

Rt Hon Phillip Hammond MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

Contact: Dianna Neal  
Direct line: 020 7934 9819  
Fax:  
Email: dianna.neal@londoncouncils.gov.uk  
Our  
reference:  
Your  
reference:  
Date: 12 December 2018

Dear Chancellor,

### **The apprenticeship levy in London**

We are writing to you as a coalition of London local government and major employers in the capital concerned about the apprenticeship levy.

We support the apprenticeship levy and want to fully use it in London to improve the capital's productivity and economic output, as well as increase social mobility and widen opportunities for all Londoners.

We welcome the reforms you announced recently including extending the levy transfer to 25 per cent of all levy funds, additional resource for the Institute for Apprenticeships and a review of how the levy operates after 2020.

But we believe the government needs to move further and faster with levy reforms to meet the need in London. All the indications are that many London businesses are not fully using their apprenticeship levy and are struggling with the current system. We have skills shortages in London and these are likely to be exacerbated when we leave the EU. There is an urgent need to make the levy work better in London.

We want to work with government to explore if we can pilot some more flexibilities to the levy in the capital, in order to:

- Increase its flexibility for employers
- Increase and speed up the supply of Apprenticeship Standards and future proof them
- Make the system simpler and more user-friendly for employers and learners.

We have developed a joint paper that sets out the details and rationale behind our proposals, attached to this letter.

We are also writing to the Rt Hon Anne Milton MP, Minister for Apprenticeships and Skills and seeking a meeting to discuss these proposals with her. We would welcome your support for these proposals and look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink that reads "Georgia Gould".

Cllr Georgia Gould,  
**Executive Member for Skills and Employment, London Councils and Chair, Central  
London Employment & Skills Board**

A handwritten signature in black ink that reads "Jules Pipe".

Jules Pipe CBE  
**Deputy Mayor for Planning, Regeneration and Skills**

A handwritten signature in black ink that reads "Jasmine Whitbread".

Jasmine Whitbread  
**Chief Executive, London First**

A handwritten signature in black ink that reads "Colin Stanbridge".

Colin Stanbridge  
**Chief Executive, London Chamber of Commerce and Industry**

A handwritten signature in blue ink that reads "Darren Rodwell".

Cllr Darren Rodwell  
**Chair, Local London Skills and Employment Board**

A handwritten signature in black ink that reads "Ruth Dombey".

Cllr Ruth Dombey  
**Chair, South London Skills & Employment Board**

A handwritten signature in black ink that reads "Steve Curran".

Cllr Steve Curran  
**Chair, West London Skills and Employment Board**