

Sector Update

Funding Summary June 2018

Prepared by Rob George | rob@rgfe.co.uk | 07931 843000

in association with Smart Apprentices | www.smartapprentices.com

Appendices;

1. Lord Committee post 16 report
2. Apprenticeship funding rules August 2018 to July 2019

Introduction

We have seen the publishing of Apprenticeship and AEB funding rules for 2018/19 together with the final suite of documents for 16-19, details can be found below.

Letters have been sent to providers outlining the arrangements for devolution of AEB for 2019/20. Traineeships remain as a national programme and are thus unaffected by this.

Still no resolution on when the ESFA will be paying for January to March 2018 overperformance on non-levy apprenticeship funding? My sources tell me that the ESFA are working to resolve this quickly.

Apprenticeship funding rules 2018 to 2019

These documents set out the funding rules for employers, employer-providers and training providers. The funding rules cover the period August 2018 to July 2019 and apply to all apprenticeship programmes starting on or after 1 August 2018. This includes both apprenticeship frameworks and standards.

The apprenticeship performance-management rules from the training provider rules (annexes B to D in version 6 of the 2017 to 2018 funding rules) will continue to apply as the performance-management rules run until March 2019.

We are issuing these funding rules as an initial version to give you the opportunity to provide feedback on how we can make them clearer or better understood. Please email any suggestions to fundingrules.comments@education.gov.uk by Monday, 2 July. Following a review of any feedback, we will then issue a final version of the rules in July to reflect any areas of clarification.

<https://www.gov.uk/government/publications/apprenticeship-funding-rules-2018-to-2019>

Performance management point on procured non-levy contracts

Early in July we will provide an update on the details of the next performance management point on procured non-levy contracts. This is slightly later than the original timeline of 22 June.

Transferring apprenticeship levy funds to another employer

If an employer who pays the apprenticeship levy doesn't plan to use all of the funds in their apprenticeship service account, they can now make a transfer to another employer to support them in taking on apprentices.

Transfers are the first big flexibility we are offering to employers to help make apprenticeships work better for everyone, enabling larger employers to support other employers in their supply chain, sector or local area.

Use the links below for more information:

- [Transferring apprenticeship service funds](#)
- [Preparing for transfers blog](#)
- [Support videos on using the apprenticeship service](#)

<https://www.gov.uk/guidance/transferring-apprenticeship-service-funds>

AEB funding and performance management rules 2018 to 2019

Changes as detailed below, however some odd amendments relating to growth as pasted below;

300. In autumn 2018, we will review your 2018 to 2019 contract value against your 2017 to 2018 outturn. We will offer to increase your 2018 to 2019 contract value to a level that is line with your 2017 to 2018 outturn if funds are available (subject to you meeting our track record criteria).

301. If significant new funding becomes available in-year that would make a material difference to individual provider contract values, we will give all providers the opportunity to request growth. We will do this using the growth request process we have used in previous years and by applying the criteria at paragraphs 303.1 to 303.6. We will notify you in good time if we plan to launch a growth request process.

We have published version 2 of the adult education budget (AEB) funding and performance management rules 2018 to 2019.

The main changes from version 1, published May 2018 is the inclusion of:

- Performance management included in section 3
- Amendments to low wage flexibility regarding evidence and wage threshold requirements
- Status under section 67 of the Immigration Action 2016 leave (Dubs amendment)

The rules apply to all providers of education and training who receive AEB funding through the ESFA.

We will be holding a webinar on Monday, 16 July at 10.15am to 11.30am to introduce the revised rules and the changes for 2018 to 2019, please register with Eventbrite to confirm your place.

Smart Assessor has a new 'off the job' calculator, which shows when the 20% off the job training has been completed per main aim in the course.

The overview tab has a graphical information display that shows all of the off the job training completed per main aim course, whilst the main aim course tab also shows a summary of the off the job training percentage completed.

Overview Motor Vehicle Servic... Edexcel Functional S... Edexcel Functional S... +

Welcome
Johnny Learner

Last Login Date : 02/07/2018 12:32
Overall Status: 0% 0% 7%

0% 100%
Criteria Completed Criteria Remaining

not.a. CV
No CV Created yet

Motor Vehicle Service and Maintenance Technician LV 59 (4.46%)
Percentage Off The Job
Time Log

New Docs to Sign (2)

You have 541 days until the completion of your course

Actions & Activities (0)

12 Jul - 9:00AM

Svle Smart Virtual Learning Environment (0)

Wellbeing (4)

Planning and preparing for adult education budget devolution

In March this year, we issued providers with their adult education budget allocations (AEB) for the 2018 to 2019 year. This contained important information about how AEB allocations for 2019 to 2020 will change because of devolution.

This week, we will be writing to AEB providers again, giving more detail on how we will calculate 2019 to 2020 ESFA non-devolved AEB allocations and how changes to AEB may affect them from 2019 onwards. To further support providers, we will publish a narrated presentation this summer, covering the technical aspects of ESFA non-devolved allocations.

We will write to all providers in December 2018 with more details on ESFA non-devolved AEB allocations. We will issue ESFA non-devolved AEB allocations, before the end of March 2019.

Advanced learner loans: funding information letter templates 2018/19

Before applying for an advanced learner loan learners must engage with a college or training organisation to establish the availability of a place on an appropriate course.

The learning and funding information letter is an essential stage in the learner journey for prospective learners over the age of 19, who are considering investing in further education with an advanced learner loan. Colleges and training organisations should issue the letter as part of their discussion with learners when they are considering their funding options.

The template contains all the data information required by a learner to complete an advanced learner loan application. The information on the templates is consistent with the application forms and is in the same order.

<https://www.gov.uk/government/publications/24-advanced-learning-loans-funding-information-letter-templates>

Submission of external assurance on subcontracting controls certificates by providers and employer-providers who deliver adult provision, including apprenticeships and traineeships

You must send your completed certificates for 2017 to 2018 to CF1718.SUBCONTRACTING@education.gov.uk by Friday, 14 September. You can find information about this requirement in the updated guidance document alongside the certificate proforma on GOV.UK.

<https://www.gov.uk/government/publications/providing-external-assurance-on-subcontracting-controls>

Qualification achievement rates (QARs) 2017 to 2018 – in-year data release

For 2017 to 2018, there will be an additional release of QAR data at the end of June 2018.

This new, in-year QAR release will provide indicative apprenticeship and education & training QARs based on the 2017 to 2018 Individualised Learner Record (ILR) R10 data. Providers can use this data internally to identify and resolve potential data issues prior to the ILR R14 hard close on 18 October 2018.

We will publish this data on the Hub and through an additional Business Intelligence dashboard. The 2016 to 2017 QAR data will continue to be available in the current QAR dashboard.

We will release provisional QAR data for 2017 to 2018 to individual providers in January 2019, and then publish final QAR data in March 2019.

<https://www.gov.uk/government/collections/qualification-achievement-rates-and-minimum-standards>

Qualification achievement rates and minimum standards

We have released the in-year Qualification Achievement Rate (QAR) data for 2017 to 2018 on both the Hub and through the Business Intelligence (BI) dashboards. The in-year QAR briefing and this webpage provide details about this data release and accessing the dashboard.

We have also published the QAR data extract guidance for 2017 to 2018 and the BI dashboard guidance on this webpage. To access the data, please ensure you have the correct IDAMS user access. Please see the IDAMS user guides for creating access or checking your user permissions.

Deadline for T level data collection approaching

We would like to remind providers the T Level data collection deadline is midnight on 6 July. The data collection will gather information to inform T Level implementation and inform future provider support programmes. We are asking all providers who plan to offer T Levels to supply the requested information. You can find full guidance on how to complete the data collection on GOV.UK.

Funding guidance for young people: sub-contracting controls

2018 to 2019 Subcontracting control guidance changes:

This guidance has been reviewed and substantially revised to make it easier to use and to strengthen requirements in a number of areas in response to issues identified in recent investigations. Concerns relate to the robustness of controls exercised by some funded institutions, the extent to which students on subcontracted provision receive the full entitlement and the attention paid to ensuring students are safeguarded. These concerns are exacerbated where the whole of a student's programme is subcontracted and where the delivery is at a distance from the directly funded institution. This is often the case where subcontracted provision in sport is delivered alongside sports academy/sports club activities. It is essential that the delivery of the ESFA funded programme and the delivery of the academy/club's activities are distinct from each other and that students understand the rules and requirements pertaining to each. In the document the individual improvements to the guidance are highlighted at the end of the summary.

16 to 19 funding guidance for academic year 2018 to 2019

We have published the final 2 16 to 19 funding guides for academic year 2018 to 2019:

- 16 to 19 ILR funding returns guide
- 16 to 19 subcontracting controls guide

We have revised the guides, in particular the subcontracting guide and made a number of significant clarifications that all institutions should be aware of.

These guides outline the main features of the 16 to 19 funding arrangements for 2018 to 2019. The guidance books are an integral part of our funding agreements and contractual arrangements for young people aged 16 to 19 and those aged 19 to 25 with an education, health and care plan.

We have also made a small addition to paragraph 28 of the 16 to 19 funding regulations book. This is in respect of an additional group of eligible students for those having been granted leave under section 67 of the Immigration Act 2016 (the 'Dubs' amendment).

Basic maths Centres for Excellence: application

The Department for Education invites institutions to apply to become Centres for Excellence for basic maths.

The programme will provide grant funding to build teaching capacity and spread best practice on what works to improve basic maths for learners over the age of 16 with low prior attainment. This will be through trialling pedagogical approaches and sharing this expertise across the post-16 sector.

Applications should be submitted to Centres.forExcellence@education.gov.uk no later than 5pm on 10 July 2018. All information must be provided on the application form. Only the application form will be accepted. Do not send any other attachments.

<https://www.gov.uk/government/publications/basic-maths-centres-for-excellence-application>

Industry placement guidance materials

A set of guidance materials focusing on how to effectively implement industry placements (formerly 'work placements') are now available on Association of Colleges website.

Based on a pilot scheme running throughout 2017 to 2018 academic year, The Challenge, on behalf of the department have created these resources for post-16 education providers and employers. They will be particularly useful for providers who will be delivering industry placements in 2018 to 2019 academic year with funding from the capacity and delivery fund.

The guidance covers a range of things including implementing the placements, engaging staff and students, and a toolkit for employer engagement.

A second batch of guidance resources will be available from July 2018. We will let you know when these are available through ESFA Update.

<https://www.aoc.co.uk/teaching-and-learning/t-level/industry-placements-guidance-resources>

Strategic College Improvement Fund

The department are launching the main phase of the Strategic College Improvement Fund (SCIF) tomorrow, Thursday 28 June. SCIF supports colleges with Ofsted graded 3 or 4 for overall effectiveness or for any sub-judgement, to partner with a higher-performing college and undertake a focused quality improvement programme.

Following feedback from the pilot, we have simplified the application process and application windows will run roughly every three months and will align to the academic year. Applicants will be required to submit an 'expression of interest' outlining the quality challenge(s) they propose to address with an initial level of detail about how they will carry out their work.

You are invited to participate in a webinar on Thursday 5 July.

There will be opportunities to apply to the SCIF from now to July 2019. We will provide an update on all application windows in future ESFA updates.

Taking Teaching Further applications now open

On Wednesday 20 June, Anne Milton launched a £5m national initiative to support up to 150 industry experts to teach in Further Education (FE). The programme will also fund 40 projects that will support an ongoing exchange between industry and FE.

Taking Teaching Further is open to all FE providers, and will initially run for two years with a focus on priority sectors, including the first T Level routes.

You can find further information about the programme and how to apply on the Education and Training Foundation website. Deadline for applications is midday, Friday 27 July.

DfE and ESFA staff changes

From early September 2018, staff from apprenticeships and the professional and technical education reform teams within DfE will move into the ESFA.

We will be responsible for all apprenticeship and technical education reform policies as well as funding delivery, as departmental colleagues from apprenticeships and the professional and technical education reform teams move into the ESFA.

A further change sees the Capital Group move into a new Operations Directorate within the department. The move will closely align Capital Group's work with the department's commercial functions.

There will be a transition period with staff changes taking effect on 3 September 2018. There will be no job losses as part of this exercise.

Rob George Funding Management and Strategies

Established by Rob George in January 2012, RGFE service provision is personal and bespoke to each client.

RGFE helps providers manage their SFA contracts, provides regular funding updates including Monthly Funding Summary for SFA and EFA funding, meets with clients on a regular basis to give advice on business issues relating to funding and supports providers in subcontracting funding in/out of the organisation.

Rob has a wealth experience spanning across the further education industry in director level positions and has increased his knowledge over the past 10 years of funding rules and guidance. The funding summary is produced monthly and circulated to CEOs, MDs and Directors or private training providers, colleges, employers and key stakeholders in FE.

For more information, or if you would like a formal discussion or meeting with Rob, please call 07931 843000 or email rob@rgfe.co.uk



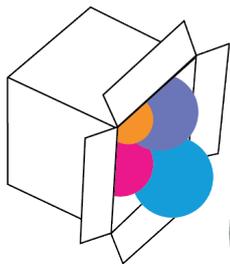
Smart Apprentices - Does your technology measure up?

Smart Apprentices flagship e-portfolio Smart Assessor has just won the prestigious Global Excellence Awards: Most Outstanding E-Portfolio Tracking Software.

The opportunities presented by the increased apprenticeship funding from the employer levy are exciting for providers who are able to differentiate themselves and deliver what employers want. Technology is key to delivering apprenticeships that meet the needs of employers, Ofsted regulators, apprentices and your own team with a modern, cost-effective delivery model.

With all the changes to apprenticeships in 2018, does your current e-portfolio technology measure up?

To discuss how we can help you to deliver outstanding apprenticeships from recruitment through to end point assessment, contact our Business Development Director Danny Taylor, danny.taylor@smartapprentices.com



Lords Committee post 16 report

Appendix 1

The Lords Economic Affairs Committee published its recommendations of reform to post-school education, including abolishing the Institute for Apprenticeships. I paste below the documents key recommendations;

Other post-school options need more funding

Funding for post-school education is too heavily skewed towards degrees. At present, each undergraduate attracts £9,250 a year for the university, underpinned by the availability of student loans. Funding for other options is less generous and confusing. There should be a better distribution of public funding across all forms and institutions in higher and further education. To assist with this, there should be a single regulator for all higher education (Level 4 and above) and a single regulator for other post-school education (Level 3 and below). This new regulator for Level 3 and below should have equivalent status to the Office for Students, and have sufficient resources and credibility to champion further education (see Chapter 4).

Reversing the decline of part-time and flexible learning

The decline in part-time learning in higher education is a result of restrictions around accessing loans, for students who already have a degree, the raising of tuition fees in 2012 and the lack of maintenance support for part-time students (which will be available from 2018/19). Similar funding restrictions have also led to a decline in part-time study in further education. To halt the decline of part-time and flexible learning, we recommend the introduction of a credit-based system whereby people can learn in a more modular way and at their own pace (see Chapter 5).

Apprenticeships

The Government's target of three million apprenticeships has prioritised quantity over quality, and should be scrapped. The lack of clear accountability for the delivery and quality of apprenticeships is unacceptable. Despite the introduction of the apprenticeship levy, the UK is still a long way away from the effective apprenticeship system needed. The levy has encouraged the rebadging of training activity, most notably MBAs, that should not be funded or described as an apprenticeship. It is also concerning that over half of training providers for apprenticeships were recently rated inadequate or required improvement in a recent Ofsted inspection. The Government must renew its vision for apprenticeships, concentrating on the skills and choices that employers and individuals really need. An apprenticeship should be a method by which a young person, or new entrant to an industry, develops skills whilst working.

The Institute for Apprenticeships should be abolished. The quality and outcomes of Level 2 and 3 apprenticeships should be the responsibility of the new further education regulator; the quality and outcomes of Level 4 and above apprenticeships should be the responsibility of the Office for Students (see Chapter 6).

The national accounts mask the true cost of higher education

Debate over post-school education funding is hampered by the treatment of student loans in the public accounts. The accounting masks the public subsidy going into higher education by delaying its appearance in the deficit: the Government expects that around half of the value of student loans being issued currently will never be paid back, but these write-offs will not appear in the deficit for over thirty years. A recognition of the write-offs in public spending at the time the loans are made would allow for a better discussion of where public money in post-school education should be directed.

The Office for Budget Responsibility estimated in January 2017 that the student loan book would be worth 11 per cent of GDP in the late-2030s, an increase from around 5 per cent of GDP in 2017/18. They predicted this would fall back to around 9 per cent of GDP by 2066/67. The Department for Education have forecast that the total student loan book will be worth £1.2 trillion in nominal terms (£473 billion in 2018/19 values) by 2049/50 (see Chapter 10).

Reforms to student loans and a widening of maintenance support

The national accounting appears to be responsible for the high level of interest charged on student loans: the accrued interest on student loans is counted as income, despite the fact the vast majority of this interest is expected to be written-off (the income from accrued interest on student loans will be worth £7.5 billion by 2021/22). The Government claims the high interest rate makes the system progressive but it is middle-earning graduates who end up paying the most back in real terms. We call for the interest rate to be reduced to the level of the 10 year gilt rate (currently around 1.5 per cent) from the current rate of RPI plus 3 per cent.

Maintenance support for students is also inconsistent across the different forms of higher education. The switch to maintenance loans from maintenance grants in 2016 will mean poorer students graduate with the largest debt. The same maintenance support should be available for all higher education students. The means-tested system of loans and grants that existed before 2016 must be re-instated, and total support increased to reflect the true cost of living. The change would lead to £1.7 billion more public spending today. However, in the long-run grants increase public spending only by £400 million. This is because under the current system, the vast majority of students do not pay off their student loans fully over the 30 year term, so much of the outlay in loans will be written off (see Chapters 8 and 9).

Apprenticeship funding rules August 2018 to July 2019

Appendix 2

No major changes here, but many smaller subtle changes which are detailed in a very comprehensive summary of changes document – key changes are;

- Clarifications for off-the-job training
- Clarification of Learning Support
- Eligible/ineligible costs
- Additional payments
- Care Leavers Bursary
- Support for English and maths training
- End-point assessment
- Reporting your use of delivery subcontractors
- Accounting for prior learning – one bizarre new paragraph is - P196. Where you account for prior learning and the reduction of content would mean the apprenticeship would take less than the minimum duration to complete (as set out in paragraphs P44) or fail to meet the requirement for the apprentice to spend 20% of their time in off-the-job training (as set out in paragraph P31) the apprenticeship is ineligible. - I will be giving feedback to the ESFA on this paragraph as it implies that less content needs to be delivered, but that it should still take 20% of the time!
- Evidence Pack

We have published the 2018 to 2019 funding rules later than anticipated to allow us to incorporate the recently announced policy. There are no other major changes beyond the policy changes in the announcement. However, we have simplified some of sections of the apprenticeship funding rules with the aim of making them clearer.

Major policy changes include the introduction of the care-leaver bursary and extension of the uplift for 16 to 18 year olds (and eligible 19 to 24 year olds) for frameworks. For further information, please see the Apprenticeship Funding in England from August 2018 policy document on GOV.UK. We have reflected these policy changes in the funding rules for apprenticeships.

We have also restructured the 2018 to 2019 funding rules following feedback from employers and providers. This includes a restructure of the evidence pack and moving sections (e.g. the commitment statement into the 'What is an apprenticeship?' section).

Changes to the funding also rules include the removal of the apprenticeship performance management rules from the training provider rules (annexes B to D in version 6 of the 2017 to 2018 funding rules); however, these arrangements will continue to apply as the performance-management rules run until March 2019.

We have also removed annexes E, F, and G from the funding rules. Annex G, the table of prior equivalency is available on GOV.UK.

We have also included a section on match funding requirements for the European Social Fund (ESF), which will apply to all apprentices funded via the non-levy route from 1 August 2018.

Following research and consultation with the Department for Education, we have updated the funding rules to provide greater clarity to the learning support section. Following discussion with the Institute for Apprenticeships, we have also created a section on prior learning to clarify frequently asked questions.