

Research Note - August 2023

# THE POSTCODE LOTTERY OF APPRENTICESHIP SUPPORT

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## Executive Summary

Apprenticeships represent an essential tool by which Britain can secure a more prosperous future for both young people and the economy. As was set out in Policy Exchange's recent report, [Reforming the Apprenticeship Levy](#), they are a vital means by which we can plug the skills gaps in our economy and boost our ailing productivity.

In that report, we exposed the fact that while the Apprenticeship Levy has many strengths, the system is not currently delivering the number of high-quality apprenticeships that our country needs – with young people, those from disadvantaged backgrounds and SMEs being hit the hardest. We set out a series of reforms in three principal areas:

- **Flexibility to support employer-relevant skills.** Transforming the Levy to an Apprenticeships and Skills Levy to better support the training of high quality, employer-valued skills, including on shorter and more flexible courses, that the economy demands. These would not only fulfil immediate skills needs, but could lead on to future apprenticeships at higher level in the future.
- **Greater support for SMEs.** More flexibility, a streamlined process and direct financial support is needed to address market failures and enable SMEs to play the full role in the apprenticeship system that is essential to deliver high quality apprenticeships at scale.
- **Increased opportunity for young people.** Directly incentivising employers to take on young people, a fairer minimum wage and removing the inequities on child benefit are among measures that will allow young people, whatever their background, to benefit from an apprenticeship.

In this Research Note, we follow up on the third of these strands to examine the financial, and other, support available to apprentices in different parts of the UK. We find that the support available varies dramatically, creating a postcode lottery, by which some apprentices, simply by virtue of where they live, have access to much lower levels of financial support than their peers living in others. We also find that apprentices are often offered less support than – or sometimes actively excluded from support – that is offered to students, despite the fact that the apprenticeship minimum wage is lower than the maintenance loan received by many students. This reduces the access to apprenticeships for young people from

disadvantaged backgrounds, harming equality of opportunity and reducing the effectiveness of apprenticeships as a mechanism for social mobility.

The channels by which apprentices are supported with financial barriers like travel and equipment costs are currently an uneven patchwork of national, local, industry-specific initiatives. Local transport support is inconsistent. Local commercial transport operators often offer a discounted rate for students, yet rarely have any similar discounts for apprentices. Apprentices aged 19-24 living in the Liverpool City region are able to access discounts on public transport for the duration of their apprenticeship<sup>1</sup>, while apprentices in London are only eligible for such discounts for the first year of their apprenticeship<sup>2</sup> – and those in South Yorkshire no such specific support at all. A very small number of council areas offer grants to apprentices, often as high as £500, but the majority of areas offer nothing. The picture laid out in this report is not one of national aspiration, but rather of sheer chance, in which there exists a complete lack of consistency in how disadvantaged young people are supported in surmounting cost barriers to taking an apprenticeship.

Working alongside these geographical inconsistencies in inhibiting greater apprenticeship take-up is the fact that in many places and forms, apprentices can access less financial support than their age-group peers in further and higher education. Apprentices are explicitly excluded from the Government's 16-19 Bursary Fund<sup>3</sup>, worth £192 million<sup>4</sup>, which those in financial need who are in full-time further education can access. As we wrote in *Reforming Apprenticeship Levy*, despite education being compulsory until the age of 18, if a young person aged 16-19 takes up an apprenticeship, their family loses child benefit – which they would retain if they were studying A-Levels or vocational qualifications at a school or college.

The government commits billions every year to ensure young people can surmount cost barriers inhibiting them from taking up a traditional university place. This report makes clear the same clarity of focus should be applied by

<sup>1</sup><https://www.merseyrail.org/tickets-passes/ticket-information/apprentice-travel/>

<sup>2</sup><https://tfl.gov.uk/fares/free-and-discounted-travel/apprentice-oyster-photocard>

<sup>3</sup><https://www.gov.uk/government/publications/16-to-19-bursary-fund-guide-2023-to-2024-academic-year/16-to-19-bursary-fund-guide-2023-to-2024-academic-year#eligibility-criteria-all-bursaries>

<sup>4</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1115611/ESFA\\_Annual\\_Report\\_2021-22\\_final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1115611/ESFA_Annual_Report_2021-22_final.pdf)

government in ensuring that young people are supported with eliminating any cost barriers impeding apprenticeship take-up.

In *Reforming the Apprenticeship Levy*, we made a number of recommendations aimed at increasing opportunity for young people from all backgrounds, including:

- Aligning the minimum wage for apprentices with the minimum wage for each age-group.
- Amending the child benefit regulations, so parents of apprentices under 19 still receive it.
- Mayoral Combined Authorities to offer free transport to all apprentices under 25.

In addition to these, to reduce the postcode lottery laid out in this Research Note, we recommend:

1. **The Government should work with Mayoral Combined Authorities, local authorities and public transport operators to agree a base-level of transport support for apprentices aged under 25 across the country.** Individual authorities and operators would be free to offer more generous provision if desired.
2. **Apprentices aged 16-19 should be made eligible for discretionary bursaries under the Government's 16-19 Bursary Fund and its equivalents provided by the devolved administrations.** As is the case with existing discretionary bursaries, the college or training provider would determine both need and the amount received.
3. **Public authorities and private companies should ensure that apprentices aged under 25 are eligible for the same benefits and discounts received by students.**

Collectively, these reforms would ensure cost barriers are significantly less of an obstacle to disadvantaged young people taking up an apprenticeship in their chosen industry irrespective of where they happen to live.

## Introduction

The widespread availability and uptake of high-quality apprenticeships is in the interests of learners, employers and the wider economy. Apprenticeships allow people to access the practical and personal support they need to advance professionally irrespective of their social class, background or age. In our last report *Reforming the Apprenticeship Levy*, Policy Exchange highlighted flaws in the current funding system which inhibit the volume of apprenticeships being delivered that is required. This report was written in the context of the total number of apprenticeships starts having diminished from a high point of over 500,000 to 349,200 in 2021-22<sup>5</sup>.

Alongside flexibility for ratepayers and removing barriers for SMEs, both of which are targeted at boosting supply, our third recommendation focused on increasing opportunities for young people who are starting an apprenticeship. The decline in starts underlines and renews the importance of ensuring taking an apprenticeship is an affordable choice and offers an equally attractive alternative to traditional university study. A key part of reaffirming this appeal must be removing the financial barriers impeding apprenticeship take-up as well as completion. The clear potential of apprenticeships to unlock opportunity and boost Britain's productivity must be reflected through support to ensure young people can surmount cost barriers which prevent them seizing such opportunities.

We looked at the different forms of financial support found on the websites of central government, the devolved administrations, Mayoral Combined Authorities and local councils. We also examined what is offered by industry-specific organisations, charities and commercial transport operators. In doing this, we followed a similar process to that young people will likely follow when attempting to discover what financial support apprentices are able to access and thereby assess the affordability of committing to choosing an apprenticeship route.

We found that the financial support available across the country is currently a postcode lottery, resulting in apprentices being able to access more extensive financial support in some regions, while those living in other areas are able to access less. These inconsistencies in the amount of available support also exist across different industries and age groups. Financial support for apprentices is

<sup>5</sup><https://commonslibrary.parliament.uk/research-briefings/sn06113/#:~:text=In%20the%202021%2F22%20academic%20year%2C%20there%20were%20740%2C400.number%20of%20starts%20in%20the%20previous%20academic%20year.>

currently a complicated and uneven patchwork of initiatives administered by public and private organisations, local and national. This paper expands on *Reforming the Apprenticeship Levy* to capture the current complexity, shortfalls and inconsistencies apparent in the different kinds of financial support. Despite apprentices earning a salary while their peers in full-time education do not, this cannot eliminate every and any form of financial need. The lack of available support in many areas particularly affects those from disadvantaged backgrounds, who are most likely to need to rely on financial support to make an apprenticeship economically viable for themselves and their families.

A further inequity is how this financial support for apprentices stands up against that which their peers at university or in further education can access. This comparison makes clear that the financial support available for apprentices is in many ways much less comprehensive and widespread than what students can access. On a national level, this imbalance is already apparent. A student living away from their parents can, from this September, access a maximum loan of £9,978, rising further to £13,022 in London<sup>6</sup>. Meanwhile, an apprentice working a typical 36 hours per week at the current apprentice minimum wage of £5.28 will earn £9,884 per year<sup>7</sup>. The drive to encourage more young people to choose an apprenticeship route over university must start by addressing this broader imbalance of support, working to neutralise the cost barriers which can prevent young people embarking on and completing an apprenticeship, cost barriers which have been much more robustly tackled for those looking to go to follow the traditional university path.

This Research Note is divided into three sections:

- 1. How apprentices are supported with travel costs in different areas of the UK.**
- 2. The availability of other forms of financial support targeted at apprentices.**
- 3. How the financial support available to apprentices compares with that which is provided to students in further and higher education.**

<sup>6</sup><https://www.gov.uk/student-finance/new-fulltime-students>

<sup>7</sup><https://www.gov.uk/guidance/apprenticeship-funding-rules-for-employers/what-is-an-apprenticeship>

## How apprentices are supported with travel costs in different areas of the UK

A recurring expense apprentices encounter is the cost of travelling from home to their place of work, as well as to their training provider or university. The breadth and quality of apprenticeships available to an individual is heavily determined by the interconnectedness and affordability of the transport networks available in their local area. This can be particularly the case for apprentices in rural areas, from low-income backgrounds or where the employer and training provider are a significant distance apart. There also exist inevitable geographical imbalances between where different types of apprenticeships tend to be located. For example, while it is possible to undertake an apprenticeship in the health and social care sector in most parts of the country, opportunities in sectors such as manufacturing are more likely to be located in specific areas.

As a result, it is vitally important to ensure that people can afford to travel to as wide of a catchment of apprenticeship opportunities as possible. Those who are interested in a specific career path best served by an apprenticeship, yet do not happen to live in the immediate vicinity of any suitable opportunities, particularly rely on affordable means of travelling to where such apprenticeship options do exist. Subsidised travel provisions for apprentices are therefore crucial in unlocking the full range of opportunities available to those who are contemplating an apprenticeship. Currently, however, there is significant regional variation in the comprehensiveness or even existence of such public transport support schemes provided by local authorities across the UK.

### Rail travel

Regional differences in the financial support for apprentices aged 16-25 who are reliant on rail travel are to a certain extent limited by the availability of nationally applicable railcards. The 16-17 Saver<sup>8</sup>, as well as the 16-25 Railcard<sup>9</sup>, can be purchased for £30 per year and offer discounts on National Rail services to everyone who falls within these age ranges irrespective of where they live. These discounts are valid on services operated by all the train companies running passenger railway services within England, Scotland and Wales. The eligibility of

<sup>8</sup><https://www.16-17saver.co.uk/>

<sup>9</sup><https://www.16-25railcard.co.uk/>

these railcards to all those within each respective age range ensures apprentices aged 16-25 can benefit from these same discounts as their age group peers.

While these railcards therefore act as a baseline amount of financial support apprentices aged 16-30 can access on rail travel across Great Britain, regional variations arise where local authorities have decided to offer discounts on top of those provided by these railcards. These regional schemes can either be targeted specifically at apprentices or applicable to all those of a stated age range living in the region. For example, Liverpool City's Apprenticeship Travelcard offers a 50% discount on weekly or monthly train tickets within Merseyside for apprentices aged 19-24<sup>10</sup>. This travelcard offers a more substantial reductions than the 1/3 discount provided by the 16-25 Railcard. In many areas of the UK, however, no such discount schemes exist on top of the nationally applicable railcards. This means apprentices in some areas of the UK can access more significant discounts on rail travel than those living in others.

### **Travel support for apprentices aged 16-18**

The travel support most commonly available for apprentices aged 16-18 exists in the form of schemes which cover everyone in this age range, meaning where these exist apprentices can access the same reduced public transport prices as their peers in full-time further education. There are therefore fewer major variations in support for this age-group.

Such schemes can be found on most, but currently not all, Mayoral Combined Authority websites or their affiliated transport websites. The 16+ Zip Card available in London provides a 50% discount on Transport for London services to all those aged 16 to 18, as well as on most National Rail services in London<sup>11</sup>. Those living in London are also able to get free travel on buses and trams. Similar such schemes exist in the West Midlands<sup>12</sup> and Greater Manchester<sup>13</sup>. The three devolved administrations also offer discounted travel for all within the aged 16-18 age range.

<sup>10</sup>[https://www.merseytravel.gov.uk/tickets-and-pricing/apprenticeships-\(19-24\)/](https://www.merseytravel.gov.uk/tickets-and-pricing/apprenticeships-(19-24)/)

<sup>11</sup><https://tfl.gov.uk/fares/free-and-discounted-travel/16-plus-zip-oyster-photocard>

<sup>12</sup><https://www.tfwm.org.uk/swift-and-tickets/discounts-and-free-travel-passes/swift-16-18-photocard/>

<sup>13</sup><https://ourpass.co.uk/>



## Travel support for apprentices aged 18+

Travel support for apprentices aged 18+ within Mayoral Combined Authorities is significantly less comprehensive and widespread than for those aged 16-18.

One important variability centres around the duration of support. In Greater Manchester, apprentices can apply to receive a free refurbished bike to commute to their apprenticeship and training provider<sup>14</sup> but are only able to benefit from 16 weeks' worth of financial support with public transport costs<sup>15</sup>. In the capital, meanwhile, Transport for London's Apprentice Oyster is valid only for the first year of an apprenticeship<sup>16</sup>. This is clearly a significant improvement on just 16 weeks' worth, yet the average expected duration of an apprenticeship started in 2022-23 was almost two years<sup>17</sup> and even higher still for those completing Level 6 or Level 7 qualifications. Liverpool City's Apprenticeship Travelcard is valid for the whole duration of the apprenticeship as long as the apprentice is aged 19-24<sup>18</sup>, offering a more extended period of support than that provided to apprentices in London or Greater Manchester.

While none offer schemes expressly targeted at apprentices, public transport subsidisation for all young people provided by the three devolved administrations is more extensive than Mayoral Combined Authorities in England regarding the upper age bound of their schemes:

- Scotland provides free bus travel to all those under the age of 22<sup>19</sup>.
- Northern Ireland's yLink Smartcard provides discounted train, tram and bus fares to anyone aged 16-23<sup>20</sup>.
- Mytravelpass in Wales provides discounts of approximately 1/3 on bus fares to all those aged 16-21<sup>21</sup>.

<sup>14</sup><https://gmacs.co.uk/education-training/apprenticeships/>

<sup>15</sup><https://theburydirectory.co.uk/services/free-and-discounted-travel-for-jobseekers-and-apprentices?highContrast=true>

<sup>16</sup><https://tfl.gov.uk/fares/free-and-discounted-travel/apprentice-oyster-photocard>

<sup>17</sup><https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships>

<sup>18</sup>[https://www.merseytravel.gov.uk/tickets-and-pricing/apprenticeships-\(19-24\)/](https://www.merseytravel.gov.uk/tickets-and-pricing/apprenticeships-(19-24)/)

<sup>19</sup><https://www.transport.gov.scot/concessionary-travel/under-22s-free-bus-travel/>

<sup>20</sup><https://www.translink.co.uk/yLink>

<sup>21</sup><https://mytravelpass.gov.wales/en/>

Combined Mayoral Authority	All young people of a designated age range	Apprentices specifically
Greater London	<u>16+ Zip Card<sup>22</sup></u> <ul style="list-style-type: none"> <li>Available to all those aged 16-18</li> <li>50% discount on TfL services and most National Rail fares in London</li> <li>Free bus and tram travel for those living in London</li> </ul>	<u>Apprentice Oyster Card<sup>23</sup></u> <ul style="list-style-type: none"> <li>Available to those aged 18 and above enrolled on an apprenticeship with a further education college or training organisation</li> <li>30% discount on adult-rate travelcards and bus &amp; tram pass season tickets</li> <li>Expires after the first year of the apprenticeship</li> </ul>
West Midlands	<u>Swift 16-18 Photocard<sup>24</sup></u> <ul style="list-style-type: none"> <li>Available to all those aged 16-18</li> <li>50% discount on adult ticket fares on bus, tram or train</li> </ul>	<u>Workwise Scheme<sup>25</sup></u> <ul style="list-style-type: none"> <li>Available to those aged 16 and above starting a new job, including an apprenticeship, who earn less than £30,000 per year</li> <li>Free bus, train and tram tickets for the first 8 weeks of their job</li> <li>50% discount on bus, train and tram tickets for weeks 8-12</li> </ul>
Greater Manchester	<u>Our Pass<sup>26</sup></u> <ul style="list-style-type: none"> <li>Available to all those aged 16-18</li> <li>Free bus travel on most local bus services</li> <li>50% discount on off-peak 1-day and weekend Metrolink tram travelcards</li> </ul>	<u>Apprentice Free Ticket Scheme<sup>27</sup></u> <ul style="list-style-type: none"> <li>Available to apprentices within six months of starting their apprenticeship</li> <li>Free travel on bus and tram for 28 days</li> <li>Discounted bus and tram ticket on the next three 28-day passes purchased</li> </ul> <u>Apprentice Bike to Work Scheme<sup>28</sup></u> <ul style="list-style-type: none"> <li>Available to any apprentice</li> <li>A free refurbished bike and accessories</li> </ul>
Liverpool City	<u>Merseytravel Young Peoples' Tickets<sup>29</sup></u> <ul style="list-style-type: none"> <li>Available to all those aged 5-18</li> <li>50% discount on buses and trains in Merseyside</li> </ul>	<u>Apprenticeship Travelcard<sup>30</sup></u> <ul style="list-style-type: none"> <li>Available to anyone enrolled in an apprenticeship aged 19-24</li> <li>50% discount on weekly or monthly train passes in Merseyside and further depending on the chosen zones</li> </ul>

<sup>22</sup><https://tfl.gov.uk/fares/free-and-discounted-travel/16-plus-zip-oyster-photocard>

<sup>23</sup><https://tfl.gov.uk/fares/free-and-discounted-travel/apprentice-oyster-photocard>

<sup>24</sup><https://www.tfwm.org.uk/swift-and-tickets/discounts-and-free-travel-passes/swift-16-18-photocard/>

<sup>25</sup><https://www.tfwm.org.uk/swift-and-tickets/discounts-and-free-travel-passes/discounts-for-jobseekers/>

<sup>26</sup><https://ourpass.co.uk/>

<sup>27</sup><http://theapprenticeshiphub.co.uk/tfgm-apprentice-travel-offer-guidance-training-providers/>

<sup>28</sup><https://gmacs.co.uk/education-training/apprenticeships/>

<sup>29</sup>[https://www.merseytravel.gov.uk/tickets-and-pricing/young-people-\(5-18\)/](https://www.merseytravel.gov.uk/tickets-and-pricing/young-people-(5-18)/)

<sup>30</sup><https://www.merseyrail.org/tickets-passes/ticket-information/apprentice-travel/>

Tees Valley	No information located.	<u>Wheels 2 Work Scheme</u> <sup>31</sup> <ul style="list-style-type: none"> <li>• Available to those aged 17 and above with transport barriers to work or training</li> <li>• Able to hire an electric motorbike or electric bicycle for £21 per week for up to 6 months</li> <li>• Required to pay a £500 insurance excess</li> </ul>
West of England	No information located.	No information located.
West Yorkshire	<u>MCard 19-25</u> <sup>32</sup> <ul style="list-style-type: none"> <li>• Available to all those aged 19 to 25</li> <li>• Discounted bus and train travel</li> </ul>	No information located.
South Yorkshire	<u>18-22 Discount Card</u> <sup>33</sup> <ul style="list-style-type: none"> <li>• Available to all those aged 18-22</li> <li>• 15% discount on adult train tickets</li> </ul> <u>Zoom Beyond 18-21 Travel Pass</u> <sup>34</sup> <ul style="list-style-type: none"> <li>• Available to all those aged 18-21</li> <li>• 80p per single journey on bus or tram</li> </ul>	No information located.
North of Tyne	<u>21 and under bus ticket</u> <sup>35</sup> <ul style="list-style-type: none"> <li>• Available to all those aged 21 and under</li> <li>• Discounted single travel fares on buses within Tyne and Wear, Durham County Council and Northumberland County Councils</li> </ul>	No information located.
Cambridgeshire and Peterborough	<u>Ely Zipper Young Persons Pass</u> <sup>36</sup> <ul style="list-style-type: none"> <li>• Available to all those under the age of 21</li> <li>• Discounted bus travel on the Ely route</li> <li>• Available in 1 month or 4 month passes</li> </ul>	No information located.

<sup>31</sup><https://teesvalley-ca.gov.uk/work/employment/tees-valley-wheels-2-work/>

<sup>32</sup><https://www.m-card.co.uk/the-cards/19-25/>

<sup>33</sup><https://www.travelsouthyorkshire.com/en-gb/ticketsandpasses/18-22-discount-card>

<sup>34</sup><https://www.travelsouthyorkshire.com/en-GB/LandingPage/18-21-pass>

<sup>35</sup><https://www.gonortheast.co.uk/tickets>

<sup>36</sup><https://transport.cambridgeshirepeterborough-ca.gov.uk/buses/subsidised-bus-services/>

On a local council level, public transport subsidisation initiatives for apprentices are rare. One council which does provide support specifically with travel costs is Gloucestershire County Council. It offers residents doing an apprenticeship in the county aged 16-24 a free 'Thinksmart' bus pass for up to 100 journeys to and from their placement<sup>37</sup>.

### Commercial public transport operators

Potential sources of support for apprentices with travel costs are the many commercial transport operators which provide public transport services around the UK. These are particularly important given in many regions, most of these services are commercially operated. For example, in Cambridgeshire and Peterborough, around 90% of public transport is run commercially with no involvement from the Local Authority<sup>38</sup>. Regarding rail travel, the onus on commercial operators to provide discounts to young people is less given that National Rail provides railcards for those aged 16-25 which are applicable on most rail services in England, Scotland and Wales irrespective of commercial operator. There are no nationwide discount schemes for bus travel.

There are few subsidised fare options provided by commercial bus operators specifically for apprentices. One major bus operator that does offer subsidised fare options for apprentices is Stagecoach, who run over 8,300 buses, coaches and trams. These apprentice discounts, however, are confined only to certain areas, such as Sheffield<sup>39</sup>. More broadly, it is clear that in many areas of the UK there will be no subsidised fares explicitly for apprentices provided by commercial operators.

<sup>37</sup><https://www.gloucestershire.gov.uk/transport/thinksmart-apprentice-travel-scheme/>

<sup>38</sup><https://transport.cambridgeshirepeterborough-ca.gov.uk/buses/subsidised-bus-services/>

<sup>39</sup><https://www.stagecoachbus.com/promos-and-offers/national/unirider>

## The availability of other forms of financial support targeted at apprentices.

While support with travel costs is one important way of reducing the cost barriers to accessing apprenticeships, there are other channels through which apprentices can be supported financially. These schemes can be funded and administered by central government, industry-specific organisations, charities and local authorities. Who is eligible for these schemes, but often more importantly in the context of what apprentices can access, who is not eligible, illustrates gaps and inconsistencies in the availability of financial support to apprentices across the country and across different industries.

### National schemes

There are very few nationwide financial support initiatives specifically for apprentices. The only direct bursary payment provided nationwide by the Department for Education is the Apprenticeships Care Leavers' Bursary<sup>40</sup>. Apprentices under the age of 25 when they start their apprenticeship who are in care or who are care leavers are eligible for this bursary, worth £3,000 to each recipient. Apprentices are also able to benefit from council tax discounts if they are paid less than £195 a week and their training leads to a qualification accredited by a body recognised by Ofqual or the Scottish Vocational Education Council<sup>41</sup>.

### Industry-specific schemes

At an industry-organised level, apprentice financial support is variable. One of the few sectors where an extensive amount of financial support does exist for apprentices is in construction and is administered by the Construction Industry Training Board. The support they provide is outlined in the following case study.

<sup>40</sup><https://www.gov.uk/government/publications/apprenticeships-bursary-for-care-leavers>

<sup>41</sup><https://www.gov.uk/council-tax/who-has-to-pay>

### Case Study: Construction Industry Training Board

The Construction Industry Training Board is the industry training board for the sector in England, Scotland and Wales. Its role is to help the construction industry attract talent and to support skills development.

The Travel to Train grant is available to all CITB-registered employers with apprentices in training on or after April 2021 in England, Scotland and Wales<sup>42</sup>. It provides financial support for apprentices to travel to and from the college or training provider when the travel costs are more than £20 per week. The grant is paid to the employer and must be reimbursed by them to the apprentice.

The CITB also provides an accommodation grant where travel to and from the college or training provider is more than 90 minutes from the apprentice's home address and overnight stays are required. The grant covers the full costs when the accommodation has been booked through a CITB-approved college or training provider with on-campus residential accommodation. Hotel accommodation is reimbursed at a rate of 80% of the total cost.

Some charities which are targeted towards specific industries also provide financial support for apprentices. The Electrical Industries Charity's Apprentice Support Programme, for example, offers discretionary grants to apprentices working in the electrical industry who demonstrate financial need<sup>43</sup>. They also provide bursaries to apprentices who are looking after a family member or providing carers' support. Similarly, The Rainy Day Trust offers grants as well as regular financial assistance to apprentices working within the home improvement sector who are on low incomes and have less than £10,000 in savings<sup>44</sup>.

### Local authorities

Beyond these nationally applicable and industry-specific measures, there is significant regional variation in the levels of financial support apprentices can access. Mayoral Combined Authorities are more likely to offer travel support schemes, with none of their websites offering details of any other forms of financial support specifically for apprentices. Local councils which do offer

<sup>42</sup><https://www.citb.co.uk/levy-grants-and-funding/grants-and-funding/apprenticeship-travel-and-accommodation-funding-travel-to-train/>

<sup>43</sup><https://www.electricalcharity.org/what-we-do/our-programmes/apprentice-support-programme>

<sup>44</sup><https://www.rainydaytrust.org.uk/get-help/help-information/apprenticeship-support/>

financial support for apprentices appear on the other hand more likely to support apprentices living or working in their area through bursaries or grants. These are typically worth around £500 and can be spent as an apprentice so chooses, whether that be on travel costs, equipment or suitable work clothing.

These are, however, limited to a very small number of local councils. There are a cluster offering apprentice bursaries in the West Midlands, including Worcestershire County<sup>45</sup>, Wychavon District<sup>46</sup> and Malvern Hills District Councils<sup>47</sup>. There are also more isolated examples like in Harlow and Tendring<sup>48</sup>. Some of the council grants are means-tested, limited to apprentices earning below a certain threshold. Malvern District Council's £500 bursary is targeted at apprentices earning less than £220 per week, whereas others are simply available to any young person completing an apprenticeship in the area. While these examples do exist, they are the exception not the norm. It is clear that these locally administered grants, where they do exist, can have an incredibly beneficial impact. Norfolk County Council, which ran an Access to Apprenticeships (A2A) bursary scheme between December 2021 and March 2023, found in a survey that 88% of apprentices felt the availability of the A2A grant was important in enabling them to start an apprenticeship<sup>49</sup>. A2A, in the time it was active, allowed almost 400 local apprentices to access grants of up to £500 which they could spend on travel, equipment costs or other expenses. The council's evaluation of the scheme also found employers thought it much easier to take on apprentices as a result of A2A.

<sup>45</sup><https://worcsapprenticeships.org.uk/apprentices/worcestershire-apprenticeships-bursary/>

<sup>46</sup><https://www.wychavon.gov.uk/business/apprenticeships#bursary>

<sup>47</sup><https://www.malvern hills.gov.uk/business-support-and-jobs/grants-and-funding>

<sup>48</sup><https://aclessex.com/yourfuturematters/apprenticeship-bursary/>

<sup>49</sup><https://api.fileboy.io/files/get/fe731fbd-921c-42ab-8ea5-4154fea283d6>

## How the financial support available to apprentices compares with that which is provided to students in further and higher education.

There are many ways in which students, whether in further or higher education, have access to more comprehensive financial support than apprentices.

### Child benefit

In *Reforming the Apprenticeship Levy*, we highlighted the inequity that despite education being compulsory until the age of 18, if a young person aged 16-19 takes up an apprenticeship, their family loses child benefit. This is despite the fact that they would retain child benefit if that person was in education at a school or college.

### 16-19 support

The government's 16-19 Bursary Fund<sup>50</sup>, worth £192 million in 2021-22<sup>51</sup>, is designed to be drawn upon and administered by individual publicly funded schools or colleges to help students who live in England overcome financial barriers to participation. The Fund provides bursaries of up to £1,200 for students in vulnerable groups, such as those receiving universal credit, as well as discretionary bursaries based on individual circumstances to be assessed by schools and colleges. The Government currently says young people aged 16-19 on apprenticeship programmes, or any waged training, are employed rather than in education and therefore are not eligible for the Fund<sup>52</sup>. The equivalent Education Maintenance Allowance schemes available in Scotland<sup>53</sup> and Wales<sup>54</sup> also do not include apprentices in their eligibility criteria.

### Universities

Alongside a university undergraduate education and an apprenticeship is the possibility for young people to undertake a degree apprenticeship, in which they complete the training element at a university. These universities have a range of bursaries and grants formally targeted at particular disadvantaged groups, as well

<sup>50</sup><https://www.gov.uk/1619-bursary-fund>

<sup>51</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1115611/ESFA\\_Annual\\_Report\\_2021-22\\_final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1115611/ESFA_Annual_Report_2021-22_final.pdf)

<sup>52</sup><https://www.gov.uk/government/publications/16-to-19-bursary-fund-guide-2022-to-2023-academic-year/16-to-19-bursary-fund-guide-2022-to-2023-academic-year#eligibility-criteria-all-bursaries>

<sup>53</sup><https://www.mygov.scot/ema/can-i-get-ema>

<sup>54</sup><https://www.gov.wales/education-maintenance-allowance>



as more flexible discretionary funds targeted at those in sudden need of financial support. In many cases, degree apprentices are excluded from accessing the formal bursaries and grants which are available to other students. One example of this can be found at Anglia Ruskin University, a prominent degree apprenticeship provider which has educated over 3,000 degree apprentices to date across its 4 campuses. The university provides the ARU Bursary, worth up to £300 per year to those with a household income of £42,875 or lower who are UK students or EU students who remain eligible for student finance. Degree apprentices studying at ARU are not eligible for the Bursary<sup>55</sup>.

Excluding degree apprentices from some forms of automatic financial support provided by universities may be justifiable in light of the fact degree apprentices do earn a wide range of wages. Allowing degree apprentices to access this kind of support even if they do satisfy the required criteria, such as living in a household with an income lower than a specified amount, could result in offering financial subsidies to apprentices who are already earning good wages. This could mean there is less for full-time students who are not able to work full-time and earn the same wages.

On the other hand, degree apprentices can be excluded from discretionary hardship funds, such as those specifically designed to be drawn on in times of sudden and acute financial need. Some degree apprentices earn comparably low wages and others, despite earning a wage, can still experience such need and therefore it should be right that they are eligible for such discretionary support, which is decided on a case-by-case basis by university support services. Having examined a number of university websites, it is frequently unclear whether or not degree apprentices are eligible for such funds. For example, one hardship fund, at Aston University states it is only available to those paying full home undergraduate tuition fees, which would appear to exclude degree apprentices, though direct correspondence with the university suggested that, in practice, degree apprentices in need would be able to access support<sup>56</sup>. This lack of clarity, which can be found at a number of universities, is likely to deter some degree apprentices who require support from accessing it.

<sup>55</sup><https://www.aru.ac.uk/student-life/preparing-for-university/help-with-finances/scholarships/aru-bursary>

<sup>56</sup><https://www.aston.ac.uk/current-students/fees-and-finance/grants-bursaries-scholarships/aston-support-fund>

## Public transport

In some areas, support for students with public transport costs is both more extensive and applicable for a longer period than it is for apprentices. This is the case in the capital, where London's Apprentice Oyster card<sup>57</sup> allows apprentices to enjoy the same 30% discounts on travelcards and season tickets as students, however, this is only provided for the first year of an apprenticeship, whereas students can benefit from transport discounts for the duration of their degree<sup>58</sup>. This is in spite of the fact apprenticeships can take between one and five years. This also is the case in the West Midlands, where students over the age of 18 can benefit from discounted travel tickets throughout their degree<sup>59</sup>, whereas apprentices only have the option of a 'Workwise Scheme' offering 3 months of support<sup>60</sup>.

The discounted travel options provided by commercial operators is also significantly more widespread for students than it is for apprentices. Stagecoach, the biggest bus and coach operator in the UK, offers discounted tickets for students across the country, yet discounts specifically for apprentices are confined to a few regions.<sup>61</sup> Two other large commercial bus operators, Arriva<sup>62</sup> and FirstBus<sup>63</sup>, offer discounts for students but not for apprentices.

## Discount Cards

One form of financial support where there is parity between students and apprentices is in the Totum scheme<sup>64</sup>, a discount card which allows both to access discounts on goods and services purchased from over 350 national brands. Totum markets itself as offering the only discount card for apprentices in the UK.

<sup>57</sup><https://tfl.gov.uk/fares/free-and-discounted-travel/apprentice-oyster-photocard>

<sup>58</sup><https://tfl.gov.uk/fares/free-and-discounted-travel/18-plus-student-oyster-photocard>

<sup>59</sup><https://www.tfwm.org.uk/swift-and-tickets/discounts-and-free-travel-passes/discounts-for-students/>

<sup>60</sup><https://www.wmca.org.uk/in-my-area/projects/workwise/#:~:text=Tickets%20to%20success,a%20new%20job.>

<sup>61</sup><https://www.stagecoachbus.com/promos-and-offers/national/unirider>

<sup>62</sup><https://www.arrivabus.co.uk/business-travel/student-and-child-direct-debit-tickets>

<sup>63</sup><https://www.firstbus.co.uk/buy-ticket/students>

<sup>64</sup><https://totum.com/campaigns/apprentice-extra-is-now-totum-apprentice>

## Conclusion

This Research Note has demonstrated the postcode lottery of financial support available to young people completing apprenticeships in different regions, age groups and industries across the country. This support can be in the form of public transport subsidisation, bursaries and other initiatives aimed at removing the cost barriers that would otherwise prevent young people from taking up apprenticeships. These initiatives can be provided by central government, the devolved administrations, as well as Mayoral Combined Authorities and local councils.

There exist significant geographical inconsistencies in the extent, or indeed even existence, of financial support schemes for apprentices in different regions across the United Kingdom. The patchwork provision of this support is also indicative of a substantial degree of ambiguity over who exactly is responsible for funding and administering such support specifically targeted at apprentices living and working across different parts of the country. The inevitable result of this confusion and inconsistency is a postcode lottery of available financial support for apprentices, a lottery which particularly disadvantages those apprentices living and working in certain regions, as well as those from low-income backgrounds.

The current inequity in the provision of financial support for apprentices across the country is sharpened by a comparison of how this support stands up to that which can be accessed by students in further and higher education. Our research found apprentices living and working in many areas of the UK can access less extensive and shorter-term financial support than their peers in full-time education, whether at school, college or university. This includes differing degrees of subsidisation offered by local authorities on public transport, as well as that which is offered by commercial public transport operators themselves. The imbalance between support for students and apprentices is mirrored on a national level, with those completing apprenticeships excluded from the government's 16-19 Bursary Fund which those still in full-time education can access.

One justification for this is that apprentices are earning a wage, whereas students are more likely to be receiving a loan that must be paid back. However, an apprentice receiving the apprenticeship minimum wage will receive less money than most students taking out maintenance loans and are also less likely to be able to take on part-time work to supplement this income. Furthermore, for individuals from low-income households, the actual amount of money available to live on may

often be a more significant driver of whether or not an education option is affordable than whether that money is a loan, a salary or a grant.

If more young people are to see an apprenticeship as equally appealing and financially feasible as going to university, more must be done to address this imbalance between the financial support apprentices and students can access. This would ensure young people are not being prevented from accessing apprenticeship in the industry of their interest as a result of cost barriers.

The recommendations in this Research Note aim to address the imbalances and inconsistencies laid out thus far, ensuring the availability of financial support for apprentices is more equalised across the country, as well as bringing this support in line with what students can access.

- 1. The Government should work with Mayoral Combined Authorities, local authorities and public transport operators to agree a base-level of transport support for apprentices aged under 25 across the country.** Individual authorities and operators would be free to offer more generous provision if desired.
- 2. Apprentices aged 16-19 should be made eligible for discretionary bursaries under the Government's 16-19 Bursary Fund and its equivalents provided by the devolved administrations.** As is the case with existing discretionary bursaries, the college or training provider would determine both need and the amount received.
- 3. Public authorities and private companies should ensure that apprentices aged under 25 are eligible for the same benefits and discounts received by students.**

Collectively, these reforms would ensure cost barriers are significantly less of an obstacle to young people taking up an apprenticeship in their chosen industry irrespective of where they happen to live. They would also mean that these young people are not forced into deciding that going to university is the only affordable choice for themselves and their families once they leave school, instead seeing apprenticeships as an attractive and financially feasible alternative to traditional university study.

## Annex

Mayoral Authority	All young people	University students	Apprentices specifically
Greater London	<u>16+ Zip Card<sup>65</sup></u> <ul style="list-style-type: none"> <li>Available to all those aged 16-18</li> <li>50% discount on TfL services and most National Rail fares in London</li> <li>Free bus and tram travel for those living in London</li> </ul>	<u>18+ Student Oyster Card<sup>66</sup></u> <ul style="list-style-type: none"> <li>Available to those aged 18 and above enrolled at a school, college or university or on a mandatory work placement in London</li> <li>30% discount on adult rate travelcards and bus &amp; tram season tickets</li> </ul>	<u>Apprentice Oyster Card<sup>67</sup></u> <ul style="list-style-type: none"> <li>Available to those aged 18 and above enrolled on an apprenticeship with a further education college or training organisation for a minimum of 12 months</li> <li>30% discount on adult-rate travelcards and bus &amp; tram pass season tickets</li> <li>Expires after the first year of the apprenticeship</li> </ul>
West Midlands	<u>Swift 16-18 Photocard<sup>68</sup></u> <ul style="list-style-type: none"> <li>Available to all those aged 16-18</li> <li>50% discount on adult ticket fares on bus, tram or train</li> </ul>	<u>Student Swift Card<sup>69</sup></u> <ul style="list-style-type: none"> <li>Available to those aged 18 and above in full-time education</li> <li>Discounted bus, train and tram tickets</li> </ul>	<u>Workwise Scheme<sup>70</sup></u> <ul style="list-style-type: none"> <li>Available to those aged 16 and above starting a new job, including an apprenticeship, who earn less than £30,000 per year</li> <li>Free bus, train and tram tickets for the first 8 weeks</li> <li>50% discount on bus, train and tram tickets for weeks 8-12</li> </ul>
Greater Manchester	<u>Our Pass<sup>71</sup></u> <ul style="list-style-type: none"> <li>Available to all those aged 16-18</li> <li>Free bus travel on most local bus services</li> <li>50% discount on off-peak 1-day and</li> </ul>	No information located.	<u>Apprentice Free Ticket Scheme<sup>72</sup></u> <ul style="list-style-type: none"> <li>Available to apprentices within six months of starting their apprenticeship</li> <li>Free travel on bus and tram for 28 days</li> </ul>

<sup>65</sup><https://tfl.gov.uk/fares/free-and-discounted-travel/16-plus-zip-oyster-photocard>

<sup>66</sup><https://tfl.gov.uk/fares/free-and-discounted-travel/18-plus-student-oyster-photocard>

<sup>67</sup><https://tfl.gov.uk/fares/free-and-discounted-travel/apprentice-oyster-photocard>

<sup>68</sup><https://www.tfwm.org.uk/swift-and-tickets/discounts-and-free-travel-passes/swift-16-18-photocard/>

<sup>69</sup><https://www.tfwm.org.uk/swift-and-tickets/discounts-and-free-travel-passes/discounts-for-students/>

<sup>70</sup><https://www.tfwm.org.uk/swift-and-tickets/discounts-and-free-travel-passes/discounts-for-jobseekers/>

<sup>71</sup><https://ourpass.co.uk/>

<sup>72</sup><http://theapprenticeshiphub.co.uk/tfgm-apprentice-travel-offer-guidance-training-providers/>

	weekend Metrolink tram travelcards		<ul style="list-style-type: none"> <li>Discounted bus and tram ticket on the next three 28-day passes purchased <u>Apprentice Bike to Work Scheme</u><sup>73</sup></li> <li>Available to any apprentice</li> <li>A free refurbished bike and accessories</li> </ul>
Liverpool City	<u>Merseytravel Young Peoples' Tickets</u> <sup>74</sup> <ul style="list-style-type: none"> <li>Available to all those aged 5-18</li> <li>50% discount on buses and trains in Merseyside</li> </ul>	<u>Term Time Tickets</u> <sup>75</sup> <ul style="list-style-type: none"> <li>Available to anyone who is in full-time education, training or work-based learning</li> <li>Last for one term</li> <li>Available for bus and/or train</li> </ul>	<u>Apprenticeship Travelcard</u> <sup>76</sup> <ul style="list-style-type: none"> <li>Available to anyone enrolled in an apprenticeship aged 19-24</li> <li>50% discount on weekly or monthly train passes in Merseyside and further depending chosen zones</li> </ul>
Tees-Valley	No information located.	No information located.	<u>Wheels 2 Work Scheme</u> <sup>77</sup> <ul style="list-style-type: none"> <li>Available to those aged 17 and above with transport barriers to work or training</li> <li>Able to hire an electric motorbike or electric bicycle for £21 per week for up to 6 months</li> <li>Required to pay a £500 insurance excess</li> </ul>
West of England	No information located.	<u>AvonRider</u> <sup>78</sup> <ul style="list-style-type: none"> <li>Multi-operator ticket which provides virtually unlimited travel on buses in the former</li> </ul>	No information located.

<sup>73</sup><https://gmacs.co.uk/education-training/apprenticeships/>

<sup>74</sup>[https://www.merseytravel.gov.uk/tickets-and-pricing/young-people-\(5-18\)/](https://www.merseytravel.gov.uk/tickets-and-pricing/young-people-(5-18)/)

<sup>75</sup><https://www.merseytravel.gov.uk/tickets-and-pricing/ticket-types/term-time-tickets/>

<sup>76</sup><https://www.merseyrail.org/tickets-passes/ticket-information/apprentice-travel/>

<sup>77</sup><https://teesvalley-ca.gov.uk/work/employment/tees-valley-wheels-2-work/>

<sup>78</sup><https://travelwest.info/tickets-travelcards/multi-operator-rider-tickets/#:~:text=AvonRider%20prices%20are%20set%20by%20the%20bus%20operators,age%20at%20all%20times%20and%20on%20all%20days>

		County of Avon area <ul style="list-style-type: none"> <li>Discounted student prices where student status can be verified</li> </ul>	
West Yorkshire	<u>MCard 19-25</u> <sup>79</sup> <ul style="list-style-type: none"> <li>Available to all those aged 19 to 25</li> <li>Discounted bus and train travel</li> </ul>	<u>MCard Student Photocard</u> <sup>80</sup> <ul style="list-style-type: none"> <li>Available to mature students aged over 26 in full time higher education</li> <li>Discounted bus and train travel</li> </ul>	No information located.
South Yorkshire	<u>18-22 Discount Card</u> <sup>81</sup> <ul style="list-style-type: none"> <li>Available to all those aged 18-22</li> <li>15% discount on adult train tickets</li> </ul> <u>Zoom Beyond 18-21 Travel Pass</u> <sup>82</sup> <ul style="list-style-type: none"> <li>Available to all those aged 18-21</li> <li>80p per single journey on bus or tram</li> </ul>	No information located.	No information located.
North of Tyne	<u>21 and under bus ticket</u> <sup>83</sup> <ul style="list-style-type: none"> <li>Available to all those aged 21 and under</li> <li>Discounted single travel fares on buses within Tyne and Wear, Durham County Council and Northumberland County Councils</li> </ul>	No information located.	No information located.
Cambridgeshire and Peterborough	<u>Ely Zipper Young Persons Pass</u> <sup>84</sup> <ul style="list-style-type: none"> <li>Available to all those under the age of 21</li> <li>Discounted bus travel on the Ely route</li> <li>Available in 1 month or 4 month passes</li> </ul>	No information located.	No information located.

<sup>79</sup><https://www.m-card.co.uk/the-cards/19-25/>

<sup>80</sup><https://www.m-card.co.uk/the-cards/19-25/19-25-and-student-photocards/>

<sup>81</sup><https://www.travelsouthyorkshire.com/en-gb/ticketsandpasses/18-22-discount-card>

<sup>82</sup><https://www.travelsouthyorkshire.com/en-GB/LandingPage/18-21-pass>

<sup>83</sup><https://www.gonortheast.co.uk/tickets>

<sup>84</sup><https://transport.cambridgeshirepeterborough-ca.gov.uk/buses/subsidised-bus-services/>

Devolved Administration	All young people	University students	Apprentices specifically
Scotland	<p><u>Young Persons' (Under 22) Free Bus Travel</u><sup>85</sup></p> <ul style="list-style-type: none"> <li>• Available to all those aged 5-21</li> <li>• Free bus travel <u>Young Scot Entitlement Card</u><sup>86</sup></li> <li>• Available to for all those aged 11-26</li> <li>• 50% discount on rail season tickets for those aged 16-18 and those aged 19-25 who are full-time volunteers</li> </ul>	<p><u>ScotRail Off-Peak Train Discount (since expired)</u><sup>87</sup></p> <ul style="list-style-type: none"> <li>• Available to all students</li> <li>• 50% discount on Off-Peak train tickets between 27<sup>th</sup> March and 30 April 2023</li> </ul>	No information located.
Wales	<p><u>18 Saver Railcard</u><sup>88</sup></p> <ul style="list-style-type: none"> <li>• Available to all those aged 18</li> <li>• 50% discount on Standard Class fares on Transport for Wales services only <u>Mytravelpass</u><sup>89</sup></li> <li>• Available to all those aged 16-21</li> <li>• Provides discounted bus fares</li> <li>• Funded by the Welsh government</li> </ul>	<p><u>Student Railcard</u><sup>90</sup></p> <ul style="list-style-type: none"> <li>• Available to all those in education</li> <li>• 34% discount on rail fares and a 10% discount on season tickets on Transport for Wales services only</li> </ul>	No information located.
Northern Ireland	<p><u>yLink Smartcard</u><sup>91</sup></p> <ul style="list-style-type: none"> <li>• Available to all those aged 16-23</li> <li>• Discounts on train, tram and bus adult-fare tickets</li> </ul>	<p><u>24 Plus Travelcard</u><sup>92</sup></p> <ul style="list-style-type: none"> <li>• Available to those aged 24 and above who are in full-time education</li> <li>• 1/3 discount on rail travel</li> </ul>	No information located.

<sup>85</sup><https://www.transport.gov.scot/concessionary-travel/under-22s-free-bus-travel/>

<sup>86</sup><https://young.scot/the-young-scot-card/>

<sup>87</sup><https://www.scotrail.co.uk/studentoffer>

<sup>88</sup><https://tfw.wales/ways-to-travel/rail/savings-and-offers/railcards#:~:text=The%20Transport%20for,point%20of%20purchase>

<sup>89</sup><https://mytravelpass.gov.wales/en/>

<sup>90</sup><https://www.nationalrail.co.uk/tickets-railcards-offers/promotions/student-railcard-transport-for-wales/>

<sup>91</sup><https://www.translink.co.uk/yLink>

<sup>92</sup><https://www.translink.co.uk/usingtranslink/ticketsandtravelcards/24plus>



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