

**TRAINEESHIPS FUNDING IN
ENGLAND**

Funding Reform Technical
Consultation

JUNE 2014

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Traineeships Funding in England – Funding Reform Technical Consultation

This is a joint consultation from the Department for Education and the Department for Business, Innovation and Skills seeking views on how the Government's funding for the Traineeships Programme in England could be used to deliver the best possible results for young people.

Subject to the outcomes of this consultation, the Government would expect to make a further announcement in autumn 2014, setting out changes to take effect from the 2015/16 academic year.

Issued: 19th June 2014

Respond by: 14th August 2014

Enquiries to: Traineeships.CONULTATION@education.gsi.gov.uk

This consultation is relevant to training providers, employers and young people who might be suitable for a Traineeship; the representative bodies of these three groups; and other organisations such as charities and voluntary organisations with an interest in young people's transition from education to work.

Foreword from the Minister of State



Traineeships are a central pillar in the Government's plans to support young people to make the transition from school to work. They are for those young people who are motivated to get a job but lack the skills, qualifications and work experience which employers look for when recruiting.

Since their launch in August 2013, Traineeships have been delivered across England with some fantastic results for young people. Training providers and employers have embraced the flexibility that is at the heart of the Traineeships model, delivering a diverse range of models tailored to the needs of learners and localities. We have seen 3,300 young people start Traineeships in the first 6 months and we have seen commitments from major national employers such as Barclays, National Grid and the BBC to several thousand more over the coming years.

Already this year we have taken steps to refine the programme, informed by the experience of providers and employers about what works for young people. Since the launch in August, we have ensured Traineeships are no longer subject to the '16 hour' training rule for jobseekers. From August 2014, there will be extended funding to 24 year olds and increased flexibility for providers and employers to design work experience placements which meet the needs of learners.

From the start I have been clear that I want Traineeships to be a high-quality offer for young people. Providers that do not have an Ofsted rating of 'outstanding' or 'good' are not eligible to deliver Traineeships. This has been important in enabling us to develop a flexible programme, where we can trust providers to use that flexibility to support learners to achieve Apprenticeships and other employment.

Looking ahead I am keen to ensure that the achievement of positive outcomes for young people is at the heart of the scheme. This reflects the stronger focus we are placing on progression across the whole Further Education sector. While the current funding systems in place for 16-19 and adult training were designed to encourage training providers to support young people to participate and gain qualifications, they do not appropriately reward the desired outcomes for Traineeships – progression to an Apprenticeship or another job.

I welcome views through this consultation on proposed changes to the funding arrangements aimed at encouraging the most effective means of supporting young people to become ready for work, while retaining the core elements of Traineeships and the flexibility which providers and employers value.

A handwritten signature in blue ink, appearing to read 'Matthew Hancock'.

Matthew Hancock MP
Minister for Skills and Enterprise

1. Introduction and objectives

1. Traineeships are for young people who are motivated to work but lack the skills and experience sought by employers.
2. Traineeships are highly outcome-focused. The vision of the programme is for a single, high quality programme available for 16 to 24 year olds, focused on giving young people the skills, experience and behaviours needed to gain and hold down a good job.
3. In order to launch the Traineeship programme quickly, and to enable providers to make a relatively straightforward transition to offering Traineeships, for 2013/14 and 2014/15 we have used the current funding systems in place for 16 to 18 and adult skills provision (for those aged 19 and over) to deliver the programme. This ensured that we could deliver these much needed interventions quickly. However, this has also meant that Traineeship funding has been linked to retention on the programme and qualification achievement, rather than progression, and it has meant that providers have had to manage differences in these funding systems to deliver a single programme across the 16 to 24 age range.
4. Therefore, in the *Skills Funding Statement* published in February 2014¹, we set out the following aim:
5. “We want to see a continuing expansion of Traineeships in future years ensuring many more young people take up this opportunity, but we must maintain quality. Looking towards 2015/16 and as part of the wider work on rewarding success and improving accountability, we are considering how to better incentivise positive outcomes from Traineeships, in particular around jobs and Apprenticeships. At the same time we are looking at ways to achieve greater consistency in the way Traineeships are funded across 16-24 provision. We will continue to work with the sector to inform any future developments.”
6. To take this forward we consider there are three main **objectives**:
 - (i) ensure that the funding arrangements for Traineeships drive positive outcomes for young people;
 - (ii) achieve greater consistency in the way Traineeships are funded for 16 to 18 year olds and 19 to 24 year olds; and
 - (iii) ensure providers have the flexibility to design high quality programmes that maximise outcomes for young people.
7. Traineeships will continue to focus on young people who are motivated to work but lack the skills and work experience required by employers. Therefore the core elements of Traineeships will remain:

¹ <https://www.gov.uk/government/publications/skills-funding-statement-2013-to-2016>

- A high-quality work experience placement
 - Work preparation training
 - English and maths for those without GCSE A*-C
8. To ensure Traineeships is a high-quality programme from the outset, we have limited its delivery to those providers which are graded 'good' or 'outstanding' by Ofsted. This arrangement will remain in 2014/15. We will review the position for 2015/16 based on the outcomes of this consultation.
9. This consultation offers a broad set of options and proposals for how Traineeship funding for 2015/16 should operate and seeks views on how far these changes would meet the above objectives.

Question 1: Should Traineeships funding have a greater focus on positive outcomes than it does at present?

Question 2: Is it important for successful Traineeship delivery to have greater consistency in funding arrangements between the 16 to 18 and 19 to 24 age groups?

2. Current funding arrangements

10. Funding for Traineeships is embedded in the existing mainstream funding arrangements, overseen by the Education Funding Agency for 16 to 18 year olds and Skills Funding Agency for the 19 to 23 age group.² Details of these arrangements are contained in the Agencies' rules and guidance which are publicly available.³
11. There are some notable differences across the age ranges. Funding amounts are determined either by the number of hours spent on the programme (16 to 18 year olds), or the individual learning aims each trainee undertakes (19-23 year olds). Funding for the younger age group primarily rewards training providers for participation and retention, while funding for those aged 19 and over primarily rewards the achievement of qualifications or units.

3. Defining priority outcomes

12. The purpose of a Traineeship is to support progression into an Apprenticeship or other sustainable job. If a trainee decides that they want to continue training, further learning is also considered an acceptable outcome.

² From August 2014, the eligible age group will extend to 24 year olds

³ <https://www.gov.uk/16-to-19-education-funding-guidance>
<https://www.gov.uk/government/publications/sfa-funding-rules>

Question 3: Are Apprenticeships, other jobs and further learning the right progression outcomes to reward?

13. It is the Government's intention to fund at least part of a Traineeship based on the achievement of these outcomes. In order to do so, we need to define them.
14. The Government already publishes provider-level data on Further Education (FE) outcomes⁴ for learners aged 16 to 19, and will do so for post-19 learning this summer, as well as consulting on the use of these data for informing learner choice and provider accountability. There are differences between these outcome-based success measures and the measures we are exploring in this consultation for Traineeships. The FE outcome measures are intended to provide data at provider level (rather than course or individual level) across the full range of FE learning in order to inform learner and employer choice, and for government performance-management of providers. The Traineeships measures explored in this consultation are intended to capture, for funding purposes, the direct progression of each learner from their Traineeship to a positive outcome.

Principles

15. In seeking to define job outcomes for Traineeships we have considered what qualifies as a job, the period during which the outcome must take place and the duration of employment within that period. We have applied the following principles:
- **Achievability** – The job outcome should be defined in such a way that it is achievable by a sufficient number of the target learners.
 - **Timeliness and deliverability** – The reference period (the period of time during which the outcome must be captured) should be soon enough after the end of the Traineeship for providers to maintain contact with most learners, limiting the difficulty and costliness of tracking learners over a longer period of time.
 - **Causality** – Funding should be based on the provider being able to demonstrate a reasonable level of causality. Longer reference periods and short durations of employment make causal links more difficult to demonstrate. This can be exacerbated where other interventions have taken place in the interim.
 - **Sustainability** – Apprenticeships and other job outcomes should be sustainable. This supports growth and reduces the risk that young people will move on to, or return to, claiming benefits. Therefore the employment needs be held for a period that is long enough to indicate sustainability.

⁴ <https://www.gov.uk/government/collections/statistics-destinations>

Question 4: Are the principles we are applying to the definition of job outcomes the right ones? If not, what alternative principles do you suggest?

Definitions – Apprenticeships and other jobs

16. For the purpose of defining job outcomes, the Government's preference is to define an Apprenticeship or other job as employment being undertaken for at least 16 hours per week. This is easier to evidence than a measure based on earnings and is the same measure of full-time employment currently used in respect of Jobseeker's Allowance, so is consistent with the most relevant element of the benefits system.
17. We also propose that self-employment should be considered as a valid job outcome, provided that evidence were made available that the young person has an income equivalent to 16 hours per week at the appropriate rate of National Minimum Wage (NMW).

Question 5: Should the job outcome definition for Traineeships exclude employment under 16 hours per week?

Question 6: Should the job outcome definition include self-employment, provided that the individual has an income equivalent to at least 16 hours per week at NMW?

Employment duration and reference period

18. A number of current programmes use different reference periods for measuring job outcomes. A variety of approaches could be taken for Traineeships, so we offer some examples below. We are particularly interested in views about how a balance can best be achieved between sustainability and timeliness/deliverability.

Example 1: Short reference period and employment duration

4 weeks of continuous employment, within 3 months after completing the Traineeship. This measure mirrors the definition used in European Social Fund (ESF) 'skills support' provision. A shorter duration and reference period would be easier for providers to implement, but would provide less certainty that it indicates sustainable employment.

Example 2: Longer reference period and employment duration

13 weeks of continuous employment within 6 months of finishing the Traineeship
This measure would provide more certainty over the sustainability of employment and sets a higher bar for the outcome. Longer durations may make tracking harder or more costly than Example 1.

Example 3: A two-stage measurement

A two stage process could be used, which would enable both measurement of progression into work and sustainment of employment. This could consist of:

- (i) an initial progression measure after a defined short time-period, for example 2 or 4 weeks; and
- (ii) a sustainment measure for example after 3 or 5 months of continuous work in the 6 months after the initial measure.

This is a similar approach to that used in the Youth Contract for 16/17 year olds and will be familiar to some providers. It recognises both initial progression into work (causality) and sustainability. However, it may require more tracking than examples 1 and 2.

Question 7: How far do the above examples support the principles set out in paragraph 15?

Question 8: What do you consider to be the benefits and drawbacks of each approach?

If you have an alternative proposal, please provide details and the rationale.

Question 9: In your experience, what proportion of trainees would you expect to progress into a) an Apprenticeship and b) sustainable employment?

Definitions – further learning

19. As well as measuring Apprenticeships and other job outcomes, we will also need to define what constitutes further learning for the purpose of progression from a Traineeship. Further learning is an acceptable outcome for a minority of trainees because we recognise that some will not find a job immediately and/or might need a specific qualification to enter the field of their choice.
20. We propose that we should align the reference periods and duration for further learning with those used for Apprenticeship and other job outcomes. This would ensure simplicity and ensure all progression payments are made at around the same time following the end of the Traineeship.
21. We also want to make sure everyone delivering Traineeships is focused on ensuring that trainees make progress towards employment and do not end up repeating qualifications or units which do not take them closer to the labour market. We could therefore specify that a further learning outcome is based only on learning at the same level or a higher level than the provision studied as part of the Traineeship; and/or we could specify which type of qualification is acceptable as a progression outcome.

Question 10: Do you agree that further learning should be defined using the same reference period as that for Apprenticeships and other jobs?

Question 11: If not, what definition do you propose is used and why?

Question 12: Should further learning as an outcome be restricted to particular types or levels?

Question 13: Please provide details of what type of further learning after a Traineeship should be considered an appropriate progression outcome and give reasons for your answer.

Question 14: What proportion of trainees would you expect to progress into further learning?

Capturing outcomes

22. The Government produces statistics using matched data from the Individualised Learner Record (ILR) and the Work and Pensions Longitudinal Study (WPLS). This enables an assessment of the impact of learning on earnings and employment at an aggregate level. At present, for legal reasons, this data cannot be used in a way that potentially identifies individual learners, so is not currently suitable for use in a funding system based on the progression of individual learners, for example from a Traineeship.
23. It is therefore necessary for providers to submit their own returns for outcomes arising from Traineeships. We already ask providers to collect outcomes data for their skills provision. In considering what needs to be captured for funding purposes, we want to understand the extent to which providers are currently collecting outcomes, and how they are doing it.

Question 15: How do you track learner outcomes currently and what do you use as evidence to validate outcomes?

24. The Government is legislating to remove the barriers to using matched data to provide measures of sustained employment outcomes. That could open up opportunities to use matched data in any funding system.

Question 16: How could we use matched data now and in the future to support our understanding of outcomes for trainees?

4. Payment Models

25. Once we have defined what each outcome is and how it will be measured, we will need to consider how we should fund against these outcomes. The Government's intention is to fund Traineeships as a single programme that supports providers who are focused on achieving

positive outcomes for young people - while supporting a smooth and workable transition to any system changes. A range of payment models for Traineeships could be possible.

26. In designing a new payment model, we want to deliver the following benefits for those undertaking a Traineeship and the providers or employers that deliver the programme:

- An **increased focus** on positive outcomes – reinforcing that Traineeships are intended to be programme that leads to progression for young people;
- A **standard funding rate per Traineeship**, moving away from funding the individual components (for 19 to 24 year olds) or based on hours (for 16 to 18 year olds);
- **Flexibility** for training providers to design their Traineeships programmes according to what learners and employers need;
- **Simplicity** in how the payment structure is designed so that it is easily understood by all those involved in Traineeships delivery;
- **Support** to training providers by ensuring cash payments are delivered at the right time so providers can manage their **cash flow**;
- **Accountability** of providers for delivering substantial and stretching Traineeship programmes, across all the components, which support progression; and
- A suitable **balance** in apportioning funding for outcomes, which encourages training providers to use Traineeships to support a **relatively wide range of learners** who would not expect to find employment without the programme; whilst discouraging the use of Traineeships to support individuals who are ready for work and therefore already have a high chance of employment.

Question 17: Are these the correct principles for an outcomes-based Traineeship funding system? Please outline the reasons for your response.

27. On the basis of these principles, in developing payment options we need to consider what we pay for (i.e. what triggers payment) and the balance of funding at each stage of the programme. We would welcome your comments on both of these aspects.

28. For the purposes of this consultation we are presenting **four illustrative examples**. Each of these examples has the same overall funding rate for the Traineeship. Providers would be expected to deliver all three core components of a Traineeship to qualify for funding: work preparation; work experience; and English and maths for those who are required to undertake these subjects. However, providers would be given the flexibility to select the elements that fulfil these core requirements, how and when they are delivered, and any additional content they wish to add.

29. The payment system may vary depending on how Traineeship provision is contracted (see section 7); and how we define a sustainable outcome (see section 3). In particular, if a two-stage measurement approach were adopted, then this would automatically lead to there being two “outcome” payments.

Approach 1: 'Engagement' and 'sustainable outcome' payment

This would consist of two payments. The proportions paid at each stage could be adjusted.

Example:

- **Engagement payment** – paid 2 or 4 weeks after the Trainee has enrolled, once the initial assessment is complete and a learning agreement has been drawn up; and
- **Final 'sustainable outcome' payment** – paid when one of the recognised sustainable outcomes is evidenced by the provider.

Approach 2 – 'Engagement', 'milestone' and 'sustainable outcome' payment

This comprises three payments, thereby further spreading the overall payment. The 'milestone' payment may provide greater assurances over delivery of the programme's core elements and a check against the delivery of insubstantial programmes. The proportions of the funding rate paid at each stage could be adjusted, but there would need to be sufficient emphasis on progression.

Example:

- **Engagement payment** – paid 2 or 4 weeks after the Trainee has enrolled, once the initial assessment is complete and a learning agreement has been drawn up;
- **Single milestone payment** – as an example this could be paid once the Trainee had completed a minimum duration (e.g. 6 weeks) or the minimum of 100 hours on a work placement and had been registered for work preparation and (where required) English and maths provision; and
- **Final sustainable outcome payment** – paid when one of the recognised sustainable outcomes is evidenced by the provider.

Approach 3 – 'Milestone' and 'sustainable outcome' payment

This would consist of two payments; but instead of paying on 'learner enrolment', it provides the first payment during the programme (against particular 'milestones') and the remainder once progression is achieved. Therefore it offers greater simplicity compared to approach 2 (by removing the start payment), whilst retaining assurances over delivery of the programme's core elements and a check against the delivery of insubstantial programmes. The proportions of the funding rate paid at each stage could be adjusted, but we would need to ensure there was sufficient emphasis on progression.

Example:

- **Single milestone payment** – as an example this could be paid once the Trainee had completed a minimum duration (e.g. 6 weeks) or the minimum of 100 hours on a work placement and had been registered for work preparation and (where required) English and maths provision; and
- **Final sustainable outcome payment** – paid when one of the recognised sustainable outcomes is evidenced by the provider.

Approach 4 – ‘On programme’ and ‘sustainable outcome’ payment

This approach would comprise monthly payments and a single sustainable outcome payment, thus spreading the payments throughout the programme. The proportions of the funding rate paid ‘on programme’ and that paid for progression could be adjusted, but we would need to consider the balance between paying against the ‘process’ and paying against the activity and outcomes we want to see.

Example:

‘On programme’ payments – after deducting the funds for the sustainable outcome payment the remaining funds would be divided by the length of the Traineeship (i.e. the number of months the Trainee is planned to spend on the programme) to calculate the number and amount of the ‘on programme’ payments. The ‘on programme’ payments would be paid monthly, provided the Trainee was still in learning or had progressed to a sustainable outcome; and

Final sustainable outcome payment – paid when one of the recognised sustainable outcomes is evidenced by the provider.

Question 18: Which of the four approaches do you believe would deliver the principles in paragraph 26 most successfully? Please give reasons for your answer.

Question 19: Are there alternative approaches that would better deliver the principles in paragraph 26? Please justify your answer.

Question 20: Do we need additional mechanisms to prevent any abuse of the flexibilities in the programme, which could lead to insubstantial and insufficiently stretching programmes? If so, what do you suggest?

Question 21: Do you have any comments on the proportion of the funding that should be paid at each stage of the programme?

5. Funding English and maths for Traineeships

30. All young people undertaking a Traineeship are required to study English and maths unless they have already achieved a GCSE at A*-C in those subjects or, for those 19 or above, a Functional Skills qualification at Level 2. Young people aged 16 to 18 taking part in a Traineeship are expected to continue to work towards achieving a GCSE A*-C standard.
31. We will be extending the condition of funding that currently applies to 16 to 18 year olds to cover all Traineeships (age 16 to 24) in the 2015/16 academic year. This will require any student without a GCSE grade A*-C in English and maths to be enrolled on a GCSE programme or an alternative English and maths qualification approved for funding. We will give further details on how this will work in autumn 2014.
32. The English and maths taught should build on the qualification already achieved, so a student who has achieved a GCSE Grade D should be taught at Level 2 rather than Level 1, for example.

33. From September 2015 the new GCSEs in English and maths will be available for teaching. These qualifications will include a greater focus on the more applied aspects of English and maths, such as problem-solving, spelling and grammar. Providers are strongly encouraged, but not yet required, to consider how teaching towards these new qualifications will be incorporated in their courses in the future.
34. Providers should aim to support young people to complete their qualifications within their Traineeship where possible. In some cases it may take longer for a young person to achieve these crucial elements. We would expect young people to continue and complete these qualifications, together with any vocational qualifications they have begun, after the formal Traineeship is complete.
35. We want the funding of English and maths in Traineeships to support the completion of stretching qualifications whilst achieving simplicity for providers. We consider that there are two approaches we could take, set out as options 1 and 2 below.

Option 1 – ‘Within Traineeship’ funding

This option would include the funding for English and maths within the overall payments for the Traineeship, rather than the funding for the English and maths qualifications being separate to the Traineeship funding. Providers would still record the English and maths qualifications as usual.

Option 2 – ‘Separate to Traineeship’ funding

This option would mean that the funding for English and maths is not included in the payments for Traineeships. Instead, the funding would be delivered through the mainstream funding for 16 to 19 study programmes and the 19+ Adult Skills Budget respectively, earned separately by providers for each of the qualifications delivered. Providers would record the English and maths qualifications as usual.

In this option the amount of funding paid for the Traineeship programme would be adjusted to reflect the fact that the English and maths is funded separately.

Question 22: Which option do you consider will make it most likely English and maths learning will be stretching, and why?

Question 23: Which option do you consider will make it most likely English and maths learning will be continued to completion after a Traineeship has finished, and why?

Question 24: Which option will be easier to administer for training providers, and why?

6. Additional elements of funding

36. Different types of support funding are available where eligible learners seek to undertake skills provision, including Traineeships. This is to ensure that all learners have the opportunity to access provision, irrespective of their background and circumstances. For instance:

- Providers are funded to support learners through an uplift in relation to learners who live in disadvantaged areas and through funds to meet the costs of additional learning support; and
- Young people aged 16 to 18 and 19 to 24 are themselves supported financially through bursaries or discretionary funds held by the provider.

37. However, there are some differences in the way support funding is administered, which could mean differences of treatment depending on the age of the learner. Both the Education Funding Agency and the Skills Funding Agency are looking at whether or not there would be benefits to bringing greater consistency to how learner support funding is administered across 16-24 Traineeships, and whether this would increase the likelihood of disadvantaged learners being able to access Traineeships. However, changes could lead to unintended differences between Traineeships and other programmes which might disadvantage some learners further, so in the first instance we propose that existing Learner Support arrangements continue in 2015/16. However, we would welcome your views on this.

Question 25: Should the current arrangements for administering learning support funding to providers and financial support for learners continue to be applied to Traineeships from 2015/16?

Question 26: If not, what would you change as a means of bringing greater consistency to the way learners are supported across 16 to 24 Traineeships in order to best support disadvantaged learners?

7. Provider contracting

38. We recognise that the way in which Traineeships are contracted can influence how responsive providers can be in delivering Traineeships to meet local learner and employer demand.

39. From the inception of the programme, the Government has seen Traineeships as part of the Apprenticeships 'family'. While Apprenticeships, other jobs and further learning are all positive outcomes for trainees, Apprenticeships in particular offer both paid work and high quality training and will therefore in many cases be the best outcome for an individual. Many trainees will be aiming for an Apprenticeship as their next step and we expect training providers to support them in doing so.

40. Given the need for Traineeships to be implemented quickly, and to make it straight-forward for providers to deliver, the Government decided that funding should be allocated and contracted through the following routes:

- 16 to 18 year olds trained by FE providers - as part of the 16 to 18 funding-per-student/study programme budget;
- 16 to 18 year olds trained by Apprenticeship providers without an FE allocation – alongside their Apprenticeship contract, using the 16 to 18 funding arrangements; and
- 19 to 23 year olds - as part of the Adult Skills Budget.

41. In developing the 2015/16 programme we have the opportunity to review the Funding Agencies' contracting and performance management arrangements for Traineeships. Given the position of Traineeships as part the Apprenticeship family, we consider there may be benefits in applying to Traineeships the same contracting and performance management arrangements currently used for Apprenticeships for 16-18 year olds and learners aged 19 and over. This would simplify the current arrangements and support the objective for greater consistency in the way Traineeships are funded for 16-24 year olds.
42. Most training providers eligible to deliver Traineeships already have contracts in place to deliver Apprenticeships. However, we recognise that some training providers do not currently deliver Apprenticeships and therefore would not currently have the appropriate contractual arrangements in place to deliver Traineeships if we applied the same arrangements as used for Apprenticeships. In adopting a single approach, we would expect these providers to enter a separate contract to deliver Traineeships through the Skills Funding Agency.

Question 27: Do you think that Traineeships funding should continue to be contracted through the existing arrangements, or aligned with the current Apprenticeship arrangements?

Question 28: Will the contracting route influence the position of Traineeships alongside Study Programmes, Apprenticeships, or other programmes and if so how?

8. Widening Eligibility for the 19 to 24 year old age group

43. At present, the eligibility criteria for Traineeships means that young people aged 16 to 18 can undertake a Traineeship if they are qualified below a full Level 3 or equivalent; whereas 19 to 23 year olds need to be qualified below a full Level 2 or equivalent⁵. This distinction reflects the expectation that young people aged 16 to 18 may be qualified to a full Level 2, but are less likely to have had work experience than those aged 19 upwards who are qualified to a full Level 2.
44. In the first year of Traineeships, some providers and employers have expressed a wish for

⁵ Currently a full Level 2 is the equivalent of five GCSEs A*-C and a full Level 3 is the equivalent of two A levels. Vocational education equivalents are outlined in the Qualifications and Credit Framework (QCF). Qualifications that constitute a full Level 2 and a full Level 3 are flagged within the Simplified Funding Rates Catalogue.

greater consistency in the learner eligibility criteria for Traineeships. We recognise that there will be some individuals aged 19 to 24 who could benefit from a Traineeship despite already being qualified to a full Level 2. For example, if their full Level 2 did not include English and maths at A*-C and they lack work experience and the skills that work preparation training would provide.

45. Enabling young people aged 19 to 24 to do a Traineeship if they have a full Level 2, so long as they meet the other criteria, would help more young people into work and support the aim that Traineeships is a single programme for young people and employers.
46. In considering the case for widening the eligibility, we need to take into account other provision which is currently available for young adults on Jobseeker's Allowance, such as sector based work academies and work experience programmes, which might be considered more suitable for 19 to 24 year olds who already have a full Level 2 and could gain employment within a relatively short period of time. We also need to consider the risk that extending the eligibility might lead to places on Traineeships being offered to young people who are likely to be able to secure employment without this support, at the expense of those with greater need.
47. Therefore, we seek your views about the appropriate eligibility for the 19 to 24 age group both under the current model and under any future model of funding.

Question 29: Should the eligibility rules for 19 to 24 year olds be changed so that 19 to 24 year olds can undertake a Traineeship if they are already qualified to a Full Level 2? Please justify your answer.

Question 30: Should this depend on the nature of the Level 2 qualification and if so how?

Question 31: Should this depend on whether a person has already reached a high enough standard in English and maths?

Question 32: If a change is made, do you consider that it is necessary to make the change in 2014/15 or 2015/16?

9. What happens next?

48. The Government will analyse responses to this consultation and expects to announce its response during autumn 2014. This will give training providers and other interested parties the opportunity to plan for the academic year 2015/16 with a clear understanding of whether outcome funding is going to be introduced and, if so, on what basis.

10. Summary of questions

Question 1: Should Traineeships funding have a greater focus on positive outcomes than it does at present?

Question 2: Is it important for successful Traineeship delivery to have greater consistency in funding arrangements between the 16 to 18 and 19 to 24 age groups?

Question 3: Are Apprenticeships, other jobs and further learning the right progression outcomes to reward?

Question 4: Are the principles we are applying to the definition of job outcomes the right ones?

Question 5: Should the job outcome definition for Traineeships exclude employment under 16 hours per week?

Question 6: Should the job outcome definition include self-employment, provided that the individual has an income equivalent to at least 16 hours per week at NMW?

Question 7: How far do the above examples support the principles set out in paragraph 15?

Question 8: What do you consider to be the benefits and drawbacks of each approach?

Question 9: In your experience, what proportion of trainees would you expect to progress into a) an Apprenticeship; and b) sustainable employment?

Question 10: Do you agree that further learning should be defined using the same reference period as that for Apprenticeships and other jobs?

Question 11: If not, what definition do you propose is used and why?

Question 12: Should further learning as an outcome be restricted to particular types or levels?

Question 13: Please provide details of what type of further learning after a Traineeship should be considered an appropriate progression outcome?

Question 14: What proportion of trainees would you expect to progress into further learning?

Question 15: How do you track learner outcomes currently and what do you use as evidence to validate outcomes?

Question 16: How could we use matched data now and in the future to support our understanding of outcomes for trainees?

Question 17: Are these the correct principles for an outcomes-based Traineeship funding system?

Question 18: Which of the four approaches do you believe would deliver the principles in paragraph 26 most successfully?

Question 19: Are there alternative approaches that would better deliver the principles in paragraph 26?

Question 20: Do we need additional mechanisms to prevent any abuse of the flexibilities in the programme, which could lead to insubstantial and insufficiently stretching programmes? If so, what do you suggest?

Question 21: Do you have any comments on the proportion of the funding that should be paid at each stage of the programme?

Question 22: Which option do you consider will make it most likely English and maths learning will be stretching, and why?

Question 23: Which option do you consider will make it most likely English and maths learning will be continued to completion after a Traineeship has finished, and why?

Question 24: Which option will be easier to administer for training providers, and why?

Question 25: Should the current arrangements for administering learning support funding to providers and financial support for learners continue to be applied to Traineeships from 2015/16?

Question 26: If not, what would you change as a means of bringing greater consistency to the way learners are supported across 16 to 24 Traineeships in order to best support disadvantaged learners?

Question 27: Do you think that Traineeships funding should continue to be contracted through the existing arrangements, or aligned with the current Apprenticeship arrangements?

Question 28: Will the contracting route influence the position of Traineeships alongside Study Programmes, Apprenticeships, or other programmes and if so how?

Question 29: Should the eligibility rules for 19 to 24 year olds be changed so that 19 to 24 year olds can undertake a Traineeship if they are already qualified to a Full Level 2?

Question 30: Should this depend on the nature of the Level 2 qualification and if so how?

Question 31: Should this depend on whether a person has already reached a high enough standard in English and maths?

Question 32: If a change is made, do you consider that it is necessary to make the change in 2014/15 or 2015/16?

Annex A. Consultation principles

The principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

<http://www.cabinetoffice.gov.uk/sites/default/files/resources/Consultation-Principles.pdf>

Comments or complaints on the conduct of this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

John Conway,
BIS Consultation Co-ordinator,
1 Victoria Street,
London
SW1H 0ET

Telephone John on 020 7215 6402
or e-mail to: john.conway@bis.gsi.gov.uk

Annex B. How to respond

When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.

You can reply to this consultation online using Survey Monkey:

<https://www.surveymonkey.com/s/TMCMS9J>

As an alternative, the consultation response form is available electronically on the consultation page: <https://www.gov.uk/government/consultations/traineeships-funding-reform-in-england> (until the consultation closes). The form can be submitted online/by email or by letter to:

Sue Ruck
Pre-employment & Basic Skills Unit
Department of Business, Innovation and Skills
2 St Paul's Place
Sheffield
S1 2FJ

Tel: 0114 207 5255

Email Traineeships.CONULTATION@education.gsi.gov.uk

We welcome suggestions of others who may wish to be involved in this consultation process.

You may make printed copies of this document without seeking permission.

Other versions of the document in Braille, other languages or audio-cassette are available on request.

The closing date for responses is 14th August 2014.

Annex C. Confidentiality & Data Protection

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

Annex D: Traineeships Funding in England response form

Confidentiality & Data Protection

The Department may make individual responses available on public request, in accordance with the Code of Practice on Access to Government Information.

Please read this question carefully before you start responding to this consultation. The information you provide in response to this consultation, including personal information, may be subject to publication or release to other parties. If you do not want your response published or released then make sure you tick the appropriate box.

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

No, I don't want you to publish or release my response

Your details

Name:

Organisation (if applicable):

Address:

Telephone:

Email:

Are you responding as an individual or representing the views of an organisation?

Individual Response Representing the views of an organisation

Please tick a box from a list of options that best describes you as a respondent to this consultation. This allows views to be presented by group type.

<input type="checkbox"/>	Representative organisation/trade body
<input type="checkbox"/>	Independent Training Provider
<input type="checkbox"/>	College
<input type="checkbox"/>	Awarding Organisation
<input type="checkbox"/>	School
<input type="checkbox"/>	Charity or social enterprise
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Legal representative

	Local Authority
	Other public sector body
	Direct Grant Employer*
	Large business (over 250 staff)
	Medium business (50 to 250 staff)
	Small business (10 to 49 staff)
	Micro business (up to 9 staff)
	Trade union or staff association
	Professional body
	Other (please describe)

*The term 'Direct Grant Employers' refers to employers that receive funding from the Skills Funding Agency to deliver education and training.

If you are responding on behalf of an organisation please make it clear how the views of members were assembled.

Responses to questions are welcome from all of the above

Question 1: Should Traineeships funding have a greater focus on positive outcomes than it does at present? (Paras 1-9)

Yes No Not sure

Please explain your response:

Question 2: Is it important for successful Traineeship delivery to have greater consistency in funding arrangements between the 16 to 18 and 19 to 24 age groups? (Paras 1-9)

Yes No Not sure

Please give further information to justify your answer:

Question 3: Are Apprenticeships, other jobs and further learning the right progression outcomes to reward? (Para 12)

Yes No Not sure

If you answered 'no' or 'not sure', please explain your answer:

Question 4: Are the principles we are applying to the definition of job outcomes the right ones? (Para 15)

Yes No Not sure

If not, what alternative principles do you suggest?

Question 5: Should the job outcome definition for Traineeships exclude employment under 16 hours per week? (Paras 16-17)

Yes No Not sure

Please explain your response:

Question 6: Should the job outcome definition include self-employment, provided that the individual has an income equivalent to at least 16 hours per week at NMW? (Paras 16-17)

Yes No Not sure

Please explain your response:

Question 7: How far do the above examples support the principles set out in paragraph 15? (Para 18)

Comment:

Question 8: What do you consider to be the benefits and drawbacks of each approach? (Para 18)

Comment:

If you have an alternative proposal, please provide details and the rationale.

Question 9: In your experience, what proportion of trainees would you expect to progress into each of a) an Apprenticeship; and b) sustainable employment? (Para 18)

Please give details:

Question 10: Do you agree that further learning should be defined using the same reference period as that for Apprenticeships and other jobs? (Paras 19-21)

Yes **No** **Not sure**

Please explain your response:

Question 11: If not, what definition do you propose is used and why? (Paras 19-21)

Comment:

Question 12: Should further learning as an outcome be restricted to particular types or levels? (Paras 19-21)

Comment:

Question 13: Please provide details of what type of further learning after a Traineeship should be considered an appropriate progression outcome and give reasons for your answer.(Para 19-21)

Comment:

Question 14: What proportion of trainees would you expect to progress into further learning? (Paras 19- 21)

Comment:

Question 15: How do you track learner outcomes currently and what do you use as evidence to validate outcomes? (Paras 22-23)

Comment:

Question 16: How could we use matched data now and in the future to support our understanding of outcomes for trainees? (Para 24)

Comment:

Question 17: Are these the correct principles for an outcomes-based Traineeship funding system? (Paras 25-26)

Yes No Not sure

Please explain your response:

Question 18: Which of the four approaches do you believe would deliver the principles in paragraph 26 most successfully? (Paras 27-29)

- 1 2 3 4

Please explain your response:

Question 19: Are there alternative approaches that would better deliver the principles in paragraph 26? (Paras 27-29)

- Yes No Not Sure

Please justify your answer:

Question 20: Do we need additional mechanisms to prevent any abuse of the flexibilities in the programme, which could lead to insubstantial and insufficiently stretching programmes? If so, what do you suggest? (Paras 27-29)

- Yes No Not Sure

Comment:

Question 21: Do you have any comments on the proportion of the funding that should be paid at each stage of the programme? (Paras 27-29)

Comment:

Question 22: Which option do you consider will make it most likely English and maths learning will be stretching? (Paras 30-35)

- Option 1 Option 2

Please explain your response:

Question 23: Which option do you consider will make it most likely English and maths learning will be continued to completion after a Traineeship has finished, and why? (Paras 30-35)

Option 1 **Option 2**

Please explain your response:

Question 24: Which option will be easier to administer for training providers, and why? (Paras 30-35)

Option 1 **Option 2**

Please explain your response:

Question 25: Should the current arrangements for administering learning support funding to providers and financial support for learners continue to be applied to Traineeships from 2015/16? (Paras 36-37)

Yes **No** **Not Sure**

Please explain your response:

Question 26: If not, what would you change as a means of bringing greater consistency to the way learners are supported across 16 to 24 Traineeships in order to best support disadvantaged learners? (Paras 36-37)

Comment:

Question 27: Do you think that Traineeships funding should continue to be contracted through the existing arrangements, or aligned with the current Apprenticeship arrangements? (Paras 38-42)

Existing Arrangements Apprenticeship Arrangements

Please explain your response:

Question 28: Will the contracting route influence the position of Traineeships alongside Study Programmes, Apprenticeships, or other programmes and if so how? (Paras 38-42)

Yes No Not Sure

Please explain your response:

Question 29: Should the eligibility rules for 19 to 24 year olds be changed so that 19 to 24 year olds can undertake a Traineeship if they are already qualified to a Full Level 2? (Paras 43-47)

Yes No Not sure

Please justify your answer:

Question 30: Should this depend on the nature of the Level 2 qualification and if so how? (Paras 43-47)

Yes No Not sure

Comment:

Question 31: Should this depend on whether a person has already reached a high enough standard in English and maths? (Paras 43-47)

Yes No Not sure

Comment:

Question 32: If a change is made, do you consider that it is necessary to make the change in 2014/15 or 2015/16? (Paras 43-47)

2014/15 2015/16 Not sure

Please explain your response:

Further Information (relevant to training providers, including direct grant employers)

Did you deliver Traineeships in 2013/14?

Yes No

If yes, to what age groups?

16-18 19-23

Did you deliver Apprenticeships in 2013/14?

Yes No

If yes, to what age groups?

16-18 19-23 24+

Do you plan to deliver Traineeships in 2014/15?

Yes No

If yes, to what age groups?

16-18 19-24

Do you plan to deliver Apprenticeships in 2014/15?

Yes No

If yes, to what age groups?

16-18 19-23 24+

Further Information (relevant to employers, including direct grant employers)

Have you offered work experience placements to young people undertaking Traineeships during 2013/14?

Yes No

Do you plan to offer work experience placement to young people undertaking Traineeships during 2014/15

Yes No

Do you have any other comments that might aid the consultation process as a whole?

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

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

Please acknowledge this reply

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

Yes No

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Any enquiries regarding this publication should be sent to:

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If you require this publication in an alternative format, email enquiries@bis.gsi.gov.uk, or call 020 7215 5000.

BIS/14/856 - Traineeships Funding in England - Funding Reform Technical Consultation