

# Department for Education

## Apprenticeship Funding Proposals

September 2016

*In January 2016, NIACE and the Centre for Economic and Social Inclusion  
merged to form Learning and Work Institute*

**Learning and Work Institute**

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Learning and Work Institute is a new independent policy and research organisation dedicated to lifelong learning, full employment and inclusion.

We research what works, develop new ways of thinking and implement new approaches. Working with partners, we transform people's experiences of learning and employment. What we do benefits individuals, families, communities and the wider economy.

We bring together over 90 years of combined history and heritage from the 'National Institute of Adult Continuing Education' and the 'Centre for Economic & Social Inclusion'.

[www.learningandwork.org.uk](http://www.learningandwork.org.uk)

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## INTRODUCTION

Learning and Work Institute strongly supports the government's ambitions to increase the volume and quality of apprenticeship starts in England. We have been engaged actively with the Department for Education and predecessor Departments with responsibility for apprenticeships and vocational education over many years with a key focus on quality of provision and fair access.

Studies by the Department for Business, Innovation and Skills consistently show high levels of satisfaction among apprentices and employers. The annual satisfaction surveys do however highlight inconsistencies with regards to the quality of the apprenticeship experience which, Learning and Work believes, is currently under-researched. We want every apprentice to expect consistently high quality, relevant and engaging training in every sector and at every level. Every apprentice should know exactly what outcomes to expect from successful completion of their apprenticeship, specifically what the progression opportunities in terms of further learning and employment. Outcome information can add significant value to the promotion and marketing of apprenticeships and, as the Levy is introduced, providers will find it in their interest as they compete for contracts locally.

The introduction of the Apprenticeship Levy, the funding reforms being proposed and implementation of the Post 16 Skills Plan following the Sainsbury Review on Technical Education provides a unique opportunity to create the best possible learning and working experience for every apprentice.

## PRICE IS VISIBLE, QUALITY IS LESS VISIBLE

In negotiating a price for apprenticeship training, Learning and Work Institute is concerned that the approach proposed could incentivise a 'race to bottom' on price and make quality negotiable. We consider negotiating within set funding bands to be one of the highest risk elements of the apprenticeship funding proposals.

Not enough is known about employer and provider behaviours to determine for sure what the impact this approach will have on quality, nor the extent to which it is in an employer's interest to negotiate a lower price for apprenticeship training when they know what they have to spend and when they need to spend it by. Learning and Work is therefore inclined to recommend that government instead sets fixed rates for core apprenticeship training as the policy is introduced.

For government, this will secure its position in ensuring it is playing its part in securing high quality apprenticeship training through the funding system. For employers, a flat rate funding model will level the playing field in the market place so competition among providers can be more about a 'race to the top' on quality of learning on offer as opposed to a sticker price for training.

## ASSURING QUALITY

Apprentices and employers should know what quality means. Government should use its resources to commission the development of a toolkit to aid employers in navigating local learning markets which explains what high quality apprenticeships can look like and the benefits that commissioning high quality training will bring to their business.

Alongside, Learning and Work believes that there is a need for an independent quality standard that employers and providers should work towards together in order to add to information that is available locally on the quality of the apprenticeship experience. Learning and Work Institute published proposals for an Apprentice Charter<sup>1</sup> which will not

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<sup>1</sup> [http://www.learningandwork.org.uk/sites/niace\\_en/files/files/Apprentice%20Charter%20Policy.pdf](http://www.learningandwork.org.uk/sites/niace_en/files/files/Apprentice%20Charter%20Policy.pdf)

only help apprentices and their families make more informed decisions about where to apply but ultimately increase quality across the board.

## **FAIR ACCESS AND WIDENING PARTICIPATION**

Apprenticeships are an all-age programme, supporting both young people to enter the labour market, and adults to change careers and progress at work. The proposals on equivalent and lower level apprenticeships appear to strike an appropriate balance between flexibility and value, however it will be essential to ensure that these are effectively implemented and monitored in order that adults receive training that supports their progression in the workplace.

Learning and Work Institute is currently working with government to ensure that apprenticeships are more accessible to those who are currently under-represented, including those from BAME background and disabilities, and care leavers. Additional support for care leavers and those with a LA Education, Health and Care plan is therefore welcomed – though we believe further work should be undertaken with employers and providers to ensure that the additional contribution accurately reflect the costs of supporting these apprentices to succeed.

## **A LEVEL 16-18 PLAYING FIELD**

Learning and Work Institute recommends that government assures the sector on full funding entitlements and funding rates for frameworks for 16-18 year olds.

Now that the Raising of the Participation Age has reached one year since full implementation, it will continue to be important to promote the full range of options of post-16 study to young people, particularly so that apprenticeships feature as prominently in information, advice and guidance as A levels and higher education. It is right, given the education and training participation age is now 18, for government to fully fund apprenticeships for 16-18 year olds in same way other provision is fully funded.

Furthermore, Learning and Work Institute is very concerned with proposals for funding rate cuts of up to fifty per cent for some 16-18 apprenticeship frameworks. Coupled with removal of funding uplifts for disadvantaged areas, the Department for Education must ensure that apprenticeship delivery, prior to conditional incentives, does not become unviable to providers.

While we recognise the desire to move from Framework to Standards quickly, we do not believe that using the funding system is an appropriate tool to use to encourage change. This approach risks damaging the availability and quality of provision on offer to the young people who have most to gain from an apprenticeship.