

## MINUTES

### APPG on Apprenticeships

**National Apprenticeships Week 2023 with Kevin Hollinrake MP, Minister for Small Businesses**

**8 February 2023**

**Room 5, Portcullis House**

**Chair: Theresa Villiers MP, Officer for the APPG for Apprenticeships**

**Parliamentarians in Attendance or Represented:**

- **Peter Gibson MP**
- **Preet Kaur Gill MP**
- **Sajid Javid MP**

**Speakers:**

- **Kevin Hollinrake MP, Minister for Small Businesses**

Theresa Villiers MP thanked **Kevin Hollinrake MP, Minister for Small Businesses**, for coming to speak to the APPG for Apprenticeships. Theresa spoke about the benefits of apprenticeships, such as an engine for social mobility.

Firstly, Theresa focussed on accessibility to apprenticeships for small businesses and how the Government can make it easier, and more attractive for SMEs to take on apprentices.

The Minister highlighted the important contribution that apprenticeships make to a high skill, high wage economy, and the benefits of the apprenticeships route for creating opportunities for work pathways.

The Minister said the funding is there for SMEs and the Minister said that they want to make the whole landscape for apprenticeships easier, while still retaining the quality.

Minister Hollinrake recognised a key opportunity to make things easier for SMEs was by using continuing to introduce and possibly expand the funds from larger organisations into the supply chain.

Theresa asked if there would be any changes to the Levy to facilitate these improvements. The Minister said that changes were always being considered and that the Government believes in freedom, and that employers are best placed to decide how to train their people. The Minister highlighted that the reason they brought in more technical training, such as apprenticeships T-Levels, was because other nations were benefitting more from training and technical education.

Minister Hollinrake praised SMEs as “fleet of foot”, and are often leading innovators, highlighting the huge opportunities for SMEs that lie in decarbonisation, and new green jobs. In particular, he called attention to the role of apprenticeships in delivering skills for the future, in industries such as heat pumps, insulation and wind farms.

The Minister mentioned how apprenticeships work at any change, so people can be re-skilled, and organisations can build up loyalty by retraining people. The Minister said businesses are great at spotting opportunities but that they need certainty so Government has to put together schemes that offer longevity.

Theresa spoke about the apprenticeship minimum wage and how apprentices access support. The Minister said the minimum wage for apprentices had been raised and that they had to be careful because businesses were also struggling with supply chains and energy costs, and it costs the taxpayer to support them.

Theresa asked if there is more we can do to support SMEs to encourage apprentices into fulltime positions and long-term roles, as part of finishing their apprenticeship. The Minister said it's a real success story already with 41% of apprentices employed by SMEs. He said there is always more we can do, but already 92% of apprentices go into fulltime work at the end of their course.

Theresa spoke about levelling up and how we can ensure we have effective skills programmes around the country. Theresa asked what the Government is doing to harness the good news around apprenticeships to deliver on levelling up ambitions.

The Minister said there are some really good opportunities coming out around the country, such as in Manchester, which are increasing productivity and aiding levelling up. He said that jobs, skills and apprenticeships are all part of this and the more successful the economy around the UK is, the more opportunities it will lead to.

The Minister said that the new procurement rules should make it easier for SMEs to procure and win contracts and hopefully aid them getting into the public sector. Theresa's final question was on universities providing apprenticeships with local businesses / public sector and said it would be great to see the public sector participating more in apprenticeships, such as the NHS.

The Minister agreed and said the public sector is a huge opportunity for apprenticeships, for people of all age ranges, and said the conversation should definitely include the public sector.

Theresa opened up the floor to questions. Questions included discussing degree apprenticeships, with one attendee raising the point of certain apprenticeships needing technical facilities, such as in advanced engineering.

Theresa also mentioned that more apprenticeships were being delivered every year and that that seems to have fallen slightly, along with a quality control issue. Theresa asked the Minister how we might get back up to those figures.

The Minister said that it's about involving parents, schools and potentially Ofsted so they know apprenticeships are a suitable offer for young people. The Minister said that for businesses, it's also not the only way you can train your staff. The Minister spoke about other initiatives, such as for construction workers, that can help improve numbers and skills of staff. The Minister said we need to look at apprenticeships as part of the whole landscape of training and that employers are the ones who determine the best way to train people.

The Open University mentioned that employers are keen to see a broadening of the apprenticeships levy into a wider skills levy, and asked where the Government sits on this. The Minister said he hears it often and that they believe in trusting people to make the most of the opportunities in the way that they see them. The Minister said the focus is on overall quality – so the framework around

apprenticeships – as well as giving employers discretion. The Minister said he would like to see more flexibility on how employers spend the money, but it's about achieving a balance and is a work in progress.

Another question asked what the Government is doing to help businesses train 16-19 apprenticeships, rather than train up existing staff. The Minister said that it isn't wrong to retrain existing staff, especially as many of us will spend more time in the workplace than our parents. The Minister said employers are crying out for more well-trained people, so apprenticeships are about Skills for Life, as well as young people where there will always be a focus.

The final question asked about an annual revision process to ensure that apprenticeships are viable for employers to run. The Minister said he's keen to hear more about this, in partnership with the DfE, and that Government is always listening and they want to make it work for everyone.

Minister Hollinrake paid tribute to the work already carried out by Government on apprenticeships and highlighted the amazing apprentices he met at the APPG's Apprenticeships fair, and the value of hearing their experiences firsthand.

The session ended with Minister Hollinrake highlighting the feedback he receives regularly about the need for greater flexibility in the Apprenticeships Levy – a theme amongst this year's report.