

The Rt Hon John Denham MP

Secretary of State for Innovation,
Universities and Skills

Department for
**Innovation,
Universities &
Skills**

Mr Jamie Stevenson
Keits Ltd, Unit C
Houndwood Farm, Harper Lane
RADLETT
Hertfordshire
WD7 7HU

2009/0046775POJD
2 June 2009

Dear Mr Stevenson

Thank you for your correspondence regarding funding for work placed learning for those aged 16 and over which has been passed to me from the Prime Minister. I have also received your more recent e-mail correspondence which was sent directly to my office at the end of April.

I have now had the opportunity to look into the points you have raised in both sets of correspondence, and ask that where appropriate you share this response with the providers you represent through the Kent Association of Training Providers.

I would like to thank your organisation and those across the South East region for the significant contribution that has made to deliver the Train to Gain and Apprenticeships programme. I am aware that a number of concerns have been raised with regards to the 2009/10 allocations and would like to start by reassuring you that I am actively looking into these with my officials.

With regards to Apprenticeships I would like to assure you that the Government is committed to delivering this programme and expanding apprenticeship opportunities in particular for young people. This year demand for apprenticeships, particularly for those over 25 years old has been extremely high and we are therefore taking steps to ensure that the programme remains within budgets by asking providers not to exceed their maximum contract values any further. Those providers who have not reached their maximum contract values can continue to recruit in this academic year and will be funded by the Learning and Skills Council (LSC). This is not a freeze on recruitment of apprentices and we are absolutely determined to open up as many opportunities as possible in the coming year, especially in the public sector.

I would also like to reassure you that all learners who legitimately started training prior to 1st April 2009 will be funded to complete their training at the agreed rates.

With regards to the Train to Gain programme nationally we are on track to deliver far in excess of our expectations: looking at this year and the next together, we expect around 100,000 more learner starts than originally planned. As set out in recent correspondence from the LSC to providers, must ensure that we managing demand

within our finite budget. As with Apprenticeships we have been clear that all learners recruited within existing contract values will be supported where they continue their programme into 2009/10, subject to normal quality performance measures being met.

I understand that you have met with staff involved in the South East regarding Train to Gain allocations for 2009/10. The programme has been tremendously successful in the last few months, not only in the South East, but countrywide. Since last year, there has been a trebling of demand across the South East, which has put pressure on this years' budget and, because of the effect of the carry-in cost of learners, on next years budget also. The allocations that have been issued to providers are only indicative at this stage. Whilst there is no guarantee that final allocations will be increased for all providers, the Train to Gain team in the region are working closely with the LSC nationally to ensure that the maximum amount of resource is made available for new starts in 2009/10.

You also raised concerns regarding availability of funds for the Entry to Employment (E2E) programme. My officials have spoken to colleagues in the Department for Children, Schools and Families who have responsibility for entry to employment programmes for 16-18 year olds. They have explained to me that there will be sufficient funds available to meet the September Guarantee this autumn. You will be aware that demand for E2E increased in the 2008/09 academic year above anticipated levels and we expect that this will continue to rise again to higher than expected numbers in 2009/10. We are therefore making provision to fund additional places where need and quality of provision are evidenced.

The last point you raise is with regards to access to contracts for European Social Funds (ESF). I understand from the LSC that the South East region awarded a total of 56 ESF contracts valued at over £42 million.

The LSC manages all ESF contracts in accordance with Operational Guidance issued by the Department of Work and Pensions who administer the funds. As your letter does not go into the specific issues providers report with contracting arrangements it is difficult for me to comment in any detail. However, I am aware that discussions have taken place with the LSC in the South East regarding some specific flexibility with your own contract, and I hope that this will better facilitate your organisation to meet the needs of those learners and employers involved.

I would like to assure you that we are working closely with the LSC to ensure that Government funding for post 16 learning is maximised to support those who are adversely affected by the current economic conditions.

Yours



JOHN DENHAM