

Structural barriers to apprenticeships slowing progress on green skills

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[The Aldersgate Group](#) has published a briefing highlighting the value of apprenticeships and the challenges impacting the success of the Apprenticeship Levy. The new publication outlines a series of recommendations that government should consider when implementing its new Growth and Skills Levy, in order to maximise its effectiveness and mitigate against potential negative knock-on effects.

Apprenticeship programmes are integral to addressing the UK's severe skills challenges whilst also supporting social mobility. They are also vital in supporting net zero and nature goals, with a growing number of sustainable apprenticeship programmes, including Level 2 countryside worker, Level 3 low-carbon heating technician, and Level 7 sustainability business specialist. [1]

Despite their importance, apprenticeship starts have declined sharply over the past decade. In 2022/3, there were 337,140 apprenticeship starts, far below the 494,880 recorded in 2016/7 and the peak of 520,600 in 2011/2 [2]. Since the introduction of the Apprenticeship Levy, the number of youth apprenticeships has also fallen, as have the number of apprentices starting in small and medium-sized businesses.

Informed by the expertise of major businesses, professional bodies, and educational bodies, this publication sets out a series of policy recommendations government should adopt to address barriers to apprenticeships:

1. Provide long-term policy certainty to give employers confidence to invest in skills for their workforce, and for training providers to offer new courses.
2. Boost careers advice and awareness of apprenticeship delivery options.
3. Offer greater financial support to SMEs and apprentices.

4. Make the apprenticeship funding model more transparent.

Marie-Laure Hicks, Head of Policy at the Aldersgate Group, said: “Transforming the Apprenticeship Levy into a Growth and Skills Levy presents a golden opportunity to spark employer investment in skills, rejuvenate the apprenticeship pipeline, and support the government’s growth, net zero, and environmental goals. The rigid rules on how funds can be spent and how apprenticeship programs are delivered currently act as barriers to investment, and have contributed to the decline in apprenticeship starts over the past decade.

“To achieve genuine success, the government must go beyond merely providing greater flexibility. It needs to address the broader structural challenges facing apprenticeships. Tackling these issues will create a more conducive environment for apprenticeships to thrive, ensuring that the Growth and Skills Levy achieves its full potential.”

Ben Goodwin, Director of Policy and Public Affairs at IEMA, welcomed the report noting: “This Aldersgate Group report rightly highlights the shortcomings of the existing Apprenticeship Levy and sets out several practical steps that can be taken to reform it and boost apprenticeship starts. A quality apprenticeship system is a key aspect in creating green growth. Going forward, apprenticeships are integral to the wider context of developing the workforce that is required to deliver on our long-term climate and environmental commitments”.

John Mewett, Chief Executive Officer at Screwfix, said: “To achieve the government’s ambition to upgrade the energy efficiency of millions of homes over this Parliament, it’s crucial to get the apprenticeship and skills system right for tradespeople who will make this happen. Central to this will be policies that support sole traders or small businesses of less than five people, who make up 90% of the trade sector, to engage with the education system. We hope this briefing from Aldersgate can inform next week’s budget, and the development of Skills England”.

Dr Adam Read MBE, Chief Sustainability and External Affairs Officer at SUEZ recycling and recovery UK, said: “SUEZ welcome this timely briefing from the Aldersgate Group, as we are increasingly faced with the urgency of bridging the green skills and competency gap within the waste and resources sector and the wider sectors of society that we service. Apprentices are essential in our transition to a more circular economy as they make up a significant proportion of the future generation of talent that we need, who see the world differently and can help design out waste and recover valuable resources in new and more effective ways – they will play a crucial role in addressing our green skills gap and that of many other businesses in our sector, and other sectors who are decarbonising rapidly.

“Re-inventing the apprenticeship levy and delivery programme is vital, as is improving the narrative around green jobs and the sector’s in transition to make them attractive to all people. The Growth and Skills Levy is a welcome first step in this transition, as we look to ensure our training, upskilling and reskilling programmes meet our specific needs and our sector’s demands and we are not forced into a rigid system with limited choices of approved courses. But Government now needs to provide policy certainty to give employers and training providers confidence to really invest to drive green growth, identifying the key gaps in our short and medium term skills and competencies and how these can be addressed effectively to ensure the UK is not left behind. We also need greater awareness of the importance of apprenticeships and the many career routes on offer, so that we can attract and develop the pipeline of future leaders needed to drive the UK’s net-zero transition. This should be an exciting time for those looking to develop new

careers and starting out on their first jobs, and we must harness this positivity and drive forward change with equal measures of creativity, passion and vision.”