

New Futures Four Nations England briefing paper

About L&W and our New Futures pilots

Learning and Work Institute is an independent policy, research and development organisation dedicated to lifelong learning, full employment and inclusion. Our 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, including one in Tees Valley. We uncovered gaps and shortcomings in the existing employment and skills system, which need to be addressed in order to tackle the UK's retraining challenge.

In this briefing we share what we've learned around career change policy in England, informed by desk research, interviews and a roundtable with employment and skills experts. It sets out why career change is important, the current landscape in England and potential policy options to improve it. The briefing focuses on programmes and recommendations specific to England – for the UK-wide view, please refer to [our UK report](#).

What is career change and why is it important?

Put simply, 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. 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.¹

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

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

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.² 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.

Analysis of career change in England

Figure 1 shows the percentage of people in work who change jobs by nation and region for time periods before the Covid-19 pandemic, during the pandemic and a year after.³ It shows the proportion of people staying in the same sector against the proportion moving to a different sector. In five out of nine English regions (East Midlands, South West, South East, Eastern and North East), the number of total job movements has already caught up with and exceeded pre-pandemic levels. In the East Midlands for example, on average 2.7% of workers moved jobs each quarter in 2018-19. This fell to 2.4% in 2020-21, but rose to 3.1% in 2022-23.

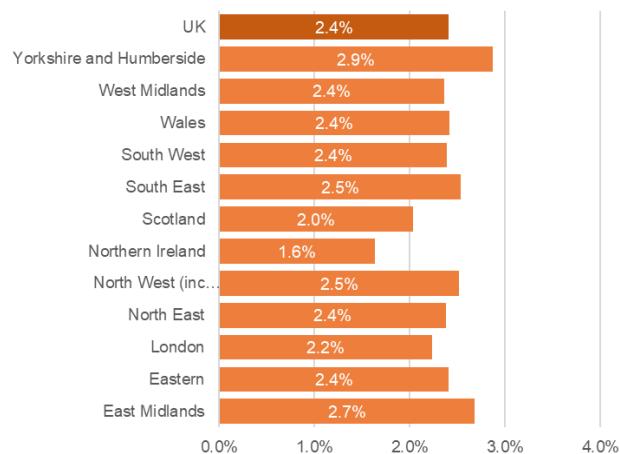
The rate of job change has not yet caught up with pre-pandemic levels in Yorkshire and the Humber, North West, London and West Midlands. There were fewer movements to a different sector after the pandemic for all English regions. London, the North East and the West Midlands have not returned to pre-pandemic movements to different sectors.

² Learning and Work Institute (2023) [All change: understanding and supporting retraining and career change](#)

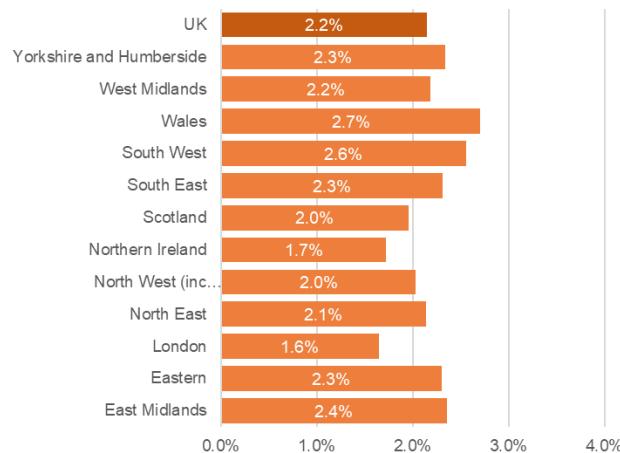
³ Data is drawn from the Labour Force Survey.

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

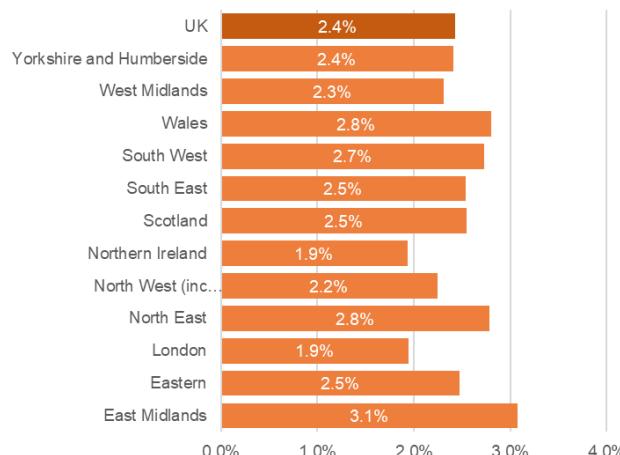
2018-2019



2020-2021



2022-2023



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.

Our analysis of Labour Force Survey data shows that between 2020 and 2023:

- In the **South East**, the finance sector saw the least movement with 66% of those who were working in finance and changed jobs remaining in the sector.
- 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.⁴
- In the **East Midlands**, 45% of those who 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, 78% of those who were working in the finance sector and changed job stayed in the same sector.
- The **North East** experienced the highest retention rate for manufacturing compared to other regions, with 70% of those who were working in the manufacturing sector and changed jobs staying within this sector.
- In the **North West**, only 50% of those who were working in manufacturing and changed jobs stayed in manufacturing, significantly less than in the North East.
- **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.
- 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.

Looking forward, Figure 2 shows the projected employment change in English regions per year, by industry sector to the year 2035. ⁵ Our analysis of the projections shows that:

- The **East Midlands** is expected to have the largest percentage decrease in those employed in the education sector, but the largest rise in other public sector jobs.
- The **Eastern Region** is expected to see the lowest percentage growth in information technology.

⁴ The public sector is defined as public administration, health and education.

⁵ Department for Education (2023) [Labour market and skills projections: 2020 to 2035](#)

- **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 decrease in those employed in the construction industry
- The **North West** is expected to have the largest percentage increase 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 percentage increase in employment in the transport and storage sector along with Yorkshire and Humberside.
- **Yorkshire and Humberside** is expected to see the largest percentage increase in employment in the transport and storage sector along with the West Midlands.

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

	Eastern	East Midlands	London	North East	North West	South East	South West	West Midlands	Y&H	Northern Ireland	Scotland	Wales
Agriculture	0.2	-0.3	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.1	0.4	0.1
Mining and quarrying	-4.4	-3.2	-3.3	-1.7	-3.7	-1.5	-4.0	-4.7	-4.7	-0.4	-0.9	-2.8
Food drink and tobacco	0.9	1.2	0.0	-0.1	-0.7	1.3	-1.7	-0.1	-1.7	1.0	-0.1	0.0
Engineering	-1.1	-1.3	2.0	-0.3	0.3	-2.0	-1.5	-0.2	0.2	-2.5	1.2	-1.3
Rest of manufacturing	-1.2	-1.0	-1.5	-1.0	-0.9	-1.2	-0.5	-0.7	-1.3	-1.2	-1.1	-0.6
Electricity and gas	-0.8	0.0	0.0	0.0	-0.8	-0.1	-0.6	-0.4	-0.3	-0.6	-0.6	-0.6
Water and sewerage	1.0	0.6	1.5	0.3	0.3	1.2	1.0	0.4	0.6	1.3	0.4	1.0
Construction	1.2	0.4	1.6	-0.3	0.1	0.9	1.2	0.2	0.1	1.3	-0.1	0.1
Wholesale and retail trade	0.2	0.3	-0.1	0.0	0.2	0.1	0.1	0.1	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

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

The current support landscape in England

For some people, changing careers is an active choice that suits their skills, ambitions and circumstances. For others, it is a decision forced by the loss of their current job, lack of similar opportunities or a change in circumstances such as caring responsibilities. 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. L&W's Adult Participation in Learning Survey in 2022

showed that significant numbers of people thought they would need training (31%), financial help (25%), and advice (23%) to retrain. Almost one quarter (23%) were not sure what help they would need.

Currently, people in England who want or need to change career get too little help. Support has not yet caught up with the emerging reality of 50-year careers and multiple job and career changes. Provision that exists tends to better serve some groups over others. Meanwhile, the employment and skills landscape is complex and difficult to navigate for individuals, employers and providers. As a result, many people are not sure about their opportunities, how they might access them or what training is needed, and may struggle with the financial costs and risks. This can limit the number of people changing career or risk people not making the best choices for themselves. Support which can help people to change careers sits across different areas of government across England, with different drivers and types of provision.

The major focus of the employment support delivered by the Department for Work and Pensions (DWP) is getting a claimant into a job as quickly as possible, although low earners on Universal Credit in the 'Intensive Work Search Group' are mandated to **In-Work Progression Support**. 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 year. This Jobcentre Plus in-work support could involve support to change career, but is predominantly focused on increasing hours or pay. Work Coaches can refer claimants to training of up to 16 weeks without stopping their Universal Credit payments (). However, longer training is not usually allowed, and benefit payments are low compared to average earnings. are low compared to average earnings.

There is some public retraining provision for individuals who want to change career. Provision includes:

- **Skills Bootcamps**, training courses of up to 16 weeks with a job interview at the end.
- **Sector Based Work Academies (SWAPs)**, funded by DWP for benefit claimants involving up to six weeks pre-employment training, work experience placement, and a job interview or help to apply for a job.
- **Returnerships**, which are targeted at older workers but promote three existing programmes (SWAPs, apprenticeships and Skills Bootcamps).

Three quarters of Skills Bootcamp starters to date already have a level 3 qualification and almost one in five have a post-graduate qualification, whereas 16 million (38%) working-age people do not yet have a level 3 qualification.⁶ Existing retraining

⁶ Department for Education (2023) [Evaluation of Skills Bootcamps](#)

provision is not yet reaching all adults in England who want or need to change career.

An apprenticeship can also be a positive way for people to change careers and help minimise the cost of doing so as people earn while they learn. There is some evidence that employers are using apprenticeships to upskill existing employees. Overall, there is little data on the effectiveness of apprenticeships for retraining at different levels. There is also a challenge around low pay and the perception that apprenticeships are for younger, new entrants to the workforce, although the introduction of the apprenticeship levy has seen a drop in opportunities for new starters and those without a Level 3 qualification.

The **National Careers Service** is accessible to adults at all stages of life. However, the service is only fully funded for a selection of priority groups, including older workers, low skilled adults without a Level 3 qualification and single parents, and funding is based on results.⁷ Those who want to change career but do not fit into these priority groups, for example people at key transition points, will not receive the same level of support. There are questions, too, about the visibility of the National Careers Service and awareness of the service among potential users.

One of the biggest barriers people face when changing careers is often financial: not being able to afford to retrain or incurring a loss of earnings. There is some provision in England to overcome this - for example, eligible adults can 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 many without a Level 3 qualification who want to retrain for career change. For people in work, the **Right to Request Time off to Train** is available. However, employers can refuse the request, leave may be unpaid, and training must be related to the role the employee is currently in.

From 2026, the **Lifelong Learning Entitlement** (LLE) will create a single funding system in England to help people pay for college or university courses, with adults aged 18-60 able to access loans worth up to £37,000 to upskill or retrain. Learners will be able to access maintenance funding on the same basis. 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 fees 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.⁸

⁷ The UK government uses an outcome-based payment scheme, often called '**payment by results**', to deliver the National Careers Service. This is a mechanism where all or part of the payment depends on the provider achieving outcomes specified by the Department for Education.

⁸ Office for Students (2021) [Improving opportunity and choice for mature students](#)

Maintenance loans not being available for distance learners will also limit the flexibility of the offer.

There is evidence that, in some areas, local actors are working to plug the gaps to support career change. Industry-led schemes that help people reskill and change career are available in some regions. In the West Midlands, the BuildBack 2021 initiative was set up by FIS, a not-for-profit body representing the finishes and interiors sector, with funding from the Construction Industry Training Board. The initiative aimed to fill local skills shortages in construction by training people who were out of work or looking for a change of career. Some Combined Authorities are using the People and Skills strand of the UK Shared Prosperity Fund to run programmes helping people in work and those who are economically inactive to change careers. For example, Greater Manchester Combined Authority's Work Well: Support to Succeed programme has a dedicated offer to people over the age of 50 who have concerns about returning to work or developing skills. The authority is also running a programme to provide access to funded skills training for employed residents.

Employers have a responsibility and interest in ensuring they have a high-quality workforce and talent pipeline. That means engaging in public programmes, investing in their own recruitment and training, and providing clear and diverse routeways into their roles. However, average employer spending on training has decreased by 27% per trainee since 2011.⁹ Access to training is also highly unequal, with low paid, low qualified workers less likely to have opportunities to develop their skills. Our research suggests that the fragmented and complex nature of the employment and skills systems work against employers, making it difficult to find and access available programmes and funding streams. Further, employers often lack understanding of the skills and needs of their own workforce and struggle to recruit people with non-traditional experience. A well-coordinated employer-facing campaign could help signpost all available support, rather than just one part of the system, and clearly communicate the business case for why career change is important.

Some sectors are taking this forward already – for example, the tech sector has different returners programmes for people who have had a career break. Tech UK's returners hub has information on why returners are good for business, including guidance from the Government's Equalities Office and guidance to help businesses become 'returner inclusive'.

Policy priorities to help people change career

Our interviews and roundtables with key stakeholders across the employment and skills sector in England, Wales, Scotland and Northern Ireland discussed policy solutions to improve support for career changers. These highlighted that, while there are some positive policies in place in all four nations, they have often not been

⁹ Institute for Fiscal Studies (2023). [Investment in training and skills: Green Budget 2023 – Chapter 9](#)

robustly evaluated, or are not designed specifically to support career change. In our UK report, we make overarching recommendations that apply across UK nations, including improving financial incentives for employers to invest in skills, Learning Accounts and better support for people retraining. In England, the following additional policy priorities should be considered:

- **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 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 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 single 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 single 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 Academies (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 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 needs 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 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.

The opportunities for supporting career change

With a gap to be bridged between employment and skills policy in England, there are national and devolved opportunities to better integrate and focus the support required to help people to change careers. The imperatives are clear: with longer working lives and changing labour market demands, people will increasingly need to update their skills and change careers. The connection needs to be made between supporting economic growth, community resilience and individual aspiration to create

a stronger career change pathway, alongside a clearer direction for employers to invest and providers to align support.