

Traineeships Funding in England: consultation response form

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

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The closing date for this consultation is 14th August 2014

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Please return completed forms to:

Traineeships.CONULTATION@education.gsi.gov.uk

Alternatively, you can send them 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

Please tick a box in the list of options below that best describes you as a respondent to this consultation.

x	Trade union or staff association
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If you are responding on behalf of an organisation please make it clear how the views of members were assembled.

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:

The TUC is supportive of funding reforms which will increase the likelihood of Traineeships leading to *secure*, fairly paid employment for young people.

The TUC is supportive of high quality Traineeships. A high quality Traineeship should be a genuine learning opportunity for a young person, equipping them with the skills needed to start an Apprenticeship or job.

The TUC is concerned that poor quality Traineeships could lead to the exploitation of young people and to job displacement of existing workers as jobs and vacancies are filled by young unemployed people, working for free. Allocating a proportion of Traineeships funding, to a positive outcome based model based on young people entering employment and Apprenticeships, is welcome. This will provide further incentives for providers to find and engage with good employers who have the intention of employing Trainees following their Traineeship.

Progression should be at the core of any Traineeship. If funding changes can reinforce the importance of progression then the TUC is broadly supportive of these changes.

The TUC welcomed the removal of the “16 hour” training rule for jobseekers, the removal of an obstacle which is likely to increase the number of Traineeships by making them a more attractive option to young people and increase the take up of Traineeships. Because of this likely increase in Traineeships it is even more important to ensure that Traineeships enable young people to make the transition into secure employment.

The TUC agreed with the Minister of State when he said that Traineeships should support young people make the transition from school to work. To ensure Traineeships fulfil this aim, it makes sense that the delivery of funding reflects the core aim of the programme.

Currently, providers receive Traineeship funding for encouraging young people to participate in the programme and to gain qualifications. The TUC views high quality Traineeships as a route into employment for young people. Therefore, we would support the notion of providers receiving a proportion of their funding once they have achieved this aim.

The TUC believes that safeguards should be put in place to:

- Prevent providers’ cherry picking learners to increase the likelihood of achieving funding outcomes, at the expense of widening access to the programme.
- Prevent young people who are ready to start an Apprenticeship being placed on a Traineeship as a way of generating additional income

- Prevent young people being forced into outcomes which are not appropriate for them, for example, low paid jobs or further learning not relevant to their aspirations or local labour market job opportunities. Careers guidance should play a key role in determining which outcomes are suitable for young people.

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:

The TUC understands that funding for Traineeships was initially chosen to be delivered via different funding bodies (EFA and SFA) to prevent delays in introducing the Traineeship programme. This has meant that a 17 year old Trainee may have a different experience to a 21 year old Trainee.

The TUC has heard from providers that each funding model (SFA, EFA) has elements which give the provider important flexibilities to develop high quality frameworks which meet the needs of young people.

The TUC believes that the proposed changes to the Traineeship funding model represent a good opportunity to streamline the funding mechanism for Traineeships, taking the best parts from both of the existing funding models and giving the Trainee a better learning opportunity, whilst making the process a lot simpler for the college, enabling them to focus on delivering high quality learning opportunities.

This streamlining process should be undertaken in consultation with training providers.

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:

As stated above, Apprenticeships and secure, fairly paid employment are appropriate "positive outcomes" in terms of Traineeships funding.

The TUC supports Traineeships, where they provide a high quality route into employment. Further learning can be also be a valuable tool, ensuring this transition is successful.

We understand that the focus of traineeships is on a transition to work but we cannot pre-judge how many young people require further learning after the traineeship to successfully make that transition. In a young cohort further learning often makes for more sustainable outcomes in the longer term and proves engagement and progression and this should not be viewed as an inferior outcome.

In fact in many circumstances it would be of much greater benefit for the individual to undertake further learning rather than move into low paid employment with little training. The outcome based funding model system should ensure that young people are not forced into low paid employment if their preference is to continue with their learning in order to achieve sustainable high quality employment.

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?

The principles are correct. However the principle “sustainability” needs to be expanded.

“Sustainability” should include more detail about the type of employment that would be considered a “positive outcome” for a young person. For example it is important for a young person to be in a job role for a sustained period of time before the funding is delivered to the training provider. Please see our response to Q7.

The definition of employment also needs expanding. It is important that young people are helped into fairly paid, secure employment, where they are at less risk of “churn” and finding themselves back claiming benefits. Therefore the TUC would not support outcome based payments being made to providers, where Trainees have ended up in agency work, zero hours contract work, bogus self employment or other casualised forms of contract. If the funding changes rewarded these types of employment young Trainees could find themselves in low paid insecure work, which could be terminated without notice. The TUC believes these forms of employment contradict the intentions of the “Sustainability principle”.

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:

Some Trainees may wish to work part time and fit their employment around other responsibilities; therefore it would not be helpful to exclude part time employment

under 16 hours. In some cases individuals may be meeting two outcomes by continuing learning whilst also working part time.

However, the TUC believes that casualised forms of employment which offer less than 16 hours work per week should not be considered within the definition of outcome, for the reasons given in the question above.

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:

The TUC is well aware of the rapid increase in “self employment”. Self-employment has been responsible for almost half of the rise in employment over the last year.

Genuine self employment is a valid form of employment which can also lead to other job opportunities being created. When being self-employed allows those who have always wanted to be their own boss to start their own business, or when it means that workers with a great business idea are able to realise it (and take on the risks associated with it), then self-employment can be a fantastic opportunity. But the TUC’s concern is that some people have been forced into self-employment as they have no alternative.

Previous TUC analysis of self-employment has shown that self-employed workers often earn less, are more likely to be underemployed and have less job security than employees. What is more, since early 2008, 53 percent of the increase in self-employment has been in part-time self-employment.

Therefore safeguards would need to be put in place to ensure that young people were making a transition to genuine self employment before Traineeship funding is distributed on this basis.

As previously stated casualised forms of employment, including “bogus self employment” should not be included within the definition of an outcome.

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

Comment:

The TUC supports “Example 3” over the other two examples. Example 3 is the only

option which recognises the importance of the “sustainability” principle. Examples 1 and 2 refer to “4 weeks continuous employment” and “13 weeks continuous employment” respectively. Neither of these durations of employment would represent a transition from school into secure, *sustainable* work.

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

Comment:

Examples 1 and 2 would reward employment of potentially short term duration and would not satisfy the principle of “sustainability” that the changes to funding are trying to achieve.

Example 3 goes some way to achieving this aim. Example 3 also recognises the role of the provider and the work they have undertaken by offering some sort of initial payment.

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:

The Traineeship model should strive to replicate the best practice that already exists in this area. For example the Prince’s Trust works with some of the most disadvantaged young people with its “Movement to Work” programme and achieves employment transition rates of over 80%.

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:

Further learning outcomes need to take account of the term dates that further/higher education institutions operate and so whereas jobs or traineeships may start at any time the young person undertaking further learning may have a longer break between completing the traineeship and their further learning starting. This should not lead to the provider being penalised.

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

Comment:

Please see above

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

☒ **Yes** ☐ **No** ☐ **Not sure**

Comment:

If further learning is to be included as a positive outcome then safeguards need to be put in place to ensure that a young person is not transferred onto a course which is not relevant or at a similar or lower level than they have previously studied. Careers guidance should be made a mandatory part of the Traineeship, especially if further learning is to be considered a “positive outcome” with regard to the changes in funding.

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:

Completion of English and Maths qualification would be an appropriate progression outcome. As mentioned in the earlier question, the provision of careers guidance must play a key role in determining how appropriate a progression outcome is. If the further learning does not help meet the aspirations of the young person or the local labour market then this should not be considered an appropriate progression outcome.

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

As the TUC is not a provider, we are not in a position to respond to this question.

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

As the TUC is not a provider, we are not in a position to respond to this question.

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

As the TUC is not a provider, we are not in a position to respond to this question.

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:

There is no reference to ensuring a young person receives a high quality learning experience as part of their Traineeship. Whilst it is welcome that “progression” is highlighted as the key aim, the TUC believes the best way for this to be achieved is to ensure that Traineeships are high quality.

Too much “flexibility” could also lead to poor quality Traineeships. The TUC would not want the learning element of a Traineeship to be weakened or reduced because providers were concerned about receiving adequate funding for the learning provision. The TUC is supportive of reforms to funding providing that high quality learning goes hand in hand with a renewed drive to progression.

The TUC strongly supports the inclusion of the “balance” principle. The TUC wants to see a Traineeship programme which provides high quality learning opportunities for all young eligible people. There is a risk that providers may cherry pick participants more likely to succeed, to the detriment of those young people with disabilities, for example.

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:

The TUC would support approach number 2 or 4.

This would give the provider some up front and/or consistent payments to ensure they were able to give the learner ongoing high quality college based provision.

An engagement payment/ongoing payment is important to recognise the role the college has played in engaging with young people and enrolling them on to the

course. This would probably involve a significant amount of expense for the provider.

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:

There needs to be an increased role for the “learner voice” in the Traineeship programme. An interview/formalised discussion with a Trainee prior to them completing a Traineeship would help funders make a decision about whether a particular progression outcome was suitable for that Trainee.

There should be an early evaluation of the new funding mechanisms to ensure that the safeguards the TUC has referred to have been put in place and are working to ensure that Traineeships remain a high quality route to employment for all young people.

OFSTED should also play a key role in assessing the quality of the college based provision to ensure that the funding changes do not result in this provision suffering as a result of the pressure to achieve certain progression outcomes.

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:

The proportion of funding allocated to each progression outcome must carefully balance the following competing interests:

- the funding requirements of the provider to deliver high quality learning opportunities,
- the legitimate aim of trying to increase the number of young people making the transition in sustainable work,

- the need to widen access Traineeships to groups of young people disproportionately represented in the labour market,
- Making sure young people transfer into appropriate outcomes such as sustainable employment and relevant further learning.

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

☐ Option 1 ☒ Option 2

Please explain your response:

English and Maths is the core “learning” component of the Traineeships and is fully supported by the TUC. English and Maths skills are not only vital qualifications for young people looking to find sustainable employment, they are vital to ensuring that a Traineeship remains a good quality learning opportunity equipping young people with vital skills.

Therefore English and Maths funding should remain separate from any Traineeships funding and not be linked to the achievement of outcomes. It is essential that providers are funded fully and promptly to deliver high quality English and Maths qualifications. This funding should not be dependent on outcomes. If English and Maths funding was included in the overall outcome based funding for Traineeships there is a danger that English and Maths provision might suffer if the provider was unconvinced the learner wouldn’t achieve one of the outcomes.

Any funding of English and Maths should be the most appropriate to help the learner access the appropriate level of good quality English and maths learning. The funding arrangements should ensure that the Trainees have access to functional skills qualifications and stepping stone courses where appropriate and not only push for GCSEs.

Some employers have expressed a view that functional skills can be more meaningful for workplace learning because their nature of practical application and problem solving.

By providing separate funding for English and Maths it is more likely that a Trainee will receive high quality, sustained learning in these subjects as the funding will be in place to do so. This is likely to lead to more qualification completions and more Trainees continuing with their English and Maths qualifications.

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:

Option 2 will provide more assurance and incentive that training providers would have an interest to look for appropriate learning opportunities and qualifications for trainees to aim at and complete.

For instance, rather than trying to pass and failing the GCSEs repeatedly the learners should be supported with quality provision to take the steps that guide them through their learning journey. An important issue with trainees completing their learning after the traineeship is over is the question of providing maintenance support after the traineeship so that the trainees can afford to travel and other expenses to go to college. In other words, the trainee might complete other parts of the traineeship and need more time and support for the English and maths learning.

It seems that with separate funding pots the learner can have less time constraints but still benefit from the provider support until they achieve. If the funding is tied up to the traineeship unscrupulous providers may be tempted to push the learner to do learning at inappropriate level and time-frame to get their funding pot claimed.

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:

Training providers will be best placed to answer this question, but the TUC believes that the funding mechanism which is chosen for English and Maths should best suit the interest of the learner and ensure that a young Trainee receives a learning experience which will make it more likely that complete a Maths and English qualification.

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:

If there is a possibility that through streamlining the support funding, there may be a

detrimental impact on some learners, then changes should not be made until a thorough impact assessment has been carried out.

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:

The TUC firmly believes that the best way to support disadvantaged learners is through the restoration of an EMA type scheme for young Trainees.

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:

The TUC is not a provider, so is unable to answer this

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:

The TUC is not a provider, so is unable to answer this

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 qualified to a Full Level 2? (Paras 43-47)

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

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

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

Please justify your answer:

The TUC is answering Q29-32 together.

The TUC is concerned that widening the eligibility of the Traineeship programme to 19 year olds with a Level 2 qualification could undermine the Apprenticeship programme.

The Traineeship programme should be used to prepare young people for an Apprenticeship. The TUC is of the view, that young people aged 19 or above with a level 2 qualifications should be ready to undertake an Apprenticeship. As the consultation paper states, young people aged 19 or above are more likely to have some sort of work experience, so the Traineeship will not be as relevant for them. A paid Apprenticeship will be more appropriate for these young people.

If a young person hasn't achieved a Maths and English qualification at a level 2 they should be supported to do so, as part of their Apprenticeship. Or they should undertake an appropriate Maths and English qualification under alternative funding other than a Traineeship.

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.

The TUC believes that the Traineeships framework could be revised to better support the aim of making Traineeships more outcome focussed. To facilitate training providers, employers and young people achieve the positive outcomes referred to in the consultation paper; the Framework should be designed to increase the likelihood of these outcomes being achieved.

Firstly, high quality careers guidance should be made a mandatory component of a Traineeship. The likelihood of young people entering secure, sustainable employment is likely to be significantly increased if they undertake a Traineeship that matches their aspirations as well as the vacancies which are likely to arise in the local labour market.

Secondly, the recent change to the Traineeship framework which has enabled providers to offer a Traineeship without having secured an employer to offer the work experience placement should be reversed. In order to give the young person the best possible chance of gaining secure employment, a motivated, engaged employer who is familiar with the aims of the Traineeship programme should be lined up prior to the young person commencing a Traineeship.

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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