nus
national union of students

Apprenticeship Funding Proposals Consultation.
DfE September 2016

Submission

Do you have any other feedback on the proposed approach to setting funding bands?

There are worrying gender implications in the new proposed funding bands. With a 40% lift at Level 2 and an 80% lift at Level 3 for STEM subjects, government will need to plan for, monitor and incentivise ways for more women to take up STEM apprenticeships and for employers to take on more women. STEM subjects tend to have the best pay rates, overwhelmingly studied by men and provide the best routes for progression.

To what extent do you think that a £1,000 payment is the right level of support to help employers with the extra costs of supporting 16-18 year old apprentices?

Disagree

Younger learners need substantially more pastoral support than older learners in the round and it is important that this is considered and funded in additional provision within the workplace. Additionally, research from the National Society of Apprentices tells us that apprentices are paying on average £25 a week to travel to their workplace, which works out to roughly 20 per cent of their total income if they are on the apprentice national minimum wage rate. We would recommend paying employers more than £1000 per 16-18 year old apprentice and using additional funding to provide money towards or the full cost of transport to the workplace and training provider, additional pastoral support and setting up a discretionary support fund that apprentices could access in times of financial hardship similar to the one found in FE colleges.

To what extent do you agree that the proposals offer employers and providers sufficient support to train 19-24 year old apprentices who have previously been in care or who have a Local Authority Education, Health and Care plan?

Agree

We are broadly in favour of the proposal that care leavers aged 19-24 will have their apprenticeship fully funded by the government as an encouragement to employers to take on care leaver apprentices. The second proposal that a care leaver has £2000 (£1000 each for employer and training provider) to cover the "additional costs of employing and training a care leaver apprentice seems dangerously vague. Care leavers often tend to be living independently and struggle with travel costs. The risk as the proposal is written is that this money will be seen as an incentive for "being good to a poor care leaver" and not go to additional support to the apprentice themselves. There must be a mechanism to ensure that this money is spent effectively and on the apprentice themselves.

Further Comments

The funding reforms often mentions the co-investment made by employers and government in terms of apprenticeship delivery, however it ignore the investment that the apprentice themselves makes in their learning.

Lower apprentice minimum wages are justified as being the apprentices' co-investment into their learning. Apprentices forfeit national wage averages and higher salaries because the differential pay between NMW and ANMW they lose out on is seen as their personal investment into their learning and training.
For an apprentice on the ANMW this 'investment' can amount to as much as £8300 a year (£7.50-£3.30 wage differential) x38 hours a week x 52 weeks a year. Most apprentices will be "co-investing" significantly less than this but even apprentices in the 18-21 year old bracket are likely to be "co-investing" more than their employer for non-STEM subjects.

The apprentice national minimum wage is £3.30 an hour. With the apprentice levy being introduced to pay for training, we recommend that companies should be able to use a portion of their levy allocation to top-up the wages of their young apprentices. We propose that businesses employing apprentices aged 16-21 should be able to use their levy funds to pay the wage differential between the apprentice minimum wage (currently £3.30 p/h) and the intermediate 18-21 national minimum wage rate (currently £5.30 p/h).

The advantage of such a system would be that employers could offer a more attractive apprenticeship to young people without incurring a direct cost. The only indirect cost would be a reduction in the amount available from the levy fund to pay for training and assessment. There is extensive evidence to show that better paid employees are more productive and less prone to turnover, and particularly that higher wages at a young age are particularly motivational.

We are disappointed that apprentices were not consulted thoroughly during the initial stages, yet employers and training providers were consulted heavily. To truly make recommendations that reflect the needs of apprentices, we would recommend the department hold meaningful and thorough consultations with apprentices themselves, and NUS and the National Society of Apprentices would be happy to support the facilitation of these in the future.

Additionally, we would like to see apprentice voice representation legislated for in the Institute of Apprentices, and within the new 15 common frameworks recommended in the Post 15 Skills Plan.