

APPG - Apprenticeships and the Industrial Strategy

[Call for Evidence | All-Party Parliamentary Group on Apprenticeships](#)

Organisation: Energy & Utility Skills Group

Respondent: Paul Cox, Group Chief Executive

1. To what extent do you welcome the skills reforms initiated by this Government?

Mark this question 7 out of 10

2. Set out your initial view on the performance of Skills England and its policy development process.

EUSG welcomes the establishment of Skills England and its ambition to create a more coherent, employer informed and evidence led skills system.

At a strategic level, the direction is positive. The next test is whether Skills England can translate national workforce evidence into timely policy, funding and provision that responds to employer demand. For large employers operating across the UK, an additional test is whether reforms in England are straightforward to navigate alongside the distinct arrangements in Scotland, Wales and Northern Ireland. Apprenticeship policy must protect occupational competence and public safety.

Following concerns raised by industry about the initial approach to apprenticeship assessment reform, the EUSP CEO Council welcomed the February 2026 Skills England position and subsequent agreement to adopt a sector specific, risk based approach to protecting competence in safety critical occupations.

The current reforms also risk overlooking entry level routes and adult entrants. The EUSP CEO Council strongly supports increasing opportunities for young people, particularly those not in education, employment or training, but has cautioned against reforms disproportionately focusing on younger learners. Safety critical industries require new workers from every age group, with those aged 21 to 24 identified as a significant opportunity for increasing participation.

EUSG is working with DWP through the Youth Guarantee and Sector Entry model to develop practical routes into employment and apprenticeships. Initial Sector Entry pilots have seen 18 of 21 completers secure employment.

3. How important are apprenticeships to delivery and innovation within the Government's Industrial Strategy?

Mark this question 10 out of 10

4. How closely do current Apprenticeship Standards reflect the specific technical requirements of the eight priority sectors identified in the Industrial Strategy? How responsive is Skills England to skills needs in these sectors?

Apprenticeships continue to deliver strong long term outcomes across our sectors. Employers have shared examples of retention rates exceeding 90% after ten years, while Energy & Environment Awards reports average pass rates above 95% across power, gas and water apprenticeship assessments.

Apprenticeships are fundamental to developing occupational competence, increasing workforce capacity and creating sustainable routes into skilled employment.

Energy, water and their supply chains require highly specific technical capability, frequently within safety critical environments. Standards must therefore remain aligned to employer defined occupational requirements as technology, regulation and working practices change.

The EUSP CEO Council has identified two connected priorities. First, reform must protect competence and safety, particularly in safety critical occupations. Second, Government and industry must increase trainer and assessor capacity. A technically appropriate standard cannot meet workforce demand without sufficient capacity to train and assess against it.

Skills England should use employer informed workforce evidence to anticipate where occupational standards and training capacity need to expand, particularly where Industrial Strategy sectors share engineering, technical, digital and project capabilities.

Responsiveness must also improve. EUSG first wrote to Skills England in autumn 2025 with evidence of member and industry need relating to the Growth and Skills Levy. Progress has been slow despite the strength of that evidence, which subsequently informed Migration Advisory Committee consideration of occupations for the Temporary Shortage List.

5. How can LSIPs be better integrated with national Industrial Strategy goals to prevent regional skills disparities?

Place based skills planning is important, but many employers, infrastructure programmes and workforce requirements operate across regional boundaries.

National and sector workforce evidence should identify priority occupations and future demand. Local and regional systems can then determine how employers, providers and labour markets contribute to meeting that demand.

The EUSP CEO Council has prioritised an adult skills devolution model that maximises place based investment and opportunity while ensuring large and UK wide employers can access simple and consistent arrangements that enable provision to be scaled quickly and effectively. The funding and skills model should recognise the number of micro, small, medium and large employers, the citizens they employ and their contribution to GVA.

Place and national scale should not be competing principles. The system should be capable of directing investment towards communities while remaining straightforward for employers whose workforce and infrastructure requirements cross regional and national boundaries.

Local intelligence should inform national planning, while national workforce requirements should provide context for local decisions. Employers operating across multiple regions should not have to navigate unnecessary differences in commissioning, funding or delivery arrangements to meet the same occupational need.

Local authorities and devolved structures are important enablers of apprenticeship success, but they cannot be solely responsible for it. Success also depends upon national policy, funding, occupational standards, employer demand and sufficient provider, trainer and assessor capacity.

The objective should be complementary national and local planning. National evidence provides clarity about workforce requirements and local systems mobilise employers, providers and citizens to meet them. This would increase capacity, reduce duplication and create greater certainty and consistency.

6. To what extent will levy reform alleviate friction in the apprenticeships system?

Mark this question 5 out of 10

7. What is your view of the Growth and Skills Levy and, if it should be improved, how?

EUSG supports greater flexibility through the Growth and Skills Levy where this increases the impact of skills investment while protecting full apprenticeships. Employers require different interventions for different workforce needs. Full apprenticeships remain essential for developing occupational competence and creating pathways into skilled careers. Existing workers may instead require targeted development in response to changing technology, regulation or occupational requirements.

Greater flexibility has the potential to reduce friction and enable employers to invest more effectively. However, EUSG members have reported choosing not to use apprenticeships because of funding complexity, assessing that a self funded trainee model offers greater value to their business. Therefore, flexibility alone will not resolve the barriers employers experience. Funding, administration and delivery policy also need to become simpler and more consistent, while reform must protect occupational competence, quality and safety.

The measure of success should be whether employers can invest more effectively, more people develop the competence employers require and available funding delivers greater workforce and productivity outcomes.

The EUSP CEO Council has agreed that apprenticeship funding, administration and delivery policy should evolve, simplify and align, enabling employers and their supply chains to invest more effectively and maximise public and employer investment.

The EUSP CEO Council has also prioritised maximising levy utilisation and minimising underspend returning to Government, ensuring that available investment remains in skills and contributes to productivity.

Success should mean simpler administration, increased employer investment, greater workforce capacity and maintained quality.

8. Which sectors stand to benefit most from apprenticeship units?

The sectors that stand to benefit most from Apprenticeship Units are those experiencing rapid technological change, acute workforce shortages and significant requirements to upskill or reskill an existing technical workforce. Energy, water and their supply chains are strong examples.

The EUSP CEO Council has specifically prioritised accelerated RQF3 readiness through Growth and Skills Levy approved Apprenticeship Units aligned to sector specific competence requirements. EUSG, working with National Grid, is actively engaging DESNZ and Skills England to develop an Apprenticeship Unit for Overhead Linesworkers.

The EUSP CEO Council welcomes the Government's intention to introduce greater flexibility through Apprenticeship Units, but believes clearer progression routes and greater flexibility are required if units are to support workforce development, new technologies and career mobility effectively.

Units could provide targeted development where workers already possess significant occupational capability but require additional knowledge or skills to progress, adapt to changing technology or move into adjacent roles.

They may also support workforce mobility. Workers moving between sectors can possess valuable transferable experience but require specific additional competence before becoming productive in a new occupation. Units must complement rather than dilute full apprenticeships. They should be employer informed, quality assured and aligned to genuine occupational requirements. Where a full apprenticeship is necessary to establish occupational competence, it should remain the appropriate route.

Used appropriately, apprenticeship units can increase capacity and speed while retaining clear standards and progression towards skilled employment.

9. Will the current 12 month expiry window for levy funds facilitate or hinder workforce planning across IS 8 sectors?

Mark this question 4 out of 10

10. How can the relationship between HM Treasury and DWP/DfE be improved to deliver a sustainable budget for skills in England?

Skills investment should be connected more directly to sector specific workforce demand, economic growth and planned infrastructure investment.

Government departments should operate from a shared evidence base identifying the occupations, competence and workforce capacity required to deliver national priorities.

This is particularly important where responsibilities for economic growth, employment, skills and education sit across different departments but employers experience them as a single workforce challenge.

Funding decisions should provide sufficient certainty for employers and providers to plan capacity, recruit trainers and assessors, invest in facilities and build sustainable workforce pipelines.

A shorter apprenticeship levy expiry window risks hindering strategic workforce planning, particularly in sectors delivering long term infrastructure programmes. Workforce requirements, apprenticeship recruitment, provider capacity and infrastructure investment frequently need to be planned across multiple years. A 12 month window increases the importance of giving employers simple mechanisms to forecast, deploy and transfer levy funding before it expires.

The EUSP CEO Council has identified certainty and consistency as critical outcomes, including stable funding, aligned rules and predictable planning. It has also prioritised removing disincentives for frontline staff to become trainers and assessors because insufficient capacity can create competence bottlenecks and delay infrastructure delivery.

Funding decisions also need to consider delivery capacity. The EUSP CEO Council has identified trainer, mentor and assessor capacity as an emerging constraint on apprenticeship growth. This has already been evidenced through engagement with the Migration Advisory Committee, DBT, DWP and DESNZ. Unless addressed, it risks becoming a limiting factor on both apprenticeship participation and infrastructure delivery.

A sustainable skills budget should therefore be informed by evidence of future workforce demand and consider the capacity required to deliver training, not simply the funding available for individual learners.

The objective should be alignment between economic policy, workforce planning and skills investment, with clear accountability for whether public investment is creating the workforce capacity required by the economy.

11. How can the Government's funding mechanism for the skills budget be better devised and communicated to employers and training providers?

The funding system should be simpler, more predictable and more clearly connected to evidenced workforce need. Employers and training providers need sufficient

certainty to plan investment, build delivery capacity and respond to future workforce demand.

Government should design and communicate funding through the employer and learner journey rather than through departmental or programme structures.

Employers should be able to understand clearly what investment is available, who it supports, which workforce needs it addresses, how it can be accessed and for how long. Training providers require similar forward visibility to invest confidently in provision, trainers and assessors.

This is particularly important for large and UK wide employers whose workforce requirements cross regional and national boundaries. The EUSP CEO Council has prioritised simplifying apprenticeship funding, administration and delivery, alongside an adult skills devolution model that maximises place based investment while enabling large and UK wide employers to access simple and consistent arrangements.

Government should also make greater use of sector bodies and employer networks to communicate funding changes, aggregate demand and test implementation before new arrangements become operational.

The objective should be a funding system that employers and providers can understand, plan around and use effectively, converting public and employer investment into the workforce capacity required by the economy.

12. To what extent do you see apprenticeship units as meeting the upskilling needs of innovative sectors compared with full apprenticeship programmes?

Apprenticeship units and full apprenticeships should fulfil different but complementary purposes.

Full apprenticeships remain essential where an individual needs to develop the complete knowledge, skills and behaviours required for occupational competence. This is particularly important for new entrants and safety critical technical occupations.

Units have potential where an existing worker already possesses substantial occupational competence but needs targeted additional capability.

This could be particularly valuable in innovative sectors where technology and working practices are changing quickly. Digital capability, artificial intelligence and new technical requirements can create development needs more rapidly than traditional programme cycles.

The EUSP CEO Council has therefore prioritised apprenticeship units specifically as a mechanism to accelerate RQF3 readiness where units are aligned to sector specific competence requirements.

The distinction matters. Units should not become substitutes for full apprenticeships simply because they are shorter or less costly. They should be used where targeted learning genuinely meets an identified workforce and competence requirement. The opportunity is to create greater flexibility without fragmentation: full apprenticeships developing occupational competence, complemented by quality assured units that enable targeted upskilling, reskilling and progression.

13. Please set out your view on the Government's reform of End Point Assessment.

EUSG supports reform where it improves quality, proportionality and delivery while maintaining confidence in occupational competence and public safety. The EUSP CEO Council raised concerns about the initial approach to apprenticeship assessment reform and subsequently welcomed the February 2026 Skills England position and agreement to adopt a sector specific, risk based approach to protecting competence in safety critical occupations.

That principle should guide the implementation of assessment reform. Assessment should provide employers, apprentices and the public with confidence that an individual has achieved the competence required for their occupation. Proportionality is important. Assessment arrangements should be appropriate to the occupation and should avoid unnecessary duplication or administrative burden. However, simplification should not weaken independent assurance where this is necessary to demonstrate competence. Weakening independent competence

assurance also risks transferring cost rather than removing it, if employers subsequently need to reassess or retrain workers when they move between organisations.

This is particularly important in safety critical infrastructure occupations where errors can have significant consequences for workers, customers and the public. Employers should remain closely involved in defining the competence that assessment must demonstrate, and reforms should recognise that appropriate assessment arrangements may differ between occupations.

The test of reform should not simply be whether assessment becomes quicker or cheaper. It should be whether the system maintains or improves quality, increases capacity, reduces unnecessary friction, supports portability of competence between employers and provides credible assurance that apprentices are occupationally competent.

14. How can SMEs be incentivised to take on apprentices?

The priority should be to remove practical barriers rather than rely solely on additional financial incentives.

SMEs can face challenges around funding, administration, recruitment, provider access and the capacity to support apprentices in the workplace. Simplifying apprenticeship funding, administration and delivery would therefore directly benefit smaller employers.

There is also an important role for larger employers. Major infrastructure programmes depend upon extensive supply chains, and levy transfer provides an opportunity for larger employers to support apprenticeship investment across those supply chains.

Trainer and assessor capacity is another constraint. The EUSP CEO Council has identified the need to remove disincentives for frontline staff to become trainers and assessors, helping unlock capacity and prevent competence bottlenecks. SMEs need simple access to funding, high quality providers, sufficient training capacity and practical support to participate.

The objective should be to make taking on an apprentice a straightforward workforce investment for an SME rather than an administrative project.

15. How can schools' careers advice be improved to promote the apprenticeships pathway?

Apprenticeships should be presented as a mainstream route into skilled employment and career progression, not as an alternative for young people who do not pursue higher education.

The EUSP CEO Council has recognised that increasing apprenticeship participation will require continued efforts to raise awareness and understanding amongst young people, parents, carers and educators. Careers information should promote technical education and apprenticeships as high quality routes into skilled employment and show clearly where those routes can lead.

This should extend beyond promoting apprenticeships as a single destination. Young people should be able to see the complete pathway from school into sector entry opportunities, Foundation Apprenticeships, full apprenticeships, skilled employment and higher level progression.

Employers have an important role in making occupations visible and credible. Careers information should therefore connect young people to real occupations, employers, entry requirements, progression opportunities and workforce demand. Better careers advice should help young people make informed choices based on their capabilities, interests and employment opportunities, while giving technical education and apprenticeships equal visibility alongside academic pathways.

16. To what extent are local authorities and other devolved government structures responsible for the success of the apprenticeships system?

Mark this question 7 out of 10

17. If you had one policy recommendation for Government, what would it be?

Create an apprenticeship and skills system driven by evidenced workforce demand, with funding, administration, standards, entry and progression pathways, and training and assessment capacity aligned to the occupations required to deliver the Industrial Strategy and essential infrastructure.

The EUSP CEO Council has identified the connected components required to achieve this. Apprenticeship reform should protect competence and public safety, simplify funding and administration, enable employers and supply chains to invest effectively, widen routes into skilled employment across age groups, support progression from RQF1 through to higher level occupations and ensure sufficient trainer, mentor and assessor capacity to meet workforce demand.

These are not separate policy challenges. Together they determine whether public and employer investment in skills becomes productive workforce capacity. Energy, water and their supply chains demonstrate the opportunity. They support occupations from RQF1 to RQF8, deliver high GVA per worker and underpin essential infrastructure and wider economic growth.

EUSG and members of the EUSP CEO Council are ready to work with governments across the UK to help develop this approach.

The measure of success should be whether the UK has the competent workforce required to deliver its economic ambitions.