



HOUSE OF COMMONS

LONDON SW1A 0AA

Rt Hon Elizabeth Truss MP
Chief Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

12th July 2018

Dear Liz,

Re: Apprenticeships – Applicants from low-income families

Thank you for your answer of 16th May to my written parliamentary questions on apprenticeships (142930/142931).

While I appreciate that parents of children over-16 years old must meet certain additional eligibility criteria before they can claim either Child Benefit or Child Tax Credit – and I am grateful to you for setting out those criteria to me in detail – I would ask that these additional conditions are amended to include young people from low-income families who are undertaking paid apprenticeships.

I believe that we must do all we can to ensure that all young people feel able to undertake an apprenticeship. With that point in mind, I was concerned to learn recently that young people from low-income families in my local area are choosing not to start an apprenticeship, as they do not believe that apprenticeships are a viable financial alternative to other forms of employment – or even unemployment, as in some cases benefits can pay more than apprenticeships.

I do recognise that this is not the case for all apprenticeships, as the mean pay for level 2 apprentices is currently £6.69 per hour, while the mean pay for level 3 apprentices is £7.38 per hour – as the Minister of State for Apprenticeships and Skills set out in her helpful reply to me of 18th May on this same issue (142932/142933/142934). Nevertheless, in my local area, an area of some deprivation, apprenticeship opportunities are currently offering an average weekly wage of around £153 per week, or £3.83 per hour.

It is of no surprise to me, therefore, that potential low-income applicants in my local area are not coming forward, as they believe that they can earn more working in the retail or hospitality industries – I am supported in this opinion by local employers, who have told me that they are struggling to attract apprentices because of this financial reality.

Let me be clear that I welcome and celebrate the work that this Government has done on apprenticeships. I am, however, concerned that financial concerns are preventing some young people from beginning an apprenticeship, and would argue that we should be doing all we can to ensure that young people from all backgrounds feel able to take up these opportunities.

Member of Parliament for Clacton

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We must address this situation, and we must do more to create an apprenticeship system that is truly open to young people from low-income backgrounds. With that in mind, and as I mentioned earlier, I believe that the Government should make the parents of young people from low-income families who are undertaking apprenticeships eligible for Child Benefit and Child Tax Credits.

This will reduce the financial burden on low-income parents whose children choose to begin an apprenticeship. I maintain that this is incredibly important, as those parents may have previously relied on the income from Child Tax Credit and Child Benefit, to which they would be no longer eligible if their child begins an apprenticeship. This change will help low-income families financially, thereby making apprenticeships a more viable prospect.

I would also ask that the Government consider extending the scope of Care to Learn, student financial support including the 16-19 Bursary Fund and the Childcare Grant to low-income apprentices. This will reduce the financial strain on low-income apprentices, while making these opportunities more attractive to them.

I am pleased to say that several of my colleagues agree with these proposals, as you can see below, and I would be grateful if you could explore these further. I would also be grateful for the opportunity to meet with you, along with the Minister of State for Apprenticeships and Skills, to discuss this issue in more detail.

Giles Watling MP
Member of Parliament for Clacton

Simon Hart MP

Julia Lopez MP

Will Quince MP

Sir David Amess MP

Sir Bernard Jenkin MP

Bob Seely MP

cc: Rt Hon Anne Milton MP, Minister of State for Apprenticeships and Skills