



**APPG on Apprenticeships:** Best practice examples and future steps to support the sector

**Tuesday April 20 14:00-15:00**

**Chair:** Emma Hardy MP, incoming Co-Chair, APPG on Apprenticeships

**Speakers:**

- Nicola Drury, UK Apprenticeship Manager, Amazon
- Anna Ambrose, Director of the London Progression Collaboration
- Lloyd Thomas, Apprenticeship Partner, Co-op Group
- Tom Blenkinsop, Senior public affairs advisor, Federation of Small Businesses

**Also in attendance:** Baroness Garden of Frognal, Lord Young, Lord Puttnam, Lord Flight, Karin Smyth MP, Jane Stevenson MP

Karin Smyth MP reflected on her time as Co-Chair of the APPG, before nominating Emma Hardy MP as the new Co-Chair.

A short EGM took place, electing Emma Hardy as the new Co-Chair of the APPG.

Emma gave brief remarks setting out her priorities for the APPG, including accelerating progression beyond Level 2 and graduate employment. She then welcomed Nicola Drury, UK Apprenticeship Manager at Amazon.

Nicola Drury briefly ran through her background and Amazon's apprenticeships offer. She stated that Amazon are keen to utilise the levy as best they can, and keen to work with the London Progression Collaboration and local combined authorities to create an apprenticeships offer that works best for SME's. She noted that the administration process can put SME's off taking on apprenticeships and stated that SME's need more support in navigating this red tape. She added that the levy should be given more time to succeed, stating the 'sunset phase' should be extended from 2 to 4 years, adding that *"it is exciting and there is more we can do with it"*.

Emma Hardy thanked Nicola Drury and handed over to Anna Ambrose, Director of the London Progression Collaboration (LPC).

Anna Ambrose briefly introduced herself and ran through the LPC's background. She stated that the drop in apprenticeship uptake since the introduction of the levy has overwhelmingly been among lower-level apprenticeships, and that we need to ensure these opportunities continue to exist. She stated that we need everyone to be thinking about levy progression rather than a one-off effort, and the support needs to be there for businesses to make them *"apprenticeships-ready"*, with businesses thinking about progression of opportunities for individuals within those businesses. She added that the apprenticeships sector needs to support people at risk of long-term unemployment and needs to support Kickstart employers to provide long-term apprenticeships further down the line. SME's make up 99% of UK businesses, and the apprenticeships system will not work properly if they are not properly supported. She stated that the key is focusing efforts on channelling funding into areas where apprenticeships can make the most difference, and incentivise them, concluding that apprentices can be incredibly valuable for employers, and that we need to create more of these opportunities for more people.

EH thanked Anna Ambrose and handed over to Lloyd Thomas, Apprenticeship Partner at Co-op Group.



Lloyd Thomas briefly introduced himself and discussed his background. He stated that he personally thinks the levy works well, even under centralised control. He agreed with Nicola Drury on the need for extension of sunset phase from 24 months. He noted the affordability factor, acknowledging that the levy can sometimes be restrictive for employers. He stated that in the Co-op they have created a Co-op levy share, with which they are aiming to create a £15 million levy pledge pot to support under-represented areas. He stated that this pot could support people into employment and support their mobility to move up apprenticeship levels. Summarising, he stated that he welcomed the levy but would welcome more flexibility and an increase in the rate available to transfer from 25%.

Emma Hardy thanked Lloyd Thomas and handed over to Tom Blenkinsop, Senior Public Affairs Advisor at the Federation of Small Businesses.

Tom Blenkinsop introduced himself and ran through FSB's background. He stated that figures from January show apprenticeships starts were down by 27.6% versus the previous year, and that levy-funded starts were down by 37.6% from 2019 to 2020. He stated that while the Skills for Jobs White Paper acknowledged the issue, the FSB want to address the fall in apprenticeships since 2017. He noted that it is likely that incentives have not made as large a difference as would have been hoped. Furthermore pre-pandemic, there had been serious concerns over over-spending on apprenticeships, with large employers using more levy funds than anticipated, and that it was not clear how long-term funding issues will be addressed for SME's. He said that the Government should make apprenticeship incentives more generous, with higher incentives for employers hiring apprentices previously made redundant.

Emma Hardy thanked Tom Blenkinsop and opened session up to questions, asking attendees initially for their thoughts on how the levy has changed apprenticeships.

Nicola Drury said that the levy gave more choices for potential apprentices. She added that more flexibility in the levy would be helpful to support the apprentice, for example with accommodation costs. Now is the time for major reform, with only minor tweaks made up until now.

Emily Merrison (Airbus) asked about the possibility of temporary flexibility to use levy funds to assist with external costs.

Anna Ambrode said that it was something under consideration and that such a proposal would be welcomed by many in the industry.

Claire Noble asked about using levy funds to support outreach programs to young people in schools/colleges to signpost careers opportunities in apprenticeships, and to support a more diverse intake of apprentices.

Kath Geraghty asked about incentives to bring diverse groups into apprenticeships, for example with women in engineering.

Lord Flight asked how apprenticeships could be made more attractive to young people.

Emma Hardy asked audience members for contributions on these questions.

Lord Young stated that a central hub was needed to deal with administration and basic training for employers, and noted we need to think more about the young people about to leave school with little job prospects.

Lord Puttnam noted that we are facing a potentially catastrophic skills shortage, which could lead to a loss of foreign investment and a rise in youth employment.



James Deller from Guy's and St Thomas' Hospital stated the importance of using levy funds to focus on prospects for apprentices.

Aiden Relf stated that the levy transfer is a mixed bag in terms of success, compared to the Department for Education's opinion.

Emma Hardy thanked contributors and handed over to panellists for final thoughts.

Tom Blenkinsop stated that more incentives is one of the means to increase participation, and that he wants to see ongoing flexibility from the Government.

Lloyd Thomas stated that the levy had moved the apprenticeships agenda further up for companies' management teams, putting it on the radar and raising apprenticeships' profile. He said that it needs to be kept under review but is ultimately a positive policy.

Anna Ambrose stated that the levy has allowed organisations to develop real expertise around apprenticeships, and that we now need to flip the focus onto small businesses.

Nicola Drury said there was a big call to action now, and that the biggest thing for her is creating the right roles. Industry work experience in an apprenticeship is critical – so it needs to be opened further to SME's. She added that levy funds need to be able to support tech and accommodation costs.

Emma Hardy thanked attendees and wrapped up the discussion.