



15th April 2014

Dear Sir / Madam

Apprenticeship Reforms

KATO, the Kent Association of Training Organisations and KAFEC, the Kent Association of Further Education Colleges are representative bodies for Training Providers and FE Colleges that support Apprenticeships across Kent. We wish to bring to your attention some far reaching changes which are currently in consultation and will affect all Apprenticeship employers.

On the 6th March 2014 the Government published a document, Funding Reform Technical Consultation that sets out proposals on the future funding of Apprenticeships, with the key aim of driving increased employer engagement and participation. KATO and KAFEC share the Government's aim of expanding Apprenticeships and supporting greater employer engagement, however, there are implications for employers highlighted within the consultation document of which you should be aware and a summary is attached.

Our objective is to support employers throughout implementation of the planned changes and both organisations and their members will work with employers to achieve a managed introduction of the new arrangements. When responsibility for funding transfers to employers with Government providing a contribution towards the costs of training, the employer role will change and this may cause concerns, such as:

1. The increase in financial contribution required from employers in the new model;
2. A requirement for employers recruiting Apprentices to undergo a registration process and to provide updates and progress returns, in line with funding contributions from Government; and
3. An increase in administration in order to claim the monies through the PAYE processes in place within your organisation, or by opening an Apprenticeship Credit Account.

KATO and KAFEC would like to assure you that, although we cannot influence point one, we will be able to provide options, advice and support to minimise the impact on employers arising from changes in points 2 and 3. We, like you, believe that Apprenticeship training is vital to future economic success and we wish to work with all employers to ensure that these changes do not cause fewer Apprenticeship opportunities to be offered.

The full consultation on the Government changes is still open and if you would like to express your views please go to: <https://www.gov.uk/government/consultations/apprenticeship-funding-reform-in-england-payment-mechanisms-and-funding-principles> for the consultation document and response forms. This consultation closes on 1 May 2014.

Yours sincerely

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