

New Futures: Four nations policy recommendations

UK report

Beccy Packer, Sam Avanzo Windett, Zarin
Mahmud, Lovedeep Vaid

June 2024

NEW
FUTURES



About Learning and Work Institute

Learning and Work Institute is an independent policy, research and development organisation dedicated to lifelong learning, full employment and inclusion.

We research what works, develop new ways of thinking and implement new approaches. Working with partners, we transform people's experiences of learning and employment. What we do benefits individuals, families, communities and the wider economy.

Stay informed. Be involved. Keep engaged. Sign up to become a Learning and Work Institute supporter: learningandwork.org.uk/supporters

About the Covid-19 Support Fund

The UK insurance and long-term savings industry launched the Covid-19 Support Fund to help support some of the people hardest hit by the Covid-19 crisis. The Fund raised £104 million, with £83.9 million having been pledged in voluntary contributions from firms within the sector and £20m provided by Department for Culture Media and Sport match funding.

The Fund works in partnership with the Charities Aid Foundation, and a network of partners, including the National Emergencies Trust and Business in the Community.

The key aim is to provide immediate relief to charities affected by Covid-19, as well as a longer-term programme of support for people, communities, and issues where there is the greatest need, including:

- Community-based charities that are under unprecedented strain
- Charities supporting the most vulnerable – in particular, families and children living in poverty and older people in isolation
- Initiatives to promote wellbeing and mental health across society

About New Futures

New Futures, led by Learning and Work Institute and funded by the Covid-19 Support Fund, is supporting workers who need to reskill and change career as a result of the Covid-19 pandemic. The programme includes:

- Place-based pilots to test potential solutions to reskilling and career change
- Evaluation and analysis
- Sharing what we learn to help shape policy and practice

Published by National Learning and Work Institute

3rd Floor Arnhem House, 31 Waterloo Way, Leicester LE1 6LP

Company registration no. 2603322 | Charity registration no. 1002775

www.learningandwork.org.uk

@LearnWorkUK

@LearnWorkCymru (Wales)

All rights reserved. No reproduction, copy or transmission of this publication may be made without the written permission of the publishers, save in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency.

Contents

Foreword.....	5
Executive summary	6
Chapter 1: Introduction	11
Chapter 2: Why should policy makers consider support for people to change their careers?	14
Chapter 3: Current policy context across the UK nations.....	27
Chapter 4: Lessons from the New Futures pilots	40
Chapter 5: Policy recommendations to improve support for career change.....	43
England recommendations	46
Wales recommendations	48
Scotland recommendations	49
Northern Ireland recommendations	50
Chapter 6: Conclusion	52

Foreword

Our New Futures pilots have tested ways to help people to change career. This is likely to become an increasing imperative as a result of a combination of longer working lives and ongoing economic change. But our research has identified areas where both policy and practice can be improved so more people get the support they need and our economy can make the most of the opportunities ahead.

Most people find new work or change career without government support, using their own knowledge and help and advice from friends, family and work colleagues. But we can do more to make sure they have access to good information and advice so they can make informed decisions. That includes likely changes in the jobs available and skills required, and signposting to support where needed.

Other people will require more support, whether because the change they need to make is greater or because of the financial costs or time commitments of retraining. Our previous research has shown the career changer pay penalty, a £3,300 drop in pay the average career changer faces, on top of the costs of retraining itself.

Those are significant costs and represent a big risk for many people. If we want more people to retrain or change career, we need to limit the risks they face.

How does public policy stack up against this need? There is lots of great provision and lots of great programmes. But a common theme is how fragmented things are, including ongoing divides between skills support (often focused on younger people) and employment support (often focused on finding a job as quickly as possible).

Policy has further to go to match the imperative of the 21st century reality of longer working lives and economic change.

One of the benefits of the New Futures programme is that it's been UK wide. Devolution within and between nations offers the opportunity to tailor support to local and individual conditions. But also increases the need to share experience and best practice. In addition, there is more we need to do to build the evidence base on what works with regard to career change.

Learning and Work Institute stands ready to help with all of this.



Stephen Evans
Chief Executive
Learning and Work Institute

Executive summary

Learning and Work Institute (L&W) designed and delivered New Futures pilots, funded by the Covid-19 support fund, to build locally-led solutions to tackle retraining challenges, tailored to the needs of local labour markets and the skills of local populations. Not only did our pilots produce evidence to inform delivery organisations and commissioners about delivering effective programmes of support, they also revealed shortcomings in the wider support system. This report draws together the pilot insights with a deeper analysis of the policy context in each of the four UK nations. By engaging with stakeholders in England, Wales, Scotland and Northern Ireland (NI), we have developed policy and practice recommendations to improve the support for adults who want or need to change careers in each nation.

The result is a suite of five reports on our findings: [a nation report for England, Wales, Scotland and NI](#) and this overarching UK policy report. In each nation paper, we set out the current policy landscape and recommendations to improve the support for adults who want or need to change careers. In this UK report, we compare our findings across the four nations and set out our overall recommendations, focusing on local and national governments, employers and provision.

Methodology

This report draws on findings from secondary data analysis, policy mapping and qualitative fieldwork with key stakeholders in each nation.

- We conducted **secondary data analysis** to identify key trends in career change and future projections across the UK and four nations, with data drawn from the two quarter (six months) longitudinal Labour Force Survey. The time periods were chosen to reflect the impact of the Covid-19 pandemic. We combined datasets for the two years before the pandemic (2018 to the end of 2019), two years after the pandemic (2020 to the end of 2021) and the latest data (first quarter of 2022 to the second quarter of 2023).
- We **mapped existing policy and practice** responses in each of the four UK nations, drawing on evaluations, policy statements, statistics and reports. We also drew on international policy developments and best practice to develop case studies. Support from Message Matters assisted the policy mapping and stakeholder engagement and research in Scotland, and Pivotal supported this process in NI. L&W Cymru led the policy mapping, stakeholder engagement and stakeholder research in Wales.
- In each nation, we **held an online roundtable** with experts in employment, skills and career support to refine and develop the policy recommendations, supplemented **by in-depth interviews with key stakeholders**. This included policymakers from different areas of national and local governments, employers and employer bodies and representatives from delivery organisations in the areas of skills, employment support and careers education, information, advice and guidance.

Alongside the consultation process, our New Futures Stakeholder Reference Group have provided input, feedback and guidance throughout the New Futures project.

What is career change and why is it important?

Career change is a change in broad industrial or occupational sector, or a change to the nature of one's work. In the UK, around six per cent of adults change career every year, and around 1.3 per cent of people in work switch sector every quarter. Seismic shifts in demography, technology and policy are reshaping our labour market, and will mean people updating their skills and changing roles more often during 50-year careers.

Changing careers allows individuals to respond to the changing nature of the labour market as the economy and technology develop. This includes helping people find sustainable work if their role becomes redundant, and ensuring we can meet the economy's future skills needs and priorities. Career change is also a means by which communities can build resilience to negative economic shocks, preventing scarring effects to areas of the country. In addition, changing careers offers individuals a pathway out of low-quality work into better work, which may not be available within their current sector or industry. Better work includes work that may be more secure, higher paid, more fulfilling and / or more flexible, and benefits individuals, the economy and the government.

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.

Current policy context across the UK nations

Across each nation of the UK, a comprehensive high-level vision and single strategy for supporting career change is lacking. Similarly, each employment and skills system is complex and difficult to navigate for individuals, employers and providers and does not effectively support people who want or need to change career.

Support for career change primarily comprises a careers service, employment support for unemployed people, skills training for those currently employed, and apprenticeships. An all-age careers service exists in all four nations but evidence suggests that stretched budgets and limited resources is resulting in prioritisation of client groups and leaving many career changers without enough support.

Career changers who are currently employed have inconsistent options in the four nations. With many previously well-regarded programmes discontinued or cut, provision on the whole focuses on increasing hours and wages rather than facilitating career change.

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

Apprenticeships are available in all four nations and can offer a positive avenue for career changers, but evidence on their effectiveness for career change remains limited, and challenges persist, including the impact of the apprenticeship levy.

Government-funded support for employers exists across all four nations, although there is limited evidence on the extent to which these initiatives are incentivising employers to invest in skills. Our research with stakeholders suggests that employers need a more streamlined offer which takes less time and resource to navigate, especially for small firms.

Although some UK policies aim to support adults in overcoming financial barriers to career change and reskilling, the provision is uneven across the four nations. Where provision is in place, often the scope of the support is too limited and will not help enough adults who need or want to retrain.

There is activity happening at the local level and there is scope for more and better coordination funds to deliver effective skills and employment support for upskilling and career change in local areas. However, local governments across the nations lack the resources to make a more significant impact.

Lessons from the New Futures pilots

Our New Futures pilots provide valuable insights for shaping a future policy landscape that facilitates effective career transitions and addresses gaps in existing national and local systems. To achieve success, relevant provision should engage individuals both within and outside the workforce, dispel misconceptions about reskilling, and build on people's motivations. The support offered must be adaptable and personalised, delivered by skilled career coaches who possess expert knowledge of local labour markets and gaps in services. The programme funding itself needs to be flexible and enable wraparound support where necessary. Additionally, involving employers and local stakeholders from the outset is crucial, with strong, well-coordinated relationships at the local level.

Recommendations

Most people change careers without government help, but need access to the right information, advice and guidance to do so. This should include launching campaigns to raise awareness, focused on key transition points in people's lives, and should be backed by high quality information, advice and guidance to enable people to help themselves and provide the tools they need to change careers. 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. We argue that governments across the four nations should act on the following recommendations:

1. Better coordination of support with devolved join up

Each nation needs to develop a high-level vision for career change to ensure that all adults, regardless of age or background, have the support they need to change career – this is a priority for individual nations, and the UK as a whole. There is a need for greater alignment and coordination at a devolved level to enable simpler navigation and joined up support between individuals, employers and providers.

2. Understand what works to help people change careers across the UK

Evaluations of the provision for people in and out of work are needed to improve understanding of what helps people move into new careers. With a different offering in each nation, we need to know what works in policy and practice, why and for whom, to build a much-needed pillar of support for people across the UK to change careers over the next decade. We need to ensure we share these lessons across the UK.

3. Create designated career change support in each of the UK nations

Each nation of the UK should establish their own support to provide skills and training for those looking to switch careers while currently in employment. This should build on the elements of existing and previously successful programmes, alongside the lessons from L&W's New Futures pilots. This funding should be devolved to MCAs in England where they exist to coordinate with employers and providers across their region. This could be aligned with business support in growth sectors, with clear asks of employers on co-investment.

4. Reform financial incentives for employers

To provide better financial incentives to encourage employers to invest in their workforce, we should replace the current Corporation Tax deduction for training spend and introduce a new Skills Tax Credit, modelled on the successful R&D tax credit. This would allow employers to deduct 230% of the cost of accredited training and apprenticeships from their tax liabilities, with a higher rate for businesses employing people in poorer areas or investing in vital skills like digital, numeracy, literacy or green skills. We should also review the effectiveness of other tax incentives for firms, such as lower employer National Insurance contributions for employing young apprentices.

5. Support living costs for people in and out of work

People need more support with course and living costs to be able to change career, including simplifying existing complicated entitlements for free courses and extending access to maintenance loans. We recommend:

Introducing a new system of Learning Accounts in England, Scotland, Northern Ireland, and in Wales extend the existing Personal Learning Accounts policy, allowing individuals, employers and the Government to invest in learning together. We recommend that every adult be entitled to a Learning Account from age 18 with a universal entitlement to a Government contribution of £5,000 in the form of a digital voucher, with targeted top ups and incentives for employers and individuals to contribute. Based around an online portal,

the Learning Account would include a skills passport and local labour market information to help people understand their current attainment and local job opportunities, and access to online and in person careers advice.

Extending the current Train and Progress benefit rules for people seeking work in England, Wales and Scotland to allow full-time training of up to one year (up from 16 weeks now) for people not required to look for work and for people who agree with their Work Coach that this will improve their long-term job prospects. In Northern Ireland we recommend that the Universal Credit rules are amended to enable full-time training for up to 12 months where it is agreed this will have long-term career benefits.

Strengthening the Right to Request Time Off to Train for people in work in England, Wales and Scotland so people can remain employed while retraining during a one-year unpaid career break. Access to a maintenance loan to support living costs should be part of this. In Northern Ireland, the Right to Request Time Off to Train should be introduced, with access to a maintenance loan.

Chapter 1: Introduction

Policy context and background

Learning and Work Institute (L&W) developed and delivered a pilot programme called New Futures, funded by the Covid-19 support fund, which aimed to support workers who needed to reskill as a result of the Covid-19 pandemic. While Covid-19 was primarily a public health crisis, it also led to economic challenges, with workers in some sectors having to find alternative employment. These employment impacts were not equally distributed and, in many cases, exacerbated previous inequalities, with individuals in low paid work, living in localities with already high unemployment and working in at-risk sectors among those most likely to lose their jobs.²

The pandemic contributed to a wider trend towards the need for career changing, caused by longer working lives and long-term shifts in demography, technology and policy leading to an increasing need for people to update their skills and change roles more often during their careers.³ In order to address this challenge, L&W identified that there was a need for high-quality, locally-based programmes of support for career change. These programmes would ideally seek to engage at-risk workers, developing and delivering skills provision to meet the needs of current and future jobs.

Place-based pilots were developed across the four nations of the UK, in Edinburgh, Belfast, Tees Valley and Wales. Pilots were designed to build locally-led solutions to tackle retraining challenges, tailored to the needs of local labour markets and the skills of local populations. Alongside the pilots, L&W evaluated the interventions to develop the evidence base on supporting reskilling for career change to inform future policy and practice.

Our findings demonstrate the importance of key elements of career change support and their effectiveness when delivered in combination. Not only did our pilots produce evidence to inform delivery organisations and commissioners about delivering effective programmes of support, they also revealed shortcomings in the wider support system. For example, there are low levels of public awareness of the support that is available from organisations such as the National Careers Service.

² Learning and Work Institute (2021) [One year on: the labour market impacts of coronavirus and priorities for the years ahead](#)

³ Learning and Work Institute, 2023. [All change: Understanding and supporting retraining and career change](#)

New Futures case study

Ezhilarasi was one of the first participants on New Futures Edinburgh. As a part-time retail worker and a mother of two, she faced challenges during the pandemic, with childcare responsibilities and periods of isolation making it challenging for her to work. However, with the support of a careers advisor, she successfully applied for a Business Analyst role at Derisk 360, a data analytics and AI start-up, in 2023.

“New Futures has been an absolute game-changer for me during my job search and career development journey. Their guidance and expertise has been invaluable in helping me secure a job in the technology sector in Edinburgh. As a mother of two young children, I needed a job that would support my family, and New Futures provided me with the necessary tools and knowledge to make that happen. Their personalized approach, one-on-one sessions, and training programmes gave me the confidence and skills I needed to navigate the job market and stand out from other job applicants. Thanks to their support, I was able to secure a job in my dream industry, and I am beyond grateful.” - Ezhilarasi

Ezhilarasi has thrived at Derisk 360, and as a result of her success she is now helping to implement a new career change programme named Rise. The programme will equip participants with skills in data analysis, AI, cloud computing, and soft skills to change to a tech career. The programme will also offer hands on experience with real world datasets and cloud platforms. Successful participants will have the chance to obtain a Derisk 360 certification in data analysis, AI and cloud computing. New Futures Edinburgh is exploring a referral route to Ezhilarasi’s new initiative.

“We genuinely believe that this collaboration will not only benefit the individuals but also contribute to the overall growth and development of the data analysis, AI, and cloud computing industries. We are excited about the potential impact we can create together.”
- Ezhilarasi

New Futures: Four Nations policy

As part of the legacy of New Futures, and to draw together the insights gained during the pilots, L&W developed a body of work to scrutinise the policy context in each of the four UK nations. We engaged with stakeholders in England, Wales, Scotland and Northern Ireland (NI) to analyse and develop policy and practice recommendations to improve the support for adults who want or need to change careers in each nation.

We have produced a suite of five reports on our findings: [a nation report for England, Wales, Scotland and Northern Ireland](#) and this overarching UK report. In each nation paper, we set out the current policy landscape and potential options to improve the support

for adults who want or need to change careers. In this UK report, we compare our findings from across the four nations and set out our recommendations, focusing on local and national governments, employers and effective provision.

Methodology

This report draws on findings from secondary data analysis, policy mapping and qualitative fieldwork with key stakeholders in each nation.

- We conducted **secondary data analysis** to identify key trends in career change and future projections across the UK and four nations, with data drawn from the two quarter (six months) longitudinal Labour Force Survey. The time periods were chosen to reflect the impact of the Covid-19 pandemic. We combined datasets for the two years before the pandemic (2018 to the end of 2019), two years after the pandemic (2020 to the end of 2021) and the latest data (first quarter of 2022 to the second quarter of 2023).
- We **mapped existing policy and practice** responses in each of the four UK nations, drawing on evaluations, policy statements, statistics and reports. We also drew on international policy developments and best practice to develop case studies. Support from Message Matters assisted the policy mapping and stakeholder engagement and research in Scotland, and Pivotal supported this process in NI. L&W Cymru led the policy mapping, stakeholder engagement and stakeholder research in Wales.
- In each nation, we **held an online roundtable** with experts in employment, skills and career support to refine and develop the policy recommendations, supplemented **by in-depth interviews with key stakeholders**. This included policymakers from different areas of national and local governments, employers and employer bodies and representatives from delivery organisations in the areas of skills, employment support and careers education, information, advice and guidance.

Alongside the consultation process, our New Futures Stakeholder Reference Group have provided input, feedback and guidance throughout the New Futures project.

Structure of the report

This report sets out the context for the scale of career change today across the UK, outlining why career change support needs to be prioritised in policy. Chapter 3 moves on to compare policies and initiatives for career change across the UK nations. Chapter 4 outlines the lessons learned from our flagship programme, New Futures, to help design a future policy landscape that supports effective career change provision. In Chapter 5, we propose the policy recommendations required to improve support for career change across the UK, followed by a concluding summary of key findings.

Chapter 2: Why should policy makers consider support for people to change their careers?

This chapter sets out the context for the scale of career change today. It explores regional patterns of career change across the UK, focusing mostly on the differences in job-to-job moves by nation and region, differentiating between job changers (people moving to a job in the same sector) and sector switchers (people moving to a job in a different sector), using data drawn from the Labour Force Survey. Although this data analysis focuses on job-to-job moves, people can change career after a period out of work too - something we consider in our All Change report.⁴ An outline is provided of why career change support needs to be prioritised in policy, highlighting that it helps people:

- Find sustainable work after redundancy;
- Build community resilience to economic shocks;
- Support people to find better work; and
- Help to meet the UK's future skills needs and priorities.

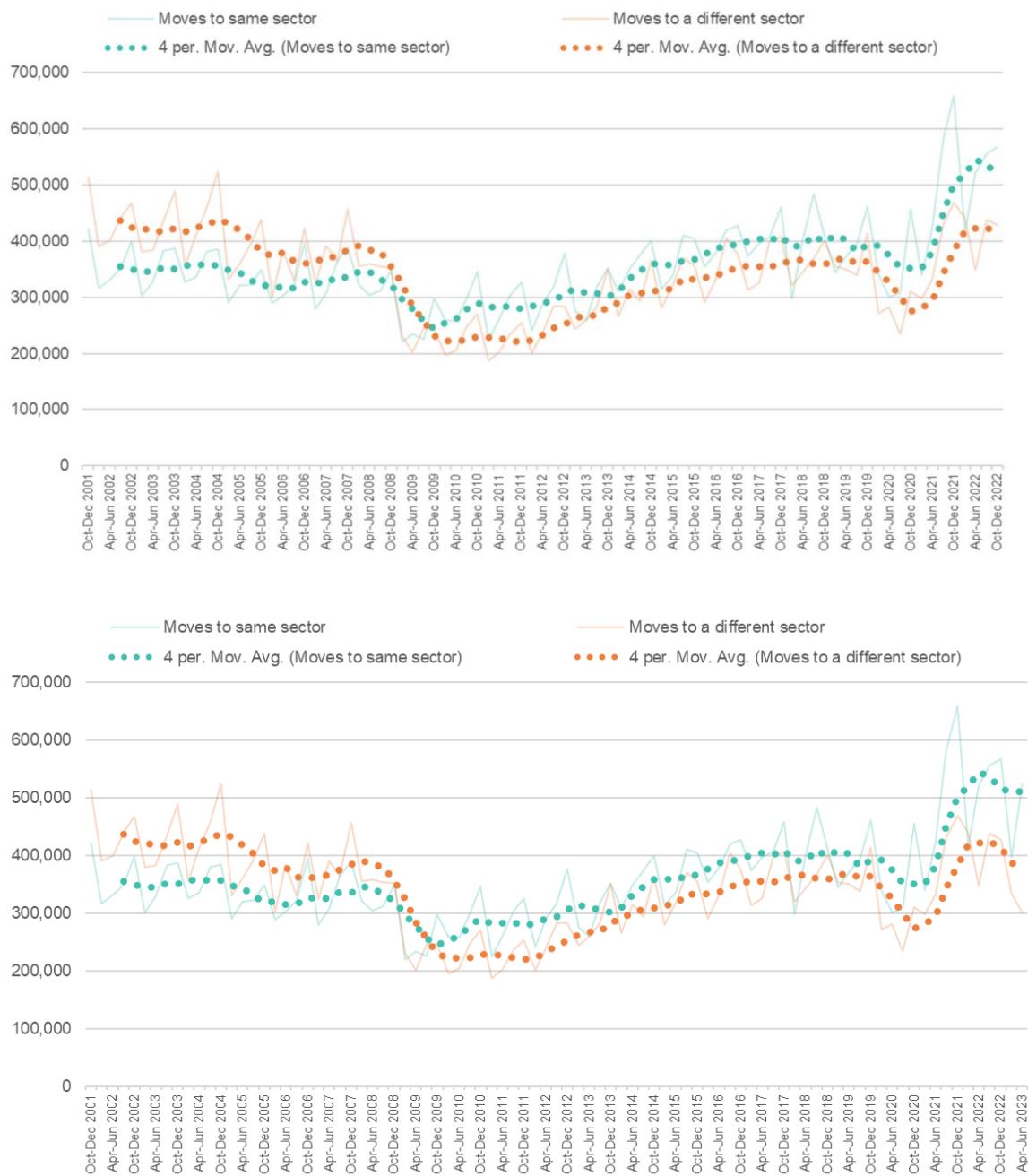
Regional patterns of career change

People can move jobs for a variety of reasons, whether by choice or necessity, and can move to jobs with similar skills requirements or make bigger shifts to a new career. People move into new jobs from unemployment, economic inactivity or from another job. The UK's labour market is dynamic: 7.6 million people started a new job during 2022-23, of which 3.6 million people changed jobs, 1.5 million people moved from unemployment into work and 2.4 million people moved from economic inactivity to employment.⁵ Before the Covid-19 pandemic, there were around 850,000 job moves per quarter in the UK. This fell to an average of 750,000 during the pandemic. During 2022 and 2023, there was an average of 875,000 job moves, higher than pre-pandemic as more people moved jobs as pandemic-related restrictions ended. See Figure 1.

4 Learning and Work Institute, 2023. [All change: Understanding and supporting retraining and career change](#)

5 Office for National Statistics (2023) Labour Force Survey

Figure 1: Number of people moving jobs by quarter, UK

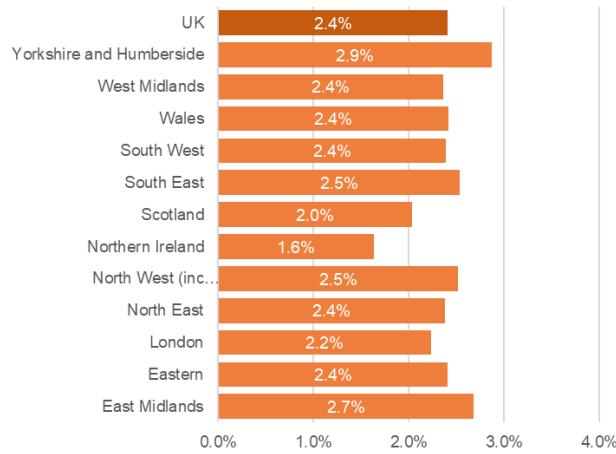


Note: revisions by the ONS have introduced a discontinuity in the series from the July to September quarter of 2022 onwards. Therefore, any assessment of changes over time should be used with caution.

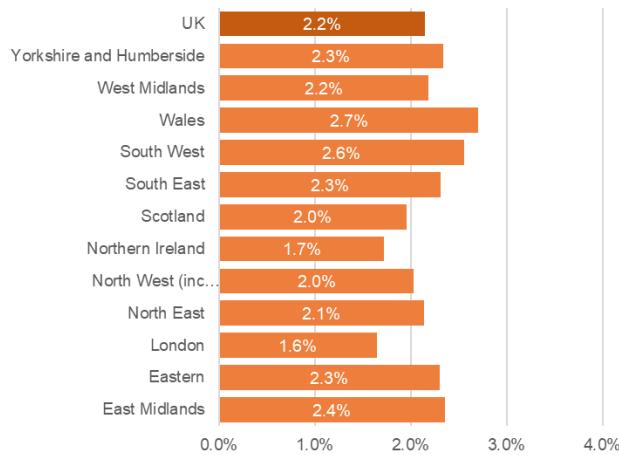
Regionally, London and the South East have the most job movements. However, this is unsurprising as this region also has the most jobs. As a proportion of all in employment, London has been slightly below the national average in terms of total job moves, whereas the South East is usually slightly higher than the national average. See Figure 2 below.

Figure 2: Percentage of people in work who change jobs by nation and region

2018-2019



2020-2021



2022-2023

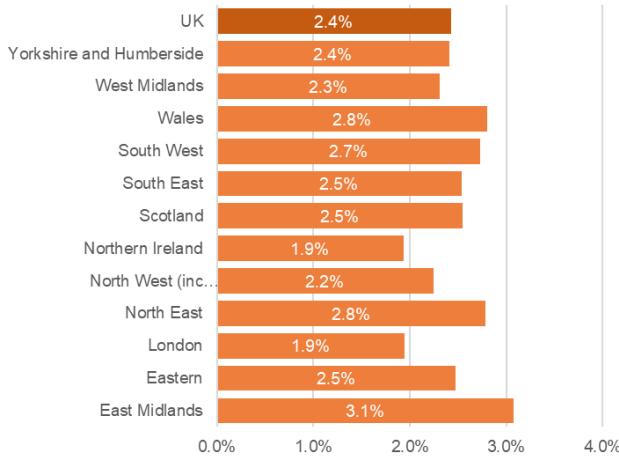
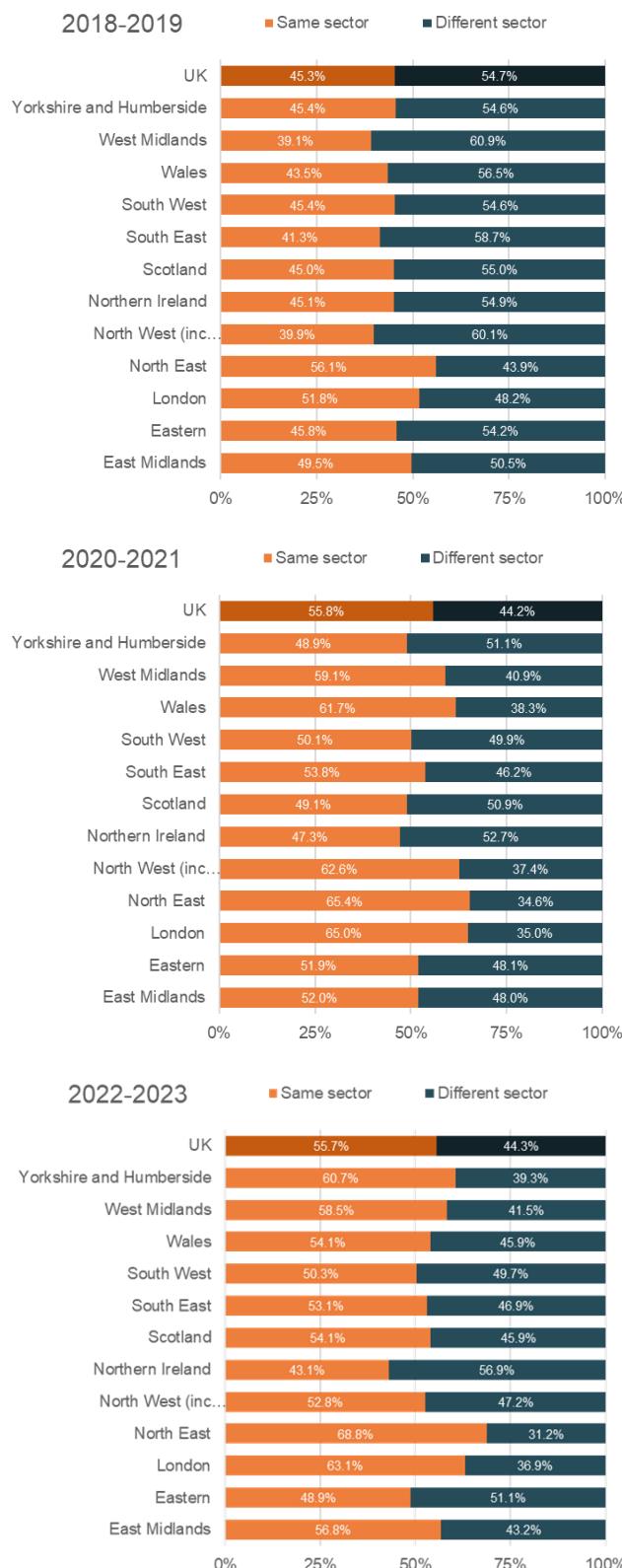


Figure 3 shows total job moves by nation and region for time periods before the pandemic, just after and a year after. It shows the proportion of people staying in the same sector against the proportion moving to a different sector. The data shows that there were fewer movements to a different sector after the pandemic for most regions and nations. Northern Ireland, consistently, has more movements to different sectors during these time periods. However, this should be interpreted with care due to the small numbers. London, the North East and the West Midlands have not returned to pre-Covid movements to different sectors.

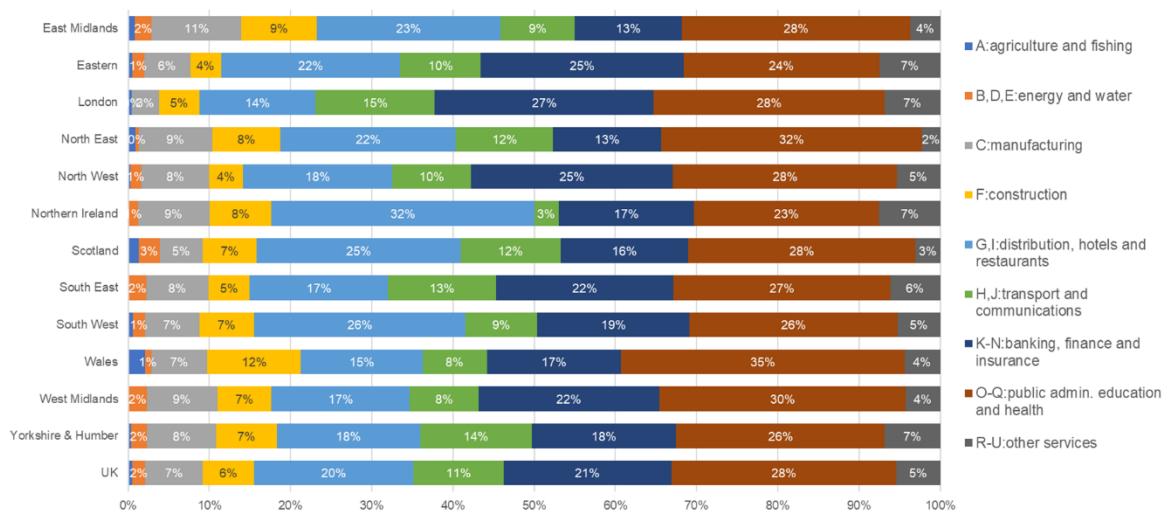
Figure 3: Destination of people moving jobs by nation and region



Job movements by sector

Figure 4 shows the destination for people moving jobs by region and destination sector for 2020 to 2023, whether to a different sector or not.

Figure 4: Total job to job moves by region, by destination sector, 2020 to 2023



In Wales, 35% of those who changed jobs stayed within or moved into the public sector, which is the highest in the UK. Just over one quarter (27%) of those who changed jobs in London stayed within or moved into the finance sector, with another 15% staying within or moving into transport and communication: of these, most moved into information and communication rather than transport.

Nearly one third of those who moved jobs in Northern Ireland stayed within or moved into hospitality, the highest for this sector. In comparison, the fewest moves in or into hospitality were seen in Wales (15%) and London (14%).

The largest number of moves into the construction sector, including those who changed jobs and stayed within the sector and those who moved into the sector, was seen in Wales at 12%, while the largest number of moves in or into the manufacturing sector was 11% in the East Midlands.

Figure 5 shows the starting sectors and the destination sectors, and the movements in between, for the UK as a whole from 2020 to 2023.

Figure 5: Total job to job moves, by starting and destination sector, UK, 2020 to 2023

Starting industry	Total	Destination industry								
		Agriculture and fishing	B,D,E energy and water	C manufacturing	F construction	G,I distribution, hotels and restaurants	H,J transport and communications	K-N banking, finance and insurance	O-Q public admin, education and health	R-U other services
Agriculture and fishing	53%	0%	4%	6%	18%	0%	19%	0%	0%	0%
B,D,E energy and water	2%	32%	21%	4%	11%	12%	8%	6%	4%	
C manufacturing	0%	1%	58%	5%	10%	12%	7%	6%	2%	
F construction	0%	1%	2%	76%	6%	2%	8%	4%	1%	
G,I distribution, hotels and restaurants	1%	1%	5%	2%	52%	6%	13%	14%	5%	
H,J transport and communications	0%	2%	4%	1%	11%	60%	11%	9%	2%	
K-N banking, finance and insurance	0%	1%	4%	3%	8%	6%	63%	12%	2%	
O-Q public admin, education and health	0%	0%	2%	2%	7%	2%	9%	76%	2%	
R-U other services	0%	1%	3%	3%	12%	6%	13%	14%	48%	

Although numbers are small, only 32% of those that were working in the energy or water sector and changed jobs stayed in the same sector, while 21% of those who were working in the energy or water sector and changed jobs moved into the manufacturing sector. Meanwhile, people that worked in the public sector tended to stay in the public sector, with only 24% of those who changed jobs moving on to a different sector.

Job to job movements by nation and region

However, the national picture above disguises some of the differences at the national and regional level.

- The **South East** saw more sector changes than other regions. The finance sector saw the least movement with 66% of those that were working in the finance sector and changed jobs remaining in the sector.
- In **Wales**, public sector workers that changed job tended to find another public sector job. In Wales, 84% of those who were working in the public sector and changed jobs remained in the public sector, more than in any other region or nation. The public sector also attracted people from other sectors.
- In the **West Midlands**, 83% of those who were working in the public sector and changed jobs remained in the public sector, more than any other English region.
- In the **East Midlands**, 45% of those that were working in transport and communication and changed jobs remained in the same sector, while 18% moved into the finance sector and another 14% into the energy sector.
- In the **Eastern Region**, the retention rate for the hospitality sector was slightly higher than in other regions, with fewer people leaving the sector.
- In **London**, of those that worked in the finance sector and changed jobs, 78% stayed in the same sector.
- The **North East** experienced the highest retention rate for manufacturing compared to other regions, with 70% of those who worked in the manufacturing sector and changed jobs staying within this sector.

- In the **North West**, only 50% of those who worked in the manufacturing sector and changed jobs stayed in manufacturing, significantly less than in the North East.
- In **Northern Ireland**, only 36% of those who worked in the manufacturing sector and changed jobs remained in the manufacturing sector, with 21% moving to the transport and communication sector and another 18% moving to the energy sector.⁶
- In **Scotland**, 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.
- In the **South West**, although many people moved out of the hospitality sector, the figures show that there were movements into hospitality from other sectors.
- **Yorkshire and Humberside** had the lowest proportion staying in the hospitality sector: 26% of those who were working in hospitality and changed jobs stayed in the hospitality sector, but there were movements into hospitality from other sectors. In addition, there was substantial movement in and out of the transport and communication and finance sectors.

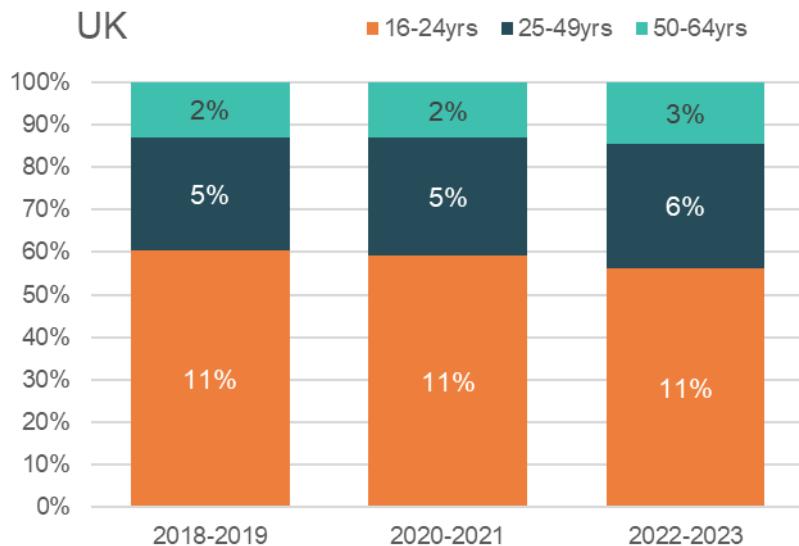
Job movements by age

Figure 6 shows job to job moves by age. The age distribution has been consistent overall, with a slight drop in the number of young people moving jobs after the Covid-19 pandemic. Young people are much more likely to change job or sector, in part reflecting patterns of starting a career after full-time education and then progressing.

Regionally, there was a large increase in the number of young people moving jobs in the North East in the two years following the pandemic. In comparison to other regions, proportionally the fewest young people moved jobs in London, with more movements by those aged 25 to 49.

⁶ This should be interpreted with caution as numbers are small.

Figure 6: Job moves as a percentage of those in employment by age, UK



Future employment change to 2035

Using labour market and skills projections, Figure 7 shows the projected employment change per year, by industry sector to the year 2035.⁷

Figure 7: 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	0.1	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

⁷ Department for Education (2023) [Labour market and skills projections: 2020 to 2035](#)

Patterns are quite similar for the regions and nations with a few differences:

- The **East Midlands** is expected to have the largest percentage fall in those employed in the education sector, but the largest percentage rise in other public sector jobs.
- The **Eastern Region** is expected to see the lowest percentage growth in information technology.
- **London** is expected to see the largest percentage growth in those employed in the engineering sector.
- The **North East** is expected to be one of the only regions, with Scotland, to see a percentage fall in those employed in the construction industry.
- The **North West** is expected to have the largest percentage growth in education employment, apart from Northern Ireland.
- The **South East** will see the largest percentage growth in those employed in the food, drink and tobacco sector, but the lowest in the health and social care sector.
- The **South West** will see the largest percentage growth in those employed in the arts and entertainment sector.
- The **West Midlands** will see the largest increase in employment in the transport and storage sector along with Yorkshire and Humberside.
- **Yorkshire and Humberside** is expected to see the largest percentage growth in employment in the transport and storage sector along with the West Midlands.
- **Wales** will see the largest percentage growth in those employed in the finance sector.
- **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.
- **Northern Ireland** is expected to have the largest proportionate increase in education employment compared to any other nation or region in the UK.

This data should not be overinterpreted, not least as data availability means quite wide margins of error, and of course these are projections rather than predictions. The data will reflect a combination of the age profile of a region (given young people are more likely to change jobs), its sector profile, and differences in the numbers of people moving between nations and regions of the UK too. For example, rates of sector switching out of hospitality are higher in the South West than elsewhere in the UK and this contributes to higher sector switching in the South West as a whole. In part, this may reflect the seasonality of some hospitality employment which is dependent on tourism.

The argument for career change support

Helping people find sustainable work after redundancy

Career change support plays a key role in helping people to find sustainable and fulfilling work after redundancy. Future labour market changes across each nation and region will increase the risk of redundancies for individuals in certain sectors, while opportunities to move into other jobs and sectors will increase. For example, in Eastern England, the finance and insurance sector is predicted to shrink by 0.9% to 2035, while the real estate sector is expected to increase by 1.1%, creating opportunities for displaced workers in the regional labour market.⁸

Many people who experience redundancy will change career or find a new job themselves. However, some people will require support and guidance, particularly those who face barriers to re-entering the labour market such as older workers. Over 50s are twice as likely to struggle to find a new job after redundancy.⁹ When a long-term or life-long job comes to an end unexpectedly, it can affect workers' confidence and self-esteem. In addition, older workers can feel unsure about whether it is worthwhile retraining in later life, and, as our Adult Participation in Learning Survey found, are less likely to receive training to start with. Effective, accessible career change support at the point of need can help displaced workers to efficiently re-enter the labour market, preventing long-term unemployment.

Building community resilience to economic shocks

Career change support can help local communities build resilience to economic shocks by enabling people to continue to participate in the regional economy. Economic shocks can disrupt the labour market, triggering sector shrinkage and mass redundancies which result in an uptick in displaced workers. For example, the Covid-19 pandemic had a substantial effect on the retail sector, leading to a spike in redundancies due to many high-profile business closures. Depending on the type of economic shock, some workers can lose their jobs with little chance of finding work in the industry they worked in prior to redundancy. As a result, displaced workers may need to switch careers and require accessible support to retrain, upskill or transfer their skills to other sectors. As our data analysis shows, the types of jobs available and the skills workers need will vary by nation and region. The response and relevant support therefore need to be tailored for local labour market realities.

Supporting people to find better work

Changing careers offers individuals a pathway out of low-quality work into better work, which may not be available within their current sector or industry. There is no universal definition for better work: it can mean different things to different people. For some, better work means higher earnings, while for others, it means greater job security or stability, a better work-life balance, more opportunities for education and training, or more flexibility

⁸ Office for National Statistics (2023) Labour market and skills projections: 2020 to 2035

⁹ Centre for Aging Better (2023) [Redundancy support project](#)

around caring responsibilities. For others, better work simply means work that is more fulfilling.

There are a wide range of benefits associated with progression into better work, for workers, employers, and the government. For workers, there is a link between high quality work and wellbeing: better work is better for individuals' mental and physical health.¹⁰ Access to better work, particularly when it is high skill, high wage and secure, also plays a key role in reducing income, social and health inequalities between regions and people.¹¹ For employers, better work has features associated with higher productivity, improved staff morale and improved retention.¹² There are benefits for the government too: higher wages reduce dependency on welfare while increasing revenue for the Exchequer. Furthermore, the NHS and social care providers incur indirect costs because of health problems caused or exacerbated by poor quality jobs: supporting individuals to access better work can reduce this burden.¹³

Some workers will be able to progress to better work without changing careers, for example by negotiating an increase in hours or pay with their current employer. But for others, changing careers may be their only way into better work. Not everyone who needs or wants to change career to progress will need support to do so, but some will – particularly those who experience inequalities or face other barriers to learning and progression.

Helping to meet the UK's future skills needs and priorities

Seismic shifts in demography, technology and policy are reshaping our labour market, and will mean people updating their skills and changing jobs more often during 50-year careers. As well as long-term economic and demographic changes, the pandemic has accelerated some changes too. The workforce is around one million smaller than if pre-pandemic trends had continued, as economic inactivity has risen. The types of jobs have also changed: compared to pre-pandemic trends, 790,000 more people work in health and social care, education, public administration, and transport and communications, while 734,000 fewer people work in distribution, hotels and restaurants, and construction.¹⁴

Our economy and labour market are changing all the time, with people and employers responding to and driving these changes. Much of this happens naturally, with around seven million people starting work or changing jobs each year. This helps people find the best opportunities for them and businesses to meet their changing needs. However, there are a number of additional seismic shifts ahead:

¹⁰ The Health Foundation (2022) [Relationship between low-quality jobs and health](#)

¹¹ ReWAGE (2021) [Putting employment on the levelling up agenda](#)

¹² Learning and Work Institute (2020) Conversations with employers: good work and progression (unpublished)

¹³ Warhurst, C. (2021) [Good jobs and why they matter](#)

¹⁴ Learning and Work Institute (2023) [All change: understanding and supporting retraining and career change](#)

▪ **Demography.** Our population is ageing meaning longer working lives – and a growing number of older people. For young people, 50-year careers may well be the norm and by the 2040s there will be two people of working-age for everyone over state pension age, compared to three people today. This is linked to a rising prevalence of ill health and long-term health conditions, which will place increasing demand on the health and social care sector. As our data analysis shows, health and social care employment is projected to increase across all nations and regions but particularly in Scotland and South West England.

▪ **Technology.** The first phases of the current wave of globalisation, including advances in communication technology and the emergence of China in the global economy, have meant cheaper manufactured goods as lower value-added manufacturing moved, while the internet has transformed many sectors. In the decades ahead, advances in Artificial Intelligence (AI) and other technology are likely to transform our economy and society still further. As technology becomes more embedded into the workforce, transferable skills such as problem solving, decision making, critical thinking and analysis, communication, collaboration, creativity and innovation will be in high demand.¹⁵

▪ **Policy.** The global drive to net zero will create new jobs and industries and change or displace many others. The pandemic and slow economic growth in some countries may create an age of deglobalisation, with countries wanting to promote (including through subsidies) domestic industries particularly in lower income areas, as well as ensuring security of supply of key goods and services.

The scale of ongoing change matters for people, businesses and the economy: to meet the UK's future skills needs and priorities, more people will need to update their skills and change careers more often. However, 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 to it happening effectively.¹⁶ 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. As our data analysis shows, the types of jobs that will be available and the skills workers will need are likely to vary considerably on a national and local basis. Any support will need to be tailored to the individual and reflective of the local labour market. Supporting more people to change careers will help individuals make the most of longer working lives, ensure employers maximise new opportunities, and help our economy adapt to change.

¹⁵ Taylor, A., Nelson, J., O'Donnell, S., Davies, E. and Hillary, J. (2022). [The Skills Imperative 2035: what does the literature tell us about essential skills most needed for work?](#)

¹⁶ Learning and Work Institute, 2023. [All change: Understanding and supporting retraining and career change](#)

Chapter 3: Current policy context across the UK nations

This chapter analyses and compares policies and initiatives for career change across the UK nations. This considers the high-level vision and strategy for supporting career change in each nation, employment, skills and careers provision to support career change, employer incentives and practice, and access to support for living costs while training. The role that local areas play in supporting career change is also outlined, alongside the opportunities that devolution presents.

High-level vision and strategy for career change support

In all four UK nations, a high-level vision and single strategy around supporting career change is noticeably absent. In England, the Skills for Jobs white paper sets out the Government's reforms to post-16 technical education and training and includes several policies that could be helpful in supporting career change, but career change itself is only mentioned tangentially within the white paper.¹⁷ The same can be said for Wales: the Welsh Government's employability plan includes several policies that support some of the objectives around career change, but the lack of focus on career change at the centre has resulted in few clear strategic programmes of delivery.¹⁸

In Scotland, stakeholders told us that frequent ministerial responsibility changes may have impacted the strategic approach to skills issues. Government ministerial responsibility for skills is diffused over several portfolios, with a resultant lack of coordination and a single universal vision of what constitutes success in this area. In NI, the skills strategy focuses significantly on career development and career advice, but supporting career change is not mentioned explicitly.¹⁹

Recent years have been turbulent for several reasons: Brexit, the pandemic, the Russian invasion of Ukraine and the subsequent cost of living crisis have all shaken the economic landscape across the UK. Political instability has become a feature across every nation. For example, since July 2016, England has had five Prime Ministers and seven Chancellors of the Exchequer, while in Northern Ireland there was no functioning Assembly or Executive for 24 months between 2022 and early 2024. This challenging political climate has impeded long term planning and furthering of the career change agenda.

The future holds its own challenges, with an ageing population, transition to net zero and the growing impact of technologies like AI all to be navigated. To ensure we can meet these head on and maximise the opportunities brought by change, it is paramount that all

¹⁷ Department for Education (2021) [Skills for jobs: lifelong learning for opportunity and growth](#)

¹⁸ Welsh Government (2022) [Stronger, greener, fairer Wales: a plan for employability and skills](#)

¹⁹ Department for the Economy (2022) [Skills Strategy for a 10X Economy](#)

UK nations start by developing a high-level vision and strategy for supporting career change.

Provision to support career change

Provision to support career change in the UK mainly encompasses universal careers services, employment support for out-of-work people, skills and training support for people in work, and apprenticeships which can be accessed by both groups. There is some provision to help people in work to progress, but this is primarily focused on increasing hours and wages rather than changing career.

Responsibility for employment and skills support is split between different departments in every nation. For example, responsibilities are split between the Department for Education (DfE) and Department for Work and Pensions (DWP) in England, while in Scotland, several ministers have skills in their portfolio. Siloed working creates different drivers in the systems, leading to a fragmented and complex system that is difficult for employers, providers and individuals to navigate, and prevents joined up action around career change.

Careers services

An all-age careers service exists in all four nations: the National Careers Service in England, Careers Wales, Careers Service NI and the Careers Service delivered by Skills Development Scotland (SDS). Each nation's careers service is accessible to adults at all stages of life and provides free, impartial careers information, advice and guidance (IAG). In Wales, Scotland and Northern Ireland, the careers service is delivered by a government body, whereas England has created a market in career guidance services.

We know from our New Futures pilots that effective support for people to change careers, should be tailored, intensive and personalised. However, evidence gathered as part of our mapping and stakeholder research suggests that the careers service in each nation is not adequately meeting need. Stakeholders across all nations spoke about the impact of stretched budgets, limited resources and having to prioritise client groups.

In England, the National Careers Service is only funded to the full amount for a selection of priority groups including 18–24-year-olds not in education, employment, or training, older people, low skilled adults without a Level 3 qualification and single parents, with funding based on career management, learning and job outcomes. Those who may want to change career but don't fit into these priority groups will receive less intensive support. Concrete interest in career change often comes at key transition points, such as recent unemployment or risk of redundancy.²⁰ However, currently the National Careers Service is not aligned to support these groups in particular, which means that many people are overlooked for tailored and personalised IAG at the point they need it.

²⁰ Learning and Work Institute, 2023. [All change: Understanding and supporting retraining and career change](#)

In Wales and Scotland, stakeholders highlighted that careers service activity is largely targeted towards young people. In Wales, reaching young people furthest from the labour market is a key priority, while in Scotland SDS activity is targeted towards learners in secondary schools, colleges and universities. A recent independent review of the Scottish skills system reflected that the careers service needs to expand its focus beyond young people in formal education to ensure the right support and advice is given to all individuals, including adult learners, who want to develop their careers.²¹

In NI, stakeholders reflected that the careers service has a low pool of qualified careers advisers, which impacts the level of service it can provide. A review of Careers Service NI published in 2022 found that, when adjustments are made for population size and budget structure, significantly less public money is invested in career guidance in NI compared to the other nations.²² As a consequence of being under-resourced, the review found that it cannot currently deliver the level of personalised, one-to-one support that service users require.

Stakeholders from all nations also raised questions about the visibility of the careers service and its accessibility. Stakeholders suggested that many potential beneficiaries are not aware that an all-age careers service exists.

Employment support

Each nation provides employment support for jobseekers, although in the main this focuses on unemployed people and doesn't cater for people who are 'economically inactive'. Employment support is not targeted at career changers per se, although people who want to change career could make use of the support available if they meet eligibility criteria.

The Department for Work and Pensions (DWP) is responsible for delivering employment support in England, Wales and Scotland. In Northern Ireland, the Department for Communities (DfC) delivers this support. Across all nations, the focus of the employment support delivered by Jobcentre Plus is getting people off benefits as quickly as possible, including by finding work quickly, rather than ensuring sustainable employment or long-term pay and career prospected.

There is more **intensive and personalised government-funded employment support** available in some nations, particularly for individuals who face barriers to employment, such as currently through the Restart Scheme and Work and Health Programme in England and Wales. In general, support is targeted at getting people into jobs, which might or might not involve a change in career. These programmes are due to be superseded by **Universal Support** which will begin roll out in the second half of 2024, encompassing

²¹ Scottish Government (2023) [Fit for the future: developing a post-school learning system to fuel economic transformation](#)

²² Hughes, D and Percy, C (2022) [Transforming careers support for young people and adults in Northern Ireland](#)

people who are economically inactive and involving ‘place and train’ support. Again, there is no explicit focus on supporting people to change career at the outset.

In England and Scotland, **Sector-Based Work Academy Programmes (SWAPs)** are available. SWAPs are funded by DWP for benefit claimants and involve up to six weeks pre-employment training, a work experience placement, and a job interview or help to apply for a job. The number of SWAP starts have exceeded DWP targets for the last three years, and the most recent impact evaluation from 2016 found that each SWAP placement has a net benefit to the Exchequer of £100, and an estimated benefit to each participant of £1,950.^{23 24}

Working Wales, run by Careers Wales, is a free service available to anyone aged 16 and over and living in Wales. It provides access to expert advice and coaching to overcome obstacles to getting a job and career progression. **Communities for Work Plus** provides specialist employment advisory support and intensive mentoring to people in Wales who are underrepresented in the labour market including young people; older people; disabled people; people belonging to Black, Asian and other ethnic minority backgrounds; and those with caring responsibilities.

Fair Start Scotland has been the Scottish Government’s devolved employment support service, delivering tailored support through specialist employability providers. Fair Start closed to new participants in 2024, with funding for the programme transferred to individual local authorities.

In Northern Ireland, the **Work Experience Programme** offers short work experience placements to people aged 16 – 65 years who are unemployed or in receipt of benefits. Placements, which last two to eight weeks, are organised in a variety of real work environments to help a jobseeker develop or update their work skills or habits. Employers who provide a person with a work experience placement may receive an incentive payment of £250. There are also government-funded employment programmes in Northern Ireland for disabled people, such as **Workable**.

In Great Britain, 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’. In addition, 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.

²³ Department for Work and Pensions (2024) [Sector-based Work Academy Programmes \(SWAPs\) management Information, April 2021 to March 2024](#)

²⁴ Department for Work and Pensions (2016) [Sector-based work academies: a quantitative impact assessment](#)

Skills and training support

For people in work who want to change career, skills and training support across the nations is patchy and fragmented. Much of the support that has previously been available has been discontinued. In Scotland, the **National Transition Training Fund** (NTTF) supported people to retrain in Scotland who had lost their jobs or were at risk of redundancy because of Covid-19. However, funding for the NTTF was not continued beyond the pandemic. Meanwhile, funding for **Individual Training Accounts** (ITAs), which gave learners in Scotland who met the eligibility criteria up to £200 towards a single training course or training episode per year, has also been discontinued for 2024-25.

In Wales, specific funding for **Personal Learning Accounts** (PLAs), which provide support for eligible individuals to gain skills to enter employment at a higher level within priority sectors, is being withdrawn and mainstreamed into Further Education (FE) provision. In NI, the future of the **Skill Up** and **Step Up** programmes is also in question. Both programmes were established as part of the Covid-19 recovery programme. Skill Up provided access to free short courses to retrain and reskill for over 18s, while Step Up aims to increase an individual's workplace confidence, build on existing skills and gain qualifications, provide mentoring and work experience. Funding for Skill Up ended in March 2024, while funding for Step Up will finish in March 2025. It is not yet clear whether funding for either programme will be continued in the future.

Some programmes do exist for people in work who want to change career. In England, **Skills Bootcamps** provide training courses of up to 16 weeks and a job interview at the end. Our research with stakeholders pointed towards the Skills Bootcamp model being a welcome addition in other UK nations where it is not currently available. The model has positive elements - for example, the modular format allows flexibility for individuals with various commitments. However, there is not enough available evidence on their effectiveness job outcomes or helping people change careers. Furthermore, there are potential issues around accessibility and targeting to be addressed - for example, there are 16 million (38%) working-age people who do not yet have a level 3 qualification. Yet, three quarters of Skills Bootcamp starters to date already have a level 3 qualification and almost one in five have a post-graduate qualification.²⁵

In Northern Ireland, **Assured Skills Academies** are available for people who are unemployed, underemployed or who want to change careers. Assured Skills Academies are short, fully funded, pre-employment training programmes used to upskill individuals and help them compete for job vacancies in new Foreign Direct Investment companies and expanding local businesses. However, the linkage to one employer means they are less flexible than the Skill Up and Step Up programmes.

The **Wales Union Learning Fund** (WULF) is provided by Welsh Government to help support union led adult learning in the workplace. Trades unions bid for funding for up to

²⁵ Department for Education (2023) [Evaluation of Skills Bootcamps](#)

three years to run projects that help the workforce to upskill and progress, which meet the needs of industry, government and individuals. All Welsh workers, including non-union members, can access the fund to take advantage of the support, advice and guidance and training offers provided through WULF projects. The most recent analysis of WULF found that the union learning model is effective in supporting workers to progress both in learning and in work.²⁶

Case study: Estonia training voucher scheme

Estonia operates a training voucher scheme, which allows eligible individuals who need to change career access to subsidised training opportunities directly related to anticipated skills needs. The scheme provides free upskilling and reskilling opportunities for people whose skills no longer meet the demands of the labour market, including workers trained for roles in declining sectors and those whose skills are becoming obsolete due to technological developments. The scheme is open to both unemployed and employed adults, and individuals are free to choose their own approved training course. Training vouchers are offered through the Estonian Unemployment Insurance Fund (UIF), managed by the Ministry of Social Affairs.

The training vouchers aim to provide flexible training opportunities and reduce drop out rates, since the level of personal responsibility is higher than with other training measures provided by the UIF.

To ensure that employees acquire the skills needed in the labour market, training opportunities are only provided in areas which are seen to have a growing need. The Ministry of Education and Research manages the Labour Market Monitoring and Future Skills Forecasting OSKA exercise, which is used to analyse skills needs and identify training courses that adults can access through training vouchers. To be eligible for training vouchers, those in employment must meet certain criteria, such as the inability to continue their current position due to health issues; being above 50 years of age; low income; lacking professional or vocational education and/or having insufficient language skills for further occupational development.²⁷ The vouchers can cover training up to €2500 for training that lasts up to two years for unemployed adults and three years for employed adults.²⁸

As well as individuals, employers in Estonia can receive subsidies for training from the Unemployment Insurance Fund. Employers hiring jobseekers in occupations that have

²⁶ TUC (2022) [WULF works: Wales Union Learning Fund is still the right model to deliver fairness and progression in the workplace](#)

²⁷ OECD (2020) [Increasing Adult Learning Participation: Learning from Successful Reforms, Getting Skills Right](#)

²⁸ OECD (2023) [Assessing and Anticipating Skills for the Green Transition: Unlocking Talent for a Sustainable Future](#)

labour shortages but are of growing importance to the labour market can receive training grants to contribute to the cost of training new hires. Up to 50% of the cost of a training programme can be recovered by the employer, but no more than €2500 per employee. A larger share (80% instead of 50%) can be received in the case of low-qualified workers, workers with limited Estonian language skills, older workers and workers with health problems.

Apprenticeships

An apprenticeship can provide a route for people to change careers and help minimise the cost of doing so as people earn while they learn. Apprenticeships are available in all UK nations, although there is divergence with regards to the level and types of apprenticeships available, the scale of apprenticeships, and how these are delivered and funded. Apprenticeships can be used for retraining in all nations, with a wide range of levels available and no upper age limit. There is some evidence that points to the use of apprenticeships for upskilling existing employees in England, but overall, there is little data on the effectiveness of apprenticeships for retraining at different levels across the nations.

There are challenges associated with the use of apprenticeships for career change, including the impact of the apprenticeship levy, introduced in 2017. The introduction of the levy has seen a drop in opportunities for new starters and those with low qualifications in England. Too often, large levy-paying employers are choosing apprenticeships to draw down their levy to fund higher-level training for older, existing employees, rather than because it is the best option for them.²⁹ Meanwhile, in Wales, Scotland and Northern Ireland, because levy funds are centrally collected, there is limited transparency on how the money is spent. In Scotland, stakeholders reported that the levy is limiting the willingness of employers to additionally invest in upskilling their workforce.

NI has recently introduced All Age Apprenticeships to provide opportunities for more people to embark on a career of their choice. The Department for the Economy now fully funds the off-the-job training element to promote lifelong learning. These were previously only funded for those aged 25 and over in certain priority sectors. The extension for older workers has been welcomed, alongside the modular, flexible approach taken to training.

²⁹ Learning and Work Institute (2024) [Flex and match: a new Skills Levy for growth and opportunity](#)

Case study: Skillnet Ireland

Skillnet Ireland was cited by stakeholders within our research as an initiative that effectively supports upskilling and aids career change. Skillnet Ireland has been identified by the European Commission and the OECD as a best practice public-private cooperation example for workforce development and a means of incentivising SME investment in skills.

Skillnet Ireland is the national talent development agency of Ireland, responsible for the promotion and facilitation of workforce development. Established in 1999, Skillnet Ireland works in partnership with businesses to develop skills, address talent gaps and boost innovation and productivity. This is achieved via Skillnet Business Networks, clusters of private sector businesses that collaborate based on their sector or region to address skills needs and provide upskilling programmes, with a particular focus on supporting small and microenterprises.

For example, the Cobotics Skillsnet supports businesses of all sizes in the Irish robotic and automation technology sector through the provision of bespoke upskilling programmes. The network's mission is to support the international competitiveness of Irish businesses operating in fintech, logistics, healthcare, manufacturing and other key industries by promoting the use of innovative robotic solutions. In 2022, the Cobotics Skillnet, in conjunction with Atlantic Technological University, introduced two new programmes to address the skills gap in Irish manufacturing firms that are transitioning from manual to automated processes. The new programmes were codesigned by Irish-based advanced manufacturing firms and academics to offer businesses an innovative approach to upskilling and reskilling teams within automation, robotics, and digital manufacturing.

Other, non-industry specific programmes delivered by Skillnet Ireland include the Rejuvenate programme, aimed at women returners. Established in 2019, the programme is designed to enable professional women returners to rebuild their skills and confidence to re-enter the workforce.

Skillnet Ireland receives public investment from the National Training Fund (NTF), a dedicated fund to support the training of people in employment, as well as those seeking employment, through the Department of Further and Higher Education, Research, Innovation and Science. The total funding allocated to Skillnet Ireland in 2023 was €59.141 million.³⁰ Businesses also contribute to the funding of the agency, with the Skillnet model for training networks based on matched funding, where employers pay a

³⁰ SkillNet Ireland (2022) [Spearheading workforce development](#)

percentage of the cost. In 2022, employers made a total contribution of €26.5 million towards the cost of Skillnet programmes, a €4 million increase on 2021.³¹

An independent evaluation of Skillnet Ireland found that member companies reported strongly positive views on the impact of Skillnet training. A majority (86%) of member companies strongly agreed or agreed that networks met their talent development needs, while 79% agreed or strongly agreed that training helped managers with the challenges that their sector was facing.³² Skillnet Ireland also played an important role in supporting businesses through recent economic changes, including Brexit and the COVID-19 pandemic.³³

Support for employers

Employer and UK Government investment in employer skills

Employers have a responsibility and interest in ensuring they have a high-quality workforce and talent pipeline. Yet, training spend per employee in the UK has fallen 28% in real terms since 2005, from £2,139 to £1,530 per year, which is less than half the EU average.³⁴ Access to training is also highly unequal, with low paid, low qualified workers less likely to have opportunities to develop their skills. Although government-funded support for employers exists across all nations, our research suggests provision is too complicated for employers to navigate, and businesses lack time and resource to engage, especially smaller firms.

Corporation tax relief and the apprenticeship levy are the main policies applicable across the UK which are designed to support employers to invest in training. Issues with the apprenticeship levy have been raised earlier in this chapter and need to be addressed. Companies and self-employed people across the UK can claim tax relief on the costs of training. However, the relief passively follows employer investment decisions, meaning the majority is for training for those with higher qualifications.³⁵ Although the tax relief is an incentive for employers to invest in skills, by default it skews investment toward more highly skilled, highly paid workers.³⁶ This limits opportunity for individuals and means the policy is not actively promoting skills development in sectors and for people who might benefit significantly.

Devolved governments' investment in employer skills

Additional government-funded programmes for employers exist in Wales and Northern Ireland. In Wales, the **Flexible Skills Programme** provides funding for businesses to

³¹ SkillNet Ireland (2022) [Spearheading workforce development](#)

³² SkillNet Ireland (2022) [Evaluation of SkillNet Ireland in 2019 and 2020](#)

³³ *ibid*

³⁴ Learning and Work Institute (2022) [Raising the bar: increasing employer investment in skills](#)

³⁵ Learning and Work Institute (2021) [Employer investment in skills](#)

³⁶ *ibid*

upskill and grow with a variety of programmes available with a specific focus on certain skills, for example advanced digital skills. In NI, **Skills Focus** and **InnovateUs** are skills development programmes funded by the Department for the Economy, delivered across NI by six Further Education (FE) colleges. InnovateUs is for small businesses with fewer than 50 employees, while Skills Focus is for businesses with fewer than 250 employees.

The **Flexible Workforce Development Fund** (FWDF) used to be available in Scotland. This granted employers access to funding to address priority skills and skills gaps in their organisation. However, funding for this programme has recently been withdrawn.

Employer-led initiatives

In addition to Government-funded programmes, there are examples of employer-led initiatives across the nations. For example, Shell UK has developed energy transition skills hubs at three further education colleges across Scotland and Wales, which aim to address regional skills needs through training and upskilling for jobs needed in the energy transition. Meanwhile, Energy Skills Partnership (ESP), a collaboration of Scotland's colleges and industry partners, is working to increase the country's capacity to deliver the green skills needed to meet demand in key industries, including offshore wind. There are also good examples of programmes delivered by social enterprises, for example [Timely Careers](#), [Press Refresh](#) in NI. These programmes are targeted at individuals whose jobs have become redundant, or at those returning to the labour market after a time away from employment, such as women returners.

Case study: Shell UK

Across the UK, the energy transition to green and sustainable energy will lead to many people updating their skills and switching careers. Employers have a key role to play to ensure the UK has the skills it needs for the energy transition, which will include supporting career change. One employer at the centre of this is Shell UK, who is developing pathways into the energy sector and has an aim to support 15,000 people into a job with a focus on the energy transition by 2035.

To achieve this, Shell has developed energy transition skills hubs at three further education colleges across Scotland and Wales: North East Scotland College, Fife College and Pembrokeshire College. These aim to address regional skills needs through training and upskilling for jobs which are needed for the energy transition. The hubs will include teaching facilities and provide training space and specialist equipment demonstrating the latest energy technologies, such as carbon capture and storage, wind turbine construction, and solar. Students will develop and refine critical industry skills through welding and fabrication workshops, alongside virtual control room facilities, and nano grid design technology. The Pembrokeshire and Fife energy transition skills hubs

are scheduled to open to students from September 2024, while the Aberdeen hub will open in 2025.

The hubs are an example of the public and private sector working together to support skills development. While Shell will provide funding for staff resources and the curriculum development, the hubs will be run by colleges. Shell is also supporting colleges to leverage additional funding for the hubs, with all three in free port zones. The company will offer expertise to the colleges, with the aim of fostering a culture of knowledge exchange, and facilitate activity between the hubs, including sharing equipment and curriculum development.

Support with cost of living while training for career change

There is some provision within UK policy to support adults to overcome the financial barriers to retraining, although support is uneven across the four nations. Where provision is in place, often the scope of the support is limited and does not help enough adults who need or want to retrain.

In England, Wales and Scotland, Jobcentre Plus Work Coaches can refer people who are unemployed to training of up to 16 weeks without stopping their Universal Credit payments (**Train and Progress**). However, longer training is not usually allowed, and benefits are low compared to average earnings. There is no data on the use of Train and Progress or outcomes. Some benefit rules are different in NI, and Train and Progress is not currently available. Meanwhile, for people in work in England, Wales and Scotland, they have the **Right to Request Time off to Train**. However, employers can refuse the request, leave may be unpaid, and training must be related to the role the employee is currently in. In NI, employment law is a devolved matter, unlike in other devolved nations of the UK. Individuals in NI do not have the right to request time off for training, and there are currently no plans to introduce this.

In England, additional financial support is planned or already in place. From 2026, the Government is introducing a **Lifelong Learning Entitlement** (LLE) which will give adults aged 18-60 access to loans worth up to £37,000 to cover learning costs. Learners will be able to access maintenance funding on the same basis. However, the LLE will only cover learning at level 4 or above. Since higher education is a devolved matter, the Lifelong Learning Entitlement does not apply to Wales, Scotland and Northern Ireland. While the LLE is a welcome step forward, the policy is not yet broad enough to provide the depth of support people will need when upskilling or retraining. For example, support will be limited to tuition fee and maintenance loans at higher education level. There is also a risk that the entitlement will be used for those already in or bound for higher education, with mature learners in particular having greater aversion to debt. Maintenance loans not being available for distance learners may also limit the flexibility of the offer.

Eligible adults in England can also access a level 3 qualification for free through the Government's **Free Courses for Jobs** (FCFJ) offer. Eligibility rules can vary in some MCAs: for example, there are slightly different wage thresholds in some areas. However, this has recently been limited to adults earning less than £25,000, which will exclude some without a Level 3 qualification who want to retrain for career change. No maintenance support is available.

In Wales, **ReAct+** offers tailored support to re-enter the labour market for people who have experienced or are at risk of redundancy. ReAct+ removes barriers and provides grant support for vocational training, travel costs and care (including childcare) related to training.

Discretionary financial support is available to address some barriers for unemployed people to get into and start work including training costs. The **Flexible Support Fund** is a non-repayable grant up to £150 available across the UK through local Jobcentre Plus work coaches. In NI, it is known as the **Adviser Discretion Fund** (ADF), and grant awards are limited up to £1500 within a 12-month period.

Devolution across the four nations

With an increasing move to devolve skills and employment support to local areas, there is a growing opportunity to bring employers closer to the skills system, join up and improve provision and help more people access career change support. Locally delivered services can be tailored to meet the needs of residents and local labour markets and foster partnership and collaborative working to prevent duplication and fill gaps where they exist.

There is already activity happening at the local level. In England and Wales, Local Authorities (LAs) and Combined Authorities (CAs) play a major role in delivering employment support in some areas. In Scotland, local authorities have taken on more responsibility to deliver employment support since the No One Left Behind strategy was launched in 2019. In NI, Labour Market Partnerships (LMPs) are central actors. Funded by the Department for Communities in each council area, LMPs bring together employers and those seeking jobs and training, to help connect those looking for employment with employers, and consider local training needs.

Local governments across all four nations can prioritise skills and employment support for upskilling and career change in their local area using the UK Shared Prosperity Fund (UKSPF). UKSPF replaced the European Structural and Investment Programme and provides regional authorities with funding to run local programmes, with a focus on communities, places, businesses, people and skills. Some local authorities have already used the People and Skills strand of the UKSPF to run programmes helping people in work and those who are economically inactive to change careers. Some programmes could be used to support people to change careers such as Greater Manchester Combined Authority's Work Well: Support to Succeed programme. This aims to support residents who are not currently accessing learning support or seeking employment with a

dedicated offer to people over the age of 50 who have concerns about returning to work or developing skills.

Across all roundtables, stakeholders reflected that a greater role for local areas is key to delivering effective career change support. However, local government has experienced significant funding cuts over the last decade, which is limiting their potential impact on helping residents, local employers and providers to develop and coordinate support for people to change careers.

Chapter 4: Lessons from the New Futures pilots

L&W's flagship programme, New Futures, piloted interventions across the UK to help people reskill and change career in the aftermath of the Covid-19 pandemic. This work was funded by the Covid-19 Support Fund. New Futures pilots were delivered in all four UK nations and uncovered gaps and shortcomings in the existing employment and skills systems, which need to be addressed in order to tackle the UK's retraining challenge. New Futures was designed in response to:

- the existing adult reskilling crisis, further accentuated by the Covid-19 pandemic
- the decline in participation in learning and training in the UK over the last decade
- the evidence gap regarding effective reskilling interventions.

Grant funding was awarded to organisations to run pilots in Edinburgh, led by Capital City Partnership; Belfast, led by Belfast City Council in collaboration with FIT; Tees Valley, led by Tees Valley Combined Authority in collaboration with Redcar and Cleveland District Council; and Wales, led by Chwarae Teg. The pilots were designed to build locally led solutions, tailored to the needs of local labour markets. The intention was that each pilot should include the following features:

- targeted outreach and engagement with potential career changers
- high-quality careers information, advice and guidance (IAG)
- access to skills training
- plans to build the capacity of voluntary and community sector organisations
- support to ensure sustained job outcomes. This included working directly with employers and/or offering participants in-work support.

The specific delivery model varied between pilots based on local factors such as growth sectors, infrastructure and needs, and based on the characteristics and experience of the pilot leads. For details on the different models, participants and outcomes, please see the [New Futures Pilots Evaluation report](#).

Building successful career change support

Motivation and personalisation

Participants were motivated to participate in pilots for a range of reasons, including a general desire to change career, seek work after a career break, upskill, or due to feelings of discontent in their current role. Over two-thirds (68%) said that gaining new skills was one of their career aspirations, and just under one half (47%) sought to find a new role in a different sector or industry.

Key to the success of the pilots was the incorporation of personalised, tailored support. This helped build relationships with participants and facilitate the development of a targeted package of support for reskilling. Holistic wraparound support also helped participants to overcome individual barriers to work. However, pilot staff emphasised the high funding and resourcing requirements of the provision; although this was able to be adequately met by New Futures, it may not be feasible across all programmes.

Outcomes and wider impacts

Participants experienced a range of employment-related outcomes as a result of participating in the pilots, including gaining a promotion, starting an apprenticeship or vocational training course, increased technical skills and increased employability skills. Participation built resilience to continue to look for employment, with the person-centred focus of the support being key to building self-efficacy. Participants also experienced a range of wider outcomes, particularly around confidence, self-belief, self-worth, and motivation to continue learning. This demonstrates the importance of considering the wider impact of career change programmes on individuals, rather than just employment-related outcomes.

Filling gaps in provision

In terms of the impact on participants' ability to re-skill, the pilots show the importance of ensuring support fills a gap in the local skills, retraining and employment landscape, rather than duplicating existing provision. Pilot staff considered that the focus of New Futures on supporting career change through a combination of reskilling, careers advice and coaching was its unique selling point and what set it apart from other interventions. In addition, the level of flexibility enabled pilots to design provision based on local needs, and to test different approaches.

A lack of accessibility of training courses was, however, a key barrier to participation among some participants who were unable to attend training delivered during working hours or due to childcare responsibilities. Although there was some adaptation by pilots, such as evening sessions or blended learning, the barriers limited how attractive the pilots were to people in employment. Financial challenges were also a key issue in the Belfast pilot, since many participants needed to resign from their existing job to attend training.

Highly skilled and flexible support

Careers advice and employability support were integral elements of all pilots and this had a positive impact on reskilling. Careers coaches were most valued by participants when they had a strong understanding of the local labour market and connections with employers. The findings show the importance of employing highly skilled and experienced careers coaches. They also demonstrated that - where pilots were focussed on a specific sector - careers advice was more effective when careers coaches had in-depth sectoral knowledge.

Support with practical employability skills, such as CV writing and interview practice, was highly beneficial, supporting participants to gain employment and giving them confidence

in their own ability to apply for jobs. The training offer was considered to be a key driver of participants' employment outcomes. The pilots demonstrate the importance of ensuring that training is sufficiently comprehensive to meet employment goals, and flexible enough to account for differing participant abilities. Extra wraparound support was important in supporting participants to complete training sessions. For instance, tutors helped to identify extra support needs and the identification and development of transferrable soft skills was seen as vital to help career changers achieve their long-term employment ambitions.

Employer and local stakeholder engagement

Successful employer engagement was vital to the success of the pilot delivery, especially where pilots were able to facilitate direct interactions between employers and participants. Where this was the case, participants learnt about a range of careers and developed an understanding of the skills required by employers, as well as benefiting from networking opportunities. Pilots found it challenging to secure buy-in from larger employers, which highlights the importance of building on employer relationships for successful career change support, as well as having clarity about the level of employer commitment from the outset.

Working with local stakeholders, such as skills agencies, brought a range of benefits to the support pilots offered. This included offering an additional participant engagement route, signposting support to a broad range of potential participants, providing a progression route for participants and enabling staff to build on their local knowledge and expertise with particular employment sectors. Where these relationships did not exist prior to the pilot, staff needed to invest time to develop workable partnerships and regular engagement was key. Jobcentre Plus (JCP) was considered a useful partner by each pilot, although experiences differed. JCP staff often made referrals to the support. However, in several cases pilot staff felt that JCP staff failed to understand that New Futures was focussed on career change and often referred unsuitable participants.

From pilots to policy

Our New Futures pilots are instructive in informing recommendations to design a future policy landscape that supports effective career change and addresses gaps in the existing national and local systems. A successful system needs to reach and engage people where they are, both in and out of work, with information that addresses misconceptions about reskilling and builds on their motivations. The support on offer needs to be flexible and tailored, delivered by highly skilled careers coaches and based on an expert understanding of local labour markets and gaps in provision. The programme funding itself needs to be flexible and enable wraparound support where necessary. Employers and local stakeholders must be built into the design from the outset, with strong, well-coordinated relationships at the local level.

Chapter 5: Policy recommendations to improve support for career change

Political change has been widespread across all four nations, and with change comes opportunity: the case for policy action to enable better support for career change has never been stronger.

Through our roundtables with key stakeholders across the employment and skills sector in England, Wales, Scotland and Northern Ireland, we discussed policy solutions to improve the current landscape for career changers. This highlighted that many programmes are, or were previously, available across the UK, with a different offering from each nation.

Most people change careers without government help, but need access to the right information, advice and guidance to do so. This should include launching campaigns to raise awareness, focused on key transition points in people's lives, and should be backed by high quality information, advice and guidance to enable people to help themselves and provide the tools they need to change careers.

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. While there are some positive policies in place in all four nations, these often have not been robustly evaluated, or are not designed specifically to support career change. To ensure that support can catch up with the emerging reality of 50-year careers, we argue that governments across the four nations of the UK need to:

- better coordinate support with devolved join up;
- understand what works to help people change careers;
- create designated career change support in each of the UK nations
- reform financial incentives for employers; and
- support living costs for people in and out of work who are updating their skills or changing career.

Additional nation-specific recommendations are set out in our separate nation papers. Summaries are provided at the end of this chapter.

1. Better coordination of support with devolved join up

Siloed ways of working are commonplace within governments across the UK. Policy initiatives to support people to change careers fall across different levels and departments within the employment and skills system in each nation. For example, in England, responsibility is shared between DWP and DfE while in Scotland, there are at least five ministers with 'skills' in their portfolio. In a siloed system, support for career change is

currently falling between the cracks: neither employers nor employees feel that they have the information or support they need. Common to each nation, a high-level vision around supporting career change is noticeably absent, and the employment and skills landscape is complex and difficult to navigate for individuals, employers and providers. Taken together, the result is a complex and fragmented system that cannot effectively support people who want or need to change career.

The UK cannot afford to maintain the status quo. Each nation needs to develop a high-level vision for career change to ensure that all adults, regardless of age or background, have the support they need to change career – this is a priority for individual nations, and the UK as a whole. There is a need for greater alignment and coordination at a devolved level to enable simpler navigation and joined up support between individuals, employers and providers.

2. Understand what works to help people change careers across the UK

Governments across the UK need to ensure widely accessible routes into a broad array of jobs and careers. We know from the New Futures pilots that provision needs to be flexible, while existing evidence also tells us that we need more training that fits around people's work and home lives and offers a guaranteed job interview at the end. Many programmes that support objectives around career change are, or were previously, available across the UK, with a different offering from each nation: for example, Sector Based Work Academy Programmes (SWAPs) in England, Personal Learning Accounts (PLA) in Wales, the National Transition Training Fund (NTTF) in Scotland, and Skill Up in Northern Ireland. However, we need a much better understanding of what works built in from the outset. Evaluations of the provision for people in and out of work are needed to improve understanding of what helps people move into new careers. With a different offering in each nation, we need to know what works in policy and practice, why and for whom, to build a much-needed pillar of support for people across the UK to change careers over the next decade. We need to ensure we share these lessons across the UK.

3. Create designated career change support in each of the UK nations

Each nation of the UK should establish their own support to provide skills and training for those looking to switch careers while currently in employment. This should build on the elements of existing and previously successful programmes, alongside the lessons from L&W's New Futures pilots. The support should target sectoral change in each region, allowing the government to support people into new growing sectors with higher wages aligned with overall economic and industrial policy. Funded learning opportunities should be flexible and blended, to enable people to better fit learning around work and home life. This funding should be devolved to MCAs in England where they exist to coordinate with employers and providers across their region. This could be aligned with business support in growth sectors, with clear asks of employers on co-investment. Building on successful elements of previous programmes will enable employers to tap into effective skills support for their workforce.

4. Reform financial incentives for employers

Employers have a responsibility and interest in ensuring they have a high-quality workforce and talent pipeline. That means working to understand the skills of their current and future workforce, engaging in public programmes, investing in their own recruitment and training, and providing clear and diverse routeways into their roles. However, we need better financial incentives to encourage employers to do so. We should replace the current Corporation Tax deduction for training spend, which disproportionately benefits firms investing in their already highly skilled employees. In its place, a new Skills Tax Credit should be introduced, modelled on the successful R&D tax credit. This would allow employers to deduct 230% of the cost of accredited training and apprenticeships from their tax liabilities, with a higher rate for businesses employing people in poorer areas or investing in vital skills like digital, numeracy, literacy or green skills. We should also review the effectiveness of other tax incentives for firms, such as lower employer National Insurance contributions for employing young apprentices.

5. Support living costs for people in and out of work

The biggest barriers people face when changing careers are often financial: not being able to afford to retrain or a loss of earnings. There is some provision within UK policy to support adults to overcome the financial barriers to learning, although support is uneven across the four nations. Where provision is in place, often the scope of the support is limited and will not help enough adults who need or want to retrain. People need more support with course and living costs to be able to change career, including simplifying existing complicated entitlements for free courses and extending access to maintenance loans. We recommend:

Introducing a new system of Learning Accounts in England, Scotland, Northern Ireland, and in Wales extend the existing Personal Learning Accounts policy, allowing individuals, employers and the Government to invest in learning together. We recommend that every adult be entitled to a Learning Account from age 18 with a universal entitlement to a Government contribution of £5,000 in the form of a digital voucher, with targeted top ups and incentives for employers and individuals to contribute. Based around an online portal, the Learning Account would include a skills passport and local labour market information to help people understand their current attainment and local job opportunities, and access to online and in person careers advice.

Extending the current Train and Progress benefit rules for people seeking work in England, Wales and Scotland to allow full-time training of up to one year (up from 16 weeks now) for people not required to look for work and for people, such as women returners or career switchers, who agree with their Work Coach that this will improve their long-term job prospects. In Northern Ireland, where Train and Progress has not yet been introduced, we recommend that the Universal Credit rules are amended to enable full-time training for up to 12 months where it is agreed this will have long-term career benefits.

Strengthening the Right to Request Time Off to Train for people in work in England, Wales and Scotland so people can remain employed while retraining during a one-year unpaid career break. Access to a maintenance loan to support living costs should be part of this. This would be more in line with similar schemes in Austria, Germany and France and help support people maintain incomes. In Northern Ireland, the Right to Request Time Off to Train should be introduced, with access to a maintenance loan.

England recommendations

- **Focus government efforts to increase adults' awareness of the opportunities for career change and access to advice and guidance:** Most people change careers without government help, but need access to the right information, advice and guidance to do so. This should include campaigns to raise awareness, focused on key transition points in people's lives, and should be backed by high quality information, advice and guidance including expanding Career MOTs. This will enable people to self-serve and provide the tools they need to change careers.

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 England, we argue the government needs to:

- **Make career change a strategic part of policy in England.** Currently, there is a lack of a joined-up vision on career change and skills, which means that the support landscape is not adequately set up to support adults of all ages and backgrounds who want or need to change career. A wide range of programmes and policies exist that support some of the objectives around career change, and there are promising examples of specific programmes to support career changers such as Skills Bootcamps. However, a joined-up government vision is necessary to ensure support can catch up with the emerging reality of 50-year careers.
- **Understand what works to help people change career.** There are several programmes in England that support some of the objectives around career change, including Sector Based Work Academy Programmes (SWAPs) and returnerships. However, there is limited evidence on the outcomes these are achieving, how, and for whom. We need a much better understanding of what works in policy and practice built in from the outset. The government needs to provide more evaluations of the provision for people in and out of work are needed to improve understanding of what helps people move into new careers.
- **Government to create designated career change support** to provide skills and training for those looking to switch careers while currently in employment. This should

build on the elements of existing and previously successful programmes, alongside the lessons from L&W's New Futures pilots. The support should target sectoral change in each region, allowing the government to support people into new growing sectors with higher wages aligned with overall economic and industrial policy. Funded learning opportunities should be flexible and blended, to enable people to better fit learning around work and home life. This funding should be devolved to MCAs in England where they exist to coordinate with employers and providers across their region. This could be aligned with business support in growth sectors, with clear asks of employers on co-investment. Building on successful elements of previous programmes will enable employers to tap into effective skills support for their workforce.

- **Department for Education to reform the Apprenticeship Levy and the apprenticeship system.** The current levy system isn't working as well as it should for employers or people. Training outside apprenticeships should be eligible for levy funding because it can make just as much difference. The UK government should broaden the current levy into a "flex and match" Skills Levy that would give employers greater flexibility to spend their funds for training outside of apprenticeships matched to a maximum of the amount they spend on apprenticeships for young people and capped at up to 50% of the levy. This training outside of apprenticeships should include functional literacy, numeracy and digital skills and other training from an approved list up to level 5, helping to support national priorities like net zero, housing and productivity. Up to £200 million per year should be available for SMEs for the same qualifications where small firms agree a plan with a business support advisor. We also need a greater focus on apprenticeship completions as opposed to just starts, particularly given only one in two apprentices complete their studies. The new system should raise overall employer investment in training, improve opportunities for young people and training particularly up to level 3, and better meet the need of employers and the economy.
- **Department for Education to revise and reverse its recent decision to limit its Free Courses for Jobs (FCFJ) offer to adults earning less than £25,000.** An estimated two-thirds of employees earn above £25,000, and England has far fewer people qualified to Level 3 than many comparator countries. This new earnings threshold will limit opportunity for too many without a Level 3 qualification who want to retrain for career change. The funding decision risks holding back already weak economic growth and should be reversed.

Wales recommendations

- **Demystify career change** by initiating a public campaign highlighting positive case studies and tackling the perceived barriers to career change. Most people change careers without government help, but need access to the right information, advice and guidance to do so. This should include campaigns to raise awareness, focused on key transition points in people's lives, and should be backed by high quality information,

advice and guidance including expanding Career MOTs. This will enable people to self-serve and provide the tools they need to change careers.

- Most people change careers without government help, but need access to the right information, advice and guidance to do so. A public campaign should involve a broad range of sectors and public organisations aimed at highlighting the potential economic upside of sectoral change and demonstrating a clear and relatable path to career change.

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 Wales, we argue the government needs to:

- **Make career change a strategic part of policy in Wales** through the next iteration, or a review of, the current employability plan. This should aim to see career change not as a process that happens despite government, but one that helps government achieve its economic development aims. For instance, this would include a clear definition of career change, an assessment of the policy levers available and an articulation of sectoral flows in employment needed for Wales' future economic prosperity.
- **Maintain and expand the Working Wales career change theme.** The current provision is a good starting point and has some useful static resources, signposting and telephone support. A more active advice and guidance service could provide mid-life career MOTs at age 50, or at key transition points such as redundancy, leaving education, or having children. This would require a shift from a responsive service, to one that is more proactive in promoting its offer.
- **Continue to provide ReAct funding for those facing redundancy.** ReAct has a long history of providing active support to those facing redundancy. This should be continued as a key policy programme supporting individuals to change career at a key transition point.
- **Create designated career change support.** Create a designated career change support programme, learning from the recent experiences of the Personal Learning Accounts, to provide skills and training for those looking to switch careers while currently in employment. Considerable experience has been gained from the Personal Learning Account programme, which is currently at risk of not being delivered in some places depending on college finances. The PLA shifted from its original intent of providing adults with a fund to choose their own learning to one of supporting key economic sectors. This should be made explicit in future, with the new designated career change support targeting sectoral change in the economy, allowing government

to support people into new sectors that are growing, are more productive and pay higher wages, and away from those heading in the opposite direction. This could be aligned with business support in growth sectors, with clear asks of employers on co-investment.

Scotland recommendations

- **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 could 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 projected decline in the 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.

Northern Ireland recommendations

- **Better signposting** is needed towards guidance and support for career change. Most people change careers without government help, but need access to the right information, advice and guidance to do so. At present, too few employers and employees feel that they have the information they need. The new careers portal under development needs to engage audiences of all ages and ensure that Careers Service NI is not seen as only supporting young people.

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 Northern Ireland, we argue the government needs to focus on the following:

- Most existing skills interventions in Northern Ireland provide advice about training opportunities, but without explicit targeting or tailoring for career changers. We recommend that the Department for Economy takes the lead in considering the issues raised in this report and **develops an action plan** to ensure that career change in Northern Ireland is more clearly recognised, prioritised and supported.
- In the short term, clarification is needed about **the future of Skill Up and Step Up**, which are popular Department for Economy retraining programmes whose future funding is not confirmed. We recommend that evaluations of these two programmes are used to determine whether all or some elements of these programmes should be continued.
- **Information about future jobs** and the likely future skills needs of the economy should be more accessible and current to potential employees, employers and training providers. Smaller employers should be particularly supported with this information,

since they may not have the time, resource, knowledge or networks to do this work on their own. This could involve wider dissemination of the information already provided in the Ulster University Economic Policy Centre's Skills Barometer.

- **Labour Market Partnerships (LMPs)** offer a local mechanism that can build effective and responsive connections between employers and potential staff. LMPs need to be effectively resourced in order to have greater impact.
- Employers should be encouraged to be **more flexible in recruitment methods**, particularly looking beyond requiring formal qualifications when experience could be just as relevant. Employers and training providers should also be flexible in how training and jobs are structured, recognising the barriers many people face to employment and training.

Chapter 6: Conclusion

Across each nation of the UK, a comprehensive high-level vision and single strategy for supporting career change is lacking. Similarly, each employment and skills system is complex and difficult to navigate for individuals, employers and providers and does not effectively support people who want or need to change career.

Support for career change primarily comprises a careers service, employment support for unemployed people, skills training for those currently employed, and apprenticeships. An all-age careers service exists in all four nations. Our New Futures pilots have highlighted that effective careers advice for career changers should be tailored, intensive, and personalised. However, evidence from our research indicates that the careers services in each nation are falling short of meeting need. Stakeholders across all nations have expressed concerns about stretched budgets and limited resources, resulting in prioritisation of client groups and leaving many career changers without enough support.

Career changers who are currently employed have inconsistent options in the four nations. Many previously well-regarded programmes have been discontinued or cut, but there are some initiatives in place, such as Skills Bootcamps in England. Provision on the whole focuses on increasing hours and wages rather than facilitating career change.

Apprenticeships are available in all four nations and can offer a positive avenue for career changers, allowing them to earn while learning and minimising costs. However, the evidence on their effectiveness for career change remains limited, and challenges persist, including the impact of the apprenticeship levy particularly in England.

Government-funded support for employers exists across all four nations. Corporation tax relief and the apprenticeship levy apply across the UK to support employers to invest in training. However, there is limited evidence on the extent to which these initiatives are incentivising employers to invest in skills. Our research with stakeholders suggests that employers need a more streamlined offer which takes less time and resource to navigate, especially for small firms.

Although some UK policies aim to support adults in overcoming financial barriers to career change and reskilling, the provision is uneven across the four nations. Where provision is in place, often the scope of the support is too limited and will not help enough adults who need or want to retrain.

Devolving skills and employment support to regions and local areas is critical to the delivery of future career change support. There is already activity happening at the local level and scope for more and better coordination funds to deliver effective skills and employment support for upskilling and career change in local areas. However, local governments across the nations lack the resources to make a more significant impact. Empowering local authorities is essential to create a robust ecosystem that supports career change and reskilling.

Our New Futures pilots provide valuable insights for shaping a future policy landscape that facilitates effective career transitions and addresses gaps in existing national and local systems. To achieve success, relevant provision should engage individuals both within and outside the workforce, dispel misconceptions about reskilling, and build on people's motivations. The support offered must be adaptable and personalised, delivered by skilled career coaches who possess expert knowledge of local labour markets and gaps in services. The programme funding itself needs to be flexible and enable wraparound support where necessary. Additionally, involving employers and local stakeholders from the outset is crucial, with strong, well-coordinated relationships at the local level.

To ensure that support for career change can catch up to tackle the emerging labour market challenges and meet the reality of 50-year careers, governments across the four nations of the UK need to develop high-level visions and strategies for supporting career change. Greater alignment and coordination at a devolved level is necessary to enable simpler navigation and joined up support between individuals, employers and providers. With a different offer in each nation, we need a much better understanding of what works in policy and practice built in from the outset. Evaluations of the provision for people in and out of work are needed to improve understanding of what helps people move into new careers.

Each nation within the UK should ensure it has its own designated career change provision, designed to offer skills development and training for individuals seeking to transition careers while currently employed. This should draw on successful existing programmes and focus on sectoral changes specific to each region. Employers need better financial incentives to invest in training for career change, so the current Corporation Tax deduction for training spend should be replaced with a new Skills Tax Credit, modelled on the successful R&D tax credit. The UK government should broaden the current apprenticeship levy into a "flex and match" Skills Levy to give employers more flexibility to spend their training funds on training outside apprenticeships. Most people change careers without government help, but need access to the right information, advice and guidance to do so, for example through launching campaigns to increase awareness. Meanwhile, people in and out of work need more support with course and living costs to be able to change career. We recommend introducing a new system of Learning Accounts, extending the current Train and Progress benefit rules and strengthening the Right to Request Time Off to Train.

Grasping the opportunities presented by political change across all four nations, a clear case for policy action needs to be made to enable better support for career change. These recommendations provide a basis for action to address the shortcomings in each system and improve the support for career change across the UK.