

Over three quarters of London businesses who qualify may not be using the apprenticeship levy

Submitted by: The Influence Crowd

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20th September 2017: Millions of pounds* of apprenticeship levy money aimed at increasing the vocational skills of the nation is apparently going unused by businesses in London.

According to new research by Evolve Learning Group Ltd and West London College only one in six (16%) of London employers who qualify for the levy are taking advantage of it to train new and existing staff, suggesting that much of the levy is going untapped in the capital. This compares to the national rate of one in three firms who reported using the levy (32%).

This is despite strong evidence that London employers are finding it difficult to recruit staff with the right skills:

- 90% of London employers agreed they find it somewhat problematic to recruit individuals with the right skills for their business,
- with 38% reporting that it was extremely problematic, (against a national rate of 21%).

“London businesses are missing a trick,” says Garry Phillips, CEO of West London College. “By not tapping into the levy companies are passing up on the opportunity to improve existing staff skills and bring new employees on board.”

Although some businesses have managed to take advantage of the levy, the survey shows there is still a level of confusion:

- Three quarters (78%) agree that more needs to be done to increase understanding of the apprenticeship levy's value
- Four in five (80%) agree that more needs to be done to engage businesses to use the levy

London businesses showed a greater understanding of the levy overall, with half of respondents (52%) stating they fully understood the levy and how it could help their business, compared with a national rate of only 37%.

Referring to the time limit of two years to use their levy payments,** Stuart Rowberry, resourcing & development business partner, OCS Group (UK) Ltd, a major international facilities management services provider employing 26,000 people said: “I think many businesses are confused about how to use the levy, but with a limited period of time in which to invest the money, these businesses need to take action now or the money will be gone.

“I think one of the issues is that businesses have just seen the levy as a means of training new staff, they are also a great way to upskill existing staff so they can take on more responsibility and develop their careers.”

Despite not taking full advantage of the levy, London businesses appeared positive about its benefits. Since the introduction of the levy:

- Nearly two thirds (63%) had seen an increase in the number of candidates applying for vacancies
- Nearly a half of London businesses (49%) reported an increase in the number of candidates hired

- And half (53%) reported that it had increased the overall skills of their workforce.

When asked if looking to launch an apprenticeship programme in the next six months, three quarters (73%) of London employers said they would chose to do so via a further education college and a third (37%) through a private training provider.

The survey was carried out by Opinion Matters on behalf of Evolve Learning Group and West London College and sampled 1005 employers with over 150 employees across the UK of which 187 were from London. Respondents were business decision- makers with some responsibility for staff training and recruitment. The full findings with detailed employer interviews are available in a report entitled, 'The apprenticeship levy – an untapped opportunity?' and is available to download from www.evolvelearninggroup.co.uk/levyreport (<http://www.evolvelearninggroup.co.uk/levyreport>)

An infographic image representing these statistics is also available.

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Notes to the editor:

- Available for interview on this topic:

- o Employer: Stuart Rowberry, resourcing & development business partner, OCS Group (UK) Ltd

- o Training Provider: Garry Phillips, CEO of West London College.

Please contact Catherine Lane PR (details below) to arrange an interview

- Brought into effect on 6 April 2017, the Apprenticeship Levy will be a levy on UK employers to fund new apprenticeships. In England, control of apprenticeship funding will be put in the hands of employers through the Digital Apprenticeship Service. The levy will be charged at a rate of 0.5% of an employer's paybill. Each employer will receive an allowance of £15,000 to offset against their levy payment. It will be introduced in April 2017. Source: Gov.uk

- * The apprenticeship levy was expected to raise around £3bn a year in revenues to fund 3 million apprenticeships. Table 3.1 in Autumn Statement 2015

(<http://https://www.gov.uk/government/publications/spending-review-and-autumn-statement-2015-documents/spending-review> and <http://www.bbc.com/news/business-34923235> (<http://http://www.bbc.com/news/business-34923235>))

- **Unused levy funds will expire 24 months after they enter an employer's account.

<https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>

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Evolve Learning Group Ltd

Evolve Learning Group Ltd delivers bespoke employer-focused training and apprenticeships through a mixture of classroom-based teaching alongside workplace training and assessment. Businesses select the best way for training to be organised and delivered, with support from the Evolve team. Part of West

London College, the Evolve Learning Group Ltd already supports over 500 businesses and organisations across the UK to meet their training needs.

About West London College

Located across four main sites, West London College is a leading college in west London. A further and higher education college offering both part-time and full-time courses, it educates around 14,000 students. It is rated good by Ofsted and recently won a national TES FE Award for outstanding use of technology to improve teaching, learning and assessment.