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Pearson UK – Funding News

25 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.

The main news this week is of course the Autumn Statement, but the message here is that there was little news for education and skills funding. The Chancellor, Philip Hammond, confirmed the investment in grammar schools, that the devolution agenda will be moving forward and in particular that the adult education budget will be devolved to London from 2019-20 subject to readiness conditions, He also announced an increase to the National Minimum Wage for apprentices from April 2017, and funding that will go to LEPs. We bring you a round-up below.

In other news the SFA remind providers that they can feedback on any aspect of the draft apprenticeship funding rules and confirm questions about apprenticeship funding for English, maths and learning support, have produced a self-assessment survey to help providers understand what they need to do to prepare for the apprenticeship reforms in May 2017, and remind providers that the first opening of the new register of apprenticeship training providers, and invitation to tender for apprenticeship contracts, both close today.

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

HM Treasury

- Autumn Statement 2016

Apprenticeship funding

- Feeding back on the draft apprenticeship funding rules, and apprenticeship funding for English, maths and learning support
- Apprenticeship readiness self-assessment survey
- Register of apprenticeship training providers, and invitation to tender: close today

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- Policy and funding updates
- Reminder: expression of interest for Pearson apprenticeship delivery



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HM Treasury

Autumn Statement 2016

There was very little said in respect of education and skills in this year's [Autumn Statement](#). One key announcement was that this would be Chancellor Philip Hammond's first and last. The Autumn Statement is traditionally the second of the two big economic statements made by the government every year after the Budget which happens in the Spring. The March Budget tends to outline taxation plans while the November Autumn Statement tends to focus on financial forecasts and spending. Starting next year the UK will have a Budget in the autumn, and a Spring Statement will be issued from 2018 and will be on a much smaller scale than the current Autumn Statement.

We have summarised the areas of interest for education and skills funding and will bring you more details of budgets as they emerge in coming weeks.

Overall spending

- Department expenditure limits will grow with inflation only and this has been extended for a further year to 2021.
- School, FE and HE budgets for 2017/18 will be announced in the coming weeks but given the limits, we won't see much, if any, new money.

Schools

- £50m of new capital funding confirmed to support the expansion of existing grammar schools in each year from 2017-18. (This isn't a new announce)
- The government will publish draft legislation for the Soft Drinks Industry Levy on 5 December. Important as the plan is to invest the levy money in schools. It is expected to raise £0.5bn in each year 2018-19, 2019-20, 2020-21, and 2021-22.

Apprenticeships

- The funding the levy is planned to bring in is again set out: 2.6bn, 2.7bn, 2.8bn, 2.9bn, and 3.0bn in 2017-18, 2018-19, 2019-20, 2020-21, and 2021-22 respectively.
- The National Minimum Wage (NMW) will be increased for apprenticeships from £3.40 to £3.50 per hour from April 2017. The other NMW rates will also be increased and apply from April 2017: for 21 to 24 year olds the rate will be increased from £6.95 to £7.05 per hour, for 18 to 20 year olds from £5.55 to £5.60, for 16 to 17 year olds from £4.00 to £4.05.

Devolution and localism

- The government remains committed to devolution and will look to devolve further powers (which could include adult skills) where possible.
- Confirmation that the adult education budget will be devolved to London from 2019-20 subject to readiness conditions, and government will continue to work with London to explore further devolution of powers over the coming months.
- Work will continue on the development of a second devolution deal with the West Midlands Combined Authority.
- The budget for the Work and Health Programme will be transferred to London, and to Greater Manchester, subject to the two areas meeting certain conditions.
- £1.8bn will go to Local Enterprise Partnerships (LEPs) across England through a third round of Growth Deals. £556m will go to the North of England, £392m to LEPs in the midlands, £151m to the



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east of England, £492m to London and the south east, and £191m to the south west. Awards to individual LEPs will be announced in the coming months. The aim of this funding of local infrastructure is to improve transport connections, unlock house building, boost skills, and enhance digital connectivity.

- Mayoral combined authorities will be given powers to borrow for their new functions, which will allow them to invest in economically productive infrastructure, subject to agreeing a borrowing cap with HM Treasury.
- A consultation will be held on lending local authorities up to £1bn at a new local infrastructure rate to support value for money infrastructure projects.
- An [Independent review of the northern powerhouse schools strategy](#) has been published alongside the Statement. Sir Nick Weller's independent review of education in northern England is an in-depth assessment of the issues affecting education in northern England and recommendations to raise educational attainment, and written to inform the northern powerhouse schools strategy.

Industrial strategy

- The Chancellor said that the Autumn Statement provides the 'financial backbone' for the government's forthcoming Industrial Strategy which will set out the broader framework for government and business to work together to address key economic challenges such as building the skills base the economy needs and turning ideas into commercial success. We expect a Green Paper on the Industrial Strategy before Christmas and a White Paper early next year.
- A summary of how things are looking so far can be found in this [House of Commons briefing paper](#).

Management skills

- £13m will go to support firms' plans to improve their management skills by implementing Sir Charlie Mayfield's review of business productivity.

Research and development

- The National Productivity Investment Fund will provide an additional £4.7 billion by 2020-21 in R&D funding and the extra £2bn a year by the end of this Parliament is an increase of around 20% to total government R&D spending.
- Through the NPIF the government will fund the Industrial Strategy Challenge Fund (cross-disciplinary fund to support collaborations between business and the UK's science base) and Innovation, applied science and research (additional funding allocated to increase research capacity and business innovation).

Digital communications

- Over £1bn will be invested by 2020-21 targeted at supporting the market to roll out full-fibre connections and future 5G communications.
- This will be delivered through £400m for a new Digital Infrastructure Investment Fund, a new 100% business rates relief for new full-fibre infrastructure for a 5 year period from 1 April 2017, providing funding to local areas to support investment in a much bigger fibre 'spine' across the UK, and providing funding for a coordinated programme of integrated fibre and 5G trials.



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Apprenticeship funding

Feeding back on the draft apprenticeship funding rules, and apprenticeship funding for English, maths and learning support

The SFA published the draft [Apprenticeship funding and performance management rules 2017 to 2018](#) at the end of October and these are 'draft' as the SFA has been inviting feedback from employers and providers to improve the clarity of the rules. They have recently said that they have been asked about apprenticeship funding for English, maths and learning support and have confirmed that to deliver these within apprenticeships, providers need to be on the Register of Apprenticeship Training Providers. The SFA will publish the next version of the rules in early 2017. To feedback on any aspect of the draft rules email FundingRulesQueries@sfa.bis.gov.uk

Apprenticeship readiness self-assessment survey

The SFA has launched a [self-assessment survey](#) to help providers of apprenticeships understand what they need to do to prepare for the apprenticeship reforms in May 2017. The survey is open until Friday 16 December. Completing the survey will enable providers assess progress towards being ready for the reforms. The results will also help the SFA identify any further support you might need to make sure you are ready to provide apprenticeships to employers paying the levy, and those accessing the co-investment model. Questions about the survey can be sent to providerreadiness@sfa.bis.gov.uk

Register of apprenticeship training providers and invitation to tender: close today

The first opening of the [register of apprenticeship training providers \(RoATP\)](#) closes today for providers who want to be the first to be approved to offer apprenticeships from May 2017. The new register will open four times a year for new applications and the SFA plan to reopen the register for applications as soon as the results from the first round are available. Organisations that want to deliver apprenticeship training from May 2017, must successfully apply. This includes those that were successful in the recent higher/degree level procurement exercise, and subcontractors where total contracts will be £100,000 or more per year.

The [procurement for apprenticeship delivery](#) for smaller employers who will not pay the levy also closes today. Applicants for the procurement will also need to apply to the main application route of the [register of apprenticeship training providers \(RoATP\)](#) and, if successful in the procurement, will be awarded a contract.

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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](#)



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- [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](#)

Reminder: [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)
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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.