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May 2025

Thank you for your letter of 11 October 2024 responding to the High-Level Skills Group’s concerns about the future of Level 7 apprenticeships. We welcomed the Government’s recognition of the vital role that higher-level skills programmes play in widening opportunity and supporting individuals to progress into successful, fulfilling careers.

The High-Level Skills Group is a coalition of employers, professional bodies, and higher education institutions committed to building the UK’s future workforce. While we know that no final decision has been announced, press reports suggest changes to Level 7 funding are imminent and may include a single exemption for apprentices aged 16-21. We are writing to raise concerns ahead of any formal announcement.

While the government's revised proposal - shifting from a blanket removal of funding for Level 7 apprenticeships to introducing a narrow age-based exemption - marks a slight improvement, its practical effect would be minimal. It fails to address the core concerns raised by providers, employers, and individuals who would still be excluded from accessing or delivering these programmes - damaging from both an economic and social mobility perspective.

Independent research from Manchester Metropolitan University highlights how Level 7 Senior Leader apprenticeships are a key driver of economic growth and social mobility across the UK. Notably, 23% of MMU's apprentice alumni were entitled to free school meals during their upbringing, yet they now earn an average salary of £53,350, demonstrating significant upward economic mobility. Additionally, 61% were the first in their family to attend university, underscoring the programme's role in widening access to higher education and leadership roles.

Furthermore, data from the Chartered Association of Business Schools shows just 16 Level 7 Business & Management apprentices in 2022/23 were in this age group, with only 100 more aged 22–24. In contrast, 88% were aged 31 or over.

Similarly, in sectors like tech, where Level 7 is often a second qualification pursued after industry experience, the average age is 22-23. Unlike fields such as accountancy, where 18-year-olds can access integrated or accelerated pathways to Level 7, learners in digital and technology disciplines rarely enter at this level directly after school or college. Most progress after completing a Level 6 qualification, typically between the ages of 21 and 25. Restricting funding by age would therefore disproportionately impact those already in the workforce, the very group most likely to benefit from, and participate in, these programmes.

Public sector employers and SMEs would also be hit hard. For example, the Advanced Clinical Practitioner apprenticeship requires prior registration, effectively ruling out anyone under 21 making an age-based exemption unworkable for the NHS and similar employers and thereby reducing access to critical workforce development opportunities.

Whilst we acknowledge the importance of the Government’s aim to support more young people to access these opportunities, cutting off funding at 21 may have an adverse effect and deter school leavers from starting apprenticeships at lower levels (2-6) knowing they are unlikely to be eligible for continued support to progress through the system, undermining the ‘ladder of opportunity’ apprenticeships are meant to provide.

We therefore urge the Government to reconsider the speed and scope of any forthcoming reforms. In particular, we recommend **delaying implementation until at least January 2026, or ideally the start of the next full academic year**, to allow sufficient time for providers, employers and learners to prepare for change. Further to this, we strongly recommend **the government engages with stakeholders to understand how the Apprenticeship Levy funds can be spent most effectively**, as well as **delaying a final decision on Level 7 until next month’s Spending Review,** when budgets will be announced and the financial headroom available to the Department will be clearer**.**

Moreover, it is critical that the Government engages with an open conversation on how their wider budgets can be spent most effectively, which means **exploring opportunities to reallocate financial resources into the apprenticeship budget**. We’re also keen to work with the Department for Education to highlight the need for greater investment in skills, improved transparency around Levy allocations, and a Treasury guarantee that Levy receipts match funding available for training.

Given the absence of non-apprenticeship training in Levy reform discussions, employers want assurances that the new Growth and Skills Levy will support investment in high-level skills, regardless of learner age, including shorter, flexible, modular training routes. Employers should have the freedom to invest in quality training opportunities that meet their individual business and workforce needs. This will help to train the existing workforce (who will be responsible for delivering 7 in every 10 of the jobs by 2035) and ensure the labour market can become a competitive strength rather than strain in the government’s growth mission.

Finally, we would also like an **assurance that there will be no further extension of defunding below Level 7**. As the case of Level 7 has proven, businesses do not have the capital to invest in this training from outside of the Levy, meaning a decision for defunding will simply mean these forms of training are not delivered. Protecting this route for all workers, not just young entrants, is essential for building a globally competitive, highly skilled UK economy.

We would welcome the opportunity to meet with you as the High Level Skills Group to explore how we can support the Government in making the levy more inclusive and responsive to employer and learner needs.

Yours sincerely,

The High-Level Skills Group

Represented by:

Chartered Management Institute (CMI - Group Chair)

CBI

Chartered Association of Business Schools (CABS)

Corndel

Manchester Metropolitan University

NHS England - Workforce, Training and Education Directorate

TechSkills

TechUK

The Association of Employment and Learning Providers (AELP)

University of Exeter

**University Vocational Awards Council (UVAC)**