Aldersgate Group response to Industry and Regulators Committee inquiry on Skills for the future: apprenticeships and training

September 2024

Background

The Aldersgate Group represents an alliance of major businesses, academic institutions and civil society organisations, which drives action for a competitive and environmentally sustainable UK economy.[1] Our corporate members represent all major sectors of the economy, and include Associated British Ports, Aviva Investors, BT, CEMEX, the John Lewis Partnership, Johnson Matthey, Michelin, Nestlé, Siemens, SUEZ, Tesco, and Willmott Dixon. Aldersgate Group members believe that ambitious environmental policies make clear economic sense for the UK, and we work closely with our members when developing our independent policy positions.

The Aldersgate Group has completed and contributed to a significant body of work on skills for the future economy. For more information, please see:

- Aldersgate Group, 2024: Catalysing investment in climate and nature: priorities for the next government
- CCC Expert Advisory Group, 2023: Skills and Net Zero
- PwC, in collaboration with the Aldersgate Group and the Financial Services Skills Commission, 2023: Job Greening in the UK Financial Services Sector
- Green Jobs Taskforce, 2021: Report to Government, Industry and the Skills Sector
- Aldersgate Group, 2020: Upskilling the UK workforce for the 21st century

Summary

The UK is being held back by a shortage of skills. UK employer investment in training and development is far less than OECD counterparts and has fallen by 28% in real terms since 2005.[2] Across the economy, a lack of both technical (such as manufacturing and digital) and soft cross-sectoral skills (such as project management, communication, and systems thinking) are undermining business productivity, innovation, and growth, as well as the transition to a low-carbon and environmentally sustainable economy.

To build a future-fit workforce, the Government has a crucial role to play in: providing clear policy signals to support businesses and educational providers identify future skills needs; coordinating local authorities, businesses, and education providers together with devolved authorities to ensure a joined-up approach to skills policy; and ensuring an appropriate level of financial support to businesses (particularly SMEs), education providers, and individuals to incentivise investment in skills and training.

The Aldersgate Group's response to this inquiry focuses on supporting skills development in the workforce to help deliver the UK's net zero and environmental targets, meeting employer demand, and supporting growth of new sectors.

[1] Individual recommendations cannot be attributed to any single member and the Aldersgate Group takes full responsibility for the views expressed.
[2] Learning and Work Institute, 2022, Raising the bar: increasing employer investment in skills

1) What kinds of skills do you think will be needed for the future of the UK economy? Is the UK's skills and training system capable of equipping increasing numbers of people with these skills?

To transition to a net zero and nature-positive economy, and capture the significant commercial opportunities arising from it, new skills and competencies will be required across all sectors of the UK economy.

According to the Climate Change Committee (CCC), estimates of net new jobs that could be created by 2030 in existing and emerging low-carbon sectors range from 135,000 to 725,000.[3] This number factors in 8,000 to 75,000 job losses resulting from the phase-down of high-emitting sectors. To ensure a 'just transition', workers in high-carbon sectors will need tailored support to move into low-carbon sectors.

The renewables and nuclear sectors, for example, could create up to 95,000 direct jobs by 2030.[4] Some of these employees could be sourced from the existing pool of workers in the oil and gas industry, as it is estimated that 90% of these workers have skills that are transferable to the offshore, hydrogen and CCUS industries.[5]

To enable the UK's economic sectors to decarbonise, a significant portion of the current workforce will need to undergo reskilling and/or upskilling while the right skills will need to be developed by those currently in the education system. This will involve a mixture of technical skills (e.g. heat pump installation, battery manufacturing and operation, and charge point installation) and soft and cross-sectoral skills (e.g. digital and data skills, project management and communication). More broadly, all workers – irrespective of their sector – should be equipped with a fundamental knowledge of sustainability issues.

These skills will not just be needed in the private sector, but the public sector too. Research has found that resource and skills shortages (e.g, planners and ecologists) exist across statutory bodies and local authorities, contributing to planning delays and timeline uncertainty. [6] This challenge is likely to become more acute as the volume of planning applications increases to deliver the target of net zero power by 2030.

The UK broadly has the right skills and training infrastructure in place (e.g., apprenticeships, T-levels, skills bootcamps, sector-based work academy programmes), but a lack of clear signals and strong incentives to employers, education providers, and individuals undermines the UK's ability to develop an appropriate skill base in the workforce. As a result, significant skills gaps are appearing across the workforce. According to Kingfisher, for instance, the UK is on track for a 250,000 shortfall of tradespeople by 2030, including carpenters, electricians, and plumbers. This could cost the UK economy £98 billion in missed GDP growth opportunities to 2030.[7]

[3] CCC, 2023, A Net Zero workforce
[4] Ibid.
[5] Robert Gordon University, 2021, UK offshore energy workforce transferability review
[6] Aldersgate Group, RenewableUK, CPRE, 2024, Insights for the decarbonised electricity system: journeys through planning
[7] Kingfisher, 2023, UK to lose out on £98 billion of growth by 2030 due to shortage of tradespeople

2) What is the appropriate level of government intervention in the development of skills policies? What should the Government's proposed post-16 education strategy include in relation to apprenticeships and training?

The Government has a key enabling role to play in the development of skills policies and must set out a long-term vision and plan for the UK's skills system, bringing together local authorities, businesses, and education providers.

The Government has committed to developing an industrial strategy and has set out missions focused on growth and clean energy. Success is closely tied to ensuring businesses and the public sector can bring together the skills needed to deliver. The Government must work closely with businesses and regional and devolved authorities to understand current and future skills gaps and local strengths; this will inform policy and support for training, education and attracting talent.

The Aldersgate Group recommends a three-pillared approach towards low-carbon skills policies:

1. **Equipping tomorrow's workforce.** According to a survey commissioned by WSP, 75% of students agreed that they would like or would have liked to learn more about climate, sustainability, and environmental-related topics at school.[8] Additionally, just 22% of students felt informed about the range of green jobs available to them.

   Climate change and environmental sustainability issues needs to be embedded across all stages of the curriculum to equip students with the skills and knowledge needed for career opportunities in the low-carbon economy. This must be accompanied with better training for teachers, a proactive strategy to encourage the uptake of STEM skills (particularly amongst underrepresented groups), and a systemic approach to career advice in schools to improve awareness of the different pathways and training provisions (e.g., apprenticeships, skills bootcamps, sector-based work academy programmes etc…) to access low-carbon jobs.

2. **Supporting today's workforce.** At least 80% of the UK's 2030 workforce is already in employment.[9] Measures to upskill and reskill the current workforce, therefore, are vital.

   The UK needs a tailored strategy to support those that are already in the workplace, particularly for those in the sectors expected to phase-down. As part of this, businesses should conduct detailed skills audits to understand how the skill set of their workforce will change over time and what skills will be needed. There will also be a demand for educational institutions to develop more flexible and modular courses ('skills top ups') to allow the workforce to access retraining whilst working at the same time. There is a financial dimension to retraining and upskilling. Employers may need help to cover the cost of training and the loss of income whilst staff are off-the-job (including the cost of backfill). Individuals, meanwhile, may needed financial support to complete training as part of the process of transitioning between sectors/industries.

[8] WSP, 2022, Students not drawn to careers in sectors crucial to UK's net zero ambitions, new research suggests
[9] Industrial Strategy Council, 2019, UK Skills Mismatch in 2030

3. **Skills do not sit in a silo**. For businesses to invest in new green skills for their workforce, and for education institutions to develop new courses, there needs to be a consistent and stable policy framework which provides some degree of certainty for employers and encourages investment in low-carbon infrastructure, products, and business models in the first place. This is particularly true of SMEs, which only have the capacity to focus on short-term business needs and lack confidence that there will be sufficient demand in emerging green markets. A cross-sectoral Industrial Strategy which sets out a long-term vision the UK's green industrial growth could help to nurture confidence for businesses to invest in the right skills at the right level.[10]

The Government's commitment to publishing a post-16 skills strategy is welcome. The strategy should be informed by an assessment of the various barriers (e.g., awareness, financial support, and regional access to higher education or courses) that young people and adults face in attaining the skills they need to secure employment, to ensure interventions address these barriers and increase uptake of opportunities. The strategy should look to drive the quality of post-16 skills and apprenticeship training and highlight how key skills for the future economy (e.g., sustainability and digital skills) can be integrated into all training and apprenticeship courses to help young people and adults successfully transition from education to the world of work. Finally, the strategy should look to build on the previous Government's Post-16 Skills Plan to avoid unnecessary duplication.[11]

3) Are existing Government policies on skills, particularly apprenticeships and training, sufficiently clear? Have policies, funding, and the institutional set-up been sufficiently consistent over time? If not, what changes or reforms would you recommend?

Employers, education providers, and individuals need a stable and coherent skills strategy. While policies need be adaptable to ensure their continuing effectiveness and accommodate for broader changes in the labour market, frequent changes to policies, funding, and institutions can create uncertainty and confusion, presenting a barrier to investment in skills and training.

The Apprenticeship Levy is one example of a skills policy which has undergone frequent change since it was first introduced in 2017:

- **Transfer allowance**. When it was first introduced, the levy transfer allowance (the portion of funds levy-paying employers can transfer each year to other businesses to pay for apprenticeships training and assessment) was set at 10%. This was increased to 25% in April 2019 and then 50% in April 2024.
- **Apprenticeship cap for small businesses**. In January 2020, to ensure the overall apprenticeship budget was not overspent, the Government capped the number of apprenticeships non-levy paying businesses could recruit to three. This cap was lifted to ten apprentices in July 2020, and then was scrapped from April 2023 onwards.
- **Co-investment payments**. The rate of co-investment payments (the amount non-levy payers have to contribute alongside Government funding towards the cost of apprentice's training and assessments costs) was initially set at 10%. This was decreased to 5% from April 2019 and scrapped entirely for apprentices under the age of 22 in March 2024.

[10] See Aldersgate Group, 2024, Placing Decarbonisation at the Heart of Industrial Strategy
[11] HM Government, 2016, Post-16 Skills Plan

The apprenticeship funding model has also been criticised over its lack of transparency. In recent years, the gap between Levy-receipts and public funding allocated to the Department for Education's Apprenticeship Budget as well as devolved administrations has grown. In 2022/3, for example, an estimated £3.5 billion was collected through the Apprenticeship Levy but only £3.1 billion was allocated, leaving over £400 million unaccounted for.[12] Similarly, the Government could offer greater clarity on how unspent Levy funds are used; for example, where in England funds are spent, at what levels, and in what sectors. Between 2017/8 and 2022/3, over £2 billion of Levy funds expired and were returned to the Treasury.[13]

While many of the recent changes to the Apprenticeship Levy are welcome, such as increases in the transfer allowance, a lack of transparency as to how the system works and its future direction can undermine business confidence. According to the Association of Employment and Learning Providers, for example, a lack of information about the Government's plans to reform the Apprenticeship Levy into a Growth and Skills Levy has resulted in employers pulling back training investment "in the belief that levy reform is imminent and will be wide ranging".[14]

4) Are the right institutions in place to ensure an effective skills system for the future? Should co-ordinating institutions be national, regional, or sectoral, or a mixture of each? What is your view of Government's proposal to establish a new body, Skills England?

There is currently a lack of coherence between central Government (including departments), local authorities, businesses, and education providers over their respective roles within the skills system.

As recommended by the Green Jobs Taskforce, a UK-wide body is needed to ensure momentum and coherence on the workforce transition.[15] This body could monitor, drive, and report on the progress of the transition to a net zero and nature positive economy, enhance coordination across Government departments to encourage cross-sectoral projects and collaboration on skills, and work directly with businesses, local authorities, and education providers on skills development.

The Government's proposal to establish Skills England is welcome. In Skills England's first report, the body indicated it will act as a "single feedback loop into Government" by working closely with the Industrial Strategy Council and the Migratory Advisory Committee, as well as combined and local authorities, businesses, training providers, and unions.[16] This approach is positive and will help support a coherent and joined approach to skills policy.

It is also positive that Skills England has committed to undertaking analysis on national and regional skills needs, including the delivery of a standardised skills taxonomy for the UK and mapping occupations onto education pathways to understand the most common routes into priority professions. To achieve this, Skills England will need to work closely businesses and local authorities to improve the quality and availability data on skills gaps and future skills needs.

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[12] FE Week, 2023, Apprenticeship levy turns into Treasury 'cash cow'
[13] Ibid.
[14] Association of Employment and Learning Providers, 2024, AELP warns Growth and Skills Levy 'vacuum' risks employers reducing training investment
[15] Green Jobs Taskforce, 2021, Report to Government, Industry and Skills Sector
[16] Department for Education, 2024, Skills England: Driving growth and widening opportunities

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5) What should be the role of businesses in encouraging the development of skills in the UK? Should businesses be a consumer, funder, trainer, or co-designer of skills provision?

Businesses are integral in encouraging the development of skills in the UK and will invariably play a role as a consumer, funder, trainer, and co-designer of skills provision.

Businesses and sector bodies should conduct detailed skills audits to understand how the skills sets of their workforces will change over time. The process of producing climate transition plans will help. One of the sub-elements of the Transition Plan Taskforce's (TPT) Final Disclosure Framework, for example, is skills, competencies, and training. Under the TPT's guidance, entities should identify potential gaps across the organisation – including relevant Board members and executive management – and set out plans to develop the required skills.[17] In addition to the TPT disclosure framework, there are other resources available to help organisations identify gaps and build capacity, such as IEMA and Deloitte's A blueprint for a green workforce transformation toolkit.

Having identified skills gaps within the workforce, businesses should work closely with educational providers to fund and co-develop courses to train their workforce. Lloyds Banking Group, for example, has partnered with the Cambridge Institute for Sustainability Leadership (CISL) to provide green upskilling for its employees. By the end of 2022, all 60,000 staff had completed a sustainability foundation level training programme covering the Group's net zero ambition and strategy. In addition, more tailored and in-depth programmes have been developed for specialists on sector-specific matters, such as the impacts of the transition on the agricultural sector, as well as for the Responsible Business Committee and Group Executive Committee.[18] Here, it is also important to ensure the right mechanisms are in place to enable businesses to communicate their sector skills needs to central Government to inform the development of skills policy and changes to the national curriculum.

Where longer-term skills gaps exist in the labour market, businesses should develop local skills in partnership with local authorities and Local Enterprise Partnerships (LEPs) according to local specialisms and by mapping out areas where the UK is best placed to develop competitive supply chains. This has already been successfully demonstrated in Humberside, where Ørsted and Siemens Gamesa worked with BEIS, LEPs, manufacturers, project developers and higher education institutions and drove regeneration, investment in skills and job creation.[19]

6) What incentives do employers have to provide training for their employees? Why do you think that employer investment in training has declined in recent decades?

According to the Learning and Work Institute, training spend per employee has fallen 28% in real terms since 2005, from £3,139 to £1,530 per year, which is less than half the EU average.[20]

[17] Transition Plan Taskforce, 2023, Final Disclosure Framework
[18] For more information, see: PwC, in collaboration with the Aldersgate Group and the Financial Services Skills Commission, 2023, Job Greening in the UK Financial Services Sector
[19] Aldersgate Group, 2020, Upskilling the UK workforce for the 21st century
[20] Learning and Work Institute, 2022, Raising the bar: increasing employer investment in skills

The decline in employer investment in training is largely a result of the UK's poor economic outlook since the 2007-8 financial crisis, and during the pandemic, which led many businesses to scale down recruitment and cut back on investment in training and skills development. This has been exacerbated by a lack of policy certainty, which undermines business confidence.

While there is a risk, in a flexible labour market, that newly trained employees will move jobs, taking their skills (and investment) with them, there are strong financial benefits for businesses who invest in skills development. According to the British Business Bank, the benefits of investing in employee training include increased productivity, increased staff retention, greater opportunities for employee development, and improved efficiency.[21]

Within the context of the transition to a low-carbon economy, policy and regulatory 'sticks' – such as the Zero Emission Vehicle mandate – act as an incentive for companies to reskill and upskill their workforce. Additionally, investing in green skills will help companies to remain competitive in global markets, capture the commercial opportunities of the net zero transition, and attract talent. According to Deloitte, 27% of the workforce consider a potential employer's position on sustainability before accepting a job.[22]

7) Should further incentives be put in place to reverse the decline in employer investment in training, and if so, what form should these incentives take? Do smaller employers need greater support to access skills provision, and what form should this support take?

Employer investment in training can be incentivised through three levers: (1) policy certainty, (2) policy and regulatory drivers, and (3) financial support.

First, policy certainty. For businesses to invest in new green skills for their workforce, and for education institutions to develop new courses, there needs to be a policy framework in place that encourages businesses to invest in low-carbon infrastructure, products, and business models in the first place because they know that there will be long-term demand. This is particularly true of SMEs, who only have the capacity to focus on short-term business needs and lack confidence that there will be sufficient demand in emerging green markets. A cross-sectoral Industrial Strategy which sets out a long-term vision for the UK's green industrial growth could help to nurture confidence for businesses to invest in the right skills at the right level.

Second, policy/regulatory drivers. Existing initiatives (like the Zero Emission Vehicle mandate) and incoming ones (like the Future Homes Standard and the Clean Heat Market Mechanism) gives companies confidence in the future demand of a particular market and an incentive to upskill their workforce to meet regulatory requirements and arising commercial opportunities.

Third, financial support. Aside from upfront costs of training courses, there are also hidden costs associated with employee training. These include transportation/accommodation, the cost of supplies or equipment, administrative costs, and most significantly, employees' time (and potentially the cost of backfilling replacement workers). Without greater financial support, smaller employers may struggle to invest in skills and training. The Government could, for example, increase the Apprenticeship Incentive Payment for employers from £1,000 for each new

[21] British Business Bank, How employee training can help your business
[22] Deloitte, 2023, Engaged employees are asking their leader to take climate action

apprentice to £3,000, as it was set during the Covid-19 pandemic, to incentivise employers to take on more apprentices.

8) Concerns have been raised over the operation of the Apprenticeship Levy, particularly in relation to the decline in young people taking on apprenticeships. Is there a case for reforming the levy, for example by ring-fencing more levy funding for training for younger apprentices? If so, what portion of Levy funding should be ring-fenced, and for what ages and levels of qualification?

The Apprenticeship Levy was implemented in 2017 to create long-term sustainable funding for apprenticeships and encourage employer investment in skills and training.

Despite its introduction, apprenticeship starts have continued to follow a decreasing trend. In the year the Levy was introduced, apprenticeship starts fell by almost a quarter from 494,880 (2016/7) to 375,760 (2017/8). In 2022/3, the number of starts was 337,140, far below the peak of 520,600 in 2011/2. Young people have been particularly affected by this drop, with the number of apprentices starting who were under the age of 19 falling from 131,420 (2015/6) to 77,720 (2022/3): a 41% decrease.

The design of the Apprenticeship Levy has contributed, in part, to the drop in overall apprenticeship starts and youth apprenticeships. Businesses report that the following issues associated with the Levy make it challenging for employers to spend, transfer, and access funds:

- **Lack of flexibility**. The design of the Apprenticeship Levy is too rigid, preventing employers from tailoring their apprenticeship training programmes to the specific needs of their business and employees. The 12-month minimum duration requirement for apprenticeships, for example, does not necessarily align with the demands of all programmes, including intermediate-level apprenticeships, nor the immediate skills shortages that some business face. The functional skills requirement is also cited by employers as a barrier for learners and not always relevant/necessary for the role or the individual.
- **Jurisdictional differences**. Levy funds can only be spent on an apprentice whose main place of work is in England. This can add complexity to businesses with operations across England, Scotland, Wales, and Northern Ireland who want employees are being trained to consistent standard.
- **Complexity:** The Levy is difficult to use, placing an additional administrative burden on businesses. Levy-paying businesses also report that the process of transferring funds can be complex, requiring excessive internal due diligence. The process of accessing government funds or Levy transfers can also be challenging for time and resource constrained SMEs, which largely do not have Human Resources or Learning and Development departments.

Reforming the Apprenticeship Levy by ringfencing more funding for training younger apprentices would have to be carefully considered to mitigate potential negative knock-on effects. Without additional investment into the Apprenticeship Budget, for example, ringfencing funds for younger apprentices would reduce the amount of funds available – and therefore starts – for apprentices of other ages. Here, it is important to stress that apprenticeships should be available at any point in an individual's career to help meet their needs. On one end of the scale, apprenticeships can help to support young people to gain foundational skills at the beginning of their career. On the other end of the scale, apprenticeships can be an effective tool for mid-career upskilling or to encourage older workers to remain economically active for longer.

Ringfencing funds for younger apprentices would also not help to address the broader, structural issues preventing investment in and the uptake of apprenticeships. These include:

- **Low awareness and knowledge**. Research by UCAS found that only 26% of students found it 'very easy' or 'somewhat easy' to access information about apprenticeships, compared to 73% who said the same about higher education.[23]
- **Lack of financial support.** The Apprenticeship Rate, currently set at £6.40 for apprentices aged under 19 or aged 19 and over in the first year of their apprenticeship, is a particular barrier which makes apprenticeships financially unattractive in the context of the current cost-of-living crisis. The Apprenticeship Rate is less than the national minimum wage (£8.60) for 18 to 20-year-olds and is almost half the national living wage (£11.44) for those aged 21 and over.

9) Should the Apprenticeship Levy be made more flexible, allowing funds to be used for shorter courses? What is your view of the Government's proposals for a Growth and Skills Levy?

The Growth and Skills Levy has the potential to be a transformative policy which could kickstart employer investment into skills and training.

As set out in Q8, employers report that rigid rules as to how funds can be spent and how apprenticeship programmes can be delivered is one of the key barriers preventing investment into apprenticeships. The Government's proposal to allow some funds to be spent on shorter, accredited non-apprenticeship training programmes, as informed by Skills England's assessment of priority skills needs, is therefore welcome.

Proposed reforms to the Apprenticeship Levy will need to be considered carefully to mitigate any potential negative knock-on effects. Enabling employers to spend a to-be-determined portion of levy funds on non-apprenticeship training will increase investment in training, but at the expense of apprenticeships if the overall apprenticeship budget is not increased. The Government has indicated that it plans to increase investment in youth apprenticeships by asking employers to rebalance their apprenticeship funding, such as by funding level 7 apprenticeships (equivalent to a master's degree) outside of the levy.[24] Degree-level apprenticeships are typically more expensive than intermediate or advanced apprenticeships, accounting for over a fifth (£506 million) of England's annual apprenticeship budget in 2021/2,[25] meaning this proposal could free up a significant portion of the budget.

More broadly, proposals for the Growth and Skills Levy do not address the broader, structural barriers (see Q8) preventing investment and uptake in apprenticeships. To ensure successful implementation, this reform will need to be supported by complementary joined-up policy measures. The Government should:

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[23] UCAS, 2021, Where next? Improving the journey to becoming an apprentice
[24] GOV.UK, 2024, Prime Minister overhauls apprenticeships to support opportunity
[25] FE Week, 2023, Degree-level apprenticeship spending hit half a billion last year

- **Provide policy certainty to give employers and education providers confidence to invest.** A consistent and stable policy framework is needed to provide confidence for businesses to invest in skills for their workforce, and for education providers to offer new apprenticeship courses and training programmes. To enable businesses to invest, the Government should set out its industrial strategy, placing decarbonisation at the heart of industrial growth and setting out a clear direction for the skills the UK will need.
- **Boost awareness of different apprenticeship routes and options.** The Government has pledged to both improve careers advice in schools and colleges and bring Jobcentre Plus and the National Careers Service together to provide a national jobs and careers service. As part of this, apprenticeships need to be made more visible as a viable career path, including in green and low-carbon sectors. Additionally, the Department for Education should publish clear advice and guidance for employers, including how they can deliver off-the-job training flexibly and maximise existing financial support available (e.g., the apprenticeship care leavers' bursary).
- **Offer greater financial support to employers and apprentices.** While the cost of apprenticeship training for SMEs is 95-100% covered by the Government, SMEs often lack the funds to cover the 'hidden costs' of an apprenticeship, including the cost of travel, accommodation, equipment, additional learner support, and the cost of backfill for when the apprentice is completing their off-the-job training. Increasing the Apprenticeship Incentive Payment for employers and training providers from £1,000 to £3,000, as it was during the pandemic, could help companies to cover these costs.
- **Improve the transparency of the apprenticeship funding model**. When designing the Growth and Skills Levy, the Government should look to increase transparency around Levy receipts and expenditure to help improve firms understanding of and confidence in the system. As part of this, the Treasury should publish details on how many apprenticeships are being created through unspent Levy funds, where in England funds are being spent, at what levels, and in what sectors. This will help to ensure that unspent funds are being used as effectively as possible.

10) What is your view of the Government's proposals for a youth guarantee of access to training, apprenticeships, and employment support? If a guarantee was to be introduced, which institutions should be responsible for providing it and would they need additional resources or powers to do so?

The Aldersgate Group is supportive of the Government's proposal to guarantee training, an apprenticeship, or help to find work for all 18-21-year-olds. To achieve this, the Government must work closely with local and regional authorities to support people obtain training, apprenticeship, and employment opportunities in their local areas.

The youth guarantee is also an opportunity for the Government to raise awareness of green jobs and opportunities across the UK. This is urgently needed as a 2023 poll of nearly 4,000 16-23-year-old students found that 73% felt uninformed of the green career opportunities they could potentially pursue when entering the world of work.[26]

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[26] WSP, 2023, Majority of UK students feel uninformed about availability of green jobs, survey shows

11) Should further education be funded in a demand-led way, as is the case in higher education? Is such a shift practical, and would it be necessary to provide a youth guarantee of access to training?

12) How does the UK's approach to skills and training compare to those of other countries? Are there examples of good practice that the UK should be learning from?

One example of international good practice the UK could look to learn from is Singapore.

Much like the UK, Singapore also aims to capture the commercial opportunities of the growing green and sustainable finance market. In Singapore's Green Plan 2030, Singapore set the target becoming "a leading centre for green finance and services to facilitate Asia's transition to a low-carbon and sustainable future".[27]

To achieve Singapore's Green Plan 2030, Singapore's central bank (the Monetary Authority of Singapore or MAS) has highlighted the need to ensure Singapore has the skills and capabilities to create a pipeline of talent in sustainable finance. MAS, for example, has worked with the Institute of Banking and Finance Singapore (IBF) to produce 12 technical skills and competencies – including green taxonomies, natural capital management, green lending instrument structuring, and sustainability reporting – needed for financial professionals to perform various roles in sustainable finance.[28]

Like Singapore, the UK should look to work closely with industry and professional bodies to provide them with a direction on the skills and competencies that will be required to transition economic sectors to net zero.

[27] Government of Singapore, 2021, Singapore Green Plan 2030
[28] Monetary Authority of Singapore, 2022, IBF and MAS set out 12 technical skills and competencies in sustainable finance