# Labour and Conservatives Clash Over Future of UK Apprenticeship Schemes for Small Businesses



A growing debate between the Labour and Conservative parties in the UK centers around the future of apprenticeship schemes, particularly focused on the impact on small businesses. The number of smaller firms engaging in apprenticeship programs has decreased, largely due to the design of the Apprenticeship Levy, a government policy aimed at funding apprenticeships, which favors larger firms. Small businesses face challenges with costs and navigating complex administrative systems, and have received insufficient support from training providers.

Labour proposes introducing greater flexibility in the system, allowing employers to use up to 50% of their Apprenticeship Levy funds, or receive direct government payments, to train existing staff. Conversely, the Conservatives aim to retain the current system while increasing funding by eliminating certain university courses perceived as offering low value.

Currently, one in four small UK businesses runs apprenticeship schemes, per the Federation of Small Businesses. Reforms could potentially enable two million additional apprenticeships. Recently, changes have been made to ease challenges for small businesses, such as removing the requirement for eligible companies to top up state funding for young workers and loosening rules on large companies sharing their funds.

Despite these changes, substantial bureaucracy remains, requiring businesses to partner with accredited providers and complete extensive paperwork. Financial support primarily covers training costs, while employers must still pay apprentices' salaries according to national minimum wage regulations.

When functioning well, apprenticeship schemes offer employers substantial benefits, including reduced recruitment costs, better staff retention, and fewer skills shortages. Labour emphasizes flexibility for existing staff, aligning with calls from some employer groups, while the Conservatives focus on making the current system more efficient, emphasizing the availability of additional funding for small firms.