



Association of  
Employment and Learning  
Providers

## **AELP Submission: #102**

Spending Review 2021 – Putting  
learners and employers at the  
heart of the FE system.

### **Key Policy Principles for the Success of the Further Education and Skills**

In developing our response to the 2021 Comprehensive Spending Review, AELP has based our recommendations and proposals on a key set of core principles on how we believe the further education system should operate within. On this basis, AELP believes:

- All government policies on training, employment and skills should be focused on improving productivity and personal growth by focusing on employer and individual choice. Further education and training providers of all types should, therefore, be treated equally in terms of the general approach towards funding and contracting. On that basis AELP believes that individual skills accounts are the ideal vehicle that the government should adopt.
- Procurement of training services should be open equally to all registered training providers. It should recognise past performance but encourage new provision based on evidence of good performance elsewhere.
- Some programmes should remain nationally contracted such as Apprenticeships and Traineeships. AELP continues to support the devolution of some programmes where there is evidence of improved take-up and delivery.
- Funding rates for all programmes should be fair, transparent and reflect the real cost of delivery.
- In supporting programmes for all ages and at all levels, priority should be given to ensure that the provision for 16-24-year-olds and those with disadvantages is high quality.
- The quality of all provision should be measured effectively using an appropriate range of measures agreed with providers and customers.
- In maximising the impact of programmes by ensuring that all funders co-ordinate their provision using providers to integrate delivery.
- In the need for a more integrated and simplified approach to funding.

### **Summary of Recommendations: Putting Learners and Employers at the Heart of the FE System - Spending Review 2021**

This submission sets up a number of proposed areas aimed at building on the Chancellor's Plan for Jobs and Spring Budget – now is the time for the Government to ensure we have a follow on with a suitable new bold plan which supports the notion of driving employment and integration with skills, supporting individuals train, reskill or upskills and employers in filling the skills and employment gaps over the challenging years ahead. AELP proposes the following ten priority areas as recommendations for the 2021 Spending Review for further education and skills:

#### **Adult Education**

1. A bolder and more ambitious reform of adult education, moving away from the current institutionally-led approach to an Individual Skills Account system to give learners and employers greater empowerment and the choice of access for both lifelong learning & training entitlements.
2. To support the greater demand to assist unemployed adults in the current economic climate and reverse reductions over the last decade, the Adult Education Budget (AEB) needs to be tripled with additional new investment, subject to the funding system being reformed.

3. To introduce greater simplicity and flexibility around adult funding, for those that access it and those that deliver it, there needs to be a more responsive system to meet employer and individual needs by integrating the Adult Education Budget (AEB), National Skills Fund (NSF) and the UK Shared Prosperity Fund (UKSPF), whilst maintaining the committed values.
4. To build on the foundations laid by ESF, the new UK Shared Prosperity Fund (UKSPF) should be focused on supporting the most disadvantaged individuals in society, with skill needs at level 2 and below, whilst ensuring national support and accessibility for employers.

### **Apprenticeships**

5. To ensure the financial sustainability of the apprenticeship system for all sized employers and all ages of apprentices in the long term, overall funding for apprenticeship needs to match employers' demands, including a standalone annual budget for SMEs' apprenticeships.
6. To build on the success of the employer financial incentives first deployed in the Plan for Jobs, there needs to be an ongoing basket of incentives to support young people, create entry-level programmes and routes into key industries, and help SME employers and to further help young people climb the ladder of opportunity, the Department for Education should fund all the apprenticeship training for 16-19 apprentices out of its 16-19 Budget.
7. To bring true equality between academic and technical education, apprentices needing to develop English & maths functional skills during their apprenticeship should get fair funding that is equal to the current classroom-funded rate.
8. To reduce the £18bn annual cost of reoffending, the government should extend the scope of apprenticeships to allow prisoners to access apprenticeship training to allow better support and a more effective transition "through the gate", utilising unspent apprenticeship levy funding, gifted by employers.

### **Employment and Skills Programmes**

9. To fully leverage the significant financial commitment in Traineeships there needs to be a better balanced and a greater coherent fit and integration between DWP and DfE provision to complement rather than compete, thus ensuring the best value for money and outcome for the young person.
10. To commit further investment into effective and proven "into work and onto skills" programmes such as Sector Based Work Academy Programme (SWAPs) and the wider expansion of the Skills Bootcamps into new sectors and locations.

# Spending Review 2021 – Putting learners and employers at the heart of the FE system. A submission from the Association of Employment & Learning Providers (AELP)



## About AELP and Our Members

The Association of Employment and Learning Providers (AELP) is a national membership body with over 800 members. The majority of our members are independent private, not-for-profit and voluntary sector training and employment services organisations with employers, universities, FE colleges, schools and end-point assessment organisations comprising the remainder of the membership.

Our members support employers of all sizes across the full range of occupational sectors in the successful delivery of high-quality work-based training which equates to 70% of apprenticeships delivered in England, and they also deliver other publicly funded skills and employment programmes.

The growth in apprenticeships over the last decade has been driven by the adaptability of our members to continually respond to and meet the changing needs of employers to support their aspirations to improve their productivity and address their skills needs. AELP members utilise their outstanding links with employers to deliver the vast majority of skills bootcamps and 16-24 traineeship provision in England, the latter a programme with fantastic outcome rates for young people. Our members also support adults access their legal educational entitlements, reskill, upskill and/or progress into employment through funding provided through the national and devolved adult education budget (AEB). Alongside work-based provision, AELP members also successfully deliver high-quality classroom-based provision in the guise of study programmes, which pave the way for young people to progress into further education or an apprenticeship.

Ofsted's annual breakdown of the quality of provision highlights that independent training providers continue to lead the market in the highest average outcomes from inspections and the Department for Education's annual employer and learner surveys year-after-year provide further evidence of the class-leading service as judged by the end-users and beneficiaries of the skills system.

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Association of Employment and Learning Providers  
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## **AELP Recommendations in Detail**

### **Recommendation (1): Reform of adult education and the introduction of Individual Skills Accounts to transform access to lifelong learning for learners and employers.**

In September 2000, the Labour government launched individual learning accounts (ILAs) as the mechanism for adults to individually access training and this scheme ran in England and the other devolved nations. Despite benefiting thousands of adults across the UK, giving them access to adult education, the design and implementation weaknesses led to its decommissioning little more than a year later. The scheme was unfortunately too easy to defraud and, to this day, it remains unclear how many of the 2.6 million ILAs were genuine.

However, AELP believes that twenty years on from ILAs, the time is right for the Government to revisit the concept of empowering individuals for adult education and lifelong learning. In essence, the shifting away from a provider-led approach to adult education and move to give the purchasing power to the individual with incentives for employers to support individuals further, and for individuals to invest further themselves, has many benefits, especially at a time where there is a massive skills deficit at all levels. As a blueprint, the Government needs to look no further than the apprenticeship market of the benefit of moving away from clunky procurement outcomes and contracting arrangements, the trickiness of managing provider allocations fairly and effectively and the artificial need for subcontracting. As a result, it has transitioned to a fully employer-led market for levy-paying employers and then later to non-levy paying employers in April 2021 with all employers now using the online Apprenticeship Service, selecting any provider they would like from the Government's approved Register of Apprenticeship Training Providers (RoATP).

More recently the Department for Education has laid out plans on the proposed reform of funding and accountability in Further Education. AELP welcomed the planned reforms of FE funding and accountability, but in the same breath urged the government to be bolder in coming forward with reforms to adult education that benefits both employers and learners. In summary, AELP believes the following:

- The government needs to build on the success of the apprenticeship reforms by continuing to put employers and learners at the heart of the adult skills system, rather than continuing with an institutional-led approach.
- Individual skills accounts are the right mechanism to put learners and employers at the heart of the system, facilitating greater choice, ownership of lifelong learning with the ability for different parties to contribute towards the investment in skills required.
- Whilst there is a need to support place-based provision we also believe that there is still a role for procurements to enable the offer to be "joined-up". At the same time, the government should be cautious in placing significant commissioning powers with institutions with limited expertise or track record.
- There is a need for a healthy and vibrant skills system that includes stronger and more effective collaboration, without offsetting this by reducing market competition. AELP believes that competition and collaboration should not be seen as mutually exclusive facets of the system.

- The adult education budget is required to service a vast and complex spectrum of needs from learners and in the current proposals, and there is not enough recognition of how the reformed system will meet the needs of employers who currently rely on it for upskilling and reskilling.
- Interdependencies of providers accessing different funding streams could mean that significant changes to the adult funding landscape lead to the unintended consequences of destabilising the wider apprenticeship market.

If the Government were to be bold and introduce an innovative approach of individual skills accounts, it must not fall into the trap of simply overlaying skills accounts on top of the existing approach of provider allocations; this would make it appear that the individual has a choice, when in reality they would be restricted to the same options and choice that they have now. What would be required is a government-approved register of providers from which learners can choose, just like the Register of Apprenticeship Training Providers - in essence a form of dynamic purchasing system. Individual skills accounts would also offer an effective platform for the facility where relevant to enable both employers and individuals to share the responsibility with the Government to meet the total cost of required investment in training and learning required.

Previously AELP also made several recommendations to ensure the success of Individual Skills Accounts, which focused on the following underpinning guidelines:

- Ensuring that the skills account funding is routed through a tested and approved provider base – previously with ILAs there were 8,910 providers involved in the scheme, which is far too many providers to manage effectively and comparably is four times those currently approved to deliver apprenticeships.
- Controlling the breadth of qualifications available for individuals to buy through the ring-fencing of funding in their skills account with a catalogue of approved programmes.
- Embracing the latest technological advancements to enhance, control and protect the integrity of the skills account system – identifying trends quickly, with the ability to suspend or investigate accounts based on specific behaviours or patterns.
- The facility where relevant to enable both employers and individuals to share the responsibility with the government to meet the total cost of required investment in training and learning required.
- Structuring skills accounts in a way that enables the government to flexibility direct funding to support additional specific targets to meet new or developing needs.

[Link to AELP Submission 77 on Skills Accounts](#)

**Recommendation (2): Increased investment in the Adult Education Budget (AEB) to meet greater demand to assist unemployed adults in the current economic climate and reverse reductions over the last decade.**

Back in FY10-11 the previous iteration of the Adult Education Budget (AEB), the Adult Skills Budget (ASB), was a sizeable and significant £3.63 billion per annum. Fast forward a decade and the current annual budget for the AEB has shrunk by over half to just £1.34 billion. Some will argue that the reduction in the AEB was used to support adult apprenticeship funding and the introduction of

advanced learner loans, but it is important to note that there is now no direct government contribution to adult apprenticeships as all apprenticeship provision is funded through the apprenticeship levy tax (rather than general taxation) and adult learning loans are repayable loans, not grant funding. In the current economic cycle, it is time for the Government to reverse those cuts and invest in a programme that will be critical to support the unemployed back into work and onto skills.

In addition to playing a vital role in supporting the 9 million adults with poor maths and English skills and the 6 million adults who do not hold a level 2 qualification, the AEB will play a critical role in helping adults who have been made redundant due to Covid-19 and support employers to bounce back in the current economic cycle. As the economy fully absorbs the impact of Covid-19 restrictions on everyday life, increasing the AEB is essential to help tackle mass unemployment and support the vital reskilling for those who have remained in work and helping drive career progression opportunities. AELP believes that the Government should triple the current AEB of £1.34 billion to £4 billion every year – an additional investment of £2.66 billion.

**Recommendation (3): Simplification and flexibility through the integration of adult funding streams.**

Two of the key principles AELP sets out in the introduction are maximising the impact of programmes by ensuring that all funders coordinate their provision using providers to integrate delivery and the need for a more integrated and simplified approach to funding. Such an approach would also save on the bureaucracy in running these programmes individually.

The current adult education system is a prime example where there is a range of flagship programmes that would benefit through simplification and integration: The Adult Education Budget (c. £1.34 billion per annum), the National Skills Fund (c. £500 billion per annum), the National Retraining Scheme, the UK Shared Prosperity Fund (c. £0.8 billion per annum) and Advanced Learner Loans. These funding streams are treated separately in a siloed mentality, making it difficult to deliver a flexible response to the needs of adult education and employer demand across the country. Through any simplification process, it is critical to ensure that the overall committed values for these programmes remain in place and that such a process covers the range of training providers, rather than segmenting the market further which simply defies the logic of striving to achieve a simplified approach.

AELP believes that the Government should work towards bringing these different funding streams together within a more simplified and flexible wrapper, which can suitably meet the needs of learners and employers who try and access provision that can be piecemeal and fragmented depending on their location and which local providers have access to funding from these programmes. AELP believes that to achieve simplification such an approach needs to be fairly applied across all provider types. With the impact of Covid-19 becoming clearer by the day, simplifying the adult education funding system is essential to ensuring a successful and speedy economic recovery.



**Recommendation (4): UK Shared Prosperity Fund (UKSPF) needs to support the most disadvantaged individuals, whilst ensuring a national joined-up approach for employers.**

The Spending Review 2021 will be a pivotal event for the future direction of the new UK Shared Prosperity Fund, the key replacement programme for the legacy ESF funded skills and employment programmes that have had such a positive impact on the lives of many tens of thousands of individuals and employers in this country.

Despite the uncertainty where the programme will end up being housed between either the DWP, the DfE or the MHCLG it is important that despite the political appetite for the UKSPF to be seen as “new and better”, the fund’s principles build on the foundations laid by its predecessor and at its centre. It should continue to be focused on supporting the most disadvantaged individuals in society with skill needs at level 2 and below. ESF programmes were effective at supporting disadvantaged individuals as the innovative approach to delivery allowed for the development of a supply chain of specialist and niche providers to reach parts of the community that mainstream provision simply couldn’t. It will be critical to recognise track record and capacity when it comes to procuring these new contracts.

Ensuring national support and accessibility for employers is also key, a frustration that is fed back regularly in regards to the postcode lottery of eligibility based on devolution of wider AEB provision. That said there is the opportunity to strip out unnecessarily bureaucracy that dogged the outgoing European scheme and complexities such as match funding requirements, as ever the priority should be about ensuring that funding is spent on front line provision – after all as the Chancellor rightly points out, it is critical to ensure that “every pound is well-spent”.

**Recommendation (5): Financial sustainability of the apprenticeship system for all employers in the long term, overall funding for apprenticeship needs to match employers demand, including a standalone budget for non-levy paying employers.**

Although further education has often been the poor relation to both schools and higher education (HE) when it comes to government subsidy, FE and work-based programmes play a critical role in correcting the deficiencies of the current schooling system and offer a real alternative to classroom-based programmes in HE. The outcome of this spending review will have a critical impact on the FE landscape, particularly as pre-Covid-19 the overall apprenticeship programme was anticipated to be significantly overspent in FY20-21 on the previous trajectory. Back in 2019, in response to the NAO report into apprenticeships, the then Permanent Secretary to the DfE warned the Public Accounts Committee of the future cliff edge in terms of overspend and that “*hard choices will need to be made*” unless additional funding is provided.

The fact that the apprenticeship system budget was under such pressure is a testament to how well employers have now embraced and highly value apprenticeships. This should be a significant positive and the future approach needs to consider how to continue fuelling the growing hunger from employers, rather than looking to restrict it. This not only includes bringing young people into work through apprenticeships but supporting upskilling and career progression for existing employees too. After all, the purpose of the apprenticeship reforms was to shift to an employer-led



system with businesses clearly wanting to use apprenticeships to reskill current staff as well as meeting recruitment needs.

Without a doubt, the impact of the Covid-19 pandemic with the significant reduction in new starts and the redundancies of existing apprentices will have the unplanned consequence of actually relieving the shorter term pressure on the apprenticeship programme budget. However, as employers recover from the pandemic, the risk of an overspend does not go away but in reality, becomes deferred to a later date. As this spending review covers a multi-year period, it must account for this inevitable scenario to ensure the apprenticeship system is sustainable in the long term.

AELP believes the fundamental way to address this challenge is to allow levy-paying employers full unabridged access to the apprenticeship levy and having a separate funding mechanism for non-levy paying employers through a separate government-funded budget paid for by general taxation. This non-levy budget would represent the similar level of financial investment that the Government was making the apprenticeship programme before the introduction of the apprenticeship levy in 2017.

Critically levy-paying employers have told us that what they most value is having maximum choice and being able to access an all-age, all-level apprenticeship programme with no artificial restrictions based on such as previously mooted mechanisms like limiting participation and funding based on an employee's prior attainment, age or the level of the approved apprenticeship programme the employer wants to access.

In the current economic recession and uncertainty, now is not the time for the Government to be adding to the financial burden on employers. However, as the country comes through the Covid-19 pandemic and the transition away from the EU, if the demand for levy-paying employers continues to build over time to the point that levy-paying employers consume the current apprenticeship levy, then the Government has a sound business case to look to increase the tax paid by those levy-paying employers to enable them to meet their demand and continue to allow for that unrestricted optimum choice that employers demand.

Since the outset of the Apprenticeship Reforms, AELP has supported degree apprenticeships but also raised legitimate concerns about how the growing demand will continue to intensify, consuming an ever-increasing proportion of the apprenticeships budget. Without a doubt, the advent of degree apprenticeships has been fantastic in terms of enhancing the apprenticeship brand and enabling individuals to earn whilst they learn without the weight of the significant financial debt that a traditional classroom-based degree programme brings. In a system that is based on supporting employer-led demand, it is critical to ensure that employers can access the provision that they need and want. If required, an alternative approach for the Government should be to consider how it can utilise the existing Higher Education budget to fund or subsidise the apprenticeships at levels 6 and 7.

In giving levy-paying employers full access to the levy they pay, AELP believes that the Government needs to support non-levy paying employers through a ring-fenced guaranteed minimum budget for non-levy employers funded through general taxation. The apprenticeship levy system was built on the Government's original hypothecated assumption that circa 50% of the apprenticeship levy

would go unspent each year and this would offset the Government's need to directly fund the non-levy paying marketplace.

As demand from levy-paying employers grows, this continues to restrict the funding available to the 98% of employers that do not pay the levy. Non-levy paying employers, i.e. SMEs spread across all areas of the country, have been the backbone of the apprenticeships system and both need and deserve more certainty about the availability of funding to support the training of high-quality apprenticeships. Non-levy paying employers have also traditionally offered a key entry point to young apprentices entering the jobs market for the first time and helping to fill vital skills gaps.

Creating a sustainable apprenticeship system also means not just enough funding in the system itself, but ensuring that funding assigned to each apprenticeship standard is fair and proportionate to support the delivery of high quality of training and assessment. This means that the new methodology for allocating funding by the Institute for Apprenticeships & Technical Education (Institute) needs to be able to achieve this outcome. The Education and Skills Funding Agency (ESFA) undertook a thorough review of eligible and ineligible costs in the winter of 2020, with the outcome of that being deferred to the Spending Review. The principle of mandating any activity as part of the apprenticeship programme should without doubt be included as an eligible cost in the funding rules. Changes as a result of the new funding methodology need to be proportionate and managed to ensure stability in the market to avoid market withdrawal as seen previously.

Somewhat bizarrely non-levy paying employers also remain artificially limited to how many apprentices they can access through the Apprenticeship Service, being capped at 10 direct starts. At a time when the Government is trying to stimulate the creation of jobs and encourage the investment in skills, this arbitrary cap needs to be removed entirely.

**Recommendation (6): Targeted support of employer incentives to help young people climb the ladder of opportunity, building on the foundations laid in the Plan for Jobs.**

Both employers and providers continue to tell AELP that the apprenticeship system needs evolutionary refinements and there is no appetite for further revolutionary change following wholesale changes sparked by the publication of the Doug Richard Review back in 2012. The overall system needs to bed in further, but there are still areas that need refinements and AELP believes that incentivisation is the way forward to address these deficiencies which exist specifically around the participation of young people, supporting entry route programmes into industries and reversing the decline in SME starts in the apprenticeship programme. All of these will be needed to ensure that the successful restarting of the UK economy, given the challenges posed by the spread of coronavirus, revolves strongly around enabling young people and SMEs to make a strong contribution to the recovery effort within local communities across the country.

Greater and more effective incentives are required to stimulate employers to focus more on the recruitment and training of young people, but we are clear that this cannot be at the detriment of older employees in the apprenticeship programme. AELP continues to uphold and champion the critical importance of level 2 apprenticeships as this provision enables life-changing opportunities through offering the vital first rung on the ladder of opportunity for many young people from disadvantaged backgrounds and economically deprived areas, as well as being critical to boosting

productivity for SMEs. Level 2 apprenticeships also offer an important entry route for many tens of thousands of adults each year who do not hold a qualification at that level.

AELP strongly supports the use of enhanced and a better balance of employer incentives to support this specific challenge. The employer incentives first launched in the Plan for Jobs and then enhanced from April 2021 for the recruitment of new-hire apprentices have between August 2020 and June 2021, helped created almost 80,000 new jobs. Importantly c76% of those jobs were for apprentices aged between 16-24. However, with the scheme due to draw to a conclusion by the end of September 2021, AELP believes there is a strong case for the employer incentive scheme to be extended but targeted at young apprentices aged between 16-24 where the largest decline in participation even before the pandemic was seen. Young talent must be supported in making the first steps into the labour market to fill the skills gaps developing both post-Brexit and as a result of the fallout from the Covid-19 pandemic.

Currently, the apprenticeship programme is the only further education programme where the cost of training for 16-19 years olds is not fully funded by the public purse and employers are required to fully fund (levy) or pay a cash co-investment (non-levy with more than 50 employees) for their training. AELP strongly believes there should be a guaranteed government-funded *legal entitlement* for fully-funded apprenticeship training for 16 to 19-year-olds wanting to undertake an apprenticeship, regardless of where they work, the vocational area of the level or the programme they choose to undertake. This entitlement should be directly funded out of the Department for Education's 16-19 budget and we believe would cost c. £450 million per annum and help young people by correcting market failures and providing a basic social mobility entitlement.

**Recommendation (7): Fair and equitable funding for maths and English qualifications in work-based learning to support disadvantaged adults.**

Without a doubt, maths and English are vital basic skills for all individuals, both in working life and in everyday life. While these vital qualifications offer a golden thread that has the potential to advance the social mobility of the most disadvantaged learners, low-level qualifications tend to be inadequately funded despite being taken up by some of the most challenging individuals who need the most support.

Furthermore, AELP believes that functional skills qualifications are at least equal to GCSEs in developing work relevant literacy and numeracy alongside an apprenticeship or vocational programme and often favoured by employers. The current discriminatory policy on funding rates for functional skills needs to end and funding needs to double to be at an equivalent level to all other learners. Functional skills qualifications delivered as part of an apprenticeship should be funded at least the appropriate matching value of classroom provision (£724 per each qualification) to ensure there is the income to cover the cost of delivering vital provision to apprentices who need maths and English. For a training provider, the cost of delivering the current functional skills curriculum is more than the fixed rates of £471 funding provided by the Government for each functional skill – our research show this to be the case especially for those needing to transition from level 1 to level 2, with actual guided learning hours on average being circa 70 hours to complete.

**Recommendation (8): Bring prisoners into scope for apprenticeship training to help the transition “through the gate” to drive down the cost of reoffending to the wider society, whilst being wholly funded through apprenticeship levy transfer.**

AELP believes that the circumstances created by the outbreak of the Covid-19 pandemic and the introduction of new immigration rules have placed renewed importance on the creation of a Prisoner Apprenticeship Pathway (PAP). In particular, the combination of existing skills gaps and increasing unemployment risks inflicting lasting damages to the fabric of society, as well as undermining the economic outlook of the country over the next five years.

However, there are systemic issues that need to be addressed for the PAP to serve its intended purpose of breaking the reoffending circle and introducing home-grown skilled workers into the economy. To that end, AELP has outlined three key, but simple recommendations to ensure that the PAP can function effectively and can unlock this opportunity.

- Giving employers the option to gift unspent levy funds to finance apprenticeship training for offenders within the prison estate

Several larger employers have publically expressed their willingness to transfer their unspent levy funds to enable prisoners to embark on apprenticeships while they are still serving their sentence behind the prison gates. Since its inception and introduction in 2017, the apprenticeship levy has unleashed a wide range of new opportunities for employers and learners and it has the potential to do so again when applied in the context of prisoner education. Giving employers the ability to transfer their respective unspent levy allocation to fund apprenticeship training for prisoners provides a valuable opportunity to begin a new chapter for those individuals within the prison estate. Most importantly, it would benefit employers and the wider economy by front-loading the off-the-job element of apprenticeship training while prisoners are serving their sentence so that they are ready to earn and learn while they complete their programme after they leave prison.

- Allowing prisoners to begin fulfilling the off-the-job requirement of apprenticeships while serving their sentence.

Allowing prisoners to begin training and complete the off-the-job element of their apprenticeships during their sentence would give individuals in the prison estate a purpose, while also enabling them to start the on-the-job element of the programme as soon as they leave prison. This measure is perfectly in line with the decision to allow employers in industries such as construction – followed by health and social care – to front-load training for certain apprenticeship standards from April 2021, which the Government unveiled in the Spending Review back in 2020.

- Reclassifying prisoners under the “Alternative English apprenticeship” route to facilitate their transition to apprenticeships outside the prison gates.

Finally, and critically another important step to facilitate this step-change and unveil the Prisoner Apprenticeship Pathway, entails reclassifying the legal status of prisoners under the "Alternative English Apprenticeship" route. This provides exemptions to individuals, such as Church Ministers, the Police and apprentices who are made redundant and become unemployed. The employment status of apprentices remains a key sticking point because apprentices need to be formally employed to begin apprenticeship training, an aspect that would be rather complicated when

applied to offenders serving a sentence in prison. The only way to open up the way for the PAP lies in classifying offenders under alternative arrangements so that they can be given the chance to begin training while they are still in prison, without being formally employed.

**Recommendation (9): Leveraging the existing sizeable financial commitment provided to Traineeships and ensuring better value for money and outcomes for learners through a more consistent and coherent approach between competing DfE and DWP employment programmes.**

Back in 2020, the Treasury made a significant financial commitment to re-energise the Traineeship programme, a programme that AELP has wholeheartedly championed, which despite its dwindling numbers has always produced exceptional outcomes in the guises of jobs, apprenticeships or progression to further study for young people. This commitment included increasing the core funding, more participation funding and a new employer work placement incentive payment until July 2022.

However, the progress of the Traineeship programme has been hamstrung by two specific issues – namely:

- Market capacity for 16-18 traineeships, and
- limited referrals for all-age trainees.

On the first issue, the Department for Education dragged its feet with expanding market capacity for 16-18 provision with the misinformed view that the current provider base will ramp up their delivery to triple the volumes. However, the recent announcement in September 2021 to finally expand the market is most welcome and it is key that process is now agile and timely. Secondly, traineeship referrals across the country remain lower than expected as too many young people are being automatically referred by Jobcentre Plus Work Coaches to competing DWP provision such as Kickstart and now Restart – meeting their own targets, rather than the best outcome for the individual.

Given the current economic cycle and the substantial impact of the Covid-19 pandemic, it is critical more than ever to ensure that both the DWP and the DfE have a coherent and integrated employment and skills strategy that dovetails together to support individuals "into work and onto skills."

There are also valid concerns expressed by AELP and other stakeholders that the wage subsidy incentives for Kickstart participants have and continue to lead to new traineeship and apprenticeship opportunities being crowded out based on the decisions and behaviour of employer choices. It is critical to remember that an apprenticeship is a paid job with an associated structured and significant programme of learning, whereas Kickstart is a subsidised work placement delivered at significant, albeit temporary, cost to the public purse. Traineeships also have a fantastic proven historical outcome rate. However, AELP believes that the new scheme would be enhanced by allowing young people on Kickstart to progress onto an apprenticeship during the six months, at the same time allowing employers to utilise the remainder of the wage subsidy that has been committed as part of that apprenticeship.

**Recommendation (10): Into work and onto skills, greater investment required for SWAPs and wider rollout of skills bootcamps.**

AELP is a strong advocate for programmes that bridge the gap between integrating employment and skills, no more so than in the current economic climate which the pandemic has created. Sector-Based Work Academies Programmes (SWAPs) are a valuable programme that continue to lack the proper recognition for the value they bring in offering an important shorter, sharper intervention with employers that offer a strong progression pathway to work. Many adults simply do not need weeks or months of training and need targeted and high-intensity support to bounce back into work quickly. The fact that SWAPs are in essence an employment programme, contracted by the education department means that it straddles the bridge between supporting adults "into work on to skills" and offer good value for money.

In the 2020 Spending Review the government made a commitment of £43 million from the National Skills Funding to support more Skills Bootcamps after the initial successful round of pilots, these programmes which have the ingredients to transform the skills landscape for adults and employers, support unemployed adults into work and helping existing employees enhance their skills. AELP believes that greater ongoing investment is required in both SWAPs and Skills Bootcamps to boost the employment outcomes of displaced adults, whilst offering an alternative technical retraining and reskilling programme as an alternative to a full apprenticeship programme.



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