

14 April 2020

Rt Hon Gavin Williamson MP
Secretary of State
Department for Education
Sanctuary Buildings
Great Smith Street
London
SW1P 3BT

Dear Secretary of State

Re: Covid-19: Threat to current and future apprenticeship provision due to non-payment from the DfE

We are writing as the Local Enterprise Partnership Network Board to express concern about the impact of Covid-19 on Apprenticeship provision and wider skills supply chain. We understand that the Department for Education (DfE) allocated funding from the 2020/21 budget to apprenticeship and skills providers but is no longer guaranteeing payment. As a result, all apprenticeship providers, including FE Colleges and independent training providers, face ceasing apprenticeship training and skills delivery, meaning that they could potentially go out of business, through no fault of their own. Given the critical role that FE colleges and independent training providers play in apprenticeship delivery, this will severely hinder recovery efforts. Many employers have stopped new and existing apprenticeships due to the crisis, but many want to continue and need a strong skills sector supply chain to keep supporting them through these difficult times.

Clearly any impact on apprenticeships is of concern as they are vital to responding to our current and historic skills challenges. If we lose providers and provider capacity, we will also face greater challenges during the recovery period which will inevitably require training and upskilling post Covid-19, including the training of essential workers in the logistics and care sectors, who require mandatory 'licence to practise' training. Many providers offer niche and bespoke training. A recent survey of 279 apprenticeship providers showed that 241 expected to close, mothball or downsize as a direct consequence of your Department's decision to date not to follow Cabinet Office guidance on procurement during this crisis.

The measures suggested currently are not proving to be effective in that where employers have currently stopped apprenticeships, there is no current income and furloughing apprenticeship provider staff means that these staff are not able to support existing apprentices with those employers who can continue in the interim. Clearly, where possible, we would want to encourage continuation of delivery and to do that they must be paid.

Apprenticeship providers are consequently facing immediate cashflow challenges that the Treasury's current package cannot solve. Given that the apprenticeship budget for 2020/21 (from April 2020) has already been allocated by the DfE, **the ask is simply to use this existing funding** to maintain contracted provision remotely where possible. Moreover, once reinstated, those payments should



be sufficiently profiled to cover both the current situation and the likely delays they will face to future income. This would surely be preferable to providers accessing the Treasury’s furlough scheme which would use additional funding and limit the ability to deliver. This would enable the skills supply chain to maintain provision through these challenging times and be in a strong position to deal with the upturn in demand following the recovery after lock-down and be prepared for the new academic year in September 2020. Moreover, the Cabinet Office guidance states that government departments should continue to pay at-risk suppliers to ensure their survival.

We’re aware that the Association of Employment and Learning Providers and the Association of Colleges have been in contact with the DfE to share similar concerns and proposed solutions. Providers can, and will, be liaising with their employers to maintain apprenticeship continuity wherever possible, which will benefit the employer and the apprentice with their learning during these difficult times.

We appreciate fully how swiftly events have occurred in recent weeks and how quickly measures have been put in place. We are absolutely committed to supporting government to ensure this support is accessed by our SMEs and individuals, along with our own support. Indeed, several LEPs have already brought forward initiatives and services aimed at bringing local employers and people made redundant as a result of Covid-19 lay-offs together. They include D2N2 LEP, Leeds City Region LEP, New Anglia LEP and Greater Manchester LEP. More LEPs are launching skills initiatives over the next week.

We are sure that together we can address the challenges faced by training providers and would welcome urgent reinstatement of allocated funding, and a common approach to funding for skills support, whether by grant or contract. A copy of this letter goes to Gillian Keegan MP, Parliamentary Under Secretary of State for Apprenticeships and Skills, Simon Clarke MP, Minister of State, MHCLG, Nadhim Zahawi MP, Minister for Business and Industry, BEIS, Kemi Badenoch MP, Exchequer Secretary to the Treasury and Robert Halfon MP, Chair Education Select Committee.

Yours sincerely

The LEP Network Board (on behalf of the Chairs of the 38 Local Enterprise Partnerships in England)



Mark Bretton, LEP Network and Hertfordshire LEP



Elizabeth Fagan CBE, D2N2 LEP



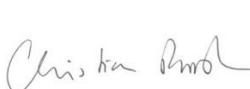
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