CIPD

Report
August 2025

Lifelong learning in the reskilling era

From luxury to necessity

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Lifelong learning in the reskilling era: From luxury to necessity

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Introduction and key findings

The UK labour market is undergoing a profound transformation, shaped by three converging megatrends: **technological advancement**, the **transition to a net-zero economy**, and **demographic change**. These forces are redefining the nature of work, the skills in demand, and the distribution of opportunities across sectors and regions. While these shifts pose risks – particularly for lower-skilled and older workers – they also offer the potential for more fulfilling, higher-quality employment if supported by inclusive and forward-looking policies.

This report calls for a coordinated approach to skills development that supports individuals throughout their lives, aligns with industrial strategy and ensures equitable access to opportunity.

Key findings

- **Technological change**: Automation and artificial intelligence (AI) are reshaping job roles. While routine and administrative positions decline, demand is rising for both technical and human-centric skills such as creativity, problem-solving and adaptability.
- **Green transition**: The shift to a low-carbon economy is generating new roles and transforming existing ones. Regional and sectoral impacts vary, requiring targeted investment in green skills and equitable access to emerging opportunities.
- **Demographic shifts**: An ageing population and growing workforce diversity are altering employment patterns. Older workers are staying in the labour market longer but face barriers to mobility and reskilling.
- **Skills forecasts**: By 2035, UK employment is projected to grow by 7.4%, with high-skill occupations seeing the greatest expansion. Replacement demand will create 17.5m job openings, so even those occupations in decline will still require significant numbers of workers to fill roles.
- **Lifelong learning gaps**: Participation in adult education remains uneven. Older, lower-income and less-qualified individuals are least likely to engage, often due to time, cost, lack of employer support and limited awareness.
- **Policy divergence**: Devolved nations are pursuing distinct skills strategies, with reforms under way in Scotland, Wales and Northern Ireland. However, funding constraints and fragmented delivery systems remain challenges across the UK.

Why reskilling matters now

These three powerful megatrends – **population ageing**, **generative AI** and the **green transition** – are not only transforming job availability but also redefining the skills needed to succeed. These changes present both risks and opportunities: while some roles may disappear, others will offer better pay, improved job quality and new career paths.

As people live and work longer, many will reassess their career goals – seeking flexibility, retraining or new roles later in life. To support this transition, stronger systems for lifelong learning and career development are essential.

Adapting to a changing world of work

Understanding the forces reshaping the labour market is key to building a responsive skills system. Each megatrend is already influencing job availability, skill demands and how work is organised:

- **Technological change**: Digitisation, automation and AI are transforming or displacing routine tasks while creating new roles and industries. Ensuring workers can transition into these opportunities requires accessible training and support.
- **Climate change**: The UK's net-zero commitment is reshaping sectoral growth and skill needs. From renewable energy to sustainable construction, green jobs are emerging, but traditional roles are also evolving. Investment in green skills is critical.
- **Demographic change**: An ageing and increasingly diverse workforce is prompting shifts in workplace design, flexibility and support systems. Employers must adapt to attract and retain talent across generations and backgrounds.

Shaping the UK's future workforce

Over the coming decades, these megatrends will continue to reshape the economy and labour market. The types of jobs available and the skills required to thrive will evolve significantly. As automation and artificial intelligence continue to advance, demand for skills that are uniquely human – such as creativity, critical thinking, collaboration, problem-solving and resilience – is set to grow. These capabilities are increasingly seen as essential complements to emerging technologies, enabling individuals to adapt, innovate and contribute meaningfully in a rapidly changing world of work.

Forecasting future jobs: Skills and occupations to 2035

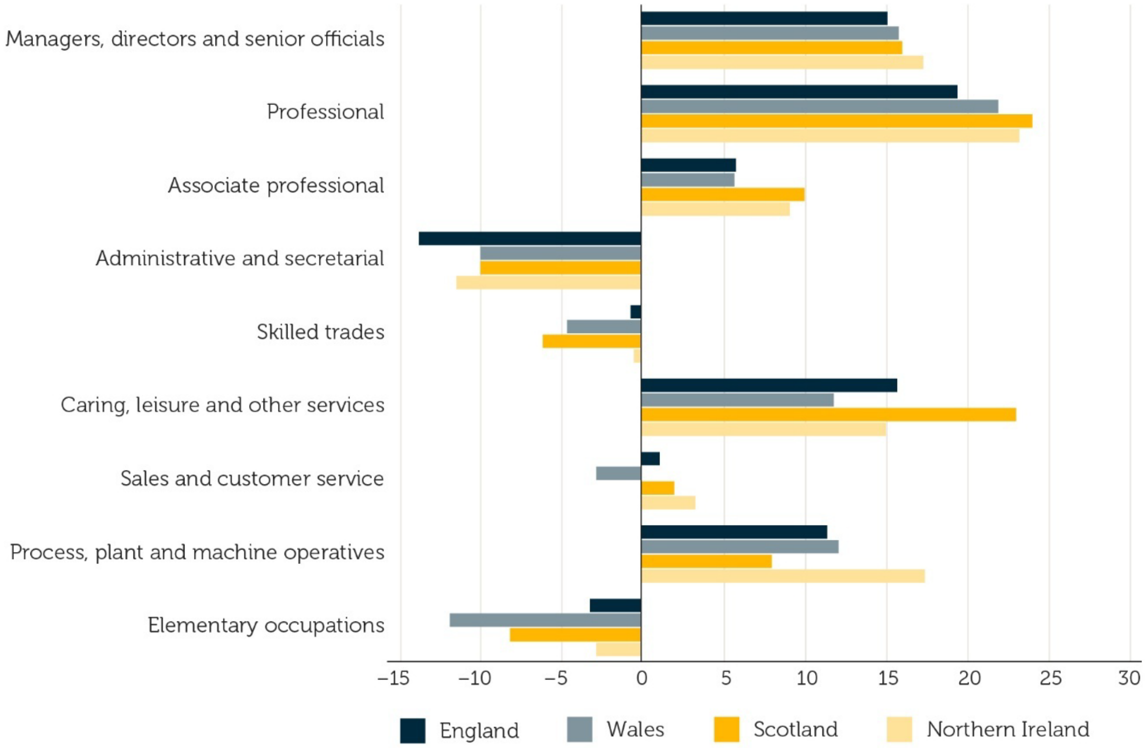
The Skills Imperative 2035 programme led by the National Foundation for Educational Research (NFER), has produced labour market and occupational forecasts for the UK's nations and regions. Overall, it is forecast that the number of jobs in the UK's economy is expected to increase by 2.6m by 2035, a rise of 7.4%. This is a relatively modest rise compared with past trends, which is largely due to a predicted slowdown in the UK's population.

Figure 1 shows forecast occupational change by broad occupations for the period up to 2035 for the four nations of the UK. It is clear that the biggest increases are likely to be at the top of the occupational distribution, with high-skill occupations such as professional roles and managerial positions expected to see significant growth in all nations.

Associate professional roles also show moderate to strong growth, especially in Scotland. In contrast, administrative and secretarial jobs are projected to decline across all regions, with England and Northern Ireland experiencing the steepest drops. Elementary occupations, such as cleaners, maintenance workers and shelf-stackers, and skilled trades generally show stagnation or decline, notably a sharp decrease in elementary roles in Wales. Sales, customer service and process operatives exhibit mixed trends, with some regions seeing slight increases and others declines. Overall, the forecasts highlight a shift towards higher-skill employment and a decline in lower-skill, routine jobs.

Projected growth at the top end of the occupational distribution means that there will be increased demand for those with higher-level qualifications, while the demand for jobs with lower-level qualifications (Level 2 and below) will remain largely unchanged.

Figure 1: Projected occupational change for broad occupations (%), 2020-35



Source: *Labour market and skills projections: 2020 to 2035*, Department for Education.

Replacement demand refers to the need to fill jobs left vacant when people permanently or temporarily leave the workforce – due to retirement, caring responsibilities or other reasons. According to projections, this demand will far exceed overall changes in the number of jobs across occupations. Between 2020 and 2035, it is estimated that 17.5m job openings will arise from replacement needs alone.

This highlights that new opportunities will continue to emerge – even in sectors and roles with declining overall employment. For example, administrative and secretarial roles are expected to see a net decline of 150,000 jobs over this period. Yet, due to replacement demand, nearly 1.9m openings will still need to be filled in these roles. This means that despite shrinking employment in some occupations, there will continue to be strong demand for workers with the right skills to step into these positions.

As well as forecasting occupational change, the Skills Imperative 2035 forecasts the skills that will be in most demand in the future. The research finds that while specialised skills and knowledge will remain crucial for most occupations, it's the transferable 'essential employment skills' that will be most sought after across the job market by 2035.

The top six essential skills expected to be in highest demand among employers are:

1. communication
2. collaboration
3. problem-solving
4. organising, planning and prioritising work
5. creative thinking
6. information literacy – all skills related to gathering, processing and applying information.

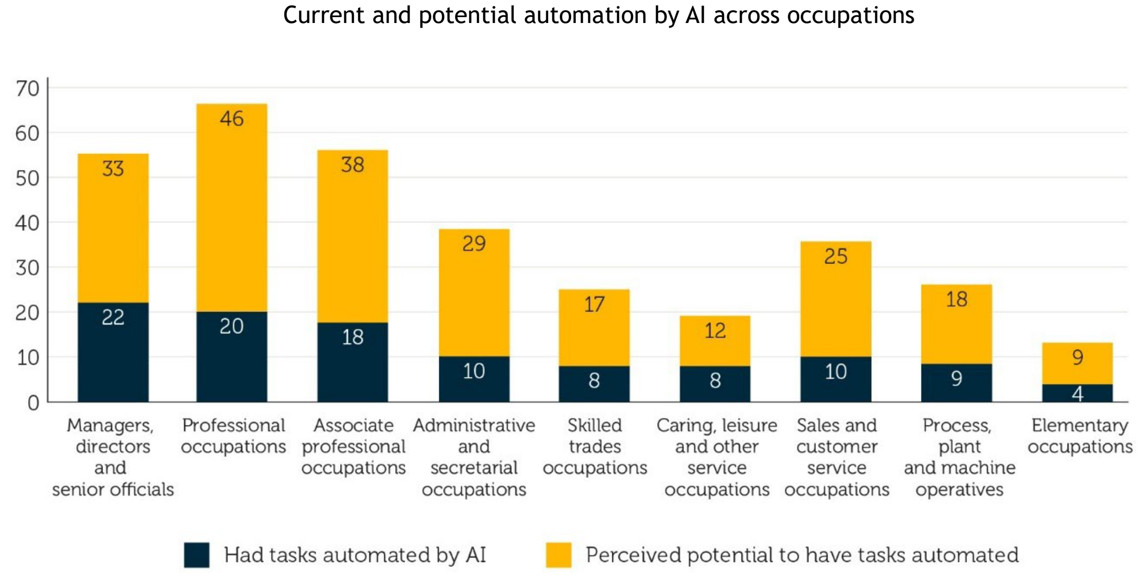
Impact of technology on employment: Risks and opportunities

Recent advances in artificial intelligence – particularly in machine learning – have dramatically broadened the scope of tasks that can be automated. Unlike earlier technologies based on fixed, rule-based systems, today's AI can independently analyse data, learn from patterns and make decisions, raising profound questions about the future of work.

The potential impact of technological change – automation and AI – on employment has been a key focus of research for many years, with significant implications for both social and industrial policy. A seminal study by Frey and Osborne estimated that up to 47% of jobs could be at risk of automation, sparking a wave of subsequent studies that have built upon or challenged their findings. While predicting the precise effects of technological advances, like generative AI, on the UK labour market – and its constituent nations and regions – remains complex, more recent research has offered more nuanced and differentiated assessments.

Primarily, a distinction is now made between automation more broadly and automation by generative AI more specifically, with different impacts across occupations. The CIPD's own *Good Work Index* data, for example, shows that both current and potential automation by AI is concentrated in higher occupational classes (Figure 2).

Figure 2: Impact of AI, by occupation (%)



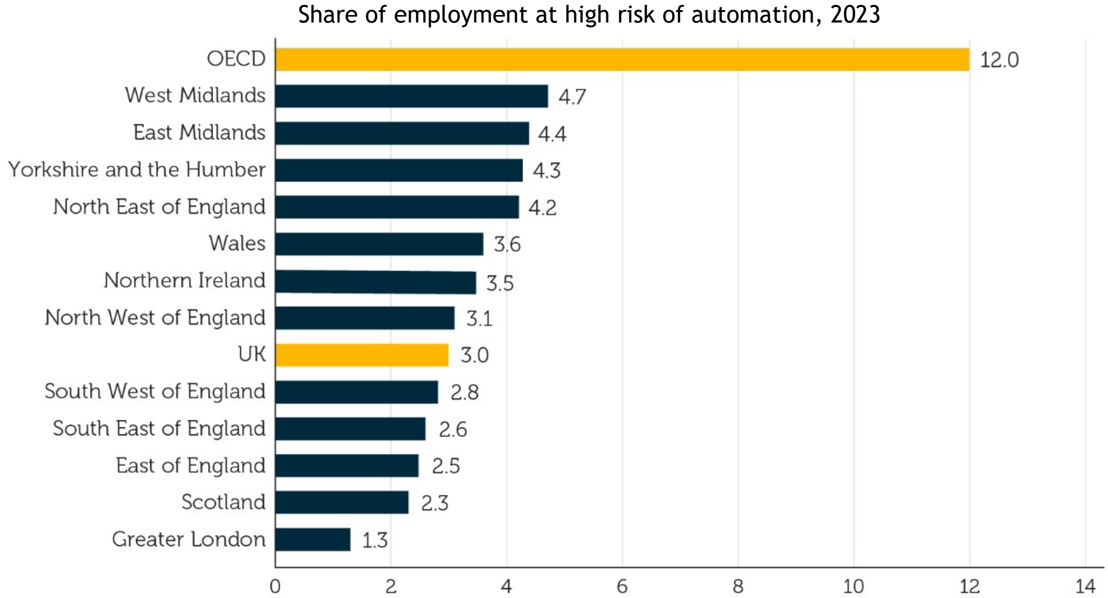
Source: *CIPD Good Work Index 2025*.

What remains clear, however, is the urgent need for proactive support for those most vulnerable to displacement across all occupational classes. Ensuring that individuals have access to opportunities to reskill and upskill will be critical in helping the workforce adapt and thrive in an era of rapid technological change.

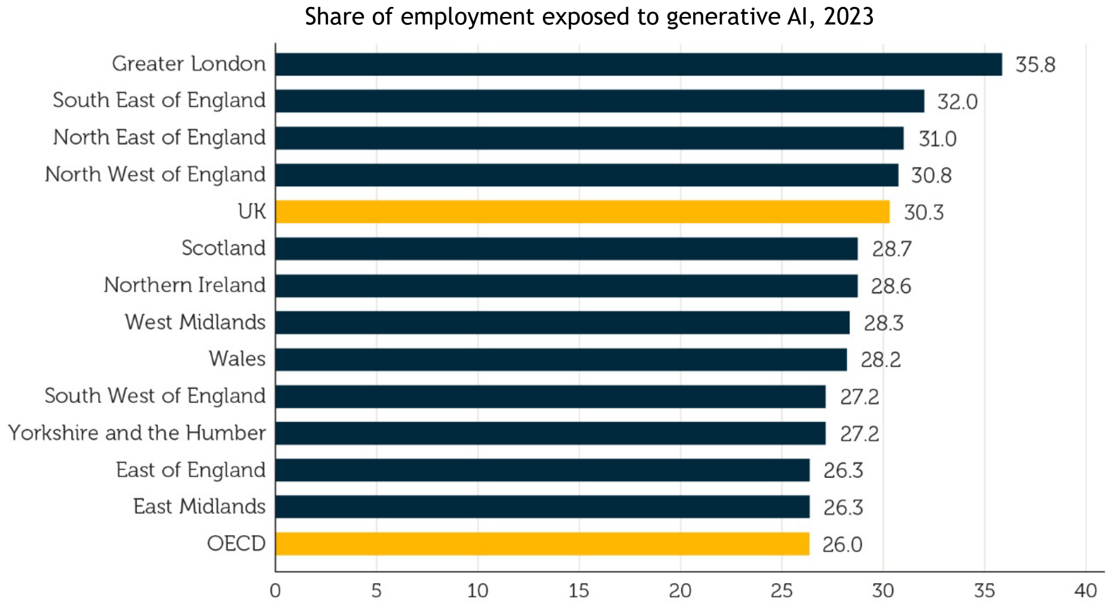
Generative AI and the UK labour market: A regional perspective

The OECD's report [*Job creation and local economic development 2024: The geography of generative AI*] explores the state of regional labour markets and offers updated estimates of local labour shortages. It also presents new insights into how generative AI is affecting various regions and segments of the workforce. Figure 3 highlights the OECD's estimates of the level of exposure to automation – from narrow-purpose technologies – as well as the share of employment exposed to generative AI. The two charts in Figure 3 highlight contrasting regional patterns in the UK's exposure to automation and generative AI.

Figure 3: Share of jobs at high risk of automation and share of employment exposed to generative AI (%)



Note: Occupation is considered at high risk of automation if at least 25% of its skills and abilities are automatable.



Note: Exposure is defined at the occupation level if at least 20% of its tasks can be done twice as fast with the help of generative AI.

Source: *Job creation and local economic development 2024* – country notes: United Kingdom, OECD.

The first chart shows that the share of employment at high risk of automation is relatively low in the UK overall (3%), well below the OECD average of 12%. Regions such as the West Midlands, East Midlands and Yorkshire have the highest risk, while Greater London has the lowest at just 1.3%.

In contrast, the second chart shows that exposure to generative AI is highest in regions with a high concentration of professional jobs, particularly Greater London (35.8%) and the South East of England (32%). The UK average exposure to generative AI is 30.3%, slightly above the OECD average of 26%.

Overall, while automation risk is more concentrated in regions with lower-skilled or routine jobs, exposure to generative AI is greater in more urban, high-skill regions.

This geographic pattern is partially replicated in the Department for Education's *The impact of AI on UK jobs and training report*, produced by the Future Skills Unit, which uses a different methodology. In line with OECD figures, it found that London and the South East of England have the highest concentration of jobs exposed to AI, due to more professional roles in these regions. However, in contrast to the OECD figures, they found that the North East of England has the lowest exposure, due to a lower proportion of professional occupations and a higher concentration of elementary, administration and services occupations. The report also found:

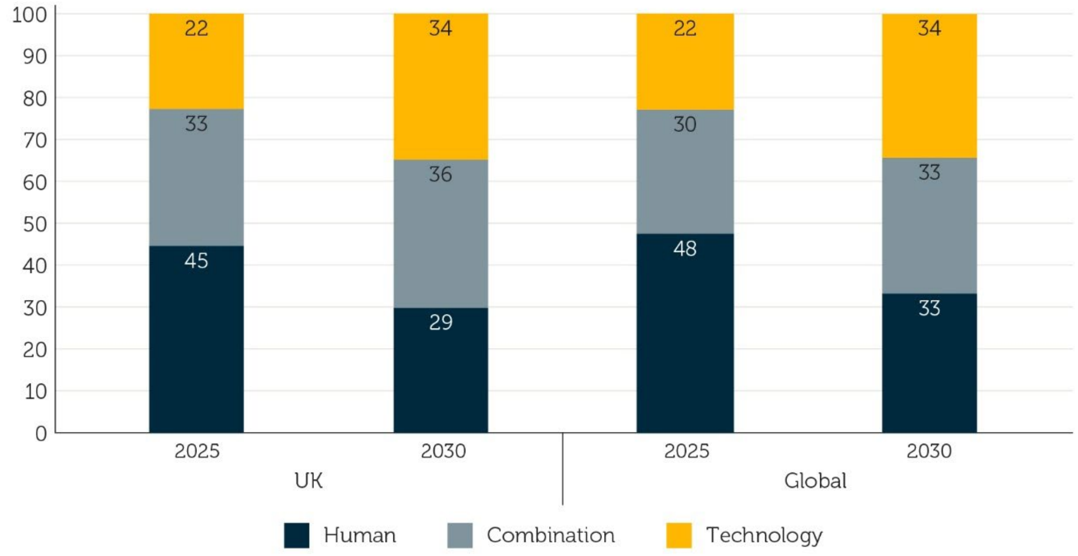
- **Professional jobs** are the most exposed to AI, especially those involving clerical tasks or roles in finance, law and business.
- The **finance and insurance sector** faces the highest exposure to AI, followed by sectors like information and communication, professional, scientific and technical services, property, public administration and defence, and education.
- **Workers with higher qualifications** are more likely to be in roles affected by AI.
- People with **qualifications in accounting, finance, economics and mathematics** – especially through further or higher education – are more likely to be in roles exposed to AI.

Yet, it should be noted that the analysis measures the exposure of jobs to AI, rather than distinguishing whether a job will be augmented (aided) or replaced (substituted) by AI. According to the International Labour Organization (ILO), most jobs are only partly exposed and are more likely to be augmented (helped) rather than fully automated by tools like ChatGPT.

The relationship between people, technology and algorithms is fundamentally reshaping how work is carried out across sectors. As automation technologies become more sophisticated, the share of tasks performed exclusively by humans is expected to decline.

According to the *Future of jobs report 2025*, UK employers estimate that currently 45% of tasks are completed mainly by people, 22% by technology and 33% through human-machine collaboration. Looking ahead to 2030, these proportions are expected to converge, with tasks more evenly distributed across the three. This shift highlights the need to prepare workers for increasingly blended roles, where success will depend on the ability to work alongside technology, adapt to new tools and apply uniquely human skills such as judgement, creativity and emotional intelligence.

Figure 4: Share of tasks completed by predominantly people, predominantly technology, or a combination of both, 2025 and 2030 (%)

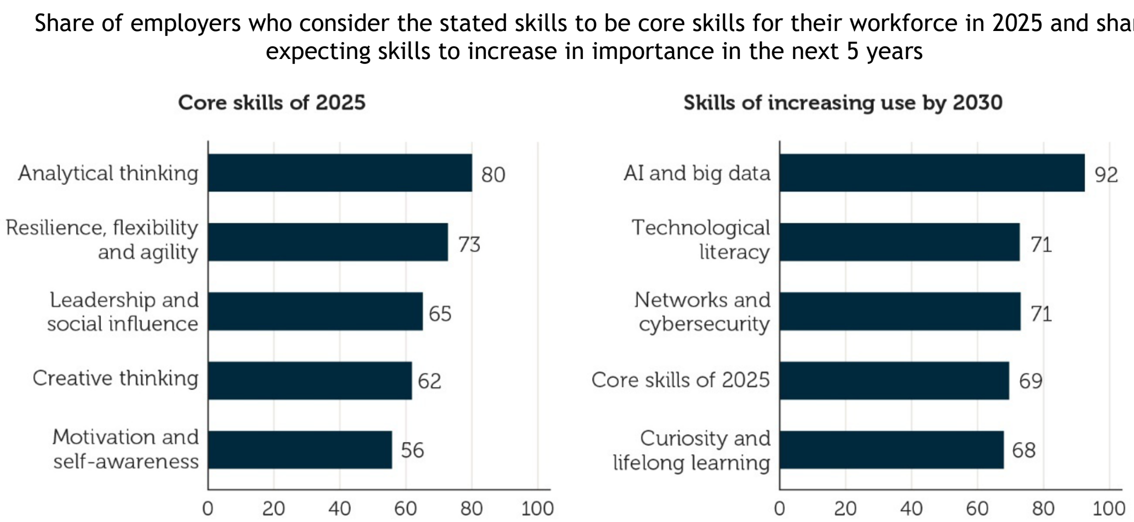


Source: *Future of Jobs Report 2025*, World Economic Forum.

All of this has implications for the skills individuals need now and in the future. Employers are anticipating a significant shift in the skills landscape, with technological capabilities expected to see the fastest growth in demand. According to the WEF's *Future of jobs report 2025* report, skills in AI and big data are expected to increase the most over the next five years, closely followed by cybersecurity, networking and digital literacy.

However, alongside technical skills, employers are also placing greater value on core 'human skills'. Creative thinking, adaptability, resilience and a commitment to continuous learning are increasingly seen as essential in a rapidly changing world of work. Also rising in importance are leadership, talent management, analytical thinking and environmental stewardship, reflecting the growing need for individuals who can manage teams, drive innovation and support the transition to more sustainable business models. This shift underlines the importance of equipping workers with a blend of digital, interpersonal and strategic skills to thrive in the future labour market.

Figure 5: Core skills in 2025 and skills of increasing use by 2030, UK



Source: *Future of jobs report 2025*, World Economic Forum.

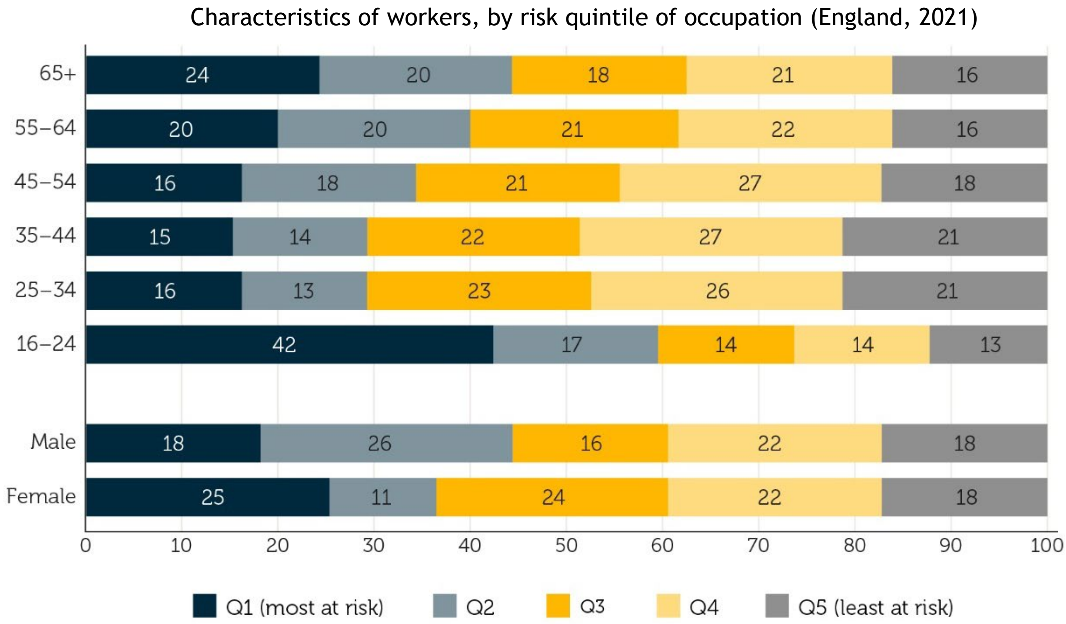
Who is most at risk? Navigating the human side of automation

As highlighted earlier, the employment projections from The Skills Imperative 2035 indicate that future job growth will be heavily concentrated in professional roles, which are more likely to be augmented by AI. In contrast, the roles most vulnerable to technological change more broadly – such as administrative, elementary and some retail-based sales jobs – are generally lower-skilled, lower-paid and associated with lower levels of job satisfaction. According to this research, the adoption of new technologies in the labour market could lead to around **2m jobs being displaced.**

Furthermore, research indicates that when lower-skilled workers are displaced – often due to automation or structural economic changes – they tend to move into other roles at a similar skill level. These new roles frequently mirror their previous positions in terms of required tasks and are often located in sectors that are also experiencing long-term decline. This highlights a worrying trend: rather than progressing into more stable or higher-quality employment, many displaced workers remain trapped in a cycle of precarious, low-growth jobs. Moreover, the transition into professional or high-skill occupations remains out of reach for most, due to gaps in qualifications, experience or access to retraining. As a result, without targeted support, a significant proportion of these workers risk permanent exclusion from the labour market.

Figure 6 highlights a clear generational and gender divide in vulnerability to technological job displacement. Young workers, particularly those aged 16–24, stand out as the most at risk, reflecting their concentration in entry-level, lower-skilled roles that are more easily automated. Older workers, especially those over 65, also face significant exposure, likely due to challenges in adapting to new technologies and fewer opportunities for retraining late in their careers. In contrast, individuals in midlife, especially those between 35 and 54, appear better protected, with a greater share in roles less susceptible to automation.

Figure 6: At-risk groups by age and gender (%)



Source: *Labour market and skills projections: 2020 to 2035*, Department for Education.

Gender differences are also evident: while women show a higher proportion in the highest-risk category, their overall risk is more evenly distributed and generally lower than men's. This may point to differing occupational patterns, with women more frequently employed in sectors or roles that are less exposed to technological disruption.

Together, the data suggests that vulnerability to displacement is not evenly spread, but instead shaped by the intersection of age, gender and job type – raising important questions about how to target reskilling efforts effectively.

Conclusion

The accelerating pace of technological change – driven by automation, artificial intelligence and digital transformation – is reshaping the UK labour market in profound ways. While these innovations offer immense potential to boost productivity, create new industries and enhance job quality, they also pose serious risks for workers in roles most vulnerable to disruption.

Without strategic intervention, the next wave of technological advancement could deepen inequality, widen regional divides and leave millions of workers behind. The challenge is not simply to manage displacement, but to proactively prepare the workforce for a future defined by continuous change. This means investing in inclusive reskilling and upskilling programmes, particularly for lower-skilled and older workers, and preparing young people with the skills, experience and support needed to enter the labour market. Delivering this transition will demand joined-up action across government, employers and the wider skills and employment system.

Green economy transition: Opportunities, risks and skills gaps

The UK's transition to a net-zero economy is set to reshape the labour market by creating new jobs, transforming existing ones and displacing others. Unlike the widespread industrial collapse of the 1980s, this shift will not involve shutting down entire sectors but rather embedding new technologies and sustainable practices across diverse industries such as energy, transport, construction and urban infrastructure.

Still, the scale and depth of the change should not be underestimated. The broad deployment of green technologies, changes in supply chains and shifting consumer behaviours will lead to significant structural shifts in employment. These changes will differ by region, reflecting variations in economic strengths, workforce characteristics and industrial composition.

To deliver on net-zero targets while tackling long-standing regional disparities, the UK needs a skills and employment system that is forward-thinking, inclusive and responsive. This means anticipating skills needs, making opportunities accessible to all communities, and supporting workers in carbon-intensive sectors who face the greatest disruption.

What is a 'green' job?

A key challenge in understanding the labour market impact of the green transition lies in defining what counts as a 'green job'. Different studies use different methods depending on their goals. For example, the ONS's *Low Carbon and Renewable Energy Economy Survey* takes a 'top-down' approach by including all jobs in firms that produce environmental goods or services.

In contrast, the Climate Change Committee takes a broader perspective, classifying jobs based on how likely they are to be affected by the transition. Its estimates suggest that 12% of jobs are in growing sectors like construction or battery manufacturing, 7% are in sectors that need to adapt, and less than 1% are in industries likely to decline, such as oil and gas. The remaining jobs are either in enabling sectors like finance and education or have indirect links to the transition.

According to ONS data, the low-carbon economy currently represents a small but growing portion of national employment. In 2022, the sector generated an estimated £69.4bn in turnover and supported around 272,400 full-time equivalent (FTE) jobs. England accounted for the majority of this activity, with £51.4bn in turnover and 230,600 FTE jobs. Scotland, while smaller in absolute numbers, had the highest share of low-carbon jobs relative to its workforce – 10 jobs per 1,000 employed, compared with 8.6 in England and 3.7 in Wales. Northern Ireland followed with 6 jobs per 1,000.

Figure 7: UK low-carbon and renewable energy economy turnover in 2022

	Estimated turnover (billions)	Estimated employment (FTE)	Employment (FTE) per 1,000 in employment*
UK	£69.4	272,400	8.6
England	£51.4	230,600	8.6
Scotland	£13.0	25,700	10.0
Wales	£3.4	11,000	3.7
Northern Ireland	£1.6	5,200	6.0

*Based on CIPD calculations using *Annual Population Survey 2024* employment figures.

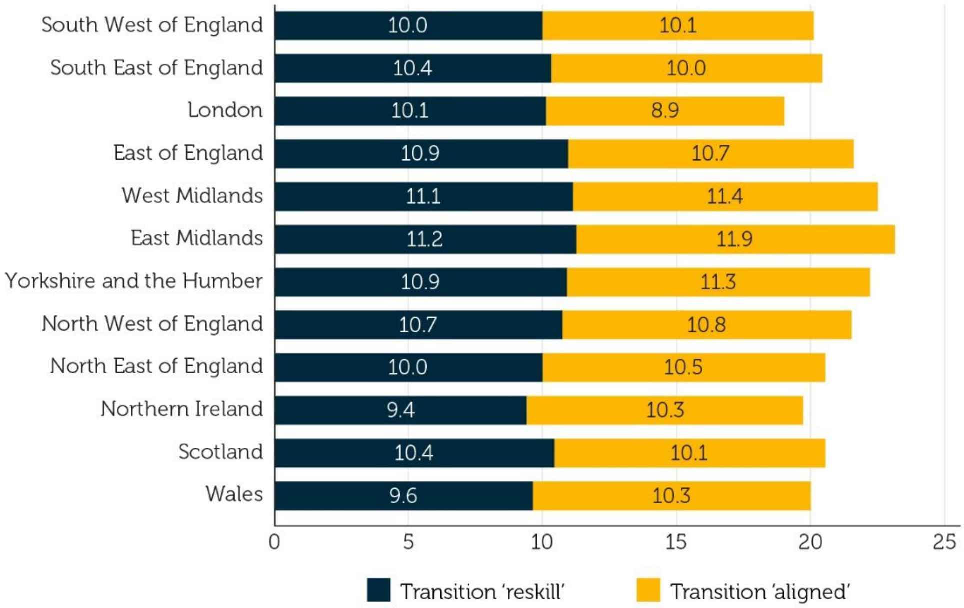
Source: *Low Carbon and Renewable Energy Economy Survey*, Office for National Statistics.

Scale of the challenge: Reskilling requirements

Looking ahead, it is estimated that around 6.3 million workers – roughly one in five – will see their jobs change due to the transition to net zero by 2050. For about 10%, this will involve adapting to new skill requirements, while another 10% may need to retrain entirely. Jobs fall into two key categories: 'transition aligned' roles that stand to benefit from the green economy, and 'transition reskill' roles that are vulnerable to disruption and will require significant retraining or changes in job function.

While overall exposure is similar across regions (18–23%), some stand out (Figure 8). The East and West Midlands and Yorkshire and the Humber have the highest proportion of jobs needing reskilling, reflecting their reliance on traditional manufacturing and heavy industry. However, these same regions also show a relatively high share of transition-aligned jobs, especially in engineering and low-carbon manufacturing, suggesting strong potential for green job growth. London, by contrast, has the lowest share of aligned jobs, likely due to its service-based economy. These findings highlight the need for targeted investment in adult education and retraining, especially in regions most vulnerable to structural change.

Figure 8: Estimated regional breakdown of transition exposure for employment (% of jobs)



Source: Robins, N., Gouldson, A., Irwin, W. and Sudmant, A. (2019) *Investing in a just transition in the UK: How investors can integrate social impact and place-based financing into climate strategies*. London: Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science.

Who's doing green jobs – and who's at risk?

A more detailed view of occupational exposure comes from recent research by the London School of Economics, which looks at specific roles. In 2019, roughly 13% of jobs were classified as 'green' – roles directly linked to environmental outcomes – while around 4% were considered 'brown', concentrated in high-emissions industries like logistics, welding or mining. While some brown jobs will decline, many will continue in altered forms and will require adaptation to cleaner practices. Managing this shift will require comprehensive support systems to help workers transition effectively.

The study also found that green jobs are more likely to be higher-skilled, disproportionately held by graduates, and tend to offer better pay – an average wage premium of about 8%. These roles often involve analytical or interpersonal work. In contrast, brown jobs are more likely to involve physical tasks, are found in manual or operative roles, and are often concentrated in areas where access to training is limited. Without action, there is a real risk that the green transition could worsen existing labour market inequalities.

Conclusion

Addressing the skills needs across these categories is critical to ensuring the UK workforce is prepared to drive and support a just and effective transition to net zero. Ultimately, the transition to a green economy goes far beyond simply creating or losing jobs. It will redefine the skills landscape, shift patterns of demand across occupations and influence wage structures.

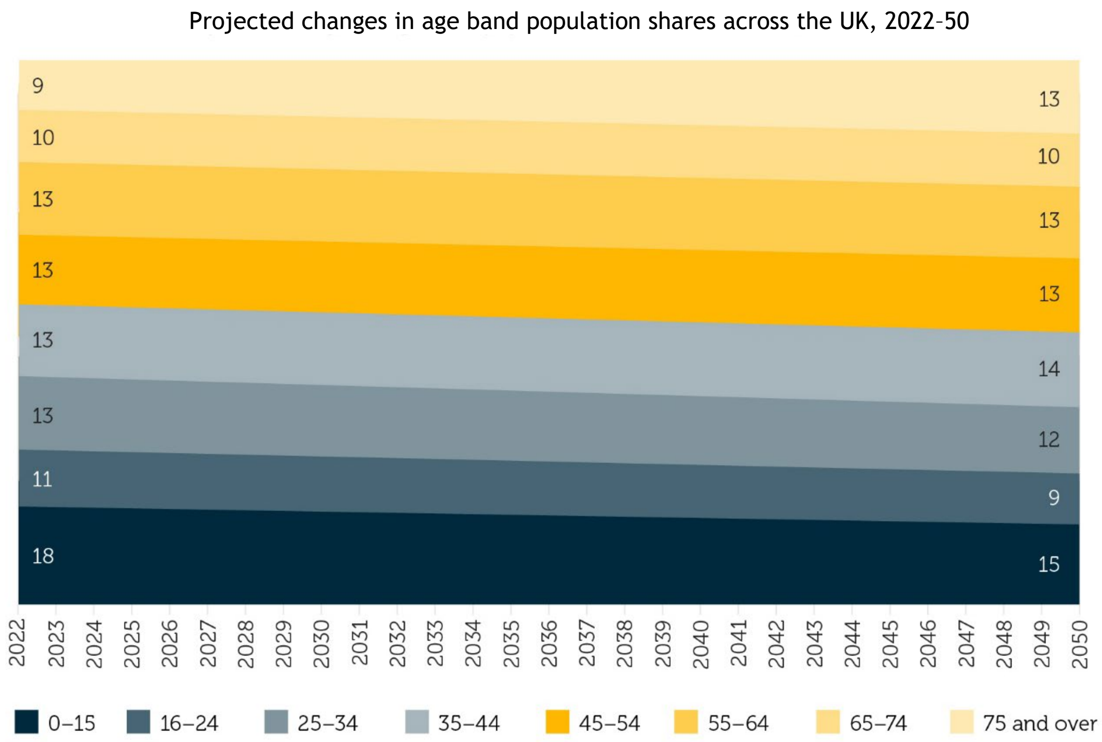
Responding to these challenges requires a strategic, well-coordinated approach. The skills system must recognise three main types of job change: entirely new roles (like hydrogen technicians or carbon-capture engineers), existing roles that evolve (such as architects using sustainable design), and current roles that expand in demand (for example, heat pump engineers or insulation installers). Preparing for these changes means investing in the skills people need now and in the future, strengthening coordination between industry and education providers, and ensuring that opportunities created by the green transition are widely accessible.

Demographic change: An ageing population

The UK is undergoing a profound demographic transformation, with population ageing becoming one of the most pressing long-term challenges and opportunities in public policy. As life expectancy rises and birth rates fall, the share of people aged 65 and over is projected to rise while the youth cohort is predicted to contract. These shifts will reshape how we approach work, retirement and economic growth.

As shown in Figure 9, the share of people aged 65 and over is projected to rise from 19% in 2022 to 23% by 2050, marking a 41% increase over the next 30 years. In contrast, the proportion of the population under 25 is set to fall from 29% to 24%, a decline of 4%.

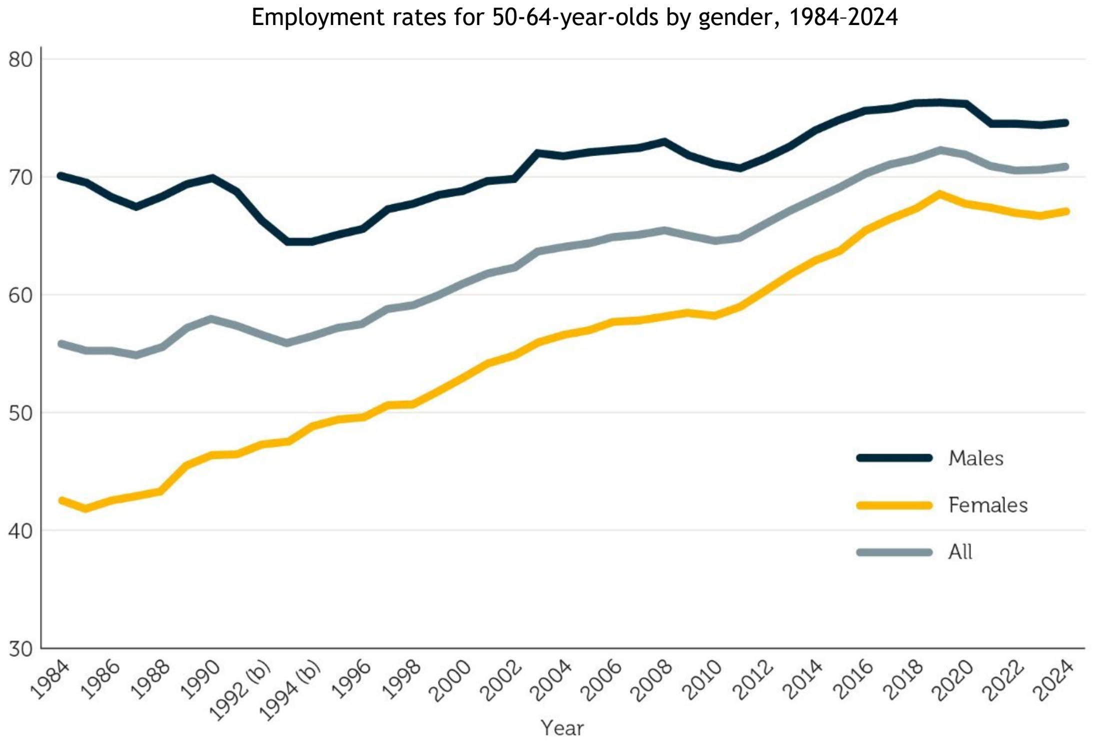
Figure 9: UK population to age considerably over the next 30 years



Source: [National population projections](), Office for National Statistics.

There is growing evidence that older workers are not just staying in the labour market longer – they are increasingly integral to it. Figure 10 shows that over the past 40 years, employment rates for people aged 50-64 have risen markedly across all groups. In 1984, just over 55% of people in this age group were in work; by 2024, this figure is close to 70%. Female employment has seen particularly strong growth, rising from just over 40% in 1984 to 67% in 2024. While men still have slightly higher rates overall, the gender gap has narrowed significantly.

Figure 10: Employment rates for older workers have increased significantly over the last 40 years, driven by rising participation among women (%)



Source: [Economic labour market status of individuals aged 50 and over, trends over time: September 2024](), Department for Work and Pensions.

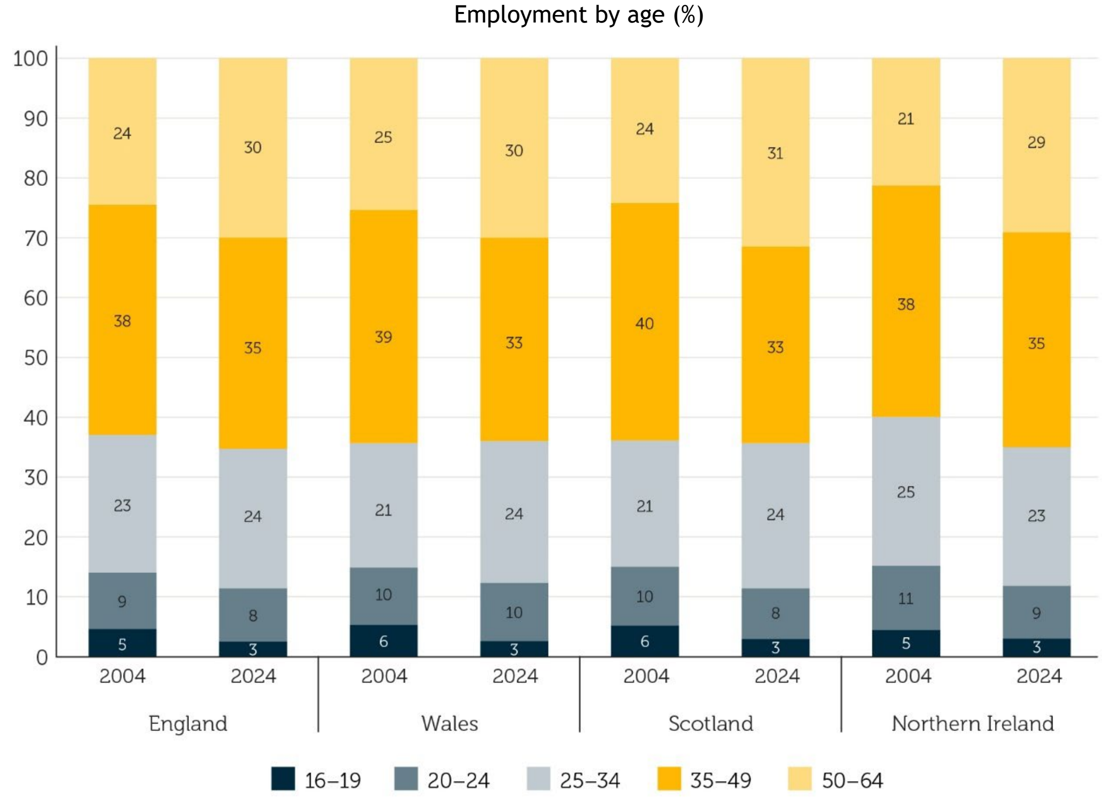
Figure 11 illustrates the changing age composition of the workforce across the four UK nations between 2004 and 2024. Over the past two decades, the proportion of workers aged 50–64 has risen notably in every nation, reflecting both demographic shifts and increased labour market participation among older adults. In 2024, individuals aged 50–64 account for between 29% and 31% of the workforce across the UK – up from 21% to 25% in 2004.

This shift is underpinned by substantial employment growth among older workers, which has consistently outpaced overall employment gains:

- In England, employment among 50–64-year-olds grew by 40%, compared with a 14% rise in total employment.
- In Northern Ireland, the increase was even more pronounced, with over-50s' employment rising by 68%, against an overall growth of 21%.
- Scotland saw a 41% increase in employment among older workers, while total employment rose by just 8%.
- In Wales, employment for those aged 50–64 increased by 32%, over three times the rate of overall employment growth (9%).

However, despite these positive trends, regional disparities in employment outcomes for older workers remain significant. While the UK's overall employment rate for 50–64-year-olds currently stands at 72%, this masks marked variation across nations and regions. Employment rates are considerably higher in the South East of England (76%) and East of England (75%), compared with just 67% in Wales and the North East of England, and 68% in Northern Ireland.

Figure 11: Workers over the age of 50 make up an increasing share of the workforce across all four nations

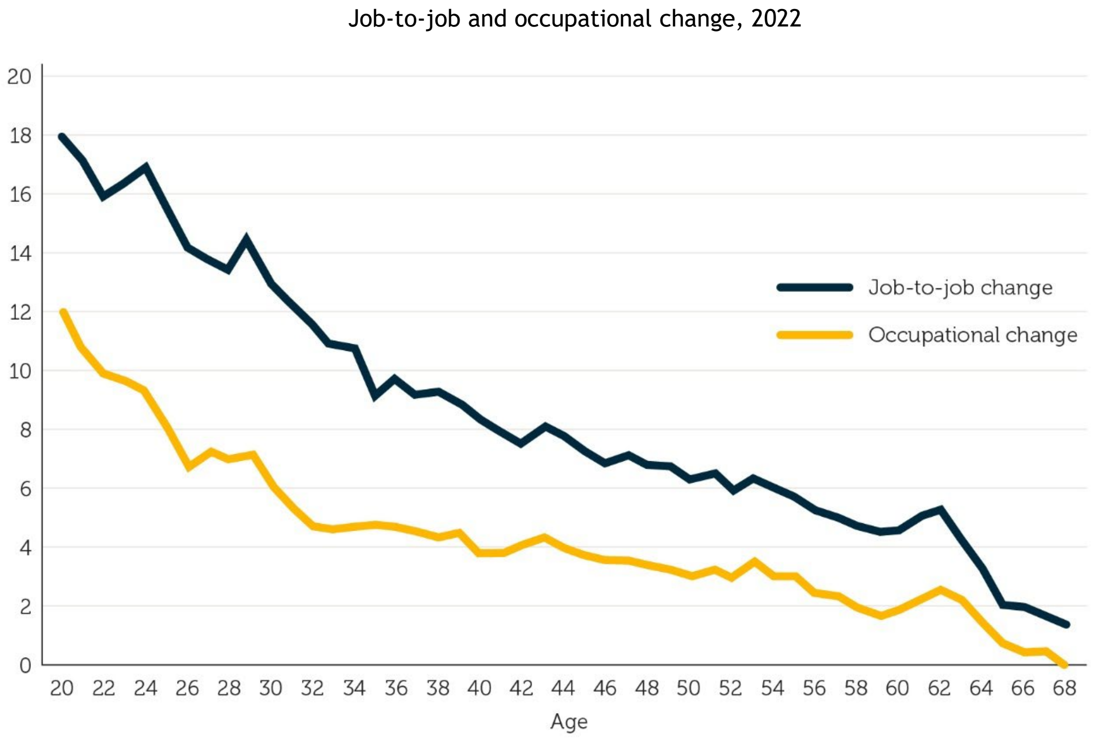


Source: CIPD analysis of ONS Annual Population Survey, January 2004 to December 2004 and January 2024 to December 2024.

However, the real challenge now lies not just in keeping people in work longer – it's about the quality and sustainability of that work. Job mobility plays a crucial role in helping people progress in their careers, stay engaged and adapt to changing needs or circumstances. However, Figure 12 highlights a steep decline in both job-to-job and occupational mobility with age. Around 18% of 20-year-olds made job-to-job transitions in a given year, but this drops to just 5% by age 60, and 2% for occupational changes – this highlights that older workers may find it increasingly difficult to pivot into new roles or sectors when their current job no longer fits.

This matters. Mobility is closely linked to career development, wage growth and job satisfaction. As workers age, they may face health concerns, caregiving responsibilities, or simply a desire for roles better aligned with their values and life stage. Without opportunities to retrain or transition into different roles, they risk being trapped in unsuitable jobs – or exiting the workforce entirely.

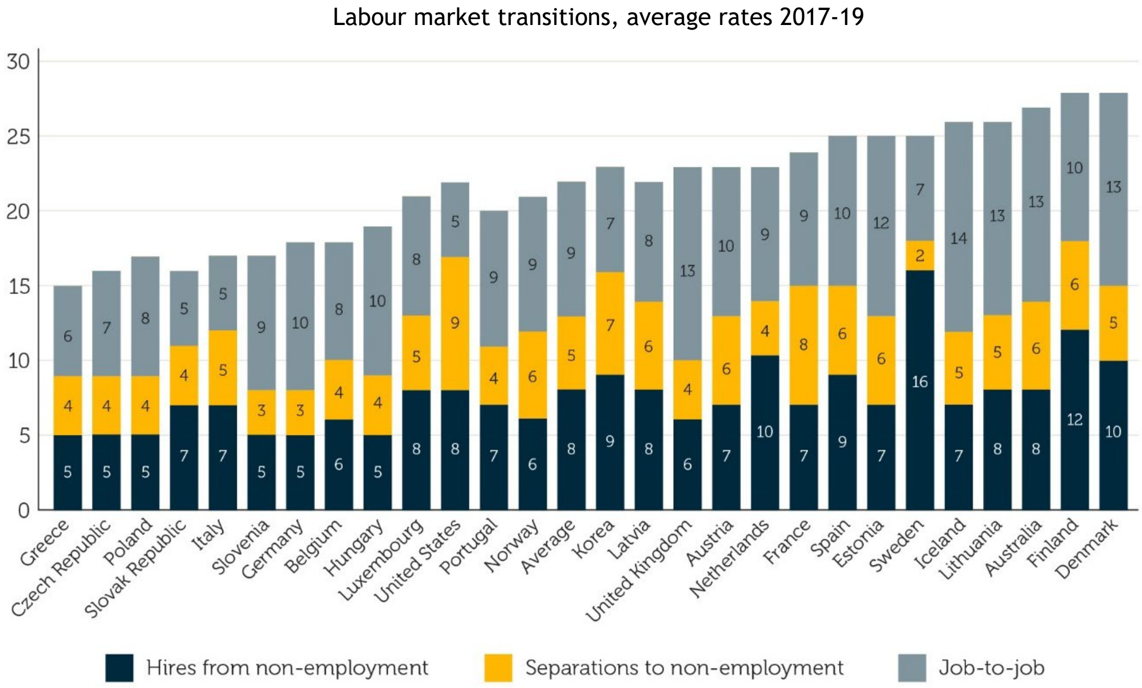
Figure 12: Labour market mobility declines significantly mid-career (%)



Source: OECD calculations based on the *UK Labour Force Survey* and Office for National Statistics (ONS) *Annual Population Survey*.

Despite these limitations, the UK labour market remains relatively dynamic. Pre-pandemic data (2017–19) showed a job-to-job transition rate of 13%, among the highest in the OECD (Figure 13). However, hires from non-employment (6%) and separations to non-employment (6%) were closer to average. Crucially, not all transitions are equal. Voluntary job moves are typically associated with better pay and job satisfaction, while involuntary transitions – especially for older or lower-skilled workers – often lead to downward mobility and lower earnings. In contrast, workers who change jobs voluntarily are more likely to experience wage gains. Yet, as workers age, they are significantly less likely to make voluntary moves.

Figure 13: The UK has a relatively dynamic labour market with higher rates of job-to-job mobility compared with other countries (%)



Source: OECD calculations based on data from the EU *Labour Force Survey* (EU-LFS), *Household, Income and Labour Dynamics in Australia (HILDA) Survey*, *Korean Labor & Income Panel Study (KLIPS)* and the *US Current Population Survey (CPS) Tenure Supplement*.

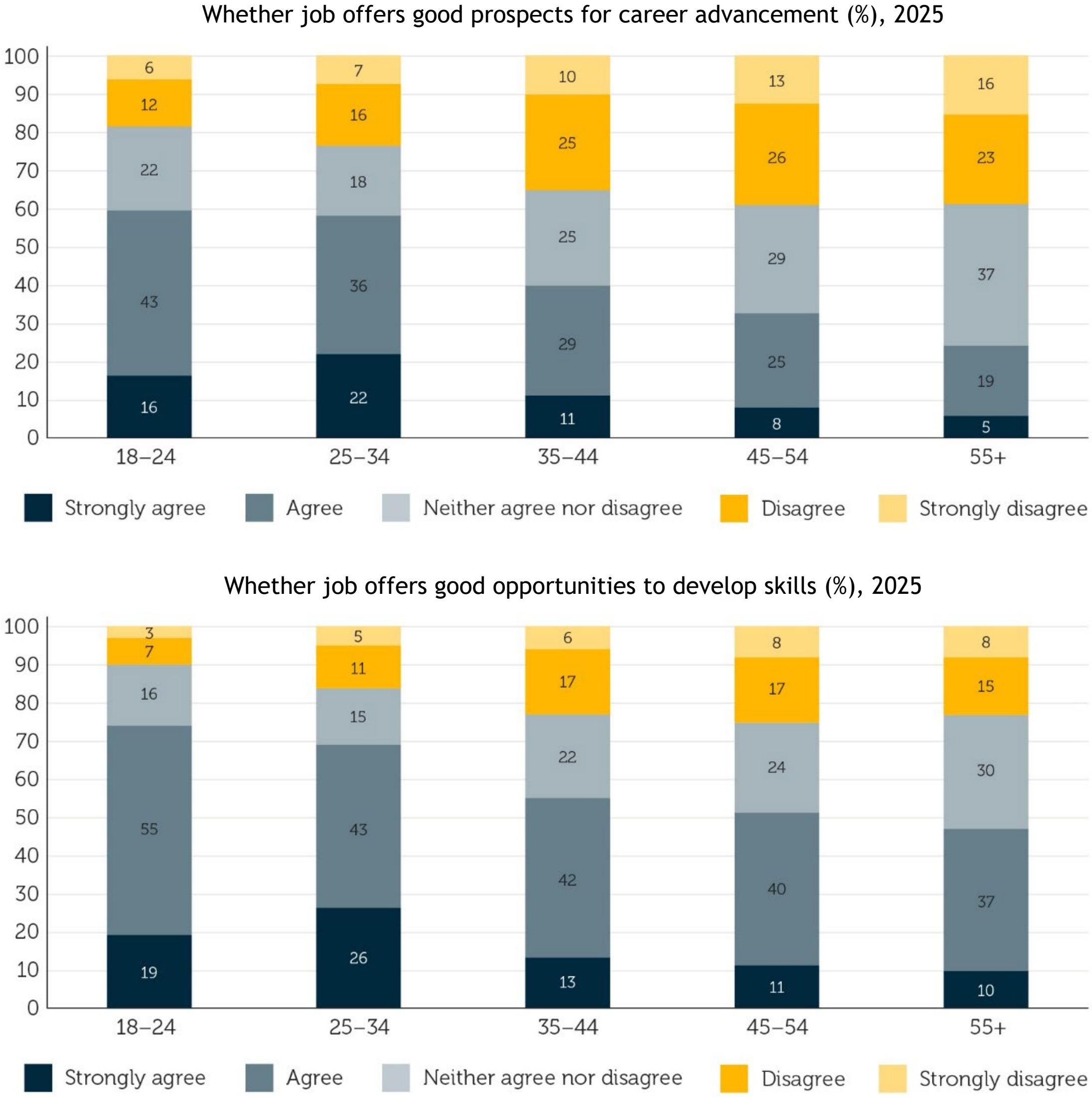
These trends are echoed in how workers perceive their own prospects. Analysis from the *CIPD Good Work Index* highlights that while almost 60% of workers aged 18–34 believe their jobs offer good opportunities for progression this falls to 32% for those aged 45–54 and just 24% among the over-55s. Similar patterns are found when it comes to opportunities to build new skills – just 51% of 45–54-year-olds and 47% of over-55s feel they are developing in their current roles (Figure 14).

This is further supported by data from the *Labour Force Survey*, which also reveals a clear relationship between perception of career progression opportunities and age: almost a third (29.3%) of those aged 55–59 disagreed that their job offers good opportunities for career progression compared with just 18% of those aged 20–24.

Older workers are also more likely to feel underutilised. Over a third of workers aged 50 plus say they have skills that could be used in more demanding roles – slightly above the national average of 34%. And while they are less worried about losing their job (just 11% of over-50s express concern, compared with 14% overall), they are far more pessimistic about finding a job of equivalent quality. Half of over-50s believe it would be difficult or very difficult to secure a similar role if they became unemployed – compared with just a quarter of 18–24-year-olds.

These figures paint a stark picture: as workers age, they face growing barriers to mobility, career progression and continued development. This not only undermines individual wellbeing and financial security, but also limits the productivity and resilience of the wider economy.

Figure 14: Skills development opportunities and career advancement prospects decline with age



Source: *CIPD Good Work Index 2025*.

Conclusion

Understanding the decline in job and occupational mobility as workers age is vital for shaping effective policy. As people progress through their careers, they face more barriers to moving between roles and sectors. This makes it all the more important to embed a culture of lifelong learning and continuous skills development, enabling older workers to stay adaptable and competitive in a changing labour market.

Employers have a key role to play too. Offering flexible working arrangements can make it easier for older workers to transition into new jobs while balancing other life responsibilities. Mid-career reviews and career conversations can also play an important role in helping to identify goals and aspirations and support reskilling or upskilling actions. At the same time, robust action to tackle age discrimination in recruitment and progression is essential to ensure that older workers have equal access to new opportunities.

Reimagining lifelong learning in the reskilling era

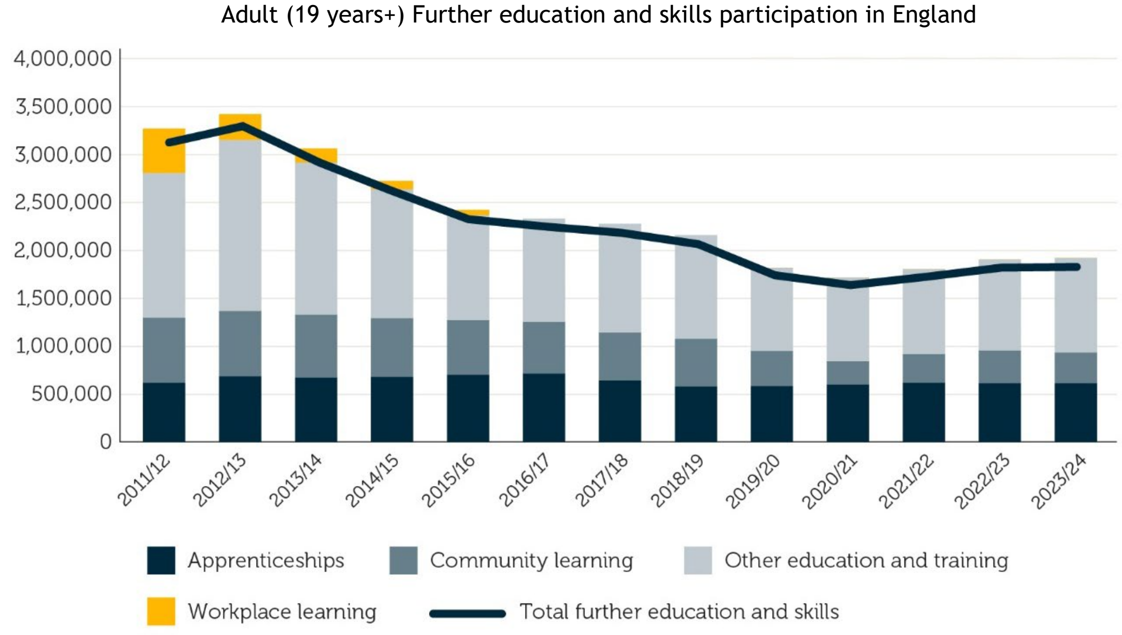
In a labour market defined by rapid technological change, rising longevity and shifting employer demands, the importance of lifelong learning has never been greater. Yet despite decades of rhetoric and reform, engagement in adult learning remains uneven, patchy and shaped by socio-economic divides. Evidence reveals a story of progress stalling – and, in some areas, reversing – just when we need it most.

Declining public and employer investment in skills and training

Despite the growing need for reskilling and upskilling, both public and private investment in adult training has declined over time. Evidence from the UK Government's *Employer skills survey: 2022* highlights that employer investment in training has continued to decline on several measures. Employer training investment fell from £4,095 per trainee in 2011 to just £2,971 per trainee in 2022, a fall of 27%. The decline in employer training investment has coincided with a decrease in public spending on adult learning, which has fallen by 31% in real terms since its peak in 2003/04, primarily due to reduced provision of lower-level courses.

Figure 15 shows a decline in adult participation in further education and skills in England over the last decade. From the most recent peak of nearly 3.3 million learners in 2012/13, participation fell to 1.6 million in 2020/21. However, the last three academic years have seen a slight reversal of this trend, with participation rising to 1.7 million in 2021/22 and then 1.8 million in 2022/23; with a further 0.7% increase in 2023/24.

Figure 15: Participation in adult learning has declined in England, although there has been a slight recovery in recent years



Source: 'Underlying charts data - full year' from 'Further education and skills', Gov.uk.

Participation in learning is not evenly distributed

Figure 16 shows job-related training participation rates across the UK nations in 2004 and 2024 among individuals aged 16–64. Overall, there has been little change over the two decades. The UK average remained flat at 11%, with England, Wales and Scotland also showing no meaningful change. Scotland saw a slight decline from 12% to 11%. Notably, Northern Ireland experienced the largest increase, rising from 7% in 2004 to 9% in 2024 –

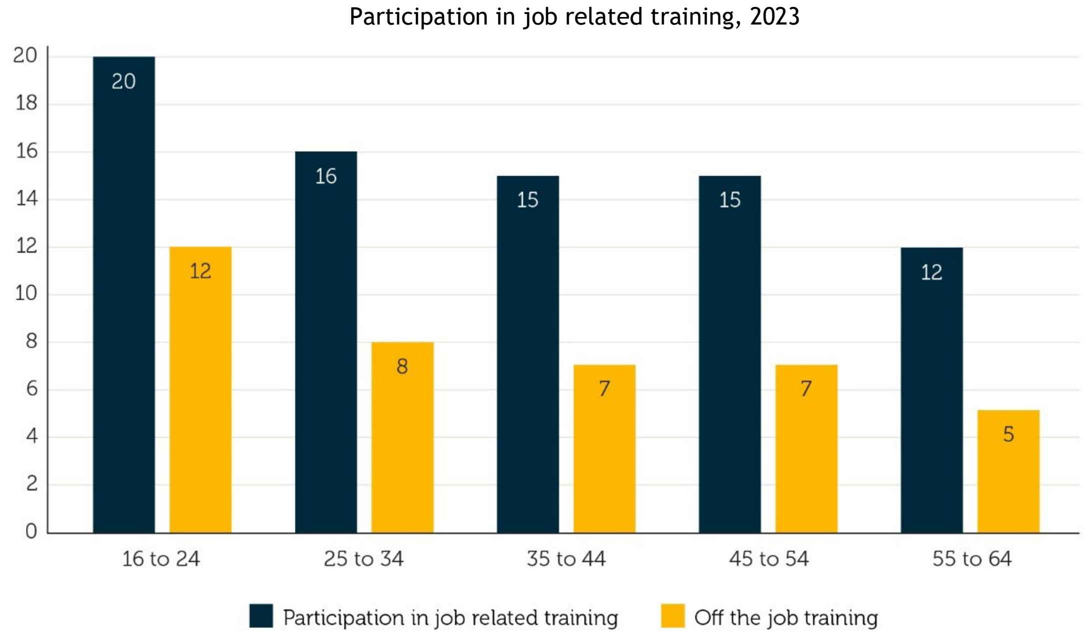
though it still lags behind the other UK nations. The data suggests stagnation in job-related training participation over the last 20 years, with minimal progress despite growing policy attention to upskilling.

Figure 16: Participation in job-related training has stagnated over the last two decades

Source: CIPD analysis of the *Annual Population Survey*.

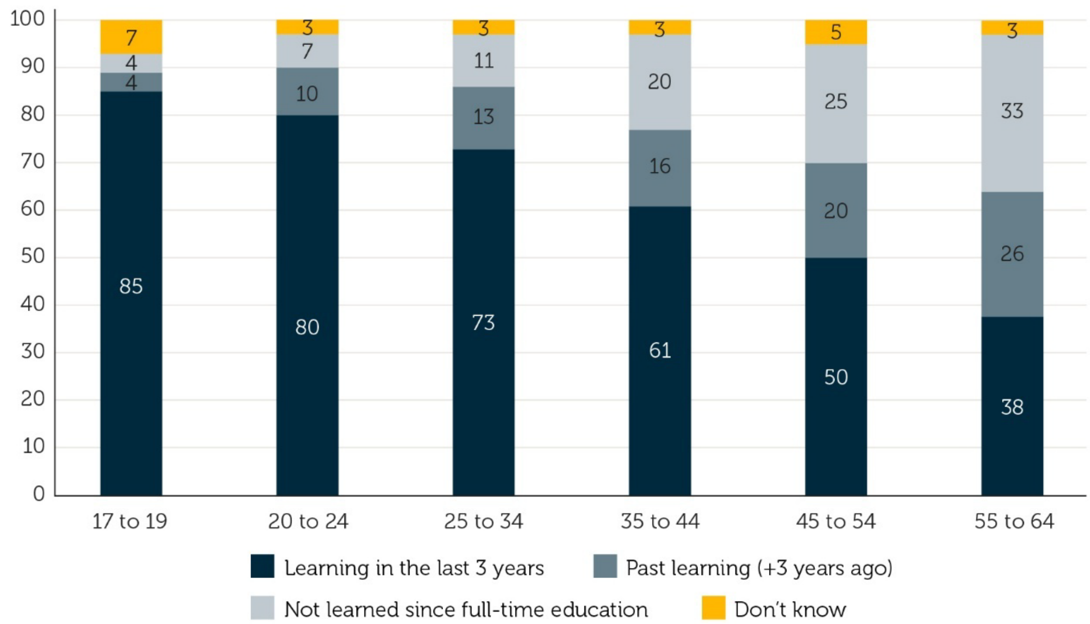
Survey data also shows a consistent and troubling decline in learning participation with age. Figure 17 shows data from the *Labour Force Survey* and from the *Adult Participation in Learning Survey* and highlights a clear age-related decline in job-related training and wider participation in lifelong learning.

Figure 17: Learning participation declines sharply with age (%)



Source: CIPD analysis of the quarterly *Labour Force Survey* (April-June 2023).

Participation in learning by age, 2024



Source: *Adult Participation in Learning Survey 2024*, Learning and Work Institute.

Among 16–24-year-olds, 20% participated in job-related training, with 12% receiving off-the-job training. However, participation steadily drops with age: only 12% of those aged 55–64 took part in job-related training, and just 5% received off-the-job training. This pattern highlights a persistent challenge in ensuring access to training opportunities for older workers, who are less likely to engage in or be offered training despite often needing support to adapt to a changing labour market.

The second chart in Figure 17 shows that while 85% of 17–19-year-olds and 80% of 20–24-year-olds are engaged in learning, these figures steadily fall to just 38% among those aged 55–64. Particularly worrying is the cohort of 45–54-year-olds – often in the midst of career transitions, health changes or redundancy risk – where a quarter report not having engaged in any learning since leaving full-time education. For those in their late 50s and early 60s, that figure rises to one in three.

The 2024 edition of the *CIPD Good Work Index* report also looked at training received by employees over the previous 12 months, ranging from formal learning to informal peer-to-peer support and conference attendance. Even with this broad definition, there is a clear decline in training received by age.

Figure 18: Participation in training declines by age (%)

Source: *CIPD Good Work Index 2024*.

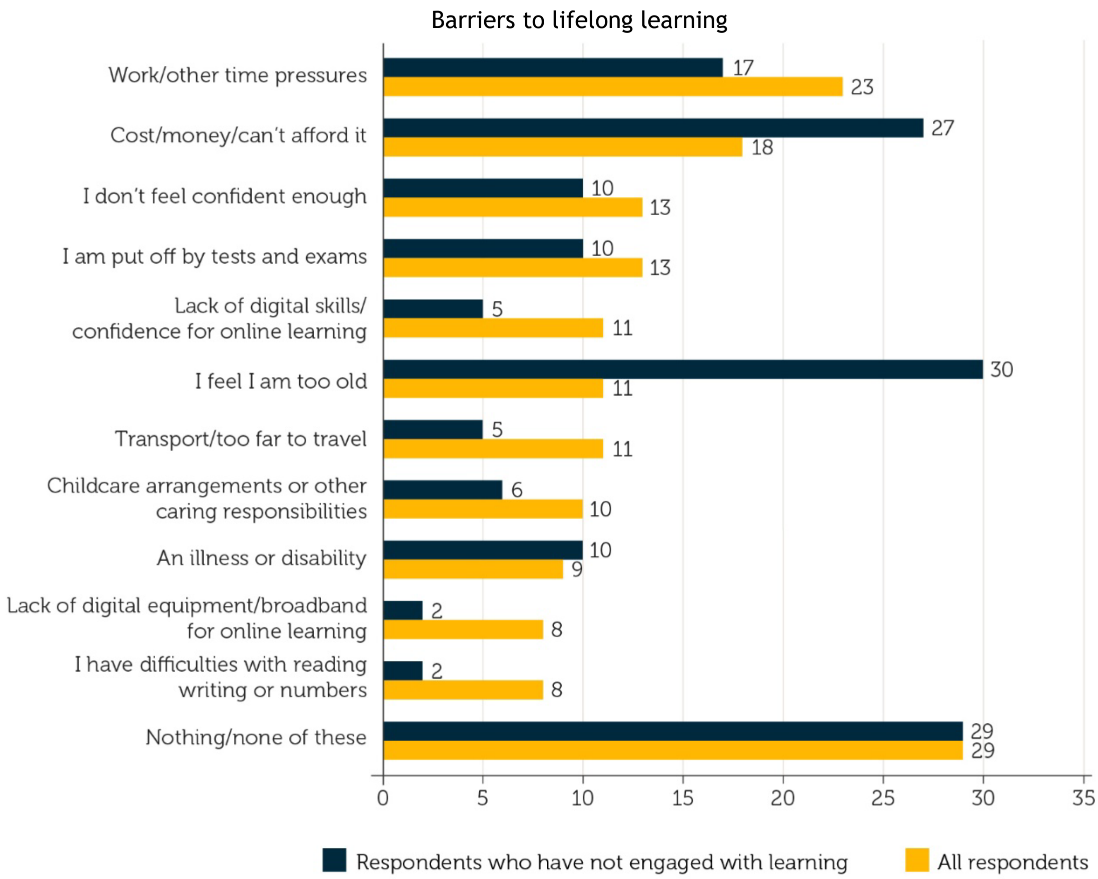
Alongside age, social grade remains the strongest predictor of who learns. The *Adult Participation in Learning* shows that adults in the highest socio-economic groups (AB) are one and a half times more likely to participate in learning than those in the lowest (DE) – 60% versus 39%. Those who most need to reskill are the least likely to be accessing learning opportunities.

Why lifelong learning remains out of reach

If the economic case for adult learning is clear, the personal and structural barriers remain entrenched. The Learning and Work Institute's *Adult Participation in Learning Survey*, which takes a broad definition of formal and informal learning, confirms a familiar set of constraints. Time is the most frequently cited obstacle, particularly for those balancing employment, childcare or caring responsibilities. Cost is another major concern, especially for non-learners: nearly 30% cite affordability as the main reason they haven't taken part – more than twice the rate of all respondents. The direct cost of training, loss of income during study or lack of financial support all contribute to a learning system that often feels out of reach for those who would benefit most.

Other barriers point to a learning environment that feels ill-matched to the realities of adult life. Some learners are deterred by rigid entry requirements or a lack of foundational skills. Others are discouraged by poor employer support – many adults simply cannot afford to take time off work, nor do they receive encouragement or investment from their workplace. Just as critically, there remains a widespread lack of awareness or clarity around what learning options exist. Many people don't know where to start, or cannot find relevant, flexible pathways tailored to their goals.

Figure 19: Widespread barriers to participation in lifelong learning (%)



Source: *Adult Participation in Learning Survey 2024*, Learning and Work Institute.

A closer look at non-learners in the data tells an even more nuanced story. Around 30% report no clear barrier to learning at all. This signals that disengagement is not always a matter of access or affordability – it can stem from a lack of confidence, past negative experiences, or simply the absence of motivation or visible opportunity. Equally, nearly 30% of non-learners say they feel 'too old' to learn – a perception that undermines the urgent need for mid- and later-life reskilling.

Digital exclusion also features – though to a lesser extent – with some adults lacking equipment, connectivity or confidence navigating online platforms. Emotional and logistical barriers, such as exam anxiety, fear of failure and transport difficulties, affect around 10–15% of non-learners.

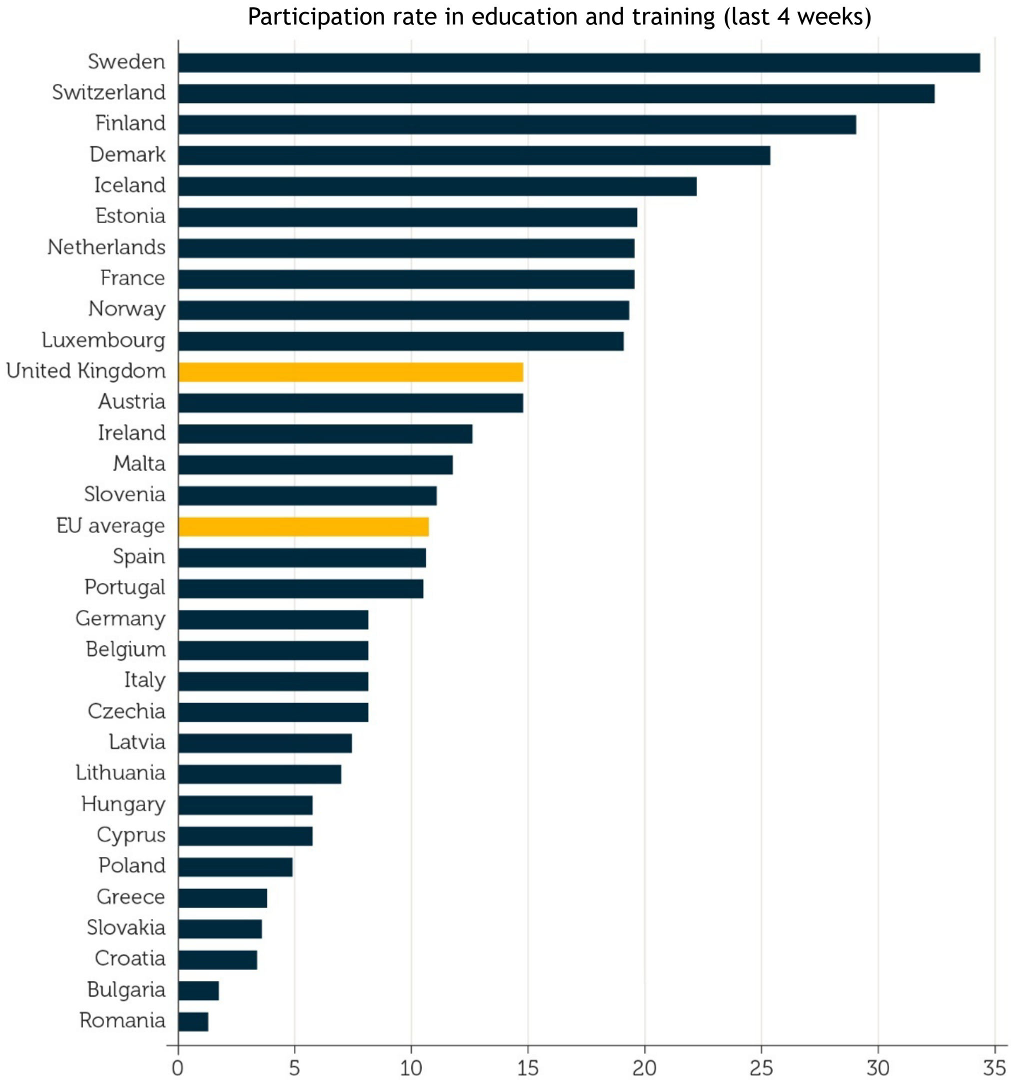
How the UK stacks up internationally

Understanding how the UK compares internationally on training participation offers useful context – but it's important to approach these comparisons with care. Countries differ in how they define and deliver training, and their education and labour market systems aren't directly comparable. That said, the *EU Labour Force Survey* provides a consistent benchmark across Europe.

On this measure, the UK performs relatively well. In 2019, nearly one in five employees reported taking part in some form of education or training in the previous four weeks – comfortably above the EU average of just under 15% (Figure 20). But while the UK outpaces many of its European peers, it still lags behind top performers such as

Switzerland and the Nordic countries, where training is far more embedded in working life.

Figure 20: The UK performs relatively well compared with other countries but lags far behind the best performing countries (%)



Source: *European Labour Force Survey*.

International approaches to increasing adult participation in training

Adult participation in education and training remains low across OECD and EU countries, with only two in five adults engaged in learning annually. Participation is particularly limited among disadvantaged groups, including individuals with low qualifications, those unemployed, or those in occupations vulnerable to automation. Given the changing nature of work and the increasing importance of lifelong learning, there is an urgent need to expand access to training opportunities for adults.

This section summarises key findings from the OECD's comparative analysis of six countries – Austria, Estonia, Hungary, Italy, the Netherlands and Singapore – that have achieved significant increases in adult learning participation over the past 15 years. The analysis focuses on the nature of reforms introduced, their design and delivery mechanisms, and the conditions that contributed to their effectiveness.

Multifaceted policy approaches

Evidence from the selected countries indicates that increases in participation were not driven by single policy measures but by a suite of complementary interventions. Reforms addressed a wide range of barriers to participation and were typically targeted at multiple groups, such as the unemployed, older workers, low-skilled individuals and, in some cases, the general adult population.

Examples of reform measures include:

- training vouchers (Netherlands, Singapore)
- paid educational leave (Austria)
- free access to second-chance education or vocational qualifications (Hungary, Estonia)
- sector-based upskilling programmes (Italy, Netherlands).

In many cases, reforms focused on short, flexible and modular learning options, which were more accessible for adults with existing work or care responsibilities.

Stakeholder engagement and governance

A key factor underpinning successful implementation was the active involvement of relevant stakeholders in the design and delivery of reforms. In most cases, central governments initiated the reforms, but their development and implementation involved collaboration with employers, trade unions, public employment services, training providers and civil society organisations.

In Italy, for instance, *training funds* are jointly managed by employers and trade unions, enabling strong alignment with workplace needs. In other countries, public employment services played a central role in coordinating training provision for unemployed adults. However, the report notes that engagement of regional authorities, small employers and informal learning providers was less consistent. Addressing this gap may enhance both the responsiveness and inclusiveness of future reforms.

Funding and cost-effectiveness

The financial models underpinning the reforms varied, but all sought to reduce direct and indirect costs of participation. The use of training subsidies, vouchers and wage replacement mechanisms (eg Austria's paid leave) helped to improve affordability and support wider take-up. Many countries co-financed initiatives using domestic tax revenues or employer levies, with some drawing on European Social Fund support.

Costs per participant ranged from €200 to €2,500, depending on the nature and intensity of training. While EU co-funding enabled broader reach, concerns remain about the sustainability of programmes once this funding ends.

Adaptability and evaluation

Successful reforms were typically characterised by adaptability. Monitoring and evaluation data was used to refine delivery, improve targeting and adjust to emerging labour market needs. Estonia's *state-commissioned short courses*, for example, were expanded following pilot evaluations and demand assessments. Similarly, Singapore's *SkillsFuture* initiatives have evolved over time in response to feedback and skills anticipation exercises. The report highlights the importance of embedding evaluation frameworks from the outset to ensure that policies remain relevant, cost-effective and evidence-based.

Moving beyond participation

While increasing participation is a key objective, the OECD stresses that this must be accompanied by a focus on quality, relevance and outcomes. Effective adult learning systems ensure that training aligns with labour market needs, supports progression into employment or higher-skilled roles, and delivers value for public investment. Mechanisms to recognise prior learning, certify outcomes and improve course quality are critical components of well-functioning systems.

The experiences of Austria, Estonia, Hungary, Italy, the Netherlands and Singapore demonstrate that sustained increases in adult learning participation are achievable through coordinated and adaptive reform strategies. Key success factors include comprehensive programme design, strong stakeholder collaboration, affordable and flexible learning models, and robust evaluation mechanisms. These international examples offer valuable insights for policy-makers seeking to develop inclusive and future-ready adult learning systems.

Conclusion

Lifelong learning remains out of reach for many due to a range of well-established barriers that need to be addressed. Time is a major constraint, particularly for individuals balancing work, caring responsibilities or other commitments. Financial pressures also play a significant role, whether through the direct cost of training or the potential loss of income while studying. Many adults face limited support from employers, including reluctance to invest in training or to release staff during working hours. Entry requirements – such as minimum qualifications or basic skills – can prevent people from accessing opportunities altogether. Finally, there is often a lack of clarity about what learning options exist, with many individuals either unaware of what’s available or unable to find flexible, relevant pathways that suit their needs. Tackling these challenges is crucial to making lifelong learning more inclusive and accessible.

Policy pathways for a future-ready workforce

The UK labour market is on the cusp of profound transformation. Technological change, demographic shifts and the transition to a greener economy are reshaping the jobs landscape. While these changes offer opportunities for higher productivity and better wages, they also pose serious risks – particularly for the workers in occupations projected to decline and who will require reskilling or upskilling to transition into new roles.

Creating an agile and responsive skills and employment support system will be essential to ensure that workers are not left behind. And this must involve more strategic action at the level of employers. According to the International Labour Organization, worker-adjustment programmes are most successful when they begin in advance of expected displacements. Successful job transitions from roles in decline to more secure, future-facing occupations depend heavily on the skills individuals possess, particularly how well their existing skillset aligns with the demands of the roles they’re moving into. The ability to retrain or upskill to bridge any gaps is also critical.

Transitions tend to be more achievable when the overall skill levels of both roles are comparable and there is strong overlap in the core competencies required. This means that ‘sideways moves’ into lower-skilled roles within growing sectors are often more accessible for lower-skilled workers in at-risk occupations, while upward moves into higher-skilled, better-paid roles – particularly those requiring formal qualifications – remain far more challenging without targeted support.

Devolution: Commonality and divergence

Devolution within the UK provides both challenges and opportunities for policy-making around lifelong learning. On one hand, each devolved administration can design approaches that suit its demography, geography and industrial make-up. On the other hand, the interactions of skills policy with social security and business taxation (both largely reserved) can undermine a coherent approach, as seen in some of the best-performing international countries.

Recent years have also seen an increasing divergence in skills policy, primarily between England and the three devolved nations of Scotland, Wales and Northern Ireland, as explored in the CIPD's 2023 *Devolution and evolution of UK skills policy* report. This is despite very similar challenges consistently highlighted by employers, policy-makers and researchers:

- skills and labour shortages, skills mismatches and graduate overqualification
- low and falling employer investment in training
- fast-paced industrial changes, especially the green transition and AI automation
- an ageing workforce
- insufficient public funding for adult skills development.

Each devolved administration has recognised these challenges in countless strategies and policy documents. While some public policy responses are similar, others differ to varying extents. One commonality is that there has been an increased focus on growth sectors in all three nations (eg Northern Ireland recently developed seven sectoral action plans), similar to the recently published UK-wide industrial strategy.

Extensive structural change is either being embedded (in Wales), in the process of being legislated for (in Scotland) or being considered (in Northern Ireland). There are considerable costs associated with these, with not only budgetary implications, but also substantial legislative and executive time spent on structural reform.

Funding pressures remain and have resulted in the discontinuation of some well-known and positively evaluated programmes, as well as broader skills budget cuts. There have been efforts to increase employer investment in training, but the most recent Employer skills survey suggests that they have not been successful. The tightness of the labour market over the last three years, however, may result in an uptick in skills investment.

The Apprenticeship Levy, introduced in 2017, was designed to increase employer investment in skills, but it has been a source of frustration for employers in the devolved nations. Due to the three different skills systems, the levy effectively operates as a tax without a direct link to skills programmes in the devolved nations. The announced Growth and Skills Levy, albeit without any detail at the time of writing, is unlikely to change this as devolved administrations will continue to receive their share of funding via their respective block grant allocations and spend it as they see fit.

The lack of transparency over how much the levy raises across the UK and all its constituent nations, as well as how much devolved administrations receive each year, is undermining employer confidence in the system even further and should be rectified as a matter of priority.

This report highlights the importance of adult learning to economic growth and suggests supply- and demand-side policy interventions for the UK Government and the three devolved administrations. While boosting adult skills funding is an overarching priority, there are well-researched barriers to lifelong learning that need to be addressed:

- lack of time (eg due to work or other commitments)
- lack of financial resources (eg to pay for training or loss of income out of work)
- lack of employer support (including unwillingness to release for training)
- lack of prerequisites (eg minimum skills or qualification requirements)
- lack of options (including low understanding of options or lack of suitable paths).

Evidence reviews show that there is no silver bullet to boosting lifelong learning, but there are general approaches that have worked in comparable OECD countries that the UK Government and devolved administrations can learn from. This includes active labour market policies (underpinned by a focused industrial strategy), training vouchers or credits (targeted by sector, age or income) and paid educational/training leave (to different extents).

This chapter provides a brief overview of recent developments in the skills space across England, Scotland, Wales and Northern Ireland.

Structural change

The fragmentation of skills delivery, and the complexity of skills funding, have long been identified as problems by employers across all four nations. In consequence, there have either been recent changes, ongoing changes or mooted changes in all nations of the UK.

In **England**, recognising the need for a highly skilled workforce, the government has launched Skills England, a new body tasked with aligning workforce capabilities with future economic demands. Replacing the Institute for Apprenticeships and Technical Education (IfATE), Skills England has a broader role – identifying skills gaps, collaborating with the Industrial Strategy Council and Migration Advisory Committee, and overseeing training programmes funded through a new Growth and Skills Levy. Alongside this, the government has pledged to introduce a comprehensive post-16 education strategy aimed at removing barriers to opportunity, strengthening vocational training and ensuring the skills system supports industrial growth.

There are also plans for further devolution of skills funding to mayoral authorities. The *English Devolution White Paper* announced that non-apprenticeship adult skills funding would be devolved to mayoral authorities to align with local skills needs. And local leaders without devolution deals were invited to propose combined mayoral authorities. The government also plans to press ahead with reforms to post-18 funding developed under the previous administration. From January 2027, the Lifelong Learning Entitlement (LLE) will replace higher education and advanced learner loans, creating a single funding system for post-18 education. The government plans to offer tuition fee loans for full courses at levels 4 to 6 (including degrees, technical qualifications and approved online or distance learning), as well as for modules of high-value technical courses at levels 4 and 5. Eligible learners can access:

- a tuition fee loan of up to £38,140 (equivalent to four years of study at 2025/26 fee rates)
- a maintenance loan for living costs, available for in-person courses.

In **Scotland**, the *Tertiary Education and Training (Funding and Governance) (Scotland) Bill* is currently going through parliament. The bill will see all skills funding (national training programmes, apprenticeships and work-based learning) brought under the auspices of the

Scottish Funding Council (SFC). The primary change will involve moving around £100m of apprenticeship funding from Skills Development Scotland (SDS) to the SFC – compared with circa £1.9bn SFC investment in higher and further education. Given the funding pressures reported by the higher and further education sectors, there is a concern that the apprenticeship budget will be squeezed. Additionally, the change will require substantial structural reorganisation, including the transfer of staff, data and systems – both complex and costly.

In **Wales**, the *Tertiary Education and Research (Wales) Act 2022* has significantly altered how the Welsh post-16 education and skills training sector is funded and regulated. Similar to the approach now pursued in Scotland, the act consolidated skills funding in a new Commission for Tertiary Education and Research (Medr), with an annual budget of around £948m (2025/26). Medr has received broad stakeholder support so far and it is taking first steps in its new role. The act also sets out strategic duties for Medr, which include 'promoting lifelong learning'.

In **Northern Ireland**, the fragmentation of skills delivery has recently been criticised by an NI Audit Office report in September 2024. Uniquely among the four nations of the UK, skills funding, planning and delivery is done in-house, primarily by the Department for the Economy. Recent years have seen a positive focus on skills, with a comprehensive Skills Strategy published in 2022 and the establishment of the NI Skills Council. Structural changes are increasingly a part of skills policy discussions.

Apprenticeship reform

Employer evidence suggests their biggest skills gaps are in intermediate and higher technical skills, which have traditionally been gained through vocational routes like apprenticeships. Following the introduction of the Apprenticeship Levy, there has been a considerable divergence between England and the three devolved nations – primarily in the number of standards, end-point assessments and employer-held budgets.

The systems across Scotland, Wales and Northern Ireland remain similar, with some differences (beyond the differing frameworks and administrative arrangements):

- Training costs are fully covered in Wales and Northern Ireland, but in Scotland only a proportion of costs is covered, linked to apprenticeship frameworks.
- There are lower contribution rates for older apprentices in Scotland, with Northern Ireland loosening eligibility for older apprentices in 2023.
- Different employer incentives exist, some to drive completions or support disadvantaged apprentices.

There has been a considerable change in the breadth of apprenticeships, with frameworks being spread across more qualification levels. All three nations have frameworks up to Master's degree Level 7 (or Level 11 in the Scottish SCQF) – graduate apprenticeships in Scotland, degree apprenticeships in Wales and Higher Level Apprenticeships in Northern Ireland.

On the other side of the scale, Scotland has also introduced foundation apprenticeships (not to be confused with Welsh FAs or the newly introduced foundation apprenticeships in England) that can be taken as subjects at secondary school. The above-mentioned bill includes a new legal definition of an apprenticeship in Scotland, which includes paid work for an employer, meaning Scottish foundation apprenticeships will fall outside of this.

The demand for apprenticeships across all three nations consistently outstrips supply and the available funding. While estimates differ, budget reductions in Wales have resulted in the Welsh Government lowering its target of 125,000 apprenticeship starts by the end of the Senedd term to 100,000. Similarly, in Scotland, SDS estimated that there was demand for 34,000 annual Modern Apprenticeship starts, but funding for only 25,500 in 2024/25.

In England, there have been a number of recent policy shifts. There are plans to shorten the current 12-month minimum duration to eight months starting in August 2025, pending the legislative schedule. This will initially be 'trailblazed' in key shortage occupation areas. Alongside this, the requirement for apprentices aged 19 and over to pass English and maths functional skills qualifications has been removed with immediate effect. It has been announced that public funding for Level 7 apprenticeships for individuals aged 22 and older is being phased out, starting 1 January 2026.

In the context of lifelong learning, the age profile of apprentices has shifted in recent years, with apprentices aged 25 years and over making up the biggest proportion of apprenticeship starts in all four nations bar Northern Ireland. In Wales, those aged 25 plus have accounted for the largest proportion of starts since 2015/16. In Scotland, there has been a proportionate decrease in apprenticeship starts by those aged 16-24 commensurate to the increase in 25 plus starts.

In Northern Ireland, there has been a significant policy change, with all-age apprenticeships officially announced in September 2023, with the intention of increasing starts by those aged 25 and over without a reduction in younger apprentice starts. The first full-year statistics suggest this was achieved, with a considerable increase in 25 plus starts, and the number of starts at 16-19 staying broadly the same.

Upskilling and reskilling programmes

The upskilling and reskilling policy landscape across the nations can be challenging to navigate. The number of interventions fluctuates considerably, budgets tend to be set annually, and targeting is varied – some targeting organisations of a certain size, or in a specific sector, others targeting individuals, with vastly differing eligibility criteria.

Funding pressures remain and contribute to the uncertain policy landscape. Overall, adult learning remains underfunded and has traditionally been more prone to budget cuts than the core education budgets. Ministerial changes across all nations have also resulted in priorities shifting occasionally.

In **England**, the main publicly funded reskilling/retraining provision includes **Skills Bootcamps** – short, intensive training courses lasting up to 16 weeks and designed to guarantee a job interview upon completion. There are also **Sector-based Work Academies**, funded by the Department for Work and Pensions, which support benefit claimants through up to six weeks of pre-employment training, a work placement, and either a guaranteed interview or tailored support to apply for a job.

In **Scotland**, the National Strategy for Economic Transformation recognised the importance of upskilling and reskilling, highlighting then-existing programmes as successful and committing to the development of a broader lifetime skills and retraining offer by December 2023. However, this work has now been paused and the two successful programmes discontinued:

- The Flexible Workforce Development Fund was available for Apprenticeship Levy-paying employers and later extended to SMEs. The fund provided these employers with workforce development training to upskill and reskill their existing workforce. Over 2,000 levy-paying employers and 2,500 SME employers accessed the fund. Its independent evaluation was very positive, finding a 'clear and strong continuing rationale for the Fund'.

- Individual Training Accounts offered eligible individuals £200 towards a range of upskilling courses, aiming to improve employability. Their independent evaluation was also positive.

The loss of two upskilling initiatives, one aimed at organisations and one at individuals, with work on the lifetime skills offer paused, is difficult to reconcile with the priorities set in the government's economic strategy.

Local employability offers remain, targeting individuals and organisations which can also access a range of smaller programmes through local and national enterprise agencies. SDS continues to run Skills for Growth – a diagnostic service that helps SMEs identify and fill skills gaps.

In **Wales**, a range of initiatives were introduced as part of post-pandemic recovery. Two of the most important programmes target individuals (with eligibility criteria) and organisations in priority sectors:

- Personal Learning Accounts (PLAs) offer a range of courses across Welsh institutions that individuals aged 19 and over earning under £32,371 can access on a part-time basis. Emphasising the sectoral approach, the salary cap does not apply for courses or qualifications in digital or green skills.
- The Flexible Skills Programme is an employer-facing intervention, which allows employers to cover up to 50% of their training costs (up to a maximum value of £50,000) in priority sectors.

In **Northern Ireland**, the Skills Strategy set a target to increase the adult learning participation rate from a baseline of 18.2% in 2020 to 25%. This has declined in following years (17.3% in 2021, 16.3% in 2022), but has ticked up in the latest figures – 17.6% in 2023. However, this compares poorly with the UK average of 26.5%.

The range of interventions in Northern Ireland is particularly broad – likely a reflection of budgetary pressures and a period of political instability and executive changes. Compared with Scotland and Wales, Northern Ireland has more smaller programmes targeting both individuals and organisations:

- Skill Up provides a range of free courses delivered at FE and HE institutions, with all adults aged 18 plus eligible. This approach is similar to Welsh PLAs. Funding is currently unconfirmed for 2025/26.
- Step Up is a programme aimed at young people aged 16-24 who are not in education, employment or training, or those aged 24 plus who are unemployed or economically inactive. Similarly, funding is currently unconfirmed.
- Skills Focus provides tailored training to businesses with fewer than 250 employees.
- InnovateUs is aimed at small employers (fewer than 50 employees) to acquire innovation skills.
- The SME Productivity Booster initiative provides a road map for SMEs towards increased productivity. It is a smaller fund, but a more intensive programme centred on skills development.

- Assured Skills Academies is a demand-led, pre-employment training programme which helps individuals gain the skills they need to compete for guaranteed job vacancies with new foreign direct investment (FDI) companies and expanding local-based businesses.

Conclusions and recommendations

The UK stands at a critical juncture. The combined pressures of AI, climate change and demographic shifts are not only disrupting the labour market but redefining what it means to work, learn and thrive in the 21st century. Without decisive action, millions risk being excluded from the opportunities of the future economy.

To meet this challenge, the UK must embrace a new vision for lifelong learning – one that is inclusive, accessible and responsive to change. This means investing in adult education, supporting mid- and late-career transitions, and embedding learning into the fabric of everyday life. It also requires aligning skills policy with industrial and social goals, ensuring that the benefits of growth are shared across regions and communities.

The reskilling imperative is not just an economic requirement – it is a social contract. By reimagining how we support people to learn and adapt throughout their lives, we can build a more resilient, equitable and prosperous future for all.

The implications of this report are clear: if we are serious about preparing people for the future of work, our systems must change. Participation must become the norm across all life stages, not a privilege of youth or the already well-qualified. And policy must do more to remove barriers to lifelong learning. That means designing flexible, modular and stackable learning pathways that fit around work and life. It means providing targeted financial support for those least able to pay. It means holding employers accountable for investing in skills – not just for early-career staff, but across the workforce. And it means raising awareness, simplifying access and embedding learning.

Reskilling is not a one-off event – it is needed at all ages and stages of an individual's career. Yet too many adults are being left behind, not because they lack ability or ambition, but because the system is not designed with them in mind. If we want to build a future-ready workforce, we must reimagine lifelong learning as a necessity, not a luxury.

Key policy principles for boosting lifelong learning

Boosting adult learning requires more public funding and policy focus, the unlocking of employer and employee demand, and the removal of key barriers for adults seeking to upskill or reskill. These recommendations are mostly broad and designed to be adaptable in each of the UK's four policy jurisdictions. As seen above, there is a degree of policy commonality between the UK nations, but also divergence. This should be a source of strength – an opportunity to learn from each other for the benefit of everyone across the UK as a whole.

Most importantly, policy-makers, employers and individual learners all have a role to play in an intertwined skills system. Funding new skills interventions is pointless if individuals face insurmountable barriers to accessing them. Supporting employers to access organisational training is counterproductive if they don't take steps to understand their own skills profile. And the only way adult learners won't be left behind is if they themselves take charge of their learning and explore opportunities their employer or public agencies provide. All three have a responsibility to drive change.

Increasing public funding and resetting policy

- The **overall public spend** on adult skills needs to be boosted. This should include programme funding to boost supply, but also funding that can unlock demand by removing key barriers.
- **Multi-year funding and policy stability** are key if governments want to develop working relationships with organisations and their skills needs, as well as encouraging individuals to think about their learning long term.
- **Apprenticeships** can play a role in the reskilling of older workers, but this should be on top of their primary purpose as a work-based learning pathway for young people.
- **Shorter upskilling opportunities** to meet projected skills demand need additional support. This requires both labour market intelligence and additional programme funding.
- **Upskilling and reskilling programmes** need to target individuals as well as organisations in order to make a difference to the economy:
    - For **individuals**, the focus should be on need, be it those furthest away from the skills system, lowest incomes or working in transforming sectors.
    - For **organisations**, the primary skills focus should be sectoral, but with additional people management support for small businesses – only that can unlock skills demand in those organisations.
- **Transparency over the new Growth and Skills Levy** must be a priority in its design. While the devolved settlements by design won't enable employers in the UK nations to achieve the same link between funds raised and skills interventions, clarity over how much is raised and spent on skills can help restore trust in the system.
- **Structural change** is on the agenda in all four UK nations. While this may bring benefits once embedded, employers are looking for simplicity, certainty and skills pipelines now.

Developing a culture of lifelong learning

- For **policy-makers**, this means a greater shift towards micro-credentials and modular learning, with a stronger recognition of prior learning:
    - Careers services need to be recast into a genuine all-age advisory service.
    - Essential skills need to be embedded across the school curriculum, further and higher education and work-based learning.
- For **employers**, this means a concerted effort to look at organisational policies and capabilities:
    - No matter what size of organisation, having a good understanding of skills profiles and future needs is key.
    - Boosting training budgets and improving internal skills development alongside reskilling and redeployment opportunities should be a priority.
- For **individuals**, this means proactively thinking about their own skills and career development:
    - Accessing public funding and support where available should be an individual responsibility. The provision of opportunities by policy-makers can only ever be one side of the coin.

Removing key barriers

- Governments and employers play a key role in addressing the **lack of time, lack of funding or lack of options** for individuals.
- Supporting those **with caring responsibilities** in particular can remove one of the biggest barriers to learning participation:
  - For **policy-makers**, childcare, health and social care systems need to be seen as integral to the economic agenda.
  - For **employers**, a focus on flexible working and leave policies can make a difference.
- In addition to boosting the supply of upskilling and reskilling opportunities, governments have **three options to support individual demand:**
  - Targeted **training vouchers** can give individuals a degree of flexibility in their learning. Co-financing (individual or employer) options can also be explored.
  - Buildable and flexible **individual learning accounts** can play a role in developing a lifelong learning culture by encouraging individuals to think about their learning long term.
  - **Paid educational leave** should also be explored. There are several options for its design (via employment law, social security or taxation), but the principle of releasing employees to upskill/reskill without a full loss of income is key.

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