

Consultation on Funding Reform for Apprenticeships in England - Response Form

You can email or post this completed response form to:

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The closing date for this consultation is: **1st October 2013**

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Yes, I would like you to publish or release my response

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Your details

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Please tick the boxes below that best describe you as a respondent to this consultation

Business representative organisation

Independent Training Provider

College

Awarding Organisation

School

Charity or social enterprise

Individual

Legal representative

Local government

Large business (over 250 staff)

Medium business (50 to 250 staff)

Small business (10 to 49 staff)

Micro business (up to 9 staff)

Professional body

Trade union or staff association

Other (please describe)

The case for funding reform

Question 1: Would businesses be prepared to pay more for Apprenticeship training in return for greater influence over its content and delivery?

Yes

No

Don't know

Please explain your response:

We know that small and medium sized companies like ours and, we imagine, many larger companies, would struggle to pay more for Apprenticeship training. We are concerned that many employers would be 'priced out' of offering Apprenticeships and that the Apprentice experience could be eroded by employers seeking to utilise Apprenticeships in lieu of employees.

We understand that capacity for many businesses and charities simply could not be stretched to include a substantial increase of time and effort spent looking at further influencing content and delivery in training. The Health and Social Care Apprenticeships that we currently offer are specialised in content and on-the-job in delivery, and we presently have a good amount of influence over how our Apprenticeships are designed and delivered.

Much of Doug Richards' Report seems skewed towards manual labour and traditional trades and is not portable to our fields. The Report's focus on youth unemployment overlooks older people. People can be out of work for long periods and may be de-skilled or have their confidence impeded. A focus on young Apprentices risks disincentivising employers from taking on some of the more challenging apprentices. Exclusion of certain Apprentices erodes Apprentice experience and weakens the programme.

Question 2: What would be the impact of greater co-investment on businesses' decisions to recruit and train Apprentices? And on how businesses deliver Apprenticeship training and deal with training providers?

In relation to how they deal with providers, greater co-investment could offer businesses increased leverage. We have encountered difficulties in getting assessors to respond, particularly out of term time, and co-investment might put organisations like ours in a stronger position.

Question 3: What are the advantages and disadvantages of placing government funding in the hands of employers, rather than paying it directly to training providers?

Though as with the co-investment model, this could offer small and medium business greater

power when working with providers, directing funding to employers over-complicates the process.

Question 4: Would businesses be willing to negotiate the price of training with providers, and what would help them to do this?

Yes

No

Don't know

Please explain your response:

We don't think business is best placed to decide how much a training package should cost. This point is a particular challenge for small and medium sized business, and employers offering Apprenticeships in niche roles. If one of the outcomes, as the Report suggests, is a wider market of training providers, there will be challenges in terms of monitoring quality.

Question 5: Would the funding principles outlined here raise the quality of training, and its relevance and responsiveness to businesses' needs? Why? Why not?

We can't see how quality would be raised simply by applying these funding principles. While it might make providers more responsive to employers, we don't currently have a problem with the quality of the Apprenticeships we offer.

Question 6: What would be the impact of these funding principles on the experience and future prospects of Apprentices?

Were employers able to have more balanced relationships with assessors and providers, this could enhance the Apprentice experience. Apprentices' key experience is at the point of interface with employers so we as employers are better placed to understand and respond to their needs.

Model 1: Direct Payment Model

Question 7: What are the advantages and disadvantages of providing government support for Apprenticeships in this way?

The Direct Payment Model is our preferred model. We believe it is simpler and could unify incentives.

Question 8: How should this system be designed to ensure it is easy to engage with – for employers and training providers?

Online management could be useful if properly implemented. If the provider market is widened, we believe a quality mark should be introduced to guide employers when selecting providers.

Model 2: PAYE Payment Model

Question 9: What are the advantages and disadvantages of providing government

support for Apprenticeships in this way?

The PAYE Payment Model is too complicated. We firmly believe that a payment-by-results system would lead many employers to cherry-pick Apprentices, excluding the more challenging applicants who might have most to gain from Apprenticeships. These are precisely the people we want to work with and believe any new model should make that as easy as possible.

Question 10: How should this system be designed to ensure it is easy to engage with – for employers and training providers?

We do not see how this system could be designed in a way that makes it easy to engage with.

Model 3: Provider Payment Model

Question 11: What are the advantages and disadvantages of providing government support for Apprenticeships in this way?

The Provider Payment Model would place too much of a burden on employers, particularly small and medium businesses. The model is over-complicated and demanding, this would make employers more reluctant to offer Apprenticeships and weaken the Apprentice experience. Employers cannot run Apprenticeship schemes for the government.

Question 12: How should this model be designed to ensure it is easy to engage with – for employers and training providers?

Any model should have Apprentice experience at its core.

Which model works best for employers, learners, providers and government?

Question 13: All things considered, which is your preferred model and why?

Model 1: Direct Payment Model **X**

Model 2: PAYE Payment Model

Model 3: Provider Payment Model

Please explain your choice:

We believe Model 1 is the most preferable. We believe it is simpler and could unify incentives. Payment-by-results and exam-based assessment are not suitable for all Apprenticeship programmes or Apprentices.

Question 14: What should the government take into account when making the transition from the current system to your preferred model – or any other models?

Any model should have Apprentice experience at its core and any system ought to consider the enormous diversity in Apprentices and Apprenticeship programmes. The government needs to take into account the impact of its chosen model.

Training providers currently report to us that they are often paid in arrears, if this was the approach in the Direct Payment Model, many businesses would not be able to sustain quality Apprenticeship training.

Insisting employers take the lead will result in a decrease in Apprentice opportunities – it will encourage cherry-picking in many areas and will be simply unaffordable and untenable for many small and medium businesses.

We are wary of a significant widening of the training provider market, we believe the current provider market should be subject to more robust monitoring and standardised quality assurance.

We would urge the government to take more time to ensure that the model is designed and implemented properly.

Question 15: What impact would adopting your preferred model – and the other models – have on businesses’ engagement with and approach to Apprenticeship training?

We believe that Model 1, if properly designed and implemented, would increase opportunities and be more inclusive of different types of employer and Apprentices of differing experience. It would simplify and better incentivise Apprenticeships and give employers greater flexibility and leverage when dealing with training providers.

Thank you for taking the time to let us have your views on this consultation. We do not acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply

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BIS/13/1071RF