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The EduSkills Budget Breakdown

What yesterday's Autumn Budget means for learners, employers and the skills pipelines that future growth depends on.

Slide 2: The overview

John Healey's first Budget as Chancellor was a modest package of targeted changes and loophole closures. It was set against tight fiscal headroom, rising borrowing costs and the economic effects of the conflict in Iran.

For education and skills, there were no dedicated measures to reduce the number of young people not in education, employment or training (NEET), and no further changes to student finance. Several announcements still carry implications for the sector.

Slide 3: Cost of living

Key measures included:

- A one-off £100 energy payment for up to 20 million households in council tax bands A to D in England
- A 3.9% rise in the minimum wage from April
- A rise in the higher mileage rate from 25p to 30p a mile, helping high-mileage workers such as care workers and community nurses
- A taper replacing the point at which Carer's Allowance is lost entirely, which could make part-time work more viable for young carers

Slide 4: Cost of Living

These measures offer some relief, but their reach is uneven and few speak directly to the barriers young people face. For example, the energy payment and the minimum wage rise will help many low-income households, but some employers argue that higher wage floors may reduce entry-level hiring. The mileage rate change will support care workers and community nurses, but the transport measures largely benefit drivers. Young people who are NEET are more reliant on buses and trains. The Carer's Allowance taper could help young carers into part-time work, but it addresses only one group.

Slide 5: Welfare reform

The government will bring down the welfare bill "in a Labour way", with a white paper expected before the end of next year following Alan Milburn's review of youth employment and Stephen Timms' review of disability support.

As our Earning or Learning report highlighted, the welfare bill cannot be reduced sustainably without wraparound investment that enables people to move into jobs that are stable, last and pay. For young people who are NEET, this includes careers guidance, training, mental health support and employers willing to offer first opportunities.

Slide 6: First jobs and apprenticeships

The Budget reiterated £100m for the mayor-led Local Apprenticeship Service and set a target of at least 3% for apprenticeships on large government infrastructure and construction projects. Small

business rate relief for retail, hospitality and leisure firms, major sources of first jobs, will also rise from £12,000 to £18,000.

These measures address the employer side, but their scale is modest against almost one million young people who are NEET.

Slide 7: Devolution and skills demand

Mayors will receive 20% of business rates revenues from next year, with full local retention by 2030. This could give them greater scope to plan skills provision, though areas with weaker tax bases, often with higher NEET rates, may raise less.

The Budget's housing and defence commitments depend on workforces that do not yet exist at the scale required. The £50m upgrade to Leeds College of Building is welcome, but wider pressures across the skills pipeline remain.

Slide 8: What's next

The Budget offers a mixed picture for education and skills. With many major decisions left to next year's spending review, questions remain about whether the funding will match the scale of the challenge.

Policy Connect will continue to engage through the Skills Commission, the Higher Education Commission and the APPG for Skills, Careers and Employment.

Link in bio to the full article.

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