

**Policy update
December 2024**



**The Enginuity[®]
ALLIANCE**

Policy update, December 2024

Welcome to the December policy update, provided exclusively for members of the Alliance.

This month brings a number of announcements from the Government regarding Skills Hubs, apprenticeships, and the 'Youth Guarantee'. Also included here are more details on last month's Budget, and sweeping changes planned for the new National Jobs and Careers Service.

Thank you for joining the Alliance - we look forward to sharing your voice.



Have your say:
Open consultations and enquiries

Energy Security and Net Zero Committee (Commons Select Committee)

[Workforce planning to deliver clean, secure energy.](#)

Deadline 13 January

Contact [Kate Young](#)

Ofqual

[Introducing principles into the General Conditions of Recognition](#)

Deadline 12 February

Contact [Poppy Bramford](#)

Please contact the Policy team if you would like to submit a response to either of the above.



New Skills Hubs launched: funding for apprentices in homebuilding



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New Skills Hubs

- The Government announced plans for 32 new Skills Hubs. These are planned to close housebuilding skills gaps by fast-tracking training for up to 5,000 apprentices a year.
- Investment of £140 million will come from the Construction Industry Training Board and the National House-Building Council (NHBC), who will develop hubs in areas most in need for housebuilding.



Cutting of level 7 apprenticeships could be widespread



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Level 7 apprenticeships

Minister Jacqui Smith suggested a blanket ban on public subsidy for level 7 apprenticeships would be coming soon.

Smith said, “In order to open up the growth and skills offer to deliver new training where it’s needed most, you will be aware that we’ll be asking more employers to step forward and to fund level 7 apprenticeships outside of the levy”.



Labour's first Budget sets out fiscally tight landscape, some funding for skills



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Last month's Budget Further made these commitments to education:

- £6.7 billion in capital funding for the Department for Education next year; a 19% increase on this year
- £950 million for skills capital
- £300 million capital investment to support colleges to maintain, improve, and secure the suitability of their estates
- £40 million to help deliver new foundation and shorter apprenticeships in “key sectors” as part of initial steps towards a reformed growth and skills levy



Last month's Budget Further made these commitments to education:

- An increase of 18% to the apprenticeship minimum hourly wage next year, from £6.40 to £7.55
- £900 million for the UK Shared Prosperity Fund as a transitional arrangement to cover existing skills in advance of wider funding reforms
- £240 million to support the soon-to-be-published 'Get Britain Working' white paper
- Two trailblazer combined authorities – West Midlands and Greater Manchester – to be given a consolidated single flexible pot of funding to spend on local priorities, including local skills provision.



Skills bootcamps likely to stay



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Skills bootcamps

Apprenticeships director Kate Ridley-Moy suggested that the skills bootcamps could potentially “evolve” into a fundable option through the reformed growth and skills levy.

“We’re also thinking about how, in a reformed growth and skills levy, there is a call for shorter courses for employed people. So actually, it’s a great way to look at bootcamps and potential evolution of it.”



Jobcentres will be transformed into a National Jobs and Careers Service



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National Jobs and Careers Service

- The National Jobs and Careers Service will offer skills assessments to identify gaps and recommend training programmes.
- It will also provide access to employer-led training initiatives for job seekers to gain industry-relevant skills, as well as enhanced job-matching capabilities powered by real-time labour market data.



Government plans to introduce a “Youth Guarantee” to address youth unemployment



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The “Youth Guarantee”

- With rising numbers of young people (1 in 8) not in education, employment, or training (NEET), the Government has proposed a “Youth Guarantee” under which every young person will be offered:
 - **Apprenticeships:** Expanding access and ensuring they cater to both high-demand and localised industries
 - **Vocational training:** Partnering with colleges and employers to provide practical, work-ready skills
 - **Job opportunities:** Facilitating direct entry into the workforce through subsidies for hiring young workers.



Colleges given pensions guarantee



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Pensions guarantee for colleges

- Minister Jacqui Smith announced a “crown guarantee” has been provided to colleges for the local government pensions scheme. It’s been done to lower contributions rates and can save around £30 million.
- Colleges will also be included in a public sector subsidy to cover employer national insurance hikes from April.



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THANK YOU

