

Chancellor backs skills in the Budget and Spending Review

The Chancellor, the Rt Hon Rishi Sunak MP, spoke about the absolute critical role of skills throughout his [Budget speech](#) this afternoon.

He stated: “Strengthening the skills of our people, the country’s greatest asset. That’s a real plan for growth.

“Higher skills lead to higher regional productivity.

“And higher productivity leads to higher wages.

“With 80% of the UK’s 2030 workforce already in work, our future success depends not just on the schooling we give our children but the lifelong learning we offer to adults.

“We’ve already done a lot.

“Our Plan for Jobs invested in apprenticeships, Traineeships, and the Kickstart scheme.

“But we need to go further.

“Today’s Budget invests in the most wide-ranging skills agenda this country has seen in decades.

“We’re increasing skills spending, over the Parliament by £3.8bn - an increase of 42%.

“”We’re expanding T Levels.

“Building Institutes of Technology.

“Rolling out the Prime Minister’s lifetime skills guarantee.

“Upgrading our FE college estate.

“Quadrupling the number of places on our Skills Bootcamps.

“And significantly increasing funding for apprenticeships.”

On Departmental spending, Sunak declared: “Today’s Budget increases total Departmental spending over this Parliament by £150bn.

“That’s the largest increase this century, with spending growing by 3.8% a year in real terms.

“As a result of this Spending Review, and contrary to speculation...there will be a real terms rise in overall spending for every single Department.”

The Treasury subsequently published its [Autumn Budget and Spending Review 2021](#)

This reveals that:

To boost wages and prospects for all, total spending on skills will increase over the Parliament; by £3.8 billion by 2024-25.

This funding will quadruple the number of places on Skills Bootcamps, expand the Lifetime Skills Guarantee on free Level 3 qualifications, and improve numeracy skills through a new Multiply programme.

There will be extra classroom hours for up to 100,000 T Level students.

SR21 also confirms funding to open 20 Institutes of Technology and investment for improvements to the condition of post 16 estates; including more specialist equipment and facilities for T Levels. This will be funded through a £2.8 billion capital investment in skills.

Apprenticeships funding will increase to £2.7 billion by 2024-25 – the first increase since 2019-20.

The document cites the delivery of “apprenticeship system improvements for all employers”. These include:

- an enhanced recruitment service by May 2022 for SMEs helping them hire new apprentices.
- supporting flexible apprenticeship training models to ensure that apprenticeship training continues to meet the needs of employers.

By April 2022, the Government will consider changes to the provider payment profiles aimed at giving employers more choice over how the apprenticeship training is delivered, and explore the streamlining of existing additional employer support payments so that they go directly to employers.

Introducing a return on investment tool in October 2022 to ensure employers can see the benefits apprentices create in their business.

Extending the 3k apprentice hiring incentive for employers until 31 January 2022.

Investing approximately £10 million a year over the SR in the Sector Based Work Academy Programme.

Funding for the Help to Grow schemes will help SMEs improve their productivity through world-class management, skills training, and support for digital adoption.

Sunak also announced funding to extend the Kickstart scheme to March 2022.

A set of factsheets detailing wider support for the English regions can be read [here](#)