



The Rt Hon Nadhim Zahawi MP,
Secretary of State for Education,
20 Great Smith Street,
London,
SW1P 3BT

Helen Dickinson OBE
Chief Executive
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March 2022

Dear Nadhim,

Spring Statement 2022

I am writing to you ahead of the Chancellor's Spring Statement to set out how small, targeted changes to the Apprenticeship Levy and apprenticeship funding could help unlock thousands of new apprenticeship places in every community, supporting the Government's ambitious levelling up missions in all parts of the country.

I was pleased to hear the Chancellor say, in his Mais Lecture in late February, that he intends to look at the Apprenticeship Levy, to ensure it is incentivising businesses to invest in training. Many of our members pay the Apprenticeship Levy and use the subsequent funds not only to support the thousands of apprenticeships within their own organisations, but many transfer funds to other organisations in their supply chain to fund additional places. However, because of restrictions on what the funds can be used for, a significant percentage of the funds remain unspent and for some organisations the Levy is simply a jobs tax.

Apprenticeships are available to colleagues across all stages of their retail career, and we know they are valuable tools to encourage professional development, from entry-level courses which have been shown to boost the apprentice's earnings by 20% over four years, to degree-level apprenticeships for more experienced retail workers. For this reason, we urge you and the Chancellor to take the opportunity this Spring Statement to follow through on the commitment to bring forward positive changes in the system.

The BRC has worked with members to propose several small, targeted changes to the apprenticeship system including allowing Levy funds to be used to support high-quality short courses in functional skills to improve existing staff's productivity, to cover a portion of costs associated with apprenticeship training, and to fund pre-employment and pre-apprenticeship programmes which could help build confidence and skills in new staff prior to beginning a full apprenticeship. Figures suggest if these changes were made, upwards of 8,000 additional apprenticeship places could be created across retail.

I would welcome the opportunity to discuss how retailers can work with the Government to ensure that apprenticeship policy is efficient and supports the aims of the levelling up agenda with you, and can facilitate a roundtable with the CEOs of leading retailers so you can hear their thoughts and apprenticeship successes directly. Emma Revell from the BRC (emma.revell@brc.org.uk) would be happy to work with your team to make the necessary arrangements.

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I look forward to hearing from you in due course.

Yours sincerely,

A handwritten signature in blue ink that reads 'Helen Dickinson'.

Helen Dickinson OBE
Chief Executive

CC: The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer

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