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Dear Ellie,

As you may be aware, your letter of 26 August to the Secretary of State for Business, Innovation, Science and Trade has been transferred to this department. You wrote about the lack of access to funding streams for non-devolved areas. I am replying as the Minister for Skills, and I apologise for the delay in responding.

Thank you for sharing the attached paper from the Shropshire Chamber of Commerce outlining its views on the impact of our Growth and Skills Levy reforms. I have noted its concerns about changes to co-investment requirements for levy-paying employers, changes to level 7 apprenticeships funding, and the withdrawal of funding for 16 apprenticeship standards, including several leadership and management standards.

Adult Skills Fund provision remains available in non-devolved areas, including Herefordshire and Shropshire. Where areas do not have devolved adult skills responsibilities, the Department for Work and Pensions funds and manages ASF provision directly, ensuring eligible adults can access skills training that supports employment, apprenticeships and further learning. Learners, employers and providers in non-devolved areas continue to benefit from Government investment in adult skills, including statutory entitlements in English, maths and digital skills, Free Courses for Jobs, and wider vocational and tailored learning provision.

The Government recognises the important role employers play in helping shape local skills provision. In both devolved and non-devolved areas, providers are expected to work closely with employers and other local stakeholders to ensure training reflects labour market demand, addresses skills shortages and supports local economic growth. Adult Skills Fund allocations are made through established funding and performance management arrangements, and the Department continues to engage with providers to support high-quality provision that delivers positive outcomes for learners, businesses and communities.

Businesses of any size in non-devolved areas can continue to access funding for apprenticeships and new apprenticeship units through the Growth and Skills Levy.

This Government is transforming the Apprenticeships Levy into a new Growth and Skills Levy in England, backed by £1 billion of additional investment, which will support 50,000 more young people into apprenticeships, give employers greater flexibility to develop the workforce they need, and support the industrial strategy.

We have introduced foundation apprenticeships to provide young people with entry level opportunities in sectors such as construction, hospitality and retail. To give businesses greater flexibility and help them quickly respond to emerging skills gaps, we have launched new apprenticeship units in priority sectors such as artificial intelligence, digital, and engineering.

To ensure these reforms deliver more opportunities for young people and to support employers to hire young apprentices, we are now fully funding apprenticeships for eligible young people under 25, regardless of employer size, and from October we are introducing a £2,000 hiring payment for non-levy paying employers (typically SMEs) that recruit apprentices under 25.

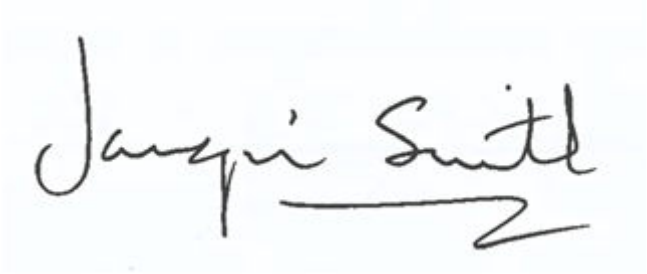
Despite a record budget of £3.3 billion, it is a finite resource we expect to fully spend. The changes we have made will ultimately mean we can support more young people, focus more investment on tackling the most critical skills gaps, and roll out the greater flexibilities that businesses have been calling for, including through foundation apprenticeships and apprenticeship units aligned to industrial strategy priorities.

Decisions on future devolution arrangements will form part of the Government's wider devolution programme. However, there is no intention that residents, providers or employers in non-devolved areas should be disadvantaged in accessing adult skills provision. The Adult Skills Fund will continue to support adults to gain the skills they need for work, apprenticeships and further learning, while giving employers opportunities to influence training provision and help ensure it responds to local workforce and economic needs.

More information about the Growth and Skills Levy can be found at: https://find-employer-schemes.education.gov.uk/interim/growth-and-skills-levy

Thank you for writing and for highlighting the concerns raised by businesses and organisations in North Herefordshire. I hope this response provides reassurance that employers, learners and providers in non-devolved areas will continue to have access to skills funding and opportunities. I wish businesses, training providers and learners across the Marches every success in developing the skills needed to support future growth and prosperity.

Yours sincerely,



The Rt Hon Baroness Jacqui Smith
Minister for Skills