



A SKILLS STRATEGY FOR THE WHOLESALE SECTOR

Sysco's Recommendations for
Reforming the Skills System



Foreword



Paul Nieduszynski
Chief Executive Officer, Sysco GB

"As Britain's leading foodservice wholesaler, Sysco GB plays a vital role in the UK's food supply chain. We welcome the creation of Skills England and the move towards a more flexible Growth & Skills Levy. We are proud to publish our Skills Strategy for the Wholesale Sector ahead of National Apprenticeship Week 2026, reaffirming our commitment to support the Government's mission to transform skills and apprenticeships.

To deliver real impact, the system must reflect today's labour market and give employers the freedom to address skills needs quickly. By enabling investment in everything from work-readiness to advanced digital skills, we can boost social mobility, drive productivity, and build a workforce ready for the future – unlocking further investment, supporting regional economies, and driving sustainable growth across the UK."

Katrina Simpson-Haines
Human Resources Director, Sysco GB



"At Sysco GB, we believe developing talent goes far beyond apprenticeship qualifications. Our proposals would remove barriers to entry, fund onboarding and work-readiness, and back high-impact schemes like our award-winning 'Changing Gears' driver programme.

With these changes, we can take on more apprentices, support broader talent pipelines, and create clear career pathways – strengthening our business and the wider foodservice sector."

Introduction

Sysco is the global leader in selling, marketing, and distributing food products to restaurants, healthcare and educational facilities, lodging establishments, and other customers who prepare meals away from home. It is also the owner of Britain's largest foodservice wholesaler, Brakes.

In Great Britain, we employ over 8,800 people across over 30 locations nationwide. We are committed to growing and investing in our facilities and in the last year we have invested over £90m in our UK business to increase our headcount, improve the network and install renewable power. This year, we're pleased to be opening our largest depot in Europe at a site in Hemel Hempstead, following an £80 million investment.

We welcome the Government's action to reform the Apprenticeship Levy into a more flexible Growth & Skills Levy that better supports workforce development, supported by £725m in the 2025 Budget. Through Skills England and the Department for Education (DfE), we recognise the positive steps taken to engage with employers on how the system can be reshaped to better reflect the realities of today's labour market and the evolving needs of business.

We support the Prime Minister's ambition for two-thirds of young people to reach university or a "gold standard apprenticeship" by age 25, and to increase participation in higher technical courses or apprenticeships to at least 10% by 2040. Delivering this will require a strengthened, more adaptable apprenticeship system that enables businesses to recruit, train, and retain talent at scale.

We also welcome measures in the Post-16 Education and Skills White Paper, including short courses and Skills Bootcamps, but further action is needed to support upskilling in the foodservice sector, which plays a critical role in connecting producers with communities and public services nationwide.

Since 2017, Sysco GB has supported over 500 apprentices and remains committed to developing a future-ready workforce. Yet despite this commitment, a significant share of our levy goes unused because current rules limit who we can train. Greater flexibility would allow us to reinvest far more into colleagues across the business.

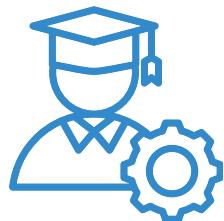
We believe meaningful reform is needed to make the system work better for employers, learners, and the wider economy. Specifically, we are calling for changes that:

- Remove barriers to engaging new talent, supporting businesses with new-starter costs and providing funding for work-readiness initiatives;
- Empower businesses to tackle critical skills gaps; and
- Future proof the workforce and drive long term growth.

Partnership between business and Government is vital. Wholesalers like Sysco play a key role in the UK's food supply chain, and have a significant opportunity to improve social mobility and deliver meaningful impact for thousands of employees and millions more across the supply chain.



Remove Barriers to Engaging New Talent



Sysco fully supports the Government's ambition to increase the number of young people entering the workforce. Recent steps, such as the introduction of foundation and shorter apprenticeships and the publication of the Post-16 Education and Skills White Paper are welcome moves in the right direction.

However, to be effective, these initiatives must be accompanied by measures that acknowledge the full cost to business of supporting new entrants, to ensure the best start for both.

Bridging the gap between education and employment

Sysco are supportive of efforts to ease the transition into work, including the introduction of foundation apprenticeships. We also welcome the Government's commitment in the Post-16 Education & Skills White Paper to introduce new, short courses designed around employer-led standards to help learners develop the skills businesses need. It will be vital that these initiatives are implemented effectively across sectors and designed with flexibility in mind.

Alongside this, we call for more targeted work-readiness initiatives that help people step confidently into the world of work. These could take the form of short (e.g. pick & mix options) courses delivered at the start of employment or alongside an apprenticeship, focused on core skills such as communication, problem-solving, and workplace behaviours.

Such initiatives would significantly strengthen the transition from education into the workplace, recognising that new starters have diverse and varied needs. As a result, they would enter the organisation better prepared, well supported, and positioned for long-term success - reducing attrition, boosting engagement, and helping to build a more confident and capable workforce.

Supporting with the cost of new entrants

We invest heavily in wraparound support for new starters to ensure they are set up for success.

Sysco is committed to paying fair salaries and ensuring a supportive benefits package is accessible for all colleagues. We also, where possible, seek to cover travel and accommodation costs, enabling apprentices to access learning across the business, enhancing their wider business exposure and potential for career development. This direct support for colleagues is backed by a continual investment in our leaders and line managers to ensure that they are equipped to support new team members. We therefore call for short course funding to also consider key line manager skills for supporting apprentices, such as coaching, recruitment best practice, safeguarding, and generational understanding. This is important for new entrants, helping them to thrive with confidence from day one.

This approach offers a significantly stronger transition for new apprentices and, as a result, we see improved engagement and retention throughout their programmes and into their long-term careers within our business. However, in a fast-paced operational environment, it can be far more challenging to absorb the initial gap in productivity that comes with bringing apprentices on board. The slower return on investment, particularly in areas such as sales where we are keen to invest in new talent but must allocate valuable headcount to do so, creates real pressure on operational teams. Alongside these headcount constraints, the additional costs associated with attraction, recruitment and providing the right level of support shapes both how many apprentices we can take on and the quality of development we can offer.

We therefore urge the Government, as part of their skills reform, to consider the broader financial burden placed on employers and to ensure the Levy provides additional support where necessary. While recent announcements around entry-level apprenticeship funding are positive in principle, the Growth & Skills Levy funding must extend beyond the qualification itself to enable businesses to recruit, onboard, and retain new starters at scale.

Sysco believes that creating successful, long-term talent pipelines starts well before an apprenticeship begins.

We call for the Growth & Skills Levy to support the full journey into employment – not just the qualification – providing funding to ensure young people are supported from the outset and that employers can do their very best to prepare new talent for the world of work.

This approach benefits both businesses and individuals, laying the foundations for a more resilient, productive, and inclusive workforce.



Empower Businesses to Tackle Critical Skills Gaps



Sysco believes the new levy must empower employers to address their most urgent skills challenges without being limited by slow-moving, centrally designed training programmes. Businesses are best placed to identify their own operational pinch points and must have the flexibility to act quickly and decisively when skills shortages emerge.

At Sysco, we are already investing in tailored, business-led training schemes to address essential skills gaps. These programmes are essential for maintaining daily business activity. Without this proactive approach, operational effectiveness would be compromised, with knock-on effects across the wider supply chain we support.

Addressing the HGV driver shortage: 'Changing Gears' - A Sysco case study

In the wholesale sector, one of the most persistent and pressing challenges is the recruitment and retention of HGV drivers. At Sysco, drivers make up 28% of our workforce, making them essential to our ability to operate effectively. However, the driver labour market remains intensely competitive, with a shortage of experienced drivers continuing to place significant strain on our operations.

We frequently have to recruit newly qualified Class 1 and 2 drivers, many of whom have little or no experience in wholesale distribution. These individuals require substantial additional support and training before they are fully effective in their roles. Compounding this challenge is a high attrition rate among new drivers who often leave for Class 1 positions, which are widely perceived to be easier or less demanding. This mismatch between the driver profiles available and the operational needs of our business results in inefficiencies, rising costs, and an increased burden on our training and support infrastructure.

Drivers are the backbone of our service model. The wholesale sector plays an indispensable role in the UK's food and drink supply chain and is a vital component of our national infrastructure. Sysco GB delivers to critical public services, including schools, hospitals, care homes and community organisations. Without a stable and skilled driver workforce, the lifeline of this supply would be at risk, with implications for communities across the country.

In response to the strain on our driver workforce, we developed the award-winning 'Changing Gears' programme, which allows us to upskill internal staff or recruit externally and train new drivers in a 24-week programme tailored to our business. This is far more effective than the traditional 13-month apprenticeship route to train drivers, offering a more flexible and shorter timeframe to complete, stronger alignment with business needs, and much higher success and retention rates.

The programme has received recognition for its success, including a 100% pass rate and a 96% retention rate, and was the recipient of the Motor Transport Training Award in 2022.

Providing clarity and consistency for bespoke training

Despite its success in upskilling and tackling a key skills gap in the workforce, 'Changing Gears' is not currently eligible for levy funding. Instead, we rely on limited Skills Bootcamp funding, which requires a 30% employer contribution. This creates a funding ceiling that restricts the number of people we can train, even though demand is consistently high.

We welcome the Government's intention to provide greater flexibility to local areas by devolving responsibility for Skills Bootcamps to Mayoral Combined Authorities, beginning with Greater Manchester and the West Midlands in the current financial year. With local areas having greater control over funding decisions, there is the potential for a larger share of resources to be directed towards effective, locally tailored initiatives such as Changing Gears. This, in turn, could reduce the overall cost of delivery and enable Sysco to increase the number of participants we take on each year under this new structure.

However, while it has been outlined that additional Mayoral Combined Authorities will receive similar devolved powers, the lack of clarity over which regions are next in line creates significant uncertainty for long-term planning and investment in our award-winning scheme.

Likewise, as devolution progresses, there is the risk of regional inconsistency in the availability and level of funding, which could lead to higher programme costs in some areas compared to others. This in turn raises the risk of Sysco and other businesses being priced out of delivering upskilling initiatives in certain regions if funding were to be reduced or cut entirely, creating disparities in access to training opportunities and regional differences in skills development.

Sysco calls on the Government to ensure that business-led, sector-specific programmes, like Sysco's 'Changing Gears', are included as part of the rollout of shorter courses.

We also call on the Government to provide clear and consistent plans for the devolution of Skills Bootcamp funding, enabling employers to plan investments with confidence and ensuring that learners across all regions have fair and equal access to training opportunities.





Future-Proof the Workforce and Drive Long-Term Growth



Sysco believes the Growth & Skills Levy must enable long-term workforce planning and empower employers to invest in people throughout their careers. We welcome Skills England's acknowledgement that the current levy system is too rigid, with lengthy programmes that do not always align with the operational demands of sectors like ours.

We also welcome the Post-16 Education & Skills White Paper and its commitment to delivering greater flexibility through short, modular training courses.

Employers need the ability to use levy funds to support a range of learning and development opportunities across every stage of someone's career – from foundational skills to specialist qualifications and leadership development.

At Sysco, we want to invest in our people over the long term, helping those that came in as entry-level staff progress into more senior, specialist, or leadership roles. Limitations to funding based on age or other criteria puts our support for this kind of internal progression at risk when levy funds can no longer be accessed.

To deliver lasting impact, it is essential that these reforms are implemented effectively in practice - ensuring that commitments to short courses, career progressions, and reskilling translate into real flexibility for employers. Only by doing so can businesses plan and invest in future skills with confidence, building stronger talent pipelines and long-term workforce resilience.

Unlock career progression with shorter, modular training

Not all employees are eligible or suited for apprenticeships, but they still deserve access to structured, meaningful development. We are keen to see the development of initiatives such as shorter, modular training programmes which will allow us to upskill a broader section of our workforce and better reflect the modern, non-linear nature of career progression.

For example, Sysco could create clearer pathways from frontline operational roles into specialist, sales, or managerial positions, promoting internal mobility and strengthening retention while creating social mobility and impact for our colleagues.

To be effective, these initiatives must be delivered punctually, with flexibility for different sectors, and designed with employers so the training is directly relevant to the workplace.

Equip the workforce for an AI-driven economy

Sysco welcomes the commitment to priority areas including AI and digital in the roll-out of the short, modular training courses. These capabilities are increasingly central to the future of work - not just in tech, but across sectors including foodservice and logistics.

Digital transformation is already reshaping how we operate, from route optimisation and supply chain analytics to e-commerce platforms. To be effective, these courses must be flexible and sector-specific, allowing employers to apply AI and digital tools to their own operational challenges and upskill their workforce in ways that are relevant to their business.

If designed and delivered effectively, these reforms can support broader workforce development, enhance productivity, and build skills that have lasting impact - beyond those pursuing traditional digital careers.

At Sysco, we're committed to developing our people and contributing to inclusive growth. However, if these initiatives do not allow levy funding to be applied where it is most needed in practice, businesses may be forced to rely more heavily on automation, potentially accelerating a shift away from human capital investment.

Targeted, sector-relevant training is essential to future-proof the UK workforce, strengthen social mobility, and sustain long-term productivity across the economy.

Invest in specialist training and future leaders

We are particularly concerned by the reform that restricts funding for Level 7 apprenticeships to those under the age of 22 from January 2026. This narrow age cap will significantly reduce access to high-level qualifications and places the financial burden of leadership development on employers.

This change risks making it harder for talented individuals, especially those entering the workforce later or changing careers, to progress into senior roles. At Sysco, many of our most promising future leaders come from non-linear career paths. Removing support for their progression undermines the very goal of the levy – to close skills gaps and enable social mobility.

The narrowing of eligibility of funding for Level 7 apprenticeships widens the gap between the skills industry needs and the training it can afford to deliver. We urge the Government to consider the broader impact of this policy, not just on individual learners, but on the UK's future leadership pipeline, business productivity, and the long-term resilience of the UK workforce.

Sysco urges the Government to evolve the Growth & Skills Levy into a system that supports modular, specialist, and future-focused training.

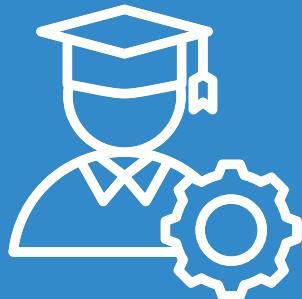
By giving employers the flexibility to build long-term talent strategies – from first jobs through to senior roles – we can create a workforce that is innovative, resilient, and ready for the challenges of a rapidly changing economy.



Summary of Sysco's Recommendations

Remove Barriers to Engaging New Talent

- Support the additional costs of onboarding new entrants, beyond just qualifications
- Fund work-readiness initiatives to bridge the gap between skills and employment



Empower businesses to tackle critical skills gaps

- Include proven, business-led training programmes in short courses funding
- Provide long-term clarity and consistency in the devolution of Skills Bootcamp funding



Future-proof the workforce and drive long-term growth

- Unlock funding for modular upskilling
- Invest in specialist training and leadership development
- Back digital and AI-focused skills development to build a resilient, future-ready workforce





For further information, please contact syscoUKPA@dgagroup.com