

New Futures Four Nations Scotland briefing paper

About L&W and our New Futures pilots

The Learning and Work Institute is an independent policy and research organisation dedicated to lifelong learning, full employment and inclusion. Our flagship programme, New Futures, supported workers who were looking to change career and reskill as a result of the Covid-19 pandemic. We uncovered gaps and shortcomings in the existing employment and skills system, which need to be addressed in order to tackle the UK's retraining challenge. This work was funded by the Covid-19 Support Fund.

New Futures pilots were delivered in all four UK nations, including one in Edinburgh. This was led by [Capital City Partnership](#), the anchor delivery body for Edinburgh's employability strategy. The project enabled individuals who wanted to reskill to gain entry-level qualifications in a new sector. It worked across sectors, with a particular focus on parts of the economy with high growth potential. The team did this by linking people with a Vocational Training Academy, which offered a wide range of courses. At the end of the course, participants had a guaranteed interview with an employer. At the end of Edinburgh's New Futures project, 124 people had completed a vocational course: of these, 80 went on to secure a new job.

This briefing is an opportunity to share what we've learned around career change policy in Scotland. It sets out why career change is important, what the current landscape looks like in Scotland and potential policy options to improve it. For UK-wide programmes and recommendations, please refer to [our UK report](#). This policy briefing is informed by desk research about existing Scottish programmes, along with a stakeholder roundtable and interviews with people with experience and expertise in supporting career change.

What is career change and why is it important?

Put simply, career change is a change in the broad industrial or occupational sector, or a change to the nature of one's work. Career change is a crucial part of personal development and economic transition. For some individuals this is a reactive decision, for example in response to redundancy or a change in personal circumstances. For others, career change is a proactive decision driven by a desire to find better work, which could mean better pay, a more secure contract, greater flexibility around caring responsibilities, or a career that is more personally fulfilling.

Our All Change report found that, while career change and reskilling may be in the best interests of both individuals and the economy in the long term, there are significant barriers that may prevent it from happening.¹ Primarily, these barriers are financial, with an individual facing lower earnings in the short term, earnings foregone in order to retrain, plus the cost of retraining. Moreover, people often report not knowing what their options might be or where to get support with career change, including whether any financial assistance might be available to them.

Career change is vital in preparing Scotland for the future skills needed by growing industries. The Scottish Government has prioritised the need to move away from North Sea oil and gas and move to renewable low carbon energy. Meanwhile, the country's ageing demographic profile and free personal care policy has heightened demand for adult social care.

In reaction to these changes, many individuals will decide to move careers and successfully initiate that change themselves, but others will need support in making it happen. However, careers support in Scotland is disproportionately targeted at those currently outside the labour market, rather than those looking to redirect their career.

Promoting successful career change is particularly important in Scotland, with its working age population projected to go into decline and significant economic transformations, from the changes in the 1980s and 90s, to the current transition underway away from carbon intensive industries. The 2011 census [data](#) shows that Scotland has 2.5 million people in work and the National Records of Scotland have [projected](#) a further fall in the working age population from 64.9% in 2020 to 64.4% by 2045. In short, there is a workforce emergency, and supporting career change should be a key part of the solution in Scotland.

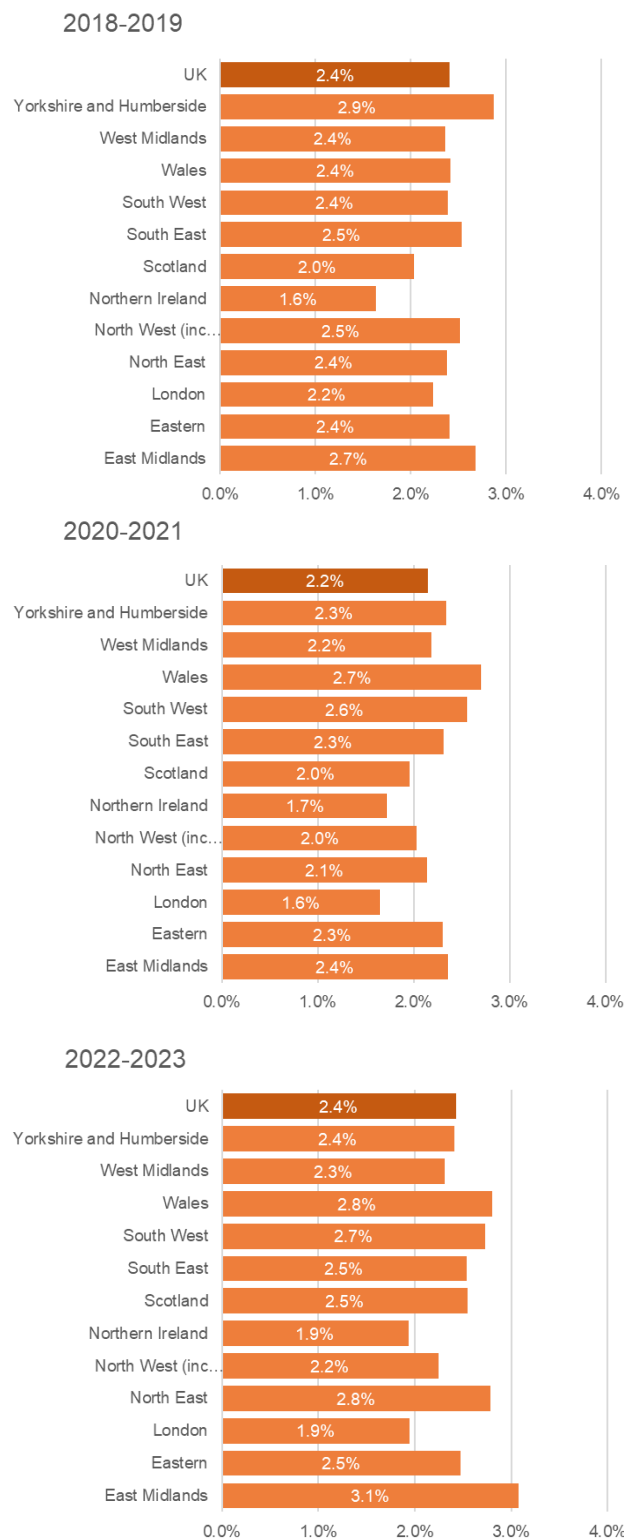
Analysis of career change in Scotland

In Scotland, the number of people moving jobs has increased since 2018-19. Figure 1 shows the percentage of people in work who change jobs by nation and region for time periods before the Covid-19 pandemic, during the pandemic and a year after.² It shows the proportion of people staying in the same sector against the proportion moving to a different sector. On average, 2.0% of workers moved job each quarter in 2018-19. This rose to 2.5% in 2022-23. There were fewer movements to a different sector after the pandemic for Scotland than people changing jobs within the same sector, in line with most other regions and nations. The most recent data available shows that in 2022-23, 54.1% of job moves were within the same sector, while 45.9% involved a sector change.

¹ Learning and Work Institute (2023) [All change: understanding and supporting retraining and career change](#)

² Data is drawn from the Labour Force Survey.

Figure 1: Percentage of people in work who change jobs by nation and region



Note: revisions by the ONS have introduced a discontinuity in the series from the July to September quarter of 2022 onwards. Therefore, any assessment of changes over time should be used with caution.

Between 2020 and 2023, 54% of those working in hospitality who moved jobs moved to another sector, while 46% of those working in hospitality who moved jobs remained in the sector.

Looking forward, Figure 2 shows the projected employment change in Scotland per year, by industry sector to the year 2035.³ Our analysis of the projections shows that Scotland is expected to have the highest percentage growth in health and social work employment compared to any other nation or region in the UK.

Figure 2: Employment by sector, 2020 to 2035, Growth (% per annum)

	Eastern	East Midlands	London	North East	North West	South East	South West	West Midlands	Y&H	Northern Ireland	Scotland	Wales
Agriculture	0.2	-0.3	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.1	0.4	0.1
Mining and quarrying	-4.4	-3.2	-3.3	-1.7	-3.7	-1.5	-4.0	-4.7	-4.7	-0.4	-0.9	-2.8
Food drink and tobacco	0.9	1.2	0.0	-0.1	-0.7	1.3	-1.7	-0.1	-1.7	1.0	-0.1	0.0
Engineering	-1.1	-1.3	2.0	-0.3	0.3	-2.0	-1.5	-0.2	0.2	-2.5	1.2	-1.3
Rest of manufacturing	-1.2	-1.0	-1.5	-1.0	-0.9	-1.2	-0.5	-0.7	-1.3	-1.2	-1.1	-0.6
Electricity and gas	-0.8	0.0	0.0	0.0	-0.8	-0.1	-0.6	-0.4	-0.3	-0.6	-0.6	-0.6
Water and sewerage	1.0	0.6	1.5	0.3	0.3	1.2	1.0	0.4	0.6	1.3	0.4	1.0
Construction	1.2	0.4	1.6	-0.3	0.1	0.9	1.2	0.2	0.1	1.3	-0.1	0.1
Wholesale and retail trade	0.2	0.3	-0.1	0.0	0.2	0.1	0.1	0.0	0.0	0.2	0.0	0.1
Transport and storage	0.7	0.3	0.5	0.3	0.6	0.2	0.2	1.0	1.0	0.7	0.5	0.1
Accommodation and food	1.0	0.4	1.5	1.2	1.4	1.2	1.3	1.5	0.6	1.7	0.4	0.6
Media	-0.3	0.0	0.5	0.0	0.1	-0.4	-0.4	0.0	0.0	0.0	0.0	0.0
Information technology	0.6	1.0	1.1	1.2	1.1	1.1	0.7	0.8	0.8	1.0	1.2	0.9
Finance and insurance	-0.9	-0.5	0.2	0.2	-0.2	-0.7	-0.3	-0.3	-0.1	0.2	0.3	1.0
Real estate	1.1	0.3	0.0	0.9	1.1	0.7	-0.7	0.9	-0.4	-1.4	0.2	-0.4
Professional services	0.9	0.6	0.8	0.5	0.7	0.8	0.9	0.6	0.7	0.8	0.9	0.7
Support services	0.9	0.8	0.7	0.4	0.8	0.9	1.3	0.8	0.9	1.1	0.9	0.6
Public admin. and defence	0.8	1.0	0.1	-0.1	0.0	0.4	0.5	0.5	0.1	0.1	-0.2	0.0
Education	0.0	-0.1	0.0	0.6	0.8	0.1	0.5	0.6	0.1	1.0	0.5	0.6
Health and social work	1.2	0.8	0.4	0.9	1.1	0.3	1.4	0.7	1.1	0.9	1.5	1.1
Arts and entertainment	-0.1	-0.4	1.3	0.8	-0.1	1.1	2.0	0.0	-0.2	0.6	1.4	0.6
Other services	0.0	-0.5	1.2	-1.4	-0.1	-0.4	0.4	-0.2	-0.9	0.3	-0.3	-1.0
All industries	0.5	0.3	0.6	0.3	0.5	0.4	0.7	0.5	0.3	0.6	0.5	0.4

Note: Red is the lowest growth in a sector for that region and green is the highest growth sector.

The current support landscape in Scotland

Employment support in Scotland is complex, fragmented, difficult to navigate successfully, and poorly targeted. The focus on young people entering the workforce is understandable but has resulted in a situation where career change during working lives has been neglected and is poorly supported. Additionally, frequent system changes and time limited programmes have created a complex network of individual funds and schemes.

Currently, support is focused on younger people and those who are out of work, as opposed to older learners or those who are looking to change careers. However, our research made clear that these groups are not mutually exclusive: they can be targeted concurrently through policies that benefit all groups.

Frequent ministerial responsibility changes have impacted the strategic approach to skills issues. Our research with stakeholders found that, while the Scottish Government is good at recognising the value of skills and has a high-level vision of what to aim for, this is not being translated into on the ground provision. In addition, Government ministerial responsibility for skills is diffused over several portfolios, with

³ Department for Education (2023) [Labour market and skills projections: 2020 to 2035](#)

a resultant lack of coordination and a single universal vision of what constitutes success. Inevitably differing priorities across Scottish Government departments have resulted in a lack of decisive action to improve the situation to better support career change.

The Department for Work and Pensions (DWP) has responsibility for supporting jobseekers into work via Jobcentre Plus in Scotland. Sector-Based Work Academy Programmes (SWAPs) are funded by DWP and are available in Scotland for benefit claimants. They involve up to six weeks pre-employment training, a work experience placement, and a job interview or help to apply for a job. Meanwhile, low earners on Universal Credit in the 'Intensive Work Search Group' are mandated to In-Work Progression Support delivered by Jobcentre Plus. This involves help with CVs and signposting to skills provision through 'Progression Leads'. The In-Work Progression offer is available on a voluntary basis to the 'Light Touch' work group, with a view to making this mandatory. This in-work support could involve support to change career but is predominantly focused on increasing an individual's hours or pay.

The Scottish Government has powers to set up contracted programmes to support disabled people and those with health conditions to find work, and similar authority to support people at risk of long-term unemployment. The Scottish Government backs a variety of funding schemes and programmes, including Fair Start Scotland, the Young Person's Guarantee, Our Future Now, and Community Jobs Scotland. The headline access point for these funds, programmes and activities is the Careers Service provided by [Skills Development Scotland](#) (SDS), the national skills agency. Some are delivered by partners such as local authorities or charities, while others are directly delivered by SDS. The SDS Careers Service was highlighted in our research to be often difficult to access in practice by individuals, and their activity overwhelmingly targeted at provision in secondary schools, colleges and universities.

Partnership Action for Continuing Employment (PACE) is the Scottish Government's employment support provision, delivered by Skills Development Scotland. It is triggered when a large employer has to make a significant part of its workforce redundant. Stakeholders we spoke to said PACE is generally effective and has been successful when deployed on several occasions in different parts of Scotland, for example, after the announcement that the Michelin tyre factory in Dundee would close. This approach could be replicated in everyday support for career change and training.

Our research suggested that the current landscape in Scotland is particularly challenging for providers, given that several funding streams have been discontinued and the ones that are available are often over-subscribed and very competitive. It takes time for effective employment schemes to get up and running, and annual funding settlements can be disruptive to the success of a training or upskilling programme. Stakeholders we spoke to as part of our research frequently referenced the National Transition Training Fund (NTTF), which was introduced in 2020 as a

direct response to the economic impact of the Covid-19 pandemic. In its first year over 9,000 training opportunities were provided in sectors most impacted by the downturn, supporting staff retention, diversification and training for new and future skills needs. This scheme has now ended, as has the Flexible Workforce Development Fund (FWDF) which was aimed at providing employers with flexible workforce development training opportunities.

The removal of these schemes, along with systemic programme churn and growing demand, has created inconsistency and provides a constraint on provision by making support difficult to plan. The current transfer of *Fair Start Scotland* funding to individual local authorities is likely to add further complexity to the overall national picture.

The Apprenticeship Levy works differently for Scottish employers compared to English employers, for which the Scottish government has attracted criticism. In England, employers pay into a protected fund which they can access to use for training. However, in Scotland, levy funds are centrally collected with limited transparency on how the money is spent, reportedly reducing the willingness of employers to put additional investment into upskilling their workforce.

James Withers, in his 2022 [report](#) on skills in Scotland, argued that for too long Scottish culture has valued University learning as better than all others, when this does not always fit with the reality of what employers look for when recruiting. The recommendation is for a mindset shift that all other learning is not second best. In terms of funding, the Scottish Government spends around [£900 million](#) a year on teaching Scottish undergraduates. This is a combination of the main teaching grant and the notional tuition fee which is paid on behalf of Scottish students who remain in Scotland to study.

Policy priorities to help people change career

Our research showed that, while the Scottish approach to skills development includes much that is welcome, there is insufficient focus on career change and a lacking policy approach to mid-career development. Meanwhile, the skills ecosystem in Scotland is fragmented and complex to navigate.

In our UK report, we make overarching recommendations that apply across the UK nations, including improving financial incentives for employers to invest in skills, Learning Accounts and better support for people retraining. Our additional recommendations to tackle the issues we have identified in Scotland are:

- **Simplified navigation of provision for employers and providers, as well as individuals at all stages in their career.** Most people change careers without government help, but need access to the right information, advice and guidance to do so. The Scottish Government should more effectively signpost access pathways to the training and help available, which would significantly boost the prospects of those looking to change careers. The new Scottish Government's

strategy should reflect that personal skills development is a life-long activity and does not happen only when entering the workforce. It should work to remove unnecessary barriers to training while in work, for example through more flexible part-time training provision.

The support people may need to change jobs or switch sectors will depend in part on whether the move is a choice or a necessity. People may also need more support if they are looking to make a bigger change, particularly if there are significant costs associated with this, or if they have more limited networks to help them identify options. The focus of public intervention should target people who need more help to change career or who are at greater risk of falling out of work, alongside better financial support to reduce the costs and risks of career changing. To do so in Scotland, we argue the government needs to:

- **Create a single vision on career change and skills.** Single ministerial responsibility for skills would create a new clarity of purpose, and a more strategic and less fragmented approach to delivering upon that ambition. Once the Scottish Government has set out a single vision for reform in the labour market to address Scotland's high-level challenges of economic change and declining working age population, it needs to create a more coordinated framework for delivery. Greater strategic prioritisation is necessary at a national level, identifying overall targeted sectors for support.
- **Introduce designated career change support.** A new flexible, effective skills programme should be introduced, funded on a sustainable long-term basis. The programme should incorporate successful elements of the National Transition Training Fund (NTTF) and explicitly recognise the need to facilitate career change. The new programme's sustainability will encourage longer term planning of suitable provision, helping individuals, providers and employers better navigate the landscape of support around career change and workforce skills. The new programme should aim to widen eligibility and not be too prescriptive, since current training provision and funding is too narrow and inflexible. It should recognise that employers' ability to shoulder the burden of the cost in training staff will vary depending on their size and sector. Provision of training and career change opportunities would be improved if support was more readily available with targeting beyond younger people or those starting out in their career. While the proposed designated career change support will help, further simplification is required.
- **Introduce a Digital Training Record for individuals.** A Digital Training Record for individuals should be accessible to employers and outline the skills the record-holder has accumulated over their working career. Over time, this would contribute to a necessary cultural shift, that learning and skills acquisition does not just happen in formal education but takes place across an entire career. A digital record could help to drive increased demand for skills courses, including in

further education where elements of provision are operating significantly below capacity.

Moving forward

The recent change in First Minister has resulted in a new government and a refreshed ministerial focus on employability in Scotland, with a new Employment minister, a new Economy Cabinet Secretary and an expressed desire to “deliver for Scotland and its people”. This will require a high-level vision on skills and strategic focus on career change in Scotland over both the short and long term.

In the short term, significant improvements can be delivered through simplification of careers support, better signposting and more rigorous prioritisation of training support. In the longer term, the country needs to better recognise the benefits of lifelong learning and career development. The changing profile of the Scottish economy means that individuals are going to change career direction more frequently and providing effective support through that change will yield tangible individual and national economic benefit to Scotland.