

APPG inquiry on adult education

About Skills Federation

[Skills Federation](#) brings together the shared perspective of different industries on how the UK can build a workforce able to meet our skills needs. Our members are 19 employer led sector skills bodies who work across more than 20 sectors of the economy and represent over 150,000 employers, both large and small, across the UK. They are funded by their industries to provide sectoral voices and vital support on skills issues. This includes workforce planning and intelligence, professional standards, tailor made skills solutions, qualifications, kitemarking, accreditation and quality assurance.

Our vision is for a skills system that supports industrial investment and growth by providing a pipeline of talent into each sector of the economy, giving the opportunity for everyone to get in and get on at work through pathways that turn jobs into great careers.

Skills Federation's response

While the government's focus on supporting young people into the labour market is needed given the high NEET figures, this should not come at the expense of adult education. With 70% of the 2035 workforce already in employment, government, alongside employers, has a responsibility to ensure people can retrain, upskill and move between sectors as needed. We therefore welcome this timely inquiry, and the Skills Federation's CEO, Dr Fiona Aldridge, was pleased to provide verbal evidence.

Theme 1: Economic growth, skills and workforce needs

11. Please provide any other barriers and the extent to which they affect the ability to respond to skills shortages through adult education

To respond to skills shortages, it is essential that adult education supports people to develop skills that are relevant for the workplace. This can be challenging because the skills requirements within occupations change faster than the pace of standards development, qualification design, and processes to agree funding. With emerging occupations such as those required to meet the net zero objectives and associated with new technologies including AI, it can be particularly difficult for the adult education system to respond in a timely way.

However, whilst accepting that this is the case, the following could help:

- Create a strategic and systemic way of engaging with sector skills bodies who are the organisations closest to the skills needs of the sectors they represent. They have rich intelligence which can be used by government and the capacity and capability to co-create solutions.
- Qualifications should be underpinned by occupational standards which detail the knowledge, skills and behaviours required.
- Develop and fund more flexible solutions including micro-credentials and modules which provide more targeted and cost-effective solutions to upskilling the workforce.
- Pilot initiatives which respond to emerging skills needs in individual sectors to help to gain faster outcomes and learn lessons prior to wider rollout.

- Ensure that sufficient attention is paid to skills development for the FE workforce including staff spending time in industry.
- Broaden what government will fund. There are many well-established industry approved schemes which can provide people with the skills they need for the workplace. For example, there is a training scheme which provides a licence to operate on-site in the energy and utility sector, and a suite of 22 industry approved qualifications in fashion and textiles.

14. Please expand on your response to previous question ("How effectively does the current system incentivise employers to co-invest in adult skills").

Despite many employers investing heavily, the latest [Employer Skills Survey](#) finds that employer investment in skills overall has declined over time (in real terms from £59bn in 2022 to £53bn in 2024). This may point to a cultural issue where employers see upskilling as a cost rather than an investment, and moreover, a cost which may lead to their newly trained staff leaving for jobs elsewhere. The decline is an indication that the current system does not effectively incentivise employers to invest.

However, the current economic climate is undoubtedly also having a negative impact. Employers are struggling with increased employer National Insurance Contributions, increases to the National Minimum Wage and concerns about the introduction of the Employment Rights Act. The IoD Directors' [Economic Confidence Index](#), which measures business leader optimism over prospects for the UK economy, dropped to -76 in March 2026 from -63 in February.

Employer investment in skills is less than the EU average and this may point to a cultural issue where employers see upskilling as a cost rather than an investment, and moreover, a cost which may lead to their newly trained staff leaving for jobs elsewhere. Overall, we think this indicates that incentives should focus on building capacity to change behaviour and embed new ways of working. We would support exploration of government introducing financial incentives such as a skills tax credit, as proposed by the [House of Lords Industry and Regulators Committee](#) and the [Learning and Work Institute](#).

An approach which responds better to employer demand may also encourage employers to invest. This approach is about aggregating employer demand and getting the right parties, including sectors skills bodies, employers and government round the table to develop jointly owned solutions. An example of where this approach is working well is the [National Nuclear Strategic Plan for Skills](#). This started with articulating the demand and solutions were developed in partnership, recognising that employers working individually wouldn't have sufficient impact. The involvement of [Cogent Skills](#) has been integral because they are able to provide the view of the whole sector, and to convene employers.

20. Please use this space to add anything else you think is relevant to this theme on economic growth, skills and workforce needs

For adult learning that is designed to support people into work, or to upskill or reskill, it is essential that the content reflects the up-to-date requirements of work, whether specific occupations or of the wider sector. Qualifications should be underpinned by occupational standards which detail the knowledge, skills and behaviours required and which are reviewed and refined regularly to ensure relevance to the evolving needs of the workplace.

Sector skills bodies, alongside employers, have played a key role in developing Occupational Standards in England and the National Occupational Standards which are used across the UK. They have a detailed understanding of what's needed for their sectors, including carrying out detailed occupational mapping exercises. For example, the CITB have identified occupations where there is not an associated standard and are developing competence frameworks for the built environment sector. This work is a key outcome of the Grenfell Tower Inquiry and is aligned to the new Building Safety Act.

A long qualification is not always the optimum solution, particularly where people want to move to a similar job in an adjacent sector. However, if long courses are what is funded then this is what people will take. Potentially public money could be used more effectively.

We welcome wider and deeper devolution as an opportunity to ensure that local skills provision can be better tailored to the needs of individuals, including connecting them to employers and employment opportunities in their local area. A maturing system of devolution should also provide the opportunity to test and learn 'what works' in supporting people to succeed and should ensure that the education opportunities available are not narrowly focussed solely on the jobs in that area but are broad enough to support people who may want to work elsewhere.

However, devolution of skills within England, whilst better meeting the skills needs of places, causes challenges for employers, particularly those that work across the country. Government should consider how to coordinate meeting sector needs across an increasingly devolved landscape. This could include commissioning sector skills bodies to develop sector plans, and considering where adult funding could be more effectively deployed at a national level.

Theme 4: Policy, funding and the future of lifelong learning

40. What are the most urgent policy or funding changes needed to secure a sustainable adult education system?

The Institute of Fiscal Studies [report](#) finds that overall public funding for adult education and skills has declined substantially. In 2024-25, spending stood at around £4.7 billion, around 30% below its inflation-adjusted high of £6.8 billion in 2003-04. Employer investment in skills has also decreased over time with the latest [Employer Skills Survey](#) (2024) showing total employer investment of £53,003m which is a decrease from £58,995m in 2022.

Training needs to be available not just for young people at the start of their careers, but for people throughout their working lives. As Skills England analysis shows, over 70% of jobs in 2035 are expected to be filled by people already in the labour market. However, the nature of work is evolving quickly, and some roles will disappear, as others are created. This means that upskilling and reskilling will become increasingly important and need to be done efficiently in terms of both time and cost.

It is clear that a declining adult skills budget won't be sufficient to address this ongoing need. Government needs to invest more, alongside reducing barriers to employer investment in skills.

41. What challenges and opportunities arise from adult skills policy now sitting within the Department for Work and Pensions, particularly in relation to strengthening the role of adult education in supporting people into employment?

The move of adult skills policy to DWP provides an opportunity to join up employment and skills and to change the culture within Jobcentre Plus from a focus on moving people off benefits to supporting people into jobs with progression opportunities. The move also potentially provides the opportunity to better join up devolved skills policy across the UK. Better coordination is needed as the current situation causes challenges for employers who work across national boundaries.

However, there are also challenges and potential risks. This includes that prioritising reducing the NEET figures could mean less focus (and funding) on adult skills and the risk of deprioritising higher-level skills as an enabler of growth.