



Parliamentary event

The *save our apprenticeships* campaign calls on the Government to urgently rethink their 'simplified' apprenticeship funding approach, which will be applied from 1 May 2017. Left unchanged it would cut some 16-18 apprenticeship framework funding rates by over 50% in the most deprived parts of the country. Read more about the campaign here: www.feweek.co.uk/soa

Wednesday 14 September, Committee room 9 in the Palace of Westminster

MPs arriving from 12:30 with event starting at 12:45 and finishing at 14:00

Analysis of some of the most popular apprenticeship frameworks show the impact of the governments attempt to simplify apprenticeship funding to benefit employers. Funding rates for 16-18 frameworks fall, particularly in deprived areas, and funding for adult apprentices rises, particularly in affluent areas. Can this really be intended?

There are many other concerns about the funding change from 1 May 2017, but this one in particular is clearly at odds with Theresa May's own social mobility campaign.

For more information contact news@feweek.co.uk

Apprentice	Framework	Framework funding now	Proposed funding upper limit*	Variance for starts from 1 May 2017	
16-18 apprentice current minimum	Business Admin L2	£4,272	£3,000	-£1,272	-30%
	Construction L2	£9,574	£7,000	-£2,574	-27%
	ICT Practitioner L3**	£8,471	£10,000	£1,529	+18%
16-18 apprentice current maximum (lives and works in Tottenham)	Business Admin L2	£6,258	£3,000	-£3,258	-52%
	Construction	£14,027	£7,000	-£7,027	-50%
	ICT Practitioner L3**	£12,410	£10,000	-£2,410	-19%
24+ apprentice minimum working at a large employer	Business Admin L2	£1,195	£2,000	£805	+67%
	Construction	£2,678	£6,000	£3,322	+124%
	ICT Practitioner L3**	£2,369	£9,000	£6,631	+280%

*Includes the proposed £1,000 16-18 provider incentive. ** Includes the proposed 80% level 3 STEM uplift. Analysis by Nick Linford, author of the Complete Guide to Funding Apprenticeships and Editor of FE Week

Being removed	Being replaced with from 1 May 2017	And worth noting
Disadvantage uplift	Nothing	
Up to 32% more funding to support learners of all ages living in the most deprived parts of England based on the Index of Multiple Deprivation	Removal of disadvantage uplift will impact to varying degrees, but the cut will be greatest in the most disadvantaged areas	The highest combined disadvantage and area cost uplift is in Tottenham
Area cost uplift	Nothing	
More funding for delivery in the South East, up to a maximum of 20% more in central London	Providers in London may have to charge employers more to cover the additional costs of operating in the capital	
Large employer discount	Nothing	
A 25% reduction in funding for 19+ apprentices with employers that have 1000+ staff as lower priority and assumed they will contribute a higher fee	The is no automatic funding reduction for large employers although they may use buying power to 'negotiate' a lower than average rate	Removing this typically makes funding for the lowest priority apprentice rise
Assumed employer fees	Levy, cash fees and £1000 16-18 employer incentive	For the first time employers will have to pay towards an apprenticeship (with one exception*)
For 19+ apprentices the government pays 50% of the fully-funded rate and it is 'assumed' the employer contributes the rest (but often fees are not charged)	Employers will pay 100% of the negotiated rate from their levy pot or 10% if the pot is empty. All employers will receive £1000 incentive for taking on a 16-18 year-old (£500 less than the current grant)	
No fees for 16-18 year-olds	Fees for some 16-18 year-olds and £1000 16-18 provider incentive	Apprentices will become the only 16-18 education not fully-subsidised by the government
All 16-18s based on age at start are fully-funded, as they would be if they went to sixth-form or full-time college	Only employers with fewer than 50 staff will in future have 16-18 year-olds fully funded	
Funding rates that vary by age	Provider and employer negotiation up to a single upper-limit rate	In isolation, setting the new upper-limit near the adult rate cuts 16-18 funding by over half
The unweighted 19-23 year-old funding is slightly more than double for a 16-18 and 20% less for a 24+	In an effort to 'simplify' the experience for the employer there will be one rate, typically set near one of the current adult rates	
Listed funding rates (not negotiated)	Negotiated funding within an upper-limit	Apprentices will become the only part of the education system where a funding level negotiation is expected
The government set the funding levels using 'listed' rates and a national formula	The 16-18 cuts analysis assume the employer agrees with the provider to pay the full upper-limit. It's a best case scenario	
Providers are able to charge employer	STEM uplift	Remember, with the introduction of negotiated rates the employer may not be asked or agree to pay this
The government recognise that some employers do already pay fees for 19+ apprentices, particularly in STEM sectors	Extra 40% for level 2 and 80% for level 3 added to the upper-limit rate, to recognise that some provider so charge 19+ employer fees within the current system	



Apprenticeship funding rate concern : chronology

Date	Detail	Source	Link for more info
Apprenticeship Funding Proposals			
12/08/2016	Fourth government consultation on apprenticeship funding reform, which ended on 5 September. Although not part of a consultation question, the government also published a spreadsheet which for the first time allowed users to look-up the planned funding rates for all existing frameworks from 1 May 2017.	.gov.uk	http://tinyurl.com/jmkhs9o
Funding rates cut by up to 50% for the most deprived 16-18 apprentices			
19/08/2016	Nick Linford, author of the Complete Guide to Funding Apprenticeships, compares the planned apprenticeship framework funding with current levels and publishes the findings in FE Week, which he also edits.	FE Week	http://tinyurl.com/gmjiry3
CITB statement on apprenticeship funding			
26/08/2016	"The Government's proposed funding bands for framework apprenticeships raise real concerns for the construction industry." "...no standards for construction have yet been approved and we are still working under the existing frameworks system and may well continue beyond 2017." "...Even with the sector beneficial STEM increases to funding the Government's proposed funding bands will cut funding for construction apprenticeships by between 20% and 30%."..."We are concerned that training providers could stop training or they could ask employers to make up the shortfall in cost, which might deter firms from taking apprentices on."	CITB website	http://tinyurl.com/zfxjw8
New apprentice funding arrangements are a car crash says IMI			
30/08/2016	First paragraph reads: "Government has announced new funding arrangements for apprenticeships in connection with introduction of the Training Levy in 2017. Many of the courses currently used by the motor industry to fill around 13,000 apprentice vacancies every year are subject to cuts of up to 50% in Government funding. This has sparked fears that retail motor sector will suffer a trainee drought from next year, worsening an already critical skills shortage across the country."	Institute of the Motor Industry website	http://tinyurl.com/zlmksoe
Concern over FE Week funding cuts findings raised by shadow minister			
02/09/2016	Shadow Skills minister Gordon Marsden writes to the new Apprenticeships and skills minister Robert Halfon about FE Week's analysis.	FE Week	http://tinyurl.com/hntu6mc
MPs use FE Week analysis to demand funding cuts reversal			
04/09/2016	Former HE minister David Lammy sends a letter signed by 55 fellow Labour Party MPs to Justine Greening in which is says: "We fear that the impact of these funding cuts will be devastating in deprived areas, where unemployment rates are already well above the national average, especially amongst young	FE Week Guardian Mirror Independent	http://tinyurl.com/z3jfby8 http://tinyurl.com/hdvpc45 http://tinyurl.com/zp4q8j7 http://tinyurl.com/z7rzuy6
Halfon should ask the Treasury to hand back the savings and fully-fund younger apprentices			
04/09/2016	In an opinion piece Nick Linford, editor of FE Week, calls on the new Apprenticeships and Skills Minister to persuade the Treasury to hand back £1.5bn in savings and fully-fund 16-18 year-olds	FE Week editorial	http://tinyurl.com/h4qjqql
Greening challenged over apprenticeship funding cuts			
06/09/2016	Shadow Skills Minister Gordon Marsden lodged a series of written parliamentary questions following up on the FE Week research, which included the request for a statement about the implications for apprenticeship take-up by 16-18 year olds as a result of the Department's current proposals for changes	FE Week	http://tinyurl.com/afxm44b
Save our apprenticeships campaign			
09/09/2016	In the first published edition of 2016/17 the FE Week newspaper launches a campaign to "rethink their 'simplified' apprenticeship funding approach".	FE Week	http://tinyurl.com/huwprbt
Government advisory groups kept in the dark over apprenticeship funding rate cuts			
13/09/2016	FE Week reports that none of the three government advisory groups were consulted or warned about the funding rates announced in August. But, last Friday the DfE Permanent Secretary visited a London-based training provider to find out more about the concerns.	FE Week	http://tinyurl.com/hrwhj3o
Proposed changes to apprenticeships funding will hamper social mobility			
13/09/2016	Writing in FE Week, the chief executive of the Association of Employment and Learning Providers says "The totally unviable funding rates for many apprenticeship choices came as a big surprise" and "Messages from training providers immediately poured into my inbox, which prompted AELP to commission an expert analysis of the proposed rate changes. It was very clear that we were not just talking about private providers' margins or charitable providers' surpluses taking a hit. Having crunched the numbers, we were looking at the real possibility of providers and their employers withdrawing from 16-18 apprenticeships altogether.	AELP opinion piece in FE Week	http://tinyurl.com/gvw42uo
	The independent analysis of FE Week supported our conclusions by identifying rate cuts in many key sectors, of around 30 per cent to over 50 per cent. These are in sectors where, unless a generous work permit scheme is in place, employers will need to replace EU migrants with home-developed talent once Brexit has taken place."		



Parliamentary event registered to attend

Registered to attend			
First name	Surname	Job Title	Organisation
Amy	Fowler	Head of Research and External Relations	157 Group
Jilesh	Kacha	Funding & Planning	5E Ltd
Simon	Martin	Director academy transformation trust FE	Academy Transformation Trust
Paul	Warner	Director of Policy and Strategy	AELP
Duncan	Fletcher	Commercial Manager	Ascentis
Richard	Thickpenny	Business Development Manager	Ashley Community Housing
Alison	Sumpter	Director	Aspire learning
Kathleen	Harrison	Business Development Manager	Aspire Training Team Ltd
Sarah	Scott	Head of Media and PR	Association of Colleges
Janet	Clark	Education Policy Advisor	ATL
Adrian	Fantham	Finance Director	Babington Group
Steve	Woolcock	Head of Employment Training and Skills	Barnardos
Tracey	McIntosh	Director of Employer Partnerships	Barnet and Southgate College
Pauline	Tiller	Director	BDO LLP
Gareth	Phillips	Commercial Development	BIIAB
James	Wingerath	Business Development Manager	BIIAB
Akin	Ali	Consultant	Cairneagle Associates
Colin	Leeown	Founder	CareerPaths Online
Andrew	Forbes	Executive Director	Central Sussex College
Bev	Keech	WBL manager	Central Sussex college
Thomas	Boyle	Apprenticeship Manager	Choice Training
Daniel	Pedley	Adviser to CEO	CII
Kirstie	Donnelly	Managing Director	City & Guilds
Bill	Twigg	Head of Apprenticeships	City and Guilds
David	Coleman	Quality and Performance	City of London Corporation
Barbara	Hamilton	Head of Adult Dkils and Education	City of London Corporatipn
Simon	Greenleaf	Managing Director	College of Apprenticeship Training
Kurt	Hintz	Vice Principal Curriculum	College of Haringey, Enfield and North East London
Ranie	Glyn	Consultant	Creative education
Dan	Sandhu	Chairman & CEO	Digital Assess
Sukvinder	Kathuria	Quality manager	Digital skills solutions
Maureen	Emmett	CEO	EM Skills
Scott	Forbes	Head of Policy and Communication	emfec and ABC Awards
Nick	Linford [chair]	Editor	FE Week
Paul	Offord	Deputy Editor	FE Week
Rob	Williams	Business Manager	Global Learning Support
James	Spacey	Principal Policy Officer	Greater London Authority
Charlotte	Hewson	National Qualifications Manager	Greene King
Crawford	Knott	Managing Director	Hawk Training
Kathryn	Osborn	Director of Quality and Compliance	Hawk Training
Lucy	Hunte	Apprenticeship Lead	Health Education England
John	Hyde	Executive Chairman	HIT Training Ltd
Matthew	Brown	Vice Principal Finance, Resources & Strategy	Huntingdonshire Regional College
Sue	Richardson	Managing director	Hygiene sue
Jake	Tween	Funding and Apprenticeships Manager	ILM (City & Guilds)
Alaina	Allen	Career Hive Co-Ordinator	in2ambition
Paula	Reid-L'esperance	MIS/Funding Consultant	Independent
Sam	Penwill	Business Development Manager	Ingeus
Richard	O'Brien	Communications Officer	Institute of the Motor Industry
Sharon	Sewell	Business Development Manager	IPS International
Teresa	Wilson	Head of Contracts and Compliance	IPS International Ltd
Janet	Robinson	Apprenticeship Levy Project Manager	Janet Robinson
Lindsay	Collins	Director of operations	KATO
Karen	Dodd	Business Development Apprentices	Kensington & Chelsea College
Matthew	Berman	Business Development	L D Training Services
Ruth	Cox	Apprenticeships Administration Coordinator	Lambeth College
Bayo	Emanuel	Business Development Specialist	Lambeth College
Shane	Chowen	Head of Policy and Public Affairs	Learning And Work Institute
Mark	Monet	Director of Workplace Learning	LETS Academy
Amy	Lalla	Director	LMP Education
Neeta	Barot	Business Engagement Manager	London South Bank University
Alison	May	Apprenticeship Manager	London South Bank University
Jennifer	Pharo	Executive Director College Services	London South East Colleges
Matt	Dronfield	Employer Engagement Manager	London Youth
Jean	Duprez MBE	Managing Director	Making Apprenticeships Count
Michael	Pastor	Head of Client Services	MiddletonMurray

Debbie	Houghton	Director of faculty	Milton keynes college
Georgina	Burton	Programme Leader, Apprenticeships	Moulton College
Philip	Girling	Regional Development Executive	NCFE
Andrew	Gladstone-Heighton	Policy Leader	NCFE
James	Harkness	marketing manager	NOCN
James	Jennings	Head of Apprenticeships	North East Surrey College of Technology
Ben	Kinross	Apprentice Engagement Officer	NSoA
Josephine	Pierre	Head of Business Development	NXG Group CIC
Gemma	Gathercole	Head of Policy	OCR
Neil	Carmichael MP	Chair of the Education Select Committee	Parliament
Nic	Dakin MP	MP for Scunthorpe	Parliament
Caroline	Flint MP	MP for Don Valley	Parliament
Andrew	Gwynne MP	MP for Denton and Reddish	Parliament
Robert	Halfon MP	Apprenticeships and Skills Minister	Parliament
Kate	Hollern MP	Shadow minister (defence)	Parliament
David	Lammy MP	MP for Tottenham	Parliament
Gordon	Marsden MP [host]	Shadow minister for FE and HE	Parliament
Jack	McKenna	Parliamentary Researcher for David Lammy	Parliament
Catherine	McKinnell MP	MP for for Newcastle upon Tyne North	Parliament
Karin	Smyth MP	MP for Bristol South	Parliament
Nicholas	Wright	Parliamentary Researcher for Gordon Marsden	Parliament
Steve	Bates	Director	Peach Orator Ltd
James	Dobson	Director Stakeholder Relationships	Pearson
Sian	Owen	Head of Stakeholder Engagement (Funding)	Pearson
Garrie	Owens	Deputy Director of Innovation and Learning	Pearson TQ
Phillip	Speed	Head of Education Finance	Platform Black Ltd
Christopher	Cotterill	Manager, Adult & Apprentice Programmes	ProVQ, subcontracted to Toyota GB plc
Rob	Colbourne	CEO	PTP Training (Performance Through People)
Amanda	Olvanhill	Head of Business Development Skills and Education	Remploy Limited
Gordon	Milne	Business Development Consultant	Richmond upon Thames College
Jenn	Culbert	Training Provider Manager	risual
Tina	Jones	Director of Education	risual
Richard	Holliday	Vocational Skills Manager	Royal Society of Chemistry
Christopher	Mantel	Partner	RSM
Ben	Dunn	Finance Director	Skillnet
Lisette	MacCormac	Head of Apprenticeships & Subcontracting	South Essex College
Claire	Gavaghan	Vice Principal	Southend Adult Community College
Michael	Frearson	Director	SQW
Zoe	Bolger	Operations Manager	Strategic Development Network
Stephanie	Edmund-Jones	Head of Employer Engagement	Stratford-upon-Avon College
Ursula	Hartland	Business development manager	Strive Training
Brian	Connolly	Business Development Director	TBC Training and Assessments
Christian	Clifford	Director	TechATP
Bhairavi	Tarkas	Consultant	Thames Education Consultant
Maria	Howard	Founder	The Academy
James	Stockdale	Assistant Director, Qualifications	The Chartered Institute for Securities and Investment
Andy	Forbes	Principal and Chief Executive	The College of Haringey, Enfield and North East London
Liam	Budd	Policy and Public Affairs Executive	The Prince's Trust
Steve	Farrow	General Manager	The Training & Recruitment Partnership Limited
Lesley	Jones	Managing Director	TheLightBulb Limited
Suzanne	Tilling	Operations Director	TheLightBulb Limited
Rosalyn	Allen	Development Director, Apprenticeships	ThinkWinDo
Alan	Hayler	Manager, Technical Training	Toyota (GB) PLC
Ingrid	Dick	Education & Training Manager	Westminster Adult Education Service
Sara	Esdale	Head of Operations	Westminster Kingsway College
Jane	Edwards	College Manager Business Development	Wirral Met College
Tracey	Sheriff	Director of Business Development	Wirral Met College
Julie	Bennett	Operations Director	Workology (Y Train ltd)
Alex	Miles	Operations Director	WYLP LTD
Kate	Mahoney	Policy and Public Affairs Officer	YMCA Training
Mark	Gale	Campaigns Manager	Young Women's Trust

Thanks to Gordon Marsden for hosting and David Lammy for also galvanising support