

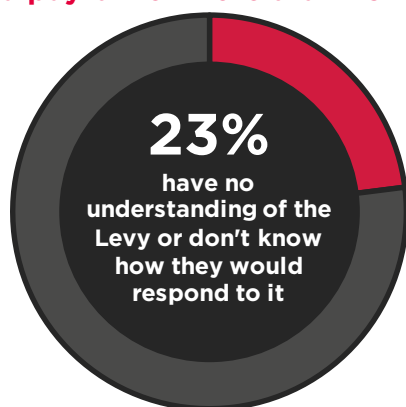
The British Chambers of Commerce (BCC) surveyed over 1,400 business people from all regions of the UK online between 17 July and 1 August 2017 to understand how the introduction of the Apprenticeship Levy is affecting UK businesses.

## BRITISH CHAMBERS OF COMMERCE WORKFORCE SURVEY 2017

### New apprenticeship system is increasing costs and uncertainty for business

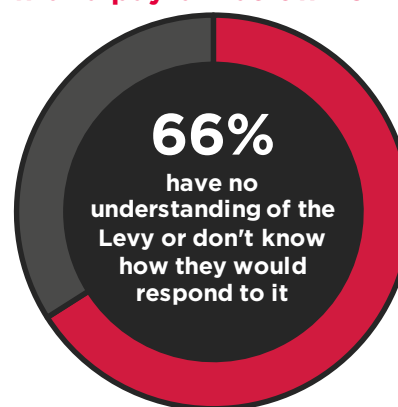
BCC's annual workforce survey of over 1,400 businesses (10% of whom are Apprenticeship Levy payers), held in partnership with Middlesex University London, found that businesses remain in the dark about how best to utilise the Apprenticeship Levy. The findings reinforce the need for clearer guidance and support for businesses wanting to utilise the Levy.

**For Levy paying businesses - firms with a pay bill of more than £3m...**



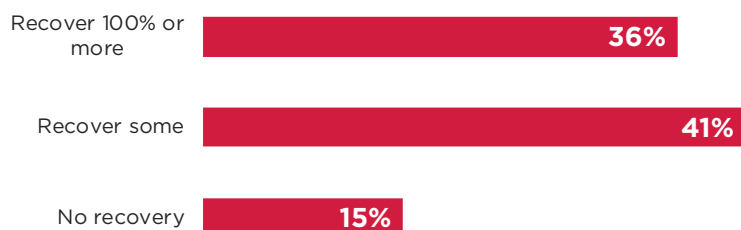
*What changes, if any, will your business make as a direct response to the introduction of the Apprenticeship Levy?*  
Levy payers n=133

**For non-Levy paying businesses - firms with a pay bill below £3m...**



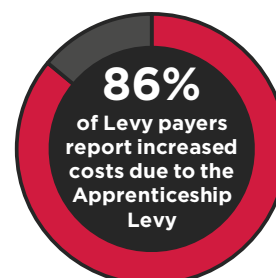
*What changes, if any, will your business make as a direct response to the introduction of the Apprenticeship Levy?*  
Non-Levy payers n=1,153

**Just over one-third of Levy payers expect to recover the full Levy amount spent by their company...**



*Do you expect to recover the Apprenticeship Levy amount spent by your company? i.e. by training sufficient apprentices to recoup the amount levied*  
Levy payers n=137

**...while the clear majority say the Levy has impacted their overall costs**



*Relative to your overall cost base, what impact has the App. Levy had on your business?*  
Levy payers n=137

**Jane Gratton**  
Head of Business Environment and Skills  
British Chambers of Commerce

“For many businesses who pay the Apprenticeship Levy, it can feel like an additional employment tax, much of which they are unable to recover, and one that is deflecting training budgets away from other important training needs. Firms need greater flexibility on how they can use their levy monies and a system that is fully operational as quickly as possible, is simple and efficient, and that enables them to access good quality training.

Our survey shows that many firms are still unaware of the Apprenticeship Levy and how it will impact on their business. With many companies across the country facing critical skills shortages, more information and support is required to ensure businesses continue to invest in training. ”

**David Williams**  
Director of Corporate Engagement  
Middlesex University London

“It is clear that better information is needed to make sure the huge benefits of apprenticeship programmes are recognised by business, including how they can maximise the levy, the array of qualifications and levels that can be studied through apprenticeships, that the opportunity applies to existing staff as well as newcomers, and that innovative delivery methods mean that an employee could be out of the workplace for as little as 12 days a year.

The opportunities that arise from the apprenticeships levy - together with robust workforce planning - could be transformative for businesses so it is essential that gaps in information and support around this initiative are addressed. ”

Profile of respondents: 96% of businesses surveyed were SMEs, 29% operate in the manufacturing sector, and 71% operate in the services sector.

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