

12 February 2008



Review of Apprenticeships

You will have seen that the Prime Minister launched the government's report on the review of the apprenticeship programme, "World-Class Apprenticeships: Unlocking Talent, Building Skill for All" on 28th February through a statement to the Houses of Parliament.

I am delighted that the report, to which the LSC has made an important contribution, outlines significant plans for growth and refinements to the delivery system that will ensure that these plans can be realised. The report includes changes to the management of the apprenticeship programme within the LSC through the creation of a National Apprenticeship Service (NAS) with the single focus of providing a single point of contact for employers and learners who wish to engage in apprenticeships.

A key part of the Service will be the apprenticeship vacancy matching service that we are now in the process of developing in time for a national launch in Autumn 2008.

The review has implications for all apprenticeship training providers and for colleges who offer full time vocational courses that are not yet apprenticeships. In order to outline the implications we are organising an Apprenticeship Summit on 26th February, during Apprenticeship Week, and also participating in an event on the 3rd April, led by Neil Stewart Associates. I would urge you to attend one of these events.

Recruiting Apprentices

With the Review outlining a sustained increase in the numbers of young people and adults starting and completing an apprenticeship, it is important that the whole delivery system responds to the challenge. We will be running in late Spring a national, regional and local marketing campaign aimed at attracting more employers and we hope to see you responding by increasing the number of apprentices recruited. In my meetings with ALP there have been some questions raised by providers about the availability of funding during 2007/08 and 2008/09 and I would therefore like to assure you that funding for apprentices of all ages and levels far exceeds the number of apprentices coming forward. The detail of this position was recently communicated to ALP by means of a letter from Stephen Gardner and I attach this letter for your attention.

Minimum Wages of Apprentices

You will recall that there is in place a minimum weekly wage for apprenticeships. This was introduced to ensure that apprentices were paid fairly for their efforts, whilst recognising that the national minimum wage was not appropriate for apprentices who are still learning their trade. It has come to our attention that, in a small number of cases, employers are paying

apprentices below this level. I would therefore ask that you ensure that all employers for whom you train apprentices are paying at least £80 per week. This is a requirement of your contract with the LSC and therefore implementation is your responsibility and we will be rigorously enforcing it through audit.

I hope that you will agree with me that the expansion of apprenticeships is an exciting prospect that can make a real improvement to the skills of the country. It also presents opportunities for high quality apprenticeship providers and colleges who can deliver successful programme led apprenticeships.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Haysom', written in a cursive style.

Mark Haysom
Chief Executive
(Agreed by and electronically signed in his absence)

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Funding for Apprenticeships

At the recent meeting with the Board of ALP it became clear that there were differing views of the current position with regard to apprenticeships.

I therefore would like to clarify the position.

2006/07 was an excellent year for apprenticeships and a record number, 111,800 achieved their apprenticeship. Thank you for your good work in achieving this figure, well ahead of our planned number. This number of achievements, meaning high number of leavers, means that the number of new apprentices that we can afford increases.

As you know the LSC has a legal responsibility to fund learners aged 16-18 and priority must be given to these learners but we also have ambitious targets and funding to train adults including through apprenticeships.

For good quality providers with capacity to grow, there is therefore currently no reason, in any LSC region or for large national employers, to restrict the recruitment of apprentices with employers who wish to deliver a good quality apprenticeship programme. This extends to all age groups i.e. 16 to 18, 19 to 25 or 25 plus. In particular, this statement includes learners 19+ identified by train to gain brokers or otherwise where the employer is willing to deliver a full apprenticeship.

The funding structure for apprenticeships ensures that we only fund learning that takes place. This means that enrolling learners who have achieved part of an apprenticeship framework through other programmes and who now wish to go on to complete the framework is perfectly valid. This specifically includes:

- Learners who have completed part of an apprenticeship in college, through a programme led apprenticeship or a vocational course.
- Train to Gain learners, of any age, who have achieved an NVQ and want to complete a full framework
- Learners who have achieved a level 2 or 3 qualification in another sector but who now wish to complete an apprenticeship as a result of employment in another sector (there is no requirement for “firstness” in apprenticeship funding eligibility).

On enrolment of learners who have relevant prior qualifications you complete the ILR to recognise the qualifications already achieved and this prevents repeat funding.

To summarise, providers who provide good quality and who have capacity to expand their numbers of employed apprentices are encouraged to do so. Where providers believe that their activity is currently restricted by their contract value for learners of any age they should discuss contract increases with their LSC partnership team.

Stephen Gardner
Director of Apprenticeships