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Welsh Parliament

Economy, Trade, and Rural Affairs Committee

Inquiry: Apprenticeship pathways

Ref: AP03

Evidence from: National Training Federation for Wales





Response from the National Training Federation Wales (NTfW) to the Economy, Trade and Rural Affairs Committee Inquiry into Apprenticeship Pathways

Pathways between Apprenticeship Levels: Mapping out career routes through different apprenticeship levels presents several challenges. Learners progressing to higher levels often face difficulties in securing tasks or responsibilities aligned with the apprenticeship framework or required level, leading to interruptions and breaks in pathways. This issue is particularly pronounced in sectors such as Care, where age restrictions on certain tasks prevent younger learners from advancing. Additionally, junior apprenticeships and vocational qualifications delivered in pre-16 settings frequently result in learners achieving level 2 outcomes but leave them ineligible for foundation apprenticeships due to their age and inexperience. Higher-level apprenticeships (levels 3 and above) often necessitate skills in managing people and related tasks, which are typically suited to more experienced candidates. Addressing these structural and developmental challenges through clearer pathway planning, flexible programme design, and tailored support mechanisms is essential to promoting sustained learner progression and workforce readiness.

Lack of information on career pathways through Apprenticeships for parents/carers/learners/employers is also a challenge - The Careers Wales and working Wales sites do mention pathways but these are more about education pathways rather than sectoral and the ACW website desperately needs updating – Visual sectoral pathways with links through to an improved ACW site and the AVS would be beneficial.

Some career pathways are very well established and present little challenge for progression, e.g., Accountancy from level 2 to 4/Engineering up to Degree Apprenticeships, in both most learners progress from each level to the next, natural technically career-focused pathways. However, there are eligibility restrictions on entry at Level 2 for some pathways where it is a mandatory requirement, e.g., to complete Accountancy at Level 3 you need to complete the level 2 but because it is not a mandatory requirement of the Level 3 that a learner has to have completed the Level 2 first, then a learner with a Degree (not a finance degree, e.g., History/Sociology etc.) would not be eligible for funding for the Level 2 Apprenticeship and would have to pay to complete that before progressing to the Level 3.

There are other pathways that have multiple options e.g., Digital – learners may vary their pathway from telecoms to data or from Software to Cyber as they progress however that requires providers to have the resources to support what is an expensive pathway for employing staff in such specialist areas, collaboration has been sought with Universities to work in partnership to allow progression, even jointly deliver, but HE also have resource issues and sometimes this can result in displacement of learners.

Furthermore, higher-level apprenticeships (levels 3 and above) often necessitate skills in managing people and related tasks, which are typically suited to more experienced candidates. Job descriptions should clearly outline expectations for these responsibilities; however, this prerequisite can act as a barrier to progression for less experienced apprentices. Addressing these structural and developmental challenges through clearer pathway planning, flexible programme design, and tailored support mechanisms is essential to promoting sustained learner progression and workforce readiness.

Economy: Apprenticeship pathways play a crucial role in supporting the needs of Welsh businesses and contribute to filling skills gaps in the Welsh economy. For many SMEs, apprenticeship programmes remain a vital means of delivering training and development aligned to national standards, facilitated by quality-assured providers. However, uncertainty around future apprenticeship funding in Wales and inadequate investment in developing appropriate vocational qualifications is fostering concern among employers, discouraging them from fully adopting apprenticeships as a primary skills development strategy. This hesitancy is further exacerbating the gap between current workforce capabilities and future skills requirements. The more technical and time-intensive nature of revised apprenticeship qualifications introduced by Qualifications Wales may also pose challenges for employers, particularly at foundational levels, where shorter, more practical training models are often preferred as stepping stones for workforce development and career progression.

WG have always responded well to demands from employers on apprenticeship programmes/pathways, however speed of response is the challenge, e.g., there is no current Insurance Higher Apprenticeship available as the last Competent Qualification ran out at the end of Dec (this had been extended twice previously) – though there is limited demand the Insurance sector is a large part of the financial services sector in Wales and the framework was not fit for purpose.

Apprenticeships are intrinsically linked to the wider qualification review/development system and the current sector reviews etc, in their current format, are lengthy and expensive to complete, there needs to be a more fluid way of keeping pace, e.g., Medr led task and finish groups with employers, providers and Awarding organisations actively involved to clearly identify what is needed, there are a lot of qualifications that are fit for purpose such as Industry/vendor quals that could suit employer needs particularly in niche technical skills, where demand is not high but key employers don't have an option. – see Insurance example above, this slow responsiveness can hinder gap filling in emerging sectors or fast paced sectors.

Employers: Recruiting staff within micro and SME businesses continues to be a significant challenge, whether for apprenticeship roles or other positions. However, evidence suggests that staff retention rates improve notably when employees are engaged through apprenticeship programmes, highlighting their value as a workforce development tool. Micro, small, and medium-sized businesses, particularly within the hospitality sector, are under increasing financial and operational pressures. Recent data from Altus Group (2024) highlights that rising National Insurance contributions, increases in the minimum wage, and

higher business rates are contributing to record levels of business closures across the UK. These financial burdens are directly impacting recruitment efforts, including the ability to recruit and retain apprentices. Despite these challenges, the hospitality sector remains the second-largest employer in Wales and is prioritised within all Regional Employment and Skills Plans for 2022–2025.

Apprenticeships represent a critical tool for attracting and retaining staff to support businesses through these difficult times, and the dispensation offered to employers, exempting them from National Insurance contributions, provides valuable financial relief. However, small employers often face additional challenges related to progression opportunities, particularly at higher apprenticeship levels, as their size and structure may not support the higher-level roles and salaries required by apprenticeship standards. SMEs frequently encounter obstacles such as limited administrative capacity, financial constraints, and a lack of awareness about the benefits and processes associated with hiring apprentices. Providing additional funding and targeted support to help SMEs promote and engage with apprenticeship programmes would be highly beneficial in overcoming these barriers and ensuring businesses can continue to develop their workforce effectively.

Micro and small businesses always struggle with the cost of employing an apprentice and the risk that once the apprentice is qualified they may leave and move to a larger employer – the ESP Apprenticeship wage subsidy WG programme for SMEs was a great incentive to support those smaller organisations to take a risk on employing an apprentice, perhaps even allowing providers to be the employer under an ATA (Apprenticeship Training Association – was popular in England) type system with wage support could help as well and the provider could then be the ‘safety-net’ for any learners where needed e.g., change of programme/redundancy– the shared apprenticeship model could be adapted though increased investment would be required.

Information about Apprenticeships: Best practices for promoting apprenticeships involve directly engaging with employers to foster strategic and operational relationships while investing in the sector. Many employers have successfully embedded apprenticeships into their career pathways, making them a crucial component of their recruitment and retention strategies. Furthermore, schools should collaborate with training providers and employers to offer meaningful work experience opportunities that align with students’ career aspirations. Such initiatives would allow students to gain practical experience and develop industry-specific skills, thereby enhancing their employability and reinforcing the value of apprenticeships as a legitimate and rewarding career pathway.

Other challenges are competence-based e.g., some sectors like Management/Project Management/HR and Health and Social Care - as the increase in level requires an increase in management responsibility (e.g., staff management/strategic business planning/budgets) rather than a technical focus such as Digital/Accountancy/Engineering and therefore unless an Apprentice is promoted into a role with those responsibilities, and the employer is prepared to allow them time to become competent, it is more difficult for them to demonstrate competence, therefore progression is often delayed until learners have progressed in their careers and wish to then undertake the next stage of learning.

Equity of Support and Access for Learners: In roles that involve shift work, non-standard hours, or are located in areas with limited public transport—such as mid-Wales—individuals often face significant challenges related to transportation and accessing employment opportunities. This issue is particularly evident in industries such as hospitality, care, and food services, where flexible or extended working hours are common. Additionally, the lack of reliable digital connectivity in some parts of Wales further compounds these challenges, limiting access to roles that offer hybrid or home-working options. It also creates barriers to studying remotely, making it more difficult to fully utilise the blended learning models offered within apprenticeship programmes.

Training providers actively work to address accessibility issues by collaborating with supported employment specialists, such as Elite and Agoriad, and through its supported shared apprenticeship programme. These initiatives aim to help disabled and disadvantaged individuals gain access to apprenticeship opportunities. However, funding for such programmes is limited and does not provide sufficient support to meet the needs of all individuals who could benefit. Furthermore, for those with additional learning needs, there is a lack of both funding and flexibility within current programmes to deliver the necessary support, coaching, and adjustments required to ensure equitable access and successful outcomes. Without enhanced funding and tailored support structures, these barriers will continue to restrict opportunities for individuals to access apprenticeships and realise their full potential in the workforce.

Another challenge is the age eligibility for non-priority sectors such as Administration/Management where, unless a learner immediately progresses from one level to another, they may not be able to progress unless they are aged 16-24 at the time of progression and 'new to job role' which needs to be evidenced. If the age restriction was removed then learners could progress at their own pace and in line with their careers/employer needs.

Use of RPL by all post-16 institutions in Wales to prevent duplication of activity e.g., learners with a Level 4 Apprenticeship shouldn't have to repeat the full 1st year of a Degree Apprenticeship, there is also a lack of understanding in HE of Credit Values of QCF qualifications as many of the awards do not align directly with, HE credits and therefore viewed as a lesser qualification. The WBL element is overlooked as valid learning time that equates to, HE credits.

Barriers – other than those mentioned above re; learner costs and SME/Micro business costs some aspects of the Apprenticeship policy needs reviewing to meet employer needs, e.g., length of programme where providers are penalised financially for achieving a framework with a learner at less than 80% of the set length of stay (which varies by framework and level), when an employer wants an apprentice to achieve sooner it means greater input from the provider therefore the resource cost is the same though the funding isn't (this particularly applies when providers are required to mirror Levy funded programmes in England with a minimum length of stay of 12 months and 1 day); the ACW website is not fit for purpose compared to the Institute for Apprenticeships (IFA) website in

England, employers, learners and parents can become frustrated and not engage when they find it difficult to identify the information they need.

The Welsh Government's Role: While regional skills partnerships (RSPs) have played a role in promoting skills development to employers and schools, there is limited evidence to suggest that they have significantly increased the uptake of apprenticeships or influenced the development of apprenticeship frameworks. This shortfall is further compounded by the Welsh Government's decision to reduce apprenticeship funding, which is expected to result in 6,000 fewer apprenticeships in 2024–2025. Such cuts have not only hindered efforts to promote apprenticeships but have also led to hesitancy among employers to fully engage with these programmes, further limiting workforce development opportunities.

Although the RSPs and Welsh Government research have provided clear plans to identify and address skills needs across Wales, they lack the ability to influence the broader diversification of vocational qualifications taking place across the UK. This misalignment is creating additional challenges for Awarding Bodies, which are finding it increasingly difficult to sustain or develop new qualifications tailored specifically for Wales. Consequently, a growing number of Awarding Bodies are withdrawing qualifications from Wales due to concerns over viability, exacerbating the lack of choice and flexibility for employers and learners. Welsh Government needs to continue to use the RSP and Apprenticeship Contract Holders Group (vis Medr) as methods of identifying frameworks needed but ensure these are created quickly and that funding is available, listening to the employer voice in particular as they are key to ensuring the development of future Apprenticeships continues in Wales. Finally, addressing these funding shortfalls and qualification challenges is essential to ensuring that apprenticeships remain a viable and attractive option for skills development in Wales.