



DEBATE PACK

Number CDP2017/0076, 6 March 2017

Financial support for apprentices

Summary

This pack has been prepared ahead of the debate on **financial support for apprentices** to take place in Westminster Hall on 8th March 2017. The subject for this debate has been chosen by Kelvin Hopkins MP.

- The purpose of this debate is to discuss financial support available to apprentices, after an unsuccessful amendment to the Technical and Further Education Bill 2016-17 in the House of Lords Committee stage debate on 27 February 2017.
- The amendment, tabled by Lord Watson of Invergowrie, would have enabled eligible families to receive child benefit for children aged under 20 who are undertaking apprenticeships.

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

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1. Background

1.1 Introduction

The purpose of this debate is to discuss financial support available to apprentices, after an unsuccessful amendment to the Technical and Further Education Bill 2016-17 in the House of Lords Committee stage debate on 27 February 2017¹. The amendment, tabled by Lord Watson of Invergowrie, would have enabled eligible families to receive child benefit for children aged under 20 who are undertaking apprenticeships.

Over 2.4 million apprenticeships were started in England between 2010/11 and 2014/15. The Welfare Reform and Work Act 2016² put in place a requirement for the Government to provide an annual report on progress towards meeting the target of 3 million new apprenticeships between 1 May 2015 and 31 March 2020. Further information on apprenticeship starts, and other statistics, are included in the House of Commons Library briefing note Apprenticeship Statistics: England³.

Major changes to apprenticeship funding are due to come into place in 2017. Large employers across the UK will start paying the apprenticeship levy in April 2017 and a new funding system will be introduced in England in May 2017. Further details on this, and other changes in apprenticeship policy, is outlined in the House of Commons Library briefing paper Apprenticeships Policy in England⁴.

Technical and Further Education Bill 2016-17

In the House of Lords Technical and Further Education Bill 2016-17 Committee stage debate Lord Watson put forward reasons why young people may be discouraged from starting apprenticeships, suggesting that “in some cases, their parents may actually prevent them taking up apprentices because of the economic consequences”. He also quoted research from the National Union of Students (NUS) reporting that apprentices from disadvantaged backgrounds are being denied thousands of pounds of financial support that is available to college and university students. He stated that “in the case of apprentices who live with their parents, their families could lose out by more than £1,000 a year in child benefit. Families receiving universal credit could lose more than £3,200 a year”.

Responding for the Government, Baroness Buscombe highlighted the safeguards that are in place to ensure those taking up apprentices should not feel financially disadvantaged, and stated that “wages from an apprenticeship, even if paid at the apprenticeship minimum wage, will more than offset any household income reductions through the loss of child benefit”.

¹ HL Deb, [Technical and Further Education Bill](#), 27 February 2017, c96-103GC

² Gov.uk, [Queen's Speech 2015](#)

³ House of Commons Library, [Apprenticeship Statistics: England](#), 21 November 2016

⁴ House of Commons Library, [Apprenticeships Policy in England](#), 17 November 2016

The amendment was withdrawn without being put to a vote.

1.2 Financial Support for Apprentices

Hourly Pay

Apprentices are paid during their apprenticeship, and the amount they are paid depends on their age and whether they have completed the first year of their apprenticeship.

Apprentices aged under 19, or aged over 19 and in the first year of their apprenticeship, are entitled to the National Minimum Wage for apprentices. This is £3.40 per hour, and it will increase to £3.50 per hour in April 2017.

The table below shows how the National Minimum Wage for apprentices has changed since 2010:

Year	2010	2011	2012	2013	2014	2015	2016
Apprentice National Minimum Wage	£2.50	£2.60	£2.65	£2.68	£2.73	£3.30	£3.40

Apprentices who are both aged 19 or over, and have completed the first year of their apprenticeship are entitled to the relevant National Minimum Wage rate for the age group: £5.55 an hour for 18 to 20 year olds, £6.95 an hour for 21 to 24 year olds and £7.20 for people aged 25 and over⁵.

Further information on how National Minimum Wage rates have changed over recent years is included in the House of Commons Library National Minimum Wage briefing paper⁶.

The normal working hours for an apprentice are a minimum of 30 hours per week. Apprentices also get at least 20 days paid holiday per year, plus bank holidays.

Apprenticeships may be paid above the relevant minimum wage rate. The 2014 apprenticeship pay survey estimated that mean average gross hourly pay for apprentices in England was £6.79 per hour for level 2 and 3 apprentices (equivalent to GCSE or A-Level standard), and that the mean average for level 4 and 5 apprentices (equivalent to higher or degree level) was £11.63 an hour⁷.

Other financial support

In general the cost of any training that an apprentice undertakes during their apprenticeship will be paid for by a combination of the Government and the employer, without any cost to the apprentice.

For those who are expected to cover the cost of a course, Advanced Learner loans are designed to help cover these costs for eligible

⁵ Gov.uk, [National Minimum Wage and National Living Wage rates](#)

⁶ House of Commons Library, [The National Minimum Wage](#), 21 October 2016

⁷ Department for Business, Innovation and Skills, [Apprenticeship pay survey 2014](#), December 2014, p24

apprentices over the age of 24 and who are studying for a level 3 or 4 qualification. Advance Learner loans are comparable to student tuition fee loans and are paid directly to the college or training organisation.

If an apprentice is not expected to cover the cost of a course (which they usually are not) they are not likely to be granted an Advance Learner loan. Those who receive an Advanced Learner loan can then apply to get money from the Loan Bursary Fund. This can help pay for things like accommodation, travel, course material or childcare.

There are discount schemes, some of which are directly designed for apprentices, which offer benefits to apprentices in different areas:

- Apprentices are disregarded for council tax purposes.
- The NUS Apprentice extra card offers apprentices many of the same discounts as the equivalent NUS extra card for students.
- People on low incomes could be eligible for the NHS Low Income Scheme which provides support with a range of healthcare costs.
- Apprentices between the ages of 16-25 are eligible for a 16-25 Railcard (as are all other 16-25 year olds).

1.3 Financial Support for post 16 students in England

Funding for students varies depending on the level of the course taken and in some cases on the age of the student. Courses at below degree level are referred to as further education (FE) courses and courses of degree level and above are higher education (HE). As a very general rule, further education students are less well funded than HE students.

Funding for students will vary depending on their individual eligibility and on their specific circumstances. Below is an overview of the available types of funding (all amounts given are for the 2016/17 academic year).

Although the range of financial support for post 16 students is wider than the range for apprentices, post 16 students may be expected to pay for some of the costs of their training, and will not receive a salary.

Further education

Support for students of 16-19 years of age

Students of 16-19 years of age on post-16 courses do not pay tuition fees and they may be eligible for a 16-19 Bursary⁸. There are two different types of bursary:

- vulnerable student bursaries which pay eligible students up to £1,200 per year
- discretionary bursaries which pay eligible students who meet each college's own criteria variable amounts based on need.

Funding is also available for students with specific circumstances. Students under the age of 20 with children may be able to get help

⁸ Gov.uk, [16 to 19 Bursary Fund](#)

with childcare costs through the Care to Learn fund⁹. Students on eligible dance and drama courses may get funding from the Dance and Drama Awards¹⁰.

Support for over 19s

The following groups of adult students (19+ years of age) may be eligible for free tuition:

- students taking basic numeracy and literacy courses
- students aged 19-23 taking a first full level 2 or 3 course
- unemployed students on certain work related benefits
- Other adult students will be liable for the payment of fees.

Details of the funding of adult courses is set out in an Adult Education budget funding document by the Skills Funding Agency¹¹.

Student support is available for adult FE students in the form of Advanced Learner Loans¹². These loans are similar in structure to HE student loans as they are repaid on an income contingent basis, after the learner has completed their course and when they are earning over £21,000. Since August 2016 these loans have been available for all over 19s on courses at level 3 to level 6.

Students facing particular financial difficulties may be eligible to apply for extra funds from Discretionary Learner Support¹³; eligible students may also be able to use these funds to cover childcare costs.

Higher education

Information on HE student funding is available on the GOV.UK website at Student finance¹⁴.

Undergraduate: full-time students

Full-time undergraduate students at public higher education institutions (HEIs) are funded by a package of support which includes:

- fee loans of up to £9,000 per year and
- maintenance loans which vary depending on where a student lives. A maximum loan of £10,702 per year is available for students living away from home and in London.

Students may also be eligible for further funding depending on their individual circumstances; students with disabilities may be eligible for a Disabled Students' Allowance and students with dependents may be eligible for Dependents Grants such a Childcare Grant, a Parents' Learning Allowance, or an Adult Dependents' Grant.

Students studying on particular courses such as initial teacher training, medicine, dentistry or social work may be eligible for additional funding in the form of bursaries.

⁹ Gov.uk, [Care to Learn](#)

¹⁰ Gov.uk, [Dance and Drama Awards: funding for students](#)

¹¹ Skills Funding Agency, [Adult education budget funding and performance-management rules, for the 2016 to 2017 funding year](#), July 2016

¹² Gov.uk, [Advanced Learner Loan](#)

¹³ Gov.uk, [Discretionary Learner Support](#)

¹⁴ Gov.uk, [Student finance](#)

Undergraduate: part-time

Part-time undergraduate students at public HEIs studying on courses with a 'course intensity' of 25% or more may be eligible for tuition fee loans of up to £6,750 per year.

Part-time students are currently not eligible for maintenance loans.

Undergraduate: private providers

Students studying on specifically designated undergraduate courses at private providers may be eligible for the same maintenance loans as other undergraduate students, but tuition fee loans are less at up to £6,000 per year for full-time courses and £4,500 per year for part-time courses.

Postgraduate

From 2016-17 non-income contingent loans of up to £10,000 have been available for students aged under 60 starting postgraduate masters courses. Other funding may be available from the Research Councils or from individual institutions. Further information on sources of funding for postgraduate students, including subject specific awards, is available in Library Briefing Paper 6281, Support for postgraduate students in England¹⁵.

Professional and Career Development Loans

FE and HE students may apply for a **Professional and Career Development Loan** if they are studying courses which are not covered by other types of student funding. These loans are subsidised bank loans and students can borrow between £300 and £10,000 to cover course fees and living costs. The Government pays the interest on these loan while the individual is studying and for one month afterwards. Following this, interest is payable at the rate fixed when the loan was taken out. Further information is available on the Gov.uk website at Professional and Career Development Loans¹⁶.

1.4 Financial Support for families

The parents of apprentices do not receive child benefit or child tax credits. The NUS reported that the cost of not receiving child benefit would be between £704.60 and £1,066 per year, and that the cost of not receiving child tax credits would be up to £2,750 a year for those falling below the relevant income thresholds. Parents of FE students in 'approved' education or training may still be eligible for both child benefit and/or child tax credits¹⁷.

Apprentices with children are not eligible for Care to Learn grants. These grants offer up to £160 per week outside London and £175 per week in London. Their counterparts in FE may be eligible for this grant.

¹⁵ House of Commons Library, [Support for postgraduate students in England](#), January 6 2017

¹⁶ Gov.uk, [Professional and Career Development Loans](#)

¹⁷ National Union of Students, [Forget Me Not](#), February 2015, p13

1.5 Characteristics of apprentices

Teach First reported in its Progression Report 2016¹⁸ that in every region in England, young people from a low income background (those who receive free school meals) were less likely than their wealthier peers to become apprentices. The report suggest that one reason for this is the financial barriers for those from low income backgrounds.

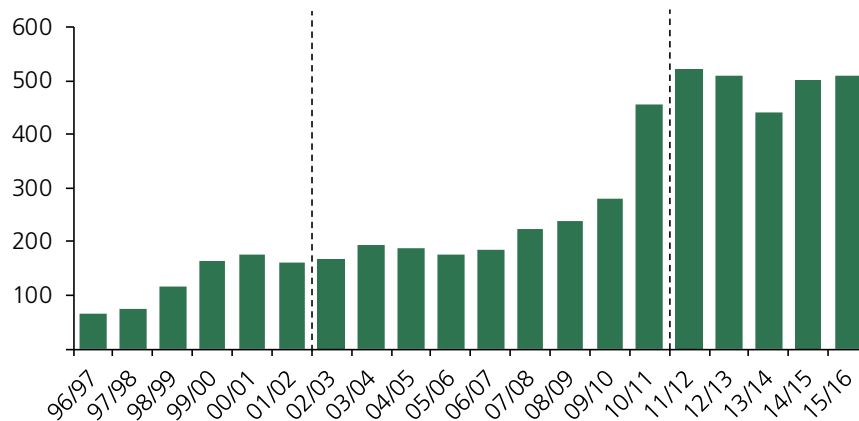
This is consistent with the findings reported by the Social Mobility Commission¹⁹ that “youngsters from poor families took up only 10 per cent of apprenticeships, even though they accounted for 13 per cent of those completing GCSEs”.

People from Black, Asian and Minority Ethnic (BAME) backgrounds were also under-represented. While 20.2% of FE students were from a BAME background in 2015/16, the proportion of apprentices from similar backgrounds was 10.6%²⁰. The Government has committed to increasing the number of BAME apprentices by 20% by 2020²¹.

1.6 Apprenticeship starts statistics

In 2015/16, there were 509,400 apprenticeship starts in England, 9,500 more than the previous year.

Apprenticeship starts in England since 1996/97, thousands



Notes

Data prior to 2002/03 are not directly comparable to later years as substantial changes were made: the Modern Apprenticeship system was abandoned and the upper 25 age limit was removed.

Data from 2011/12 onwards are not directly comparable to earlier years. Small technical changes have been made leading to a reduction in overall learner numbers of approximately 2%.

Figures are rounded to the nearest hundred. Figures prior to 2002/03 are rounded to the nearest thousand.

Data are for academic years (August 1st to July 31st)

Source: BIS *FE data library: apprenticeships* and HC Deb 14 Feb 2011 c560-1W (PQ38062)

Between 2009/10 and 2010/11 there was a large jump in the number of apprenticeship starts, increasing by 63% from 279,700 to 457,200.

¹⁸ Teach First, [Progression Report 2016](#), p21

¹⁹ Independent article, [Government's £2bn-a-year apprentice scheme is disproportionately used by young people from wealthier families](#), January 2017

²⁰ Department for Education, [Further Education and Skills in England January 2017](#), 26 January 2017, p8-10

²¹ Skills Funding Agency, [Apprenticeship Diversity Champions Network](#), July 2016

Overall, between 2010/11 and 2014/15, 2.4 million apprenticeship starts were made.

Apprenticeship starts in England, thousands

09/10	10/11	11/12	12/13	13/14	14/15	15/16
280	457	521	510	440	500	509

Notes

Data from 2011/12 onwards are not directly comparable to earlier years. Small technical changes have been made leading to a reduction in overall learner numbers of approximately 2%.

Figures are rounded to the nearest hundred

Data are for academic years (August 1st to July 31st)

Source: BIS *FE data library: apprenticeships* and HC Deb 14 Feb 2011 c560-1W (PQ38062)

2. Press Articles

['Second-class citizens': apprentices denied thousands in financial support](#)

TES, 10 Feb 2017

[An apprentice can do better than a graduate](#)

The Times, 01 Feb 2017

[Apprenticeship targets 'poor value for money', says IFS](#)

BBC News, 31 Jan 2017

['The Government's apprenticeship scheme is biased against the disadvantaged young people who need it most'](#)

The Independent, 21 Jan 2017

[Apprenticeship 'U-turn' will help poorest teenagers](#)

BBC News, 25 Oct 2016

[Seven common misconceptions about apprenticeships](#)

The Telegraph, 20 Oct 2016

[Apprenticeships deserve the same treatment as universities - so let's get Ucas involved](#)

Rishi Sunak MP for the Telegraph, 22 Sep 2016

[Britain's young and poor are being hit yet again – this time on apprenticeships](#)

David Lammy MP for The Guardian, 05 Sep 2016

[Apprentices in poor regions 'will suffer under funding cuts'](#)

The Times, 05 Sep 2016

[Apprenticeships 'failing young people', says commission](#)

BBC News, 21 Mar 2016

[School leavers 'put off apprenticeships over misconceptions about pay'](#)

The Independent, 14 Mar 2016

[Women lagging behind in race for apprenticeships](#)

The Guardian, 14 Mar 2016

[Low paid, antisocial and non-academic: common apprenticeship myths](#)

The Guardian, 14 Mar 2016

Apprentices' lifetime earnings surpassing university graduates' by up to 270%, report finds

16 Aug 2016

Apprenticeships are no good unless done well

The Guardian, 11 Apr 2016

3. Parliamentary material

3.1 Written questions

[Department for Education: Apprentices: 61753](#)

Asked by Gordon Marsden (Blackpool South)

Asked on 25 January 2017

To ask the Secretary of State for Education, if she will guarantee apprenticeship funding for non-levy paying employers in (a) 2018-19, (b) 2019-20 and (c) 2020-21.

Answered by Robert Halfon

Answered on 31 January 2017

We have confirmed a minimum of £440m funding available for non-levy paying employers for 2017-18 and we are committed to funding high quality apprenticeships over the Parliament. Decisions on future years' funding will be made on the basis of ongoing monitoring of employer demand, performance and budgets.

[Department for Education: Apprentices: 59946](#)

Asked by Karen Lumley

Asked on 13 January 2017

To ask the Secretary of State for Education, what steps her Department is taking to ensure that there is a sufficient number of providers to deliver end-point assessments for apprentices.

Answered by Robert Halfon

Answered on 23 January 2017

All end-point assessments must be carried out by an Independent Assessment Organisation on the Skills Funding Agency's Register of Apprentice Assessment Organisations to ensure high quality assessment.

The assessment market has been adjusting rapidly for most new apprenticeship standards. 82% of all apprentice starts on standards have an end-point assessment organisation available to them, whether they are close to needing end-point assessment or not. This figure rises to 96% for apprentices likely to require an end-point assessment in 2017. There are a small number of standards that already have starts but where an Assessment Organisation has not yet been confirmed. Here, we are taking proactive action to resolve this and ensure there is end-point assessment provision by the time the apprentice completes their apprenticeship. This includes actively working with trailblazer groups and potential assessment organisations to fill gaps in provision and put contingencies in place.

Department for Education: Apprentices: 58225

Asked by Hannah Bardell (Livingston)

Asked on 19 December 2016

To ask the Secretary of State for Education, how much is planned to be spent on apprenticeships in (a) 2017-18, (b) 2018-19 and (c) 2019-20.

Answered by Robert Halfon

Answered on 09 January 2017

The apprenticeship levy will raise £2.8 billion a year across the UK by 2020

Through the levy, we will be investing £2.5 billion a year in England on apprenticeships by 2020

The table below provides the latest provisional figures for apprenticeships budgets (excluding non-participation budgets, Apprenticeship Grant for Employers (AGE) and Employer Ownership Pilot (EOP)).

	2017-18	2018-19	2019-20
Department for Education: £m	2,010	2,231	2,450

Funds will be available to levy payers through the digital apprenticeship service depending on their levy payment and their workforce who are resident in England.

Funding for the devolved administrations has also been announced: <https://www.gov.uk/government/news/uk-government-agrees-apprenticeship-levy-funding-deal-with-devolved-administrations>

Department for Education: Apprentices: Social Enterprises: HL3767

Asked by Lord Bird

Asked on 01 December 2016

To ask Her Majesty's Government what plans they have to support social enterprise training providers to improve social mobility through apprenticeship programmes.

Answered by Lord Nash

Answered on 12 December 2016

We are committed to ensuring that apprenticeships are as accessible as possible to all people from all backgrounds. We are increasing numbers of traineeships to further support young people, including those from areas of disadvantage, into apprenticeships and further work. We are also encouraging a wide range of people from all backgrounds into apprenticeships through our 'Get In Go Far' campaign aimed at 14-24 year-olds, their parents, teachers and employers.

In the apprenticeship funding policy published in October, we announced extra payments for 16-18 year olds and 19-24 year olds formerly in care or with an Education, Health and Care Plan. Employers and providers will receive a payment of £1,000 to support additional costs associated with these apprentices. Additionally, the Government will make an additional payment to providers for training an apprentice who lives in an area amongst the 27% most deprived. The payments will be £600 for areas amongst the 1-10% most deprived, £300 for the next 11-20%, and £200 for the next 21-27%. These payments will be in place for one year while we review the system for supporting people from disadvantaged backgrounds.

We want all types of employers and providers to benefit from this funding including social enterprise providers who can help make it easier for businesses to employ people from disadvantaged backgrounds.

In addition, the Government already pays £150 a month to providers where an apprentice with a learning difficulty or disability requires additional learning support. We are also trialling a two year project worth £2 million per year tailoring Access to Work support to apprentices with mental health problems in the workplace.

We are committed to ensuring apprentices with learning difficulties and disabilities find apprenticeships as accessible as possible, which is why the Government accepted all of the recommendations made by Paul Maynard's taskforce earlier this year – and why we're working to implement them now.

[Department for Education: Apprentices: 907244](#)

Asked by Sir David Amess (Southend West)

Asked on 08 November 2016

To ask the Secretary of State for Education, what steps the Government is taking to increase the number of 16 to 18 year olds who take up apprenticeships.

Answered by Robert Halfon

Answered on: 15 November 2016

Our 'Get In Go Far' campaign is encouraging more young people to apply and more employers to offer opportunities.

We are increasing traineeships numbers to further support young people into apprenticeships and other work.

Under new funding policy, there will be extra payments for 16-18 year olds and 19-24 year old care leavers or with an Education, Health and Care Plan. Employers and providers receive £1,000 each to support additional costs associated with these apprentices.

Department for Education: Apprentices: Low Incomes: 51841

Asked by Stephen Timms (East Ham)

Asked on 03 November 2016

Apprentices: Low Incomes

To ask the Secretary of State for Education, what steps she is taking to ensure that the opportunity to undertake an apprenticeship is accessible to people from low-income backgrounds.

Answered by Robert Halfon

Answered on 09 November 2016

We are committed to ensuring that apprenticeships are as accessible as possible to all people from all backgrounds.

We are increasing numbers of traineeships to further support young people, including those from areas of disadvantage, into apprenticeships and further work.

We are encouraging a wide range of people from all backgrounds into apprenticeships – our ‘Get In Go Far’ campaign is aimed at 14-24 year-olds, their parents, teachers and employers. This major four-year campaign aims to influence public perceptions, awareness and attitudes towards apprenticeships as a route into a successful career, encouraging more young people to apply and more employers to offer apprenticeship opportunities.

To support employers to offer more apprenticeships, under the apprenticeship funding policy published in October, we announced extra payments for 16-18 year olds and 19-24 year olds formerly in care or with an Education, Health and Care Plan. Employers and providers will receive a payment of £1,000 to support additional costs associated with these apprentices. Additionally, the Government will make an additional payment to providers for training an apprentice who lives in an area amongst the 27% most deprived. The payments will be £600 for areas amongst the 1-10% most deprived, £300 for the next 11-20%, and £200 for the next 21-27%. These payments will be in place for one year whilst we review the system for supporting people from disadvantaged backgrounds.

Department for Education: Apprentices: HL2755

Asked by Lord Aberdare

Asked on 27 October 2016

To ask Her Majesty’s Government what action they are taking to ensure that independent training providers are not unfairly disadvantaged when competing with further education colleges in the delivery of apprenticeships.

Answered by Lord Nash

Answered on 03 November 2016

The Skills Funding Agency (SFA) has launched the application process for a new register for delivery of apprenticeships from 1 May 2017 – the Register of Apprenticeship Training Providers. The register will be a list of organisations that have demonstrated their capability to deliver apprenticeship training, thereby encouraging diversity and competition in the provider market. Its application process has been developed in accordance with the Public Contracts Regulations 2015, which require transparency and equal treatment of applicants. The evaluation criteria that test capability to deliver and quality of apprenticeship training do not differentiate between the types of organisation applying.

From 1 May 2017, employers who will use a digital account to pay for their apprenticeship training will be able to choose any provider from the register to deliver their apprenticeship training.

3.2 Oral questions

Apprenticeships

[HC Deb 6 Feb 2017 c 13-14](#)

Rishi Sunak (Richmond (Yorks)) (Con): What steps the Government are taking to encourage more 16 to 18-year-olds to take up apprenticeships.

The Minister for Apprenticeships and Skills (Robert Halfon): My hon. Friend will be pleased to know that, in 2015-16, 131,400 under-19 apprentices climbed up the ladder of opportunity to get the skills and jobs that they need for the future. We are investing millions in supporting providers and employers to employ apprentices. We also have the Get In Go Far campaign, which is working incredibly well, and we are investing £90 million in careers guidance, including in the Careers and Enterprise Company.

Rishi Sunak: I thank my right hon. Friend for that statement of progress. Does he agree that a UCAS system for apprenticeships could improve the status of apprenticeships, make it easier for businesses and students to connect with each other, and end the classroom divide between those applying to university and those applying for technical education?

Robert Halfon: I thank my hon. Friend for his work on the UCAS issue. He is absolutely right. We are looking very hard at this, and we announced it in our industrial strategy. We want to ensure that we give technical education students and apprentices clear information with a platform similar to UCAS. We are looking at how we can ensure that it works to help to address the skills deficit and to help the socially disadvantaged.

Nic Dakin (Scunthorpe) (Lab): Is it not time to place a duty on schools to allow colleges and other providers of post-16 education, including apprenticeships, access to pupils so that those pupils are fully aware of the options available to them?

Robert Halfon: As so often, the hon. Gentleman is absolutely right. I recently visited degree apprentices at Gateshead College whose own

school refused them a visit in order to talk about apprenticeships, skills and technical education. We are doing a lot of work to ensure that careers guidance in schools properly reflects the options available. We have introduced legislation and we are looking to do more to ensure that students are offered skills and apprenticeships.

Dame Angela Watkinson (Hornchurch and Upminster) (Con):

Would my right hon. Friend join me in congratulating Havering College of Further and Higher Education on its excellent five-week railway skills course from which 85% of students are moving on to apprenticeships in an area where there is a great skills shortage? Would he agree that a five-week course is an ideal way of encouraging less academic students to remain in education?

Robert Halfon: I am delighted to see my hon. Friend in her place. Not only do I offer my huge congratulations to Havering College; I would be pleased to visit with my hon. Friend.

Gordon Marsden (Blackpool South) (Lab): The Minister quoted the statistics for 2015-16, but the proportion of apprenticeships for under 19-year-olds, compared with those for older apprentices was basically stagnant at just 26% compared with 25.2% the previous year: only one in four of all apprenticeships. The latest stats—for the first quarter—show that numbers for 16 to 18-year-olds are getting worse, with 58,190 compared with 63,200 the previous year, which is a drop of 8%. With the head of engineering training provider JTL saying that Government funding changes could cut its apprenticeships for 16 to 18-year-old by two thirds, and thousands of youngsters blocked from getting apprenticeships by being on the treadmill of GCSE English and maths resits that only one in four of them passes, where is the Government's beef for 16 to 18-year-olds, instead of motherhood and apple pie?

Robert Halfon: I am amazed by the hon. Gentleman's question. He often does not see the apprentice wood for the apprentice trees. We now have the highest number of apprenticeships on record in our island's history at 899,000, with more than 780,000 apprenticeship starts since May 2015. We are investing millions in ensuring that employers and providers hire apprentices. We have a record to be proud of.

Apprenticeships

[HC Deb 14 Nov 2016 c 13-14](#)

Jake Berry (Rossendale and Darwen) (Con): 9. What steps the Government are taking in schools to promote apprenticeships. [907229]

The Minister for Apprenticeships and Skills (Robert Halfon): May I begin by paying tribute to my predecessor, the hon. Member for Grantham and Stamford (Nick Boles), and wishing him a speedy recovery?

We are transforming Britain into an apprenticeship and skills nation. We have ensured that schools provide high-quality careers guidance to pupils on their different options, and there is a legal requirement for schools to inform pupils about apprenticeships and other vocational options. We have also established the Careers and Enterprise Company to transform careers provision for young people, to inspire them and prepare them for the world of work.

Jake Berry: Sian Nixon, the modern languages teacher, is one of the many inspirational teachers at Haslingden High School. She has invited me and a local manufacturer to go into the school and talk about the value of modern languages before pupils make their GCSE choices. Will the Government say what can be done to encourage more businesses to enter schools, in particular to promote apprenticeships in areas of high manufacturing worth such as Rossendale and Darwen?

Robert Halfon: I know that my hon. Friend is an incredible constituency champion on skills and careers. I hope that when he goes into that school he will talk about apprenticeships as well as modern languages. We have created the Careers and Enterprise Company, with £90 million of investment. It has 1,200 enterprise advisers to help more than 900 schools interact with businesses and have work experience and other career options. [*\[Official Report, 23 November 2016, Vol. 617, c. 1MC.\]*](#)

Peter Kyle (Hove) (Lab): At present, only 8% of young people finish apprenticeships with a higher level of qualification than they started with. Will the Minister set a target for young people starting higher level qualifications rather than just the target of 3 million starts that he has at present?

Robert Halfon: I have very good news for the hon. Gentleman. The number of apprentices doing higher apprenticeships has gone up by 500%. If we include degree apprenticeships, in which we are investing millions of pounds, more than 28,000 people are doing higher apprenticeships or degree apprenticeships.

Nicky Morgan (Loughborough) (Con): I am delighted to hear the Minister speak so warmly of the Careers and Enterprise Company, and I know he will do a terrific job in his post. For schools to promote apprenticeships successfully the apprenticeship positions must be there for students to move into. He will have had a letter from IMPACT Apprenticeships and Loughborough College in my constituency about the latest announcements regarding apprenticeship training agencies and levy paying companies' not being able to transfer funds to the agencies, as that will be delayed until May 2018. Will he meet me to discuss that further?

Robert Halfon: I am very happy to meet my right hon. Friend and the apprenticeship training agency she mentioned. As she has said, from 2018 it will be possible for employers paying the levy to transfer up to 10% of the levy funds to indirect employers.

Rob Marris (Wolverhampton South West) (Lab): A few months ago, the Secretary of State prayed in aid the Technical and Further Education

Bill, which we will debate today, as a measure to help apprentices. That Bill changes the name of the Institute for Apprenticeships and includes vast numbers of provisions to deal with further education colleges and sixth-form colleges going bust. Will the Minister tell me exactly which part of the Bill does anything to promote apprenticeships, in schools or elsewhere?

Robert Halfon: As I said, we are transforming our country into an apprenticeships and skills nation. The whole point of the Bill is to drive up standards to help improve our technical education offering. We already have an Institute for Apprenticeships, which will be up and running by April 2017.

Wendy Morton (Aldridge-Brownhills) (Con): 15. As the Minister is aware, developing skills through apprenticeships is key for today and for the future, and across my constituency businesses such as JC Payne are playing their part in creating apprenticeships. Will he reassure me, though, that, as we move forward and develop more apprenticeships, this will not just be about quantity but about quality? [907235]

Robert Halfon: My hon. Friend is absolutely right: this is about quantity as well as quality. We made it a requirement that all apprentices have to be employed and have to do a certain amount of training. We tightened the definition of apprenticeships in law to ensure they are real apprenticeships. We are creating the new Institute for Apprenticeships and Technical Education, and we are moving from frameworks to standards to improve apprentices' qualifications. Everything we do—in addition to the 3 million apprentices and the 619,000 apprentice starts since May—aims to drive up quality as well as quantity.

Gordon Marsden (Blackpool South) (Lab): To promote apprenticeships in schools, strong careers guidance is critical. However, this month's cross-party verdict from the two Select Committee Chairs who have looked at this, the hon. Member for Stroud (Neil Carmichael) and my hon. Friend the Member for Hartlepool (Mr Wright), is that "Ministers appear to be burying their heads in the sand while careers guidance fails young people".

Will this Minister—the third Minister to whom I have put this question—back the Select Committee's recommendation to restore proper work experience in schools at key stage 4? Will he lift his head out of the sand?

Robert Halfon: I suggest the hon. Gentleman stops being a doom-monger and becomes an apprentice-monger. We are providing the Careers and Enterprise Company with £90 million to boost career provision in schools, with £20 million for investment. The National Careers Service is getting £77 million to help people with careers. We have thousands of enterprise advisers in schools all over the country. This is what the Careers and Enterprise Company is all about. The Government are investing in careers, investing in skills and investing in apprenticeships. [*Official Report, 23 November 2016, Vol. 617, c. 2MC.*](#)

Justin Tomlinson (North Swindon) (Con): Following the disability apprenticeship report by my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard), Scope and Mencap, which I set up with my hon. Friend the Member for Grantham and Stamford (Nick Boles), will the Minister confirm that it is a priority to open up apprenticeships to those with learning disabilities?

Robert Halfon: I thank my hon. Friend for his work as Disabilities Minister. That is exactly the case. We are ensuring significant financial support to encourage investors and providers to provide apprenticeships to those with disabilities and special needs. We are investing in a special £2 million fund to help to provide apprenticeships for those with mental health difficulties, and we have agreed to adopt the reforms suggested by the Maynard review in full.

3.3 Debates

Apprenticeships Funding

[HC Deb 1 Nov 2016 c 282WH-306WH](#)

3.4 Written Ministerial Statement

[Supporting Apprenticeships: Written statement - HCWS214](#)

Made by Justine Greening (The Secretary of State for Education and Minister for Women and Equalities)

Made on 25 October 2016

Apprenticeships transform lives and are vital in making this a country that works for everyone. As well as giving young people the chance to build a better future by taking their first step on the employment ladder, they give those already in work the opportunity to progress further. And for those just about managing, they can unlock a brighter future. That is why we are committed to 3 million new apprenticeships by 2020, spending £2.5bn to transform this country's investment in skills, in our people.

For employers, apprenticeships bring great benefits too, by boosting the skills of the workforce and helping to increase economic productivity. Yet for too long far too many employers have under-invested in the skills of their employees compared to in other countries. It is time to change that and ensure all employers play their part in improving productivity and social mobility. So we are working in partnership with employers to implement major reforms.

The new apprenticeship levy, which we are introducing in April 2017, will put the funding of apprenticeships on a sustainable long-term footing so we can support opportunities for all. The levy will be set at 0.5% of pay bill and only employers with a pay bill of more than £3 million will have to pay the levy. Employers that are not eligible to pay the levy will continue to receive government support towards the costs of apprenticeship training and assessment.

The levy applies to all UK employers but apprenticeship funding policy is devolved. It is for the Devolved Administrations to decide how they use their levy income. This statement sets out how we will fund apprenticeships in England to help build an economy that works for everyone.

To do that we are not only introducing the levy but also reforming the way we fund apprenticeships, introducing a dedicated register of approved apprenticeship training providers and launching the employer-led Institute for Apprenticeships. These changes will ensure apprenticeships are high quality, meet the needs of employers and provide opportunities for millions more people.

After extensive discussions with employers and training providers we are today publishing the final funding policy for May 2017 onwards and details of the new register of apprenticeship training providers. The adjustments we have made to the funding policy since our proposals in August will help ensure that the reforms benefit more employers, providers and apprentices.

Today we are confirming the final funding policy. Key features are:

- Higher funding for STEM apprenticeship frameworks and higher pricing of apprenticeship standards to support improved quality, and greater flexibility to train those with prior qualifications;
- Longer period of time for employers to spend funds in their digital account, now with 24 months before they expire, an increase from our original proposal of just 18 months;
- A commitment to introducing the ability for employers to transfer digital funds to other employers in their supply chains, sector or to Apprenticeship Training Agencies in 2018, with a new employer group including the Confederation of British Industry, Federation of Small Businesses, British Chambers of Commerce, Charity Finance Group and EEF – the Manufacturers' Organisation – to help government develop this system so that it works for employers.
- 90% contribution from government to the cost of training for employers that will not pay the levy;
- 100% contribution from government to the cost of training for small employers that will not pay the levy and who take on apprentices who are 16 to 18 years old, 19 to 24 year old care leavers or 19 to 24 year olds with an Education and Health Care Plan;
- £1,000 each from government to employers and training providers when they take on 16 to 18 year olds, 19 to 24 year olds who were in care or who have an Education and Health Care Plan;
- Help for training providers to adapt to the new, simpler funding model through an additional cash payment equal to 20% of the

funding band maximum where they train 16 to 18 year olds on frameworks; and

- A simplified version of the current system of support for people from disadvantaged areas to ensure the opportunity to undertake an apprenticeship is open to everyone, no matter where in England they live, their background or family circumstances.

We will continue to work in close partnership with employers and providers in the implementation of these reforms. We know they are major changes and we want to work together to ensure we transform our country's skills for the benefit of all.

4. Reports and further reading

Government announcements and publications

[Key facts about apprenticeships](#)

Skills Funding Agency, 21 Feb 2017

[Institute for Apprenticeships board members announced](#)

Department for Education, 27 Jan 2017

[Institute for Apprenticeships: draft operational plan closed consultation](#)

Department for Education, 27 Jan 2017

[*Thousands of apprentices to take part in major pay study*](#)

Department for Business, Innovation & Skills, 26 May 2016

[Apprenticeships, young people, and social mobility](#)

Social Mobility and Child Poverty Commission, Mar 2016

[Apprenticeship Pay Survey 2014](#)

Department for Business, Innovation & Skills, 04 Mar 2015

[English Apprenticeships: Our 2020 Vision](#)

Department for Business Innovation & Skills, 07 Dec 2015

Other

[*Our education system is tilted against social mobility*](#)

David Willetts, Resolution Foundation, 12 Sep 2016

[England's apprenticeships: Assessing the new system](#)

IPPR, Aug 2016

[*Teach First: Perceived low pay and unclear information putting off poorer young people from apprenticeships*](#)

Teach First, 22 Aug 2016

[The skills we need, and why we don't have them: How Apprenticeships should be reformed to make the UK compete on the global stage](#)

Policy Exchange, 11 Nov 2016

[Written evidence to House of Commons Public Bill Committee on the Technical and Further Education Bill 2016/17](#)

National Society of Apprentices, 12 Jan 2016

<http://www.suttontrust.com/wp-content/uploads/2015/10/Levels-of-Success3.pdf>

Sutton Trust, Oct 2015

[Forget Me Not, An Investigation in to the financial well-being of apprentices in the UK](#)

National Union of Students, February 2015

Library briefings

[*Apprenticeships policy in England*](#)

[*Apprenticeship statistics for England*](#)

Advice for apprentices

[*Apprenticeships explained*](#)

Money advice service

[*Get in go far campaign*](#)

National Apprenticeship Service (NAS)

[*Apprenticeships in the UK*](#)

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