

Date: 17 August 2018

Sir,

The government has committed to creating a modern Industrial Strategy, with a highly motivated and productive workforce. Organisations from across the UK, big and small and in both the public and private sectors, want a strong apprenticeship system as part of this.

The most recent government figures showing only 22,300 apprenticeship started this May is a stark reminder that an opportunity to upskill our workforce, paid for by employers, is being lost. Despite a great deal of effort to make it work, the reputation of apprenticeships is at risk from a system with inflexible rules and a long and complex start up process.

Government is on course to fall woefully short of its target of three million apprentices by 2020. Employers are not seeing a return on their apprenticeship levy investment. Most importantly, young people - the future of UK PLC - are missing the opportunity to fulfil their potential.

Over 70,000 new apprentices need to start every month between now and March 2020 to meet the government's target. This has only happened once since the introduction of the levy last year. Most months it's been well below 30,000.

In last year's Budget, the Chancellor promised to keep the apprenticeship levy system under review. This review is now long overdue and needed more urgently than ever.

Two changes would quickly help reduce this shortfall. The Institute of Apprenticeships must be able to design and approve apprenticeship standards much more quickly. And employers should be able to spend their levy contribution more flexibly, by directly contributing to apprenticeship wage costs or being able to spend more through their supply chain.

We urge the government to work with us to review and improve the system. Employers want to take on apprentices. But only by working together can we make apprenticeships work for everyone.

Signed,

Jasmine Whitbread – Chief Executive, London First
Sandy Lindsay MBE – Skills Chair, North West Business Leadership Team
Daniel Mortimer – Chief Executive, NHS Employers
Colin Stanbridge – Chief Executive, London Chamber of Commerce and Industry
Alan Bishop – Chief Executive, Creative Industries Federation
Dr Nelson Ogunshakin OBE – Chief Executive, Association for Consultancy and Engineering
Dr Jo Twist OBE – CEO, Association for UK Interactive Entertainment
Ian Pretty – CEO, Collab Group – London Colleges
Russ Shaw - Founder, Tech London Advocates