



2018-0010779POAM

Rt Hon Anne Milton MP
Minister of State for Apprenticeships and Skills
Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT
tel: 0370 000 2288 www.education.gov.uk/help/contactus

Graham Peters DL
Chairman, Team East Sussex
Vice Chairman, South East LEP
By email: Caroline.Bragg@eastsussex.gov.uk

19th Dec 2018

Thank you very much for your further letter of 28 February, setting out your concerns about apprenticeship provision

I appreciate the concerns you raise about the fall in apprenticeship numbers and that providers in your local area have unsuccessful in the recent procurement exercises. As I am sure you are aware, there have been over 1.2 million apprenticeship starts since May 2015 and we remain committed to reaching 3 million apprenticeship starts in England by 2020.

We introduced the Apprenticeship Levy to encourage sustained employer investment in high-quality apprenticeships, and by 2020 apprenticeship funding in England will be £2.45 billion, double what it was in 2010. We do however recognise that this is period of change for employers, and that businesses are taking their time to plan ahead and grow in a controlled way. As you will be aware, employers have two years to spend their levy funds. We are working with employers to help them plan their future apprenticeship programmes, account managing over 1,000 of the largest levy-paying employers.

The full awarding methodology for the non-levy procurement was set out in the Evaluation Guidance, which all bidders received. All bidders were aware that we had made the decision to set tender caps and contract award limits. The tender caps were set at levels which took into account the experience and potential capacity of prospective bidders. We also included a minimum level of contract award of £200,000. We used a pro rata approach to distribute the available budget in a fair and transparent way and to maintain good geographical coverage across the country. This was set out in the invitation to tender, and the level of contract awards reflects the number of bids that we received in each region.

It is not possible to re-open the procurement under Public Contracting Regulations 2015. If an employer's current or preferred provider has not been successful in their bid, there will be alternative providers for them to choose from. Support is available to employers through Find Apprenticeship Training at: <https://findapprenticeshiptraining.sfa.bis.gov.uk/>, and through the national business helpline on 0800 015 0600.

Turning to the new subcontracting rules that came into effect for providers of apprenticeship training to non-levy employers on 1 January this year, it may be helpful to explain that, as highlighted in my previous reply, the purpose of the new rules is to improve the quality of subcontracted delivery and to ensure that more funding goes directly to the delivery of training. Whilst all changes are kept under review to make sure that they are delivering the intended outcomes, it is too soon to make an assessment and we are therefore not able to revert to the previous system.

I hope that this reply is helpful, and I would be very grateful if you would share it with Catherine Tipton.



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