

## Levy restrictions are killing learning

New research published today by the City & Guilds Group reveals that 92% of apprenticeship levy-paying employers want to see greater flexibility in how they can spend their apprenticeship allowance, with the rigidity of the current system holding many back.

10 January 2019

New research published today by the <u>City & Guilds Group</u> reveals that 92% of apprenticeship levy-paying employers want to see greater flexibility in how they can spend their apprenticeship allowance, with the rigidity of the current system holding many back.

The Governments introduction of the apprentice levy was supposed to create opportunities for UK business to invest more in learning, training and developing apprentices. Aiming to increase the number of people recruited as apprentices was a key target set by Government, with three million new starts by 2020 the goal. Despite a lot of action and best attempts across all sectors the hard and fast rules put in place have been successful in grabbing attention but for all the wrong reasons. The rigid parameters are stifling progress and innovation of how to use the levy to boost new apprentice numbers and developing skills, which surely was as the heart of the original reforms.

Development of new skills and better support from education across any industry can only be a good thing but when you are so restricted on what you can spend your levy on, exactly how much time you MUST allow for training, who you can spend your levy with and which people can become an apprentice it is no surprise lots of businesses are simply paying into a central levy pot each month not knowing if it will be used for right-skilling existing colleagues or bringing new energy and enthusiasm into a business.

As supported by the City & Guilds Group research there needs to be improved flexibility. The 20% off the job training needs relaxing, the Institute of Apprenticeships need to be quicker at improving new standards, compulsory apprentice guidance in schools should be introduced to promote what could be a fantastic opportunity to become a master craftsman in a chosen field and there needs to be more of a strategic partnership between education and industry.

## **Contact**



Mark Hickson Head of Business Development

onlineteaminbox@brownejacobson.com

+44 (0)370 270 6000

| _  |                  |           |               |
|----|------------------|-----------|---------------|
| Em | വരം              | m         | ant           |
|    |                  | / I I I I | <b>∹</b> 1 11 |
|    | $\rho_{i} \circ$ | y         | <b></b>       |

© 2025 Browne Jacobson LLP - All rights reserved