

The UK government's Department for Science, Innovation and Technology (DSIT) released its much-anticipated **AI Labour Market Survey 2025 executive summary**, shining a spotlight on the challenges and opportunities facing employers and employees as artificial intelligence continues to transform workplaces. This comprehensive survey highlights a striking *97% AI skills gap statistic*, underscores that **31% of AI recruitment barriers** stem from a lack of practical experience, and charts a path forward that includes fully funded workplace AI training, including apprenticeships.

In this post, I'll unpack the DSIT findings, delve into how organisations can address the AI skills gap with tools like low-code and no-code platforms, and explain why the new *ST1512 standard* for the Level 4 Applied Business AI apprenticeship could be a game changer for England's workforce.

## Understanding the 97% AI Skills Gap Statistic

The DSIT survey found that nearly all UK employers involved with AI-related roles—approximately **97%**—report a significant skills gap. This figure isn't about general tech literacy; it specifically points to practical AI skills essential for deploying, managing, and scaling AI solutions in business contexts.

What's causing this gap? The survey identifies several factors:

- **Fast-evolving technology:** The AI landscape changes rapidly, leaving traditional training behind.
- **Lack of hands-on experience:** Employers value candidates who have actually implemented AI projects, not just studied theory.
- **Inadequate training options:** Many courses are either too generic or disconnected from workplace realities.

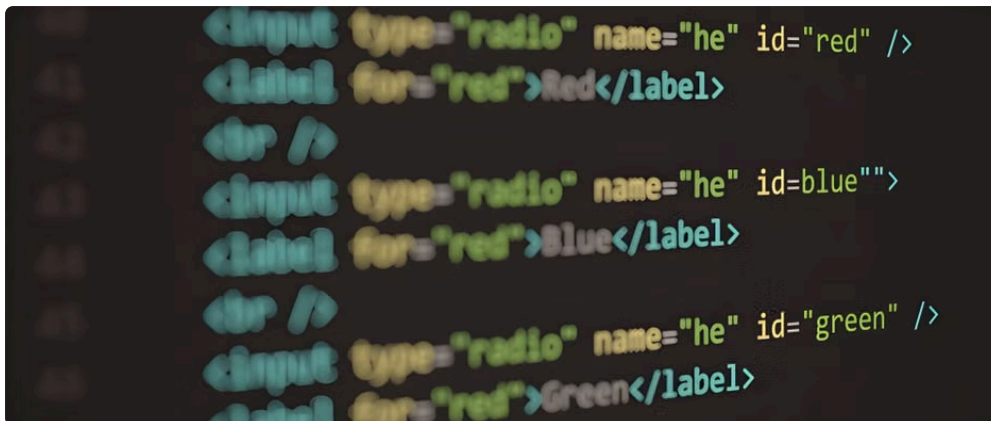
This sets the stage for the well-documented **AI recruitment barriers**, with **31%** of employers pinpointing a shortage of practical experience as a major hiring challenge.



## Experience Matters: Why Employers Prioritise Applied Skills Over Certificates

The survey reinforces a key insight many HR and L&D professionals already know: *certificates alone don't open doors*. While qualifications remain important, especially to HR systems trained on resumes that look for badges, what employers really want is demonstrated ability.

This preference creates tension because many short "paid" courses promise certifications but lack the depth and workplace relevance to cultivate real-world competence. Conversely, employers value candidates who have worked on AI projects that align with business goals, troubleshooting real problems and generating measurable impact.



That's why workplace training programmes that combine theory with practical application — and ideally are *fully funded* — offer the best return on investment for both employers and employees.

## Fully Funded Workplace AI Training in England: Closing the Skills Gap

Recognising these challenges, the UK government has doubled down on funding solutions. One of the most promising approaches is the availability of fully funded AI training through the apprenticeship levy system and associated workforce development funds.

Employers can now tap into **fully funded Level 4 apprenticeships** in AI that deliver a balanced blend of theory and practice, embedding learning deeply through on-the-job experience. The *ST1512 Applied Business AI standard* is central here.

### Why Choose the Level 4 Apprenticeship Over Paid Short Courses?

| Criteria             | Level 4 Apprenticeship (ST1512)                                       | Paid Short Courses                                                       | Funding                                                                  |
|----------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Qualifying employers | Usually self-funded or employer-sponsored with additional cost        | Typically 12-18 months, allowing deep skills development                 | Few days to a few weeks, often superficial                               |
| Duration             | Aligned with industry needs, covering applied AI and business context | Varies widely, many focus on theory or isolated skills                   | Assessment Robust EPA (End Point Assessment) includes practical evidence |
| Content              | Varies widely, many focus on theory or isolated skills                | Assessment Robust EPA (End Point Assessment) includes practical evidence | Mostly tests knowledge, little demonstration of skill in workplace       |
| Employer Involvement | High - workplace projects and mentoring integral                      | Low or none                                                              |                                                                          |

The apprenticeship route doesn't just produce a certificate — it develops real experience with AI in business settings, which is exactly what 31% of employers are seeking but finding scarce.

## What the ST1512 Standard Covers: Applied Business AI

The **ST1512 Applied Business AI** apprenticeship standard is explicitly designed to bridge the gap between AI theory and its practical use in workplace scenarios. Here's an overview of the core areas it covers:

- **AI techniques and algorithms:** Understanding fundamental AI methods and when to apply them.

- **Data management:** Skills in data collection, cleaning, and governance essential for AI projects.
- **Business context:** Ensuring AI solutions align with company objectives and ethical frameworks.
- **Low-code and no-code AI tools:** Training on platforms that enable rapid prototyping and deployment without heavy programming.
- **Project management and stakeholder engagement:** Leading AI initiatives and communicating benefits and risks effectively.

This holistic focus ensures apprentices graduate not only knowing AI concepts but also equipped to make meaningful contributions in varied organisational roles.

## Low-Code and No-Code Tools: Democratising AI Skills

A key trend highlighted in the DSIT survey and echoed by current L&D practice is the growing role of *low-code and no-code AI tools*. These platforms allow staff—even those without deep programming skills—to build AI-driven applications and automate workflows.

Examples include:

- **Low-code tools:** Microsoft Power Platform, Google AppSheet — drag-and-drop interfaces with custom scripting options.
- **No-code tools:** Bubble, Airtable with AI integrations — fully visual interfaces requiring no coding.

Why is this important?

1. **Speeds up AI adoption:** Enables more employees to participate in AI projects.
2. **Reduces the "experience" barrier:** Learners can quickly build portfolios of real AI implementations.
3. **Complement existing apprenticeship training:** Apprentices can combine platform use with deeper theoretical knowledge.

If you're wondering **"what will you automate in week 3?"**, as I always ask when guiding apprenticeship or training rollouts, low-code and no-code tools make great early-stage projects—practical, visible, and immediately impactful.

## Addressing Common Misconceptions

Before I wrap up, let me bust a few myths that often cause hesitation among employers or learners when considering AI training:

- **"Apprenticeships are just for teenagers."** No – the Level 4 standard is aimed at adults upskilling or reskilling, often mid-career professionals.
- **"AI skills are too complex for workplace training."** Modern training balances fundamentals with hands-on practice, making learning accessible.
- **"Paid short courses are enough."** They rarely provide the evidence of experience that employers demand.

## Next Steps: How to Leverage These Insights

For employers and HR teams looking to close the AI skills gap, the DSIT survey clearly points to:

1. Explore fully funded apprenticeship opportunities aligned to the ST1512 standard.
2. Incorporate low-code/no-code AI platforms into workplace projects early in training.

3. Ensure training is complemented by practical, supervised application.
4. Collaborate across teams—IT, HR, L&D, and business stakeholders—to design effective AI upskilling pathways.

For individuals, the message is equally clear: seek learning options that offer both credentials and [msn](#) experience. Apprenticeships offer that balance, and now with full funding available, they can be a cost-effective route to in-demand AI roles.

## Conclusion

The **DSIT AI Labour Market Survey 2025** makes one thing clear: AI skills shortages are real, widespread, and a barrier to growth. But the path forward is well mapped. With government-funded apprenticeship standards like ST1512 Applied Business AI and the effective use of low-code/no-code tools, employers and employees alike can leap over the experience chasm and build a truly AI-capable workforce.

If you're ready to move beyond vague promises and costly short courses, now's the time to explore the funded apprenticeship route. And remember—training is just the beginning; real progress comes from applying your AI skills to automate and innovate at work.

So: **what will you automate in week 3?**