# Labour Proposes Reforming Apprenticeship Funding to Boost Skills and Flexibility



Labour plans to reform apprenticeship funding
Labour has announced plans to give businesses more flexibility in using government funds allocated for apprenticeships if they win the upcoming election in July. Shadow Education Secretary Bridget Phillipson outlined the proposal, which allows up to 50% of apprenticeship funds to be used for training existing staff in high-level technical skills like retrofitting and engineering. This plan aims to address skill shortages and provide businesses with the flexibility they need.

Currently, apprenticeships are funded by taxes and an apprenticeship levy imposed on businesses with an annual wage bill exceeding £3 million. Labour's revised system, termed the "growth and skills levy," would still ensure that at least 50% of the funds are reserved for apprenticeships. The additional flexibility could offer pre-apprenticeship training courses to prepare individuals for full apprenticeships or employment.

Education Secretary Gillian Keegan criticized the plan, arguing it would halve the number of apprenticeships and negatively impact small and medium-sized businesses. The Liberal Democrats also presented a different approach, proposing a lifelong education fund for each adult.

The Institute for Fiscal Studies (IFS) expressed skepticism about whether these new measures would convince more businesses to utilize available funds. Research Economist Imran Tahir emphasized that employer buy-in is crucial for the success of any proposed changes. Furthermore, the Association of Colleges and other experts noted a significant drop in employer and public spending on training and adult education over the past decade, calling for urgent reforms to address these issues.