GMLPN
Greengate
Middleton
Greater Manchester
M24 1RU

Insights Briefing - Budget 2026

Overview

John Healey (Chancellor) gave his 1st budget speech in the House of Commons on 28th October. This was also the first Budget of Prime Minister Andy Burnham's administration. Full speech can be read at: Budget 2026 – Breathing Space for today, Fresh hope for the future

The Chancellor's 2026 Budget was framed around three priorities:

- Supporting household finances
- Driving economic growth
- Increasing labour market participation.

While there were no major announcements on apprenticeship funding or skills budgets, several measures have significant implications for training providers, employers and the wider skills system. For GMLPN members, the strongest opportunities lie in supporting employers and residents to benefit from these reforms whilst contributing to Greater Manchester's ambitions around fiscal devolution, increased workforce participation, AI adoption and skills development within high-growth sectors.

Relatively little that was new was announced for the skills world although there were some trailers for next year's spending review. Reannouncements / confirmations were given for:

- Milburn and Timms Reviews - further detail was provided on next steps confirming that the government will publish its response by the end of the year. Following this, a White Paper will be produced in 2027, and new legislation will be drawn up. It is anticipated that this may result in the creation of new statutory duties on Mayoral Strategic Authorities (MSAs) relating to the prevention of young people becoming NEET.
- The Youth Employment and Skills Package was reaffirmed with Youth Jobs Grant, young apprentice hiring incentives, and the extension of Jobs Guarantee eligibility. Newly announced is the piloting of a Young Entrepreneurs Allowance in England, providing successful applicants with support towards their living costs during the first year of their business
- Additional £100m for Local Apprenticeship Brokerage Services over 2 years building on what has already been announced
- £15 million a year towards re-establishing the Union Learning Fund from financial year 2027-28, which will provide grants to union-led projects that support workers retrain and develop skills.
- The UK will participate in the Erasmus+ study scheme for 2027, from 1 January 2027
- Voluntary ‘Women in Tech Standards’ to drive more inclusive employment practices in tech and fairer access to investment for female entrepreneurs
- New guidance on applying social value in central government procurement. Businesses bidding for major government contracts will be judged on their commitment to creating high-quality jobs, tackling local skills shortages, and supporting young people into work
- A minimum wage increase of 3.9% for all employees taking Apprenticeship minimum wage from £8.00 to £8.31 per hour from 1st April 2027. **https://www.gov.uk/government/publications/minimum-wage-rates-for-2027**

GMLPN
Greengate
Middleton
Greater Manchester
M24 1RU

Key Themes

1.Labour market participation and welfare reform
A central theme of the Budget is increasing workforce participation by supporting more people into employment and reducing economic inactivity. This includes increased face-to-face assessments and reforms intended to reduce welfare dependency while supporting employment.

Budget measures are designed to stimulate business growth and investment. These include:

- Support for entrepreneurship and business start-ups.
- Changes to encourage investment and innovation.
- Continued support for research and development.
- Measures to increase business confidence.

Why this matters to GMLPN members

Potential growth in demand for employability, pre-employment and vocational training programmes for the people already supported by members:

- Unemployed and economically inactive adults.
- Young people not in education, employment or training (NEET).
- Individuals facing barriers to work.
- Career changers and returners.

Opportunities to position independent training providers as key delivery partners for NEET and welfare-to-work pathways and demonstrate their value in helping residents of all ages move into sustainable employment.

A more positive business environment can support future demand for training and workforce development services including recruitment planning, workforce development budgets and Apprenticeship recruitment.

Fast-growing businesses often have significant skills gaps which can stimulate demand for management, leadership, digital and technical skills provision.

Skills investment should be embedded within the UK's growth and innovation agenda. Opportunity?

Increased demand for employability provision with a greater focus on progression into work outcomes and support for economically inactive adults to return to the labour market creates opportunities for new activity but will require strong, new partnerships with GMCA, employment support providers, local authorities and Jobcentre Plus.

There will be a role for GMLPN and its members to be part of the delivery solution for future regional and national skills initiatives, particularly around youth participation, apprenticeships and upskilling. We need to ensure we are in a strong position to influence and respond effectively to emerging opportunities.

GMLPN
Greengate
Middleton
Greater Manchester
M24 1RU

2. Major industrial strategy investment
The Budget includes further investment and support for key growth sectors including:

- Over £1 billion of life sciences investment.
- Significant support for aerospace.
- Support for AI development and adoption including a £700 million commitment towards AI-related initiatives, including support for AI adoption and skills development
- Advanced manufacturing.
- Innovation-led businesses.

Why this matters to GMLPN?
These sectors depend on a pipeline of skilled workers and ongoing workforce development. For providers this may increase demand for:

- All levels of technical skills delivery.
- Digital and data programmes.
- Leadership and management training including digital and transformation leadership.
- Apprenticeships.
- Upskilling and reskilling programmes.

AI is potentially one of the most significant long-term opportunities for learning providers with potential scope for:

- Demand for AI literacy programmes.
- Workforce reskilling as job role and business processes evolve
- Support for SMEs adopting AI including understanding AI tools and building digital confidence among staff

Opportunity?
Members should consider how their offer aligns with Greater Manchester's priority growth sectors and activity highlighted in the Get GM Working and Local Skills Improvement Plans. Strong and collaborative relationships with employers, sector bodies and strategic partners will be more important than ever.

There will be future workforce requirements linked to AI and emerging technologies so an opportunity to develop products around AI awareness and literacy programmes. The AI opportunity extends beyond digital specialists. Virtually every occupation in all sectors are likely to require workforce adaptation and upskilling over the coming years.

3.Devolution and local growth
The Budget has a long-term focus on fiscal devolution and a significant push towards greater devolution to MSAs (of which Greater Manchester has been at the forefront). This was recognised through announcements such as:

- Mayoral strategic authorities will receive an extra £150 million next year to bolster their staffing and expertise as budget responsibilities expand
- 100% of business rates will be retained regionally by the end of the decade, with 20% going to Mayors from next year. From 2028, a share of income tax will also be retained.

GMLPN
Greengate
Middleton
Greater Manchester
M24 1RU

Government published a fiscal devolution roadmap alongside the Budget, which sets out the path to the above retention of business rates. GMCA will have the opportunity to further rethink their way of working in light of this, including in the skills and employment space.

A new category of spending will be introduced at the next spending review. The Prevention Departmental Expenditure Limits (PDEL) will ensure a portion of public budgets is always ringfenced for spending on preventative work.

This strengthens GM's levers and places huge importance on place-based structures and plans such as:

- GMCA and the Greater Manchester Strategy
- Get GM Working and Local Skills Improvement Plans.
- Growth (Economic development) and Prevention (Live Well) strategies
- Why this matters to GMLPN?

GMLPN's influence with the Greater Manchester Combined Authority becomes even more important as more funding and decision-making moves locally.

As decision-making becomes increasingly localised, relationships with local authorities, employers, sector bodies, VCSE organisations and the wider public sector will become even more important. Providers will need to demonstrate how their provision responds to local priorities and addresses local need.

Opportunity?

GMLPN and its members need to be strategically positioned to influence and shape the future of the skills landscape, and be clear about their contribution to achieving the ambitions of Greater Manchester Strategy (including the contribution already made)

Key messages

GMLPN welcomes the Government's ambitions for economic growth and increased employment. However, achieving these objectives will require significant and sustained investment in skills infrastructure, training and learner support. There needs to be additional apprenticeship, youth participation and adult skills investment now and as part of future spending decisions.

GMLPN
Greengate
Middleton
Greater Manchester
M24 1RU

02/11/2026

GMLPN members are essential strategic and delivery partners to achieve growth and prevention ambitions both nationally and within GM. GMLPN can act as the conduit between policy makers and the organisations delivering the solutions on the ground. Members have strong relationships with employers across a wide range of sectors and are uniquely positioned to respond to local workforce needs.

GMLPN members can clearly demonstrate impact on employment outcomes, productivity and economic growth. They are therefore well placed to shape and contribute to future solutions - programmes, partnerships and provision - designed to increase labour market participation and support economic growth.

Despite the Budget's strong focus on growth, productivity and workforce participation, there were no major announcements relating to apprenticeship levy reform, significant increases in adult skills funding, or wider investment in the independent training provider sector. Given the central role that skills play in delivering economic growth, this remains an area for continued engagement ahead of future spending decisions.



Mark Currie | Chair of GMLPN
On behalf of the GMLPN Board

Allan Milne *| Vice Principal / Director of Apprenticeships & Employer Engagement, Salford City College*
Andy Turner *| Wbl Skills & Participation Devt Officer, Rochdale Borough Council*
Billy Darroch *| Director & Co-Founder, Funding Futures CIC*
Daniel Wells *| Managing Director, NowSkills*
Nikki Jones *| Client Solutions Director, Kaplan Assessments*
Subrah Krishnan-Harihara *| Director of Business Policy & Research, Greater Manchester Chamber of Commerce*
Tracey Wood *| Chief Commercial Officer, Trafford & Stockport College Group*