



Department
for Education

To all Chairs of FE and Sixth Form College Corporations,
College Principals and Chief Executives of Independent
Training Providers



Department
for Business
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First of all, I want to congratulate all those involved in making National Apprenticeships Week (NAW) such a resounding success and to thank all those at the events I attended for welcoming me. This year saw another 739 events held across the country and 30,084 new apprenticeship pledges which is the highest ever NAW total.

As many of you will be aware, NAW is designed to showcase the rich and diverse apprenticeship offer, from traineeships right through to higher and degree apprenticeships and to celebrate the positive impact they have on individuals, businesses and the wider economy. It was rewarding to observe this first hand and to see the difference apprenticeships can make to people's lives.

NAW, of course, is a vital contributor to our priorities and commitments, including our aims to deliver 3 million apprenticeship starts by 2020 and to increase the number of higher and degree apprenticeships. On the Levy, we were pleased to announce in the Budget that, from April 2017, employers will receive a 10% top-up to their monthly Levy contributions in England which will be spent on apprenticeship training through their digital accounts. We will set out further details on the operating model for the Levy in April and draft funding rates will be published in June.

We were also pleased to announce a further four devolution deals in the Budget, for the West of England, East Anglia, Greater Lincolnshire and Greater Manchester, extending the total to nine. These deals, which include full devolution of the non-apprenticeship adult education budget from 2018/19, will allow the Combined Authorities to tailor skills provision in line with their key economic growth priorities.

Earlier this month, I spoke at the Association of Colleges Governors' reception and Education Training Foundation Leadership Summit. Both events, understandably, focused on the restructuring programme for post-16 education and training. As I acknowledged at the time, while this is an uncertain time for institutions, I am pleased with the way in which you have responded to the challenge and am hugely encouraged that the first wave is starting to produce the kinds of outcomes we envisaged.

The importance of good governance and leadership in driving this work forward should not be underestimated. On 1 March, we published revised guidance which includes lessons from the early reviews. The most critical is that colleges should engage fully and honestly with each other and local stakeholders early on. By owning the process and proactively working together to explore options and solutions, you can make sure the reviews deliver what is best for your area and sustainable in the long term. The revised guidance can be found at:

<https://www.gov.uk/government/publications/post-16-education-and-training-institutions-area-based-reviews>

I recognise, however, that you need support to deliver this new landscape and, to this end, we are putting in place a support package to assist you with implementing the reviews' recommendations. At the AoC event, I announced that we will provide £50K or £100k of transition grant funding for each substantive area review recommendation to support colleges in accessing the skills and capacity needed. We are also setting up a Restructuring Facility to support the implementation of structural changes, which will usually be provided as a loan. I should stress, however, that these funds are time-limited and colleges will need to make the most of this opportunity now to achieve the strength and stability required for the long term.

While the reviews focus on colleges, other education and training providers will need to be aware of the shifting landscape in their local area and of wider developments. They will want to ensure they are well placed to take advantage of the significant opportunities provided by the apprenticeships reforms and the work being led by Lord Sainsbury into routes. The Independent Panel for Technical and Professional Education, chaired by Lord Sainsbury, is currently finalising its report on reforming the technical education system. I expect them to be making ground-breaking proposals and look forward to receiving their report.

As on previous occasions, I attach a policy brief on recent progress in implementing the FE and Skills reform programme. I would be grateful if college Chairs would ensure this is disseminated to all their governors.

Please forward any comments you have to the FE Governance mailbox at fegovernance@bis.gsi.gov.uk.



NICK BOLES MP