



Pearson

## Pearson UK – Funding News

2 December 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 news of the PAC (Public Accounts Committee) report on the apprenticeship programme which raises concerns about the risks that might arise as a result of the levy, details of the revision to levy forecasts seen in the Autumn Statement last week, a short fact sheet for employers on apprenticeship reform, a note from the SFA on the contract variations they will make to fund all learners who start an apprenticeship on or before 30 April 2017 to align with the introduction of the apprenticeship levy from 1 May 2017, and an update to the learning aims search on the funding hub.

Lastly, we bring you the usual Pearson round-up, and news of free events and webinars from Pearson on apprenticeship reforms.

### House of Commons

- Committee of Public Accounts: The apprenticeships programme

### Apprenticeship funding

- Levy forecasts
- Short factsheet for employers on apprenticeship reform
- Variation to funding agreements 2016 to 2017

### The funding hub

- Update to learning aim search

### Pearson

- Policy and funding updates
- Free events and webinars from Pearson on apprenticeship reforms



## House of Commons

### Committee of Public Accounts: The apprenticeships programme

The House of Commons Public Accounts Committee published their [report into the apprenticeships programme](#) this week. This Committee scrutinises the value for money of public spending and the key message on funding is a concern about the risks associated with the introduction of the levy. The committee is not convinced the DfE has thought through the range of risks that might arise and how it will combat them: the system may encourage some to behave in ways that work against the objectives of the programme, for example, employers and training providers might collude to recover and share levy funds while offering little or no genuine training. The six key conclusions and recommendations in full:

Conclusion	Recommendation
The programme involves more than just increasing apprentice numbers, but this is the only outcome the DfE is monitoring.	The DfE should publish, and regularly report on, a broader range of success measures, both at local and national level. These measures should include whether apprentices move on to higher apprenticeships, whether successful apprentices benefit from increased earnings, and whether the programme is delivering improved access to under-represented groups across all occupations.
The development of new apprenticeship standards is taking longer than expected and some may not meet the needs of certain sectors and employers.	The DfE should streamline the process for devising, implementing and reviewing standards. We expect the DfE to report back within the year on progress against its target of having all apprenticeship starts covered by the new standards by 2020.
It is not clear how the Institute for Apprenticeships (IfA) will operate and whether it will have the capacity and capability to fulfill its functions.	The DfE must clarify the intended role of the IfA as quickly as possible, alongside that of existing oversight bodies. This should include setting out who is responsible for the success of the programme, who has the power to intervene when value is not being delivered, and who takes the lead if the programme is not working as planned.
There are risks associated with the new method of funding apprenticeships by means of a levy on large employers.	The DfE, working with the various oversight bodies, needs to systematically identify the full range of risks associated with potential abuse of the system and ensure that they are addressed from the start. It should be clear who is responsible for managing the risks, detecting problems as they arise, and taking action quickly should concerns emerge.
The DfE has not done enough to engage with Small and Medium sized Enterprises (SMEs).	The DfE should engage more actively with SMEs to improve awareness of the value that apprenticeships can bring them, and to identify and address the factors that may deter engagement. The DfE needs to ensure that SMEs are able to play an active role in the development of new standards.
The value of apprenticeships, in terms of improved earnings and career progression, is not sufficiently clear to prospective apprentices and their parents.	The DfE needs to make better use of the data it has to communicate the value of apprenticeships to potential apprentices, schools and careers services.



## Apprenticeship funding

### Levy forecasts

As reported in last week's Funding News, this year's [Autumn Statement](#) set out the funding the levy is planned to bring in. The figures, produced by the OBR for the Autumn Statement, have been revised down since March 2016, which in turn, had been revised down since November 2015. Given the decrease the [AELP](#) has expressed concern over the fact that government hasn't given assurances that a minimum fixed budget will be allocated to non-levy payers for the next 5 years irrespective of how much money is left for them in the levy pot.

£ billion, forecast	2017-18	2018-19	2019-20	2020-21	2021-22
<b>OBR Economic and fiscal outlook <a href="#">November 2015</a></b>	2.7	2.8	3.0	3.1	No figure
<b>OBR Economic and fiscal outlook <a href="#">March 2016</a></b>	2.7	2.8	2.9	3.0	No figure
<b>OBR Economic and fiscal outlook <a href="#">November 2016</a></b>	2.6	2.7	2.8	2.9	3.0
	<b>-£100m</b>	<b>-£100m</b>	<b>-£200m</b>	<b>-£200m</b>	<b>-</b>

### Short factsheet for employers on apprenticeship reform

The SFA has published a [two-page factsheet](#) with key information for employers on the apprenticeship reforms. It provides a brief summary of the new standards, and explains what functions will be available for levy-paying employers and non-levy paying employers from the digital apprenticeship service.

### Variation to funding agreements 2016 to 2017

The SFA has announced that they will shortly be issuing contract variations to confirm they will fund all learners who start an apprenticeship on or before 30 April 2017 to align with the introduction of the apprenticeship levy from 1 May 2017. Currently all funding agreements with providers state that the SFA will not fund any learners starting an apprenticeship after 1 April 2017. They advise providers and colleges to contact their business operations provider manager for further information.

## The funding hub

### Update to learning aim search

The funding [hub](#) provides online services for colleges, training organisations and employers that have a funding agreement to provide education and training with the SFA or the EFA. A key function of the hub is of course the [learning aims search](#) which shows provision eligible for funding.

The SFA has updated the search functions for learning aims on the funding hub including the new funding band information for apprenticeship starts from 1 May 2017. Further information on this and other developments can be found in the latest updates on the hub:

- [Table and field definitions for 2016 to 2017](#)
- [Learning aims search guidance](#)



# Pearson

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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 25 November 2016](#): The end of the Autumn Statement, career swaps and Ofsted. Policy Eye on the latest week in education.

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](#)

### Free events and webinars from Pearson on apprenticeship reforms

Pearson is running a series of [free events and webinars](#) to help you understand and prepare for the changes to the apprenticeships world.

We will shortly be announcing **Sector Launch events** (top of page) which will be running in 2017. These events will give you information around our offer, end point assessment and funding, as well as information on our resources including a new online learning and assessment tool. We will be running events in: Business, Health and Social care, Childcare, Logistics, and Retail, Hospitality and Catering, and will take place in 3 locations: Manchester, Birmingham, and London.

We have also been running a series of **Insight webinars** (bottom of page) designed to shine a light on some of the more cloudy areas of apprenticeship reform. The next one will be on progress towards the new funding regime and will be held on Tuesday 6 December 2016, at 4-5pm. You can sign up [here](#), and find materials and recordings from past events [here](#).

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