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Pearson UK – Funding News

27 January 2017

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 SFA published the draft funding and performance management rules 2017/18, the funding rates and formula 2017/18, and updated the process for adding components/units to the 2016/17 local flexibility offer. In apprenticeship news the response to the consultation on targets for public sector bodies has been published, updated guidance is available on paying the levy, and the SFA will shortly issue AGE funding statements. In wider news the Industrial Strategy, and the Institute for Apprenticeships Draft Operational Plan have been released; both are open for consultation.

Department for Business, Energy & Industrial Strategy

- Consultation on the industrial strategy

Institute for Apprenticeships

- Consultation on draft operational plan
- Board members announced

Apprenticeship funding

- Apprenticeship targets for public sector bodies: government consultation response
- Updated guidance on paying the apprenticeship levy, and testing and release of the digital apprenticeship service
- Apprenticeship grant for employers (AGE) facilities

16-19 funding

- 16-19 funding and how it works: updated guidance

Adult funding

- Draft funding and performance management rules 2017/18
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- £100,000 pot available for providers to develop employer partnerships

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- Policy and funding updates



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Department for Business, Energy & Industrial Strategy

Consultation on the industrial strategy

This week BEIS launched the [Industrial Strategy](#), and the accompanying consultation which closes on 17 April. The strategy sets out ten 'pillars' in ten chapters: investing in science, research and innovation; developing skills; upgrading infrastructure; supporting businesses to start and grow; Improving procurement; encouraging trade and inward investment; delivering affordable energy and clean growth; cultivating world-leading sectors; driving growth across the whole country; and creating the right institutions to bring together sectors and places.

The key section for education and skills is Chapter 2. It proposes the creation of a new system of technical education, and clear, high quality routes for technical education (which endorses the post-16 skills strategy); the development of high quality technical education providers with excellent teaching, and higher level technical education and new Institutes of Technology in all regions (with a commitment of £170m in capital funding); ensuring technical education routes are demanding; and the creation of a course-finding process for technical education similar to the UCAS process. It also proposes action to improve basic skills, address STEM skills shortage, identify and address sector-specific skills gaps, publish a comprehensive strategy later this year for careers information, advice and guidance, and test new approaches to lifelong learning.

Other areas of interest to the education and skills sector come under the chapter on cultivating world-leading sectors, where sector deals are currently proposed in five key areas (life sciences, auto-manufacturing, industrial digitalisation, nuclear industry, and the creative industries); the chapter on creating the right institutions to bring together sectors and places, which explains how government will work with LEPs to review their role in delivering local growth and examine how best practice can be spread, and the chapter on driving growth across the whole country, which goes into further detail about working towards a joined-up, authoritative view of the sector specific skills gaps that the UK faces now and in the future.

Institute for Apprenticeships

Consultation on draft operational plan

The DfE has launched the [consultation on the draft operational plan for the Institute for Apprenticeships](#) which will launch in April 2017, and expand its remit to include technical education in April 2018. This follows on from the [draft strategic guidance](#) which was published on 4 January 2017 and outlines the Institute's core functions (and is open for consultation until 31 January).

The draft plan covers reforms to improve the quality of apprenticeships, regulating the quality of apprenticeship standards and assessments, collaborating with partners to drive quality across the apprenticeships system, leading the reforms to technical education, and implementing the new system. The consultation format is open and the deadline for responses is 27 February.

Board members announced

Alongside the draft operational plan DfE also announced the [8 board members](#) of the Institute for Apprenticeships. A Chair (Antony Jenkins is currently Shadow Chair) and a Chief Executive (Peter Lauener is currently Shadow Chief Executive) will also be appointed.



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The board will be supported by a number of sub-groups: a Stakeholder Group, to help access the wider expertise that the apprenticeships sector has to offer; an Assessment Committee comprised of senior Institute officials and led by a designated Board member, to review any significant concerns that are reported from the external quality assurance of end point assessments; 15 sector-based Route Panels of industry experts, to review and approve apprenticeship standards and assessment plans, and provide a strategic perspective across each route; an apprentice panel made up of apprentices from different occupations and experiences, to ensure input from apprentices; Peer Reviewers, to review new apprenticeship standards and assessment plans, and Trailblazer Groups of employers that come together to propose and develop standards and assessment plans.

Apprenticeship funding

Apprenticeship targets for public sector bodies: government consultation response

On 20 January the DfE published the [response to the consultation](#) on apprenticeship targets for public sector bodies. The consultation set out that the DfE would use the ONS classification for public sector organisations for National Accounts as a starting point for determining organisations in scope; that the duty would apply to public bodies that have 250 or more employees in England; and that the target would be for a minimum of 2.3% apprenticeship starts each year, based on the number of employees working for a body in England.

The response confirms that the DfE will retain headcount as the basis for the target but introduce flexibility by making the target an average from 2017/18 - 2020/21 inclusive, and introduce the target from April 2017 to coincide with the introduction of the apprenticeships levy and the IfA.

Updated guidance on paying the apprenticeship levy, and testing and release of the digital apprenticeship service

The DfE has updated their [guidance on paying the apprenticeship levy](#). It includes information on accessing levy money using the apprenticeship service, employers who operate in England and other parts of the UK, expiry of funds in the apprenticeship service account, directing funds in an apprenticeship service account to another employer, buying apprenticeship training, what apprenticeship funding can be spent on, and eligibility for training.

The SFA are working with some employers to test the service before inviting all levy-paying employers to register in February 2017. The updated guidance includes advice to employers about what they can do to prepare. A [presentation](#) from the SFA is available explaining the main features of the digital apprenticeship service.

Apprenticeship grant for employers (AGE) facilities

The SFA will shortly issue funding statements setting out the amount of funding available to colleges and training organisations for AGE eligible starts during the period January to April 2017. Statements will be issued through [the Hub](#). They will also shortly publish an updated version of the [Apprenticeship frameworks funding and AGE performance-management rules](#) which sets out the rules for funding, including the evidence required to support funding and the operational performance-management rules). The arrangements for AGE from May 2017 will be made available in the near future.



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16-19 funding

[16-19 funding and how it works: updated guidance](#)

The EFA has updated their [useful overview of 16-19 funding](#) to reflect current allocation year. The page provides an overview of how the EFA calculate post-16 funding and links to further information.

Adult funding

[Draft funding and performance management rules 2017/18](#)

The SFA has published a draft of the [Adult Education Budget funding and performance management rules 2017/18](#). The document sets out the draft rules that will apply to all adult education budget funded provision for the 2017 to 2018 funding year.

[Funding rates and formula 2017/18](#)

The SFA has published the [Adult education budget: funding rates and formula 2017/18](#). The document describes how the SFA calculate formula-funded earnings for the adult education budget, 16 to 18 traineeships and learning support for these programmes.

[Process for adding components/units to the 2016/17 adult education budget local flexibility offer](#)

The SFA has published new [guidance for awarding organisations \(AOs\)](#) on how and when the SFA will add components/units to the local flexibility offer for the remainder of 2016/17. The new process means from now on awarding bodies will let the SFA know which units should be made available and this will be done on a quarterly basis. The first deadline for awarding bodies to submit information is 14 February and these will be considered as part of the Hub update in week commencing 6 March 2017. Colleges and other training organisations must check before delivering a component that it is eligible for funding on the Hub. The new process does not affect units already approved for funding for 2016/17.

[Independent training provider contracts: no automatic renewal](#)

The SFA has written to all existing independent training providers about the changes in [public contract regulations](#) which affect their contracts to deliver the adult education budget (AEB). The changes mean the SFA cannot automatically renew all contracts at the end of the current contracting term. At the beginning of February the SFA will launch a competitive procurement exercise using the funding released from these contracts and this will be open to all eligible organisations on the Register of Training Organisations. The SFA will write to providers again next week about these arrangements and the plans for 2017/18.

ETF, AoC, and AELP

[£100,000 pot available for providers to develop employer partnerships](#)

The ETF have launched a [£100,000 programme](#) to help boost provider partnerships with employers. Post-16 providers can apply for funding to run their own projects from March until September 2017. The invitation to tender will launch on Friday 27 January.



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The initiative is part of the ETF's Teach Too programme, and is being delivered under contract by the AoC in partnership with the AELP and HOLEX. The aim is to encourage industry experts and current teaching practitioners to spend time together to help ensure off-the-job vocational education and training is as up to date as possible with current work practices.

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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 20 January 2017](#)
- [Policy Eye - Highlights of week ending Friday 13 January 2017](#)

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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.