

BCC: Reform needed to make Apprenticeship Levy fit for purpose

Speaking today (Thursday) at the Apprenticeships Conference in London, Jane Gratton, Head of Skills at the British Chambers of Commerce (BCC), will warn about the need for reform of the Apprenticeship Levy to make it workable for business.

One year after the introduction of the Apprenticeship Levy, the leading business organisation is calling for reform of the system which is causing confusion and frustration among the UK business community and acts as a brake on skills development.

Many firms are finding it difficult to engage with the system due to its complexity, and regard it as another tax, rather than a useful tool for moulding and training the skills needed for the future.

Statistics from the Department of Education show that since the introduction of the Levy in April 2017, the number of apprenticeship starts has decreased significantly. The latest figures show a 25% drop compared to the same time last year.

Addressing the conference, Jane Gratton will say:

(Check against delivery)

“Today most sectors and regions of the UK are facing skills shortages, and our research shows recruitment difficulties across the economy stand near record highs. In this environment, and with virtually full employment, plugging the skills gap must be at the forefront of the government’s agenda.

“Businesses recognise that apprenticeships are a crucial tool in shaping the skills of tomorrow, but the current restrictions and inflexibility of the system make it unfit for purpose. For many levy payers it feels like a tax, or redirects funds set aside for other forms of workplace training. At the other end of the spectrum, the funding rules mean that SMEs are facing higher recruitment costs, and are unsure how and where to access quality training providers.

“The aim of the Apprenticeship Levy is laudable, but its structure and implementation are obstacles to training the talent of tomorrow. The government needs to urgently engage with business and training providers to make it work for everyone. More support for SMEs accessing apprenticeship funding, more time for firms to source apprenticeship training and allowing more Levy funding to be passed down the supply chain, are all steps in the right direction that could be easily and promptly implemented.

“Once the necessary reforms are made, a period of stability in the UK’s training system is needed to give businesses the certainty and confidence to

engage and invest in the long-term.”

Ends

Notes to editors:

The British Chambers of Commerce (BCC) sits at the heart of a powerful network of 52 Accredited Chambers of Commerce across the UK, representing thousands of businesses of all sizes and within all sectors. Our Global Business Network connects exporters with nearly 40 markets around the world. For more information, visit: www.britishchambers.org.uk

The BCC has launched a campaign aimed at eradicating not-spots for mobile voice coverage. Add your not-spot [here](#).

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