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Skills Research Digest
Quarter 1 2026

The **Skills Research Digest** monitors recently published skills and labour market research relevant to the work of the Department for the Economy and to the strategic and policy issues that we face in Northern Ireland.

In each case, we provide a short summary of the key points and web links to the full article or report*. A full list of sources can be found at the end of the publication.

Highlights this quarter include:

- A noticeable increased focus on research into vocational education & training (VET), including on assessment, FE teacher educators and FE student wellbeing.
- As well as the usual spotlight on AI in the workplace & skills, there are numerous items on AI in education – in learning, teaching & assessment; for applications to HE; and the potential for and barriers to its use in VET.
- The importance of student 'belonging' – the strong sense of community that: improves retention and wellbeing; and impacts educational outcomes, experiences, risk of dropout and even AI use.

** Links are correct at the time of publication, however it is likely that some will break over time. The list of sources has more general links, which should help the reader to track down the original report.*

Contents

The Skills Research Digest is issued by:

Analytical Services, Department for the Economy ✉ analyticalservices@economy-ni.gov.uk

The research summarised here presents the views of various researchers and organisations and does not represent the views or policy of the Northern Ireland Executive or those of the authors.

***** Please note, the Skills Research Digest is being discontinued. Therefore, this is the final edition.***

The Digest is prepared by:
Elaine Hendry
elaine@emhconnect.co.uk

Angela Gardner
ajenterprises

emh connect
aj enterprises

Preparing Young People for Work

16–19 EDUCATION

The OECD (Organisation for Economic Cooperation & Development) published *The Theory and Practice of Upper Secondary Certification*, mapping the design of 71 certificates across 38 countries, using a matrix of different components, e.g. exams, tests, projects and practical activities.

- Upper secondary certificates are increasingly having to recognise a broader range of skills and knowledge, while supporting selection by post-school institutions and employers.
- Few certificates fully and perfectly achieve four key principles: relevance, credibility, fairness and manageability; but when they become significantly unbalanced, they are unlikely to endure.

EMPLOYABILITY & CAREERS

The King's Trust* published *50 years of working for young people: The enduring social impact of The King's Trust*, including findings from a survey of 4k 16–25 year-olds across the UK.

- Young people had increasing concerns about their future employment, including:
  - 60% felt unprepared for how competitive the job market would be on leaving education and 73% felt anxious about their future career in the current economic climate.
  - 67% felt employers didn't take them seriously and 64% that most entry-level jobs were insecure.
  - 36% had to take any job to make ends meet and 34% felt stuck in a job where they couldn't progress or grow.
  - 59% were worried about the impact of artificial intelligence (AI) on their future job security (+10% from 2024) and 74% that there wouldn't be enough jobs for people like them.
- Those not in employment, education or training (NEET), from lower income backgrounds, female or with disabilities were far more likely to have concerns.

**The King's Trust was The Prince's Trust until October 2024.*

PwC published the *Youth Employment Index 2025*, covering 38 OECD economies, including the UK; the 'topic in focus' of this index was: 'Is the rise in AI leading to the displacement of young workers in the UK?'.

- The UK was 27th out of the 38 economies (down five places on 2024), driven by rising youth unemployment and higher levels of economic inactivity.
  - The Netherlands, Switzerland and Iceland were once again the top three.
- No youth-heavy sectors have experienced strong growth in the UK since 2014.
  - Part-time work remains an important entry point into the labour market; 35% of young people worked part time in 2024, lagging behind other OECD economies (e.g. 68% in the Netherlands).
- In 2025, 15% of UK 16–24 year-olds were NEET (16% in Scotland); GDP could be boosted by an estimated £13b–£26b/year if the NEET rate matched the 9% in Northern Ireland (NI).
- On the rise in AI and the displacement of young workers in the UK:
  - No direct impact was found on youth employment – yet – across all sectors; however, there is potential impact on entry-level roles in sectors with high AI exposure, e.g. IT.

**Published in December 2025.*

England's Careers & Enterprise Company published *Employer Standards 2024/25: The business case for engaging in careers education*, drawing on 783 employer self-assessments against the standards.

- 83% say that well-designed work experience is effective in attracting entry-level employees but over 33% lack the internal support to turn these experiences into long-term talent pipelines.
  - However, those that evaluate the impact of their outreach are 40% more likely to report improvements in early career recruitment.

- Those that proactively engage learners with special educational needs or disabilities (SEND), in Alternative Provision or from under-represented ethnic groups are 20% more likely to report developing new, more diverse pipelines.

- 65% report that staff shortages reduce the time they can allocate to outreach; 71% say that rising costs are limiting their ability to invest in outreach, up from 50% last year; 59% say work experience is too time-consuming.
  - However, businesses that offer some form of workplace experience are 77% more likely to report benefits than those that don't offer any.
  - Businesses that help young people understand how essential skills are valued at work are more than twice as likely to report reduced recruitment costs.

- 75% would offer more opportunities if working with schools was easier.
  - However, long-term collaborations with schools/colleges/activity providers make them 29% more likely to report that young people apply for roles in their organisation; those that maintain a consistent strategy are 56% more likely to report recruiting apprentices.
  - Medium/large employers with careers strategies are 77% more likely to report that young people become more work ready; small/micro organisations that make careers education integral to their business plans are more than twice as likely.

The Employer Standards for careers education *framework comprises three pillars: inspire young people for their best next step; prepare young people to be career ready; and collaborate for success.*

The University of Leeds, University of Manchester and City St George's, University of London published *L-earning: Rethinking Young women's working lives*, the final report of a project on young women's earliest experiences of work and how these contribute to later inequalities.

- The three-year study, funded by the Economic & Social Research Council, involved analysis of datasets on student employment, focus group interviews with 83 14–23 year-old women in education in England, and 76 23–29 year-olds who had left education and were working in 'feminised' sectors.

- Key findings include:
  - ~66% of those in education at 18 had worked while learning; young women were ~50% more likely than young men to engage in paid work during their studies.
  - The work is often low paid and in poor conditions, with many women facing harassment; however students describe paid work as having value and meaning and hold high levels of commitment to their jobs.
  - Contrary to widespread concern, working while learning doesn't negatively affect educational outcomes and the impact on longer term employment are complex.
  - Young women are less likely to become NEET if they have had early experiences of work while studying.
  - Earning while learning can be 'sticky', with young people remaining in or returning to types of work undertaken as students in post-education employment.
  - After education, young women's pathways to work are complex and non-linear, with structural barriers and workplace problems causing issues.
  - Many experience their work in feminised sectors as 'unaffordable' and feel forced to either leave their sector or be dependent on partners or family for stable housing.
  - They describe poor conditions in post-education work, including low pay, limited or opaque progression pathways, insufficient hours, bullying, discrimination, workplace stress and sexual harassment.

- Recommendations include:
  - 'Student work' must be recognised as real work with full rights and protections.
  - Educational institutions, government, trade unions, employers and career practitioners should improve the working conditions and rights of student workers, including through promoting and embedding employment rights literacy across all institutions and stages.
  - Empower the new Fair Work Agency *[launched 7 April 2026]* to prioritise students and young workers and to take action to enforce compliance among employers.

Cedefop (European Centre for the Development of Vocational Training) published *The influence of learning outcomes on assessment*, drawing on case studies from ten EU countries, including the Republic of Ireland (RoI) and Finland*, exploring how the shift towards learning outcomes influences assessment in initial vocational education & training (IVET).

- Overall, the use of learning outcomes in VET assessments is widely valued by teachers and trainers, as they help to set clear goals, making assessments and grading more transparent.
  - Teachers and trainers generally value assessment criteria for clarifying expectations for learners and supporting their evaluation.
  - However, in the teaching and learning process, they tend to use more broadly formulated intended learning outcomes and these allow for more flexibility and greater openness to further, unplanned outcomes.
- Learning outcomes provide flexibility in assessment approaches, allowing adaptation to different vocational contexts.
  - The occupational field, the types of learning outcomes being assessed and the intended use of assessment results have a stronger influence on assessment methods than the context in which the learning outcomes are acquired.
- In some countries, learning outcomes and assessment processes are closely linked to workplace requirements, ensuring that assessments align with real job tasks.
  - Final exams often require students to demonstrate their competences through complex practical tasks, regardless of where the skills are acquired.
  - Assessments at VET institutions often involve practical evaluations conducted in labs and workshops, designed to simulate real-world scenarios.
  - There is limited evidence of the use of digital tools in assessments.
- Transversal competences are emphasised particularly in the context of work-based learning, and some enterprises have developed indicators and tools to assess them.
  - However, these competences aren't always made explicit, leading to variability and inconsistencies in whether and how they are assessed.
  - Learners interviewed were not always familiar with the concept of transversal competences, and some found them difficult to assess and preferred informal recognition by teachers rather than formal evaluation.
- Recommendations relate to four aspects: improving the clarity and relevance of assessment criteria; strengthening assessment methods and practices; enhancing learner-centredness; and strengthening the assessment competences of and support for VET teachers and trainers.

**The others are Bulgaria, France, Lithuania, Malta, the Netherlands, Poland, Portugal and Slovenia.*

The Institutional Landscape

THE FURTHER EDUCATION & SKILLS SECTOR

The Gatsby Charitable Foundation (Gatsby) published *Further Education's [FE's] Teacher Educators: Who are they, what is their work and what are their professional development priorities*, based on a survey of 118 teacher educators teaching initial teacher education (ITE) courses in FE and sixth form colleges in England.

- The teacher educators were predominately white, middle-aged women and didn't reflect the FE teacher workforce in terms of gender, ethnicity or some subject specialisms.
  - Few were specialists in science, technology, engineering & maths (STEM) or technical/vocational subjects such as construction; none had been SEND teachers; many had a master's or doctorate.
  - Most had ten or more years' teaching experience prior to becoming a teacher educator; some continued to teach their specialism alongside the ITE course.
  - Recruitment was often informal, through invitations from those already working in ITE.
- Their practices were shaped by institutional cultures, past experiences as students or teachers, and by teacher educator colleagues; the lack of formal professional frameworks and research on classroom practices may be hindering teacher educator professional development.
- Most expressed satisfaction with their roles, but concerns fell into two themes:

- Issues affecting FE in general, including policy changes, funding constraints and work–life balance.
- Issues specific to ITE, including new curriculum requirements and the challenges of articulating the purpose of theory in informing practice.

- Key professional development needs were: curriculum support; research-informed teaching and learning strategies; and networking opportunities to mitigate professional isolation.

Cedefop published *VET teachers at a turning point: Pilot evidence from Cedefop's European Vocational Teacher Survey*, presenting findings from the first EU-wide survey exploring the experiences, working conditions and professional development of 735 IVET teachers.

- IVET teachers remain highly committed but are operating at the limits of sustainability; essential to safeguarding the quality and future of VET are:
  - Strengthening professional recognition and ensuring competitive and transparent career pathways
  - Improving working conditions and providing systematic, targeted continuing professional development (CPD), particularly in inclusion, green skills, digitalisation and AI.
- Substantial efforts are being made to strengthen and modernise support for VET teachers.
  - Countries are prioritising digital competences – including AI and immersive technologies – and embedding sustainability as a core element of teacher training in line with the twin transition.
  - Targeted incentives, structured induction and mentoring systems and stronger links between schools and workplaces are being introduced to improve attractiveness and retention.
  - CPD is increasingly embedded in quality assurance frameworks and aligned with updated teacher standards, while several countries are moving from ad hoc training to coherent, system-wide CPD structures.
  - Together, these reforms reflect a strategic recognition that investing in teachers is central to ensuring high-quality, future-oriented VET.

The Edge Foundation published a collection of essays based on the chapters in *Learning Democracy in Vocational Education and Training in Europe*, published in October 2025 by the Council of Europe.

- The anthology aims to further strengthen democratic values and practices and to promote a culture of democracy in VET.
- The essays draw on examples from across the EU, and cover: assessing citizenship skills; the role of social partners in developing competences for a democratic culture (CDC); curriculum; in-company training; promoting greater democratic citizenship through VET; CDC and inclusion; and what teachers need to know and be able to do.

The OECD published *AI to Support Neurodivergent Learners in Vocational Education and Training*, drawing on insights from over 50 stakeholder interviews.

- VET can be an important setting for neuroinclusive learning, given its diverse mix of learners with varied skills and work experience, and its focus on practical, job-specific and employability skills.
  - However, neurodivergent learners can face a lack of tailored instruction, insufficient support in learning and work environments and stigma.
- AI and other advanced technologies have the potential to make VET more adaptive, accessible and inclusive:
  - AI-enabled adaptivity allows instruction and feedback to be tailored to need, learning styles and abilities; some teachers already use generative AI (GenAI) to generate multiple versions of an exercise for different learner profiles.
  - Extended reality (XR) technologies enable immersive, practice-oriented learning in safe environments that facilitate repetition and rehearsal and can accommodate individual needs.
  - Virtual reality (VR) and augmented reality (AR) allow learners to rehearse task sequences or challenging interactions (such as job interviews), build confidence and manage anxiety.
  - VET's accessibility is enhanced through tools such as text-to-speech and speech-to-text, enabling each learner to engage with the curriculum in ways that align with their strengths; such tools have become more accurate and fluid due to recent improvements in large language models (LLMs) and in cloud computing.

- Neurodivergent VET learners already use simple technologies – e.g. digital to-do lists and video and written reminders – to assist with planning, time management, working memory and attention; these tools could be personalised to users and their learning and work environments.

- GenAI could be used to build independence, confidence and other employability skills, and to assist with the job application process and in the job itself; its widespread use could help remove some of the stigma associated with using writing assistance tools.

- However, barriers include: the overwhelming, growing number of available tools; the diversity of work and learning environments; affordability; and the failure of promising technologies to reach the market or, when they do, to align with the real needs of VET institutions, teachers and learners.
  - Their use also raises ethical, pedagogical and societal risks, many of which also apply to general education and neurotypical learners: data privacy; bias; over-reliance; concerns about cheating; and socioemotional risks associated with chatbots and robots.

Policy guidelines are offered to help governments take advantage of AI and other advanced technologies to support neurodivergent learners in VET.

HIGHER EDUCATION (HE): APPLICANTS & ADMISSIONS

WonkHE published *Three ways prospective students are using AI when applying to higher education*, a blog post by UCAS, drawing on: a survey of 4,485 prospective and current applicants and first-year undergraduates; and three focus groups held in January 2026.

- 48% said they had used AI to explore their options, mostly in the early stages and to compare universities (61%) and/or to explore subject choices (59%) and entry requirements (52%).
  - AI provided them with instant responses, personalised advice and the ability to compare institutions and courses.
  - However, 43% said university websites were their first 'go to' resources vs 13% who started with chatbots.

- 48% would take a university off their shortlist based on a negative open day experience vs 8% based on a negative AI review.

- Applicants are far less likely to use AI to complete their application or make final decisions, with trust the main barrier – 73% had recognised or received incorrect information from AI and they understood the 'emotional' side of making a decision.
  - Only 13% trusted AI more than a teacher and 16% more than a parent/carer.

Prospects Luminate published *What are the motivations and concerns of potential postgraduates in 2026?*, the first full release of data from the Early Careers Survey 2026, based on a survey of 5k users of Prospects.ac.uk. *

- 27% said they planned to pursue some form of study (22% full time; 5% part time); 14% were exploring job and further study options.

- Across these, 28% were considering a postgraduate degree; key findings for this group include:
  - 77% wanted to study full time, with those preferring part-time study tending to be older; 53% preferred in-person study, in contrast with 2024, when hybrid/fully remote learning was preferred.
  - Those planning to study part time tended to prefer hybrid (38%) or fully remote (23%) options.
  - How to fund their course was still the hardest information for prospective postgraduate students to find but, more positively, the proportion saying this has now declined for three consecutive years.
  - For the second year running, respondents reported increased difficulty finding relevant visa information.
  - Passion for their subject remained the strongest motivating factor for those choosing postgraduate study.
  - The top three concerns about postgraduate study stayed the same: tuition fees (64%), the cost of living (55%) and juggling commitments (45%) but the level of concern for each has dropped since 2024.
  - Concern about AI devaluing their skills was highest among younger prospective postgraduates.

**The full report will be published in spring 2025.*

The House of Commons Library published *Higher education student numbers*, exploring: trends in the size of the student population in the UK; changes in the number of entrants overall and for different types of students/courses; and entry rates for different groups and areas.

- Two appendices cover:
  - The impact of the pandemic on 2020 and 2021 applicants and entrants
  - A summary of the more recent analysis undertaken by the (former) HE Funding Council for England, especially relevant to the impact of changes in policy, particularly the 2012 reforms in England.

HE: THE STUDENT EXPERIENCE

The Quality Assurance Agency for Higher Education (QAA) Cymru published *Transitions into and within higher education: An exploration of approaches and good practice*, commissioned by Medr (the Welsh Commission for Tertiary Education & Research).

- From a review of successful GB practice and 14 Welsh case studies, five key themes were identified that support successful transitions:
  - Belonging: a strong sense of community improves student retention and wellbeing.
  - Skills development: early and integrated academic support builds confidence and capability.
  - Information: clear, inclusive and impartial information enables informed decision-making and enables realistic expectations.
  - Induction: structured and ongoing induction prepares students for their HE journey.
  - Peer mentoring: support from fellow students enhances social and academic integration.

TASO (Transforming Access & Student Outcomes in HE) published two new pieces of research exploring the effectiveness of different approaches to supporting student wellbeing.

- ***Improving student wellbeing using analytics*** involved randomised controlled trials at three universities to test: the use of learning analytics data – e.g. class attendance or use of virtual learning – to identify students with poor wellbeing; and the use of 'nudges' – emails or smartphone notifications – to improve the uptake of wellbeing support services.
- ***Evaluating wellbeing interventions with small cohorts*** summarises the findings of two theory-based evaluations of wellbeing interventions conducted with two universities.
- Key findings and recommendations:
  - There are limitations in repurposing learning analytics systems to identify students with poor wellbeing; low course engagement is not straightforwardly driven by poor wellbeing.
  - Emails or smartphone notifications to students prompted by analytics based on low student engagement had no measurable impact on subsequent academic engagement.
  - Wellbeing support activities that build relationships fill a vital gap for students who have a lower sense of belonging or who are at risk of dropping out.
  - HE providers should consider how interventions are targeted: targeting the right students should inform the intervention at all stages, from developing analytics and recruitment to maintaining engagement and tailoring the design of student support services.

Between 2016/17 and 2023/24, the number of UK undergraduates reporting mental health difficulties rose from 6% to 18%.

The Scottish Funding Council (SFC) published *Feelings of safety and sense of belonging in Scotland's tertiary education sector: A thematic review to support the national equality outcomes*, desk-based research based on published surveys plus focus group discussions with Students' Associations in both universities and colleges.

- Key findings include:
  - Safety and belonging are central to positive educational outcomes and experiences; they are interconnected and directly impact on both staff and student experience.
  - Those with protected characteristics face disproportionate barriers to belonging.
  - Students emphasised the importance of being respected, represented and supported; student belonging is strongly linked to relationships with staff, access to inclusive spaces, and participation in clubs and societies.

- Students in colleges also highlighted the importance of access to student support funding, physical spaces and support structures in relation to safety and belonging.
- Differences were observed between university and college experiences, particularly regarding basic needs and community-building.
- Institutions are progressing work on equality, diversity and inclusion (EDI) by implementing training, enhancing reporting systems and supporting staff/student networks; however, gaps remain around data quality, consistency and cross-sector sharing of effective practice.

- Six recommendations include: exploring mechanisms to better capture data on belonging in both the college and university sectors; institutions planning how they can improve, provide and promote a safe environment and sense of belonging for staff and students.

The Institute of Labor Economics (IZA) published *Predicting University Dropouts: Evidence on the value of student expectations and motivation*, based on a survey of 616 first-year business and social science degree students at Aarhus University, Denmark, and national administrative data of their educational outcomes over the following eight years.

- The survey and incentivised tasks recorded their economic preferences and behavioural traits, as well as study-related motivation, expectations and socioeconomic characteristics.
  - The study assessed which of these measures improve the prediction of dropout beyond the information typically available to a university, e.g. gender, age and high school grade point average (GPA).
- Overall findings include:
  - Previous academic performance (high school GPA) is by far the most important predictor.
  - Simple, self-reported measures of study expectations and motivation add substantial predictive value, most clearly for programme dropout and for institution dropout, mainly relative to models that use GPA alone.
  - Behavioural traits and preferences (e.g. self-control, grit, competitiveness) add little incremental value for predicting dropout once basic administrative information is accounted for.
  - Predicting grades and predicting dropout are different challenges, because dropout reflects additional margins (e.g. fit, constraints and persistence) that are not well summarised by broad trait series.
- Universities can therefore improve dropout predictions at low cost by augmenting existing administrative data with a handful of short questions about students' expectations and motivations.

QAA published *The Audit of Student Representation and Voice Practice*, the final report of a Collaborative Enhancement Project led by the University of Westminster, exploring the student representation practices at 78 HE institutions (HEIs).

- Key findings include:
  - All 78 HEIs are practising course-level representation, 62% school- or faculty-level representation, and 82% course- or module-level feedback surveys.
  - Course-level student voice surveys remain the norm, with 68% of providers conducting module-based survey evaluations, and 44% conducting both module- and course-level survey evaluations.
  - Student representation and voice activities are receiving appropriate resourcing (e.g. staffing) and institutional/strategic embedding.
  - Emphasis was placed on the need for training and 'teaching the university', i.e. training for students and staff involved with student voice and engagement.
  - Student representation practices vary considerably across the sector, with 54% of providers running elections, 26% practising self-nomination (without voting) and 12% processing applications with selection.
  - Practitioners are taking flexible and creative approaches to feedback formats, making the most of informal opportunities and maintaining dialogue, as well as supporting formal mechanisms.
  - There is a real commitment to ensuring a diversity of voices and approaches to gathering/representing diverse voices; however, practice to achieve this is varied.

The Higher Education Policy Institute (HEPI) published *Are students still 'woke'?*, a Policy Note based on findings from a 2025 poll of 1k full-time undergraduates on free speech issues and comparing them with similar polls in 2016 and 2022.

- Findings include:
  - 90% feel personally able to express their views without obstacle, 45% 'completely' and 45% 'somewhat'; however, 47% agree that universities are becoming less tolerant of a wide range of viewpoints, +23ppt on 2016.
  - 69% say 'universities should never limit free speech' (+9ppt on 2016/+8ppt on 2022) and 61% that 'academics should be free to research and teach whatever they want' (+16ppt/+18ppt).
  - Yet they are also typically more supportive of policies thought to impact people's freedoms; e.g. 70% support 'safe spaces' policies (+22ppt/+8ppt).
  - Only 25% agree 'all resources should be included for the purpose of academic study, regardless of content' (-22ppt/-9ppt).
  - 71% support the broad government approach in England, whereby institutions not only have to 'promote' free speech but are also monitored and regulated by a 'free speech champion' in England's Office for Students (OfS).

Advance HE published *Postgraduate Research [PGR] Experience Survey 2025*, comprising data collected February–May from 35,475 respondents in 93 institutions* (none in NI).

- Overall satisfaction was 83% (+2ppt on 2024) – the highest for ten years – rising to 84% for the 42% of respondents domiciled outside the UK and to 85% for those domiciled in Asia and in Africa.
  - The overall rate was 3ppt lower than for the *PG Taught [PGT] Experience Survey [see* Skills Research Digest *Q4 2025]*, however, there was progress across many of the aspects covered.
- The satisfaction rate for those reporting a disability was 74% (+2ppt) vs 85% of their non-disabled peers (no change).
  - The largest gap in satisfaction was in the extent to which the institution values and responds to PGR student feedback – 48% (-3ppt) for disabled students vs 66% (+1ppt) non-disabled.
  - The next two largest gaps were: feeling a sense of belonging – 55% (+2ppt) vs 68% (+1ppt); and feeling part of a community – 51% (+4ppt) vs 64% (+3ppt).
  - Across the survey, providing a sense of belonging and valuing & responding to feedback were the areas most strongly correlated with overall satisfaction.
- PGR students were most likely of all students to say they were impacted 'a lot' by financial challenges (34% vs 23% PGT and 27% undergraduate).
  - Among them, international students were particularly affected, particularly those from South America (48%), North America (43%) and Africa (42%) vs 31% UK.

**Since 2018, the survey has been annual, having previously been biennial; as a result, the number of participating institutions tends to alternate between ~60 and ~100, although some take part every year.*

***What drives postgraduate awarding gaps? Modelling master's degree outcomes* was published in *Oxford Review of Education*; it uses student-level data from the University of Leeds to address a 'scarcity of research' on postgraduate attainment gaps.**

- Overall, the biggest indicator of postgraduate success was prior academic performance.
  - Students who had gained a first/2:1 at undergraduate level were 4.1/1.4 times as likely to achieve a higher postgraduate classification as those with a third or a pass.
  - However, the relationship wasn't as strong or consistent as might be expected, suggesting that those with relatively weak undergraduate attainment could still expect to do well at master's level.
- 14% of Black students were awarded a 'pass' – the lowest postgraduate pass grade – vs 6% of white students; 26% attained a distinction vs 46% of white students and 30% of Asian students.
- Over-25s were more likely to achieve a distinction than their younger peers.
- The effect of factors such as sex, disability and full-time vs part-time study was 'non-significant', suggesting that previous policies to overcome differences had seen some success and the focus of such policies could now be elsewhere.
- There is a need for more research into PGT programmes, including on the student experience – the average tuition fee for a master's course in 2025/26 was £13,071, making it potentially discouraging for many, particularly if such awarding gaps persist.

HE: WIDENING PARTICIPATION

HEPI published *Scaling Opportunities*, examining the structural inequalities that shape progression to HE, drawing on analysis including from the Higher Education Access Tracker and Uni Connect.

- The report argues that HEIs should move from late-stage adjustments to long-term, preventative outreach, thinking about *'what works, for whom, in what context and why'*.
- Students who participate in an intensive outreach package are 29% more likely to enter HE than their matched peers who receive minimal outreach and 19% more likely to enter a high-tariff HEI.
  - Students eligible for free school meals (FSM) are up to 38% more likely to progress to HE vs similarly disadvantaged peers, underlining the potential of sustained engagement to narrow long-standing socioeconomic gaps in progression.
- Interventions must begin before Key Stage 4 (age 16) attainment gaps are entrenched and before subject choices restrict future options; to shift from 'cure' to 'prevention', it recommends:
  - Expanding and scaling sustained contact programmes, beginning engagement between Year 7 and Year 9 at the latest and maintaining support through to sixth form.
  - Greater collaboration between HEIs, local authorities and national programmes to target cold spots and maximise value for money.
  - Recognition of access and participation as a national responsibility, supported by stable, multi-year funding for collaborative schemes such as Uni Connect.
  - Stronger and more rigorous evaluation of widening participation interventions to establish clearer causal links between outreach and progression outcomes.

England's OfS published *AI and data science postgraduate conversion course [PGCC] scholarship programme – Evaluation: Third interim report*, by the Careers Research & Advisory Centre.

- The programme has three core objectives: increase diversity among graduates entering the UK AI and data science workforce; increase the supply of digitally skilled workers by supporting graduates in non-STEM subjects ('conversion students'); and increase industry support to diversify the sector.
  - Phase 2 (2023 to 2025) expanded the programme, with an emphasis on targeting scholarships at under-represented groups and scaling up provision across providers and courses.
- 1,635 scholarships were funded for UK-domiciled students eligible for a Postgraduate Master's Loan, prioritising women, Black students, disabled students and those from lower socioeconomic backgrounds.
  - They studied on 70 AI and data science conversion courses, which make up about 33% of all MSc offerings in these subjects in England.
- 4,460 students enrolled in 2024/25, bringing the total enrolments funded by the programme to date to 8,710 and a cumulative total of at least 16,314 across both phases; 810 out of a target of 818 scholarships were awarded.
  - 41% of PGCC students were women vs 33% on master's-level AI/data science courses outside the programme; 10% reported a disability (vs 6%); scholarship recipients were even more diverse across all priority groups.
  - Over 50% of survey respondents had secured a new job, a job offer or a doctorate; 33% were still seeking a position; most new roles were in AI or data science.
- Providers anticipate that the courses will continue, as they are increasingly embedded and enrolments remain healthy.
  - Many are introducing new models, such as wholly online and part-time variants, and developing new modules to support students from non-STEM backgrounds.
  - However, with government-funded scholarships now ended, most providers expect very few scholarships to be offered in future, largely due to financial constraints.
- Industry support has been largely in-kind, such as mentoring and placements, with only a small number of industry-funded scholarships pledged, and further decline in the most recent year of the programme.
  - A fuller assessment of industry involvement will be provided in the final report due in 2026.

GRADUATES & GRADUATE EMPLOYMENT

England's OfS published *Preparing for the next steps after higher education: Student insight report*, based on a survey of 1,671 recent graduates from HEIs in England and focus groups with 18 graduates.

- 62% felt confident about achieving their goals after graduation but only 50% felt prepared for life after graduating.
- 88% said that institutional support had helped them prepare: only 33% had used the career service but far more had used specific elements, e.g. careers fairs (72%) and help with CVs and applications (71%); this was possibly due to the extent of careers support not being widely understood.
- 58% had found informal support useful vs 50% for formal support.
  - 69% had found support about next steps from family and friends useful, with this more likely among those who had a parent with an HE qualification.
- Those who had undertaken work placements or other opportunities to develop professional connections felt better prepared than others, as did those who had completed their HE studies at an FE college.
  - This could be due to the vocational nature of college study, the emphasis on employability or next steps and/or the strong connections colleges have with local employers.
- Focus group participants suggested: improving the visibility of careers support; expanding integrated work placements, industry guest sessions and alumni mentoring opportunities across all subjects; and offering careers guidance tailored to subject and stage of learning.

The Graduate Futures Institute (GFI) *[formerly the Association of Graduate Careers Advisory Services (AGCAS)]* **published the first two issues of a new *Quarterly Data Barometer*, based on a survey of 91 GFI members, focusing on different aspects sector-wide.**

***Q1 25/26: Careers education, information, advice and guidance*:**

- In 2024/25, over 215k students attended one-to-one careers guidance appointments; 1m completed a careers registration or readiness survey; and over 160k used an online CV checker.
  - 950k accessed careers information online, while careers events attracted 386k unique attendees, with in-person events remaining more popular than online.
  - 211k graduates received support; much of this support is available after graduation, with the vast majority offering over two years of postgraduate support and 45% offering lifetime support.
- 94% of careers services use AI in back-office operations, student-facing services or both, mainly to improve accessibility and service efficiency (both 72%).
- Employability is now a university-wide priority, involving academics, researchers and all stakeholders, as well as careers services.

***Q2 25/26: Work-based learning [WBL] and part-time employment while studying*:**

- In 2024/25, 29% of universities offered a WBL guarantee or promise that all their courses would integrate e.g. placements, sandwich years, live employer/client projects, volunteering or on-campus work experience.
  - 386,870 students were enrolled on courses with optional or mandatory sandwich years; an estimated 337k students completed a WBL activity of less than one academic year.
- WBL is still fundamental and highly valued where there is no institutional guarantee.
  - Some WBL takes place independently and may not be captured in university systems, including virtual work experience, e.g. that provided by Springpod.
- In 2024/25, 43% of universities offered a bespoke student 'job shop' or service to help students find **part-time work**; 55% offered support via their careers and employability service/team.
  - Compared to home students, lower proportions of international students were working part time alongside their studies.

The organisation's rebranding signals a commitment to supporting a broader mission. Other barometer themes planned include: integrated employability; employer engagement; and enterprise and entrepreneurship.

Prospects Luminate published *Know Your Strengths: A micro-module for distance and flexible learners*, describing an addition to the University of London's online-only careers service.

- Know Your Strengths micro-module (KYSMM) is a self-directed learning experience designed by careers experts to enable students to: discover and explore their strengths, learnt behaviours and weaknesses using GenAI; and augment their unique human strengths.
- It was designed with the principles of CAST's Universal Design for Learning framework; it is self-directed and based on principles of self-assessment using a research-informed metric.
  - It has four sections: introduction to strengths; human strengths in an AI-augmented world; strengths-based recruitment; and building resilience with strengths awareness.
- GenAI is positioned as a critical friend or assistant, with clear discussion of its role as a means of enhancing rather than substituting human skills and strengths.
  - Students are encouraged to use GenAI to build on their strengths, reflect on learnt behaviours and find ways to mitigate areas of weakness.
- KYSMM is also informed by literature in the field of psychology, using traditional western psychological theories such as growth mindset, and theories on wellbeing from around the world.
- Launched in October 2025, it has already had 11k+ student interactions with module activities; the plan is to integrate it into academic programmes.
  - In a very small-scale evaluation: 89% said KYSMM helped them discover and explore their strengths in an AI-augmented world; 95% said it will help them leverage their strengths in future strengths-based recruitment practices; and 95% said it helped them recognise how awareness of these strengths can enhance their wellbeing, resilience and professional development.

High Fliers Research published *The Graduate Market in 2026*, its annual study of graduate vacancies and starting salaries at 100 leading UK graduate employers in December 2025.

- Employers reduced their graduate recruitment in 2025 by 5.1% from 2024, and 44% of employers recruited fewer graduates; graduate employment is at its lowest for 11 years.
  - Recruitment fell in ten of the 15 key industry and business sectors.
  - The biggest drops in vacancies were in oil & energy (-56.4%), chemicals & pharmaceuticals (-48.6%), consumer goods (-15.5%) and retail (-14.8%) companies.
  - Consulting (+31.9%), technology (+9.0%) and media firms (7.2%) and investment banks (+5.1%) were the only employers to expand graduate recruitment.
- Together, employers anticipate hiring 0.5% fewer graduates in 2026 than they recruited in 2025, taking graduate recruitment to its lowest level since 2012.
  - 34% of employers are planning to increase their graduate recruitment, 35% to recruit the same number as in 2025, but 31% are likely to hire fewer graduates.
  - Recruitment is expected to increase in eight sectors, including banking & finance, technology and public sector, but reduce in six sectors, including retailing and accounting & professional services.
- Applications for graduate vacancies increased by an average of 28% in 2025–26.
- In 2025–26, employers are actively targeting 23 universities on average (down one from 2024–25); the top five are Manchester, Birmingham, Nottingham, Warwick and University College London.
  - Interestingly, the list of targeted universities bears little resemblance to *The Times & Sunday Times Good University Guide 2026* – e.g. Birmingham, Manchester and Nottingham are ranked 16th, 27th and 30th respectively.
- For the first time in four years, graduate starting salaries at the UK's leading graduate employers are not expected to increase, remaining at a median of £35k for 2026.

Prospects Luminate published a series of articles expanding on data from *What do graduates do? 2025/26* *[see* Skills Research Digest *Q4 2025]**.***

- ***Digital skills for non-STEM and non-tech graduates*** provides a rundown of the skills that all graduates need.
  - **Self-awareness and confidence**: identifying abilities through tools such as Jisc's *Discovery Tool*; and learning about ethical, legal and responsible use, e.g. through an online course.
  - Engaging in **tools relevant to their learning, development and employability aims**: university digital and study skills support, including for virtual learning environments; university library guides outlining resources for subject-specific tools; technologies relevant to individual

postgraduation aims – e.g. research tools – or using learning platforms to gain subject-specific expertise; and for students with disabilities, engaging with learning support and neurodiversity teams to identify relevant assistive technologies.

  - Exploring relevant **creative and innovative technologies**: tools to support digital content creation, including with AI; coding skills, such as those offered by the Institute of Coding; and digital projects, e.g. producing blog posts or appraising technologies as part of their studies.
  - **Information and data literacy**: engaging with university library teams to find and appraise sources; and gaining skills in spreadsheets, dashboards and databases through Microsoft Learn.
  - **Skills in virtual collaboration**, gained through: online modules that expose them to workplace technologies such as Zoom; and virtual internships and projects through experiences such as Bright Network Experience UK, ProjectSet or Forage virtual internships.
  - Ownership of **digital identity and wellbeing**: creating a professional identity through LinkedIn or digital portfolios; and taking responsibility for safety and wellbeing when using digital tools.

- ***Reaching students who are disengaged with careers services*** explores what services can do to remove barriers to engagement for widening participation students, using the results of focus groups run at the University of South Wales.
  - Participants echoed research showing that widening participation students often have: limited awareness of services; competing time pressures, including part-time employment; and a perception that services are 'not for them', e.g. finding booking systems intimidating.
  - Practical recommendations: tailor communication to campuses and cohorts, with clear headlines and visual design; diversify outreach through shortform video on social media; collaborate with academics to embed employability into timetabled sessions; expand peer-to-peer mentoring to normalise careers engagement; streamline booking systems and increase appointment availability.
- ***The importance of student placements in transitioning to the workplace*** explores new ways of thinking about student work experience, going beyond the classic 24–48 week model undertaken between or after different levels of study, for example:
  - Consultancy projects, working on employer briefs
  - Semester-long placements incorporating work on a credit-bearing module that involves real-life business projects, with scheduled study days agreed with the employer.

The Resolution Foundation published *The long shadow: How childhood disadvantage depresses the earnings of university graduates in England*, based on Longitudinal Education Outcomes (LEO) data tracking 520k graduates in England born between 1986 and 1989.

- Although HE is a key route to upward mobility, graduation alone doesn't level the playing field:
  - Graduates who experienced deep poverty in childhood earn around 13% less than their better-off peers a decade after graduation.
  - This is in part due to differences in the universities attended, subjects studied, degree outcomes achieved and the employers worked for.
  - But even comparing graduates who finished university with the same degree and ten years later worked for the same employer, there is a pay penalty of 5%.
- Graduates who were disadvantaged in childhood climb the job ladder, moving from lower paying to more similarly-paying employers than their better-off peers; this helps narrow the gap slightly over their first decade in the labour market.

The Productivity Institute published *Working in an Immaterial World: Intangible assets and the supply and demand for skilled labour*, exploring the relationship between technology and the graduate premium in a world characterised by the increasing importance of intangible assets.

- Analysis of the UK, the US and six large European countries finds that, over the period 1995 to 2019, the graduate wage premium declined, particularly after the mid-2000s.
  - The decline was mainly explained by the increasing supply of workers educated at tertiary level.
- Information & communications technology (ICT) consistently complements high-skilled labour, an effect that intensified at the end of the period, while the role played by other intangible assets differed depending on the asset type.
  - In the most innovative sectors – AI creating industries – innovative properties strongly complemented skilled labour and the effect intensified after 2005; in the rest of the economy the two assets that drove the wage premium were ICT and economic competencies.

The University of Glasgow published *Humanities World-Changers Report: The Impact of Glasgow Humanities Degrees on our Graduates' Lives and Work*, based on a survey in 2025 of Glasgow alumni who graduated with humanities degrees between 1971 and 2025.

- Survey questions related to: graduates' career trajectory and salary; how the skills, knowledge and experience they gained during their degree had informed their professional lives; their life journey; and how their degree had shaped their ethics, sense of self, worldview and their lives beyond work.
- Findings highlight the value of humanities degrees across employment, skills and global citizenship:
  - Flexibility to move across a wide range of career sectors, supported by the adaptable skills developed via their studies; alumni reported careers across 24 sectors.
  - Long-term professional success – 88% of alumni reported an upward career trajectory, and 90% with jobs at mid-, senior or executive level.
  - High levels of personal fulfilment in careers – 92% said they had found meaningful employment in both their current and most recent roles.
  - 77% identified transferable skills as a key benefit of their studies, e.g. written and verbal communication, critical thinking and problem solving, analytical skills, independent thinking, curiosity, open-mindedness and self-reflection.
  - Beyond their professional career, these skills facilitated engagement in e.g. further study, training, research, freelancing, self-employment, running a business, volunteering or caring.
  - 68% said their studies had a transformative impact on their personal development and values.
  - 87% felt their degree had helped them make a full contribution to society, with ethical and social awareness and open-mindedness as defining attributes, enabling them to understand diverse perspectives.

HE: TEACHING, RESEARCH & INSTITUTIONS

HEPI published *Making Metrics Matter: A more ambitious approach to tackling racial inequity in higher education*, a Debate Paper drawing on new analysis of 2023 Teaching Excellence Framework (TEF) results.

- High performance on headline metrics can mask serious inequities; seven TEF Gold institutions had Black degree-awarding gaps exceeding 25ppt, while over 50% of Gold and Silver providers significantly under-recruited Black academics.
- A possible system for identifying institutions with significant inequity in student outcomes or staff representation, would involve allocating a 'flag' for each of eight student outcomes and four demographic representation indicators.
  - Different models could be used to relate these flags to TEF ratings; under one scenario, ~20% of Gold and Silver providers would see their TEF rating change.
- In England, the OfS and the wider sector should take bolder action; Access & Participation Plans have raised awareness but lack the reputational clout of TEF ratings.
  - Incorporating inequity and under-representation more directly into the TEF would send a clear signal that racial disparities are unacceptable in a system that claims to champion excellence.

Universities UK published *5 Principles to Maintain and Enhance Quality in Challenging Times*, an article by the Quality Council for UK highlighting how significant financial challenges could act as a catalyst for transformation and innovation in HE teaching and learning.

- Key challenges include: balancing long-term investments (e.g. in technology) against short-term needs; maintaining student choice despite fewer staff members; meeting student expectations and prioritising the student experience; ensuring teaching is research-led; maintaining effective governance for quality while financial matters take board precedence; and managing staff capacity and morale.
- Five common principles for providers to consider across the four UK nations:
  - Students at the centre: focus efficiencies on what matters most to students, working with them to create solutions.
  - Recognise and build a culture that enables change: provide opportunities for meaningful input and consultation with staff; solutions should explicitly address the need to be creative within the twin imperatives of quality enhancement and cost management, drawing on support from stakeholders.

- Use data to guide decisions: identify trends in student engagement, attainment and feedback to evaluate the impact of changes and respond quickly.
- Maintain trusted external standards: retain external reference points and standards across all levels of quality assurance.
- Partner with regulators, including professional, statutory & regulatory bodies, to identify where regulation can be streamlined and innovation can be co-developed.

The item includes two examples of practice from Bangor University and Queen's University Belfast.

Jisc published *Tackling technical legacy in UK higher education: a strategic imperative*, a briefing paper based on interviews, workshops and analysis.

- The accumulation of outdated, disconnected and highly customised systems is a critical, sector-wide issue that must be tackled.
  - Technical legacy affects essential systems across institutions and shapes how universities operate; it reflects decades of incremental decisions and complex policy and funding environments.
  - Annual sector costs are estimated at £2b–£4.7b, driven by duplication, maintenance requirements and increased staff effort.
  - Fragmented systems heighten security exposure and constrain the adoption of AI and other modern capabilities.
  - Student experience and research productivity are affected by disjointed processes and proliferating tools.
  - Staff productivity is reduced by manual workarounds and the need to sustain complex, heavily customised systems.
- Opportunities for progress across three key groups:
  - **Universities**: recognising technical legacy as a strategic, executive level priority; developing long-term digital, data and technology strategies; monitoring technical legacy as an organisational risk; and improving centralised oversight of digital research infrastructure.
  - **Sector bodies**: developing shared assessment models, legacy proofing plans, costing methodologies and professional skills frameworks; coordinating strategic vendor management and collaborative solutions; and aligning efforts across existing national initiatives.
  - **Policymakers, funders and regulators**: creating the conditions for scalable, shared digital services; reducing policy and regulatory complexity; and supporting momentum on flexible research funding and collaborative digital research infrastructure.

Jisc is to convene stakeholder groups to address the issues raised.

SPICe (Scottish Parliament Information Centre) published *The impact of tightening finances on Scotland's universities on potential root causes, the impact on students and staff, and how the sector might move forward, based on a literature search, data analysis and interviews.**

- Contributory factors to the financial crisis include:
  - A frozen fees regime that has created a widening gap between the true cost of provision and regulated income
  - Real-terms reductions in public funding
  - Escalating costs (staff pay, pensions, energy, compliance and estates) outpacing income
  - An over-reliance on fragile international student fee income, arising from unstable geopolitical and policy shifts
  - Structural weaknesses in financial resilience and governance at a subset of institutions.
- The challenges are not temporary; while efficiency gains are necessary, they would be insufficient to close the gap, warranting an 'urgent, carefully considered response'.
  - If the present trajectory continues, Scotland is likely to see a hollowing out of university capacity with long-term, and in some cases irreversible, damage.
  - The immediate effects such as job losses, programme closures and degraded student choice may even cascade into reduced research productivity, fewer PhD completions, loss of innovation and spin-offs, and diminished global standing.
  - The withdrawal of university spending could have persistent negative spill-overs onto local labour markets, SMEs, housing and services, and talent flight of experienced academics and early career researchers may erode institutional reputation and future recruitment.

- Access and equity are also deemed at risk if financial pressures shift provision away from the widening participation agenda.

- Key considerations and recommendations to restore financial sustainability include:
  - HEIs should strengthen governance through regular external reviews and data-driven financial management, while embracing radical transparency.
  - HEIs to continuously and pragmatically review their programme portfolios to protect research-led teaching while removing duplication and diversifying funding through industry partnerships and commercialisation activities.
  - Scaling online and hybrid delivery are a vital consideration to: reduce costs; protect doctoral supervision and priority research areas; and cultivate a coordinated international recruitment strategy to help sustain diversified income streams.
  - Government to look at establishing a standardised financial management framework with multi-year funding settlements to restore real-terms value in teaching and research grants while preserving free tuition for Scottish-domiciled undergraduates.
  - Scottish Parliament to revise fee mechanisms with equity safeguards, leading cross-institutional collaboration through joint procurement and regional centres of excellence, and formalising permanent dialogue.
  - Present a clear and strong message that Scotland welcomes global talent, to continue attracting international students, researchers and staff to study and work in Scottish HEIs.

**The briefing is by two researchers involved in the SPICe Academic Fellowship Scheme.*

HEPI published *Preparing for Populism*, a Debate Paper arguing that public patience with universities is wearing thin as populist sentiment rises.

- The HE sector's biggest problem is not money but trust: universities have fallen into a complex, dull and defensive public debate, focused on economic contributions and graduate earnings.
  - This risks looking selfish, tone deaf and insular at a moment of peril.

- Universities need to engage across the political spectrum, including with parties sceptical of HE, not to endorse them but rather in the spirit of democratic realism and pluralism.

- A three-part framework for reconnecting universities with political sentiment:
  - **Instrumental legitimacy**: doing the core roles of teaching and research well and explaining them clearly
  - **Relational legitimacy**: connecting to the need for national renewal, grounded in an appeal to common sense
  - **Moral legitimacy**: playing by the rules while helping shape better ones.

HEPI published *'We believe this is the way to do it': Exploring the City St George's merger*, offering rare insight into how large-scale institutional consolidation unfolds and a blueprint for policymakers and institutional leaders considering similar responses to current challenges.

- It distils lessons from senior leaders for a sector increasingly confronting financial pressure, workforce demands and structural reform, providing grounded guidance on shared services, strategic alliances or full mergers.

- Long before legal consolidation, there needs to be: clear governance; phased milestones; rigorous due diligence; shared financial planning and investment in professional change management; support for students' unions; and decisions anchored in academic purpose.

- It shows that cultural integration takes time, that uncertainty affects staff and students deeply and that academic purpose must remain central even amid operational strain.
  - It also illustrates how strategic fit can translate into enhanced scale, interdisciplinary opportunity and societal impact.

Edge Foundation published *Becoming Universities: The Progress of England's New HEIs*, exploring the real-world experiences of students and staff at seven HEIs that have come into existence over the last five to ten years.

- The HEIs are reshaping what university looks like, offering exam-free assessment, block teaching and personalised learning that students say better prepares them for work and life.

- The sector is ambitious, experimental and student-centred, yet increasingly constrained by regulation, recruitment challenges and pressures to scale.
- As they mature, their ability to preserve personalisation, applied pedagogy and their distinct practices at scale will be central to their long-term impact.

The European Commission published *Community for Educational Innovation* [CEI]: From research to impact – Bridging the innovation gap in higher education*, exploring how HEIs and research organisations implement 'knowledge valorisation' strategies to turn research into solutions for diverse societal challenges.

- 'Knowledge valorisation' is: 'the process of creating social and economic value from knowledge', connecting different areas and sectors, and transforming data, know-how and research results into sustainable products, services, solutions and knowledge-based policies that benefit society.
  - The process requires a whole-of-institution approach, rather than isolated actions.
- Key findings include:
  - Institutional support services that assist researchers in translating knowledge into impact work best when they are coherent, visible and integrated across the research lifecycle.
  - Partnerships with non-academic stakeholders that facilitate co-creation and innovation uptake are essential.
  - Capacity building to provide individuals and organisations with the necessary skills, mindsets and conditions for ongoing valorisation depends on people and capabilities.
- Examples from practice show how HEIs can embed valorisation into curricula and career development.
  - They offer training in intellectual property (IP), leadership and mentoring for new researchers, ensuring that research investments yield maximum societal value by equipping individuals with motivation and networks.
- Policy recommendations include:
  - Embed practice-based learning (case clinics, negotiation simulations, template use).
  - Make knowledge valorisation outcomes visible and measurable in progression, alongside research and teaching.
  - Ensure continuity beyond project end, especially for high-risk, long-cycle deep tech.
  - Prioritise thematic challenges aligned with regional needs.

**CEI is an Erasmus+ programme involving over 1,400 members from 96 countries, providing a platform for peer learning and policy dialogue.*

The National Centre for Universities & Business (NCUB) published *Skills and talent 2025: Key policy shifts in 2025*, considering the three main drivers of reform – government priorities, the supporting ecosystem and policy levers – and reflecting on universities' and businesses' ability to respond.

- NCUB also published *Research and innovation: Key policy shifts in 2025*, on the changes introduced since the UK Government identified research and innovation as a 'critical strategic asset for driving economic growth', and what the changes mean for universities, businesses and their collaboration.

The British Council published *5 Trends to Watch in 2026: East Asia Insights*, spotlighting a number of shifts in the international education landscape that bode well for UK HEIs.

- **The race to integrate AI into UK HE** will accelerate, and demand for AI programmes in the UK will continue to grow even as overall mobility declines.
  - The UK offers more AI-focused degree programmes than other major host destination countries and is also home to a number of world-class AI research centres and leading AI companies; international enrolments in UK AI programmes are surging.
- **The decline in international enrolments in the US** will accelerate, with December enrolments down by 17k on the year due to anti-immigration policies.
  - The overall 'pie' of international students in major English-speaking destination countries may be shrinking, but declining US enrolments present an opportunity for UK HEIs to attract more STEM students who usually prefer the US.

- **South Asia will be the most important growth market** for UK education through both increasing visa issuances and transnational education (TNE) programmes.
- **China's support for TNE will remain**, with a spike of new approvals in 2025; the Government is seeking to increase internationalisation of its HE sector and attract greater numbers of foreign universities amid rising geopolitical tensions.
- **Intra-regional mobility in East Asia** is here to stay, driven by improving provision, lower costs and geographic proximity; for the UK, this is both a challenge and an opportunity.
  - It will limit student mobility to the UK, but a significant number of students will seek a UK degree offered by a TNE programme; HEIs that shift from recruitment to lasting partnerships will benefit.

AI IN HE

The OECD published *Digital Education Outlook 2026: Exploring Effective Uses of Generative AI in Education*, identifying areas of student learning, teacher performance and system and institutional management, in all stages of education *[not only HE]***, where the benefits may outweigh the risks.**

- **Enhancing student learning**:
  - Tutoring is one of the most striking examples, with GenAI able to: hold flexible, personalised conversations; adapt explanations and language to individual learners' needs; and even using Socratic questioning to develop subject knowledge, critical thinking and reflection.
  - There is some evidence of large improvements in critical thinking and teamwork when it supports collaborative learning by: acting as an information hub; generating materials to support group work; providing feedback to teachers; and acting as a peer contributor in group tasks.
  - It may also support creativity, particularly when used to support iterative exploration and reflection; however, it can also undermine creativity by reducing original thought.
- **Augmenting teachers' performance**:
  - GenAI is already quickly writing summaries, designing exercises and offering real-time tutoring support; however over-reliance could lead to the loss of skills and teaching expertise.
  - Using AI for task replacement can lead to loss of teacher–student interactions; complementarity is better, pairing human judgment with machine efficiency; augmentation is the most effective, with teachers and AI working in tandem, critiquing and refining each other's outputs.
  - Early evidence suggests that educational GenAI tools can improve online tutoring quality, especially for less experienced teachers; yet motivation, relationships and social-emotional learning remain inherently human responsibilities.
- **Improving system and institutional management**:
  - GenAI can enable new forms of classification and recommendations, with large-scale pilots showing high predictive accuracy and efficiency gains, although human–AI collaboration remains a must.
  - In terms of high-stakes standardised assessment, it can generate exam items at scale and design more authentic tasks.
  - It is also having a notable impact on research, accelerating hypothesis generation and experimental design; in education research, AI-generated synthetic datasets could expand research possibilities and feed back into policy and practice.

WonkHE published *Trained to stop learning? How students are experiencing assessment and learning in an age of AI*, research based on a survey of 1,055 students from 52 HEIs across the UK and focus groups with student representatives in February and March 2026.

- AI has widened an existing gap between students submitting work and understanding it, and assessment design is making it wider.
  - Almost 50% worry their grades don't reflect what they know, and 38% admit submitting work they couldn't fully explain; however the strongest predictors are assessment design features, not AI use itself.
- AI use is not one thing and treating it as one thing has left students without useful guidance.
  - Students describe at least six distinct modes of AI use, from search replacement to production acceleration, each with different relationships to learning and different ethical implications.

- Students routinely move between modes on the same assignment, meaning any policy that treats AI use as a single behaviour will misfire.

- Students know what properties genuine assessment should have, are rarely experiencing them and have designed their own alternatives.
  - Only 21% feel their course primarily rewards thinking and reasoning; students across disciplines agree assessment should show individual understanding, application, accountability and developmental feedback, and many have designed specific alternatives.

- Students who know they will need to demonstrate understanding in person use AI to self-test, interrogate answers and check their reasoning.

- The relationship between AI and learning differs fundamentally across disciplines, e.g. creative arts, computing, healthcare and humanities; a blanket institutional policy cannot account for this and a uniform policy will misfire.

- AI policy is present in almost every institution and functional in almost none – and AI declarations may be making things worse.
  - Students report tiered frameworks, declaration forms and module-level guidance that varies between tutors on the same programme, and none of it specific enough to tell them how to approach an assignment.
  - The costs of unclear AI policy fall hardest on students most trying to comply – some have received lower grades for cautiously avoiding tools they couldn't confirm were permitted; meanwhile, the heaviest AI users face no equivalent burden, and 59% worry AI could reduce their critical thinking.

- Women are far less likely to use AI for assessment, and many have anxiety about AI disadvantage without using it themselves.
  - The gender gap in AI use is over 20ppt, the largest demographic difference, and does not disappear when controlling for other factors.
  - 74% of non-users who worry about competitive disadvantage are women.

- Students with dyslexia, ADHD and related conditions say AI is the most effective cognitive support they have encountered, often more useful than any formal university adjustment.
  - Blanket AI restrictions risk removing this support in a context where the formal system has demonstrably failed to provide an equivalent.

- Feedback routinely arrives after students have started the next assignment, thus breaking the developmental function of assessment and driving students towards AI.

- AI is compensating for gaps in provision, e.g. inadequate library search, unclear briefs, inaccessible teaching and slow academic support.

- Time poverty is a structural driver of AI adoption that students are told is a moral or commitment failing.
  - Students managing paid work, caring responsibilities and unrealistic reading loads describe AI as the most efficient tool available for work they cannot bring themselves to care about.

- Students who feel they 'belong' are markedly less likely to use AI for assessment, because their course already provides what AI substitutes for.
  - Peer learning is a reliable route to genuine understanding and a largely untapped resource.
  - Where belonging is absent, students see their course as a production line and reach for AI accordingly, making the absence of resourced peer learning a structural driver of AI adoption.

HEPI published *Student Generative AI Survey 2026*, its third annual report in partnership with Kor text, based on a survey of 1,054 full-time UK undergraduates.

- 95% of students report using AI in at least one way (+3ppt on 2025), 94% say they use GenAI to help with assessed work (+6ppt).
  - They increasingly use AI for core academic tasks, mainly explaining concepts, summarising material and structuring ideas.
  - Many will be encouraged or required to use it in assessments as providers pivot to teaching and assessing AI skills; however, the proportion directly including AI-generated text in assessed work has risen to 12% (+4ppt; and +9ppt on 2024).
  - 51% said they had used AI while at school (+7ppt).

- 65% say assessment has changed significantly in response to AI; some are anxious about false accusations of misconduct.
- 49% believe AI has improved their student experience, particularly by saving time, improving understanding and providing instant support.
  - A minority feel it has worsened their experience, citing concerns about fairness, skill erosion, social isolation and future employment.
- 15% report using AI for companionship, advice or to address loneliness.
- 68% believe AI skills are essential to thrive in today's world, yet only 48% feel their teaching staff are helping them to develop these skills for their future careers; arts & humanities students are particularly likely to feel under-supported.
- Results suggest a somewhat polarised AI landscape:
  - 37% agree that their institution encourages AI use, while 36% disagree (39% in Russell Group institutions agree, +13ppt).
  - 20% feel that AI makes them feel lonelier, while 21% feel less lonely.
  - 33% lean towards using traditional sources, 29% an equal balance of sources and 37% AI sources.
- Overall, it suggests that, for some students, AI frees up time for deeper learning and critical thinking; for others, it risks becoming a crutch; HE providers have a crucial role in ensuring AI enhances learning rather than diminishing it.
- Recommendations include:
  - Provide structured AI induction and transition support for all students.
  - Explicitly teach AI knowledge and skills, at both general and subject-specific levels.
  - Publish clear, accessible and assessment-specific guidance on AI use.
  - Ensure AI tools for course content/assessment are accessible to all.
  - Ensure staff have access to AI training and time to invest in developing their own skills.

Jisc published *Accessible Digital Futures: Opportunities for digital and AI transformation in Higher Education – Project report*, following national workshops delivered with the Glenlead Centre, examining the barriers to accessibility across UK HE.

- Barriers identified include:
  - **Technical**: tools designed with accessibility as an afterthought or not for an educational audience
  - **Institutional**: skills shortages; unclear and inconsistent policies; limited resources
  - **Regulatory**: lack of training and awareness of evolving regulation; a lack of enforceable frameworks
  - **Market**: vendor monopolies; weak incentives for accessible design.
- Both the transformative potential of emerging technologies and the urgent need for coordinated sector leadership are highlighted; recommendations around three core themes include:
  - **Student-centred collaboration and sector capability building**: shared spaces for cross-sector collaboration; students embedded as partners in technology design; improved clarity around institutional responsibilities for accessibility; and investment in digital and AI upskilling for all.
  - **Collective influence through procurement and standards**: education, industry and policymakers collectively develop and implement sector-wide accessibility standards; collective buying power used to incentivise accessible design via consortiums; and British accessible EdTech supported.
  - **Research, foresight and anticipatory intelligence**: scenario plan for emerging technologies; build a shared evidence base for accessibility practice; and strengthen international intelligence sharing.

HEPI published *Being indispensable: Capabilities for a human–AI world, the 'FUTURES' framework*, highlighting the opportunities and risks of widespread AI adoption and offering a practical model to help institutions translate high-level AI ambitions into day-to-day practice.

- The framework comprises seven domains of capability in the AI-enabled world and is for use in all disciplines, including humanities, where GenAI's implications are often underestimated or dismissed.

- The seven domains are:
  - **F**luency in AI and digital systems
  - **U**nderstanding self and wellbeing
  - **T**echnology ethics and responsibility
  - **U**nderstanding others and social intelligence
  - **R**esilience and adaptability
  - **E**merging technology awareness
  - **S**ociety and professional engagement.
- For each, the framework provides a set of 'foundation', 'developing', 'proficient' and 'exemplary practice' skills, with evidence or examples for each one.
- Recommendations include on: staff professional development; and embedding AI in curricula.

HEPI published *Using Artificial Intelligence (AI) to Advance Translational Research*, a Policy Note with Taylor & Francis, exploring the potential of AI to accelerate the journey from scientific discovery to real-world application.

- AI could accelerate translational research by enabling faster analysis of large and complex datasets, supporting knowledge synthesis and improving links between disciplines.
  - However, the availability and quality of such datasets remain uneven, limiting the ability of AI tools to support research translation in some fields.
- Access to AI skills and expertise is increasingly important and building this into interdisciplinary frameworks will be a key component of driving translational research.
- AI can improve the accessibility and visibility of research, including through plain-language summaries, semantic search – using concepts and ideas, not simply keywords, to give a more accurate result – and new formats aimed at audiences beyond academia.
- There are clear risks associated with AI use, including challenges around reproducibility, bias, deskilling, academic integrity, IP and accountability.
- Recommendations to ensure AI supports high-quality and responsible translational research:
  - Set clear expectations for the responsible use of AI, including alignment with guidance such as the UK Research Integrity Office's *Embracing AI with Integrity*.
  - Invest in trustworthy and ethical AI, including work to improve transparency, reduce bias and support reproducibility.
  - Strengthen support for interdisciplinary research, including better recognition of team-based work and clearer routes to access AI expertise.
  - Support shared and open AI research infrastructure to reduce duplication and make researcher-developed tools more widely available.
  - Encourage data sharing and reuse, alongside investment in infrastructure that supports secure and responsible access to data.

The Workplace

RECRUITMENT

Hays published *UK Salary & Recruiting Trends Guide 2026*, drawing on a survey of 5,136 employers and employees in August–September 2025, including over 300 in NI.

- **Employees**: 62% (61% in NI) were planning to move jobs in 2026, up from 57% (52%) in 2024.
  - Only 37% (36%) felt positive about their career prospects for next year, down from 43% (45%).
  - 48% (53%) believed there was no scope to progress their career in their current organisation.
- When considering a new role, key asks – in order – were: a positive work atmosphere; a strong benefits package; job location; and career development opportunities.
  - 53% (53%) would accept a lower paid role for better work–life balance; 22% (21%) a greater sense of purpose; and 16% (14%) improved wellbeing support.

- **Employers**: 74% were planning to hire in the next 12 months (unchanged from 2024) – 70% permanent staff; 27% contract, freelance, interim or temporary workers.
  - 58% cited recruiting the right talent as the key external challenge.
  - Talent retention (57%), skills shortages in current teams (51%) and managing change (46%) were other key concerns.
- 93% had experienced skills shortages in the last 12 months (unchanged); this negatively impacted productivity (55%), employee morale (42%) and the ability to take on projects (37%).
  - The main causes of skills shortages included: low salaries or unattractive benefits (38%); high competition for talent across industries (37%); low interest from younger generations in their sector (29%); and a lack of industry-relevant education or training programmes (21%).
  - 72% found it hard to recruit permanent staff and 46% temporary, contract or interim staff; those at intermediate levels were most difficult positions to fill (42%), then management level (26%) and entry or junior-level staff (18%).
- The main skills sought for the next 12 months were: industry-specific or technical trades skills (51%) and technical & digital skills (50%) followed by: soft and leadership skills (35%); business & analytical skills (32%); and sales, marketing & customer skills (22%).
  - Tactics used to address skills shortages included: adopting flexible working approaches to attract and retain staff (44%); developing own talent at entry level (36%); and hiring temporary or contract workers (31%).
  - 74% thought an employees' willingness to learn was more important than their existing skills; 72% would be likely to hire someone without all the required skills and upskill them.
  - 68% said they would be likely to hire a young professional with no experience in their industry and upskill them.
- Graduates (31%) and apprentices (30%) were the most commonly identified groups being actively recruited.
  - 47% said it was not important for an applicant to have a degree, 39% it was 'quite important' but not essential; only 14% would *not* consider an applicant if they didn't have a degree.

APPRENTICESHIPS & TRAINEESHIPS

BDO accounting firm published findings relating to apprenticeships from its Young Minds survey of over 2k UK 18–25 year-olds in January 2026 and a survey of 500 leaders of mid-sized businesses in December 2025.

- Findings for 18–25 year-olds include:
  - 16% of young people were unaware of degree-level apprenticeships.
  - Others were facing difficulties in accessing quality apprenticeships; 20% of university students/graduates said they would have reconsidered choosing a university course if there were more apprenticeship opportunities where they lived.
- Findings for businesses include:
  - 50% planned to start or increase recruitment of apprentices in 2026: 26% to start recruiting; 24% to increase their existing intake.
  - 56% in construction, 55% in technology and 54% in financial services planned to start or increase recruitment.

The National Foundation for Educational Research published *Securing success from start to finish: Investigating factors associated with apprenticeship withdrawal* *[in England]*, funded by Gatsby.

- Apprenticeship achievement rates in England fell from 69% in 2013/14 to 53% in 2021/22, rising to 61% in 2023/24.
  - The switch from frameworks to standards to improve quality was a key factor in the decline; the introduction of the end-point assessment may have caused some withdrawals but it didn't affect their timing.
- Among the factors that made apprentices more likely to withdraw:
  - Being aged 16–17 years or 25+ compared with those aged 18–20.

- Having no prior qualifications (+8ppt on those with a Level 3 qualification); or having not gained a grade C/5+ in GCSE English and maths (+4–6ppt), regardless of overall GCSE attainment.
- Having ever been eligible for FSM, being of Black or mixed ethnicity, or having English as an additional language.

- Those based at employers that were larger, had larger scale programmes or had more experience of the system were *less* likely to withdraw, as were those training with a more experienced provider.
- Recommendations include:
  - Target additional support towards apprentices, employers and providers associated with higher probability of withdrawal.
  - Ensure pre-apprenticeship programmes prepare young people adequately, particularly those with low prior attainment.

Youth Futures Foundation published *Apprenticeships Unwrapped*, drawing on the latest insights into apprenticeships for 16–24 year-olds in England.

- Apprenticeships are a powerful tool for social mobility, giving young people, including those without academic qualifications or networks, a pathway to meaningful, sustained work, including:
  - Improving job readiness, employability and confidence
  - Strengthening long-term earning potential: 19–24 year-olds who complete an apprenticeship see over twice the wage increase of adults aged 25+, with disadvantaged learners earning on average 10% more by age 28 than peers without an apprenticeship.
- Young people's access to high-quality apprenticeships remains uneven:
  - Apprenticeship starts are disproportionately lower for Black, Pakistani and Bangladeshi young people; and achievement rates are lower for young Black people (49.7%) than their white peers (56.8%).
  - Apprenticeship starts have declined most in regions with lower levels of qualifications, pay and productivity, and there is an 8.4% achievement gap between apprentices aged 16–18 from the most and least deprived postcodes.
- **Benefits to employers** of investment in apprentices include improved:
  - Retention: 63% of employers offering Level 2 apprenticeships keep at least one apprentice post-completion
  - Productivity: 77% of apprenticeship employers report productivity gains
  - Innovation: 66% of employers say apprentices bring fresh ideas
  - Diversity: inclusive Level 2 and 3 routes open entry to those without traditional qualifications.
- **Six priority areas for employers** to ensure high-quality, inclusive and impactful apprenticeships:
  - Design outreach and recruitment activities that raise young people's awareness, with targeted initiatives to reach under-represented groups, e.g. build relationships with local colleges and youth hubs; use apprentices as ambassadors and showcase relatable role models.
  - Establish effective pre-programme learning and taster activities, building realistic expectations, changing misconceptions and addressing gaps in skills and knowledge – e.g. work-readiness sessions or 'bootcamps'; signpost learners to financial, digital or transport support.
  - Design well-structured apprenticeship programmes, including clear and quality-assured learning outcomes, mentoring and feedback systems.
  - Create an inclusive environment that sustains engagement to improve retention and satisfaction, e.g. train line managers in inclusive and transformational leadership; provide protected study time, peer networks or buddy systems for apprentices to connect with others in similar roles.
  - Work in partnership with training providers and local services, e.g. sharing data on recruitment, retention and progression.
  - Link apprenticeship provision to local labour market demand to ensure relevance and sustainability.

The British Chambers of Commerce (BCC) published *Apprenticeships: What businesses want*, arguing that England's framework is too rigid, lacks clarity and neglects higher level skills.

- 67% of businesses are facing skills shortages and 52% don't feel current training options are enabling them to address this.

- While the Government has promised greater flexibility through the Growth & Skills Levy, the lack of clarity on how this will be achieved is creating uncertainty and stifling investment.
- A lack of Level 2 standards and recent policy changes such as the removal of funding for Level 7 have caused concern regarding support for higher level skills, social mobility and routes into work.

- Five key proposals:
  - Reform the Growth & Skills Levy to include funding for short modular training co-designed with employers, which can be 'stacked' and offered flexibly.
  - Use Local Skills Improvement Plans (LSIPs) to inform training provision and national policy decisions for the long term, including the introduction of more Level 2 standards and funding for Level 7 skills.
  - Recognise training spend as an investment and reduce the associated risk, cost and administrative burden for business.
  - Create a stable, coherent skills policy landscape and ensure everyone has access to affordable housing, transport and childcare.
  - Ringfence for skills investment all revenue generated by the Growth & Skills Levy and Immigration Skills Charge, with greater transparency on spending.

TRAINING & DEVELOPMENT

The Learning & Work Institute published *Training and skills needs: Trends and challenges in UK growth sectors*, the second report from a Nuffield-funded project involving Ulster University and the University of Strathclyde.

- The project has been exploring how UK employers make decisions about training and how employees are responding to the need to upskill and retrain in a transitioning economy.
- The UK labour market has cooled in recent years but an additional 0.3m jobs have been added in the last five years in four strategically significant sectors: financial & business services; creative, digital & design; clean technologies; and information & communications (I&C).
  - The fastest growing parts of the UK labour market are defined by digitalisation, decarbonisation, cultural production and financial services.
  - They are marked by demand for higher level qualifications, technical depth and sector-specific expertise, while essential employment skills are needed to support adaptability and resilience.
- In 2024, only 4% of employees didn't have all the skills required for their job, largely in line with the wider economy, suggesting a lack of demand for upskilling.
- 36% of vacancies nationally were 'skills shortage vacancies' vs 47% in clean technologies and 46% in I&C.
- The 2024 Employer Skills Survey found that employer investment in training had fallen 13% in real terms since 2022 and 29% since 2011, although this related to quantity rather than access.
  - 95% of UK businesses with 100+ employees had trained in the previous year vs 44% of those with two–four employees; however, small employers provide more intensive training.
- In 2022, 67% of employers in finance & business and 65% in clean technologies provided training vs the economy average of 60%; however, in creative & cultural it was 52% (59% in I&C).
  - Training is more expensive in the four sectors, ranging from £660/day in creative & cultural to £1,352 in clean technologies vs £496 for the economy as a whole.
- Employees with Level 4+ qualifications are twice as likely to receive training as those with Level 2 (68% vs 34%); professionals and associate professionals 1.5 times more likely than process & machine operatives (66% vs 46%); managers and directors the least likely (44%).
- Training in the UK is often of short duration (58% maximum one day vs 44% in the OECD) and focuses on mandatory and compliance training.
  - 24% of UK employees say they have done training because they had to, 21% to better carry out work tasks and 19% to improve job/career opportunities.

SSRN (Social Science Research Network)* published *Training Intensity in European Firms: Organisational characteristics and institutional contexts* by the University of Warwick Institute for Employment Research, focusing on the depth and scope of employer-provided training.

- Contrary to conventional assumptions about larger firms' investment in training, medium-sized/large firms provide 1.33/1.64 fewer hours of training per employee than smaller enterprises.
  - Larger firms appear to benefit from efficiency gains from standardised programmes, e-learning platforms and centralised facilities, while smaller firms rely on intensive training approaches.
- Knowledge-intensive sectors demonstrate substantially higher intensity, with ICT and financial services showing the most pronounced effects, reflecting their continuous skill development needs as technology-driven industries.
- Digital transformation reshapes training approaches differently across organisational contexts: medium-sized firms in technology-intensive contexts increase training volume while both medium and large firms achieve substantial cost efficiencies.
- Technological investment at the country level significantly moderates the relationship between firm size and training intensity, with firms in high-investment contexts achieving greater cost efficiency while maintaining or increasing training volumes.
  - Persistent country-level effects remain even after controlling for structural factors, suggesting the influence of unobservable institutional variables.
- There is a need to distinguish between training provision and intensity, and to emphasise the importance of organisational scale, sectoral demands and institutional environments in shaping workforce development.
- Policies addressing economic and institutional foundations (technological investment, labour market structure and educational systems) may be as important as training-specific interventions.
  - However, persistent unexplained country differences indicate that local context matters, requiring adapted rather than one-size-fits-all approaches.

**An open access Elsevier platform that shares research before formal publication.*

The European Commission published *Individual Learning Accounts [ILAs]: A guide to implementation – Insights and good practices from the EU ILA Mutual Learning Programme (2023–2025)*, a collection of discussion papers and reports, with findings from various ILA approaches developed for a range of contexts and stakeholders.

- Findings about ILAs – dedicated funds for supporting learning activities – are based on data and evidence from case studies, discussions, workshops and additional country examples from inside and outside the EU.
  - ILAs can be used as a strategic policy tool to address adult learning gaps and labour market challenges; they empower individuals to take charge of their career and improve their motivation to participate in learning.
- An implementation guide includes: reflections on how to develop and quality assure sustainable and stable financing models for national ILA schemes, including enabling conditions such as national portals; and a summary of lessons learnt from successful pilots.
  - Themes discussed include: design and personalisation; governance; digital solutions; the importance of outreach; and quality and monitoring.

Cedefop published *Continuing vocational training [CVT] in enterprises in the EU: Trends, inequalities, and COVID-19 impact (2015–2020)*, comparing data from the 2020 (sixth) Continuing Vocational Training Survey across the EU-27, with the 2015 (fifth) survey.

- The survey distinguishes two forms of CVT: courses and forms typically connected to active work but also including participation in – or instruction received at – conferences, trade fairs, etc.
- It considers four key dimensions and integrates them into a composite index:
  - Incidence: the share of enterprises providing CVT
  - Participation: the share of staff participating in CVT
  - Intensity: number of hours spent on CVT
  - Expenditure: total, monetary and direct expenditure on CVT courses.

- Between 2015 and 2020, CVT provision declined across most of the main indicators – probably due to pandemic-related disruption – except for in Norway, Italy and Germany; Denmark, Belgium, RoI, Spain and Malta seem to have been the countries most affected.

- **Incidence**: the 2020 average was 50.3% for small enterprises, 72.3 % for medium-sized and 88.5% for large.
  - The decline was slightly larger among small firms than among medium-sized or large firms, resulting in an overall gap of 38.2ppt (+2.2ppt).

- **Participation**: the 2020 average for courses was 27.5% for small enterprises, 35.0% for medium-sized and 54.5% for large.
  - Between 2015 and 2020, the participation level increased slightly in large enterprises, whereas in smaller enterprises it declined slightly, leading to an overall gap of 27ppt (+4.6ppt).

SKILLS GAPS & SHORTAGES

Gatsby published *The Missing Half of the Technician Workforce*, highlighting the gender segregation in technical pathways, which is rarely tracked, despite the imbalance being far greater than in HE.

- In education and in work, technical pathways are largely excluded from the main policy and public debate on gender and STEM, despite being central to sectors facing acute skills pressures.
  - 25% of physics A level students in England and 20% of engineering undergraduates in the UK are female but fewer than 10% of engineering apprentices are female.
  - 2% of skilled technical tradespeople are women; in 69% of shortage-affected technician occupations, fewer than 5% are women and in some roles, fewer than 1%.

- Burning Glass Institute analysis shows that technician and skilled technical trade roles account for a disproportionate share of the UK's hardest to fill vacancies, which also tend to remain open for longer than those in many graduate and professional roles.
  - Many of the technician occupations with the most persistent shortages are in sectors prioritised by the UK Industrial Strategy; constraints on supply impact productivity, resilience and long-term economic capacity.

- Technician shortages largely stem from structural factors, such as ageing, rather than short-term fluctuations in demand.
  - However, technician roles often place more emphasis on role-specific experience than many graduate occupations, so short-term training or rapid increases in recruitment aren't sufficient to address shortages.

- Gatsby has invested in making technician careers more visible and in changing how they are seen by young people, those who influence them and policymakers.
  - Girls who have been part of its Technician Campaign are 14ppt more interested in technician careers (55%), with the gender gap decreasing by 10ppt to 7ppt.

- However, to change participation patterns at scale, awareness efforts must be matched by changes to how technical pathways are structured, supported and valued.
  - Wider factors that shape participation also need to change, including access to high-quality training, workplace cultures, progression opportunities and employers' recruitment practices.

Enginuity published *SME Snapshot*, its second report drawing on responses from 250 UK engineering & manufacturing SMEs, including 2% in NI.

- Key findings include:
  - 60% have attempted to recruit in the last six months, the same as in July 2025; 80% have experienced recruitment difficulties (unchanged).
  - 60% cite a lack of appropriate technical qualifications as the biggest driver of skills gaps (+3ppt); 40% report a lack of candidates with employability skills (no change).
  - 52% say the UK labour market is a difficult place to do business (+11ppt).

- Emerging trends include:
  - Business confidence has improved, alongside increased recruitment activity and stronger intentions to invest in technology and capital; however, these positive signals aren't yet translating into a meaningful reduction in skills gaps.

- The core drivers remain consistent: shortages in candidates with appropriate technical and vocational qualifications, alongside gaps in employability skills such as communication, teamwork and workplace readiness, highlighting the need for deeper SME engagement in curriculum development and provision.
- Implementing the Industrial Strategy will require a step change in skills investment; early signals suggest measures in England to fully fund apprenticeship training for under-25s in SMEs have had limited impact on employer intentions.
- Training cost is not the only barrier: employment costs, administrative complexity and concerns about candidate work-readiness continue to influence decisions on apprenticeship recruitment.

The Financial Services Skills Commission published its fifth Annual Skills Report *Skills gaps: a moving target*, based on a survey in November 2025 of 32 member firms with 300–60k employees.

- Headcount was down 5% on 2024; firms were continuing to hire into technology, software and industry specialist roles but were less likely to backfill vacancies.
- Early careers intake grew by 2.5%, driven by apprenticeship starts rather than new graduates; many firms are reviewing their programmes to attract young talent, looking beyond formal qualifications.
- Skills gaps for technical skills and behaviours widened, on average, as firms set foundations to realise the full benefits of AI; machine learning/AI was the most sought after skill, while adaptability displaced coaching as the most in-demand behaviour.
- Learning and upskilling activity was stable but was not keeping pace with accelerating change.
  - Non-mandatory learning was stable, while firms introduced AI training and improved their measurement of active learners.
  - However, while 70% of the workforce were active learners, 30% didn't proactively engage with learning beyond what was mandated.
  - Reskilling activity had proven difficult to scale from pilots, and the rate of internal mobility was unchanged – although more people were able change roles internally due to increasing vacancies.
- Increasing engagement with learning is important, as a heavy reliance on informal learning is unlikely to close the gap between demand and supply.
  - Continued strategic workforce planning is needed to drive reskilling and maintain an early careers pipeline.

ScreenSkills published *High-end Television [HETV] in the UK: 2025/26 workforce research*, the ninth annual report, drawing on an online survey of 74 senior professionals and 50 in-depth interviews with producers and decision-makers UK-wide in October–December 2025.

- Overall, skills issues are less severe than in 2021 to 2023, when shortages and gaps were widely described as 'very serious'; however, there are signs that pressure may be building again – 18% say skills problems have worsened over the past year (+7ppt on 2024–25).
- 18% rate concern about **skills shortages** as a serious/very serious issue (+5ppt).
  - Skills shortages are becoming more acute in key roles including: production accountants; editors; script editors; first assistant directors; post-production supervisors.
  - New specialist roles – from access and sustainability coordinators to AI skills advisers – are starting to appear in greater numbers.
- **Skills gaps** concern employers more than skills shortages, even though the skills gap issue continues to decrease, with 27% citing it as serious/very serious (-7ppt).
  - The most cited gaps are in: adequate financial and budgeting skills (60%); resilience (57%); and communication and interpersonal skills (51%).
  - Interviewees highlighted the legacy of a 'Covid cohort' of crew who were stepped up too quickly during boom years, alongside some heads of department who struggle to manage teams and budgets effectively, and a need to better support and manage Gen-Z entrants.
- Adoption of new technology, particularly AI, is another emerging pressure point; GenAI and virtual production are used by only a minority of productions, due to a mix of reluctance and disinterest.
  - Barriers include a lack of confidence, while respondents acknowledge the need to upskill to remain competitive.

- **Top priorities** for the HETV Skills Fund include:
  - New entrants programmes to bring more diverse crew into the industry at all levels; bursaries could be provided to help people stay in the industry, and to allow those on lower incomes to join.
  - Developing established 'below the line' crew, to help them progress their careers.
  - Encouraging more crew to volunteer as mentors, to develop both mentees and mentors.
  - Tackling specific grades shortages, e.g. production accountants and location managers.
  - Developing wider skills, in e.g. leadership & management and finance & budgeting for department leads.
  - Ensuring core skills are embedded across the crew base, rather than relying on others to cover the details, understand the process and foresee potential issues.

A news post, ScreenSkills activity: Spotlight on Northern Ireland*, looks at the ScreenSkills' support, industry-funded activity and training planned to help develop the sector's workforce.*

Cedefop published *Vocational education and training (VET) occupations in shortage: From evidence to coordinated policy responses*, a Policy Brief.

- In 2024, 22 VET occupations experienced EU-wide shortages, with the most widespread found in: metal & manufacturing (welders, metal sheet workers); construction (electricians, plumbers); food processing (cooks, bakers); transport (HGV drivers); and health and social care (care assistants).
- Key messages:
  - The drivers of shortages are complex: they aren't just caused by a lack of qualified workers or ageing, but also by low pay, strenuous working conditions, outdated curricula and restrictive recruitment practices.
  - Institutional barriers like fixed enrolment limits and slow recognition of foreign qualifications limit the available pool of candidates.
  - VET teacher shortages create a vicious cycle: training institutions struggle to attract and retain teachers, threatening the practical relevance of training and reducing the credibility of VET programmes for new learners.
  - While AI is transforming the labour market, VET occupations generally face lower replacement risks than non-VET; however, it is still essential to equip VET students with foundational and digital skills to ensure they remain employable as technologies evolve.
  - Addressing gender stereotypes that create imbalances in both VET enrolments and employment in VET occupations is a vital strategy to expand the talent pool.
  - VET is highly effective at supporting transferable skills; the labour market values practical VET competences even when the graduate works outside their original field of study.
- Addressing VET shortages requires coordinated action; key priorities include:
  - Enhancing the attractiveness and quality of VET pathways
  - Improving working conditions and job quality in shortage occupations
  - Expanding training capacity by tackling teacher shortages
  - Strengthening sector-VET collaboration to align curricula with labour market needs
  - Promoting gender balance and inclusion of under-represented groups
  - Modernising skills recognition and portability systems
  - Embedding digital and AI-related competences across VET programmes.

The Economic & Social Research Institute, RoI, published *Squandered skills? Bridging the digital gender skills gap for inclusive growth in Ireland – A comparative European perspective* with BlockW, examining the gender gaps in workplace digital task use across the EU, using European Skills & Jobs Survey data.

- The analysis distinguishes between basic digital tasks – e.g. internet use, word processing and spreadsheets – and advanced digital tasks, e.g. programming, AI/machine learning and IT system management.
  - A Job Digital Intensity Index is also constructed, which captures how digitally intensive jobs are overall, based on the range of digital tasks performed.
- Europe-wide, women are ~15ppt less likely than men to perform advanced digital tasks in their jobs.

- Differences in observable worker and job characteristics – e.g. education, field of study, occupation and sector – explain only a minority of the gap (~30% on average); the remaining difference suggests that additional influences (not in the survey) may play an important role.
- The gap becomes most pronounced for jobs requiring the most digitally intensive range of tasks, pointing to a 'digital glass ceiling' within workplaces.
- Gender gaps are larger and less well explained among younger cohorts (aged under 35), suggesting that the under-representation of women in advanced digital roles is not a legacy issue.

- The RoI has the largest gender gap: ~44% of men (a particularly high rate) vs 18% of women perform advanced digital tasks, a difference of 26ppt – close to double the European average.
- Overall, closing the gender gap in digital skill use at work will require more than increasing women's participation in STEM education or occupations.
  - Further research is needed into other factors that may shape opportunities to develop and apply advanced digital skills, e.g. workplace organisation; task allocation; progression pathways; and broader organisational practices.

The OECD published *Flexible Learning Pathways into Healthcare Occupations* with the International Labour Organization (ILO), focusing on innovative approaches in 19 low- and medium-income OECD countries including the UK*.

- Labour and skill shortages as well as mismatches in the health & care workforce are pervasive, while shifts in the responsibilities and tasks required by professionals working in the sector – driven by the adoption of new technologies or the move towards integrated healthcare – are further exacerbating skills gaps.
- The report explores pathways into entry-level health & care positions – i.e. requiring less than a bachelor's degree – and policies that help both adults without healthcare experience and those with some experience transition into the sector.
- The limited offer of **flexible training programmes** is preventing many adults from participating; making provision more flexible needs to be paired with infrastructural investment and expansion of licenced positions, particularly at the community level.
  - **Modular learning and microcredentials** at entry level are rare but some countries have started implementing modularisation: e.g. Denmark's Adult Vocational Training Programme (*Arbejdsmarkedsuddannelser)* in health & social work, where certificates for smaller units of training are recognised by the labour market and the wider education system.
  - The UK's NHS **apprenticeship programmes** demonstrate the benefits of a strong and flexible connection between adult education programmes and healthcare providers, providing job-related curricula, workplace learning, apprenticeships and mentoring programmes.
  - **Distance and online learning** reduce barriers related to physical attendance; **asynchronous learning** reduces time barriers; e.g. Health Education England's eLearning for Healthcare platform offers 400+ e-learning programmes for NHS apprentices, employees and learners enrolled in partnership programmes.
- The **recognition of prior learning (RPL)**, including that gained outside the sector, is a key factor in making skills and competences visible, enabling formalisation and boosting work mobility; in healthcare, RPL is more commonly used to validate practical skills than theoretical knowledge.
  - New Zealand's Careerforce is a multidimensional programme that uses RPL to shorten training pathways for adults working in the healthcare sector without qualifications.
  - A UK programme that supports the transition of army personnel into healthcare is an example of using RPL as a more structural tool to strengthen training and formalise pathways between complementary but distinct occupational groups.
- Flexible pathways that incorporate RPL and modular learning must rely on **standardised taxonomies** for health occupations, skills and competencies and referencing to well-accepted qualifications.
  - The development of new qualifications in emerging areas, e.g. digital health, geriatric care and community-based services, is equally critical to meeting the evolving health needs of diverse populations and fostering innovation within the workforce.
  - The ILO Core Skills Framework and the WHO Global competency & outcomes framework for the essential public health function provide valuable guidelines to align training content with international benchmarks.

- Healthcare involves many specialities and professions working together, with different training requirements and few opportunities to move across specialties; **career guidance** helps adults make educational, training and occupational choices.
  - Canada's Health Career Access Program is a notable example of a service for adults wanting to transition into the healthcare sector for the first time.
  - Career guidance can also help attract applicants from non-traditional groups: Norway's Men in Health programme supports unemployed men to gain qualifications and employment for roles where they are under-represented.
  - For those already in the sector, career guidance could be used to encourage them to move to new emerging jobs where there are shortages.
- Expanding **training opportunities for long-term care (LTC) workers** can facilitate transition into formal employment, help achieve the right balance of skills, improve the quality of care and enhance working conditions; Austria and Iceland have increased training specifically focused on LTC needs.
- **Impact assessment** is key: beyond evaluating individual benefits, it is important to assess the impact on the overall healthcare system, including on the quality of care or the alleviation of shortages among doctors and nurses through task reallocation.
  - It is also important to understand whether flexible pathways lead to employment that provides an entitlement to social protection and basic rights at work.
  - However, such evaluations are rare, as the effects of broadening the talent pool in entry-level occupations take time to materialise, are difficult to disentangle from other influencing factors and available data on the long-term outcomes of these policies are often scarce and incomplete.

**Other countries include Austria, Denmark, Iceland, New Zealand and Norway.*

SKILLS POLICY

Make UK published *The Shape of British Industry: A Decade of Transformation* in manufacturing, a research paper drawing on survey reports, calling for 'bold reforms' to the skills system to achieve the aims of the UK Industrial Strategy.

- In 2010, manufacturers cited skills as the greatest barrier to maintaining market position and to growth; in 2026, they remain the most significant challenge manufacturers face in scaling up.
  - 99% say access to skills will shape their future growth plans and 50% that skills shortages are their biggest barrier to growth.
- Demand for future skills has pivoted from foundational, technical expertise to those related to AI, automation, robotics and digital manufacturing, with cyber security skills the top priority for the next ten years (49%); however, leadership and management skills continue to rank highly.
  - 39% don't believe the current education system can develop the skills their industry needs.
- Policy recommendations include:
  - **Ringfence employer skills revenue** for skills development.
  - **Apprenticeship levy reform** – increase flexibility in how the funds can be used, supporting both new entrants and existing workers while maintaining apprenticeship quality.
  - **Strengthen FE provision** – raise funding bands to reflect actual delivery costs and support investment in equipment and specialist FE staff.
  - **Support for upskilling and retraining** – expand access to flexible training routes, including Skills Bootcamps and Higher Technical Qualifications at Levels 4 and 5.
  - **Align skills policy with the Industrial Strategy** – develop clear skills forecasts for key growth sectors to inform funding, provision and careers guidance.

Edge Foundation published *UK Commission for Employment & Skills* (UKCES), a Learning from the Past paper.

- The UKCES was established in response to the 2006 Leitch Review of Skills, which highlighted serious gaps in vocational and intermediate skills.
- It operated 2008–2017 and focused on employer-led initiatives, enhancing workplace management practices and aligning vocational education with industry demands.

- It uniquely convened employers, trade unions and policymakers, promoting employer-led approaches to skills development through structured collaboration, strategic investment and targeted pilots.
- It generated influential policy programmes, guiding employers, educational institutions and policymakers in addressing skills shortages and fostering regional economic resilience.

- Its establishment and subsequent closure provide critical insights into the development and governance of UK skills policy, particularly the need to: stabilise the policy framework; simplify the offer; embed transparent outcomes; and design interventions explicitly for SME usability.
  - In devolved systems, local flexibility should be preserved while reducing confusion for UK-wide employers.
  - In particular, it demonstrates the importance of maintaining a strategically positioned institution capable of bridging policy, employer engagement and research; regular, independent synthesis of evidence would prevent future reforms from relapsing into complexity or uneven impact.
- Its abrupt closure due to changing political priorities significantly disrupted the coherence of the UK's skills system, causing the loss of institutional memory and policy momentum.
  - Without centralisation, successor organisations, such as Skills England and Local Enterprise Partnerships, struggle to fully replicate UKCES capacities and institutional memory.

Edge also published a Learning from the Past paper on *Sector Skills Councils* (SSCs), which operated across the UK 2002–2017.

- SSCs contributed to the design of vocational qualifications by providing National Occupational Standards (NOS) and the Apprenticeship Framework and giving employers a voice in articulating the skills needs of the labour market.
- They initially represented 90% of the skilled workforce in the UK and worked with government and employers to address skills shortages, with each SSC focusing on a particular industry or sector.
- 12 are still active, although some have been renamed, and there have been calls for their revival to work in partnership with Skills England.

The OECD published *Putting Skills to Work: Adult Skills in Focus #16*, drawing on findings from the 2023 Survey of Adult Skills to examine which skills workers use most frequently, how use has evolved over the past decade and how patterns differ across workers and countries.

- In nearly all participating countries, workers report frequent use of task discretion and self-organisation, including planning tasks, organising their own time and adjusting the pace of work.
  - Cooperative skills are also widely used, reflecting the central role of teamwork, communication and interpersonal coordination in today's economies.
  - In contrast, tasks explicitly involving numeracy – e.g. calculations, measurements and the use of charts – remain the least frequently reported in most countries.
- Over the past decade, skills use has evolved in ways that reflect profound changes in technology, work organisation and economic structure.
  - Tasks related to information-processing skills – particularly ICT and writing – are more frequent in most countries and occupations, while physical and dexterity tasks have declined.
  - These shifts have occurred largely within occupations rather than through changes in occupational structure, highlighting the central role of job redesign, technology adoption and workplace practices.
- Low-qualified workers have increased their use of a wide range of skills, particularly ICT, numeracy and influencing tasks, narrowing gaps with higher-qualified workers in many countries, reflecting a broad upgrading of tasks within jobs.
  - As a result, even roles traditionally considered low-skilled increasingly require more frequent use of information-processing and generic skills, underscoring the importance of training opportunities for all workers to adapt to rising skill demands.
- While low-qualified workers have increased their use of many skills over the last decade, substantial inequalities remain in how skills are deployed among men and women in similar jobs.
  - Gender gaps in the use of numeracy, ICT and influencing skills continue to be large in many countries, pointing to differences in access to skill-intensive assignments and opportunities for progression.

- Addressing skills use therefore requires policy action not only on skills supply, but also on workplace practices, task assignment, autonomy and access to learning opportunities.

The paper summarises highlights from a more detailed report: How Workers Use, or Don't Use, their Skills in the Workplace*.*

CONSTRUCTION SECTOR SKILLS

The Institute for Employment Studies (IES) published *A brief review of policy and practice for careers education: Careers in Construction research for CITB* (Construction Industry Training Board).

- The UK construction sector faces an ongoing skills shortages, exacerbated by: negative perceptions of construction careers and the sector as a place to work; narrow horizons among potential entrants ruling out construction as a career; the changing nature of work in construction; changing work practices and skills required; challenges attracting individuals to change sectors; and poor retention.
- CITB has identified new groups to engage with for careers education, information, advice and guidance support, including those on or considering vocational pathways and those currently outside the labour market *[others are those in early years, and primary and early secondary school]*.
- **The UK careers system is complex**, with each nation having its own infrastructure and ambition, delivery mechanisms and coverage or target groups.
  - Each system is also in the process of change; however, there seems to be a desire for services to be unified and for all ages and joined up with other services.
- **There is limited hard evaluation evidence** about what works in career guidance, although better evidence exists around good practice.
  - Tailored, one-to-one support and careers work embedded in broader learning is considered to be particularly effective, with employers playing an important and complementary role.
- **VET has increasingly become a focus** for policy to tackle skills shortages and support social mobility.
  - However, there is confusion around and constant changes to both provision and pathways, and restricted access to and lack of diversity on some, making engagement challenging.
- **18+ learners and those with independent training providers (ITPs)** may not be receiving career guidance as they are not covered by any statutory duty.
  - England's Department for Education encourages providers to follow statutory guidance (Gatsby benchmarks) and ITPs do provide career guidance, but it is often inconsistent, fragmented and not prioritised; the distinction between careers guidance and the vocational curriculum can be blurred and limited to the current role and employer, and might depend on the industry expertise of staff and their links to sectors, which can quickly become out of date.
  - Efforts to support colleges, ITPs and employers to develop careers provision are often focused on apprentices, with good practice involving supporting personal and career development and exposure to wider experiences beyond the apprenticeship role; employers can also help by keeping training staff up to date with the industry.
- **Economically inactive adults, outside the labour market**, are a large and growing group, creating concerns for government; they are highly diverse and face complex, multiple and individualised barriers and are difficult to identify and reach
  - **Good adult guidance** involves: personalised, person-centred and holistic wrap-around support to help individuals overcome complex barriers and access good work; tailored career guidance, which requires time to understand needs and challenges; strong partnerships between services; independent and impartial support with honest brokers to source the support needed; local understanding and delivery; and services communicated and promoted to the wider population.
  - **Adult career guidance** work should also aim to help employers be more inclusive and improve access to work for disadvantaged groups; however, effective working with employers can be hampered by a lack of understanding of employer needs and how they work, plus limited awareness among employers of the support they can access.

The report includes 13 recommendations for CITB.

CITB published *UK Construction: Industry picture 2026*, exploring the challenges and opportunities underpinning the construction skills gap and highlighting four areas where coordinated action will make the biggest impact.

- **Making construction an attractive career choice** while providing access to work experience will help new entrants and employers.
  - Training must be better connected to real-world jobs; CITB is developing an intervention to give more young people meaningful workplace exposure by increasing the availability of work experience opportunities.
- **Making the system fit for purpose**: faster paced, better targeted, accessible and flexible training pathways are needed, closely linked to real jobs to meet future demand.
  - CITB's accelerated apprenticeships will speed up the entry of new people to the workforce; additional flexible entry routes will bring in more newcomers and make upskilling to occupational competence easier for those already working in construction.
- **Making use of modern technologies and finding ways to work more efficiently** are critical in building capacity and bridging the gap in the skilled workforce.
  - CITB is focusing on raising competency across both new entrants and existing workers, supporting a range of training associated with productivity improvement and funding industry-led pilots to test productivity improvement in construction businesses.
- **Retention is critical**: both retaining younger workers who will be the future workforce and retaining workers for longer at every stage by offering different or more flexible work options.
  - CITB is assessing where it can have the greatest impact and offering funding for industry-led solutions.

The RoI's Department of Further & Higher Education, Research, Innovation & Science (DFHERIS) published *National Framework for Meeting Priority Construction Workforce Needs*, research into the construction skills gap by Indecon International Economic & Strategic Consultants.

- The RoI's infrastructure ambitions are outpacing the construction sector's capacity to meet associated targets and goals; key challenges include labour shortages – there is a limited pool of qualified tradespeople and professionals, leading to intense competition for talent.
  - The construction workforce is demographically and occupationally imbalanced, e.g. only ~8–10% of construction workers are female compared with ~47% across the RoI economy as a whole; in the UK, 15% are female.
  - Current supply from the domestic education and training system falls well below what will be required and, even with migration adding to the pool, levels are not sufficient to achieve targets.
  - The most acute shortages are expected in skilled trades that rely on multi-year apprenticeships.
- Radical policy measures will be needed to boost these supply channels and close the looming workforce and skills gap, including:
  - Increasing apprenticeship and overall education and training output
  - Leveraging inward migration
  - Accelerating the adoption of modern construction methods
  - Attracting more women and career changers into the sector.
- It is also important to maintain quality: expanding the workforce must be accompanied by appropriate training, certification and safety standards.

Recommendations and supporting actions are proposed.

DFHERIS, RoI, also published an *Updated Careers in Construction Action Plan*, two years on since the first plan, including construction skills plans and initiatives.

- 36 actions are detailed across three thematic areas:
  - Education and training, e.g. developing an IVET construction taster course and new education pathways towards professional careers
  - Widening participation, e.g. gender-inclusive recruitment policies; and mentoring programmes for female employees
  - Promotional efforts, e.g. promoting offsite manufacturing roles.

GREEN SKILLS & JOBS

The Scottish Government published *Meeting Scotland's workforce needs for a transition to Net Zero – the role of migration and the impact of demographic challenges: Lessons for Scotland*, by the Expert Advisory Group on Migration & Population.

- Retraining existing workers has short-term potential: up to 90% of current energy workers have transferable skills.
  - Barriers include: a geographic mismatch between where jobs are declining and new jobs are emerging; a need for retraining and certification and for clearer frameworks.
- The education pipeline needs strengthening; only 9% of UK vocational learners are trained in engineering or manufacturing vs 32% OECD average.
  - UK employers invest less than 50% of the EU average on training.
- Expanding STEM and energy apprenticeships has the potential to build a skills base; but the perceptions of green jobs – as less secure, lower paid or with fewer career development opportunities than other energy jobs – discourage uptake.
- Immigration is rarely considered as part of the skills strategy for the green transition; alternatives include: lower skills and/or salary thresholds via a green skills visa or concessions in existing visa routes.
- Policy considerations include:
  - An inclusive workforce strategy, combining migration with sustained investment in upskilling and reskilling local workers
  - Greater coherence across immigration, climate, energy and skills policy.

AUTOMATION & AI

The UK Department for Science, Innovation & Technology and Department for Culture, Media & Sport published 11 reports from the R&D Science and Analysis Programme – AI Skills for Life and Work project, involving a consortium of the Alan Turing Institute, University of Warwick and Perspective Economics, led by Ipsos.

- *AI Skills for Life and Work: Summary report* draws together key findings on AI skills in the workplace, current UK AI skills gaps and challenges and opportunities related to developing AI skills, as well as the implications for government, employers and providers.
  - Awareness (97%) and use (73%) of AI are high but only 21% of those in work feel confident using AI in the workplace.
  - To consume and use AI in life, skills centre around 'skills for understanding', e.g.: understanding AI risks and threats; keeping information safe and private; judging the accuracy and reliability of outputs; and discerning AI-generated content.
  - In work, the skills required vary by type of user – expert, specialist, implementer or general – with skills gaps both at general and specialist level.
  - 56% of employers using/planning to use AI rate knowledge in their business overall as 'beginner' or 'novice' and 61% have no staff currently working with AI; many employers struggle to identify relevant training.
  - While current efforts focus on university courses and doctoral training, a more comprehensive approach should involve: integrating age-appropriate AI education into primary/secondary curricula; expanding access through alternative pathways like apprenticeships and online courses; and supporting lifelong learning initiatives.
- The other reports are: *Drivers Analysis* and *Rapid Evidence Review*; *Labour Market and Skills Projections* and *Job Vacancy Analysis*; *Employer Survey Findings*, *General Public Survey Findings* and *Public Dialogue*.
  - *Delphi Study* assesses and ranks various ideas and identifies areas of focus for future research.

The European Training Foundation (ETF) published *The Impact of AI on Labour Markets: What we know so far*, a literature review focused on the main effects on job quantity, job quality, and inclusiveness, highlighting major trends, challenges and opportunities.

- AI seems to extend automation up the skill ladder in knowledge work and down in routine analytical work and substitute a broader set of middle-skill jobs (this time within offices rather than factories).

- AI may destroy entry-level jobs and break the career ladders of fresh graduates.
  - At the same time, it could provide an opportunity to augment and broaden expertise, bringing back medium-skilled employment, as lower skilled and inexperienced workers are seen to benefit more from AI's support in simpler tasks.
- AI can improve or reduce job quality via its effects on job intensity, autonomy, skill use and collaboration.
  - Depending on who is using it and how, AI can either empower or overwhelm, with negative outcomes often stemming from organisational factors and management choices, rather than the technology itself.
  - **Improvement examples**: more interesting tasks; improved physical safety; greater work engagement; increased complexity and responsibility; and higher job satisfaction, possibly leading to job upgrading.
  - **Reduced quality examples**: higher pace of work; reduced autonomy; cognitive underload; higher control and monitoring; skills underutilisation; and psychosocial effects, possibly leading to job downgrading.
  - Increased work intensity is a common result across diverse sectors, occupations and skill levels.
- The opposite effects of AI by skill level are the most striking:
  - **Impacts are more *positive* for *highly skilled* occupations**, due to productivity tools that benefit highly skilled and digitally literate workers': employment growth; wage gains; or transition to higher value-added tasks.
  - **Impacts are more *negative* for *low-skilled* occupations** – particularly location-based platform, logistics and warehouse roles – where workers face: work intensification; loss of autonomy; and stress, anxiety and burnout.
- AI tools lead to increased workplace monitoring and surveillance; they are increasingly used to monitor all work processes, collecting and analysing large volumes of data on workers.
  - This can lead to information and power asymmetries in favour of corporate business, with the potential of altering traditional work relationships between workers and firms.
- AI expands 'algorithmic management' practices into traditional workplaces – the 'platformisation of work', with online, remote work platforms becoming control and monitoring tools.
  - Low-skilled gig workers perform repetitive, low-wage tasks under heavy surveillance; gig work is expected to grow as demand for AI jobs grows, worsening access to decent work, fair remuneration and social protection.
- AI's impact is particularly dependent on workers' educational background, occupation and skill level, creating new opportunities for high-educated, high-income professionals, who tend to be younger, white and male.
  - However, for low-educated, low-income workers – mainly women, older workers and marginalised groups – it creates risks of job displacement, deteriorating working conditions or less access to decent work and productivity-enhancing AI tools in the workplace.
- AI may compromise the ability of disadvantaged groups to access decent jobs; it may amplify inequality by favouring privileged groups over disadvantaged ones.
  - The vicious cycle of digital and AI gender inequality continues; AI tools amplify existing gender inequality, and AI's education and career guidance tools favour boys for STEM studies, while recruitment tools favour male candidates for ICT occupations.
- The key areas for policy action include:
  - **Inclusive skills development**: lifelong learning, upskilling and reskilling are no longer optional; governments and employers must increase access to digital education, AI literacy, technical training and soft skills development, particularly for the most vulnerable groups, e.g. older, low-educated and low-wage workers.
  - **Updating labour regulations**: revise regulations to address the algorithmic management of work, the privacy and security of workers' data, remote work structures and the hybridisation of roles.
  - **Ethical governance and regulations**: establish clear rules for transparency, explainability and fairness in algorithmic decision-making.

BCC published *Powering Productivity: AI and the future of UK work* with Atos, based on a survey of 700 firms, 94% of which were SMEs.

- AI adoption has accelerated but is uneven across sectors: larger SMEs and business-to-business professional services firms lead AI adoption, while smaller firms and consumer-facing and manufacturing sectors are slower.
- 54% of **SMEs** are actively using AI (+19ppt from 2025), mostly generic AI tools; of these:
  - 95% said it has had no impact on headcount in the past year, with AI currently being used to support employees rather than replace them.
  - 10% are adopting deeper bespoke AI and are more likely to expect headcount reductions than generic users; 14% of those investing in AI training anticipate headcount reductions over the next 12 months, suggesting that advanced adoption may drive broader restructuring.
- SMEs using AI report strong net productivity improvement expectations (+71ppt), while firms planning to adopt or are unsure about AI have far lower optimism.
- The challenge will be to harness the benefits in productivity AI offers, while futureproofing education and careers.
- **Recommendations for government and businesses**, to ensure AI is used responsibly and effectively across the labour market, include:
  - Establish an AI Labour Market Observatory to monitor the ongoing impact on jobs.
  - Establish a network of AI champions to help SMEs adopt AI.
  - Allocate growth & skills levy funds to subsidise AI literacy training.
  - Introduce tax credits or grants to encourage business investment in AI technology and workforce training.
  - Government to lead national efforts to integrate AI literacy across education and lifelong learning, partnering with businesses and local authorities.

The full technical report – AI Adoption and Workforce Change in SMEs – is published by the Institute for Social & Economic Research.

Pearson published *Mind the Learning Gap: The Missing Link in AI's Productivity Promise*, based on detailed modelling of over 300 knowledge-intensive occupations in the US.

- Under a range of scenarios, AI-powered worker augmentation could add US $4.8t–$6.6t to the US economy by 2034, i.e. ~15% of its current size – however, this is contingent on organisations closing the critical 'learning gap' between workforce readiness and what AI makes possible.
- To keep pace with technological change, organisations need to prioritise both upskilling and lifelong learning for their people.
- Knowledge workers and new AI systems must learn together in lockstep from the start.
  - Rather than interrupting the workflow, the system can provide just-in-time explanations, reminders of previously learnt frameworks and comparative examples drawn from the worker's own past decisions.
  - As AI agents free up worker time, the locus of knowledge work will swing towards new tasks requiring critical thinking, discernment and creativity.
- A 'D.E.E.P.' learning framework is proposed:
  - **Diagnose**: define an AI augmentation strategy, focused on understanding the current workforce – working processes, roles, tasks, skills – and how these need to change in the light of AI.
  - **Embed** continuous learning into the fabric/flow of every role; this requires leadership to develop and nurture a culture that embraces learning as an organisational value and fosters informal learning and knowledge-sharing between employees.
  - **Evaluate**: measure and track the evolution of the supply and demand of skills – this is crucial to ensure that workforce adaptation is always aligned with the business strategy; AI itself can help, enabling a more organic approach to skills assessment, inferring the skills that workers possess from their behaviour and actions.
  - **Prioritise**: position learning as a strategic investment, starting by realigning incentives and structures to motivate knowledge workers; organisations should no longer structure their workforce and learning plans around static roles, but rather on skills, which act as more reliable building blocks that can be moved across shifting job requirements.

McKinsey published *Global Tech Agenda 2026*, findings from a survey in 2025 of 600 technology and business leaders, showing how chief information officers are building 'intelligence-driven enterprises'.

- At top-performing companies – i.e. those with an average growth rate of at least 10% – technology has shifted from being a cost centre to a value creator, underpinned by AI and data.
  - 29% of respondents overall say their business and technology teams co-create strategic plans throughout the year, almost double the share in the previous survey in 2023.
- Top-performing companies are also quickly adopting 'product & platform operating models' that align technology with strategy, creating a foundation for a unified set of data, AI models and decision systems.
  - They are hiring technology executives at nearly twice the rate of other organisations, as well as more financial managers to ensure return on investment in technology.
- AI is no longer seen as an experiment but a business imperative; 50% of all companies identify it as a priority investment, rising to 54% among top performers.
- However, not even top performers are moving as fast as they would like, especially around agentic AI; 33% struggle with AI-related talent and capability gaps.
  - To address this, the most successful companies are becoming learning organisations: nearly 50% of top performers plan to increase insourcing to bring strategic technology expertise back in house; around 50% are investing in reskilling.
  - In contrast, non-top performers continue to rely heavily on vendors and outsourced teams, with ~40% expecting to increase their outsourcing of lower demand work in the next two years.

The Centre for Economic Performance published *Anatomy of automation: CNC [computer numerical control] machines and industrial robots in UK manufacturing, 2005–2023*, based on tracking the use of two 'cornerstone' automation technologies in 27k sites.

- The share of production plants using CNC machines – precision tools that cut and shape materials – rose from 47% to 56%, while the use of industrial robots increased from 4% to 8% between 2014 and 2023.
  - Plants that adopted CNCs increased employment by ~6% in the four years after installation; first-time robot adopters increased it by ~8% over the same length of time.
- The gains appeared quickly and persisted, with productivity effects dominating firm-level displacement.
- When plants that already used CNCs added more, employment rose by 9% over four years and kept increasing.
  - At the same time, their ratio of manufacturing production to engineering, design and support workers gradually fell by ~8ppt over six years, as they learnt how to make the most of the technologies over time.
- At industry level, there is no evidence that more automated firms systematically take business away from others; if anything, competitor employment tends to rise and industry-level 'automation waves' are associated with positive or neutral changes in total jobs after four years.

The World Economic Forum (WEF) published *Proof over Promise: Insights on Real-World AI Adoption from 2025 MINDS* Organizations*, in collaboration with Accenture.

- Five key insights that enable successful AI adoption and scaling:
  - **Harnessing AI as a core part of how organisations work**: organisations are embedding AI as a strategic enterprise-wide capability, shifting from tactical use to a reimagining of core processes and long-term purpose.
  - **Amplifying strengths when humans and AI work together within a changing workforce**: successful AI adoption starts with people and organisations redesigning work to augment human expertise with AI, amplifying specialised capabilities and innovation through collaboration.
  - **Strengthening data foundations and strategic data sources to advance impact and scale**: data quality is the biggest barrier to AI success, so organisations are harnessing various data advantages and pursuing differentiated data strategies essential for scaling AI impact.
  - **Modernising the technology stack for advanced AI capabilities**: organisations are moving beyond fragmented solutions and investing in unified AI platforms and strategic engineering capabilities that enable secure, agile and scalable adoption of AI.

- **Scaling AI with confidence through responsible AI practices**: confident AI adoption requires trustworthy systems, prompting organisations to embed technical controls and right-size human oversight for automated decision-making.

- The insights are not standalone – their interplay amplifies impact: organisations that address multiple dimensions – strategy, workforce, data, technology and governance – achieve measurable and scalable results; conversely, those focusing narrowly on technology or short-term return on investment consistently struggle to scale AI.

**Meaningful, Intelligent, Novel, Deployable Solutions – a global WEF programme showcasing high-impact, real-world AI applications.*

IZA published *AI-Powered Skill Classification: Mapping Technology Intensity in the German Labor Market*, a discussion paper introducing a novel, skill-based approach to measuring technological change.

- The Occupational Technology Skill Share (OTSS) is a new skill-based measure that distinguishes between manual, digital and frontier technologies, including AI.
  - The AI-powered skill classification enhances occupation-linked skill labels with standardised GenAI-generated descriptions and indicators of technological content, enabling clear classification.
  - The methodology can be adapted and applied in other countries with detailed occupational databases.

- Findings from using the OTSS to map all occupations in the German labour market include:
  - For the average worker in 2023, manual technologies were the largest share of skill content (42%), followed by digital (38%) and frontier technologies (20%).
  - Frontier skills (e.g. machine learning and augmented reality) were concentrated in specialised occupations (e.g. technical, engineering and IT-related), while digital technologies were widespread (e.g. office staff, sales, business admin and financial services).
  - From 2012 to 2023, there was a broad shift from manual and digital towards frontier skills across occupations.

Cedefop published *Human-centred digital transitions and skill mismatches in European workplaces*, comprising ten short expert research contributions drawing on microdata from the second wave (in 2021) of the European Skills & Jobs Survey.

- The contributions deal with four themes: the impact of digital technology on tasks and skill mismatch; digitalisation and drivers of worker upskilling; skill shortages and the digital transition; and a human digital transition in teaching.

- Ten key policy lessons:
  - Successful digital training programmes and policies may require attention to both technical skills development and individuals' psychological adaptation to technological change.
  - Effective adaptation to digital transformation, particularly for lower skilled workers, can be achieved by fostering the learning capacity of organisations in addition to designing individual training programmes.
  - To tackle age segregation in the digital skill intensity of jobs, more training is needed for older workers; currently, training participation varies by digital intensity, but not by age or gender, putting older workers and females at a disadvantage.
  - Upskilling policies need to better equip adult workers to cope with higher job complexity and digital intensity in labour markets by investing in their problem solving, creativity and agility skills; they should also target specific groups such as older and lower educated workers in part-time jobs, who are less likely to engage in job-related training as a reaction to new digital technology.
  - Policy efforts should focus more on workers who aren't engaged in digital skills training even though they have a skill gap or are at high risk of consequent job reallocation; education and training initiatives must consider job-specific skills but also individual perceptions/attitudes and other workplace motivational levers and incentives to be effective.
  - EU skills activation policies need to more explicitly target the firm side of skills matching mechanisms, given that training doesn't serve as an effective re-entry channel into technologically advanced firms for those workers with a history of unemployment.
  - Understanding and measuring skill shortages in EU labour markets requires a multidimensional and harmonised approach that is anchored to the 'objective' distribution of skill demands and job

characteristics within occupations, although real-time job postings data can provide reasonably regular insights into their occupational distribution.

- The diffusion of GenAI and applied AI tools across non-technical occupations and the diversity of roles adopting AI underscores the need for designing interdisciplinary curricula and lifelong learning frameworks in VET; training pathway design should be customised to the degree and type of AI exposure; basic AI awareness should be integrated into general education, vocational training and adult learning.
- Large-scale skills partnerships aligned with EU agenda goals can further bolster organisations' efforts to provide well-targeted continuous training and create a more engaged and stable workforce, especially in high-tech sectors like aerospace & defence.
- Continuous policy efforts are required to raise awareness among professionals – even those with a good command of basic digital skills – about the potential future challenges associated with the digital transition.

The OECD published *Digital technology diffusion in the age of AI: Cross-country evidence from microdata*, based on surveys in 15 countries including the UK*, undertaken 2017–2023.

- The report discusses five advanced digital technologies: AI; big data analysis; internet of things (IoT); robotics; and 3D printing.
  - Recent adoption rates of AI and 3D printing range from 4% to 10%; big data analysis and IoT are more widespread at about 25%.
  - This broad technological scope highlights relevant interdependencies and the technology-specific patterns and drivers of diffusion, as well as the heterogeneous impact of diffusion on the economy.
- The analysis focuses on the key characteristics of adopters, the role of policy-relevant enablers of technology diffusion and the links between the use of such advanced technologies and productivity.
  - There are **significant interdependencies**: more advanced technologies tend to build on enabling ones, such as cloud computing, customer relationship management (CRM) and enterprise resource planning (ERP) software, along with fast broadband connectivity; these are often used by firms when advanced technologies are adopted.
  - The diffusion of advanced digital technologies exhibits **significant, consistent sectoral heterogeneity**: AI and big data analysis show broader adoption in ICT and professional and scientific services; IoT is adopted more widely across sectors; robotics and 3D printing are particularly prevalent in manufacturing and utilities.
  - **Larger firms are more likely to adopt advanced digital technologies** and this is not driven by sectoral composition, e.g. large firms are on average 20ppt more likely to adopt AI than small firms with similar characteristics, with the gap ranging from 5ppt to 37ppt.
  - Both **human and technological capital are key** to the adoption of advanced digital technologies; for AI, five of the six countries in which ICT skills data are available show a positive association of AI adoption with ICT skills; two of five available countries for ICT training; and all of the available nine countries for technological capital.
  - **Tertiary education and technical occupations appear to be critical** for the adoption of advanced digital technologies, e.g., in Denmark, the Netherlands and Portugal, a 1ppt increase in the share of tertiary-educated workers is associated with a higher likelihood of AI adoption of 0.53, 0.24 and 0.15ppt respectively.
  - Advanced digital technology **adopters tend to be more productive** than other firms, although this does not imply a causal link: for AI, the productivity advantage of adopters ranges from 7.7% in France to 31% in Belgium, with stronger advantages in large firms.
  - Part of the observed productivity advantages can be attributed to **differences in human and technological capital**, which are themselves associated with higher productivity and contribute to explaining the productivity advantages, particularly in the case of AI and IoT.

**Other countries include Belgium, Denmark, Estonia, Israel, RoI and Switzerland.*

The OECD published *Exploring possible AI trajectories through 2030*, presenting expert- and evidence-informed scenarios and suggesting four plausible different broad scenario classes.

- **Progress stalling**: AI systems can quickly undertake a range of tasks that would take humans hours to perform but issues of robustness and hallucinations impact reliability.
  - AI systems typically rely on substantial support from humans to complete tasks, such as detailed prompting, review and provision of context.

- **Progress slowing**: AI systems have a deep knowledge base, excel at standard forms of structured reasoning and can act as useful assistants for tasks that require them to use a computer, navigate the web or undertake limited interaction with people or services.
  - They can quickly undertake well-scoped tasks that would take humans hours or days but typically rely on humans to provide such tasks, review important decisions or actions and provide detailed guidance and context.
- **Progress continuing**: AI systems can perform many professional tasks in digital environments that might take humans a month to complete.
  - However, deficits persist in their continual learning and generalisation to complex real-world environments and situations.
  - They typically rely on humans to provide high-level directions and bounds for their behaviour but can often operate with high autonomy within these bounds towards a given objective, including autonomously interacting with a range of stakeholders.
- **Progress accelerating**: AI systems can operate with levels of autonomy and cognitive ability that match or surpass humans in cognitive tasks, autonomously working towards broad strategic goals that they can reflect upon and revise if circumstances change, while also collaborating with humans where necessary.
  - AI-guided robots can handle complex tasks in dynamic real-world environments in many industries and roles, although they still largely lag humans unless developed specifically for that role.

The OECD published *The OECD.AI Index*, a technical paper introducing a composite measurement framework designed to assess implementation of the OECD Recommendation on AI, adopted in 2019 and revised in 2024.

- The Index combines existing AI-specific indicators from the OECD.AI Policy Observatory with newly developed metrics to provide a holistic view of national ecosystems.
  - Developed with AI experts and statistical bodies, the Index is modular, enabling the integration of new metrics as they become available.
- It focuses on the five policy recommendations for trustworthy AI: investing in AI R&D; fostering an inclusive AI-enabling ecosystem; shaping an enabling interoperable governance and policy environment for AI; building human capacity and preparing for labour market transformation; and international cooperation for trustworthy AI.
- The paper describes the Index's conceptual framework, methodology and findings for 2023 and 2024 based on available indicators.
  - The results display large variations across countries and components, with final values ranging from 0.17 to 0.66.
  - While it is meant to be a snapshot in time for each year, small changes in relative rankings – particularly as some countries adopt new policies or are impacted by changes in other indicators – can provide countries with evidence on areas of comparative improvement.
  - The online interface, to be launched on OECD.AI, will provide users with interactive visualisations and resources for further investigation.

The ILO and the OECD published *Compendium of best practices for a human-centered development and use of Artificial Intelligence in the world of work*, a G7 Technical Paper to advance the implementation of the 2024 G7 Action Plan for AI adoption in work.

- The paper describes policy measures, reported under the six areas of the action plan:
  - Fully leveraging the potential of AI in the labour market through skills development
  - Navigating automation, productivity and fairness in the workplace
  - Protecting privacy and advancing non-discrimination in the world of work
  - Strengthening occupational safety and health, autonomy, agency and dignity
  - Strengthening transparency, explainability and accountability
  - Leveraging social dialogue.
- Although not an exhaustive list, the examples submitted span interventions from investing in AI tools to skills training, data privacy, transparency, non-discrimination and occupational health and safety.
  - These interventions are pursued through both existing and new policy measures, often with the support of social partners.

ADULT & LIFELONG LEARNING

England's Department for Education published *Survey of Adult Skills 2023 (PIAAC): Low skills thematic report*, based on the second cycle of the OECD survey, which measures literacy, numeracy and adaptive problem solving skills for those aged 16–65.

- Around 20% of 16–65 year-olds in England had low basic skills in literacy, numeracy or both; the report explores who they are and how this has changed over time and examines how low skills relate to education and employment.
- Among the findings:
  - 56% of those with low literacy and 54% numeracy were aged 45+.
  - Only 55–56% were in work in 2023 vs 75% of adults overall and 61–64% across other countries in the study.
  - 11% of 16–24s had low skills in literacy, down from 20% in 2012; in numeracy, it has fallen from 19% to 13%, suggesting that education reforms have had an impact.
  - 57% of the low-skilled numeracy group were women; for literacy, the gender split was equal.
  - Adults born outside the UK or who learnt English as an additional language are over-represented in the low skills group; however, they are less likely to have low skills in England than in many comparable countries, including France, Italy and the US.
  - Highest educational qualifications among low-skilled adults have risen: in 2012, below upper secondary level was more common; in 2023, upper secondary (e.g. 5+ GCSEs or A levels) was the most common.
  - 72–75% of low-skilled adults used devices daily at or outside work, higher than across comparator countries; however, 6–12% never used devices to access information.

England's Department for Education also published *Survey of Adult Skills 2023 (PIAAC): Young people thematic report*, comparing 16–24 year-olds in 2012 and 2023 and exploring what's driven their skills gains over time.

- Compared with 2012, 16–24-year-olds in 2023 were more likely to: be qualified to upper secondary level+; have parents with qualifications at tertiary level+; and be employed and have a 'skilled' job.
- Women had made significant gains in both literacy and numeracy, while men had made significant improvement in numeracy only.
- Young people with the lowest qualifications had not fallen further behind.
- Background factors such as gender and socioeconomic status played a smaller role in shaping skills outcomes in 2023 than they did in 2012.
- The cohort aged 16–24 in 2012 had made larger gains through their 20s than their peers in most of the other countries surveyed; however, they remained well below some of the top-performing countries, such as Finland, Japan and Estonia.

The UK Ministry of Housing, Communities & Local Government published three 'deep dive' process evaluations of the Multiply (adult numeracy skills) programme in NI, Scotland and Wales.

- In each case, qualitative research was conducted with one local authority or accountable body, with further evidence collected via the UK Shared Prosperity Fund place-level evaluation for each nation.
- Among the lessons learnt:
  - [NI] 'Hiding' the maths in creative and fun initiatives, like arts & crafts, DIY and cooking classes, made learning enjoyable and removed the stigma of being identified as 'poor at maths'.
  - [Scotland] Embedding numeracy into practical activities like sports, cooking and vocational training made learning more engaging and relevant.
  - [NI] Community-based provision was a key success factor, with sessions run in familiar and accessible community settings.
  - [NI] To ensure a positive legacy for Multiply beyond the one-year delivery window, a number of initiatives were developed, including CPD for FE tutors, teacher training sessions and supporting resources and ongoing public access to free resources.
  - [NI] The programme had a wider impact: for many, attending an activity helped build confidence, improve wellbeing and enable them to take steps towards wider learning and employment.

- [Scotland] Investing time and resources in building and maintaining strong partnerships with local stakeholders, including community organisations, colleges and the voluntary sector, resulted in a comprehensive understanding of local needs, sharing resources and more relevant and impactful initiatives.
- [Wales] A multi-disciplinary and cross-council model helped achieve outcomes for a range of beneficiaries in one programme.
- [Scotland] Tailoring interventions to specific needs and to address barriers faced by different cohorts is essential; continuous evaluation and adaptation ensures initiatives remain relevant and effective.
- [Wales] Flexible funding means it can be repurposed to deliver more where areas are more successful.

SOLAS (Further Education & Training Authority) published *Winter Skills Bulletin 2025: Older workers in Ireland: Labour market perspective*, on trends and variations in the RoI, to inform policy and support interventions that sustain and enhance participation of 50–74 year-olds.

- Older workers are vital assets to the labour market, however sustaining their workforce participation may require targeted upskilling or reskilling opportunities plus flexible provision.
- Changes between 2019 and 2025 are examined, drawing on data from the Central Statistics Office and Eurostat; findings include:
  - Older workers are more likely to have **lower educational attainment**: 15% of 50–74s (mostly males) have lower secondary education or less vs 8% among all employed people aged 15–74.
  - In contrast, 49% of older workers held a third-level qualification, and 34% had attained higher secondary or FE and training.
  - Employment among older workers with third-level qualifications increased by 70% from Q1 2019; while employment among those with lower secondary education or less declined by 12%.
  - Older workers had **lower than average lifelong learning participation rates**; in Q2 2025, 12% participated in lifelong learning, compared with 15% of all employed 25–74 year-olds.
  - The lifelong learning participation rate varied between 14% for those aged 50–54 and 8% for those aged 65–74.
  - Overall, older workers made up 33% of the total increase in lifelong learning Q2 2019–Q2 2025.

Cedefop published *Shaping the future of lifelong learning: policy scenarios for 2040 – Transparency and transferability of learning outcomes*, the final report of a three-year study.

- **Eight high-level policy trends** over the last 20 years related to transparency and transferability have helped to reduce the separation between education and training, while expanding opportunities for learners to tailor learning to their needs, interests and circumstances:
  - Increased efforts to develop common quality assurance frameworks
  - Increased opportunities to transfer learning outcomes using credit systems
  - More consistent and comparable overviews of all types, levels and learning outcomes of qualifications available to learners
  - Increased opportunities to validate learning outcomes and achieve full or partial qualifications based on a mixture of formal, informal and non-formal learning
  - Increased opportunities to store and build up a digital portfolio of learners' achievements, including qualifications, transcripts of records and other types of certificates of learning achievement
  - Increased portability of qualifications and learning outcomes across borders
  - Increased horizontal and vertical permeability of learning pathways via flexible access and broader curricula
  - More tailored learning pathways.
- **Five scenarios**, designed as exploratory tools that allow policymakers to think about the implications of different policy choices:
  - **Flex Max** – high levels of both flexibility and permeability: by 2040, EU member states will have created a highly adaptable and integrated learning system, allowing learners seamless movement across education and training systems and countries.

- **Rigid Islands** – low levels of both flexibility and permeability: education and training in 2040 are characterised by highly structured pathways, focused on standardisation and stability, with minimal opportunities for personalisation and learner mobility.
- **Fragmented Flexibility** – high flexibility but low permeability: in 2040, learning pathways are flexible – offering a variety of learning options – but movement between subsystems or borders is limited.
- **Rigid but Internationally Connected** – low flexibility and moderate permeability: education and training systems in 2040 are characterised by structured education pathways; mobility within the same subsystem is possible, including across borders, although transitions across subsystems are limited.
- **Gated Communities** – moderate flexibility and permeability: in 2040, learner needs are taken into account through more flexible provision; cross-border mobility is less prioritised, as efforts are focused on strengthening mobility within subsystems and across them nationally.

Cedefop published *An EU reference framework for lifelong guidance: 18 guidelines for policy and systems development*, building on over 20 years of work developing guidance that has supported EU member states in integrating lifelong guidance into lifelong learning.

- The updated guidelines have been shaped by CareersNet experts, contributions from the ETF, the ILO and others.
- As the only comprehensive EU-wide policy framework on lifelong guidance, providing a valuable tool to equip individuals at any age and stage with the skills to manage their careers, the guidelines:
  - Facilitate benchmarking, review and improvements in guidance policies and systems
  - Offer reference points for all relevant sectors, taking into account varying national arrangements in relation to education, training, the labour market and social inclusion
  - Feature improved integration across different sectors and policy areas, incorporate new priorities and approach social inclusion as a cross-cutting dimension that contributes to social equity aims.
- Nine 'transversal guidelines' cover areas including: career management skills; access to lifelong guidance; assuring quality of provision; governance and strategic leadership; funding; and ICT.
  - Seven 'sectoral guidelines' include: VET; HE; adult learners; workers; the unemployed; and older adults.
  - Two guidelines cover the 'social inclusion dimension': young people at risk; and vulnerable groups.

The OECD published *The many faces of adult learners: Who learns, why, and who is left behind*, introducing a new way to understand how and why adults take part in learning.

- The report groups adults into nine different learner profiles, based on what motivates them to learn or what holds them back, to help design policies that are more focused and effective.
  - **Non-participating**: disengaged from learning (19% of the population); unmotivated due to age and health obstacles (18%); motivated but facing time-related obstacles (6%); motivated but facing multiple obstacles (9%).
  - **Participating**: participating in response to work pressures (17%); reluctant but required to participate (16%); participating for professional and personal development (7%); participating to strengthen career prospects (5%); participating for personal development (3%).
- The learner segmentation model was first developed for Flanders (Belgium), and in this report is applied to four other countries, including the RoI and Finland.

EQUALITY, DIVERSITY & INCLUSION (EDI)

The City & Guilds Foundation published its fourth *Neurodiversity Index Report* with Do It Solutions, based on a survey of 320 employers and 1,864 employees in September–December 2025.

- The evolving landscape of neurodiversity in the workplace is examined, including support systems, trends and ongoing challenges; among the findings:
  - Just over 70% of organisations provided neurodiversity-specific training to HR, EDI or learning & development leads.
  - 47% of senior leaders (+3ppt on 2024) and 39% of managers (+4ppt) had some neurodiversity training.

- There is a widening gap between employer confidence (70–75% average, up to 78–80% among senior leaders) and neurodivergent employees' lived experience (32–38% who feel safe to disclose and believe their employer understands the impact of their neurodivergence).
- Inclusion remains uneven and person dependent: many organisations have statements, policies and isolated training initiatives, but delivery relies on the knowledge of individual managers and local HR capability.
- 54% of employers have adapted recruitment processes to accommodate neurodiversity (+3ppt); 56% have neurodiversity champion programmes (+35ppt).

- Real inclusion depends on systemic change, including: consistent manager behaviours; strengthened HR capability and neurodivergent-informed processes; active reduction of microaggressions and communication friction; and designing work from the edges, not the centre.
  - Inclusion requires culture-wide accountability, informed by lived experience and embedded into how an organisation operates – not only through awareness or policy changes.

The IES published *Behind the masks – good work for autistic women: A toolkit for employers, HR, line managers and autistic people*, based on 12 interviews with autistic women and support from an advisory group comprising three autistic women and five IES researchers.

- Key messages (with accompanying actions):
  - Understand individual motivators, interests and skills to enable sustainable, high-quality work.
  - Adapt work environments to be inclusive of different individuals' sensory needs and experiences.
  - Develop awareness of and provide wellbeing support to prevent the negative impacts of masking for autistic women.
  - Improve understanding and avoid assumptions about autistic women's preferences for social connection at work.
  - Reframe knowledge and understanding about autism away from a 'disorder' or 'superpower'.
  - Ensure autistic women have access to the workplace support they need to perform.
  - Recognise line managers as people who can 'make or break' the employment experience.
  - Consider the impact that others' attitudes can have on autistic women's experiences at work.

International Comparisons

The House of Commons Library published *Tuition fees in England: History, debates, and international comparisons*.

- Written ahead of a Westminster Hall debate and the recent government announcement on interest rate caps, it sets out how fees have changed over time and the arguments for and against fees.

- In terms of international comparison, tuition fee liability in many countries is complex, and includes variations by subject, course, institution, student circumstances and whether there is any state support to meet fees; however, one report has categorised them into four types:
  - **Free tuition**: countries concentrated in Northern and Eastern Europe, Northern Africa and the Middle East, and Latin America.
  - **Low tuition fees**: European countries such as France, Portugal and Spain.
  - **High tuition fees** supported by a student loans system: England, Wales, Australia, Colombia, Canada and the USA.
  - **Dual-track systems** that offer limited, merit-based entry for free or at a very low cost and fee-based entry for others: countries in Central and Eastern Europe and Africa, including Russia, Kenya, Uganda, Tanzania and Romania.

Government

The UK Government published *The UK's International Education Strategy: Excellence in Education, Partnerships for Growth*; it sets out three core ambitions:

- Increase the UK's international standing and make it the global partner of choice at every learning phase.

- Including by: working with the sector and the British Council to expand TNE access and impact; championing the UK as a trusted global partner in research, science and technology; creating more opportunities to study, work and volunteer abroad; and increasing global recognition of UK qualifications to support skilled migration, trade in services and international education.

- Continue to sustainably recruit high-quality international students, helping them become global changemakers and lifelong advocates for UK values.
  - Including by: focusing on student experience, quality outcomes and responsible recruitment; and ensuring the offer remains globally competitive and aligned with wider immigration and skills priorities.
- Collectively grow education exports from £32b to £40b per year by 2030.
  - Including by: promoting the offer as high-quality, innovative and values driven; supporting UK providers to access financial instruments and practical support.
- Among other things, the strategy:
  - Removes targets on international student numbers and shifts the focus towards providers expanding internationally and building partnerships in new markets
  - Establishes a new Education Sector Action Group to work with the International Education Champion and UK universities and colleges *(*and schools*)* to help unblock barriers to expansion overseas
  - Shows a commitment to the global skills market by backing FE colleges to be part of this expansion.

Following a government announcement that the UK had agreed terms to rejoin Erasmus+ in 2027, the strategy also confirmed a sixth year of the Turing Scheme.

NORTHERN IRELAND

[No relevant material sourced for this quarter's release.]

ENGLAND

The Children's Commissioner for England published *Setting young people up for success – College sector report: The Children's Commissioner's School and College Census*, based on responses from 238 FE and sixth form colleges (77%).

- The report provides the first national picture of resources, staffing and challenges facing FE and sixth form colleges trying to support young people facing poverty, mental health issues and transport problems as they transition from school; key findings:
  - 66% of leaders cited student attendance as the top barrier, with issues arising at school persisting into college; 44% were concerned about low student engagement.
  - Despite limited resources, 80% of colleges employed a mental health counsellor and more than 50% had access to an Education Mental Health Practitioner.
  - 79% cited access to Children's & Adolescent Mental Health Services as a top concern.
  - 70% of leaders were worried about their funding vs 51% of secondary leaders; 90% said funding limited their ability to provide additional support, with 33% saying it prevented them meeting requirements of Education, Health & Care Plans (EHCPs).
  - 31% rated transport as a top concern for young people in their local area vs 10% in secondaries, while more ranked local poverty among their top concerns than in secondaries.
  - Leaders reported challenges with delayed or incomplete information sharing and students arriving with outdated EHCPs that didn't reflect their current needs.
  - Colleges were generally able to make reasonable adjustments for students with additional needs but improvement is needed to ensure all young people receive appropriate support; the most common reason colleges couldn't meet EHCP requirements was a lack of specialist staff (41%).
- **Four priorities**: extend the Pupil Premium to support the additional needs of 16–18s in education; free bus travel for all young people travelling to college; improving the school–college transition, e.g. through timely and high-quality data sharing; include 16–18s in FE and training in data, policy and programmes focused on young people's education.

644k 16–18 year-olds studied in colleges in 2024/25, with 49k more taking apprenticeships; this is ~33% of the age group vs 24% in state-funded secondary, 12% in HE, 8% in employment and 9% NEET.

The National Union of Students (NUS) published *The price of ambition: The impact of students studying away from home on parental finances*, based on a poll of 1k parents of students in England.

- 86% of parents provided financial support for their children while at university: 18% £100–£199 per month; 13.3% £200–£299; 9.1% £1k+.
- 48% expected their child to work while at university, meaning that many students are now relying on three income streams – loans, work and parental support – none of which is enough for survival on its own.
- 84% said that supporting their child's living costs was having an impact on their finances – a student attending university can have a 'negative financial ripple effect' across their entire family.
- The household income threshold for a higher maintenance loan has been frozen at £25k since 2008; if it had been increased with inflation, it would be £41k, while the median salary in 2025 was £39k.

Oxford University's SKOPE (Centre on Skills, Knowledge & Organisational Performance) published *Reconceptualising the Role of Employers in England's Post-16 Education and Skills System: An initial analysis*, drawing on an employer/government roundtable, 31 employer interviews and a follow-up workshop with government officials.

- The challenges posed by widespread skills gaps, shortages and mismatches in England – and the UK more broadly – emphasise an urgent need to establish a more active and engaged role in the skills system for employers.
  - Such a shift would bring better alignment between post-16 education & training provision and employer needs, enhance productivity, and foster the innovation and workforce transformation needed to drive opportunity, growth and economic security.
  - It is vital for employers as it enables them to achieve improved outcomes for securing the skilled workforce needed to compete and grow.
- Two overarching strategic objectives:
  - Reframe the policy discourse on the role of employers from 'employer-led' to 'employer-engaged'.
  - Develop a clear and implementable articulation of specific employer roles within the skills system.
- **Four key recommendations for employers**:
  - View the skills agenda as a strategic priority owned by their senior executive leaders.
  - Engage in place-based approaches to designing and implementing skills systems, including by contributing to action to increase porosity, collaboration and coordination between education and skills training stakeholders.
  - Get involved in the ongoing redesign of jobs and occupations, with a focus on aligning working approaches and career structures with the long-term needs of their sector, providing 'good work', and developing appropriate practices and structures that make best use of employees' skills.
  - Engage in both sector-level and cross-sectoral occupational discussions with government and skills system experts, to ensure a coherent and coordinated approach to skills foresighting and workforce planning.
- Proposed next steps: evaluate the impact of England's LSIPs for embedding collaborative employer partnerships; pilot a skills training course for senior executive leaders, policy actors and provider leaders; carry out a comparative analysis of successful models of employer engagement; and understand how employer engagement can work for different types of employers.

The paper includes an annex providing analysis of the employer interviews.

SCOTLAND

The Scottish Government published *Scotland's AI Strategy 2026–2031*, to be driven by 'AI Scotland', a new transformation programme *[Scotland's first AI strategy was published in 2021]*.

- Ten key actions for year one include:
  - A 'revitalised' national AI adoption programme for SMEs, including an AI Leadership Academy.
  - A Future Jobs Panel to assess AI's workforce impact and guide national skills planning.
  - Appointing AI Champions for priority sectors and regions.

The Scottish Government also published its first guidance on the use of AI in schools.

The Scottish Government published *A Circular Economy Strategy for Scotland*, setting out a vision to 2045 *[its first was published in 2016]***.**

- A priority is to 'increase uptake of circular practices through improved skills and education', highlighting learning for sustainability and STEM education, including:
  - Ensure circular skills are embedded in the programme of reform for education and skills.
  - Gain a greater understanding of the landscape for training provision, and any existing gaps.

The Scottish Government published *Progress as a precursor to a pivot: fair access in Scotland in 2026 and beyond – Annual Report 2025/26*, the seventh by the Commissioner for Fair Access, the second by the current incumbent.

- The scale of the challenge remains significant:
  - The national target is for 20% of new HE entrants to be from the 20% most deprived areas in Scotland by 2030.
  - The interim target is 18% by 2026/27 (academic year); it is currently 16.7%, the same as three years ago.
- Three of the 20 recommendations for 2026 are a priority:
  - Government to move towards individual-level indicators of socioeconomic disadvantage, and challenge HEIs to achieve fair access for those who have experienced this.
  - School leaders, the SFC, Scotland's Community for Access & Participation Practitioners and Universities Scotland to consider underpinning the fair access agenda within the school broad general education phase (secondary S1 to S3).
  - Explore introducing a single student identifier to improve tracking and facilitate a more robust evaluation of the impact of fair access activity.

The Scottish Parliament passed the Tertiary Education and Training (Funding and Governance) (Scotland) Bill on 20 January, and it will now become an Act, subject to Royal Assent.

- Changes and new developments will include:
  - SFC to be responsible for funding all national training programmes and apprenticeships, taking over from Skills Development Scotland, alongside colleges and universities.
  - New provision to promote widening access to HE and to tackle gender-based violence at colleges and universities.
  - A review of the credit-based funding system for colleges.
- In addition: there will be greater transparency on college and university principals' pay; institutions will have to adopt Fair Work First practices from April 2027; and all student support funding will be consolidated within the Student Awards Agency Scotland.

College Development Network published *Digital Skills Development in Scottish Colleges: A Scoping Project*, by Walter Patterson Consultancy, based on interviews with staff from across the sector.

- The FE college sector is moving from reactive, system-driven training approaches to more strategic, embedded models of digital capability development.
  - There has been significant progress in recent years, particularly in response to rapid technological change; however, there is considerable variation in strategic maturity, resourcing and implementation effectiveness.
  - Colleges are ready for enhanced national coordination in digital capabilities development, provided it respects college autonomy and delivers practical, accessible, relevant support.
- 20 recommendations are made under five headings:
  - Formalise and expand national communities of practice and professional networks
  - Establish a national digital resource hub
  - Provide targeted support and coordinated guidance for key digital areas
  - Review applicability of digital capabilities frameworks
  - Support digital leadership development.

The Educational Institute of Scotland Further Education Lecturers Association (EIS-FELA) published *Follow the Money: EIS-FELA's report on the future of further education in Scotland*, warning of 'deep structural, financial and governance issues'.

- FE colleges' challenges are rooted in sustained underfunding and a shift in their role to being focused on meeting the needs of business, as opposed to students and local communities.
  - Key issues include: a 20% real-terms cut (2021–26), with most colleges projected to run deficits by 2027–28; staff numbers have fallen by 7%, student enrolment by 12%, and provision has been reduced and narrowed; marketisation and inequality; and governance failures.
- Recommendations include:
  - Restore real-terms funding, with ring-fencing for teaching, additional support for learning and English for speakers of other languages (ESOL).
  - Move away from privatisation and outsourcing, and 'just-in-time' qualifications as the norm.
  - Protect FE's distinct role within the tertiary landscape.
  - Strengthen fair work, academic freedom, security of employment and nationally agreed terms and conditions.
  - Support inclusive education that tackles alienation and promotes critical thinking.

Enlighten, an independent think tank, published *Where Next for Scottish Universities and Colleges?* calling for 'significant changes' for the system to thrive.

- Claims include:
  - Funding for Scottish students is defective and unsustainable; reluctance to charge tuition fees to Scottish students leads to growth in international students and expansion of cheaper courses.
  - Scottish students find it increasingly difficult to get places at the three 'elite' home universities *[Edinburgh, Glasgow and St Andrews]*, as institutions are penalised for taking them.
  - System failure is most acute in the college sector, with 92% of colleges in deficit; colleges can be penalised for attempting to react to unmet needs of the jobs market.
- Two scenarios are proposed:
  - **Limited reform**: additional public investment; an international student levy; efficiency measures; modest rationalisation.
  - **Comprehensive reform**: a graduate payment mechanism; major institutional restructuring including mergers; reform of the four-year degree model; stronger regional collaboration linked to economic development.

MillionPlus (the Association for Modern Universities) published *Loyal' graduates key to regional economic growth in Scotland*, a short briefing on the higher proportion of those who study, live and work in the same region after graduation from post-1992 universities.

- 31% of graduates from Scotland's modern universities are 'loyal', compared to 16% from pre-1992 institutions.
  - Case studies show how modern universities recruit local students and retain graduates locally.
- Its report *The value of 'Loyalty'* (October 2025) detailed that such graduates: reduce skills inequalities by retaining talent locally; support public services and industries such as education and healthcare; strengthen local economies by keeping skills and earnings within local labour markets.

MillionPlus also published an updated version of Facts and stats: Modern universities in Scotland.

WALES

The Welsh Government published *A Strategic Direction for Vocational Education and Training in Wales*, developed by a Ministerial Board for VET*, advised by a Stakeholder Reference Group from across the sector.

- In November, five pressing challenges facing tertiary education in Wales were outlined, followed by a detailed evidence paper and a Call for Submissions in January.
- The strategy comprises five interconnected National Priorities, underpinned by the Welsh Economic Mission and Four Purposes of Education; each has a set of 'future direction' activities:
  - **Growing our economy**, including: a national skills audit; Medr and Regional Skills Partnerships piloting methodologies to further understand future workforce demand in key sectors; a system-

wide approach to including employers at every stage; more agile vocational pathways; expanding opportunities for part-time, flexible and modular learning; embedding AI and digital skills.

- **Improved visibility**, including: giving colleges, ITPs and universities access to 14–16 year-olds as part of the Learner Entitlement to inform them of opportunities; from 2027, the introduction of 14–16 Vocational CSEs (VCSEs); publishing post-16 destination data; expanding the Seren Academy to cover degree apprenticeships.
- **Participation & progression**, including: building a cumulative evidence base on the key determinants and trends shaping participation and progression/non-progression; expanding Junior Apprenticeships; strengthening the commitment to lifelong learning, including VET's contribution to adult basic skills.
- **Strong partnerships**, including: supporting and incentivising local and regional collaboration between schools, colleges, universities, adult community learning and employers; amending 14–16 Learner Entitlement Guidance to encourage greater schools/tertiary sector collaboration; sharing best practice from existing powerful examples of organisations working together.
- **Supporting educators and training providers**, including: strengthening partnerships with employers and industry professionals to embed industry expertise in VET; flexible CPD; exploring how innovation and emerging tools can enhance teaching and learning and the investment needed.

**Comprising: the Cabinet Secretaries for Education and for Economy, Energy & Planning and the Ministers for Further & Higher Education and for Culture, Skills & Social Partnership.*

REPUBLIC OF IRELAND (RoI)

Skillnet Ireland published *Empowering Enterprise 2026–2028: A Strategy for Next-Generation Capability*, setting out ambitions for the future of the RoI's business and workforce.

- The mission is to '[empower] Ireland's enterprises and workforce with the skills and capabilities to drive national competitiveness'.
  - A roadmap is presented for strengthening the RoI's competitiveness and enabling business transformation through digitalisation, AI and sustainability.
- Mega trends shaping future competitiveness and skills supply:
  - Rapid digital transformation and technological disruption
  - Expansion of AI adoption and automation
  - Climate change impacts and circular economy transitions
  - Geopolitical fragmentation and economic uncertainty
  - Changing regulatory environment
  - Demographic change and labour market constraints
  - Evolving work organisation and diverse employment models
  - Social inclusion and labour market participation challenges.
- **Five strategic priorities**: driving enterprise competitiveness; optimising organisational agility; accelerating business transformation; partnering for progress; fostering a culture of lifelong learning.

EUROPEAN UNION (EU)

The ILO published *ILO and the EU's European Training Foundation strengthen partnership on skills and decent work*, a news item.

- Under a new five-year cooperation agreement, the ILO and ETF agreed to join forces to:
  - Provide joint advice to governments on skills, vocational education, apprenticeships, lifelong learning and employment policies
  - Develop better data on skills and jobs to understand labour market needs and education-to-work transitions
  - Prepare for green and digital change by helping education, training and employment systems adapt while promoting inclusion and decent work
  - Support: stronger vocational education; apprenticeships that lead to real job opportunities; career guidance; and flexible learning, including recognition of skills gained outside formal education
  - Share expertise through joint publications, training and online resources.

SMALL ADVANCED ECONOMIES (SAEs)

Includes relevant items by/about the following SAEs chosen by the DfE Northern Ireland for comparative purposes: Austria, Belgium, Czechia, Denmark, Estonia, Finland, Iceland, Israel, Luxembourg, New Zealand, Norway, Sweden and Switzerland (in addition to Scotland, Wales and the RoI, covered above).

Czechia

The OECD published *SME Policy in Czechia*, part of a series of Studies on SMEs and Entrepreneurship.

- It assesses the implementation of Czechia's *Strategy to Support SMEs, 2021–2027*, which focused on closing the SME productivity gap across seven policy dimensions, including: workforce skills & education; and digitalisation.
- **Skills development and entrepreneurship skills**: fewer Czech adults than the EU average participate in training, partly as a result of a strong labour market making the need for training less immediate but potentially hindering adaptation to new skills demands.
  - A key skills priority has been strengthening digital skills in the workforce, while the government has also increased its offer of targeted microcredentials, which are especially important at a time when skills profiles within jobs are changing rapidly due to the digital and green transitions.
  - Czechia's entrepreneurship ecosystem has expanded rapidly in the last decade, with the national CzechInvest increasingly involved in start-up support; however, overall quality varies, with 50% of the existing business incubators/accelerators inactive and a sizeable share only offering online/remote services.
  - Entrepreneurship education is at an initial stage, although there are some interesting initiatives both at secondary and tertiary levels (e.g. Brno's regional innovation centre).
- **Digitalisation**: 81% of companies had internet speeds above 30Mbit/s in 2023, however access to high-speed broadband (100Mbit/s) is still patchy.
  - A strategic plan for digitalisation is being implemented and the national recovery and resilience plan allocated €662m to support business digitalisation.
  - A network of six European Digital Innovation Hubs offer skills and innovation services to businesses, especially SMEs, and appear to be functioning effectively; however, their longer term impact is constrained by a funding sunset clause in 2026.

The other policy dimensions covered are: business environment; access to finance; access to markets; R&D and innovation; and low-carbon economy and resource efficiency.

Finland

Cedefop published *Finland: new national policy guidelines for the development of VET*, a news item.

- Finland introduced new guidelines in December 2025 *[only available in Finnish]*, in order to strengthen quality and enhance cooperation among all providers; the changes include:
  - All national objectives consolidated into a single framework, shifting the focus from quantity of training to its quality.
  - An increase in teacher-led instruction, workplace guidance and learning support to ensure learners receive adequate teaching across all learning environments and experience a stronger sense of community.
  - Stronger links between VET and the labour market through more workplace-based skills demonstrations and greater use of apprenticeships; training better aligned with labour market needs and additional support for workplaces during training contracts.
  - Adult education will comprise shorter, more flexible modules to help ensure workforce availability.
  - VET providers will respond to changing demographics and labour market needs by cooperating more closely, sharing resources and using digital solutions.
  - VET will also support the green transition, advance climate objectives and promote biodiversity protection.
  - Internationalisation will be strengthened through learner mobility and cooperative projects between institutions.

The Ministry of Education & Culture published *Education and training voucher pilot to offer young people new pathways into higher education – consultation now open*, a news item.

- A new pilot scheme will offer free open university studies to young people who haven't yet been admitted to an HEI, giving them the opportunity to explore different fields of study and facilitate their faster transition into HE.
- The Ministry is consulting on a proposed 30-credit voucher that would be valid for two years as a means of payment in the Opin.fi service.
  - In addition to study rights, it would entitle the holder to guidance on screening application opportunities and completing their studies, as well as on applying to a degree programme.

The Ministry of Education & Culture published *Finland's most important choice is education, culture and high competence*, outcomes of a discussion involving over 300 participants on the vision for HE and research.

- The discussion on the future of Finnish society and the need to restructure HE and research was informed by draft objectives for 2040 *[only available in Finnish]*, prepared in cooperation with HEIs and stakeholders.
- The vision is for Finland to become a world leader in education, culture and high competence.
  - Highly educated specialists are seen as the driving force in regenerating society, and HE research is instrumental in innovation and strengthening international competitiveness.
- The vision aims to: increase the proportion of young people with a degree to 60%; strengthen the conditions for new research activities in HEIs; and increase the number of R&D specialists in society.
  - A key objective is to build a system that gives all young people equal opportunities to complete a degree, regardless of their background.
- Recommendations will now be prepared for specific measures, including: building smooth educational pathways across the whole education system; the significance of innovative research; strengthening sustainability perspectives; and the importance of cross-sectoral cooperation in society.

The Ministry of Education & Culture published *Competency Path service supports education and career choices*, a news item.

- The new digital Competency Path service is intended for people at different stages of life: young people making their first choices; jobseekers; students; and those already working who want to map their interests and skills and find suitable employment and education opportunities.
  - Through Competency Path, individuals can also find other guidance and counselling services to support their reflection on career and education options.
- Competency Path also supports professionals who provide career guidance in different sectors by offering up-to-date, high-quality information on the labour market and education, diverse methods for career guidance and support for developing their own guidance expertise.
  - It was developed as part of the Digital Service Package for Continuous Learning project 2021–2025, funded by the European Commission, and was led by the Ministry of Education & Culture with the Ministry of Economic Affairs & Employment.

Iceland

Cedefop published *Iceland: Intellectual property industry becomes the largest export base in Iceland*, a news item.

- The export revenues of the IP and technology industry in Iceland have quadrupled since the turn of the century and the sector is expected to become the largest export base in the Icelandic economy before 2030.
- The IP industry includes companies in: IT & telecommunications; computer games; film making; pharmaceuticals; life & health technology; and various high-tech industries.
  - Its share of export revenue was around 4% in 2000 but increased to 16% in 2025 and it is projected that 29% will be generated by IP-related activities in 2030.
  - The sector will then have become the largest of the four main pillars of the Icelandic economy: fisheries, energy-intensive industries, tourism and IP.
- This shift in the structure of the economy will require an estimated 9k technical specialists to start within five years.

New Zealand

The Ministry of Education published NCEA [National Certificate of Educational Achievement] update: structure of new qualifications system agreed, a news item.

- The new qualification system includes a subject-based approach, a Foundational Award at Year 11, and a two-level qualification for Years 12 and 13.
- In 2028, Year 11 students (age ~15) will be the first to take part in the Foundational Award, recognising achievement in literacy and numeracy, providing core skills.
  - Year 12 students (age ~16) and Year 13 students (~17) will follow suit in 2028 and 2029 respectively.
- The detailed design of the new qualification will now begin.

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