

# Labour really does need to take an apprenticeship in po...

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As FE (or Further Education) Week [has reported](#):

*Public funding for level 7 apprenticeships will be removed for people aged 22 and older from January 2026, the government has confirmed.*

*From the new year, employers will only be able to use the apprenticeship levy to fund the master's level courses for existing apprentices and new starters up to age 21, as first [reported](#) by FE Week earlier this month.*

The Department for Education (DfE) said today the reforms “rebalance” the apprenticeship budget “towards training at lower levels, where it can have the greatest impact”.

It comes as part of a bundle of skills announcements, including 45,000 “domestic” training places funded through the immigration skills charge, a boost to the apprenticeship budget and £132 million for skills bootcamps in “priority sectors”.

So, apparently, we're short of cash for training, and so, if we are to have a policy that is intended to tackle the migration agenda, someone in the UK has to suffer, and that will be those over the age of 21 wanting to undertake an advanced apprenticeship.

Level 7 training apprenticeships are common in the professions. Health services, accountants, lawyers, vets, architects and many others use such schemes to create training opportunities.

Now they won't. Why? There are three reasons.

First, because Rachel Reeves says we can't afford to train such people any more, and Brifget Phillipson is her puppet..

Second, Nigel Farage has set Labour's agenda by saying we must train people to keep migrants out of the country.

And, third, the government wants to pretend that we cannot do both of these things.

So, I asked [ChatGPT this question](#):

*How much is the UK training levy in aggregate a year? Are all the funds expended on training every year? Have there ever been surplus funds? What happens to them? I stress, I am looking for aggregate data.*

This is the answer I got:

*The UK Apprenticeship Levy, introduced in April 2017, is a tax on employers with an annual pay bill exceeding £3 million. These employers are required to pay 0.5% of their total pay bill, minus a £15,000 annual allowance, into the levy. The funds are intended to support apprenticeship training and assessment across the UK.*

## **Aggregate Annual Revenue**

In the 2022–23 financial year, the Apprenticeship Levy generated £3.58 billion. Of this amount, £2.554 billion was allocated to the Department for Education (DfE) for apprenticeship funding in England, and an estimated £608 million was distributed to the devolved administrations in Scotland, Wales, and Northern Ireland. This left approximately £418 million unallocated, which, combined with a £96 million underspend by the DfE, resulted in a total of £514 million being retained by the Treasury in that year.

## **Utilization of Funds**

Not all funds collected through the levy are expended on apprenticeship training each year. Employers in England can access their levy contributions through a digital account to fund approved apprenticeship training, with a 10% top-up from the government. However, if these funds are not used within 24 months, they expire and are returned to the Treasury.

Between May 2019 and March 2022, over £3.3 billion of unspent levy funds were returned to the Treasury due to this expiration policy. This indicates that a significant portion of the levy remains unused annually, leading to surplus funds.

## **Handling of Surplus Funds**

Surplus funds from the Apprenticeship Levy, resulting from unspent employer contributions, are retained by the Treasury. While some of these funds are redistributed to support apprenticeship training for non-levy-paying employers, there is limited transparency regarding the full allocation and use of these surpluses. Critics argue that this lack of clarity undermines the original intent of the levy to fund apprenticeship training.

Employers have the option to transfer up to 50% of their unused levy funds to other businesses to support apprenticeship training, a measure aimed at reducing the amount of unspent funds. Despite this, significant surpluses continue to be returned to the Treasury annually.

In summary, while the Apprenticeship Levy generates substantial funds each year, not all of these are utilized for their intended purpose, resulting in surplus funds that are absorbed back into the Treasury.

There is no evidence that this pattern of under-spending has changed. In other words, there is not the slightest reason to cancel level 7 apprenticeships for those over starting over the age of 21 (which many people will have done in the past). There is no shortage of cash to provide these and achieve the other goals set by the government. There is no way the two are mutually exclusive.

All we are actually seeing is Labour's poverty of political thinking whilst jumping to Farage's tune in action, yet again.

Labour really does need to take an apprenticeship in politics. I suggest they start at about level 2. That's GCSE equivalent.