

Seven reasons why the Level 7 Accountancy & Taxation Professional Apprenticeships should stay

The Government is proposing to remove levy funding of Level 7 apprenticeships, which currently provide significant opportunity and growth within this country.

Strong quantitative and qualitative evidence supports retaining Level 7 funding for apprenticeships. In our October 2024 survey, 1,435 Level 7 Accountancy and Taxation apprentices and 75 employers highlighted how the apprenticeship fosters opportunity, progression, financial stability, inclusion, social mobility, and economic growth.

This report demonstrates the unintended consequences of such a decision and the impact it will have on both learners and the businesses which support many priority sectors.

1. Level 7 Accountancy apprenticeships are for young people

Apprentices on Level 7 Accountancy are younger than the government represents. 75% of Level 7 apprentices are aged 24 or under.

And, they are at the beginning of their career in accountancy, needing the Level 7 in order to fully qualify to practise in this profession.

This is backed up by research undertaken by the Chartered Institute of Personnel and Development, which found that nine in ten employers surveyed backed the introduction of an Apprenticeship Guarantee for 16 to 24-year olds.

75% of Level 7 Accountancy apprentices are age 24 or younger when they started their apprenticeship

2. Level 7 provides social mobility and diversity

48% of Level 7 apprentices who answered the Department for Education's own Apprenticeship Evaluation in 2023 were first-generation students (those whose parents or caregivers do not hold a higher education qualification), with one fifth living in the most deprived areas of the country.

48% of Apprentices were first generation students

Employers use Level 7 apprenticeships to attract a more diverse candidate pool. This has been successful and the accounting profession is being transformed as a result. Over a quarter of Kaplan's accounting apprentices are black, asian and minority ethnicity.

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Removing the Level 7 apprenticeship funding will result in us training fewer apprentices from disadvantaged backgrounds.

We have trained more people on our level 7 apprenticeships to become chartered accountants than we did under the non apprenticeship route.

Level 7 Employer

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The Level 7 Accountancy Apprenticeship plays a crucial role in enhancing social mobility within our business.

Many apprentices have been able to progress in their careers, breaking down barriers that may have previously limited their advancement.

Level 7 Employer

14% of our Level 7 accountancy apprentices received free school meals. Many write about how their lives have been transformed through the Level 7 apprenticeship.

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Starting a level 7 apprenticeship has changed my life and navigated my future career down a path I never knew existed. From being a young carer to two siblings to now being on track to becoming a chartered accountant in under 5 years is really a blessing to me and I hope it can be a blessing to many more young people like myself in the future.

Level 7 Apprentice

The profession has been opened up with diverse recruitment and diverse thought with the different perspectives which successful teams need. The government will turn back the clock, adversely affecting the opportunities for individuals from diverse socioeconomic backgrounds, if it goes ahead with Level 7 defunding.

3. Level 7 is a progression passport

Level 7 accountancy apprenticeships are taken by people early in their careers seeking progression, not middle managers with already established careers.

37% of our Level 7 apprentices started their apprenticeship without getting a degree first and 50% with a degree had studied something unrelated to accounting.

37%

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The Level 7 apprenticeship route provides significant progression opportunities straight from school or from lower level apprenticeships. Level 7 is aspirational, with many apprentices electing to enter at Level 2-4 and then progress to Level 7.

As just one example, many of the apprentices which the Department for Education representatives met at November's World Skills 2024 competition, were on their way to doing Level 7. That aspiration will be thwarted if the Government removes Level 7 funding.

Learners also commented that Level 7 provided choice when university wasn't viable due to educational or health reasons:

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I was very unwell during A Levels so would not have been able to enter university with the grades I achieved, but the firm I work for took the circumstances into account and I'm now on track to gain a Level 7 qualification.

Level 7 Apprentice

If funding is restricted, most learners will only be able to progress up to a Level 4 Accounting or Taxation Technician, creating an unintended career ceiling.

4. Level 7 protects those in financial need

Many Level 7 Accountancy apprentices start straight from school, being unable to afford life at university or not wanting to be saddled with amassed student debt.

Of the 37% of our Level 7 apprentices who went straight into an apprenticeship rather than going to university, the majority chose the Level 7 apprenticeship due to financial reasons.

70%

of L7 apprentices that didn't go to University, went straight into an apprenticeship for financial reasons

They needed to be earning and learning.

With [average student debt](#) forecast at £43,700 for those starting university in 2023/24, and [tuition fees](#) and living costs rising, the university route to becoming a professional accountant is an unnecessary financial burden and barrier which would otherwise become out of reach for many young people.

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As well as financial reasons, I believed an apprenticeship would give me a push in my career that university wouldn't have been able to. University doesn't justify the cost of studying, whereas with an apprenticeship I can be paid and gain a professional level qualification.

Level 7 Apprentice

If the Government removes Level 7 as an apprenticeship option, they will hurt those in need and create instead a class ceiling for apprenticeships. This should be an anathema to Labour party thinking.

5. Level 7 opportunities will not be automatically employer funded – job opportunities will be cut

The Department for Education says that employers will just step in and pay for Level 7 anyway if it's not fundable through an apprenticeship.

Small employers can't afford to provide the skills training an apprenticeship delivers and so their businesses will suffer and the much talked about need for productivity will be hindered.

Many employers are considering either significantly cutting the number of opportunities they provide or some even off-shoring those roles. The Government will be responsible for culling jobs in England, and letting down young people who want to get ahead or those who want to change careers.

The [Confederation of British Industry](#) reported on 25 November 2024 that nearly two-thirds of UK companies are set to scale back hiring plans in response to the Chancellor's £40bn tax hike with cuts to employer training budgets anticipated. It is fundamentally misconceived to believe that businesses, particularly SMEs, can step in to pay more.

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This would restrict the growth of our firm and would significantly drive up our costs.

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The withdrawal of Level 7 funding would stop us training chartered accountants. Having to self fund would hamper our ability to grow the business. The market for qualified accounting staff is difficult for recruitment, this would make it significantly more difficult.

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We will not be able to offer as many jobs to young people if we have to pay for all their training ourselves. We currently provide 15 apprenticeships, 13 of which are Level 7.

Level 7 Employers

6. Level 7 provides skills that employers actually need: it shouldn't be sacrificed as political leverage

Employers pay the apprenticeship levy and did so on the Government promise it would allow them to develop a skilled workforce with the flexibility to select the apprenticeships which most suited their business needs.

Employers value the knowledge and sector-relevant skills Level 7 apprentices learn. They recognise the benefit to their organisations from having apprentices who apply their skills directly in the workplace. And they see the rationale for spending their own levy funds on skills needs they have.

It is perverse to require employers to pay an apprenticeship/skills and growth levy and yet not allow them to use the levy to develop the knowledge and skills they require for their businesses and to meet regulatory requirements of the profession.

7. Level 7 fulfils the Government's own Industrial Strategy priorities

There is a damaging disconnect between the Department for Education's priorities and those of the Government's own Industrial Strategy.

There are sufficient funds from the levy to allow the lower level apprenticeships/foundation apprenticeships to grow as well as retaining Level 7 apprenticeships, particularly those early in their careers. Level 7 accountancy and taxation contributes to two of the government's eight priority areas in financial services and professional and business services in its October 2024 Industrial Strategy publication.

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There are specific skills which are invaluable for students working in a business environment. The Level 7 Apprenticeship assists the students in learning and developing these crucial skills and behaviours.

Level 7 Employers

Protect jobs, skills, and the future of the Accountancy profession

We are representatives of the Accountancy and Tax sector. We ask the Government to reconsider its decision to abolish funding for Level 7 apprenticeships. Although the Government seeks to justify the use of this blunt instrument on the basis that it will benefit young people in lower level apprenticeships, we suggest that it will be enormously damaging to apprenticeships, to young people, to businesses in the sector, and ultimately to the economy.

Level 7 Accountancy apprenticeships deliver precisely what businesses and young people in the sector need, fostering opportunity, progression, financial stability, inclusion, social mobility, and economic growth in 25% of the government's own Industrial Strategy.

We recognise the intention behind the government's agenda, but it will be counter-productive to remove all Level 7, including accountancy and law, where the learners are young and starting out in their career.

If the Government stops funding for Level 7 Accountancy, it is turning its back on young people and businesses by damaging opportunity and threatening growth.

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