

News story: Update on procurement for non-levy paying employers

In April 2017, the Education and Skills Funding Agency (ESFA) paused the procurement for apprenticeship training provision for non-levy-paying employers.

The competition was markedly oversubscribed and the Department for Education (DfE) and the ESFA concluded that it did not achieve the right balance between stability of provision, promoting competition and choice for employers. Together, DfE and ESFA have since reviewed their approach to determine how best to support these objectives.

As a result, the ESFA has decided to cancel the current procurement exercise and has confirmed that it will launch a new procurement at the end of July.

The new procurement will be designed to achieve the best value for employers, providers and apprentices in the move to a fully employer-led system. More details on the process and deadlines will be finalised and announced shortly.

The ESFA has also confirmed that the register of apprenticeship training providers will not re-open for new applications, while the new procurement exercise is open.

To provide further clarity and certainty for training providers with existing contracts the following steps will also be taken:

1. Within the next week, the ESFA will respond to providers who have made business cases to adjust the amount of funding they were awarded in the contract extensions. Where credible evidence has been presented, the ESFA will look to adjust the allocations.
2. The ESFA will bring forward the first performance management point from August to July. This will be in order to review current delivery and consider whether additional funding can be made available where there is clear evidence of unmet demand from employers. More details on the timing for this will follow shortly.

This will not affect training provision for existing learners.