



Department
for Education



Department
for Business
Innovation & Skills

Minister for Skills

1 Victoria Street
London
SW1H 0ET
T +44 (0) 20 7215.5000
E enquiries@bis.gov.uk
www.gov.uk/bis
www.education.gov.uk

Julie James AM
Deputy Minister for Skills and Technology
Welsh Government
5th Floor
Tŷ Hywel
Cardiff Bay CF99 1NA

20 August 2015

Dear Julie,

Apprenticeship Levy

I am writing to update you on the Apprenticeship Levy announced in the Chancellor's budget speech on 8 July 2015.

We are introducing the Apprenticeships Levy for larger employers to put them at the heart of choosing and paying for post-16 apprenticeship training. There is a strong precedent for this, with levies to fund training and support high quality apprenticeship systems already in place in over 50 other countries. As Professor Alison Wolf set out in her recent report ¹, it's now time the UK does this as well.

As skills policy, including apprenticeships, is a devolved matter, I'd welcome continued discussions between our officials, and those from HM Treasury, over the summer. The levy will be raised on all larger employers across the UK, but only England based employers will access the funding through the voucher mechanism to pay for their apprenticeship training.

A consultation document will be published shortly in which we will be seeking views on the detail of the implementation of the levy. This will include:

- key principles underpinning delivery of funding to larger employers
- how best to make sure that employers control apprenticeship funding raised by the levy;
- interaction between the apprenticeship levy and the two Industrial Training Boards (ITBs) in the Construction and Engineering Construction industries.

It will not cover the rate of the levy or the base on which the levy is raised.

¹ ['Fixing a Broken Training System: The case for an apprenticeship levy', Professor Alison Wolf, July 2015](#)

The government's response will be published in the autumn and further information on the levy detail will be set out at the Spending Review. We propose to introduce legislation in the first session, as Parliamentary time allows.

A handwritten signature in black ink, appearing to read 'Nick Boles', with a stylized, cursive script.

NICK BOLES MP

cc

Huw Lewis AM
Minister for Education and Skills
Welsh Government

Jane Hutt AM
Minister for Finance and Government Business
Welsh Government

Edwina Hart AM
Minister for Economy Science and Transport
Welsh Government

Stephen Crabb MP
Secretary of State for Wales