



Policy Update: NTFW Response to the Welsh Government Draft Budget 2026-27

We've submitted our response to the Welsh Government's 2026/27 Draft Budget consultation, calling for urgent action to protect and expand apprenticeship provision across Wales. Our submission highlights the critical role apprenticeships play in tackling inequality, building a greener economy, and supporting public services.

Funding Pressures Threaten Apprenticeship Viability

The budget's cash-flat allocation following a 14% cut last year has left providers struggling to deliver high-quality programmes. Independent training providers, especially, face rising costs without the financial buffers available to colleges. Learners are seeing fewer opportunities, longer waiting lists, and reduced access in rural and disadvantaged areas.

Impact on Disadvantaged Learners

Medr's data shows a 15% drop in apprenticeship participation among learners from the most disadvantaged areas. This trend risks deepening inequality and undermines the Welsh Government's commitment to inclusive growth.

Planning for the Future Under Uncertainty

Providers are approaching the 2026/27 financial year with caution. Without multi-year funding certainty and parity in the funding model, strategic planning and innovation are being stifled.

Apprenticeships as a Tool for Community Resilience

We've urged the Welsh Government to embed apprenticeships into housing and infrastructure programmes, particularly in post-industrial and rural communities. Apprenticeships in construction and retrofit can directly support affordable housing delivery while creating local employment.

Green Skills Must Be Prioritised

Building a greener economy requires urgent investment in green apprenticeships. Providers are already developing qualifications in retrofit, renewables, energy and carbon management and sustainable construction but without targeted support, skill gaps could slow progress toward Net Zero.

Reinvesting the Apprenticeship Levy

We're concerned that Welsh employer contributions to the UK-wide apprenticeship levy aren't being fully reinvested in Wales. We're urging the Welsh Government to explore borrowing and taxation mechanisms to ensure funding reflects actual demand.

Tackling Gender Inequality Through Skills Investment

Women remain underrepresented in high-growth sectors like construction and digital. We've called for targeted outreach, mentoring, and flexible apprenticeship models to challenge gendered patterns in sector uptake. Wraparound support like transport and mental health services is also essential to ensure more people can access and complete training.

Apprenticeships as Preventative Spending

Apprenticeships reduce reliance on public services and support long-term economic resilience. Yet recent funding decisions undermine their preventative value. We're urging the Welsh Government to recognise apprenticeships as a strategic investment and reflect this in future budgets.

Transparency and Accountability in Budgeting

We've called for clearer links between funding decisions and policy outcomes. Programmes like the Flexible Skills Scheme must be backed by transparent data and measurable impact. If they're not delivering, funding should be redirected to proven interventions like apprenticeships.

Improving Budget Documentation

Budget documents should clearly show how spending supports outcomes in skills, employment, and social mobility. We're asking for more transparency, impact data, and value-for-money assessments.

Addressing NHS Waiting Lists Through Workforce Development

To reduce NHS waiting lists, the Welsh Government must invest in Health and Social Care apprenticeships aligned to NHS needs. Independent providers are ready to deliver but they need adequate funding and strategic support. Apprenticeships must be part of a robust plan for long-term NHS resilience.

Supporting Public Sector Innovation

We've urged the Welsh Government to help public sector bodies embed apprenticeships into workforce planning especially in health, social care, digital, and green skills. Without sustained investment and coordination, the public sector risks missing a vital opportunity to grow its future workforce from within.

Infrastructure Investment Must Align with Skills Strategy

Apprenticeships in construction, health, and digital can play a key role in delivering and maintaining public infrastructure. But this requires adequate funding and strategic alignment to ensure skills development supports service delivery.

Prioritising Young People's Futures

The budget must expand access to apprenticeships, especially in disadvantaged areas, and fund high-quality provision. Wraparound services like transport, digital access, and mental health support are essential for young people to thrive. Apprenticeships are not just a skills strategy they're a commitment to Wales's future.

Evidence-Based Budgeting Must Be Clearer

We've called for greater transparency in how evidence and data drive budget priorities. Clearer links between spending and outcomes especially in skills are essential to ensure public investment delivers real impact.

Equal Support for Independent Providers

While sixth form colleges and FE institutions have received support for National Insurance and salary increases, independent apprenticeship providers have not. This imbalance threatens sustainability and must be addressed to ensure fairness across the sector.

Delivering on the Well-being of Future Generations Act

Apprenticeships directly support the Act's goals from a prosperous Wales to cohesive communities. Investing in inclusive, high-quality programmes especially in health, social care, green industries, and digital is a future-focused strategy that strengthens Wales's economy and society.