



House of Commons  
Education Committee

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**Apprenticeships and  
traineeships for 16 to  
19 year olds:  
Government Response  
to the Committee's  
Sixth Report of Session  
2014–15**

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**First Special Report of Session  
2015–16**

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## The Education Committee

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The current staff of the Committee are Dr Lynn Gardner (Clerk), Kevin Maddison (Second Clerk), Martin Smith (Committee Specialist), Anna Connell-Smith (Committee Specialist), Mike Everett (Senior Committee Assistant), Simon Armitage (Committee Assistant), Beryl-Joan Bonsu (Social Media Assistant) and Hannah Pearce (Media Officer).

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## First Special Report

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The Education Committee reported to the House on *Apprenticeships and Traineeships for 16-19 year olds* in its Sixth Report of Session 2014-15, published on 16 March 2015.<sup>1</sup> The Government Response was received on 1 July 2015 and is published as an Appendix below. The Committee's original conclusions are included in bold and recommendations in bold and italics.

## Appendix: Government Response

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Apprenticeships are a key priority for this Government. I'm proud of the transformative impact that the 2.3 million apprenticeships we created over the last 5 years have had on so many young people's careers, as well as the future strength of the economy. They benefit employees of all ages, as a job with significant new learning, the practice of new skills and achievement of nationally recognised qualifications. For young people, they can be a first step on the ladder that leads to a fulfilling career and further learning. They are an excellent investment for government. The Department for Business Innovation and Skills (BIS) estimates a benefit of £28 for each pound of Government investment for level 3, and £26 for each pound for level 2 apprenticeships. With just under £7 billion being invested in apprenticeships during the last parliament, this means that the benefit to our economy based on the lower BIS figure of £26 was around £182 billion. Employers also support the positive impact of the programme with 70% of apprenticeship employers saying taking on an apprentice has increased their business's productivity or quality of their products.

We are focused on achieving a highly educated society in which opportunity is equal for young people, no matter what their background or family circumstance. Preparing young people for working life is a priority and we will continue to support 16 – 19 year olds to follow ambitious academic and vocational curricula, including the option of more high quality apprenticeships.

As part of our long-term economic plan, we will deliver three million more apprenticeships over the next five years and ensure they continue to deliver the skills employers need to compete with the rest of the world. Apprenticeships are a viable, high quality alternative to academic routes and we will see them making a significant contribution to productivity and help get the country on the right economic track. Underpinning overall growth, we will continue the programme of employer-led reforms begun in the last Parliament and see them taken forward quickly in all sectors of the economy. As we grow the programme we will see increasing returns the more the programme grows at younger ages, as these people will spend longer in the labour market, paying back into the economy through productivity and taxes. We also want to see increased growth in higher and degree apprenticeships to support the development of higher level technical skills our economy needs.

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<sup>1</sup> [Education Committee, Sixth Report of Session 2014–15, \*Apprenticeships and traineeships for 16 to 19 year-olds\*, HC 597](#)

We welcome the Committee's support through this report and acknowledge that there is more to be done. We will demonstrate our commitment via legislation and a new duty will be placed on government to report annually on progress against the 3 million commitment. We also want the public sector to play its part and will legislate to set targets for public bodies in relation to apprenticeships; and will insist that large companies should take responsibility for raising skills through their supply chain. We know that apprenticeships are valued and we will take action to protect 'apprenticeships' against misuse.

We recognise that career advice and work experience at the right time is essential for preparing our young people for the world of work by ensuring they can make informed choices post 16. We intend to do everything we can to provide the inspiration and quality guidance they need to leave school or college ready to succeed in working life. The establishment of the new independent careers company, alongside the duty already placed on schools will help us achieve this. And through traineeships we will ensure that young people are supported as they enter the labour market.

I welcome the Committee's report into Apprenticeships and Traineeships 16–19, and its findings. This response sets out our commitment to continue to grow the programmes and to fully acknowledge the Committee's recommendations.

*Nick Boles*

## Committee Conclusions, Recommendations and Government response

### *Benefits of apprenticeships*

There is a general consensus in the evidence that government investment in apprenticeships represents good value for money and provides a range of benefits for employers. (Paragraph 44)

Good quality apprenticeships can provide long term benefits for young people. (Paragraph 45)

*We recommend that the Government review the benefits provided by funding adult apprenticeships and apprenticeships for young people respectively and assess whether more or all of the money would be better spent on 16 to 19 year-olds. (Paragraph 46)*

We ACCEPT this recommendation.

Analysis of the matched administrative data shows strong wage returns for adult apprenticeships – 16% for level 3 and 11% for level 2<sup>2</sup> per year between 3 – 5 years after completion. Therefore there is a strong justification for public funding of adult apprenticeships. We are planning to replicate this analysis, using the matched data where possible, for 16–18 year olds.

In the current system, employers are rewarded for hiring younger apprentices through a more generous government funding rate. Similarly the reformed model being trialled through trailblazers provides an incentive payment for employers of 16–18 year olds.

*We recommend that the Government expand the existing matched administrative data sets on apprenticeship outcomes with information on the occupation and industry in which individuals are employed. This would help prospective apprentices make informed comparisons between different frameworks and would aid in evaluating the impact of apprenticeships policy. (Paragraph 47)*

*We recommend that the Government review the data collected on apprenticeships to allow assessment of the effect on income of different apprenticeship frameworks. (Paragraph 48)*

We ACCEPT these recommendations.

The Department for Business, Innovation and Skills (BIS) has already published analysis of matched administrative data, which considers how returns vary by subject of study in Further Education<sup>3</sup>. BIS is exploring how this data can be used to provide such breakdowns for apprenticeships specifically, and the work is due to report later in 2015.

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2 BIS Research Paper No. 195 '[Estimation of the labour market returns to qualifications gained in English Further Education](#)'

3 BIS Research Paper No. 195 '[Estimation of the labour market returns to qualifications gained in English Further Education](#)'

***Having accepted our fifth principle, that apprenticeships should be income-transformative, the Government should set out how it will put this into practice. (Paragraph 49)***

We ACCEPT this recommendation.

As the report acknowledges, there are strong earnings returns to apprenticeships. The latest analysis of matched administrative data corroborates this – showing that Level 2 and Level 3 apprenticeships increase earnings by 11% and 16% per year respectively<sup>4</sup> between 3–5 years after completion. BIS is exploring how this data can be used to provide further breakdowns of changes in earnings by subject of study and the work is due to report later in 2015.

Reforms are underway to further raise the value of apprenticeships for employers and individuals – with frameworks being replaced by short, easy to understand standards of competence, designed by employers to meet their needs. These standards will be approved by the Skills Minister, following detailed scrutiny and advice from key partners, and then reviewed after a certain period – to ensure they remain fit-for-purpose.

### ***Engaging young people***

**Misunderstanding by schools of the content, progression opportunities and benefits of apprenticeships is compounded by a cultural preference for the academic over the vocational and by incentives to fill sixth form places rather than offer alternatives to young people. (Paragraph 67)**

**Careers advice in schools continues to be inadequate for most young people. We welcome the collection of destination data by the Government and the opportunity this provides to see what happens to pupils when they leave schools and colleges. There is little evidence, however, that this has sufficiently altered incentives for schools. (Paragraph 68)**

***We recommend that the Government urgently review the incentives for schools to provide good quality careers advice and recognise that the mantra of “trusting schools” does not work when the interests of schools and young people are not aligned. (Paragraph 69)***

We ACCEPT this recommendation.

We have established a clear accountability system for monitoring the extent to which pupils receive the support they need, which is based on the role of Ofsted and the introduction of destination measures – which are planned to form a core part of school accountability metrics from 2016.

Ofsted is giving careers guidance a greater priority in school inspections. References to careers advice and destinations have been strengthened in both the handbook and the subsidiary guidance for inspectors for the 2014/15 and 2015/16 academic years to improve inspectors’ understanding of what to look for and how to report accurately on this.

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4 BIS Research Paper No. 195 '[Estimation of the labour market returns to qualifications gained in English Further Education](#)'

Government responses to the secondary and 16–19 accountability consultations said that destination measures will be one of the headline performance measures from 2016 if the data are robust enough. We have already taken steps to improve the timeliness of the destination measures by publishing the latest set of data in January 2015, six months earlier than previous cohorts. We are working to bring the measures forward even further, and plan to publish the next set of data in Autumn 2015. The Small Business, Enterprise and Employment Act now permits linking education data to Her Majesty’s Revenue and Customs (HMRC) and Department for Work and Pensions (DWP) data. We are working with these departments to agree access to, and testing of the data to improve the robustness and coverage of the employment and NEET destination data.

The new independent careers and enterprise company, will ensure that young people get the inspiration and guidance they need to leave school or college ready to succeed in working life.

The company will act as an umbrella organisation to help employers, schools and colleges and other organisations navigate their way through the existing landscape. It will assist schools in choosing effective careers and enterprise organisations to partner with and stimulate more and better activity in areas where the current provision is poorest.

**We welcome the increased emphasis that Ofsted is putting on careers advice when inspecting schools, but agree with Ofsted that their oversight alone provides insufficient incentive for schools to change. (Paragraph 70)**

***We recommend that the Government require schools to publish a careers plan and work towards the Quality in Careers standard. (Paragraph 71)***

We REJECT this recommendation.

We agree that it is important to improve the quality of careers provision but we do not consider that the most effective way to do this is by introducing mandatory requirements for schools to publish a careers plan and to work towards quality standards.

The Department for Education has updated the careers statutory guidance to make it clearer that schools should have a strategy for the careers guidance they provide to young people. This should reflect the school’s ethos and meet the needs of all pupils. The updated guidance clearly outlines principles for good practice that schools should consider when developing their strategy.

We have strengthened our expectations on quality assurance in the statutory guidance, recommending that all schools should work towards a quality award for careers education, information, advice and guidance as an effective means of carrying out a self-review and evaluation of the school’s programme. The Quality in Careers Standard will assist schools to determine an appropriate quality award to pursue.

***The Government should encourage schools to incorporate work experience into the 14–16 curriculum. (Paragraph 72)***

We REJECT this recommendation.

The statutory duty on schools to provide a programme of work-related learning for every pupil at key stage 4 was removed from the national curriculum with effect from 1 September 2012. The Department for Education accepted Professor Wolf's recommendation to focus on high quality and meaningful work experience post-16 so that students can acquire the skills and experience that employers demand, reflecting the fact that few young people move into full-time, paid employment at age 16.

Every school should however engage fully with their local employer and professional community to ensure real-world connections with employers lie at the heart of their careers strategy. The updated careers statutory guidance reinforces that offering high quality work experience which properly reflects individuals' studies and strengths is one element of good practice in this area, however different interventions will work for different schools and pupils. The guidance sets out a range of options, including work experience, which schools should consider as part of their employer engagement activity.

The new careers and enterprise company will assist in breaking down perceived barriers between schools and colleges and employers – private, public and third sector – and increasing the level of employer input in careers provision.

***The Young Apprenticeships scheme, which provided 14 to 16 year-olds with a credible vocational option that combined academic study with regular work-based experience, was considered effective at delivering good quality work experience. We recommend that the Government look at reviving this programme or developing a model that replicates its core academic and work-based components for this age group. (Paragraph 73)***

We REJECT this recommendation.

We will continue to expand University Technical Colleges (UTC) and studio schools so that many more young people have access to high quality technical and vocational education which meets the needs of the economy, including work-based learning.

Every school should also engage fully with their local employer and professional community to ensure real-world connections with employers lie at the heart of their careers strategy. The updates made to the careers statutory guidance on 25 March 2015 guidance reinforce that offering high quality work experience which properly reflects individuals' studies and strengths is one element of good practice in this area, however different interventions will work for different schools and pupils.

The new careers and enterprise company was incorporated on the 10<sup>th</sup> February 2015 and will assist in breaking down perceived barriers between schools and colleges and employers – private, public and third sector – and increasing the level of employer input in careers provision.

### ***Reform of apprenticeship standards***

**The level of employer involvement in the Trailblazer scheme shows that there is an appetite for greater ownership of standards among many employers. (Paragraph 91)**

**Increased employer ownership of apprenticeship standards is a worthwhile goal, but the Trailblazer process is at risk of being dominated by larger companies at the expense**



**of SMEs. The success of the scheme will rest on whether wider industry sectors have confidence in the standards the Trailblazers have developed. (Paragraph 92)**

*We recommend that the Government review, and come forward with proposals to strengthen, the involvement of SMEs in the Trailblazer scheme, accepting that most will be unable to give as much time as larger employers. (Paragraph 93)*

We ACCEPT this recommendation.

Small businesses need to be directly involved in Trailblazer projects in order to ensure that that the standards they develop meet the needs of smaller employers. Recognising that such employers are particularly time- and resource-constrained, for Trailblazers covering stem sectors, funding is available from Gatsby to support smaller employer involvement. We are also encouraging Trailblazers to be flexible on the way in which smaller businesses participate, for example, enabling them to dial into Trailblazer meetings or feed in electronically rather than necessarily attending every meeting in person. In addition, improved guidance for Trailblazers, streamlined submission processes and a move to more electronic means of supporting them (eg via the Apprenticeship Trailblazer Yammer Network and webinars) are all aimed at supporting all Trailblazer participants more effectively.

**While it is clear that the Government is aware of the issue of ownership of standards in the post-Trailblazer environment, more work is needed to ensure that employers and providers can have confidence that apprenticeship standards will be reviewed and maintained once the Trailblazer scheme has concluded. (Paragraph 94)**

*We recommend that the Government set out its expectations about what will happen following the conclusion of the Trailblazer scheme. This should cover ongoing ownership of new apprenticeship standards, how new standards will be developed or existing standards revised in response to future needs, and who will provide oversight and leadership of these processes. Provision for a meaningful involvement from SMEs in the post-Trailblazer environment should form part of these expectations. (Paragraph 95)*

We ACCEPT this recommendation.

The Deregulation Act 2015, which came into force on 26th May, underpins the apprenticeship reforms which have been driven to date by employer-led Trailblazer groups. This means that in the future, all new apprenticeships will be based on two-page Standards which have been developed by groups of employers. Apprenticeship Trailblazers will therefore evolve into an ongoing programme of reform through which existing framework-based apprenticeships will be wound down, with the aim for all apprenticeship starts to be on new employer-designed Standards from 2017/18.

Under the legislation, the power to approve and publish apprenticeship standards remains with the Secretary of State and apprenticeship standards are copyright of the Crown.

We are in the process of developing policy on the long term governance arrangements for the apprenticeship system and will communicate about this in due course.

***We recommend that the Government set out how it intends to evaluate the success of the Trailblazer programme in the longer term, particularly identifying how the quality of new standards should be judged. (Paragraph 96)***

We ACCEPT this recommendation.

We have been working on a revised Quality Assurance regime for the Trailblazer Trial, the majority of which was set out in the Quality Statement we published in March. The statement included information on a number of mechanisms which will help inform a future evaluation – for example opportunities for all those involved in the programme to feedback their views and experiences. An Independent evaluation has been commissioned. The specific details of how the programme will be evaluated are still being defined with the contractors but will include proxies for the quality of standards and assessments; these will include duration, amount of training, wage and employment returns and progression. These will sit alongside qualitative indicators on perceived quality and impact from employers and apprentices. These will be derived from surveys, interviews and matched data comparing the new standards with old framework based programme where possible.

**The Education and Training Foundation’s review of English and maths qualifications may propose a solution to the problem of setting appropriate requirements for apprentices who have not achieved Grade C at GCSE in maths and English which suits both apprentices and employers. In the meantime apprentices should be allowed to take a functional skills qualification, rather than being pushed to take GCSEs which may deter perfectly able candidates from becoming apprentices. (Paragraph 97)**

***We recommend that the Trailblazers be allowed to choose which level 2 qualification in English and maths is required to be studied as part of their apprenticeships. The Government should encourage Trailblazers to work with the Education and Training Foundation project looking at English and maths qualifications. (Paragraph 98)***

We ACCEPT this recommendation.

Government sets minimum requirements for apprenticeship standards in English and maths. For Advanced Apprenticeships an apprentice must complete level 2 English and maths, while an Intermediate apprentice must complete level 1 English and maths and work towards level 2.

Trailblazers developing apprenticeship standards have the flexibility to set more stretching requirements for particular occupations. Most apprentices who do not already have the specified English and maths qualifications will take either GCSE or Functional Skills qualifications.

The Education and Training Foundation (ETF) issued a report in March 2015 which reviewed English and Maths qualifications outside of GCSE, including Functional Skills. Government welcomed its findings that the Functional Skills qualifications are generally serving their purpose, whilst noting its recommendations for improving its quality and recognition to ensure better outcomes for learners. The Government is considering the findings and recommendations from the ETF report, and will be deciding on next steps shortly.

### ***Reform of apprenticeship funding***

Many employers support the principles behind the Government's reforms to apprenticeship funding but the majority of witnesses to this inquiry expressed strong concerns about the proposed methods of implementation. The Government's initial proposals were complex and could have imposed an unnecessary administrative burden on employers that would have been particularly felt by SMEs. We congratulate the Government on listening and dropping them. (Paragraph 115)

Swift development of new apprenticeship funding proposals is vital to end uncertainty and make sure employers are not deterred from involvement. Further delay caused by the General Election or otherwise could undermine efforts both to drive up quality and engage more employers in apprenticeships. (Paragraph 116)

*We recommend that the new apprenticeship funding regime offer SMEs a choice between taking a lead on administering the funding or contracting it out to a provider. (Paragraph 117)*

We ACCEPT this recommendation.

The coalition Government responded to employers concerns about the need for a simple, burden free system for giving them control of apprenticeship funding by announcing the introduction of a 'digital apprenticeship voucher' in March 2015. This followed a period of consultation with employers and other stakeholders showing that a voucher solution was broadly welcomed. The voucher will be redeemable directly with Government by those providers who are contracted with employers to deliver apprenticeship training.

*We recommend that the Government clarify what role training providers, local authorities, Local Enterprise Partnerships and others may have in assisting employers with the administration of apprenticeships under the new funding arrangements. (Paragraph 118)*

We ACCEPT this recommendation.

The Government is using the Cabinet Office AGILE approach to develop a digital employer apprenticeship resource offering them an end to end service. The service, at the heart of which is the new apprenticeship voucher for funding, will support employers from considering whether to take on an apprentice right through to the apprentice completing their training successfully. Throughout the development process there will be continuous engagement with and feedback from all users to ensure that the final service fully meets their needs. This will include the facility for employers to use third parties that they choose, such as Apprenticeship Training Agencies, Group Training Agencies and providers to undertake relevant administrative activities on their behalf. We will consult third parties as part of the system development throughout the next two years.

*The Government should ensure that the employment of young apprentices is made more, not less, attractive to employers, and particularly small employers, as a result of the funding changes. The benefits of taking on young apprentices also need to be widely and effectively advertised. (Paragraph 119)*

We ACCEPT this recommendation.

Giving employers greater control of the funding of apprenticeship training will enable them to become informed customers, securing the high quality training provision that will increase the skills of their workforce and help their businesses to grow. The digital apprenticeship voucher that we are designing for apprenticeship funding will be simple and clear, responding directly to feedback from employers to make the process as easy for them to engage with as possible. We are trialling a funding model through the Trailblazers that features a specific incentive payment for small businesses and will publish details of the final funding for apprenticeships in future in due course. We have also committed to abolish employers' National Insurance contributions on earnings up to the upper earnings limit for apprentices under the age of 25 from April 2016 to make the employment of young apprentices even more attractive.

We agree that the benefits of taking on young apprentices need to be widely and effectively advertised. Government will continue to have a key role in communicating the importance and benefits of employing apprentices, but we know that the most powerful messages come from other businesses and will encourage apprentice employers to share the benefits with others.

***We recommend that the Government set out in advance the criteria by which the value for money and broader success of the new funding approach can and will be evaluated. (Paragraph 120)***

We ACCEPT this recommendation.

The Government has commissioned an independent evaluation of the Trailblazer apprenticeship programme, of which funding reform will be an important part. We will monitor starts and employer cash contributions on the new standards alongside government funding. We will examine how the funding model, delivery system and the incentives drive employer behaviour. This will be done through management information, surveys and in-depth interviews. Where we can match data to make a comparison with the Framework based programme this will be done.

**Apprentices accept a lower wage in recognition of the investment by employers in their training and the promise of a significant uplift at the end of the programme. We support this principle but this lower wage is rightly a legal minimum and we are concerned that some young people are not receiving it. (Paragraph 121)**

***The Government should take steps to ensure that all employers who flout the law on the apprenticeship minimum wage are identified and swift action is taken against them. Training providers should educate apprentices about their employment rights and how to take action if their rights are breached. (Paragraph 122)***

We ACCEPT this recommendation.

The Government is committed to increasing compliance with minimum wage legislation and the effective enforcement of it. Everyone who is entitled to the minimum wage should receive it. HMRC investigates every complaint it receives through the ACAS helpline and prioritises any complaints made from Apprentices. In addition, HMRC conducts risk-based enforcement in sectors or areas where there is perceived to be a higher risk of workers not getting paid the legal minimum wage.

The Government places importance on compliance and enforcement – HMRC’s 2015/16 enforcement budget was recently increased by £3 million – taking the total to £12.2 million. The extra funding is to increase the number of HMRC compliance officers to identify businesses that exploit workers by paying them below the National Minimum Wage. In 2014/15, HMRC identified £3.24m in arrears of wages for over 26,300 workers.

The Government is taking a tough approach on employers that do not comply with NMW regulations. If HMRC investigates an employer and finds that they owe arrears to workers they will be faced with a financial penalty of up to £20,000 per worker. In 2014/15 708 employers received penalties totalling £915,125.

All employers that do not comply (including those that take on Apprentices) also face reputational consequences for not paying their workers what they are legally entitled to. Since the naming scheme was simplified in October 2013, 210 employers have been named for breaches of the National Minimum Wage. Between them they owed workers over £635,000 and paid penalties of over £248,000.

Training on employment rights and responsibilities is a mandatory requirement for all apprenticeships. This includes information about pay and contracted hours.

The skills funding rules also require that there is a learning agreement between provider, apprentice and employer. This agreement will contain details about the apprentice’s employment such as contracted hours.

***Any review of the apprenticeship minimum wage should recognise the need for the internal economics of the apprenticeship to add up for the employer, and particularly the small employer, or the number of apprenticeships on offer will drop further still. So long as a low minimum wage for young apprentices is accompanied by a high quality, sustained input from employers and a transformative impact on earnings afterwards, then it can and should be supported. (Paragraph 123)***

We ACCEPT this recommendation.

Apprenticeship policy has a growing focus on quality, with ministers, including the Prime Minister, promoting apprenticeships as a credible alternative to university for gifted young people. Employment remains an essential part of an apprenticeship and we believe that a larger increase in the apprenticeship rate of the National Minimum Wage than that recommended by the LPC better reflects the role of apprentices as productive members of an organisation’s current workforce, as well as an investment in its future.

The Future of Apprenticeships in England: Implementation Plan in 2013 set out ambitious plans to improve the quality of apprenticeships to make them attractive for young people and more relevant to businesses. Apprenticeships already represent a positive return on investment; The latest BIS research, published June 2015, demonstrates the high level of return to investment delivered by the Apprenticeship Programme, indicating that adult apprenticeships at level 2 and level 3 deliver £26 and £28 of economic benefits respectively for each pound of Government investment. Through the reforms, employers now have a greater role in designing apprenticeships; deciding what apprentices need to learn and how they will be assessed. We believe that increasing the relevance of apprenticeships in this way will make them even better value for money.

The reforms also focus on increasing the rigour of apprenticeships, with all apprentices having to prove their competence by passing a tough and independently assessed end-point assessment. In addition, the employer will be involved in deciding when an apprentice is ready to be assessed and apprentices will be graded according to their performance.

Some employers have expressed concern about the quality of applicants for apprenticeship positions. A significant increase in the apprentice rate of National Minimum Wage is an important factor in helping to raise the profile of the programme and attracting greater numbers and a wider range of applicants.

The Government wants to maintain the attractiveness of Apprenticeships relative to other jobs with and without training by closing the gap between the Apprentice rate and the age related rates. This, alongside wider reforms, will encourage more young people to consider apprenticeships as a credible alternative to both higher education and jobs without training.

### ***Increasing employer engagement***

***The Government should set out how reforms to funding and standards will improve the benefits employers receive from engaging in apprenticeships. (Paragraph 129)***

We ACCEPT this recommendation.

Our reforms will put employers in charge of the design and implementation of apprenticeships, giving them greater control in how they are delivered and assessed, through a rigorous end-point assessment. They will also grant employers much greater control over how and where the funding that the Government provides for apprenticeship training is spent so that they are better able to buy training that will boost their business, and give them greater ability to drive improvements in the quality of apprenticeships training. A key part of our communications as we implement these reforms will be to ensure that businesses are aware of these benefits.

***We recommend that the Government explore the most effective measures to encourage more employers to take on apprentices. (Paragraph 130)***

We ACCEPT this recommendation.

We are committed to achieving 3 million apprenticeship starts in this Parliament, compared to 2.3 million in the last Parliament. This will have huge benefits for businesses and apprentices around the country, and for our economy as a whole.

To achieve this ambitious level of growth, we are looking at the most effective measures to encourage more employers to take on apprentices, including learning lessons from past and present interventions and from international contexts. We will publish further information about our plans in this area in due course.

## ***Traineeships***

**The impact of traineeships is currently unclear. Where employers and providers have engaged with the programme there are examples of positive outcomes for participants. There is a clear need for a pre-employment programme to help young people into employment or apprenticeships. (Paragraph 137)**

***The Government should provide greater clarity about the purpose of traineeships and what the success criteria for the programme are. (Paragraph 138)***

We ACCEPT this recommendation.

Government believes the purpose of Traineeships is clear but accepts that communications to potential learners, referral partners, providers and employers need to replicate this clarity. Communications will continue to focus on ensuring both the purpose of traineeships, and how we measure success, is clear.

Traineeships are a demand-led, high quality education and training programme, designed to support 16–24 year olds educated to below level 3 who have little work experience but are strongly motivated by work.

The Government's response to the consultation on Traineeships: funding reform in England (November 2014) stated that the primary purpose of traineeships is to support progression into an apprenticeship or sustainable job. However, if a trainee decides to continue in education or training, further learning is also considered an acceptable outcome for traineeships from 2015/16, but we expect this learning to be focused on supporting progression into future employment. Communications to potential learners, referral partners, providers and employers state these aims.

The purpose of traineeships is demonstrated in the Traineeships: First Year Process Evaluation which reported that 50 per cent of trainees progressed into to apprenticeships or employment, and a further 17 per cent undertook further learning after their traineeship.

Better use of performance data will be made in 2015/16, to support a greater focus on getting the best traineeship outcomes for young people. Data on progression from traineeships will be used in: provider funding publishing provider-level job outcomes to inform young people's and employers' choices; and setting minimum standards for progression to employment. These actions will be underpinned by improved outcome definitions for traineeships in 2015/16 which give a clearer indication of how effective a traineeship has been and better reflect the purpose of the programme. The Traineeships: framework for delivery 2015/16 ensures that providers know they will be required to record learner destinations on the ILR for traineeships for these purposes.

As a demand-led programme there are no targets in place for the number of traineeships. However, we expect to see approximately twice as many young people able to take advantage of a traineeship in 2014/15, rising from the 10,400 young people who undertook a traineeship in 2013/14.

***The Government should ensure that Job Centre Plus staff are able to advise people properly about the impact of traineeships on benefit entitlement. (Paragraph 139)***

We ACCEPT this recommendation.

Jobcentre staff have been issued with guidance on traineeships; the content, the eligibility and the method of referral, and the recognised channels. The guidance has been complemented by a number of workshops, designed and delivered in partnership with NIACE and targeted at Jobcentre Work Coaches. Workshop outputs include a number of case studies communicated across the Jobcentre network to highlight further what traineeships are, and the benefits for the young people who participate.

The Department for Work and Pensions (DWP) has supported a more flexible approach to the delivery of the work experience placement element of traineeships and removed the 12 and 16 hour training rules for participants, resulting in traineeships becoming fully accessible to all young people claiming welfare benefits.

***The Government should promote the activities of the best performing local authorities so that best practice in identifying and delivering services to young people at risk of disengagement is shared. (Paragraph 140)***

We ACCEPT this recommendation.

Local authorities (LAs) are required to maintain a tracking system to identify and support young people who are not participating in education or training, or who are at risk of not doing so. In the majority of regions, LA officers already exchange ideas and practices, for example: through regional meetings which the Department of Education (DfE) takes part in. LAs say they are generally aware of good practice and the Local Government Association (LGA) has published a guide to support LAs in tracking young people, drawing on local practice.

The DfE will however continue to encourage the exchange of good practice among LAs by supporting regional meetings and continue to publish data on progress made by each LA. The DfE has also recently provided an online facility to share successful approaches with LAs and will be kept up to date.

Whilst LAs have duties to identify and support young people they cannot achieve this alone. Those who are most effective have the co-operation of education providers and other local services. Wider cross Government information sharing agreements would also help LAs track young people's education and training activities. The DfE will therefore work to support LAs by strengthening data sharing arrangements; an arrangement has already been put in place with the DWP whereby information on 18-19-year-old benefits claimants is shared with LAs.

The Government will continue to make available the evaluation of programmes which focus on young people who are at risk of disengaging, such as the Youth Contract, so that others can learn from them and build on 'what works'.