

MAKING THE APPRENTICESHIP LEVY WORK FOR ALL

5 asks of government; 5 asks of employers

The **Chartered Management Institute** and the **British Chambers of Commerce** are united in their agreement that **investing in apprenticeships** is essential to tackling the UK's technical and professional skills gaps and boosting business performance.

However, CMI and BCC recognise that **urgent reforms are needed** to reverse the drop in the number of new apprentices since the introduction of the **Apprenticeship Levy** in April 2017.

To make it work for all, this **10-point plan** sets out recommendations for how the government implements the Levy and how employers make use of it to upskill their workforce.

GOVERNMENT

1. **Transform the Skills Landscape**

Ensure that everyone benefits from the apprenticeship reforms, and help private, public and third sector employers get the transformational change in the quality and quantity of technical and business skills they need in the workplace. Better technical, management, digital and data skills are vital to both our manufacturing and services sectors. Re-skilling and up-skilling existing employees must be a key part of the solution.

2. **Listen to business and reform the Levy**

Help businesses train more people by relaxing the complex and restrictive Apprenticeship Levy rules that make it feel more like a tax than an incentive to invest in skills. For access to quality training, funding bands must reflect the true cost of provision. For many employers, the Levy has displaced budgets for other essential forms of skills development, risking future growth and productivity, so let's include other accredited quality training in the scope of the funds. Focus for employers must be placed on return on investment. Reforming the Levy now will re-engage employers and help boost skills development across sectors and local communities.

3. **Provide Efficient, Single Point Accountability**

Keep the system simple and transparent, with a single accountable agency. The Institute for Apprenticeships should be resourced to bring forward apprenticeship standards more quickly and take on end-to-end responsibility for the successful funding, execution and monitoring of apprenticeships policy. Employers - not civil servants – should set and approve standards. Have a single body responsible for external quality assurance, to build trust and reduce cost and complexity for employers.

4. **Measure the Impact, Not the Target**

Business wants people with the right skills to fill job vacancies, and this means getting access to quality training, at the right time and in the right location. Businesses must commit to investing more in the training and development of our people, and education providers must work with employers to find effective ways to measure return on investment, but we need the information, the flexibility, the funding and the training provision in place at a local level. Support our drive for quality over an arbitrary numerical target – this is the way to improve social mobility and productivity and close the skills gap that threatens the UK economy.

5. **Keep It Joined Up, Stable and Consistent**

Constant tinkering and changes in policy and funding is bad for businesses and learners. Work with employers to get the apprenticeship reforms fit for purpose, and then keep the system stable, consistent and joined-up across the Industrial Strategy. To boost competitiveness and productivity, business needs apprenticeships and other quality forms of in-work training at all levels in the workforce. Higher level degree apprenticeships should be encouraged to improve participation, social mobility and narrow the gender pay gap.

EMPLOYERS

1. **Get Involved, Informed and Tackle Your Skills Needs**

New Apprenticeships, designed by business for business, are a great way to bring young people into the workforce and to re-skill and up-skill existing employees at all levels in the organisation – including leadership and management. Find out about the new apprenticeship standards for your sector, how to recruit apprentices and how to access funding and high-quality training for your team.

2. **Find Flexible Ways To Manage Training**

Apprenticeships combine work and learning, helping your staff to do their job better. For some firms, off-the-job training can be difficult to manage, but it does not mean your employee has to have one day a week off work. The best work-based training not only helps the trainee, but if well planned can also add immediate benefit to the employer. Work with your training provider to identify sensible, flexible and creative training opportunities - including online workplace training, work-based assessments and other time that you invest in developing your apprentice.

3. **Commit to Investing Long-Term In The Skills Of Your Workforce**

We in business have to acknowledge that the majority of firms have been underinvesting in skills for decades, leaving the UK far behind our international competitors. Employers across most regions and sectors are finding it increasingly difficult to recruit skilled people. All businesses can play a part in fixing the skills crisis. Ensure you have access to the skills you need now and in the future by investing long-term in the training and development of your workforce. Skill development is strategic - ensure it is part of your strategy.

4. **Embrace Wider Workforce Planning**

Apprenticeships are open to everyone in the workforce, helping you train existing employees, returners, older workers and young people starting their careers. Management and leadership, digital and data, and a broad range of technical standards are being developed for firms of all sizes and sectors. And you have a choice to work with private providers, universities or FE colleges – there's more than one route to success.

5. **Measure the Benefits**

Better skills, productivity, staff retention and employee engagement are just some of the benefits of investing in apprenticeships. Whether you are a Levy payer with training money to spend, or an SME seeking government funding to support your people development, apprenticeships can deliver significant benefits for your business. Ensure you get the maximum gain from your investment in skills by working with government, training providers, and professional bodies like CMI and Chambers of Commerce.

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