



LABOUR PARTY POSITION: UVAC RESPONSE

'Growth and Skills Levy' - Under the Growth and Skills Levy, a hypothecated tax, 50% of payments would be ring fenced for apprenticeships while employers could spend up to 50% of payments on other approved training programmes. This Labour claim would help deliver the flexibility employers have been demanding. Labour, however, has a problem, the figures don't add up. If employers are allowed to (and actually spend) 50% of their levy payments on other approved training, this leaves £1,625 million for Apprenticeship. This equates to a reduction of £960 million in the current Apprenticeship budget, which would be a 37% reduction

'Wasted Levy; Failed Experiment' - The contradiction between the 'wasted' levy claims and the actual spend on Apprenticeship is partly explained by the fact that the Apprenticeship Levy also funds Apprenticeships used by smaller employers who do not pay the levy.

Restricting the use of levy funds on Apprenticeships at level 6 and level 7 (degree level) would save funds and allow more funds to be focused on lower levels, but at what cost? Some of the most popular Degree Apprenticeships are used to recruit and train police constables, nurses, teachers and social workers. Not I suspect occupations where Keir Stammer would want to restrict numbers or training. Rachel Reeves will also want Apprenticeships available that deliver Labour's Green Prosperity Plan, many of which will be for level 6 and level 7 'degree level' occupations.

Most commentators and indeed the general public want more not fewer Apprenticeships. This means that Labour should increase not reduce Government spending on Apprenticeships. Labour, if elected, will also be judged on the actual Apprenticeships delivered on its watch and how such Apprenticeships improve public sector service delivery, enhance productivity, deliver the net zero agenda and open up new access routes to the professions