



# What would Labour do?

Education Edition

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## GK Insights:

# What would Labour do?

## Education Edition

We are delighted to offer the second report in our What Would Labour Do series. This report assesses Labour's education policy, from early years through to higher education.

Education is an area that has historically taken pride of place in successive Labour leader's manifestos. Keir Starmer has announced that "raising education standards" is one of the five missions which will form the backbone of the Labour manifesto and the pillars of the next Labour government.

However, in a change from the last Labour leadership which focused heavily on higher education and tuition fees, Keir Starmer is likely to prioritise pledges on early years, the skills agenda and mental health support in education settings.

Education remains an area of intense political interest and debate. The GK team are happy to provide an overview of likely areas of focus in this report. For more information, please get in touch!

The GK team explore further a number of the key targets outlined in the report.

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## Early Years

Labour's plan for early years education was announced at the Labour Party Conference in 2022, in which Shadow Education Secretary, Bridget Phillipson, described it as a "key priority" for the Labour Party. The plan fortifies Labour's commitment to "drive up" the quality, affordability and availability of childcare. In addition, the party has promised fully funded breakfast clubs for all primary school children in England.

Phillipson has also emphasised the importance of a childcare system that reflects the needs of modern families. She called for a "real transformation" in early education and childcare, envisioning a system that provides seamless support from the end of parental leave to the end of primary school. In September 2022, Helen Hayes MP, Shadow Minister for Children & Early Years, elaborated on Labour's plans to increase pupil premium funding for early years to the same level as reception. She also mentioned a "big look" at the early years sector, focusing on funding structure and allocation with the aim of providing more stability to early years settings.

Enshrined within the Party's 'five national missions', Labour's commitment to addressing the childcare crisis includes a comprehensive Children's Recovery Plan, prioritising investment in state nurseries first, followed by funding for disadvantaged children, and family support. This approach may resonate with voters seeking a more extensive and sustainable solution to early years sector issues.

However, since the initial unveiling of Labour's Children's Recovery Plan, the Conservative Government published its 2023 Spring Budget, which includes several measures aimed at addressing the childcare crisis. This includes extending entitlements to childcare for eligible working parents in England to cover all children from 9 months until they start school by September 2025. The Chancellor, Jeremy Hunt, announced a £3 billion investment in early years education, including £1 billion for state nurseries and £2 billion for private providers. The Spring Budget also includes a pledge to increase funding paid to nurseries for the existing free hours offers which will increase by £204 million from September 2023 rising to £288 million next year.

The Conservative Government's Spring Budget has been criticised by Labour, who argue that it falls short of addressing the scale of the childcare crisis. Shadow Chancellor, Rachel Reeves, has stated that Labour's plan goes further in terms of investment and support for families. However, the Conservative Government's investment in early years education has been welcomed by some experts, who see it as a positive step towards addressing the issues in the sector.

Key policy areas for the Labour Party to consider are changes to the hourly rates, qualifications and recruitment reforms, further extensions to current entitlements and whether they would seek to roll back on the ratio changes being brought forward by Ministers.

# School System

Much of Keir Starmer's early policy announcements on schools was focused on recovery programmes post-Covid. In March 2021, Labour announced the formation of its Bright Future Taskforce. This taskforce comprised people from the sector and education charities and developed a Children's Recovery Plan, which looked at how to better support children's happiness and wellbeing. The plan outlines several measures aimed at improving early years education and support, including:

- Breakfast clubs and new activities for every child
- Quality mental health support in every school
- Small group tutoring for those who need it
- Continued development for teachers
- Education Recovery Premium – investing in post-Covid catch-up and doubling pupil premium for those that need it
- Extending free school meals over the holidays
- Expanding State Nurseries

## National Excellence Programme

In his first party conference speech as leader of the Labour Party, Keir Starmer, announced a 'National Excellence Programme', which he branded as Labour's "ambitious school improvement plan". While details of the policy remain light, its intention is to cement the role of state education at the heart of Britain's future, by boosting the number of 'outstanding' schools in all areas of the country as well as improving outcomes for pupils who currently leave compulsory education without

level 3 qualifications. The programme will focus on recruiting thousands of new teachers, reforming Ofsted to focus on supporting struggling schools; and providing teachers and headteachers with continuing professional development and leadership skills training.

## Academisation

A future Labour Government would most likely support the continuation of a hybrid model of academies and local authority-maintained schools. The Party has confirmed that it would not support forced academisation but would leave well-performing academy trusts alone. It would also protect the right of single-academy trusts to continue to stand alone rather than being forced to become part of multi-academy trusts.

However, the Party is likely to want to make some reforms, including making sure the national curriculum is taught in all schools as well as amending governance mechanisms and accountability arrangements. Various Labour sources have suggested that a new Labour government would plan to bring in new Schools Bill early on in government in order to make these changes.

## Curriculum

Labour's intention would be to refocus the curriculum, specifying mandatory digital skills which would be embedded to ensure a whole school approach. Greater focus would also be given to practical work and life skills, sport and the arts, and careers advice, with every child being given access to a professional careers adviser.

## Role of Ofsted

Even prior to the recent headline grabbing news and protests regarding Ofsted, the Labour Party had set out intentions to reform Ofsted to focus more on struggling schools. Most recently, the Shadow Education Secretary, Bridget Phillipson, announced that, after consultation with teachers and parents, Labour would reform Ofsted further by scrapping the current school ratings system in England and replacing them with a "report card", which would be aimed at helping parents to understand where a school is performing well, where it can do better and where it is improving. Alongside this, Labour would introduce annual reviews of school safeguarding to avoid potentially long gaps between inspections.

## Tax on private schools

Keir Starmer and Shadow Chancellor, Rachel Reeves, have both voiced Labour's intentions to remove the charitable status - which applies to many independent schools, along with consequent exemptions on business rates - as well as the VAT exemption on school fees. The Party has estimated that this would raise **£1.7 billion per year**, which would help fund Labour's other school commitments.

Although the money raised from this policy has been variously ascribed to different policy initiatives over the past few years, the Labour team has made repeated assurances that some of the money raised would be spent on filling teacher vacancies. The Party aims to do this by improving career pathways, addressing workload issues and ensuring greater opportunities for continuing professional development, in part through the establishment of a teacher development fund, which would include a £47 million "excellence in leadership" programme for new heads.

However, there are doubts about the feasibility of these proposals, particularly the full removal of charitable status, as it would likely precipitate a complex process that could cost a Labour government precious time and political capital.

Instead, the Labour Party may favour the targeting of specific tax reliefs enjoyed by schools with charitable status. In a scenario where Labour does not secure a majority, it could opt for a compromise measure where mainstream independent schools are no longer eligible for business rates relief, but charitable status and other exemptions are retained - similar to the current framework in Scotland.

Likewise, the practicalities of applying VAT to school fees could cause Labour, after forming a government, to proceed cautiously. This is because the VAT policy could result in large numbers of pupils leaving the independent sector to join the state education system, potentially placing additional strain on the state sector.

In this scenario, it is very likely that new schools would need to be built or purchased. In turn, land would likely need to be set aside or acquired in higher-cost residential (given the location of some independent school pupils) rather than industrial areas, and capital budgets would need to be increased to fund the subsequent building repair work required from time to time. Given that Starmer and Reeves have stressed that a Labour government would be fiscally disciplined, the VAT policy may be hard to justify, if the tax revenue raised does not comfortably exceed the additional costs and higher capital expenditure that may be consequences of the policy's implementation.

# Skills System

In October 2022, Labour's council of skills advisers, led by the former Education and Employment Secretary Lord Blunkett, published *The Learning and Skills Report*, highlighting recommendations for a "revolution" in learning and skills to achieve sustainable economic growth. The report called for a new National Skills Taskforce, a shake-up of the careers service, a new Apprenticeship and Learning Levy, devolution of some decision making and greater collaboration between the public and private sectors to drive up digital skills. The report and its recommendations provide a good insight into a future Labour government's skills and FE policy.

## Apprenticeship Levy

A core plank of a future Labour government's education policy would be to reform the Apprenticeship Levy. The Party would replace the existing Levy with a new Growth and Skills Levy, which would allow businesses and organisations to use up to half their Levy contributions to fund non-apprenticeship training, including modular courses and functional skills courses.

Alongside this, the Party would give more power to regional leaders to support training for local needs. It would devolve adult education skills spending to combined authorities, and establish a new expert body, Skills England, to oversee the national skills effort.

# Higher Education

Party manifestos. This results from a desire to rally the younger vote, who are seen as generally more likely to vote Labour. However, for the first time in years, we expect to see higher education play a far less prominent role in the upcoming Labour manifesto and priority areas for a Labour government's spending.

## Regulatory framework

A fundamental overhaul of the higher education regulatory system under a Labour government would be unlikely. Instead, the Party is more likely to focus on areas such as widening access and reforming, or even abolishing, the Office for Students.

## Tuition fees

During his leadership election, Keir Starmer re-committed to the pledge of his predecessor, Jeremy Corbyn, to abolish tuition fees. However, since then, Labour has been keen to promote fiscal discipline in its messaging and in January 2023, Starmer stated that his previous pledge to abolish fees would now be under review given the economic climate. Most recently, in May 2023, renewed speculation emerged after the Labour leader set out his intention to announce that Labour would not abolish tuition fees; but would remain committed to setting out a 'fairer solution' to funding university fees. The Labour Party has previously supported the idea of a "graduate tax", but has moved away from overt support for this after increasing criticism of the policy from various influential groups. The Labour leader will most likely



commit to some sort of post-election review in order to push the decision making until after the General Election.

## Wider Funding

The Labour Party's views on HE must be viewed in the context of the current pressures on public sector finances which means that increased spending is unlikely. However, there may be small pockets of additional funding which we would expect to be earmarked for supporting areas like widening access, mental health support in HEIs and cost of living support for students.

## International students

The Labour Party has historically been supportive of international students and has recognised the important role they play both financially and culturally. We would expect this to continue under a Starmer leadership, especially in light of the sector's reliance on international student fees.

In response to public pressure around rising net migration to the UK, the Shadow Home Secretary, Yvette Cooper, has insisted that migration numbers would come down under a Labour government. However, the Labour Leader, Keir Starmer, has focused his attention on how a potential future Labour government would restrict the number of low skilled workers, rather than focus on international students.

## Labour views on the private provision of higher education

While Labour remains inherently more sceptical of private provision in education than the Conservatives, there has been a softening of Labour's general stance on private provision under Keir Starmer's leadership. This has coincided with increased recognition that private providers can play an important role in delivering vital services, especially in areas like widening participation, where many traditional universities are still underdelivering. The approach of a Labour Government towards private provision is therefore expected to be broadly neutral - but it is unlikely to be actively promoted.

# gk strategy

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