

Richard Pennycook
Interim Chair
Skills England
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Dear Mr Pennycook

Funding of Level 7 Accountancy and Taxation Apprenticeship

We are writing to express concern about the Government's proposal to restrict levy funding of Level 7 apprenticeships.

As a large employer, our view at [organisation] is that restricting levy funding of Level 7 apprenticeships is a blunt instrument that will have unintended consequences for the economy and for young people. It risks harming the Government's growth mission as well as its opportunity mission.

In the words of Rt Hon.Bridget Phillipson *"Businesses need a highly skilled workforce to draw on if they are to drive economic growth and expand opportunity in our communities."*

The Level 7 Accountancy and Taxation Apprenticeship allows us to develop young people and career changers into the skilled workforce we need, which in turn supports sectors across the Government's priority areas.

Key points

[NB There are some suggestions below. Please select / amend to suit as it's not intended that you use the entirety of these paragraphs]

1. Progression opportunities for young people early in their careers

Most of our Level 7 Accountancy and Taxation apprentices are [under 25 years old] and come from many different backgrounds, some progressing through lower-level apprenticeships to reach the point of qualification. Level 7 Apprenticeships are aspirational for a large number of our apprentices whose prior attainment is below Level 4.

[You could include here the number of apprentices you take on each year who are under 25 and any information you wish on ethnicity.

If a L7 funding restriction will adversely affect the number of new roles you can offer, please also state this e.g If the Level 7 funding restriction comes in, we will be offering

fewer jobs to young people. You may want to explain if you will need to look at other strategies to meet your resource needs e.g. offshoring of work if relevant]

2. Social mobility

The Level 7 Apprenticeship offers an alternative to traditional university routes, making the field more accessible to individuals from diverse socioeconomic backgrounds and enriching the profession.

Around 30% of learners on Level 7 programmes do not have Level 6 qualifications, demonstrating the importance of Level 7 Apprenticeships from a social mobility and widening participation perspective. It provides the aspiration so many young people have of gaining professional standing.

Level 7 Apprenticeships create opportunities for learners who otherwise would be unlikely to have access to this level of education: 48% of Level 7 apprentices who answered the DfE's Apprenticeship Evaluation 2023 report were first-generation students (those whose parents or caregivers do not hold a higher education qualification).

Survey data from the DfE's Apprenticeship Evaluation 2023 report show that 19% of apprentices live in the most deprived areas of the country.

[Include this, or something similar if relevant: We also have apprentices over 24 years of age undertaking Level 7, who have changed careers. With a focus on lifelong learning or even the National Apprenticeship Week theme of Skills for Life, they are provided with opportunities to be socially mobile alongside young people, through the L7 apprenticeship.

If the L7 funding is removed, firms will start to return to pre-apprenticeship days when individuals had to pay back their professional qualification costs if they left an organisation or fund it themselves. This will in effect create a class ceiling as only those with sufficient funds will undertake this route. Again, this is counter to Labour's mission to provide opportunity for all.]

3. Diversity

[If you have data on your apprentices' diverse backgrounds, do state that. If not, you could use the paragraph below, or delete it.]

By Apprenticeship level, those from an Asian or Asian British background made up a larger proportion of Level 7 apprenticeships (11%) than any other apprenticeship level, with the proportion lowest among Level 2 apprentices (4%). Black, Black British, Caribbean or African apprentices similarly made up a larger proportion of Level 7 apprenticeships (5%) than any other apprenticeship level, while the proportion of those from mixed or multiple ethnic groups was highest among Level 6 apprentices (5%).

4. **Impact of Level 7 Accountancy and Taxation Apprenticeship on the broader economy**

[Include how L7 apprentices assist your business/clients] Accountancy and taxation professionals ensure that businesses are compliant, financially sound, and efficient, all of which are essential for economic stability and growth. A steady pipeline of qualified professionals is critical to maintaining these high standards across industries, those listed in the Skills England report in September 2024 and beyond. The Government's latest Industrial Strategy includes Finance, Professional and Business Services as key sectors of focus. The L7 apprenticeship provides the skills we need for Professional and Business Services, so it is a retrograde and illogical move to remove the funding for them.

5. **Quality of experience**

Across the specific elements of their apprenticeship, Level 7 apprentices were generally the most satisfied, including with the quality of learning received (93%) and the amount of learning each week (89%). Level 6 and above (non-degree) apprentices were more satisfied than average with employer support (94% vs. 85% overall), as quoted in the Department for Education's report on 'Apprenticeship Evaluation 2023' published in September 2024.

[ADAPT AS YOU LIKE: Whilst we do recruit graduate apprentices, many have studied other subjects before moving into accountancy and tax, often based on the careers advice they had at school when University was promoted as the best option. Our graduate apprentices often tell us that they wish they'd known about the apprenticeship option when they were at school. Whilst they may have come a circuitous route to the L7, it would seem unfair that the L7 opportunity is taken away from them due to poor careers advice, whilst saddled with high debt.

We also recruit school leaver apprentices who start on the Level 7 / start on Level 4 with the opportunity to progress to Level 7. They are attracted to the profession because of this progression trajectory. Our school leaver apprentices tell us they have avoided student debt/ are better able to save because of the apprenticeship route they selected:

[Include quotes from, or append a case study about, some L7 apprentices]

- "Being able to do this L7 apprenticeship has....." [Name of apprentice, ideally with some background information]
- "I have avoided debt from not going to university but am still able to fulfil my ambition to.... .."

In your Foreword to the Skills England report: 'Driving growth and widening opportunities' you stated that Skills England will *"work with employers to bring the skills agenda into the Boardroom, under the sponsorship of Chairs and CEOs, and to encourage the celebration of continuous improvement and skills development in the workplace."* The Level 7 Accountancy

and Taxation Apprenticeship provides us with the continuous improvement and skills development we need as an employer. **We ask therefore that Skills England and the Government reconsider your plans as announced and not restrict the funding for Level 7 Accountancy and Taxation Apprentices.**

Yours sincerely

Role title