



2018-0020034POAM

Rt Hon Anne Milton MP
Minister of State for Apprenticeships and Skills
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Christian Brodie
SELEP Chairman
By email: louise.aitken@southeastlep.com

Dear Mr Brodie

22nd May 2018

Thank you very much for your letter of 2 February, received by this department on 30 April, on behalf of the South East Local Enterprise Partnership, about the Apprenticeship Levy.

Firstly, I am sorry that the previous reply from the department did not fully address your concerns.

There have been over 1.3 million apprenticeship starts since May 2015 and we remain committed to reaching 3 million apprenticeship starts in England by 2020. There were 170,370 in the South East Region since May 2015 and 63,590 apprenticeship starts in 2016/17.

We are supporting employers to help them plan their future apprenticeship programmes by working with them to begin or expand their programmes. I do understand the concerns you raise about providers in your area who did not receive an award in our recent procurement for the delivery of apprenticeship training to non-levy paying employers, and the effect that this may have on the availability of training. I should clarify that we are required to work in accordance with the Public Contracts Regulations (2015) and are not able to revisit the decisions made, including those around minimum contract values.

Like you, I am keen that employers are able to work with the provider of their choice, within the constraints of the Education and Skills Funding Agency's (ESFA) rules and procedures. This is why we continue to make subcontracting an option. In January 2018, we introduced new subcontracting rules in the non-levy market. This has increased the value and improved the quality of subcontracting, ensuring that employers can have direct relationships with providers, and that government funds are not diverted away in the form of fees and other charges. The ESFA recently published guidance to help parties considering subcontracting and is available on the GOV.UK website at: www.gov.uk/government/publications/apprenticeships-subcontracting.

Department officials have also discussed this matter further with colleagues at the ESFA. A senior official at the ESFA has agreed to meet with you to discuss this matter further. The ESFA has agreed to contact you directly to arrange a mutually convenient date and time.

I would be grateful if you could share a copy of my reply with the co-signatories of your letter.

A handwritten signature in blue ink, appearing to read 'Anne Milton', with a stylized flourish at the end.

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