



Education & Skills
Funding Agency

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Ms Caroline Bragg
Employability and Skills Strategy Manager
East Sussex County Council and Chair of Apprenticeships East Sussex
And Mr Martin Ellis
Chair of Skills East Sussex
Skills East Sussex Secretariat
c/o East Sussex County Council
County Hall
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Lewes
East Sussex BN7 1UE

Sent via email: Caroline.Bragg@eastsussex.gov.uk

23 September 2017

Ref: 2017-0044688

Dear Ms Bragg and Mr Ellis,

Complaint about the Education and Skills Funding Agency: INFORMAL STAGE

Thank you for your letter dated the 8 June 2017 which we received on 6 September 2017. Your letter sets out your concerns regarding non-levy apprenticeship allocations in East Sussex. I appreciate the feedback you have provided on the pause to the non-levy apprenticeship procurement and the impact that this is having on the training providers in your area.

Small employers play an important role in creating apprenticeship opportunities and developing the skills of the workforce, and this will continue to be the case. We will monitor delivery of apprenticeships to levy paying and non-levied employers over the coming year and will respond to changes in employer demand quickly to continue to grow the apprenticeship programme.

The initial procurement exercise was cancelled as the competition was markedly oversubscribed and did not achieve the right balance between stability of provision, promoting competition and choice for employers. Our new procurement, which closed on 8 September, has been designed to achieve the best value for employers, providers and apprentices in the move to a fully employer-led system. Organisations listed on the Register of Apprenticeship Training Providers (RoATP) as a main provider were invited to tender through the e-tendering portal. Contracts will be awarded in December to deliver new starts from January 2018 to March 2019.

Please be assured that non-levy allocations were made in a fair and consistent way based on the new funding model. There are a number of key differences between non-levy allocations and apprenticeship allocations issued in the past. The allocation is for new non-levy apprenticeship starts for an 8-month period rather than 12 and does not include funding for starts delivered to levy paying employers. The allocation includes funding for new starts only, it does not include carry-in funding

(for apprentices that started before 1 May and are still in learning) and it does not represent a combined allocation like those issued in the past.

In addition, you may be aware that we ran a business case process following non-levy allocations being issued to allow us to address any technical allocation issues. All providers had until the 31 May to submit a business case. To ensure all providers were treated fairly, we were only able to accept business cases where there was evidence that there was an error in the calculation rather than just responding to requests for additional funds.

In response to sector feedback about initial allocations, we brought forward the first opportunity to bid for growth funding to July rather than August as originally planned. Providers were able to request additional funding for May to December 2017 and all credible growth cases were supported. The second opportunity for providers to request additional funding is now open, providers have until the 29 September to submit a [growth form](#). We will communicate the outcomes from the 30 October.

Finally, in July 2017, we issued all existing providers with carry in allocations to meet the ongoing cost of apprentices that started their apprenticeship before the 1 May 2017. We will issue another carry in allocation in November 2017 to meet the ongoing costs of apprentices who started with non-levy employers between May and December 2017 and will continue to allocate funds in future years to ensure apprentices that started before 1 January 2018 are funded until the end of their programmes.

I hope this provides the clarification you were seeking and reassures you that we share your commitment to growing the apprenticeships programme.

If you are dissatisfied with the way your complaint has been handled as opposed to the outcome, please contact us at:

<https://www.gov.uk/government/organisations/education-and-skills-funding-agency/about/complaints-procedure>.

Yours sincerely,



Deputy Director Programme Assurance
Education and Skills Funding Agency