



The Business Services Association
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BSA - The Business Services Association

Response to BEIS Request for Insights on the Apprenticeships Levy

19.8.22

Overview

The coronavirus pandemic and the current economic landscape have highlighted the importance of a flexible approach to upskilling and reskilling people; in turn reducing the skills gap, supporting the levelling up agenda, and driving our transition to Net Zero. Reskilling and upskilling will be vital to both ensuring that workers have the skills that the future economy needs and in meeting the challenges of today.

Employers and providers have long called for increased flexibility within the provision of apprenticeships, including the limitations around the use of Apprenticeship Levy funds.

We therefore encourage BEIS to consider practical reforms to the Apprenticeship Levy. BSA members stand ready to play their part in supporting a system that works best for employers, providers and, above all, the learners themselves.

Background

The BSA - The Business Services Association - is a policy and research organisation. It brings together all those who are interested in delivering efficient, flexible and cost-effective service and infrastructure projects across the private and public sectors. The business services sector comprises five strands: ICT and digital services, business process outsourcing (BPO), facilities management (FM), construction and infrastructure services, and managed public services. The BSA offers a forum for service providers to come together and discuss issues of common interest. A membership list is included as an Annex.

BSA members support apprenticeships as both employers and providers. The BSA established its Apprenticeships, Skills and Training Group to leverage the strength of members' collective voice and shared focus in order to drive real change for the benefit of learners and businesses across the UK.

The Group consists of those members of the BSA who are interested in the provision and delivery of apprenticeships, skills and training and includes large and small employers as well as training providers. It is therefore well positioned to offer unique insights and proposals and helped to co-ordinate the BSA's response to the call for insights from BEIS.

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Responses

Any issues you are experiencing with the AL

Some Levy employers still struggle to utilise all of their levy funds on either the development of staff or to support the recruitment of new apprenticeships (with some members reporting that they utilise approximately 35-40% of their funds). This is due to a number of factors:

- In certain industries, a significant proportion of the workforce works under 30 hours per week. This group are rarely able to undertake apprenticeships.
- The requirement to undertake a minimum amount of off the job training hours, plus the minimum year in apprenticeship duration, creates barriers.
- Many of these employees are in front line customer facing roles which would require backfilling of their positions whilst they are undertaking off the job training. This is operationally and financially challenging for employers to support.
- For new starters, there are additional challenges due to the competitive nature of the current labour market.
- Whilst many BSA members are proud to support SMEs in their supply chains through the Levy transfer process, continued effort to promote knowledge of the process is still necessary to increase its reach and uptake.

Finally, whilst we recognise that skills funding is a devolved matter, many BSA members operate throughout the United Kingdom. Navigating the different apprenticeship regimes creates further commercial challenges, particularly where additional employer contributions are required to provide the same access to apprenticeships.

Are there any considerations for the AL that are specific to the Professional and Business Services sector or your subsector

BSA members employ large numbers of frontline operational colleagues - many of whom work part time. As highlighted above, apprenticeships are challenging for this group to undertake due to the minimum length and off the job hours required. There is, however, an opportunity to support these individuals to progress onto apprenticeships through shorter courses. To support this, levy paying employers could be allowed to use a proportion of their funds on shorter courses or qualifications.

The sector also employs a large number of individuals where English is not their first language. This can cause barriers to enter apprenticeships and allowing more flexibility for levy funds to be used for ESOL courses will be beneficial. It is worth emphasising that functional skills requirements are amongst the most commonly cited barriers by employers looking to support learners onto apprenticeships. This also has implications for completion rates. Separately, BSA members would welcome further discussions on improving completion rates and exploring the underlying reasons why learners may not complete their courses.

Members have also raised that further consideration should be given to the funding bands associated with Adult Care Worker Level 2 and Lead Adult Care Worker L3 standards. There are delivery challenges with the £3,000 for each standard when both standards include a diploma as well as knowledge, skills and behaviours to enable learners to complete end point assessment and ultimately achieve their apprenticeship.

Any ongoing interactions you are having with government to overcome any issues

The BSA meets regularly with DfE and BEIS stakeholders, including at a ministerial level, to raise the issues affecting members.

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Any recommended actions for the department to take

The BSA would welcome a review into how Levy funds are taken and allocated. We would urge BEIS colleagues to consider the following proposals:

- Reforming the Levy into a broader and more flexible training levy, including allowing for training that does not require a 12-month long programme.
- Allowing employers more flexibility in being able to use Levy funds for part time workers for shorter courses (such as Functional Skills including maths, English, and ESOL, as well as digital skills).
- Allowing Levy employers to use a % of their Levy funds to pay salaries for new recruited apprentices.
- Allow employers to utilise levy funding to support new starters by purchasing the tech and hardware needed for the role and their learning assessments.

We would welcome the opportunity to discuss these and other proposals in greater detail with BEIS colleagues.



Annex 1. List of BSA Members, August 2022

3C3 Ltd	Incentive FM
3SC	Ingeus
AECOM	ISS UK Ltd
Alvarez and Marsal	Jobs22
Amey Plc	Kier Group Plc
Aramark	KPMG
Atkins	Mace
Atos	Maple Strategy
AutogenAI	Maximus UK Ltd
Baachu	Medallia
Balfour Beatty Plc	Mitie
Barclays Corporate	MTC
Bellrock	NatWest
Bevan Brittan LLP	NCG
Bouygues E&S UK	OCS Group UK Ltd
Browne Jacobson LLP	P3
BT Group Plc	Pinsent Masons LLP
Business 2 Business	Polar Insight
Capita Plc	Reed in Partnership
Catch 22	Robertson FM
CBRE Ltd	Salisbury Group
CGI	Seetec Group Ltd
CH & Co Group	Serco Group Plc
City FM	Sharpe Pritchard LLP
Clyde & Co LLP	Sodexo Ltd
CMS Cameron McKenna Nabarro Olswang LLP	Sopra Steria Ltd
Community Models	Space Solutions
Compass Group Plc	Spend Network
Corndel Ltd	Strictly Education
Costain	The Grichan Whitestone Partnership
Deloitte	The Growth Company
DWF LLP	The Palladium Group
DXC Technology	The Shaw Trust
Elior UK Ltd	The Sustainability Group
Eric Wright FM	Trowers & Hamblins LLP
Fujitsu UK	Turley
G3 Systems Ltd	Veolia
G4S Plc	Vercity
Glaston Consulting	VINCI Facilities
GoodPeople	VPS Group
Grant Thornton	Wand Consulting
Hinduja Global Solutions	Wates Group
HP	Willmott Dixon
IBM	

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