likely to react to the introduction of the apprenticeship levy.
- [Research and analysis, Apprenticeships for 16- to 18-year-olds: the cost of providing](#): report comparing the cost of providing apprenticeships for 16-18 year-olds compared to those aged 19 and over. The research also looks into the amount these costs vary for different providers and employers.
- [Impact assessment: Apprenticeship funding from May 2017: equality analysis](#): analysis of the effect the new apprenticeship funding system will have on specific protected groups.
- [Apprenticeship evaluation 2015: learner and employer surveys](#): Results from the 2015 survey into the views and experiences of both employers and learners involved in apprenticeships.

[Pearson summaries](#)

The updated Pearson summaries are now all available on [Pearson Funding News](#):

- [161102 Funding Focus – Apprenticeship funding from May 2017](#)
- [161104 Funding Focus – Confirmed allocation of frameworks and standards to new funding bands from May 2017](#)
- [161103 Funding Focus – Comparing existing apprenticeship funding with new apprenticeship funding from May 2017](#)
- [161103 Funding Focus – The Apprenticeship levy from April 2017](#)
- [161111 Funding Focus – The new register of apprenticeship training providers \(RoATP\)](#)

ESF funding

[Levels 3 and 4 qualifications and components now eligible](#)

At the beginning of the funding year the ESF qualification and component offer on the [funding hub](#) matched the Adult Education Budget local flexibility offer and didn't include level 3 or 4 qualifications or components as the local flexibility offer only includes qualifications and components up to level 2.

The SFA have now expanded the ESF offer to recognise the need to support higher level skills delivery at levels 3 and 4. They have included a range of qualifications and this month the [funding hub](#) will also be updated to include components of these qualifications. The eligibility criteria for qualifications is that they must be under 15 credits or 150 GLH and meet the AEB local flexibility [qualification and component eligibility principles](#).

If you have any questions about Pearson qualifications and components eligible for ESF funding do contact funding@pearson.com

HE funding

[Professor Alison Wolf and the Education Policy Institute](#)

In a new report published this week: [Remaking tertiary education: can we create a system that is fair and fit for purpose?](#) Professor Alison Wolf, with supporting analysis by Education Policy Institute researchers,



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looks at the future of tertiary education in England. The analysis builds on her earlier report 'Heading for the Precipice', which highlighted the funding disparities between FE and HE and the implications for equity in educational outcomes. The new research shows that, within HE too, what is provided, and where, may be driven more by funding systems and social norms than the needs of the labour market, the characteristics of valuable training, or the interests of young people. The report looks at how the design of our education system may be costing more than necessary and producing sub-optimal educational outcomes and raises questions about the evidence base that underpins current policies for HE funding and expansion. Professor Wolf outlines an alternative to the current approach, and argues that the single most important policy change involves funding:

'We should create a single lifetime tertiary education entitlement, which can be drawn down as a loan in whatever instalments an individual pleases, whenever they wish, and used at any approved tertiary institution. An obvious maximum value would, in the immediate term, be the total amount which government currently sees as appropriate for a three-year full-time bachelor's degree.'

And that government should also:

'... update and redevelop the country's qualification framework so as to recreate a high-status public equivalent to the 'Higher National' qualifications created by its 1970s predecessors. These qualifications should provide a sub-degree tertiary route open to entrants from a wide variety of secondary programmes as well as adult entrants. They should be designed for flexible delivery through further education colleges, without direct university involvement, as well as by universities should they so wish.'

Higher Education Research Bill: Joint working between OfS and UKRI

This [factsheet](#) from the DfE and the BEIS sets out a range of specific provisions in the Higher Education and Research Bill to ensure joint working between the Office for Students (OfS) and UK Research and Innovation (UKRI) happens. Government sees joint working between these two organisations as vital to ensuring a coordinated and strategic approach to the funding and regulation of the HE system in England. It's a short (8-page document) and we are reporting on it as it's interesting to note that government expect the OfS to 'have a good understanding of the technical and academic skills needs of the economy and the health of provision to meet these, both now and into the future' and will need 'to ensure it is using its regulatory and funding levers where necessary to ensure those needs are met by HE providers.'

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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 11 November 2016](#)

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

- [The new register of apprenticeship training providers \(RoATP\)](#)
- [Apprenticeship funding from May 2017](#)
- [Confirmed allocation of frameworks and standards to new funding bands from May 2017](#)
- [Comparing existing apprenticeship funding with new apprenticeship funding from May 2017](#)
- [The Apprenticeship levy from April 2017](#)
- [Finding qualifications approved for the unemployed on the funding hub in 2016/17](#)
- [Adult funding – Overview, and where to find out more](#)
- [Advanced learner loans – Where to find out more](#)



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Expression of interest for Pearson apprenticeship delivery

Pearson plc is seeking to recruit one or more apprenticeship providers to deliver its in-house apprenticeship programme to its employees from April 2017 to July 2018 with the possibility of an extension. The programmes to be delivered will include intermediate, advanced, higher and degree apprenticeships across a range of frameworks and standards at five locations in the north-west, Essex and central London to between 50-100 apprentices per year.

Organisations wishing to be considered to deliver some or all of Pearson's apprenticeship requirements should request further information and a due diligence pack from pukapprenprog2017@pearson.com by **28 November 2016**.

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.