



APPRENTICESHIP & SKILLS LEVY REFORM

IMI Position

The IMI believes apprenticeships must remain the priority and gold standard for developing work-ready individuals in the automotive sector. However, employers need the freedom to invest levy funds where they believe it is most needed, whether in apprenticeships, modular training, or continuous professional development, to respond to rapid technological change and evolving workforce needs.

Reforms must prioritise apprenticeships while enabling complementary modular and CPD pathways, protecting quality and ensuring the smooth delivery of training that is rigorous, safety-focused, and aligned with employer needs. Alongside this, the IMI is committed to changing perceptions of the sector and boosting the visibility and attractiveness of automotive careers so that more young people, career changers, and underrepresented groups see it as a modern, green, and rewarding pathway.

Background

The UK's ambitions for economic growth, net zero transition, and future mobility rely on a skilled and adaptable workforce. Yet apprenticeship starts in the automotive sector have fallen by 30% over the past decade, with far fewer levy-funded apprenticeships in automotive than in sectors such as construction, health, or engineering, where employer uptake is significantly higher.

While the transition from the Apprenticeship Levy to the Growth & Skills Levy in 2025 introduced some welcome flexibility, many employers, particularly SMEs, continue to face complex rules, difficult access, and administrative barriers. This creates a double challenge:

1. Apprenticeship numbers are declining, leaving skills gaps in critical areas like EV maintenance, diagnostics, and emerging technologies.
2. Levy funds remain underused in automotive compared to other sectors, limiting investment in training at the pace and scale needed.

At the same time, the sector must also attract more people into automotive careers through better visibility and clear, high-quality pathways that ensure the next generation sees the industry as a modern, technology-driven, and future-facing place to build long-term careers.

IMI Goals

Reverse the decline in apprenticeship starts by ensuring the Growth & Skills Levy supports both apprenticeship growth and wider workforce training needs.



Safeguard quality and smooth delivery so apprenticeships remain the gold standard for producing work-ready individuals, with robust, hands-on assessment models for safety-critical roles.

Give employers genuine flexibility to invest levy funds where they see the greatest need, whether in apprenticeships, modular training, or continuous professional development.

Make the system simple and accessible, particularly for SMEs, with clear rules, easy levy transfer processes, and practical guidance.

Align national and regional delivery, embedding modular pathways and IMI standards into Skills England, LSIPs, and the Lifelong Learning Entitlement so learning can stack and scale effectively.

Support the attraction of new talent into the sector through complementary campaigns and pathways that show automotive careers as visible, inclusive, and rewarding.

Opportunities

Shape Skills England reform: The Growth & Skills Levy reforms and Skills England's national role create a chance to ensure automotive apprenticeships, modular training, and continuous professional development are embedded in future funding, qualification reform, and skills policy.

Unlock UK-wide investment: Upcoming Industrial Strategy funding streams, including Skills Bootcamps, the Local Skills Improvement Fund (LSIF), devolved Adult Skills budgets, and the £275m Technical Training Initiative, offer opportunities to secure dedicated support for automotive training across all four nations.

Achieve consistency across the UK: With apprenticeships devolved, there is scope to align quality benchmarks, funding models, and modular learning approaches across England, Scotland, Wales, and Northern Ireland so learners and employers benefit from consistent standards while using locally delivered pathways.

Influence future qualification reform through Skills England so new apprenticeship standards keep pace with emerging automotive technologies and skills needs.

Strengthen the talent pipeline: Ensure that any expansion in flexibility through levy reform is underpinned by robust quality assurance and independent assessment, maintaining apprenticeships as the gold standard for safety-critical roles.

IMI Actions

Secure levy reform: Lobby government, Treasury, and Skills England for a simpler, more flexible levy system that allows employers to invest funds where needed while maintaining high-quality training standards.

Champion high-quality, independent assessment and robust qualification standards so that increased flexibility in levy use does not dilute the quality or safety of automotive training.

Strengthen apprenticeship delivery: Work with training providers, LSIPs, and devolved administrations to maintain consistently high-quality, safety-focused apprenticeship training and assessment standards across the UK.

Boost attraction and recruitment: Link apprenticeship reforms to campaigns that change perceptions of the automotive sector as modern, green, and technology-focused, making it more visible, inclusive, and attractive to young people, career changers, and underrepresented groups.

Pilot and scale innovations: Test flexible funding models, modular learning pathways, and simplified levy transfer processes in priority regions to build a strong case for UK-wide adoption.

Simplify employer access: Launch practical guidance and digital tools to help SMEs understand funding routes, navigate processes, and connect training to workforce planning.