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Pearson UK – Funding News

16 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 the schools funding news that the EFA has confirmed when schools will receive their 2017/18 funding settlements, the NAO has published their report on the financial sustainability of schools, and DfE has launched their second stage consultations on the national funding formula for schools and high needs. In apprenticeship funding new HMRC has released a consultation for levy paying employers on the draft regulations for the apprenticeship levy, and we bring you a reminder that the SFA's apprenticeship readiness self-assessment survey closes today.

In wider funding news the Education and Training Foundation has received additional funding to continue their work to support the skills system, and the latest report from the Skills Commission calls for further development of the devolution agenda in order to boost regional employers, SMEs and providers' links, and fill skills gaps specific to regions.

As usual, we provide a round-up of the latest from Pearson: policy and funding updates, and information about the free events and webinars we are running to help you understand and prepare for the apprenticeship reforms.

Schools funding

- Schools revenue funding settlement 2017/18
- NAO report on financial sustainability of schools
- National funding formula for schools, and high needs: second stage consultations

Apprenticeship funding

- HMRC consultation on draft regulations for the apprenticeship levy
- Apprenticeship readiness self-assessment survey – closes today

Funding to support the skills system

- Funding awarded to Education and Training Foundation

Funding and devolution

- Skills Commission report: Creating locally owned and driven devolution

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



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Schools funding

Schools revenue funding settlement 2017/18

The EFA will publish 2017/18 local authority allocations for the dedicated schools grant (DSG) and the education services grant (ESG) transitional grant, and confirm the arrangements for ESG protection for academies for 2017/18, by 20 December.

NAO report on financial sustainability of schools

The NAO published their report on the [financial sustainability of schools](#) on Wednesday this week. The report finds 'the government's approach to managing the risks to schools' financial sustainability cannot be judged to be effective or providing value for money until more progress is made'.

The Department's overall schools budget is protected in real terms but does not provide for funding per pupil to increase in line with inflation. The DfE estimates that mainstream schools will have to find savings of £3.0 billion (8.0%) by 2019-20 to counteract cumulative cost pressures. The NAO found that the DfE has not clearly communicated to schools the scale and pace of the savings required and does not know whether schools will achieve them in practice. Amyas Morse, head of the National Audit Office, 14 December 2016 is quoted: 'The DfE is looking to schools to finance high standards by making savings and operating more efficiently but has not yet completed its work to help schools secure crucial procurement and workforce savings. Based on our experience in other parts of government, this approach involves significant risks that need to be actively managed. Schools could make the 'desirable' efficiencies that the DfE judges feasible or could make spending choices that put educational outcomes at risk. The DfE, therefore, needs effective oversight arrangements that give early warning of problems, and it needs to be ready to intervene quickly where problems do arise.'

David Hughes from the AoC highlights in his latest [blog](#) the impact school finances can have on the entire education system: '...decisions taken by schools to bring budgets back into balance may affect student achievement'. He highlights concerns that secondary school spending cuts may result in fewer young people achieving success by 16, and the DfE may be tempted to raid post-16 budgets to tackle overspending in schools.

National funding formula for schools, and high needs: second stage consultations

On Wednesday this week the DfE launched the second stage of its consultations on the national funding formulae (NFF) for [schools](#) and [high needs](#). The consultations set out the detailed proposals for factor weightings and include illustrative data to show the impact of the proposals for each school and local authority (LA). The consultation will close on 22 March 2017.

Apprenticeship funding

HMRC consultation on draft regulations for the apprenticeship levy

HMRC have released a technical [consultation on the draft regulations](#) which cover the calculation, reporting, payment and recovery of the apprenticeship levy which will be of interest to levy paying employers. Draft regulations were subject to consultation in the autumn and amendments have been made in response to comments received. The consultation closes on 3 February.



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Apprenticeship readiness self-assessment survey – closes today

In Funding News on 25 November we brought you news of the SFA's [self-assessment survey](#) to help providers of apprenticeships understand what they need to do to prepare for the apprenticeship reforms in May 2017. Completing the survey will help providers assess how ready they are for the reforms and help the SFA identify further support providers might need to make sure they are ready to provide apprenticeships to employers paying the levy, and those accessing the co-investment model. The survey **closes today**. Questions about the survey can be sent to providerreadiness@sfa.bis.gov.uk

Funding to support the skills system

Additional funding for the Education and Training Foundation

At the end of last week the DfE announced that a [further £5 million has been awarded to the Education and Training Foundation \(ETF\)](#) to 'continue their work to ensure further and technical education is of the highest quality'. The funding will allow ETF to continue to support colleges in delivering the recommendations set out by the area review programme and continue to providers to expand apprenticeships and prepare for the introduction of new technical routes. This comes on top of the £24 million that has already been awarded to the foundation this year to support their work to improve the standards of teaching and learning in the further education sector. On 8 December, alongside the publication of their second annual review, the ETF announced [ten new projects](#) to support the sector through Skills Plan challenges.

Funding and devolution

Skills Commission report: Creating locally owned and driven devolution

The launch of the latest Skills Commission report, [Going Places: innovation in further education and skills](#), was held last week. The report was written after a 10 month inquiry spanning the UK and focuses on the innovative practices colleges are engaging with, and the potential devolution has for making innovation more widespread across the system. Barry Sheerman MP and Dame Ruth Silver co-chair the commission and this particular inquiry was chaired by Neil Bates, Principal and CE of Prospects College of Advanced Technology. Funding devolution is at the heart of the 17 recommendations made to 'enable the best to become very best'.

The report calls for the DfE, EFA and SFA to review whether exemptions could be made to funding conditions or statutory requirements where they limit the development of flexible and bespoke delivery models, devolution settlements to be full, funding for devolution to be based on an area's capability and ambition, not solely on population density or the number of large businesses, and for providers to be better able to use their funds to invest in the future; for example the SFA should review funding arrangements so they are less retrospective and can encourage growth, especially in apprenticeship provision.



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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 Watch on the latest week in education](#): From PISA to poverty indicators, Policy Eye reports on another busy week in education.
- [Policy Tracker – Keeping track of what happened in the world of education in November 2016](#): A busy month of reports, speeches and key education headlines.

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

- [Updated – BTEC Firsts and Nationals – Funding in 2016 17](#)
- [Apprenticeship funding – Overview, and where to find out 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](#)

Reminder: Free events and webinars from Pearson on apprenticeship reforms

Pearson is running a series of [free events and webinars](#) to help you prepare for apprenticeship reform.

We will shortly be announcing **2017 Sector Launch events** (top of the [page](#)). These events will explain our offer, end-point assessment, and 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 these will take place in Manchester, Birmingham, and London.

We have also been running a series of **Insight webinars** (bottom of the [page](#)) designed to shine a light on some of the more cloudy areas of apprenticeship reform. The 2016 series of events have come to an end but you can sign up [here](#) to be kept up-to-date with plans for 2017 events and access the recordings and materials from past webinars here. The 2016 events cover:

- #1. New apprenticeships, the story so far.
- #2. New standards, new delivery challenges.
- #3. Targeting and winning employer clients.
- #4. A new approach to apprenticeship funding.
- #5. Opportunities for employers in new apprenticeships standards.
- #6. Progress towards the new funding regime.

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