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Martin Donnelly
Permanent Secretary
Department for Business, Innovation
And Skills
1 Victoria Street
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28 October 2015

Dear Martin,

SSI: APPRENTICES

Thank you for your note of 28 October 2015 about the request from the SSI Taskforce to spend £1.7m to support apprentices following closure of the steelworks at Redcar. This is an extremely difficult time for the people of the Tees Valley, and this Government is determined to do all it can to support local people and help them achieve real economic security. That is why we are supporting the Taskforce and why we have backed it with up to £80m of public money.

The position of the apprentices is especially important. As you note apprenticeships are central to our vision of a high skill, high productivity and high wage economy. Moreover, areas such as Teesside will only be able to rebuild from the skills of local people. As such, securing the future of the SSI apprentices is one of the highest priorities of the Taskforce, and is one which I strongly support.

I recognise your concern that providing wage subsidies of 100% has both the potential to be repercussive, and offers poor value for money when measured conventionally. As such the proposal does not meet the criteria set out in *Managing Public Money*. However, as Secretary of State I have to weigh that assessment against the broader objectives of Government; including our commitments to localism, and our aim to build confidence in apprenticeships. Furthermore, the apprentices of Teesside face a very extreme situation and one which, in my judgement, requires an exceptional and urgent public sector response that is equivalent to the scale of the challenge.

As a result I am prepared on this occasion to accept the request from the SSI Taskforce. I am therefore formally directing you as Accounting Officer to immediately issue the funding to support the Taskforce's proposal.

A handwritten signature in black ink, appearing to read 'S. Javid', with a comma at the end.

SAJID JAVID

The Rt Hon Sajid Javid MP

Secretary of State for Business, Innovation and Skills and President of the Board of Trade