

Rt Hon. Jeremy Hunt MP
House of Commons
London
SW1A 0AA

19 June 2019

Dear Mr Hunt,

CIMA outline five steps to boost apprenticeships and increase UK productivity

I am writing to you as Chief Executive of the Chartered Institute of Management Accountants. We are the world's largest body of management accountants, with 80,000 members in the UK alone and we celebrate our centenary this year. If you are elected as leader of the Conservative Party and become the new Prime Minister raising UK productivity will likely be a key concern.

Recent Office of National Statistics (ONS) figures show that UK labour productivity growth is a quarter of what it was a decade ago and McKinsey predict that the UK could be a third less productive than Germany by 2025. Higher productivity is essential to raising UK wages and boosting tax revenues without increasing taxes, but it won't be easy to achieve.

Recent CIMA produced research shows the scale of the challenge:

- 8 million UK workers face an uncertain career if they do not change their mind-set towards gaining new skills (Mind the Skills Gap, CIMA, 2017)
- White collar jobs are increasingly at risk of automation (Future of Finance, CIMA, 2019).

Apprenticeships are a key tool that we believe can help companies retrain and upskill existing employees to increase their productivity. It should be easier to fund and create more apprenticeships. The five measures we outline below should help to deliver an apprenticeship scheme that delivers a more skilled and productive UK workforce.

Five policy proposals to boost apprenticeships:

1. Allow organisations to provide both tuition and examinations of apprenticeships.
2. Have one regulator to oversee the tuition and examinations of apprenticeships.
3. Change the Apprenticeship Levy to an Apprenticeship and Skills Levy – so funding can be put towards reskilling.



4. Keep funding higher level apprenticeships and work to expand their number.
5. Schools should have to produce yearly figures on school leavers going to start apprenticeships as they do for those going to university.

We are keen to work with you on these important issues in future and would like to meet with you or your team to discuss in greater detail. If you would like any more information on the work of CIMA, or on our views and thoughts on policy please do not hesitate to get in touch at ross.archer@aicpa-cima.com or at the number below.

Yours sincerely,

Andrew Harding
Chief Executive - Management Accounting