

Written evidence from Ginger Nut Media (T/A Ginger Nut Training (SFF0022)

I am an ally of the DFE , Panel member for IfATE , UCAS Council Member and former Board director for AELP. We were awarded as a top 100 apprenticeship employer three times with our small media business, and I co-founded the Moving on Up Network whose purpose is to increase apprenticeship opportunities for those whom are care experienced. I have been involved heavily with the apprenticeships ambassador network in my time as an employer and I also now own Ginger Nut Training a highly rated and successful independently owned provider that is accredited by Matrix, and consistently reviewed at 5* on [Google](#) and [Trust Pilot](#).

We are proud to work with some of the largest and most forward-thinking employers in the country.

It is worth noting we would not exist without the apprenticeship system and our media business was literally built with apprentices.

As a result, we are advocates of apprentices as both a former employer and now training provider with insight across small and large business' from level 2 – level 7.

Whilst it is obvious that “guaranteeing” an apprenticeship opportunity for all young people leaving school is not possible (given that apprenticeships are dependent on employers) there is no reason why employers cannot be appropriately incentivised to hire an apprentice. From targeted incentives for larger employers through to providing a completely cost neutral approach for smaller organisations who stand to benefit more and provide more rounded opportunities.

In short, we believe that with some very simple changes to an established and successful system (all be it a dangerously underfunded one) issues can be quickly cured. - Incentivising of employers to hire apprentices, targeted support for vulnerable groups and the immediate increase in funding of provision at level 2-4 would solve most problems.

Summary of key points

In answer to the questions on the consultation.

What kinds of skills do you think will be needed for the future of the UK economy? Is the UK's skills and training system capable of equipping increasing numbers of people with these skills?

Our future economy will be one that requires a significant improvement in soft skills from those already working and those entering the world of work. Our dependence on knowledge will deepen but that will be fulfilled

by the tools that are around us. We will need to use those tools, be able to interpret them and interact with our colleagues in ways we do not currently meaning a greater dependence on communication, interpersonal skills, leadership, problem solving, work ethic, time management, and teamwork. There is an argument to suggest the current system focusses far too much on developing knowledge rather than those soft skills. It is also worth noting that there seems to be a big focus on higher level apprenticeship qualifications which seems a little strange given the increased unemployment rates with our young people and lack of lower-level apprenticeship opportunities. As a level 2 educated founder I passionately believe that not everyone needs a degree! – Looking at the indeed jobs board and the jobs that currently remain advertised and unfilled the world would appear to agree with me. A focus to supporting people to enter the world of work (level 2 – level 4) and a greater focus on employability skills / soft skills is required.

Is it clear to everyone involved in the skills system what the respective roles of the Government, employers, individuals and institutions are within that system?

I am not sure anyone in the skills system would agree that there is clarity on the roles of government, employers, individuals, or institutions but there has been significant improvement in this, and those roles do not need to be changed significantly. The structures we have work, they just may need tweaking.

What is the appropriate level of government intervention in the development of skills policies? How can government best add value in this area?

Continuing to liaise with employers to develop skills policies are key. There has been great work done since the establishment of the levy / IFATE etc and this should continue. Establishing the levy meant a new way of generating income for training and this structure does not need drastic change. Currently there is a funding crisis across apprenticeship training provision. Colleges, independent providers, and universities are not funded to engage with employers, build infrastructure or develop programs. They are also crippled by poor funding bands and extensive administrative costs that are often not funded. Some funding bands have not been reviewed for over 5 years and were too low when first introduced. There needs to be an immediate increase in all qualifications with all funding then inflation indexed automatically rising each year. Without this we accept that the quality of provision will reduce year on year as costs continue to rise.

Are current Government policies on skills, particularly apprenticeships and training, sufficiently clear? Have policies and the institutional set-up been sufficiently consistent over time? If not, what changes or reforms would you recommend?

Government policies on skills have been inconsistent and tend to change depending on the political landscape which can be disruptive to the sector. Recently the DFE have been releasing simplified funding rules much earlier than in previous years and liaising closely with the sector - this should be applauded. The right institutions are in place now and these establishments should be supported to do their jobs. Whilst some of these institutions have been criticised the damage in overhauling these establishments and replacing them with others would outweigh any benefit. Sometimes the wheel doesn't need changing and you just need to work with what you have and improve it. Currently the perception is employers / ministers are heavily involved in setting funding bands for the delivery of apprenticeships through the remit of IFATE. Unfortunately, what this has meant is that several apprenticeships are working with funding that has been agreed over 5 years with many qualifications simply unviable for colleges, universities, and independent training providers to deliver. All funding should be indexed to inflation to provide long term viability of the training and training providers much more heavily involved in the setting of the funding with an immediate upweight on all courses.

Are the right institutions in place to ensure an effective skills system for the future? Should co-ordinating institutions be national, regional or sectoral, or a mixture of each?

The right institutions are in place. Do not add more, if anything we need to reduce the number of institutions. A mixture.

Concerns have been raised over the operation of the Apprenticeship Levy, particularly in relation to the decline in young people taking on apprenticeships. Is there a case for reforming the levy, for example by ring-fencing more levy funding for training for younger apprentices?

The apprenticeship levy has resulted in an increased engagement in training and development by our larger employers in the country. This is obviously a plus and will have resulted in an improvement in productivity. Whilst some level 5 /degree level qualifications should not fall under this levy in my opinion the issue is not the structure of the levy. This structure has enabled increased engagement by larger employers and the removal of the "prime contractor / sub-contractor" model which had previously had ring fenced funds for younger apprentices controlled by larger providers. What this meant was that smaller businesses had a much

decreased choice of providers to work with and provision was delivered by less training organisations. There is an argument to suggest this resulted in a greater risk of failure / fraud/ error in delivery. The main reason for the decline in starts is simply linked to the lack of financial incentive among smaller employers to take on younger employees. Stats have always indicated the greater the incentives the larger the starts for young people. – in smaller employers. Ring fencing funds is obviously a good idea but not if it goes back to a model of only supporting large providers to get larger. Margins in apprenticeships are so low which means any smaller provider wanting to deliver through a “sub-contractor” model will simply not be able to.

What should the role of business be in encouraging the development of skills in the UK? Should business be a consumer, funder, trainer or co-designer of skills provision?

Employers should continue to develop the skills and apprenticeship system like how they do already. There is no need to change drastically on the role of businesses. They already fund, co design and consume! Smaller employers should be financially supported in all of these roles as it would be great for their voice to be larger in skills development. Without consistent incentives to employ and engage in co-designing courses though this will simply not happen with our country’s smaller employers.

In a more mobile, flexible labour market, what incentives do employers have to provide training for their employees? Why do you think that employer investment in training has declined in recent decades? Should further incentives be put in place to reverse the decline in employer investment in training, and if so, what form should these incentives take?

Training staff does make business sense, even for the smallest of employers but these smaller employers need support with the upfront costs and this support has decreased. Further incentives should be put in place to reverse the decline of those aged < 24. In 2012 incentives to employ an apprentice under 24 were as much as £2,500. This meant that employing an apprentice full time for one year on the apprenticeship wage required a £4,234 investment, presuming 7 hours a day. This investment now, should the apprentice qualify for the £1,000 incentive is an eye watering £10,684 for the year, plus the additional month minimum EPA requirement (£1204 based on 4 weeks and 7 hours per day) plus the additional statutory requirement to pay your apprentice during their working day. Even working this out to a 10% additional cost then this all comes in as a £11,888. £10,188 commitment after incentive. This means

we are asking employers who hire apprentices on the minimum apprenticeship wage to invest a further £5025 in hiring an apprentice even considering inflation!

Small employers generally are the employers that pay the apprenticeship wage and these are the organisations that we are no longer incentivising appropriately, even asking them to pay for training costs until recently. A base £6,500 incentive for employers with < 50 staff would be appropriate administered through a first come first served (not reserving of funds) application scheme should the treasury be worried about spend.

We should also look at providing additional employer incentives for those who are vulnerable and use additional structures to do so. For example, the care leaver bursary could be further increased to say a £4,000 with staggered incentives to employers to encourage them to engage with this **and other disadvantaged groups**. Apprenticeships are proven to provide a return on investment to the treasury **at level 4 and under** and we must invest appropriately to encourage this part of the skills system.

2012 Wages

2024 Wages

Inflation calculator

What incentives do individuals have to involve themselves in apprenticeships and training? Is the system available and attractive enough to encourage individuals to seek training, and if not, what can be done to improve this?

Apprenticeships are very attractive across all ages. As far as encouraging young people to take up an apprenticeship there is already significant demand when it comes to new jobs. You can see this with recent UCAS statistics and by speaking to anyone in the entry level job market – be that first job or retraining into an entry level job (levels 2 – 3). The issue arises when you open up these opportunities to level 4 – 7 for “entry level positions”. Firstly, it is rare to stay in an entry level position for over 1 year and secondly the demand for these kind of jobs means that only the most successful (often wealthy / those whom would have qualified to university anyway) take up the roles. Apprenticeships will always be led by the employer and you cannot dictate who an employer hires and the vast majority of roles will be given to the best candidate. It is therefore vitally important that everyone from disadvantaged backgrounds are given all of the incentive and opportunity possible to make apprenticeships a truly viable option for them. A recent wonderful example of this is the support given to those whom are care experienced

with the care leaver bursary. Despite the increase of this payment and increase in publicity of its existence starts are still under represented compared to their peers.

Apprenticeships, Academic year 2023/24 – Explore education statistics – GOV.UK (explore-education-statistics.service.gov.uk)

Apprenticeship care leaver's bursary payments

Apprenticeship care leaver's bursary payments, 2018/19 to 2023/24, reported as at **09 February 2024**.

Academic year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 (reported to date)
Number of bursary payments	280	320	210	350	330	250

There are several reasons for this – functional skills, lack of appropriate level 2 opportunities (business admin) financial hardship and much more. incentives for young people in this position however could really help and increasing these payments to young people to perhaps £10,000 makes complete sense. - Especially if you consider that according to ONS 5% of looked-after children had received a custodial sentence by age 24 years, compared with 1% of children who had not been in care. *Taking this type of targeted and affordable approach across other vulnerable groups to encourage mobility whilst also incentivising employers further than we already do is obviously the way to go.*

How does the UK's approach to skills and training compare to those of other countries? Are there examples of good practice that the UK should be learning from?

There are numerous examples of best practice across the world including but not limited to Germany, Australia and Switzerland. It is no coincidence that where industry is most engaged is where the best incentives operate.

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