

The government is committed to investing in high-quality apprenticeships to make sure all employers have the skills they need, and young people and adults alike across the country have a chance to reach their full potential.

The Education and Skills Funding Agency (ESFA) has carefully considered the applications made in response to the recent procurement for apprenticeship training provision for non-levy-paying employers. This procurement was markedly oversubscribed, a sign of the significant level of interest from the training provider market in the apprenticeship reforms. In response, ESFA intends to pause the current competition. This will allow us to review our approach to ensure that we achieve the right balance between stability of supply and promoting competition and choice for employers. It is important that we fully consider how best to achieve these outcomes in a way that achieves the best value for employers and apprentices as we move to a fully employer-led system.

We will undertake further engagement with the market to clarify our approach, and ensure that this meets the government's wider objectives of securing stability in the market, good sectoral and geographical coverage of provision, and a market which meets the skills needs of employers. We will issue further guidance shortly.

In order to maintain stability in the system through the start of the next academic year, in the interim period we will extend existing contracts held by all current providers until the end of December 2017. To maintain our quality standards, current providers with extended contracts will be able to undertake new starts on those contracts provided they are on the Register of Apprenticeship Training Providers. The ESFA will notify providers of specific arrangements shortly so that amended contracts are in place ahead of 1 May.

This will not affect training provision for existing learners. Extending existing providers contracts means employers can be confident in taking on new apprentices without disruption over the months ahead.