



Department  
for Education

Department for Education  
Great Smith Street  
London  
SW1P 3BT

Tel: 0370 000 2288

[www.gov.uk/contact-dfe](http://www.gov.uk/contact-dfe)

Email enquiry form:

[www.education.gov.uk/contactus/dfe](http://www.education.gov.uk/contactus/dfe)

Date: 3 July 2023

**Dear Ms Squire and Ms Hewer,**

I am writing to you as senior officials at DCMS as the Department for Education (DfE) were unable to attend the Heritage Council meeting 27 June 2023. We would like to set out our position on the points raised during that meeting and would be grateful if you could share them Lord Parkinson and Heritage Council members.

We welcome the opportunity to engage with DCMS, DESNZ and the sector to discuss the challenges in more detail and explore solutions which we recognise as significant for the sector. We are keen to explore how we can make best use of existing cross-sector forums, which bring together the experts from across government and the sector that you rightly identify as being crucial to develop joint solutions. For example, we would like to explore opportunities to discuss these recommendations at forums such as the Construction Skills Delivery Group, chaired by Mark Reynolds, the CEO of the MACE Group and including representation from industry and key government departments.

**Recommendation 1: Apprenticeships - there is a need to ensure the right standards for apprenticeships and training; upskill the existing workforce; review the levy transfer allowance to allow funding to go to SMEs to fund relevant retrofit skills.**

We recognise the construction sector is vital in driving economic prosperity and providing career opportunities for people at all ages and stages of their careers. For this reason, the DfE is working closely with the construction sector to ensure our skills offer meets the needs of employers now and into the future.

The Institute for Apprenticeships and Technical Education (IfATE) has conducted a route review for the construction and built environment sector to ensure the availability of technical qualifications and apprenticeships. It is working with employers in the construction sector to review and revise the structure of core trade standards, such as bricklaying and carpentry and joinery to ensure they can provide the specialist skills need for traditional and heritage buildings. As part of this process retrofit content is being included within all relevant apprenticeships in the Construction and Built Environment Route.

Grosvenor, Peabody, Historic England, The National Trust, and The Crown Estate are participating in a IfATE convened trailblazer to develop the occupational standard

and associated apprenticeship for the role of Retrofit Coordinator. This work includes giving consideration to how best to deliver the knowledge and skills needed to work on historic buildings. Additionally, IfATE is working with employers in the sector to develop an occupational standard and apprenticeship for the role of Heritage Construction Specialist at Level 5. Submission of the standard for approval is expected shortly.

The DfE continues to work across government and in partnership with industry through the Construction Skills Delivery Group and the Construction Leadership Council to identify policy levers and other actions we can take to ensure that our skills offer (including apprenticeships, skills bootcamps and T Levels) meets the needs of employers in the sector, including SMEs. For example, we are making apprenticeships more flexible through flexi job apprenticeships and have made it easier for SMEs in the construction sector to grow their businesses by abolishing the limit on the number of apprentices they can take on.

We are keen to work with the sector to ensure that they are able to take full advantage of the flexibility introduced in April 2019 which enables up to 25% of the Apprenticeship Levy to be transferred. This was done in response to similar feedback from employers that has been reflected in this report. This has enabled more employers, including SMEs to benefit from transfers but most employers are not making full use of this flexibility. At this time, we are not currently proposing to further increase the proportion of the levy that can be transferred, but are instead focussed on making it easier for employers to find other employers to transfer funds to and enabling them to use more of their levy funds. We will keep this policy under review and consider a change again should we see growth in demand as a result of these changes.

The apprenticeship levy is an important part of our reforms supporting employers of all sizes to invest in high-quality apprenticeship training. Whilst we have seen some underspends in the apprenticeships budget in previous years, this will not always be the case. In the last financial year (2021-22) 99.6% of the apprenticeships budget was spent. As such, there is no formal review of the apprenticeship levy taking place, and it is important that the apprenticeship budget remains ringfenced to support demand by employers for high quality apprenticeship training, and the DfE is unable to accept the recommendation to allow apprenticeship levy funds to be spent on things other than apprenticeship training and assessment. However, as set out above, we welcome the opportunity to understand how we might work with industry to ensure those flexibilities which are available can best meet the needs of industry as well as exploring how we can facilitate better engagement with our other funded training offers such as Skills Bootcamps.

**Recommendation 2: Local Skills improvement Plans - Government needs to continue to provide the resources necessary to support training providers and**

**colleges to provide retrofit training in line with the needs of local employers, to ensure the goals of the LSIPs are achieved.**

The DfE has made excellent progress on the national rollout of LSIPs, with employer representative bodies (ERBs) designated to lead the development of LSIPs in all 38 areas of England. It is our expectation that by being employer-led and locally owned, LSIPs will be uniquely placed to shine a spotlight on the skills employers need most in the workplace but may be struggling to find in their local area. The Plans will articulate agreed sets of actionable priorities that providers and stakeholders in a local area can get behind to drive change. The Skills and Post-16 Education Act also ensures that in the development of the LSIP, due consideration has been given to the skills, capabilities or expertise required in relation to jobs that directly contribute to, or indirectly support, UK Net Zero. Ultimately, LSIPs will help to ensure businesses can access the skills they need to succeed and grow and that learners can get good jobs and increase prospects. This will boost local economies to the benefit of all.

The government also continues to make significant investment into FE, including introducing a Strategic Development Fund (SDF) to cover all of England in 2022 to support collaborative projects. For example, providers in York and North Yorkshire, including York College, utilised a portion of their £2.73m SDF funding to invest in low carbon skills, such as the use of infrared cameras attached to drones to further enhance teaching and learning in reducing carbon emissions through retrofit construction techniques. Following SDF, the Local Skills Improvement Fund (LSIF) will help reduce barriers to delivering the priorities set out in LSIPs by providing additional capital and revenue funding to support new training provision, facilities and equipment, and professional development for FE teaching workforce.

**Recommendation 3: Government and industry should collaborate to package together skills, training, funding, standards and advice into a National Retrofit Strategy.**

DfE would welcome the opportunity to work with industry and other government departments to develop a National Retrofit Strategy, understanding the importance of providing long-term certainty for industry, skills providers and local government where greater investment is needed.

**Recommendation 4: Government should work with heritage sector to review training available for the construction sector to ensure knowledge of effective retrofit of modern and traditional buildings is appropriately covered, widely available, and encouraged to be taken up.**

We recognise the importance of reviewing available training and have already outlined the processes undertaken by IfATE to review standards and ensure they deliver the knowledge, skills and behaviours required by industry now and in the future. The Construction Skills Delivery Group and the Construction Leadership Council are existing effective forums for reviewing both publicly and non-publicly funded training provision in the round, ensuring the total offer meets the needs of

employers in the sector, including SMEs. Our view is that these groups provide an ideal forum to discuss these matters in more detail and explore how this recommendation might be taken forward.

**Recommendation 5: Area-based schemes, such as Manchester's People Powered Retrofit or the Devon Net Zero Hub, are an effective way to build local demand and create pipelines that provide local retrofit businesses with the certainty they need to build capacity.**

Area based schemes such as Manchester's People Powered Retrofit or the Devon Net Zero Hub, are an effective way to build local demand and create pipelines that provide local retrofit businesses with the certainty they need to build capacity. We strongly encourage local initiatives and encourage engagement with Local Skills Improvement Plans (LSIPs) which bring together local stakeholders to link into the full range of local support.

I would be grateful if you could circulate this letter to Lord Parkinson and other members of the Heritage Council and we look forward to working with you to further understand the challenges and explore solutions together.

Yours sincerely,

A handwritten signature in black ink that reads "Emma Davies". The signature is written in a cursive, flowing style.

Emma Davies

Deputy Director, Sector Skills, Skills Strategy and Engagement Directorate