# Labour Party proposes 'growth and skills levy' for Apprenticeship Reform



Labour Party representatives have reiterated their commitment to reforming the existing Apprenticeship Levy, which affects businesses with an annual wage bill exceeding £3 million. Bridget Phillipson, the Shadow Education Secretary, announced that the proposed changes, called the "growth and skills levy," aim to offer businesses more flexibility to invest in diverse training courses, addressing skills shortages and promoting economic growth.

This announcement follows Labour's efforts to garner business support for the reformed levy, reportedly earning backing from 120 company leaders. The reformed levy would allow businesses to allocate up to 50% of their contributions to non-apprenticeship training, with the remaining half dedicated to apprenticeships.

Government data indicates a decline in apprenticeship starts from 349,190 in 2021/22 to 337,140 in 2022/23, although recent figures from August 2023 to January 2024 show a 2.5% increase in starts. Labour also highlighted a decrease in further education participation, which dropped from 2.18 million in 2017/18 to 1.64 million in 2020/21, but later rose to 1.82 million by 2022/23.

Education Secretary Gillian Keegan criticized Labour's proposal, asserting that it would reduce apprenticeship numbers by half and cut the budget by £1.5 billion, disadvantaging small and medium-sized enterprises. Keegan emphasized that the current system has successfully delivered over 5.8 million apprenticeships since 2010.