

Levy Up: Delivering Sustainable Skills

Where are we with the Apprenticeship Levy and how can we make it work for all?

The levy is not being optimised to its full potential...



96%

of UK businesses would like to see change to the levy

4%

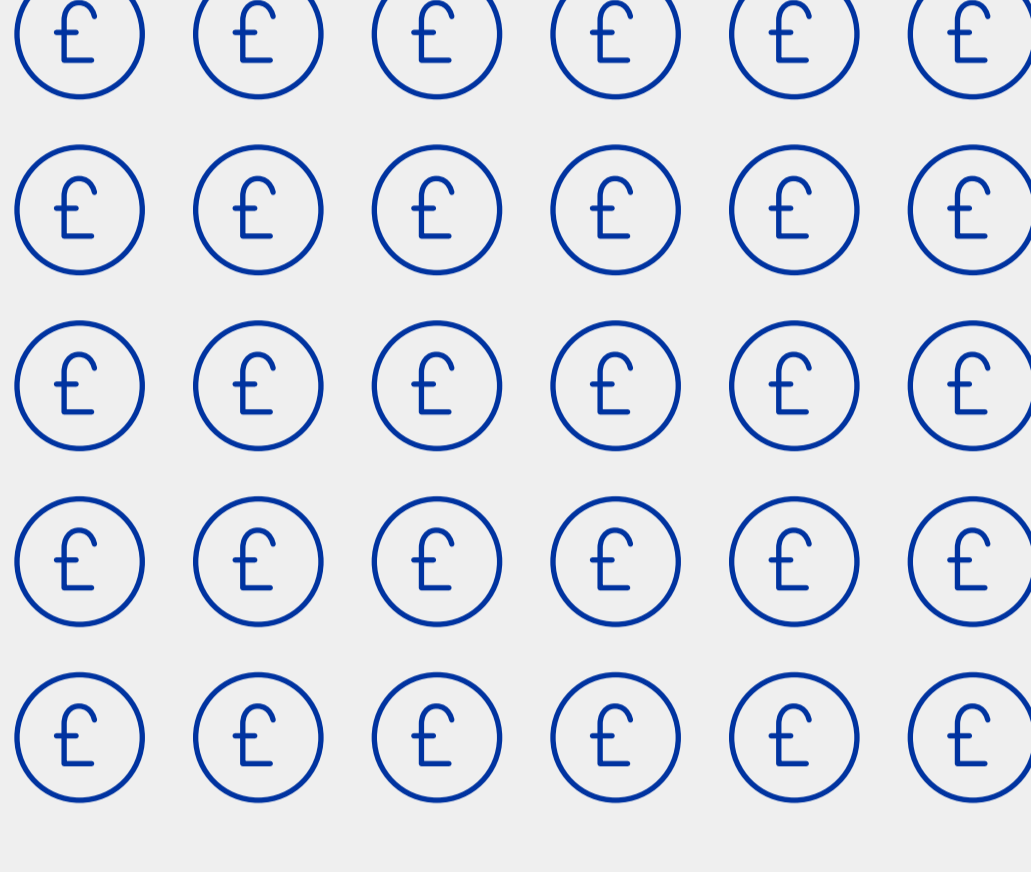
of employers are spending their full apprenticeship levy funding

55%

is the average employer spend over last five years, meaning nearly half of generated funding has not been used

£3.5bn

of funding allocated expired between 2017-22



A skills dichotomy



Only **15%**

of businesses are always able to recruit the skilled people they need

but...



94%

of employers are facing barriers to accessing levy funds which could help to fill skills shortages



What are the barriers for employers?



18%

state that access involves too much bureaucracy or administration



17%

state a lack of time to invest



19%

cannot commit to the time that an apprenticeship takes to complete

Building a better levy for the future



4 IN 10

(43%) say that they would prefer to shift towards a 50:50 model, whereby half of the levy is ring fenced for apprenticeships and the other half is more flexible - allowing businesses to identify the best way for them to meet their skills needs.



Our recommendations



- 1. Introduce a broader skills levy** offering more flexibility on how employers can spend levy funding.
- 2. Cancel plans to reduce the number of level 2 apprenticeships** in order to give young people from less advantaged backgrounds opportunities to upskill.
- 3. Introduce modular learning options** to allow employers and learners to pick and choose levy-funded, bitesize learning that meet skills needs.
- 4. Use unspent levy to address labour market shortages** by channelling it towards sectors that are most affected.

READ THE FULL REPORT AT CITY&GUILDS.COM