

# Consultation on proposed apprenticeship funding reform

## Employer and provider responses

### Introduction

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The Apprenticeship Funding guidance was released on 12 August with consultations welcomed until 5 September. The Tech Partnership asked employers, providers and stakeholders for their opinions on a number of the proposals and these were fed back to the Department of Education via the online response mechanism. These points will also be covered at the forums the Tech Partnership is attending in coming weeks on behalf of employers.

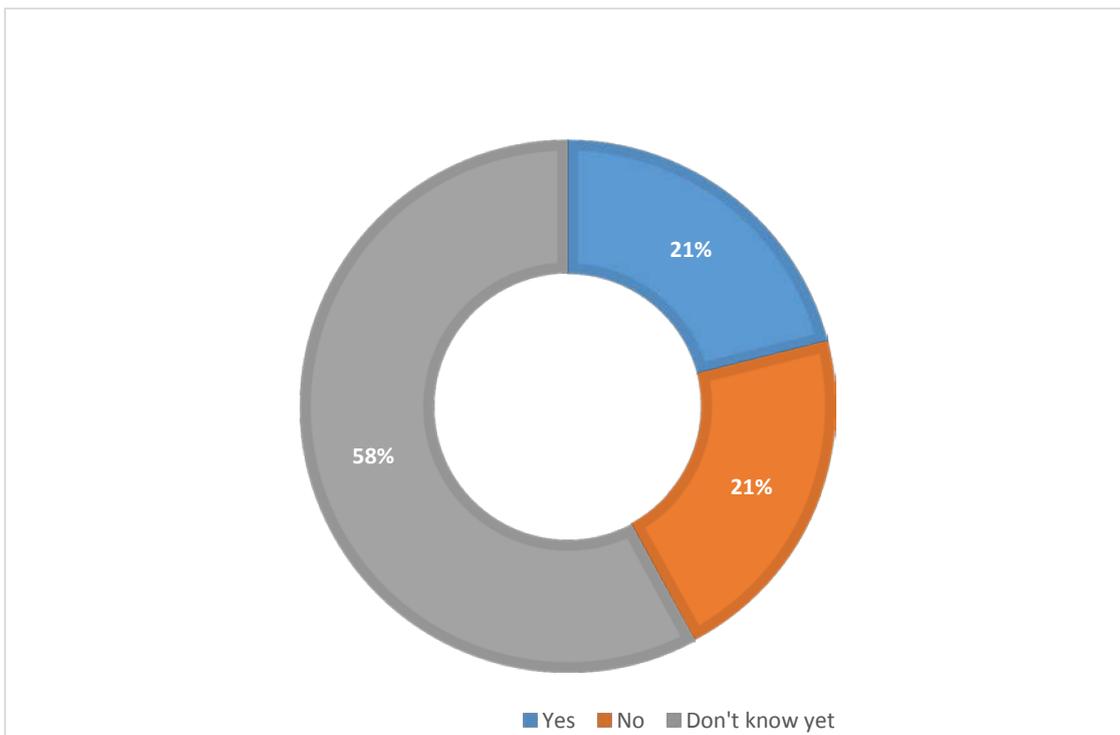
Nineteen responses were received, including from representatives of Levy paying employers, non-Levy paying employers, and training providers delivering digital skills.

### Survey Results

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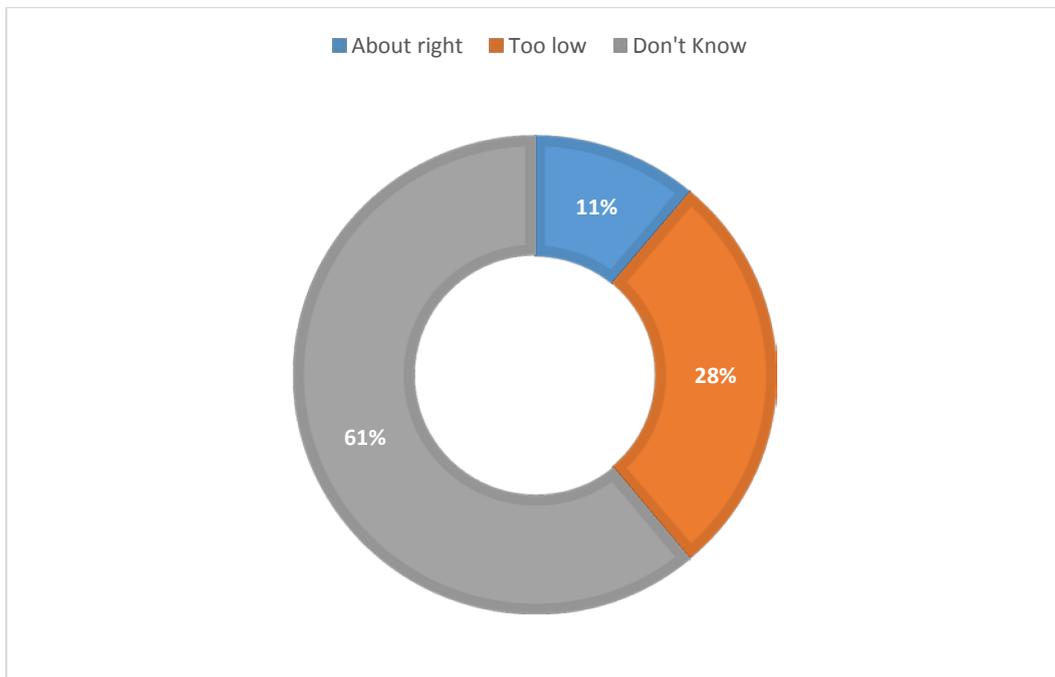
#### Transferring your Levy

- 1 Will your company consider transferring 10% of its yearly levy pot to its supply chain / partner organisations from 2018?





**2 With the Levy transfer amount being proposed at a limit of 10% of yearly funds from 2018, what are your thoughts on this amount?**



**Comments**

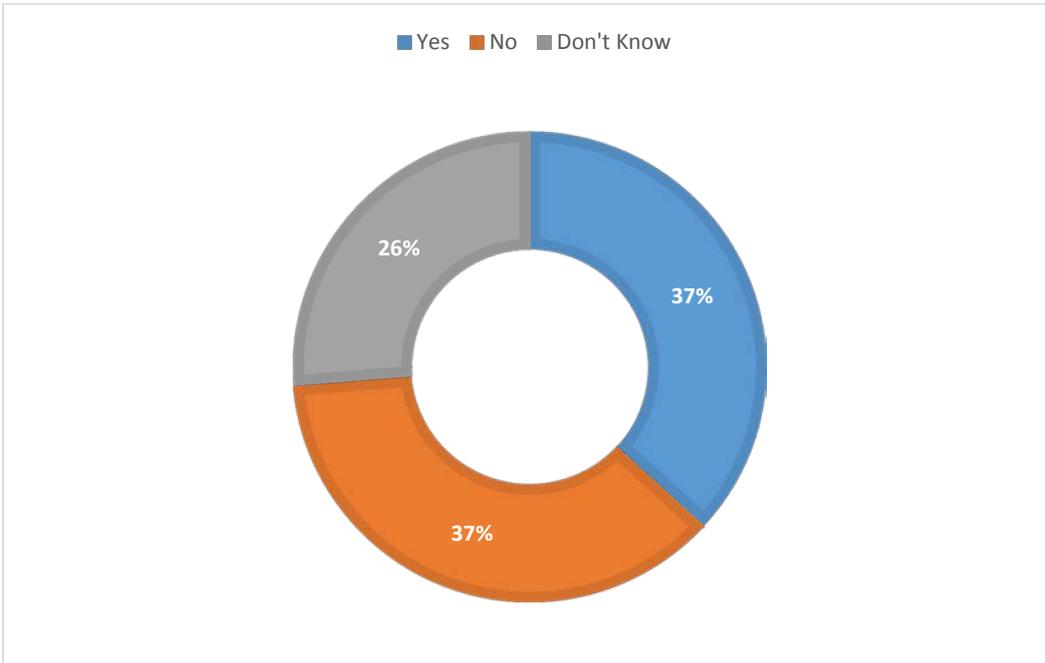
***Given we are paying the Levy we'd like to have greater control on how it's spent***

***The supply chain should be able to access the funding in their own right***



### Funding Bands

3 Do you agree with the 15 funding bands?



4 Regarding the funding bands, how will they affect your business?

*Too many bands and quite a few anomalies with regard to the qualification levels and the funding*

*Concerns regarding the 16-18 top up. It is fine if starting a L2/3 programme, but too low if starting a L4/degree App.*

*I feel that qualifications should be stripped back and rolled out as quality standards with accreditation and sector specific areas. It will mean putting in new systems and working to an end assessment. I would like to see a pilot first.*

*Too many bandings; not sure why this was changed and whether there is a real benefit to having this many bands*

*Looks like the new scheme is being under funded now. which can only mean that the level of training is being reduced. We will probably seek to use manufacturer courses and more mature recruits if this is the case*



***Training providers will need staff to chase payments from employers and deal with bad debts. Many employers will not pay upfront***

- 5 The government is proposing a 9:1 ratio between government funding and employer investment for non-levy payers and those who spend over their levy amount.

A selection of comments is shown below:

***Fair***

***I agree that there should be some contribution and 10% when split over the 12 months seem a fair approach***

***A more favourable funding rate than the previous rate. However levy payers will take a double hit in comparison to non-levy payers after having to pay both the 0.5% of payroll and then the 10% of training costs, while non-levy payers only pay the latter***

***It will most probably impact the number of SME organisations who employ an apprentice***

***This is a sensible amount; it is however a shame this has been followed by cuts to framework funding***

***This is good news and I think this is correct***

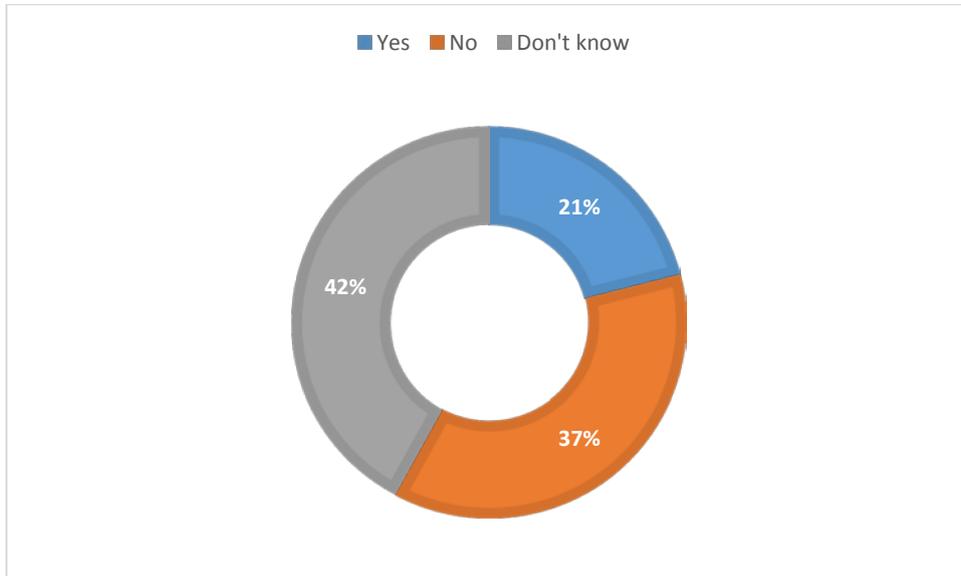
***Badly for 16 to 18 year olds especially***

***We will continue to employ as many apprentices as our workforce strategy projects. At the moment, we already employ to maximum capacity so the levy makes no difference to this. We can't invent jobs just to spend levy money***



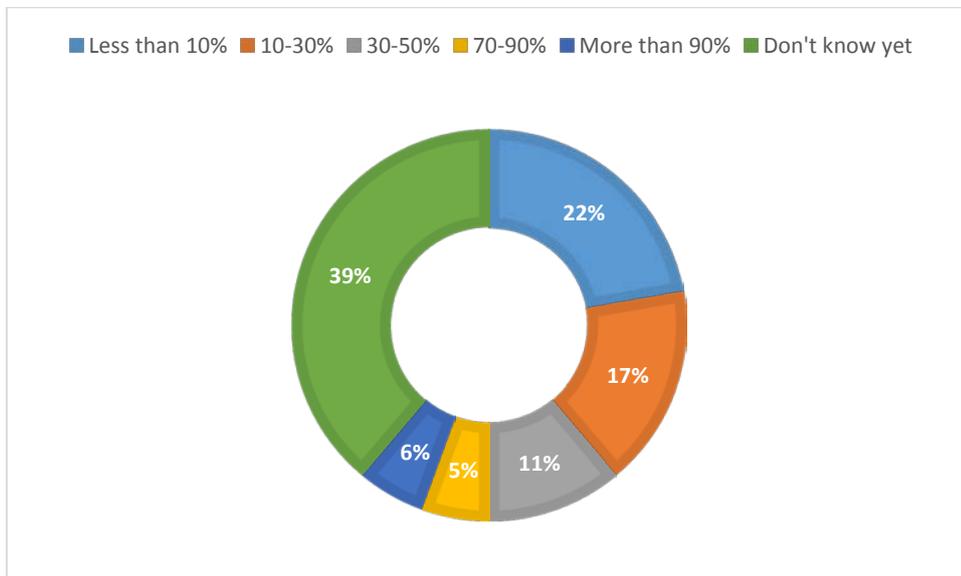
### Employer Providers

#### 6 Are you considering becoming an employer provider?



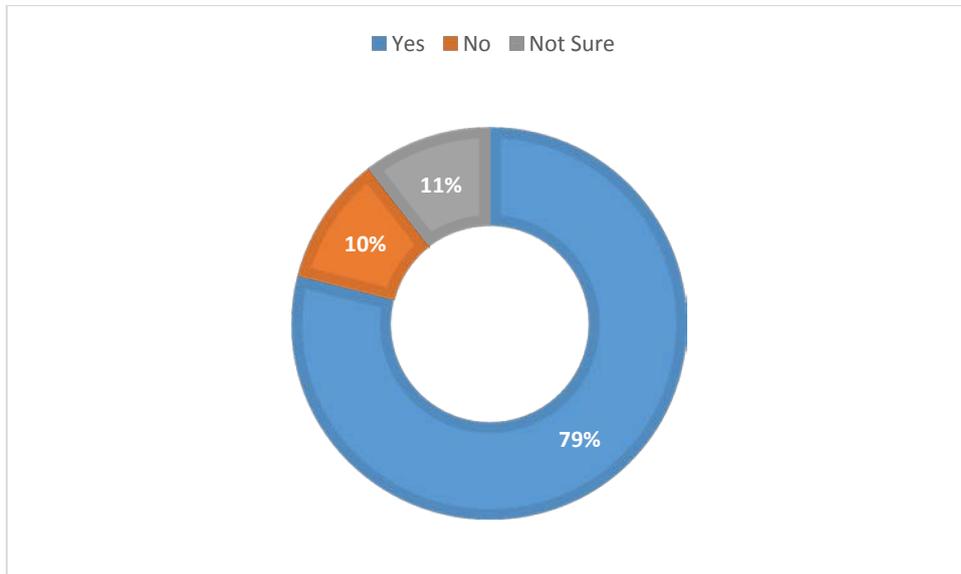
### The use of the levy

#### 7 On average what % of your levy do you feel will be spent on training your existing staff?

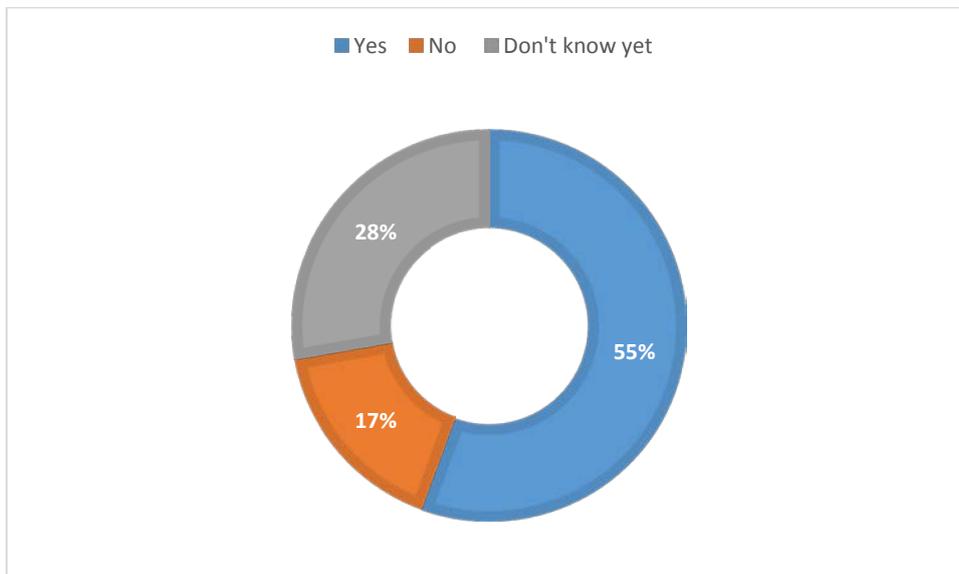




8 The plan is to put incentives in place for 16-18-year-old apprentices - £1000 to the employer and £1000 to the provider. Do you agree with this?



9 Will the incentives encourage you to recruit 16-18 year olds?



10 A selection of comments on incentives

***If the training proposed is not of a suitable standard it will mean that we will stop our apprentice scheme regardless of the money offered.***



*Older people made redundant should be funded on apprenticeship*

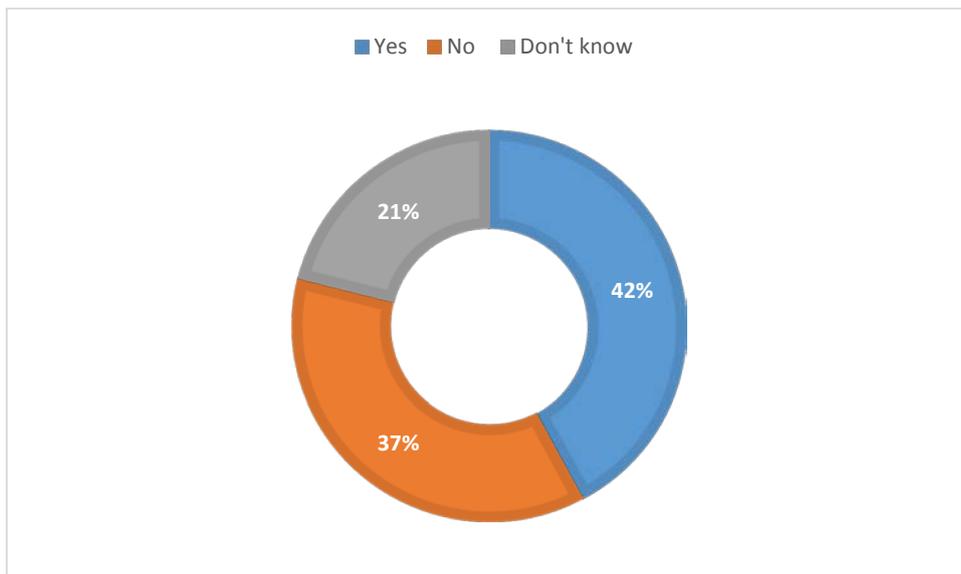
*The incentive payment scale in line with previous funding bands made more sense. The more difficult and expensive an apprenticeship the higher the incentive. Now a flat fee incentive is provided for hiring an apprentice regardless of industry, duration, difficulty, cost etc.*

*Incentives are too low if looking at 16-18 starts on L4+ programmes.*

*Too small an amount to make a real difference*

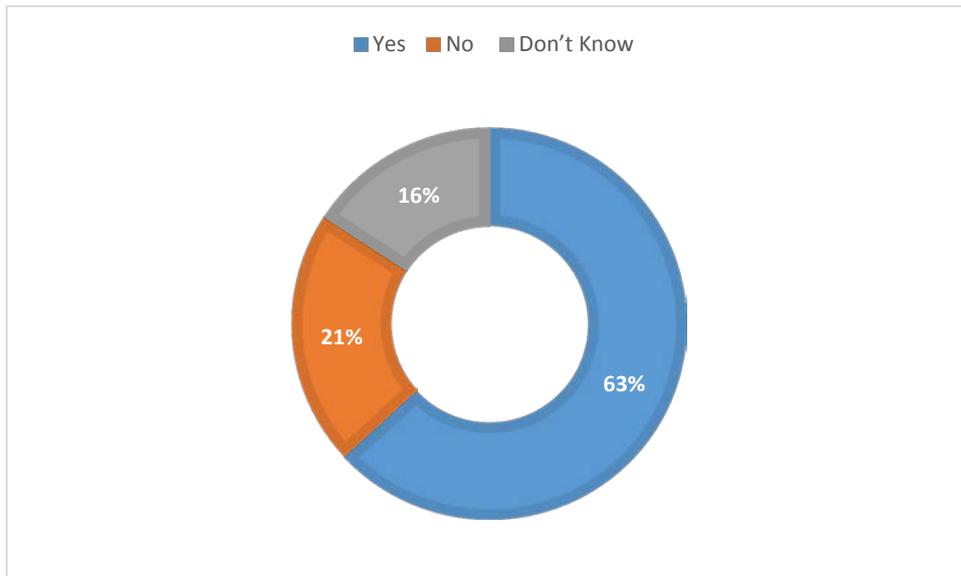
*We need to persuade the schools to allow access to information on apprenticeships*

**11 Do you feel the rules on what you can use your levy for are correct?**





12 Would you like to see a refinement of what could be included?



13 Do you have any comments on the funding rules and what you would like the levy to cover?

*Subsidy for salary or other fees employers have to cover. Also, would like it to support the model of training providers employing the apprentices*

*A much greater emphasis on cyber security, with higher levels of incentive for both employer and training providers*

*Recruitment/programme management costs should be included without needing to be a registered employer provider*

*I would like to see that the funds could support the learning infrastructure such as assessor training, literature support and administration support*

*Each type of business need is different and therefore how this is spent should have some leeway*

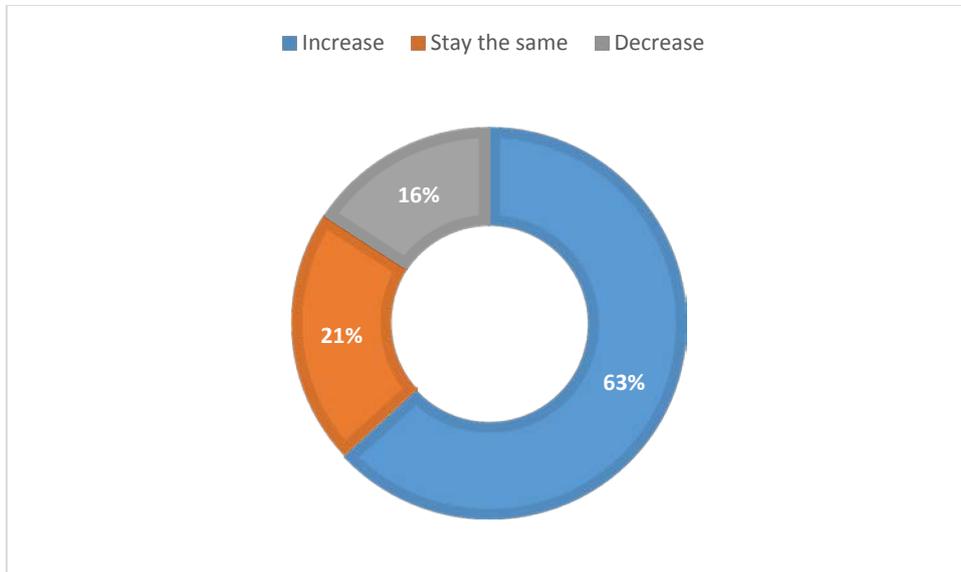
*We cannot make decisions on training based on funding alone we need the whole picture*

*If you really want to increase the number of apprenticeships being created, the full funding of the fully loaded cost is necessary not just training*



**The digital skills landscape**

**14 Do you think the introduction of the levy will increase or decrease the number of digital apprenticeships in the UK?**



**15 Comments on the increase / decrease of skills**

*It has caused us to start a program*

*It has too! We are desperately short of skilled employees, particularly cyber security*

*Decrease initially but in time once employers get to understand the Levy it will increase the quantity but the unknown is the impact on quality*

*I do not feel the quality has been appropriately analysed*

*But it might be at the expense of graduate jobs. Balance might change*



16 What do you believe are the biggest barriers to increasing digital apprenticeships in the UK?

*The burden on employers still to pay program management costs*

*Lack of appropriately trained/skilled training providers. Insufficient incentives for training providers and examining boards to develop coherent cyber security certification*

*Government understanding what employers need and moving fast enough to agree/approve appropriate programmes*

*The need for excellent sector skilled Digital marketers to teach and mentor. Older businesses to bring themselves up to date with the digital world rather than fear the change*

*The levy, for all apprenticeships. Imposing a tax on large companies will not encourage them. In order for the levy to serve its purpose the company will take a hit and in a lot of occasions the levy hit company will never be able to spend their levy. Post-Brexit, this is not an attractive concept for investment in the UK*

*In recent years the Raising the Participation Age has meant less 16-18 year olds available to place into Apprenticeships as Colleges/Schools hang on to them. With Standards and the new funding rules, it is easier to place older candidates, so this should help. We still need to help parents/guardians understand that Apprenticeships can be as valuable as going to university and educate employers that the new Standards will deliver better quality outcomes*

*Jobs available in the UK market and the quality of apprenticeships*

*Skill set of delivery teams, often school leavers now are more advanced in some sectors than those who deliver*

*Quality and rushing to implement the levy. A phased approach and more consultation and information should be considered*

*The quality of training on offer, the fact that schools and colleges do not provide appropriate industry recognised skills currently*

*Pipeline of candidates*



## Further comments

***It is worth considering the value of having an underlying framework for both higher education and from a quality perspective***

***More must be done to encourage women to take on apprenticeships, especially in technology***

***I am all for the levy but more explanation piloting of new systems standards must be given otherwise the education sector will be a laughing stock. Simplification the system is needed.***

***Too many other organisations are trying to grab a share of the funding, which all affects the amount of funding available for learners.***

***Profit should not be put before quality!***

***We have been involved in the new apprentice schemes since their creation and they are just about usable under the Trailblazer. However, if they are dumbed down from the current standard they will be less than worthless.***

***The proposed rules include limiting the amount that a provider can subcontract to significantly less than half of apprenticeship off-the-job training provision, and proposals that a main provider cannot subcontract with the apprentice's employer for any elements of the apprenticeship delivery. The Levy rules could mean we don't hire any further Level 3 or 4 apprentice unless we can change our entire model. Is the government aware that such changes could mean the cessation of this best of breed programmes we have won numerous awards for? We don't all want to be a training provider.***

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**Contact:** Sian Wilson  
**Date:** 2 September 2016  
**E-mail:** [sian.wilson@thetechpartnership.com](mailto:sian.wilson@thetechpartnership.com)  
**Phone:** 07702 824155

On behalf of the Tech Partnership, 1 Castle Lane, London SW1E 6DR  
[info@thetechpartnership.com](mailto:info@thetechpartnership.com) / [www.thetechpartnership.com](http://www.thetechpartnership.com)

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