



Rt Hon Anne Milton MP
Minister of State for Apprenticeships and Skills
Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT
tel: 0370 000 2288 www.education.gov.uk/help/contactus

Robert Halfon MP
Education Select Committee
House of Commons
London
SW1A 1AA

6th June 2018

Dear Robert

Following my appearance at the Education Select Committee, I agreed to provide further information to assist with your inquiry. Please find that information attached.

Please do get in touch if you have any questions.

During the session the Committee brought to my attention examples of apprentices that stopped doing their apprenticeship due to affordability. I would be very interested to hear from people who stopped doing their apprenticeship for this reason. I am always keen to receive feedback.

I look forward to receiving your report in due course.

Best
Ao.

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Minister of State for Apprenticeships and Skills

ANNEX

Carillion

The current status of the 1148 Carillion apprentices, on 15 May 2018, in England is as follows.

| Category | England Apprentices |
|---|---------------------|
| Total agreed as starting point | 1148 |
| In paid employment | 699 |
| Pending: Terms and Conditions agreed with new employer | 76 |
| Sub Total - Official Receiver (OR) reporting as successfully employed | 775 |
| Moved into full time education | 1 |
| Successful outcomes as per OR | 776 |
| Carillion reporting as Active i.e. the learner is engaged with matching process and actively seeking future employment. | 225 |
| Carillion reporting as disengaged i.e. learner currently not engaged in matching process, despite numerous targeted communications - including telephone, email and social media platforms. | 147 |
| Sub total | 372 |

The Construction Industry Training Board (CITB) is working with all affected learners and will continue to offer a range of support options. It is currently targeting communications at the remaining cohort of disengaged learners.

Reasonable Adjustments

We discussed the requirements for employers to make reasonable adjustments and I agreed to establish whether there had been any cases brought by apprentices under the Equality Act. My officials have been in contact with the Education and Skills Funding Agency (ESFA) and Department for Work and Pensions. I am informed that to date, they have not been made aware of any specific complaints or challenges made by apprentices with regards to reasonable adjustments.

The ESFA requires End-Point Assessment Organisations to have a policy for reasonable adjustments to ensure fair access to assessment.

In addition, the Apprenticeships Diversity Champions Network (now with over 55 members) and our Pacesetter project (which involves local partners) are encouraging employers to make access for people with disabilities a priority and share best practice in this area.

Funding for the 5 Cities project and Opportunities Areas

I would like to correct the remark I made regarding the £50 million funding for the 5 cities project. Whilst the Department has not directly funded the 5 cities project, dedicated support from the ESFA and the Learning and Work Institute is provided to each of the five areas.

We are providing direct financial support to Opportunity Areas. The twelve areas are receiving a share of £72 million funding between 2017-18 and 2019-20, to improve outcomes and social mobility for young people - especially those who are disadvantaged. Many of these areas have set priorities to improve young people’s access to rewarding careers, which will include a focus on increasing the numbers accessing high quality apprenticeships. We are also investing £2 million across these areas, to enable the Careers and Enterprise Company to support high quality employer encounters and careers advice.

Public Sector Target

We discussed the Public Sector Target which I mentioned is 2.3 per cent of headcount. This applies to public sector bodies, in scope of the target, with 250 or more staff, who are aiming to employ at least 2.3 per cent of their staff as new apprenticeship starts between April 2017 and March 2021. As is the case with other employers, public sector organisations will pay the levy if their pay bill is over £3 million.

Small Businesses

You asked what percentage of the current apprenticeship schemes are run by small businesses.

Data on apprenticeship starts by employment size bands is currently only available for the years 2010/11 to 2014/15 as follows:

| | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|---------------|-------|---------|---------|---------|---------|---------|
| SME | 0-250 | 212600 | 245360 | 254840 | 235360 | 263120 |
| Large | 250+ | 182910 | 205800 | 195430 | 152940 | 182550 |
| % SMEs | | 54% | 54% | 57% | 61% | 59% |

We cannot use more recent data on the take up of apprenticeships by levy and non-levy employers to indicate recent apprenticeship starts for small and medium sized employers (SMEs) because some SMEs will be levy-payers. The data showing starts by employment size bands for 2015/16 and 2016/17 will be published this autumn.

I have attached a copy of the research.

For non-levy paying employers, the contract for services is between the Education and Skills Funding Agency (ESFA) and the training provider. Currently, the ESFA has to run a procurement in order to award contracts, which run for 15 months – from 1 January 2018 to 31 March 2019. Non-levy payers can only use providers that have contracts with the ESFA unless they are receiving a transfer of funds from a levy-paying employer. For transfer-funded apprenticeships only, non-levy employers can contract with any provider on the register. Over £550 million has been awarded through these contracts to date with the option to allocate around a further £90 million to contracted training providers where demand can be demonstrated.

Access to Work Funding

We discussed Access to Work funding which I stated increased to a maximum £52,000. In fact, the cap increased in April 2018 to £57,200 per person per year, equating to twice median gross annual earnings. This is available to those who have a disability or health condition (physical or mental), are 16 or over and have a paid job (including an apprenticeship), or are about to start or return to one.

Apprenticeships Funding from August 2018

I mentioned funding that apprenticeship training providers can access to support apprentices with additional needs and following the publication of the revised apprenticeships funding policy I am now able to provide you with a further update on this, and on the outcomes of our review of funding to support apprentices with additional needs.

It may be helpful if I summarise the different elements of funding that will be available from August 2018:

- I was pleased to announce the introduction of a bursary paid to care leavers who start apprenticeships, supporting the costs of their transition into work. All care leavers aged 16-24 who start an apprenticeship will be eligible to receive £1000. They will be free to spend it on whatever they need to support them in the first year.
- This is in addition to maintaining existing support for the employers and training providers of care leavers and those with Education, Health and Care (EHC) plans. Specifically, employers and training providers who take on a 16-18 year old apprentice, or a 19-24 year old who has either been in care, or has an Education, Health and Care (EHC) plan, continue to be able to access a payment of £1000 each. This funding can be used to cover a range of pastoral support for these apprentices.
- Following our review of funding to support apprentices with additional needs, training providers will continue to receive a payment of up to £600

when they train an apprentice, on a framework, from the 27 per cent most disadvantaged postcode areas in England.

- For employers with less than 50 staff taking on a 16-18 year old apprentice, their requirement to 'co-invest' 10 per cent of the training cost continues to be waived.

We published both our revised apprenticeships funding policy, and research around funding for apprentices with additional needs, on 17 May. I have attached copies of both.

Of note we have found that the disadvantaged funding is widely used, to support a broad range of apprentices with additional needs. Providers told us that they welcomed the simplicity and flexibility within the current model and that they use this funding to provide pastoral and safeguarding support for a broad range of apprentices.

I referred to providers using bursary funds to support apprentices. Aside from the new care leavers' bursary, they are able to do this from their own funds at their discretion.

Further to this, I would like to clarify that Learning Support funding is available from the apprenticeships budget to support a broad group of apprentices who need additional support with the learning element of their apprenticeship. This includes those with learning difficulties and disabilities. Training providers can access this funding to put in place reasonable adjustments such as providing specialist assessments and support, British Sign Language interpreters, and adaptive technologies. Our research suggested that providers are not always clear who and what this funding can be claimed for, so I have asked my officials to help improve understanding of this.

Benefit claims for apprentice care leavers

There was a question around applications for benefits, including housing benefit, when a care leaver becomes an apprentice. Entitlements to benefits such as Housing Benefit are means-tested to ensure that they accurately reflect the claimant's circumstances. If the claimant's circumstances change and their income increases (for example when they move from unemployment to work), they should notify the government who will adjust the amount they receive accordingly.

Some benefit claims and notifications of change in circumstances, while necessary, can be complex for the claimant, particularly for those with little or no experience of these procedures. The Department for Work and Pensions recognises that some care leavers may find making claims difficult.

As Universal Credit is rolled out, DWP is providing a comprehensive package of support for care leavers who need to claim Universal Credit to help them move to independent living. This includes a local authority leaving care adviser or a Jobcentre Plus work coach to help them start preparing a Universal Credit claim, up to 28 days before their 18th birthday, along with an appointment to make the claim, to ensure that payments are received promptly. A Universal

Credit Advance or direct rent payment to landlord can also be arranged if needed.