

*The higher education mission groups are coordinating a letter to the Chancellor and relevant Secretaries of State on the defunding of level 7 apprenticeships. We are aiming to build a coalition of support from training providers, employers, apprentices and other representative bodies. **Please consider signing the letter [via this link](#) before Wednesday 4<sup>th</sup> December.** The link also includes the option to provide a short testimonial on the importance of level 7 apprenticeships. Thank you for your support.*

Dear Chancellor

*cc: Secretary of State for Education, Secretary of State for Health, Secretary of State for Business and Trade and Skills England*

We are a group of employers, training providers and representative bodies concerned about the impact of plans to defund level 7 apprenticeships on economic growth.

Increases in skill levels and high-skill occupations lead to employment and productivity growth. Level 7 apprenticeships are helping to provide the skills needed for occupations in growth-driving sectors outlined in 'Invest 2035' and to educate and train clinical staff and managers in the NHS.

The OBR forecast shows an £800 million gap in 2024/25 between receipts from employer contributions to the levy and the apprenticeship programme budget - more than three times the cost of level 7 apprenticeships in 2021/22. These receipts should be strategically reinvested into the skills system. **We are calling on you to increase the apprenticeships budget in line with the cost of funding level 7 apprenticeships in growth-driving sectors, high-potential SMEs and public services.**

The first Skills England report makes a compelling case for why we must ensure that more people of *all* ages are fully active in the labour market and qualified throughout their career. This means boosting education and training opportunities for young people, whilst also addressing the need to upskill and retrain people already in the workforce, who will make up over 71% of jobs in 2035.

Creating the conditions to reverse low business investment in the UK, including the decline in employer expenditure on training, will take time and coordinated effort. In the meantime, delivering on the 'youth guarantee' by shifting and storing-up problems elsewhere in the skills system will not deliver the high-skill, high-productivity workforce the UK needs. The 'kickstarting economic growth' and 'opportunity' missions can and should be mutually reinforcing.

We know the Treasury will want to carefully consider the evidence for a return on investing employers' contributions in this way. Unfortunately, so far, this is a consequential decision that has lacked clarity and transparency. **The Department for Education and Skills England should publish their rationale and evidence-base and then allow the time and process necessary for a range of stakeholders to provide expert analysis.**

We hope you will work with us to look holistically at the potential impacts and unintended consequences of this policy and step-in to prevent it slowing down the growth agenda.

Yours sincerely,

**Sign the letter here <https://forms.office.com/e/B0DzsQWDL6>**