



HM Government

Post-16 Education and Skills



Government of the United Kingdom

Post-16 Education and Skills

Presented to Parliament by the Secretary of State for Education,
the Secretary of State for Work and Pensions and the
Secretary of State for Science, Innovation and Technology
by Command of His Majesty

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Ministerial Foreword

Skills are at the heart of our plan to deliver the defining mission of this government – growth.

That mission relies on providing real opportunities through education and training that lead to real careers. For students it means access to new ideas and experiences, the security of a skilled job, the chance to earn a good salary and to build a good life. And for our country it means the skilled workforce we need to build more homes, strengthen our national defences, ensure a clean energy future, improve health, and be part of creating the future.

But today too many people lack the skills to get into work and to get on at work. With the jobs market evolving faster than ever, it's time to finally put that right. We need a skills system that supports young people, employers, workers, and job searchers to navigate this change with confidence, giving people the skills they need to adapt to the digital age and equipping the whole workforce, old and young for the future – including people who wish to retrain or have taken a career break.

This white paper sets out our plan to educate and train the workforce of the future and give people the skills and knowledge they need to succeed. Working with businesses, colleges, universities and the wider skills sector – and guided by our industrial strategy – we'll deliver the step change our system needs.

We'll join up skills and employment support to provide clear, flexible routes for people to access the training they need for work, together with a closer partnership with employers to better serve their needs. We will ensure there are high-quality study pathways into further and higher education, ensuring people have the technical skills we need in the economy, delivering the Prime Minister's commitment to two-thirds of young people entering higher level education and training. We will also ensure we have a highly competitive higher education sector which is driving research and innovation.

We will build on our strengths, not least our skilled and passionate further education workforce. We'll back them with top-class professional development, drawing on the best evidence on what works. They are the key to delivering a prestigious further education sector through which opportunity can flow. In every village, town and city we will grow high-quality study pathways and qualifications at all skill levels, empowering people not just to get by – but to get on.

No one will be shut out from these opportunities. We have a clear plan for identifying and supporting 16 to 18-year-olds who are at risk of falling through the cracks in their final years of formal education. Our Youth Guarantee will ensure every young person can then access support to find a job, a training place, or an apprenticeship. We will make lifelong learning a reality with more modular study options, enabled by a new, flexible student loan model. And we will introduce targeted maintenance grants to support disadvantaged students studying courses that support our missions and Industrial Strategy – to break the link between background and success.

Complementing our further education colleges, we will strengthen our world-leading higher education sector. Our universities are a source of national pride and global admiration. They are central to delivery of the Industrial Strategy, including through

research and innovation, and they help define the future. We know that higher level qualifications are a ticket to success for many of our young people. So, we will support everyone who has the desire and ability to go to university.

Our reforms will bring stability to the sector through a commitment to sustainable funding. And in return we ask universities to focus on their strengths, to specialise and collaborate, and align what they do closely with the needs of the country.

The work we've done together so far – as government, employers and providers – represents an important start. We want to say a huge thank you to our post-16 workforce for all your hard work. Now, we must build on it.

Our plan will provide education and skills for growth and a springboard for a brighter future. Opportunity starts with education and work, and work starts with the right training and experience – not just once, but for a lifetime. We will support more people into work than ever before – because when working people thrive, Britain thrives.



A handwritten signature in black ink that reads "Bridget Phillipson".

**The Rt Hon
Bridget Phillipson MP
Secretary of State for
Education**



A handwritten signature in blue ink that reads "Pat McFadden".

**The Rt Hon
Pat McFadden MP
Secretary of State for
Work and Pensions**



A handwritten signature in black ink that reads "Liz Kendall".

**The Rt Hon
Liz Kendall MP
Secretary of State for
Science, Innovation and
Technology**

Executive summary

This white paper sets out how we will reform the Post-16 Education and Skills system so that it supports the development of the skilled workforce our economy needs, delivering on our Plan for Change and driving national renewal. We know that increasing skills is responsible for a third of productivity growth and provides the opportunity for people to boost their incomes and improve their quality of life. Skills England reports that we will need 900,000 more skilled workers in our priority sectors to 2030.¹ Developments such as the increased use and capabilities of technologies, including artificial intelligence, will have a profound impact on the labour market. Our public sector relies on a skilled workforce to deliver for the public and drive forward the Plan for Change. Generating knowledge and innovation is crucial to the UK attracting and retaining talent, investment, and growing the businesses of the future. We are home to world-leading education and skills providers that help people to enter and succeed in the labour market, generate internationally renowned research which drives innovation, and support businesses to grow and become more productive. We aim to go further, to ensure that everyone, regardless of where they are, can benefit from the transformative power of high-quality skills provision or innovation-led best practice.

There are significant challenges. We know that our businesses need more skilled workers. Skills shortage vacancies make up over a quarter of all vacancies (27% in 2024 compared to 22% in 2017).² The most proactive employers see this as an opportunity, investing to upskill their workforce and partnering with colleges and universities to develop talent pipelines so they can respond quickly to emerging and changing skills needs. The introduction of short courses within the Growth and Skills Levy will provide an additional way for employers to provide their staff with some of the key knowledge and skills needed for their businesses, in a faster and more agile way than enrolling staff in a full apprenticeship. Skills England will bring greater coherence to the overall skills offer, making the skills system clearer and easier for employers to navigate. It will work with businesses to determine what the priorities for their sector should be and how to boost investment in them.

There are too many people who lack the skills they need to thrive in work. 8.5 million adults have low proficiency in English, mathematics or both,³ 7.3 million lack the essential digital skills required for the workplace,⁴ and those without a level 2 qualification are far more likely to be out of work.⁵ The challenges faced vary from region to region, but this lack of crucial skills is of national importance. We will review our adult essential skills offer to ensure it includes the skills most relevant to supporting progression into employment, education and training. Through local Get Britain Working plans, we will support the development of a thriving labour market where everyone has the opportunity for good work, and to get on in work, and where we achieve the ambition of an 80% employment rate.

1 The priority sectors are the 8 sectors offering the highest growth opportunity for the economy and employers, as set out in the Industrial Strategy: advanced manufacturing, clean energy industries, creative industries, defence, digital and technologies, financial services, life sciences, and professional and business services; plus housebuilding and health and adult social care, where skilled workforces will be critical in delivering 1.5 million homes and ending hospital backlogs to deliver the Plan for Change. Skills England (2025,) Assessment of priority skills to 2030. [Assessment of priority skills to 2030 – GOV.UK](#)

2 Department for Education and Skills England (2025), Employer Skills Survey. [Employer Skills Survey, Calendar year 2024 – Explore education statistics – GOV.UK](#)

3 Department for Education (2024), Survey of Adult Skills 2023: national report for England. [Survey of Adult Skills 2023: national report for England – GOV.UK](#)

4 Lloyds Bank (2024), 2024 Consumer Digital Index. [lb-consumer-digital-index-2024-report.pdf](#)

5 Office for National Statistics (2023), Employment by qualification level. [Employment by qualification level – GOV.UK Ethnicity facts and figures](#)

Too many young people are being left behind. Nearly one million 16 to 24-year-olds are currently not in education, employment or training (NEET), which we know has a considerable impact on their future life chances, wellbeing, and economic prospects. This is a national challenge that demands urgent care and coordinated action. This is why, alongside investing in high-quality education and training for this age group, we are developing the Youth Guarantee, to ensure that every young person has access to education, training, and/or help to get into work.

As part of this we will stop long-term unemployment for young people by subsidising paid work placements so they can build skills, gain experience, and improve their employability. For those on Universal Credit who remain unemployed for over 18 months, we will offer a guaranteed job. Together, these reforms represent a bold and comprehensive commitment to ensuring that every young person has the chance to thrive through education, training, and meaningful employment.

There is a disconnect between what individuals choose to study and the needs of the economy, which limits people's earning potential. There are not enough individuals choosing to study qualifications at a higher technical level (levels 4 and 5), despite their positive economic returns and increasing demand in the economy for workers with these skills.⁶ We strongly support expanded participation in higher education, but the traditional 3-year degree is not the only option. Instead, in line with other countries, we need to build clear and well-understood pathways at these levels, underpinned by qualifications that are easier to study close to home, which are both modular and flexible.

Our best colleges and universities are world leading. But there is a risk that parts of the sector fall behind, driven by pockets of weak practice, ongoing workforce challenges, and financially unsustainable operating models.

In further education we will accelerate the standards revolution we have already started – raising the bar on quality, with clear pathways that provide simplicity and clarity, backed by excellent delivery, so that students have the same access to opportunities as their peers in school sixth forms. We will hold the sector to account for delivering on this ambitious vision, whilst ensuring that they have the support needed to do so. To ensure young people are aware of the full range of opportunities, we are improving careers advice in schools and colleges and introducing 2 weeks' worth of work experience throughout a young person's secondary education.

In higher education, we must ensure our providers continue to deliver world-class teaching, and research and innovation, and attract leading talent and investment. But they must do this as part of a reformed system that helps everyone with the desire and aptitude to access high quality higher education, aligns with the needs of the economy, is more specialised and financially sustainable, and delivers good value for students.

We will create a research ecosystem that drives innovation, supports growth, and keeps the UK at the forefront of global science, by embedding sustainability, enabling collaboration, and rewarding specialisation. We will drive specialisation and collaboration through funding reforms, improve cost recovery of research, reform research assessment to incentivise excellence, and generate growth through the Higher Education Innovation Fund, delivering the Local Innovation Partnerships Fund, and delivering the

⁶ Centre for Vocational Education Research (2020), Post-18 Education: Who is Taking Different Routes and How Much do they Earn? [cverbrf013.pdf](#)

recommendations of the spin-out review. We will maintain the right balance across our three research funding priorities: protect and promote curiosity-driven research; support research and development for the delivery of government priorities, missions and the Industrial Strategy; and provide targeted innovation, commercialisation and scale-up support to drive growth. Our package of reforms will better support quality and excellence, stabilise the research system and create the conditions needed for world-class research and innovation to flourish, maximising our global competitiveness.

Across the post-16 education and skills system, we will support providers to identify their specialism and foster collaboration with local market actors. This will ensure all areas of the country have the right volume and mix of priority courses and research capabilities, both at a local and national level. We will be clear on what we expect from providers and will ensure providers are held to account to deliver this.

As well as training our current and future workforce, our post-16 institutions are at the forefront of developing new technologies and understanding how they apply to employers and daily lives. These emerging and advancing technologies, including artificial intelligence, will disrupt the labour market, transform sectors including teaching and research, and require a joint approach from employers and government to harness the innovation possibilities, as well as understand what jobs and skills may be required in a more automated economy. Where these technologies can be deployed to support education and training, and those delivering it, we need to ensure that the teaching workforce is able to make best use of them. Our post-16 education and skills system must be responsive and support employers and workers to navigate their changing needs in the face of megatrends and ensure we have the skills we need to meet labour market demand now and in the future.

This Post-16 Education and Skills white paper sets out our plan to build a world-leading skills system which meets the needs of employers, supports innovation, research and development, and improves people's lives. Our reforms will be underpinned by a national view of skills needs, high-quality pathways for all young people, a clear system for adults to retrain, and a new social contract with employers to increase investment in training and Get Britain Working. As skills policy is devolved to Scotland, Wales and Northern Ireland, the measures set out here apply specifically to England unless this is otherwise stated – but we will continue to work in partnership with the devolved governments of Scotland, Wales and Northern Ireland on supporting the skills agenda through partnerships with Skills England, and the JobCentre Plus Network in Scotland and Wales.

We will deliver change in the following ways:

1. We will work with employers as part of a joined-up skills system that drives growth and leaves no place or person behind.

- We will join up the skills and employment systems, strengthening our offer to support people back into work with a new Pathways to Work Guarantee, closer integration of the Adult Skills Fund and Jobcentres, and a significant expansion of access to Sector Based Work Academy Programmes in England and Scotland, providing training, work experience and a guaranteed job interview.
- We will ensure everyone can upskill throughout their working life with access to short, modular courses or longer periods of training. These will be funded through a new loan entitlement, the Lifelong Learning Entitlement, or will be via short courses funded by employers through the Growth and Skills Levy.

- Skills England will work with employers and local labour market actors to establish a data-driven national view of skills. This will enable a targeted approach to funding provision that drives growth in priority sectors, including through tailored sector skills packages, and that supports people back to work.
- Strategic Authorities will have a stronger role in this system, joining up skills, work, health, and transport interventions to tailor progression pathways to jobs that drive growth locally and bolster pride in places, and delivering change regionally through the devolved adult skills budget.
- We will forge a new relationship with businesses to boost investment in training, supported by skills packages in digital and artificial intelligence, engineering, construction and defence, and closer partnerships with colleges and universities.
- We will act to tackle the rise in the number of young people who are not in education, employment or training. We will support young people with access to specialist support to stay in learning, access training or get into work, underpinned by better data to track attendance and reforms to accountability.
- We will introduce an automatic guaranteed college place in reserve for all 16-year-olds, so no one is left behind after their GCSEs.

2. We will develop a specialist and prestigious further education sector so that everyone can access opportunities through high-quality training.

- Further education teachers and leaders will have access to high-quality, national training and professional development that will raise standards in all parts of the country. Through our Industry Exchange programme we will bring workplace skills into the classroom, creating a flow of information that benefits all.
- Excellent teaching and inspirational leadership will be supported by harnessing the power of artificial intelligence and technology, employer partnerships, and a move towards greater specialisation – with Technical Excellence Colleges leading this change.
- We will introduce new, rigorous qualifications so that all learners, including those with special educational needs and disabilities (SEND), will have access to high-quality study pathways and a clear line of sight to employment or further study. These qualifications will include new pathways at level 2 and new English and maths qualifications at level 1. We will make ‘V Levels’ the only pathway of vocational qualifications at level 3 for young people. These will sit alongside A levels and T Levels, providing simplicity and clarity as well as quality.
- We will challenge and support to raise the bar with new governance models and a clear view of performance to enable Ofsted and regional teams, backstopped by the regional commissioner.
- These changes will be underpinned by investment that protects high-quality education for 16 to 19-year-olds and prioritises the supply of high-value courses that drive growth.

3. We will strengthen our world-leading higher education sector to align with the needs of the economy, become more specialised and sustainable, and deliver good value for the students who study there.

- We will encourage greater provider specialisation, based on research and teaching strengths, in collaboration with other institutions. This change will support improved value for money for all and will be backed by domestic tuition fee and research funding reform, a stronger focus on growth and increasing access and participation for disadvantaged learners, including an improved maintenance offer, and greater accountability for quality.
- We will improve the financial stability of the sector including through increasing the maximum tuition fee cap in line with forecast inflation and protecting the right balance across our three research funding priorities, while driving out poor quality and providing greater flexibility for individuals to study on terms that suit their needs through the Lifelong Learning Entitlement.
- We will simplify the regulatory system for higher level study. The Office for Students will act as a primary regulator for all higher education providers, including Further Education Colleges delivering higher education, and will develop new Higher Technical Qualification awarding powers, as part of their review of degree awarding powers.
- We will consult on the inclusion of break points in degree programmes to create a more flexible learning offer. This will enable more further education and higher education providers, working together or individually, to deliver high-quality higher education level 4 and 5 courses that meet employer needs and lead to positive economic returns.
- We will take a whole of government approach to supporting the higher education sector – this reform plan has been developed, and will be delivered, in partnership between the Department for Education and the Department for Science, Innovation and Technology.

These changes will be underpinned by clear funding principles. The government funds the universal education offer up to the age of 18 and provides support to individuals who are furthest from the labour market, to help them re-enter the world of work. We will also work with businesses to co-invest in the priority sectors identified in the Industrial Strategy and in our Plan for Change. We will ask Strategic Authorities to be responsible for adult skills provision, including delivering the adult skills entitlements. We will ask businesses to fund the education and training their employees need to increase workforce productivity, underpinned by the Growth and Skills Levy. We will make future fee uplifts conditional on the quality of higher education. We will continue to expect individuals to invest in their own upskilling through further and higher education, supported by their new entitlement to a tuition fee loan for 4 years' worth of education or training through the Lifelong Learning Entitlement.

We will deliver these reforms together with all partners in the skills system. We will take a more joined-up approach across government to support delivery and drive our efforts to get more people into work, and on in work. We recognise that the government alone cannot deliver these changes, and so we will work with every part of the system to drive these reforms.

The reforms set out in this white paper will tackle the ‘missing middle’ in our workforce. Among G7 countries, the UK ranks 6th, only ahead of Italy, for the proportion of adults aged 25 to 64 whose highest qualification is at level 4 or 5.⁷ We know that two-thirds of the additional jobs in the priority occupations needed to deliver the Industrial Strategy will require qualifications at level 4 and above.⁸ To address this we have set a **bold new target of two-thirds of young people participating in higher-level learning – academic, technical or apprenticeships – by age 25**. This includes a sub-target of at least 10% of young people going into level 4 or 5 study, including apprenticeships, by 2040. We will measure this using Cohort-based Higher Education Participation (CHEP25), which tracks higher education participation by school cohort up to age 25.

7 OECD, Educational attainment and labour-force status. [OECD Data Explorer – Archive • Educational attainment and labour-force status](#)

8 Skills England (2025), Assessment of priority skills to 2030. [Assessment of priority skills to 2030 – GOV.UK](#)

1. Working with employers to drive growth and opportunity through education and training

Skills provide a clear route to opportunity and a foundation for economic growth. However, skills gaps and mismatches in our economy are holding people back from employment and limiting growth in priority sectors.

Over a quarter of all vacancies are due to skills shortages,⁹ and over the next 5 years there will be strong demand for skills at all levels to meet the needs of priority sectors in the economy.¹⁰ We also know that individuals with higher levels of skills are more likely to be in employment or education, and that on average they will earn more.¹¹ On average, achieving a level 3 qualification generates economic benefits of £78,000 over the person's lifetime, and there is a significant gap between employment rates for those with level 4 qualifications (87%) and those with no qualifications (43%).¹²

Reforming the skills landscape presents a huge opportunity for government, employers, and individuals. Reskilling and upskilling will become ever more important as the labour market continues to shift and adapt to artificial intelligence and an ageing population.¹³

To meet the scale of this challenge, a new approach is needed – one that is joined up, data-driven, employer focused, and which supports those who have the biggest barriers to employment – especially young people, who are around 3 times more likely to be unemployed when compared to the working age population.¹⁴

Our objectives are for a skills and employment system that:

- Is **joined up**, making it clear for people to find and access the training they need to get into and get on in work, and ensuring that our skills offer better meets the needs of employers.
- Has **clear expectations** of who is responsible for funding different types of training. It is the responsibility of employers to invest in their own workforces, and to provide professional development opportunities for staff. Government is responsible for providing universal education up to age 18, and supporting adult learners who are disadvantaged in the labour market and who have low, or no, qualifications. Where there is a national need to increase skills – in strategic areas or because of market failure – government will work jointly with business to fund the relevant training. Individuals will be supported to invest in their own upskilling and progression, underpinned by the Lifelong Learning Entitlement.

⁹ Department for Education and Skills England (2025), Employer Skills Survey. [Employer Skills Survey, Calendar year 2024 – Explore education statistics – GOV.UK](#)

¹⁰ Skills England (2025), Assessment of priority skills to 2030. [Assessment of priority skills to 2030 – GOV.UK](#)

¹¹ Department for Education (2025), The net present value of further education in England. [The net present value of further education in England 2021 to 2022](#)

¹² Office for National Statistics (2023), Employment by qualification level. [Employment by qualification level – GOV.UK Ethnicity facts and figures](#)

¹³ Our analysis shows that professional occupations may be more exposed to artificial intelligence (particularly those associated with clerical work and across finance, law, and business management roles). Department for Education (2023), The impact of AI on UK jobs and training. [The impact of AI on UK jobs and training – GOV.UK](#)

¹⁴ Office for National Statistics (2025), UNEM01 SA: Unemployment by age and duration (seasonally adjusted). [UNEM01 SA: Unemployment by age and duration \(seasonally adjusted\) – Office for National Statistics](#)

- Is **data-driven**, supported by the creation of Skills England and a new focus on partnerships between public and private organisations that ensures skills and labour market insight can be used in tandem to inform more effective decision making, including responding to new trends and supporting our aim to rebalance the labour market towards improved training of domestic workers.
- Is **employer focussed**, with the needs of businesses and public sector employers driving our approach to skills. We want to ensure that the education and training system can meet the needs of local economies and individuals. This means having the flexibility to equip individuals with the skills they need for life and work, and the ability to help employers to fill their jobs. It is equally important that businesses play their part and co-invest in the skills of their workforce, both now and in the future.
- Supports **young people** to thrive, with a clear focus on re-engaging those who are NEET and identifying those who are at risk of becoming NEET earlier and supporting them to remain in education and training, setting them on a course to thrive in life and work. To support learners, we will place duties on schools to support young people who are transitioning into post-16 study, with an automatic backstop of a place in college. We will provide clearer information and guidance on outcomes from different education and training pathways, and provide practical experience that supports learners as they progress through education and training. We will also improve the support available to learners with SEND, with access to tools and advice which support learners to experience the benefits that skills education and training can bring.

1.1 Joining up the skills and employment systems

Too many people lack the skills they need to succeed in work and in life. For individuals, adult learning and essential skills play a crucial role in enabling economic and social inclusion, supporting them to start and progress in work. The nature of work is changing, and individuals need to be empowered to respond proactively to this changing environment through reskilling and upskilling. We must give individuals, as well as industry, confidence in the skills system to respond to these changes. This government wants to ensure a greater focus on more flexible, modular provision which is available throughout the year, to help people access the right training as quickly as possible and in a way which enables them to find employment or to progress in work quickly and easily.

1.1.1 The case for change

Currently, too many adults lack the essential skills they need to access additional education and training, or employment. 8.5 million adults in England have low proficiency in English, maths or both,¹⁵ and participation in essential skills courses has declined across all age groups over the past decade.¹⁶ 18% of the UK labour force lack the essential digital skills needed for the workplace.¹⁷

¹⁵ NFER (2024) Survey of Adult Skills 2023 (PIAAC): National report for England. <https://www.nfer.ac.uk/publications/survey-of-adult-skills-2023-piaac-national-report-for-england/>

¹⁶ Department for Education (2025), Further education and skills data. [Learner characteristics – Participation, Achievement by Age, LLDD, Primary LLDD, Ethnicity, Provision Type, Data set from Further education and skills – Explore education statistics – GOV.UK](#)

¹⁷ House of Commons Library (2025) Digital Skills and Careers. <https://commonslibrary.parliament.uk/research-briefings/cdp-2024-0073/>

For many people who are out of work, gaining essential skills is a critical first step to accessing employment. Across the working-age population as a whole, people with low or no qualifications are around two and half times more likely to be out of work than those who are better qualified. If this employment ‘gap’ could be fully closed, this would be equivalent to one million more people in work.¹⁸

Participation in adult skills training is an individual choice, but adults can face significant personal and structural barriers to participating. Caring responsibilities, poor health, lack of transport or digital connectivity, and a range of other factors can make it harder for those who are most disadvantaged to get access to the help that they need. As of 2023, 15% of the population aged 19 to 64 in England do not hold at least a level 2 qualification, and 32% do not hold a level 3.¹⁹ Skills training must be flexible, tailored, joined-up, and part of a clear pathway to good employment. Our new approach to adult skills will support closer integration of skills and employment support.

We want more people to access higher education at the level that is right for them. Improved access to higher education at level 4 and above is vital if we are to encourage more people to move on from level 3 education and training. At higher levels, we are internationally strong in the proportion of our young people getting qualified to degree level, but too few are qualified to higher technical levels 4 and 5, which often brings strong earnings returns and meets skills needs. Only 17% of English-domiciled learners who obtained a level 4 or above qualification in 2023 to 2024 did so at level 4 or 5, compared to 54% at level 6.²⁰ It is crucial that we get this right, as two-thirds of the additional jobs in the priority occupations needed to deliver the Industrial Strategy will require qualifications at level 4 and above.²¹ This is why we have announced our target that two-thirds of young people should participate in higher-level learning, with 10% of young people going into level 4 or 5 study, including apprenticeships, by age 25 by 2040.

While further training can benefit an individual’s career prospects in the long term, the lack of an immediate pathway to employment means the value of skills training is not always clear to potential learners. At the other end of the spectrum, a full degree is often seen as a default route to employment and many young people and employers are missing out on the benefits of more focused level 4 and 5 courses, which are often better value and more easily linked to and combined with work.

1.1.2 The change we will make

Strengthening our skills offer to help people back into work

We will drive closer join up of skills support and adult learning, reflected in Local Skills Improvement Plans and Get Britain Working Plans. Through closer integration of our skills offer and employment support we want to enable more individuals to access the training they need to find and advance in work.

We will review our adult essential skills offer in English, English for speakers of other languages, maths, and digital skills to ensure that it includes the skills most relevant to meeting the needs of individuals so that they can progress into and within employment, or to additional education and training. As part of this, we will consider how

18 Office for National Statistics (2025) Annual population survey. [Nomis – Query Tool – annual population survey](#)

19 Department for Education (2025), ‘Highest qualification among 19-64 year olds’ from ‘Education and training statistics for the UK’. <https://explore-education-statistics.service.gov.uk/data-tables/permalink/78a57764-09b6-4572-8e5d-08dda5b836e5>

20 Department for Education (2025), ‘Type of learning’ from ‘Higher Level Learners in England’. ‘Type of learning’ from ‘Higher Level Learners in England’, [Permanent data table – Explore education statistics – GOV.UK](#)

21 Skills England (2025), Assessment of priority skills to 2030. [Assessment of priority skills to 2030 – GOV.UK](#)

to better align essential skills training with priority skills gaps. We will review the essential skills required to access and successfully complete technical qualifications which lead to employment in the priority sectors, looking at the entry requirements of jobs in those sectors to enable the provision of training to be targeted to these needs. We will take into account the specific needs of those who are disadvantaged in the labour market as part of this review, to ensure that their requirements for essential skills are reflected. To ensure our essential digital skills offer remains relevant in the context of rapidly developing technology, for example the use of artificial intelligence tools, and equips individuals with the skills they need for life and work, we will review the National Standards for Essential Digital Skills and ensure there are clear and effective pathways for individuals through essential digital skills qualifications.

We will also introduce Pathways to Work, to guarantee access to specialist employment, health and skills support for disabled people and those with health conditions who are out of work and on benefits. This will be backed by £1 billion a year of new, additional funding by the end of the decade. Our Pathways to Work Guarantee will include targeted, personalised support for people, based on their needs and building on our understanding of how best to support people into work.

Clear routes for individuals to gain the skills they need for work

We will expand local and national models to join up employment and skills support, providing clear routes for individuals to get into and on in a sector, and for employers to attract and develop talent. The Sector Based Work Academy Programme (SWAP) is a highly effective skills intervention which has been found to get more people into work and boost their earnings. In the 2 years post SWAP, the net employment impact of starting a SWAP is 12.5 percentage points. This means that on average over 2 years, participants earn £1,400 more and save the taxpayer over £350, as a result of taking part in the programme.²² The programme brings together pre-employment training, work experience and a guaranteed job interview, and we are investing in 100,000 places this year to give more people pre-employment support to get into jobs that need filling. The programme's successful delivery demonstrates strong collaboration between Jobcentre Plus and adult skills providers.

Skills Bootcamps are another important example of government-funded short courses, offering free and flexible training co-designed with employers for adults aged 19 and over in England, to address skills shortages in high-growth sectors. While there are similarities in design to Sector Based Work Academy Programmes, such as the common offer of a guaranteed job interview for learners not currently employed in the sector on completion of training, Skills Bootcamps focus on boosting intermediate skills (level 2-5) and support new entrants as well as enabling in-work progression within priority occupations. Since their launch in 2020, there have been over 120,000 starts, resulting in over 50,000 positive employment outcomes such as new or improved jobs.²³ We have already begun to provide local areas with more flexibility around using Skills Bootcamps to support local skills needs and tackle economic inactivity by committing to devolving delivery to Strategic Authorities, beginning with Greater Manchester Combined Authority and West Midlands Combined Authority in the 2025 to 2026 financial year. This will be expanded to all other Mayoral Strategic Authorities in the next spending review period as well as continuing to directly fund Foundation Strategic Authorities.

²² Department for Work and Pensions (2025), Sector-based Work Academy Programme: A Qualitative Impact Assessment. [Sector-based Work Academy Programme: A Quantitative Impact Assessment – GOV.UK](#)

²³ Department for Education (2025, and equivalent releases for previous years) Skills bootcamps starts, completions and outcomes. [Skills bootcamps starts, completions and outcomes, Financial year 2023-24 – Explore education statistics – GOV.UK](#)

On top of this, the government is investing £100 million over the next 4 years to expand Construction Skills Bootcamps. This forms part of a wider £625 million investment aimed at boosting construction skills and helping to meet the national ambition of building 1.5 million homes.

We will make sure that Skills Bootcamps are joined up with the Jobcentre Plus offer and the Jobs and Careers Service to promote Skills Bootcamps.

Skills England will engage with industry and other partners to explore the development of skills passports, reviewing best practice and learning from previous initiatives in the UK and overseas. Skills passports could set out individuals' skills and competencies, enabling these to be documented, endorsed and transferred between employers and sectors, increasing visibility for employers and improving people's training progression and lifelong learning. Being able to demonstrate training and work experience to employers would be particularly beneficial for unemployed people, and we will consider how to test skills passports in Jobs and Careers Service Pathfinder areas.

1.2 Data-driven skills planning to meet employers' needs

We have established Skills England to work in partnership with employers, Strategic Authorities and other partners to build a picture of national and local skills needs, which will inform the education and training we fund. With better data, we will create a more agile system, enabling employers to signal and invest in the skills they need, supporting individuals to seize new opportunities, and helping employment and skills services to better tailor support to current and future needs.

1.2.1 The case for change

By 2035 we expect 1.4 million new jobs in the UK economy.²⁴ We also know that emerging and advancing technologies, including artificial intelligence, have the potential to disrupt the labour market and impact the skills system, leading to a requirement for new or different competencies and capabilities. We cannot predict exactly how these trends will develop and transform the economy, but we know that the skills system will need to adapt and be more agile in order to respond to advances in technology and to benefit from them.

While we see excellent examples of collaboration and innovation within industries and between government and employers to address skills gaps, the current system is not responsive enough to rapid change. This contributes to an often confusing and fragmented skills landscape, which is hard for both employers and learners to navigate.

Evidence from Skills England shows that employers want more flexibility in training their workforce, and that we need to make changes to the skills system to respond to their needs.²⁵ This means having flexibility to equip individuals with the skills they need for life and work, and the ability to help employers to fill their vacancies. That is why we are aiming to provide new, short courses which will support learners to develop the skills their employer needs, as well as providing the learner with skills that will allow them to progress.

²⁴ Skills England (2024), Skills England report: driving growth and widening opportunities. [Skills England report: driving growth and widening opportunities – GOV.UK](#)

²⁵ Skills England (2025), Skills England: Sector evidence on the growth and skills offer. [Skills England Sector evidence on the growth and skills offer](#)

1.2.2 The change we will make

Transforming how we use data to support individuals, employers and partners

Skills England will provide the single authoritative voice on England's current and future skills needs, working in partnership with Strategic Authorities, employers and Employer Representative Bodies, Industry Training Bodies, unions, and the devolved governments of Scotland, Wales and Northern Ireland to identify skills gaps and ensure we have skills and employment provision in place to fill them. Strategic Authorities will use these insights to enhance their local labour market intelligence, informing their decisions around adult skills training and employment support. Clarity around high-demand skills will also help individuals to make informed choices about their education and training options.

Skills England will work with the Industrial Strategy Advisory Council and the Migration Advisory Committee as part of the Labour Market Evidence Group, gathering and sharing data to inform decision making on labour market policy, including sectoral and regional priorities. This robust evidence base will support our aim to rebalance the labour market away from an over-reliance on international recruitment and towards improved training of domestic workers, ensuring that growth-driving sectors have access to the skilled workers they need now and into the future.

Training that adapts to the changing needs of the labour market

Skills England will work across the employment and skills system to better connect people to jobs across the country, now and in the future. To cement this change, Skills England will put public-private partnership working at its heart. It will take a pro-employer approach, making the case for increased employer investment in skills, underpinned by better alignment of training opportunities with the skills needs of the economy. Skills England will use partnerships to inform the development and maintenance of the right training opportunities in priority sectors at a national and regional level. We will also ask Skills England to inform the advice people receive at all stages of their adult lives, so that every individual can access the training they need to develop better skills for better jobs.

Skills England will harness artificial intelligence and data analytics to ensure that employment and skills support is responsive to changing economic demands. This will extract insights from job postings, industry reports, employer and stakeholder intelligence, and economic forecasts, to anticipate future skills needs and ensure that occupational standards which underpin apprenticeships and technical qualifications are responsive to changes in the economy. To support this streamlined approach, we will remove duplication from the regulatory system that governs the approval of technical qualifications, making sure that activities sit within the appropriate organisations, promoting agility whilst maintaining quality.

We will also embed artificial intelligence skills across the population and ensure that people in all sectors, regions, and walks of life can benefit from this technology. The transformative impact of artificial intelligence will reach across the entire economy, which is why we have committed to upskilling 7.5 million UK workers with essential artificial intelligence skills by 2030 through our digital and artificial intelligence skills package.

Directing skills funding to clear priorities

We will target public funding to drive up skills provision in priority sectors to meet employer and economic need. Given the constraints on funding across the public sector, we must ensure that every pound is well spent. The government and Skills

England will prioritise the skills needs of 10 sectors where significant action on skills and employment is required to deliver against our Plan for Change milestones. These are the 8 Industrial Strategy growth-driving sectors, the construction sector, and the health and adult social care sector.

Supporting local growth

We want to enable Strategic Authorities to take the lead in ensuring that the skills and employment system can meet the needs of the local economy, employers and residents, working closely with local stakeholders and partners. The English Devolution Bill will entrench this role, establishing Strategic Authorities as the default delivery partner in their areas of competence, including adult skills. Skills England will partner with Strategic Authorities to align regional and national policy and delivery on skills, while the new Jobs and Careers Service will work to ensure that employer engagement and support for jobseekers is joined up locally. As part of close and regular working, the Chair of Skills England will convene mayors to discuss local labour market challenges, building on the sector priorities that Mayoral Strategic Authorities are setting out in Local Growth Plans.

These insights will inform Local Skills Improvement Plans which – together with Local Growth Plans and Get Britain Working Plans – are critical tools for ensuring local people can access key jobs in the economy. As set out in the English Devolution white paper, Strategic Authorities will take on joint ownership of the Local Skills Improvement Plan model, alongside Employer Representative Bodies, subject to changes to the necessary legislation and guidance. These plans will set out the key skills needed in a local area and the plan to deliver them.

Strategic Authorities will continue to play a critical role in targeting adult skills training to support people to get into and on in work and to help employers meet their needs. They have responsibility for adult skills funding, enabling them to target funding where it is needed in their region and enabling them to link it more directly with other funding that they have access to. Through the introduction of the Integrated Settlement, Established Mayoral Strategic Authorities will have even greater flexibility in how they use their funding to respond to local skills needs. They are also increasingly responsible for commissioning employment support, particularly through Connect to Work funding, and for testing new approaches to reaching and engaging people who are disadvantaged in the labour market (through the Get Britain Working Trailblazers). We are taking a more coherent approach to our work with local areas, with more joined-up local skills and employment funding and support.

We will ensure the Adult Skills Fund is joined up with the support offered by Jobcentre Plus. The Adult Skills Fund currently supports around one million learners per year to access skills courses.²⁶ To complement this, people claiming Universal Credit can use the Flexible Support Fund to gain access to locally run training which is deemed appropriate by their work coach in their employment search. We are committed to ensuring that the Adult Skills Fund supports those who need it most.

We know the skills system could be made more complicated by government creating separate funding streams for different types of skills. Our ambition is that public investment in adult skills will be through the Adult Skills Fund and the Growth

²⁶ Department for Education (2024), Further education and Skills. [Further education and skills, Academic year 2023/24 – Explore education statistics – GOV.UK](#)

and Skills Levy. Delivering adult elements of the Construction Skills Package through the Adult Skills Fund was our first step in this new approach. We will work to ensure that central government and Strategic Authorities continue to place employer needs at the core of their decision making. Devolution means that we are seeing innovation across England, and we want to ensure that this good practice is shared across the whole country.

1.3 Boosting employer engagement and investment

We want a new relationship – a partnership – with employers, that widens opportunities in the labour market and drives growth. We must make investing in training more attractive to businesses by ensuring that education and training opportunities are flexible, easy to access and equip individuals with the knowledge, skills and behaviours employers need. Businesses must play their part and offer to co-invest in their workforce, both now and in the future. We are keen to work with businesses to consider how we can increase investment in their workforce and build on work by Strategic Authorities to leverage employer buy-in to skills training.

1.3.1 The case for change

Employer engagement with and investment in the skills system has decreased significantly in recent years. Employers tell us that the system is too complex to engage with and is often not responsive enough to their needs. We also see too much reliance on migration to fill skills and employment gaps, even in sectors where we can train locally. Over 190,000 work visas were granted to main applicants in the year ending March 2025, 40% more than in 2019, prior to the onset of COVID-19.²⁷ We must work with employers to reverse this trend, not only to drive growth and create opportunities, but to ensure our labour market is resilient to anticipated, as well as unforeseen, shifts and disruptions. The nature of work is changing; over the next decade, 26 million workers across the UK will require upskilling as their roles evolve and 5 million workers will go through a more fundamental job change and require retraining.²⁸

Employer investment in training has declined by 18.5% in real terms between 2011 and 2024, accompanied by a reduction in the average number of training days per trainee.²⁹ Although part of this reduction may be attributable to cost-saving technologies, overall investment still lags behind that of other countries.³⁰ This follows a broader pattern of lower investment across physical and human capital which contributes to our productivity gap when compared to peers. GDP per hour worked has grown by only 0.6% since 2010, while in France, Germany and the US it has grown by around 1% per year.³¹

1.3.2 The change we will make

New sector skills packages and job plans

We will work with businesses and industry bodies to help them develop and implement sector Jobs Plans. These plans will build on the sector plans published alongside the Industrial Strategy, and good practice in many industries. They will provide

27 Home Office (2025), Why do people come to the UK – Work? [Why do people come to the UK – Work? – GOV.UK](#)

28 Confederation of British Industry (2020), Learning for Life. [learning-for-life-report.pdf](#)

29 Department for Education (2025), Employer Skills Survey 2024. [Employer Skills Survey . Calendar year 2024 – Explore education statistics – GOV.UK](#)

30 Skills England (2024), Skills England report: driving growth and widening opportunities. [Skills England report: driving growth and widening opportunities – GOV.UK](#)

31 Prime Minister's Office (accessed 7 August 2025). Kickstarting Economic Growth. [Kickstarting Economic Growth – GOV.UK](#)

a clear direction of travel for national and local government, public services and industry to develop the domestic workforce together and facilitate the sector-level and local collaboration necessary for business to invest further in skills pipelines.

The plans will also provide evidence to the Labour Market Evidence Group on employers' plans to develop their workforce, and support the Migration Advisory Committee's judgement on access to the Temporary Shortage List for eligible occupations.

Complementing these Jobs Plans, the government is developing tailored sector skills packages in partnership with Skills England and industry. We will deliver the sector skills packages already announced, including:

- £625 million in construction skills, to deliver an additional 60,000 construction workers over this Parliament
- £187 million in our 'Techfirst' digital skills and artificial intelligence learning package, providing learners with opportunities to progress through non-academic as well as graduate routes
- An engineering package worth £182 million across four years, addressing engineering skills shortages that are critical to growth in priority sectors. Alongside Technical Excellence Colleges in a range of priority sectors, it includes £47 million to fund engineering skills for adults, £2 million to increase the number of engineering T Levels offered, and £8 million capital funding to invest in clean energy engineering courses at levels 4 and 5 in higher education providers
- A £182 million package to boost the talent pipeline for the defence industry, which is critical for national security and economic growth. This includes five new Defence Technical Excellence Colleges, targeted short courses for people working in defence, investments in higher education, regional STEM initiatives, the creation of a Defence Universities Alliance, and a range of other measures to harness the skills needed for the future

We will work with Strategic Authorities to integrate employment and skills support locally, creating new sector pathways which are aligned with Local Growth Plans.

As an example of this, through the Construction Skills Package, local areas will have a major role in supporting the government's housebuilding and infrastructure plans across the country. They will have additional funding, including Free Courses for Jobs, and lead on the industry placement and further education teaching workforce elements of the package.

Increased flexibility through the Growth and Skills Levy

Building on the Prime Minister's recent commitment to see more young people achieve higher level qualifications and apprenticeships, the Growth and Skills Levy will play a key role, alongside the Youth Guarantee, in ensuring that young people are prioritised to progress more quickly into skilled, well-paid jobs that will power economic growth and reduce the number of NEETs.

We also want employers to be able to use the levy on short, flexible training courses, starting from April 2026.

The first wave of these courses will be called apprenticeship units and they will be available in critical skills areas. These courses are designed to help employers respond quickly to evolving skills needs and invest in workforce development. By addressing critical skills gaps in the economy, these

programmes will enable quicker, targeted upskilling, helping employers to build a more agile and productive workforce while supporting individuals to gain skills which have a long-lasting impact on careers. Apprenticeship units will complement existing apprenticeships and be based on employer-designed occupational standards using quality-assured knowledge and skills, giving employers confidence around their legitimacy, content and quality of training.

The initial roll-out will be in priority areas such as artificial intelligence, digital, and engineering, and will be expanded over time to other critical skills needs. Decisions will be informed by the work of Skills England to ensure the offer aligns with employer needs and wider national priorities, so that it is affordable alongside the wider apprenticeship offer. We will work with business and employers over the coming months to ensure that the Growth and Skills Levy offer is developed to help meet their needs and incentivise further employer investment in training.

We will go further in supporting young people to secure apprenticeships, in particular those who are NEET or at risk of becoming NEET, through tailored support as part of the Youth Guarantee. As announced in the Get Britain Working white paper, the Youth Guarantee will guarantee young people access to education, training and/or help to get into work. The introduction of foundation apprenticeships is an important first step, and these are now available in Industrial Strategy and priority areas including construction and the built environment, engineering and manufacturing, health and adult social care, and digital. Employers will receive a payment of up to £3,000 per apprentice to contribute to the extra costs of supporting someone at the beginning of their career. We expect this to enable up to 30,000 young people to start a foundation apprenticeship over this Parliament.

Improved access to short courses and modular study to support career changers

We will transform the landscape of adult education and training through the Lifelong Learning Entitlement, giving each individual access to 4 years' worth of loan funding for higher level education or training to use over their working lives. The Lifelong Learning Entitlement will be available to apply for from September 2026, with the first courses taught from January 2027. Through the introduction of funding for shorter modes of study, this entitlement can be used not only for the traditional 2 or 3-year study programmes, but for shorter modular courses at higher education level 4, 5 and 6, that can be built up over time to a full qualification at level 6 degree level. Further education colleges will be more easily able to offer higher education at level 4 and 5 as part of this approach, supporting people of all ages to access higher-level education and widening access to higher-level education for young people in line with our ambition that two-thirds of all young people are participating in higher-level education. This will enable people to upskill and reskill around the needs of their jobs and to enter new sectors where there is high demand for skills,³² and will be alongside the short courses (apprenticeship units) introduced in the Growth and Skills Levy mentioned above.

Incentivising employers to invest in skills

We will facilitate greater partnerships between skills providers and investors to co-finance increases in training capacity. We will build sector coalitions to enable this, with a focus on meeting the future training needs of strategically important projects. Skills England will work with industry, government and the Office for Investment to support the

³² Skills England (2024), Skills England: driving growth and widening opportunities. <https://www.gov.uk/government/publications/skills-england-report-driving-growth-and-widening-opportunities>

Industrial Strategy's aim to significantly increase business investment in growth-driving sectors by 2035. Collaboration with colleges and universities will be a core component of this work. We will support leaders to build partnerships with the employers that they need to meet this aim.

We will take into account suppliers' commitments to the government's skills objectives in procurement decision-making where it is relevant. To drive the culture shift that is needed, we will expect employers to play a proactive role in training and educating the workforce they need.

We expect Industrial Strategy Zones to support increased investment in the skills system through their structured partnerships with employers and investors. As set out in the Industrial Strategy Zones action plan, these zones should support local employment and the growth of the local skills pipeline and reduce reliance on overseas labour. In line with this, employers operating within the zones and benefitting from government support are expected to invest in local skills development, contributing to a sustainable talent base aligned with regional growth priorities.

Reducing reliance on migrant workers

We will raise the Immigration Skills Charge by 32%. This will bring it in line with inflation since 2017, as set out in the Restoring control over the immigration system white paper.³³ We will use the additional funding generated by the Immigration Skills Charge to upskill the domestic workforce and reduce reliance on migration over the medium term.

We will limit access to the immigration system for employers in sectors that do not demonstrate a commitment to supporting domestic skills. The Labour Market Evidence Group will work to build the evidence around the state of each workforce in key sectors, including training levels and participation by the domestic labour market. The group will work with these sectors to assess whether there is a sufficient workforce strategy in place to address skills gaps, including better use of the skills system and industry investment. Access to the immigration system for occupations at below degree-level, via the Temporary Shortage List, will be contingent on appropriate sector Jobs Plans being in place. The Migration Advisory Committee has been commissioned to complete a review of the new Temporary Shortage List in the next 12 months and will work with the Labour Market Evidence Group to collect and analyse data relevant to this review and set expectations on Jobs Plans.

We will use Skills England insights to improve the information we provide to employers to help them understand and navigate the skills system, including through existing and new channels such as the recently announced Business Growth Service.

1.4 Building a system that leaves no learner behind

We want to deliver a skills system that leaves no one behind: that prevents young people from falling out of the system and enables adults to re-engage with skills and training throughout their lives. Strategic Authorities, local places and providers will continue to support those who have low or no qualifications and are disadvantaged in the labour market to access learning through the adult skills entitlements, and Adult Skills Fund provision more generally, including Tailored Learning.

³³ Home Office (2025), Restoring control over the immigration system. [Restoring control over the immigration system: white paper – GOV.UK](#)

Reducing the number of young people aged 16 to 24 who are NEET, currently nearing one million, is a national priority. Through our ambitious reforms, we will provide targeted support to help these young people gain the skills they need to enter the labour market and succeed in work and life.

The measures set out in this white paper come together with the government's Youth Guarantee, which ensures every young person has access to education, training, and/or support to move into work. As part of this, we will end long-term youth unemployment by subsidising paid work placements, enabling young people to build skills, gain experience, and improve their employability. For those on Universal Credit who remain unemployed for over 18 months, we will offer a guaranteed job, with further details to be set out at the Autumn Budget. We will back up the offer set out in our Youth Guarantee, ensuring all young people have a place to study by automatically allocating a place in a college or a further education provider for young people who are leaving school without a post-16 study plan.

This work is informed by our 8 Strategic Authority-led Youth Guarantee Trailblazers, which are helping us understand how best to deliver the Guarantee and tailor it to local needs. We will build on their findings, taking a joint approach to prevent more young people from becoming NEET and re-engaging those who have. We are committed to ensuring young people can access high-quality training and employment support that leads to lasting employment.

We will also bring support to where young people are, doubling the number of Department for Work and Pensions Youth Hubs across the country over the next 3 years.

Across government, we are developing a National Youth Strategy to set out how we will empower young people, help them build connections and skills, and ensure they can access the mental health support they need to take their next steps in life.

1.4.1 The case for change

As of 2024, 13.6% of 16 to 24-year-olds in England were NEET.³⁴ Not being in work, education or training during this critical transition period can have lifelong scarring impacts for people. Young people who experience a period NEET will, on average, lose up to £50,000 pounds in earnings, compared with their peers.³⁵ This is a diverse group and there are many different reasons why young people may be outside learning or work – however, there are well-evidenced risk characteristics.³⁶ For example, recent research shows that young people who have low attainment, are from low socio-economic backgrounds, and also have SEND are almost 3 times more likely to be NEET.³⁷ A survey conducted by the Association of Colleges last year also found poor mental health was the top reason for student absence, with 88% of colleges identifying it as a major factor.³⁸

³⁴ This rises to 16.2% for 18 to 24-year-olds. Department for Education (2025), NEET age 16 to 24. [NEET age 16 to 24, Calendar year 2024 – Explore education statistics – GOV.UK](#)

³⁵ Impetus (2014), Make NEETs history in 2014. [Make NEETs history in 2014](#)

³⁶ These include low attainment, SEND, health and mental health problems, care experience, disadvantage, and caring responsibilities.

³⁷ Impetus (2025), Exploring compound disadvantage. [Impetus Youth Jobs Gap – Exploring compound disadvantage](#)

³⁸ Association of Colleges (2024), College Attendance Survey Report. [AoC20College20Attendance20Survey20Report20Final-1-1.docx](#)

Lacking qualifications at level 1 is a key risk factor for economic inactivity and is contributing to the estimated 16.2% of all 18 to 24-year-olds in England who are NEET.^{39,40} Despite seeing some improvements in educational outcomes for 18-year-olds, socio-economic disadvantage and SEND are associated with lower prior attainment at pre-16⁴¹ and continue to be a barrier to accessing training and education in adulthood. These cohorts are more likely to become NEET as adults. 18 to 24-year-olds who are qualified to below level 2 are 75% more likely to be NEET than the average young person. For an 18 to 24-year-old who is disadvantaged, has SEND, and is qualified below level 2, this rises to 180% more likely than the average young person.⁴²

Too many individuals are being let down by the information, advice and guidance that they receive, with many then moving into education and training that is not relevant or useful and does not give them the skills and opportunities to progress. This in turn is contributing to learner 'churn' and inefficient training.

1.4.2 The change we will make

We will transform our approach to supporting young people who are NEET or at risk of becoming NEET. We will do this by:

- reforming how young people who are not participating or are at risk of not doing so are identified, tracked and supported
- delivering on our plans for a new Youth Guarantee as set out in the Get Britain Working white paper
- strengthening local level oversight and accountability for young people who are NEET
- delivering enhanced support for 16 and 17-year-olds to take up education and training, and stay engaged
- offering a guaranteed job to young people on Universal Credit who are unemployed for over 18 months
- enhancing support for learners with mental health needs and SEND, and simplifying careers advice and guidance

These interventions will be underpinned by clear progression pathways for both 16-19 students and adults seeking to upskill and retrain. These pathways will be guided by the Curriculum and Assessment Review, and reforms to the adult skills system, which are detailed elsewhere in this white paper.

Identifying, tracking and supporting young people who are NEET or at risk of becoming NEET

We will enable local authorities, Strategic Authorities, schools and further education providers to identify, track and share data about young people more effectively. We will take forward work across government to ensure that the data that helps identify young people who are at risk of becoming NEET is accessible to these partners. We will

39 National Centre for Social Research (2023), Risk factors for being NEET among young people. <https://natcen.ac.uk/publications/risk-factors-being-neet-among-young-people>

40 Department for Education (2025), NEET age 16 to 14. <https://explore-education-statistics.service.gov.uk/find-statistics/neet-statistics-annual-brief/2024>

41 Department for Education (2025), Key Stage 4 Performance. <https://explore-education-statistics.service.gov.uk/find-statistics/key-stage-4-performance/2023-24>

42 Impetus (2025), Youth Jobs Gap: exploring compound disadvantage. <https://www.impetus.org.uk/publications/policy-briefings/youth-jobs-gap>

develop new 'Risk of NEET' indicator tools and guidance so that it is easier to identify young people with NEET risk characteristics in each local authority area. As part of this, we will use artificial intelligence to enhance this approach. We will work with a range of organisations that have an interest in tackling NEETs and will be focussed on improving the collection and sharing of data across organisations to support transitions and better identify young people at risk of becoming NEET.

We will strengthen the role that schools play in the transition to post-16 education and training, so that each pupil has a planned destination before they leave. We will revise guidance so that schools routinely provide targeted support for those at risk of becoming NEET, helping them choose their next step and successfully transition into post-16 education and training. Ofsted's renewed framework is built on the standards and requirements that schools are expected to meet and will therefore reflect these strengthened requirements. This new approach will see schools and multi-academy trusts better support positive post-16 transitions for young people at risk of becoming NEET, with a tighter focus on identifying and improving underperformance.

We will update the Raising Participation Age Guidance and the September Guarantee⁴³ to provide clarity regarding our expectations around the role of schools in preparing students for transitions into post-16 study. This will include detail on their role in providing high-quality information, advice and guidance on careers and information on available options and provision and will strengthen our expectation that schools work collaboratively with Local Authorities to help ensure that young people at particular risk of becoming NEET are identified for support to find a post-16 place. We will adopt a co-production approach, working across the sector and with the Local Government Association and third sector organisations.

We will stop young people at age 16 or 17 falling out of education or training by ensuring that those without a post-16 study plan are automatically allocated a place at a local college or further education provider. The young person will be contacted by the provider to be given a place and have the wraparound support provided to ensure they remain in education or training. We will establish a series of pilots to designate a default provider in a local area with the expertise to support young people with diverse needs. This will establish the processes, funding and levels of support for young people that are required to take the approach forward across the country. Our ambition is that the default for any young person who isn't sure of their next steps post-16 is to be in a college or further education provider, rather than out of education and training. We will also identify how this approach can be used to support young people that stop participating in-year.

We will work with all 16-19 education providers to track attendance by students and intervene early when attendance starts to decline. To help achieve this we will take the best practice from school attendance tracking and bring it into further education, to identify those at risk of becoming NEET through data sharing and embedded strategies to address persistent absence. This will factor in the contextual differences between further education and schools. For example, many further education providers do not expect every learner to be present by a certain time every day so identifying absence will reflect this. We will also draw out existing best practice in further education to strengthen guidance and accountability.

⁴³ This is a requirement on local authorities to find education and training places for 16- and 17-year olds.

We will update local oversight and accountability for young people who are NEET, with an enhanced role for Strategic Authorities. Some Strategic Authorities already hold some powers and duties relating to 16-19 education provision concurrently with their local authorities. Where it will improve the system, we will look to expand these to more Strategic Authorities, underpinned by reforms to data sharing.

We will learn from the Youth Guarantee Trailblazers that are leading the way in establishing what works, so that others can apply what is learned from their new approaches. Trailblazers led by Strategic Authorities are identifying ways to build in effective preventive measures so that young people successfully progress into education, training or employment at 18. For example, in the West of England, the Trailblazer is bringing together a range of datasets to provide enhanced Risk of NEET Indicator insights to support earlier, targeted action by practitioners across the region. We will build on examples set by Trailblazers and wider effective practice to develop guidance that can be adopted by local authorities, schools, colleges, other education providers and the Jobs and Careers Service to improve transitions for young people at risk of becoming NEET.

We will offer a guaranteed job to young people on Universal Credit, who are unemployed for over 18 months. This new initiative will build upon existing employment support and sector-based work academies, offering employers additional support with recruitment and providing an opportunity for young people to gain essential skills and experience, and prevent the damaging effects of long-term unemployment.

Improving support and outcomes for individuals with mental health needs and special educational needs and disabilities in post-16 education and training

We are taking action to increase support and outcomes for learners with SEND in post-16 provision. Many young people with SEND or with mental health problems are at significant risk of becoming NEET if the right support and provision is not in place for them to thrive in education or training. Learners with SEND study at all attainment levels and in all settings. Our reform programme will benefit this diverse cohort by raising standards in teaching and learning, strengthening study pathways to employment, and improving the support available for young people at key transition points. To support these changes, Dame Christine Lenehan, the department's strategic advisor for SEND, is convening leaders, practitioners, children and families.

We will take steps to provide greater support to post-16 learners with SEND. Many further education providers already provide highly inclusive environments for learners with SEND, with many of those who attend special schools pre-16 successfully going into mainstream college post-16. We will bring forward reforms to build on this best practice, and we will ensure that best practice is shared across the further education sector so that all learners with SEND are able to experience opportunities that are right for them through post-16 education.

We will invest in the future of learners with SEND by funding expert advice across post-16 education, as well as in employment, via free one-to-one consultation for all learners with SEND alongside up-to-date guidance. In addition, to help learners with SEND build experience and find paid employment, we are continuing to invest in supported internships by providing up to £12 million to March 2026. Through this funding we are also expanding our pilot, which is testing supported internships for hundreds more young people with SEND without Education, Health and Care Plans who are furthest from the labour market.

We will significantly increase awareness and take-up of the Adjustment Planner. The Adjustment Planner is a structured self-assessment tool that allows all individuals to go through the support that they think would be right for them and discuss this with the people they are working or studying with. It can also be used to raise awareness of the support available in education, including Disabled Students' Allowance, and to support Access to Work applications for extra support. We will work with further education and higher education sector bodies to improve awareness and access to this.

We will support even more students to thrive in further education with expanded access to Mental Health Support Teams. By April 2026, we estimate that 60% of students in colleges and schools in England will be covered by a Mental Health Support Team, up from 52% in April 2025.⁴⁴ We have also developed the Mentally Healthy Schools resource hub which offers college staff information and resources to help them better understand and promote students' mental health and wellbeing.

Simplifying decision-making and pathways for individuals with great information, advice and guidance

We will provide data-led information for individuals about the outcomes of each education and training course. This will ensure individuals can make informed choices about which training to undertake, whether it is a qualification, degree, or apprenticeship. We will do this by maximising the value drawn from the department's best data sources such as the Longitudinal Education Outcomes dataset, and linking data from across government departments to understand if the system is supporting people into good quality jobs in our priority sectors.^{45,46} We will provide learners with clear maps to success in different occupations, and information on how much they might go on to earn. This will include clearer study pathways for students at age 16, which will be developed in further detail following the final report of the Curriculum and Assessment Review later this year.

Through the new Jobs and Careers Service, we will transform our ability to support people across Great Britain to get into and on in work, including through an enhanced focus on skills and careers. The new service will have an increased focus on supporting progression and good work through aligning employment support more closely with skills and careers advice. In Scotland and Wales, we will work closely with the devolved governments to ensure the new service works effectively with the devolved careers and skills services. Until this is launched, the National Careers Service will continue to provide free and professional careers information, advice, and guidance to young people over the age of 13, and adults in England.

We will ensure that careers guidance is informed by the employment and skills needs of the economy to help strengthen talent pipelines and close the disadvantage gap. High-quality careers guidance and work experience are crucial in harnessing the talents of young people from all backgrounds to meet the skills needs of the future. It is important that careers advice provides people with a deeper understanding of local and national opportunities, supporting them to make more

44 Department for Education (2025), Transforming children and young people's mental health implementation programme: 2025 data release. [Transforming children and young people's mental health provision – GOV.UK](#)

45 Department for Education (2024), Further education outcomes. [Further education outcomes, Academic year 2021/22 – Explore education statistics – GOV.UK](#)

46 Department for Education (2025), LEO Graduate and Postgraduate Outcomes. [LEO Graduate and Postgraduate Outcomes, Tax year 2022-23 – Explore education statistics – GOV.UK](#)

informed choices. We will continue to facilitate collaboration between Strategic Authorities, local authorities, schools, colleges and employers to improve careers provision and secure better outcomes for young people.

We will deliver at least 2 weeks' worth of work experience for all students over the course of their secondary education, allowing them to develop a deeper understanding of working life. The goal is to ensure that work experience builds across secondary education, supporting the transition from education and training into employment, expanding horizons and breaking down barriers to opportunity. Work experience should be available to all, regardless of family background. Our vision is that the minimum of 2 weeks' worth of work experience will be broken down into at least one week's worth of work experience activities in years 7 to 9, with a further one week's worth of work experience placement(s) in years 10 to 11. This approach offers greater flexibility to individuals, schools and employers, and means that by the time children are choosing their individual work experience, they have earlier activities to draw on to help them do so.

2. A specialist and prestigious further education system that delivers high-quality education and training for all

Our further education sector is made of FE colleges that serve as anchor institutions in their communities and collaborate with partners to deliver the skills systems and innovative provision that meet the needs of learners and the economy, and Independent Training Providers that form a dynamic part of our education and training market and have a track record of responding innovatively to employer skills needs.

Our objectives for the further education sector are that it:

- Delivers **world-leading provision** that breaks down the barriers to opportunity and supports our ambition for two-thirds of young people to participate in higher-level learning – academic, technical or apprenticeships – by age 25. This will be enabled by the implementation of qualifications reform, excellent teachers, and innovative leaders.
 - Provides young people with high-quality pathways at all levels, with a clear line of sight to employment and further study.
 - Supports adult retraining by giving people the skills they need to access the labour market and delivering a clear system of modular courses in collaboration with higher education institutions.
 - Supports people, communities and employers to advance inclusive economic growth, strengthening social cohesion and pride in place.
- Drives **economic growth** through deeper partnerships with employers to address skills gaps, backed by Skills England's data and with a clear focus on priority sectors identified in our Industrial Strategy and the Plan for Change, and supported by greater specialisation, particularly through Technical Excellence Colleges.
- Provides **national capability** and supports renewal of our public services by boosting employers' access to talent in the domestic workforce and giving working people the tools they need to navigate a changing job market. Joint ventures between providers and investors are key to delivering national and local infrastructure and regeneration schemes, as well as boosting our **international standing** as a high-skilled investment environment.
- Delivers **regional impact** through Local Skills Improvement Plans – alongside Local Growth Plans and Get Britain Working Plans – working with Strategic Authorities to support join-up of skills, work, health, and transport interventions to tailor progression pathways to jobs that drive growth locally and bolster pride in places. This targeted approach will promote inward investment and develop the skills needed in local economies.

Further education colleges and independent training providers are the bedrock of technical education and training in England. They are critical to delivering growth across the Industrial Strategy sectors and can transform lives by offering young people and career-changers routes into fulfilling careers. However, for decades this sector has been treated as second rate. This has contributed to declining participation in adult further education,⁴⁷ and a gap in higher technical skills compared to our country's key competitors, against a backdrop of low productivity growth.⁴⁸ We will accelerate a standards revolution in further education, investing in teachers, curriculum reform, provider specialism, and fostering employer partnerships to drive progress across the system. We will provide the further education sector with the support it needs to meet our high expectations and will build the right accountability measures so that we can take action where it does not. In doing so we can ensure the highest possible standard of education and training for all those entering further education, ensuring young people have the skills they need to thrive in work and life. We will support adult learners who are returning to further education to upskill and reskill, broadening their access to quality jobs and additional training opportunities.

2.1 High-quality teaching in a prestigious further education sector

High-quality teaching is the most important lever available to educational institutions to improve outcomes for individuals⁴⁹ and we will build on the excellent work our further education teachers do as we drive up standards across further education. We will ensure that further education teachers have the evidence-based training they need to deliver high-quality technical and academic education that meets the evolving needs of individuals and the economy. As part of our Plan for Change, we are committed to recruiting an additional 6,500 new expert teachers across colleges, secondary schools and special schools over the course of this Parliament. Technology is shaping not just what our further education institutions teach students to prepare them for the jobs of today and tomorrow, but also how they teach, and we will ensure teachers are supported to maximise the benefits of digital, data and artificial intelligence.

2.1.1 The case for change

Over the past decade, the further education sector has struggled to attract and retain the numbers of highly skilled teachers needed, especially in high-priority subject areas and as student numbers grow.^{50,51} Recruitment challenges are compounded by poor retention rates; only around 40% of further education teachers remain in their roles after 5 years.⁵² We have seen some indication of this improving, with a 0.9% increase in the estimated full-time equivalent further education workforce in the 2023 to 2024 academic year,⁵³ as

47 Department for Education (2025), [Further education and skills, Academic year 2024/25 – Explore education statistics – GOV.UK](#)

48 Office for National Statistics (2025) [Productivity flash estimate and overview, UK – Office for National Statistics](#)

49 Education Endowment Foundation (accessed September 2025), High Quality Teaching. [1. High-quality teaching | EEF](#)

50 Institute for Fiscal Studies (2023), What has happened to college teacher pay in England. [What has happened to college teacher pay in England? | Institute for Fiscal Studies](#)

51 Department for Education (2025), Further education workforce 2023/24. [Further education workforce, Academic year 2023/24 – Explore education statistics – GOV.UK](#)

52 Institute for Fiscal Studies (2023), What has happened to college teacher pay in England? [What has happened to college teacher pay in England? | Institute for Fiscal Studies](#)

53 Department for Education (2025), Further education workforce 2023/24. [Further education workforce, Academic year 2023/24 – Explore education statistics – GOV.UK](#)

colleges use a range of approaches to recruit and retain teachers in key sectors. However, almost 4% of all further education teaching positions were vacant as at the end of the 2023 to 2024 academic year.^{54,55}

Post-16 teachers and senior leaders lack a comprehensive, national, evidence-based and visible professional development offer, in contrast to their colleagues working in pre-16 education. Some government-funded programmes exist, including professional development for English and maths, leadership programmes for aspiring principals and chief executives.⁵⁶ Additionally, the scope of the Education Endowment Foundation has recently been expanded to increase the evidence base on what works to ensure strong outcomes for 16 to 19-year-olds. Many providers support their staff with an excellent professional development offer, but the offer available is often locally created and inconsistent across the country. A high-quality, visible and evidence-based offer needs to be combined with a greater understanding of what works when delivering technical and vocational education, so that further education staff can teach and lead as effectively as possible.

Specific and up-to-date industry knowledge is also crucial for education and training to be of the highest quality. We want to scale up the many good examples of positive partnerships between further education colleges and employers across the whole sector. Where professionals move into teaching from industry, there can be significant benefits, and there have been many excellent examples of where this has worked well. We want to enable this to happen in a more consistent way, supporting industry professionals to thrive as teachers.

2.1.2 The change we will make

Investment to alleviate workforce pressures

We will provide £1.2 billion of additional investment per year in skills by 2028-2029.

This investment will enable us to support 1.3 million learners each year, including tens of thousands of additional expected learners per year by the end of this Parliament. This significant investment will ensure there is increased funding to colleges and other 16-19 providers to maintain real terms per-student funding in the next academic year to respond to the demographic increase in 16 to 19-year-olds. This will enable the recruitment and retention of expert teachers in high value subject areas, and interventions to retain top teaching talent.

Building a high-quality professional offer

We will establish a coherent, career-long professional development pathway for teachers in further education, with evidence at its core. This national framework will ensure a systematic and high-quality approach to professional development which draws on robust research, including from the Education Endowment Foundation, as well as sector expertise from Technical Excellence Colleges, Gatsby Charitable Foundation, WorldSkills UK, and other expert bodies. Our approach will support further education teachers at every stage of their career, from initial training through to leadership, and will recognise that many teachers may move in and out of industry.

54 Department for Education (2025), Further education workforce 2023/24. [Further education workforce, Academic year 2023/24 – Explore education statistics – GOV.UK](#)

55 The schools vacancy rate in November 2024 was 0.5% – this is for teacher vacancies of at least one term's duration. Department for Education (2025), School workforce in England. [School workforce in England, Reporting year 2024 – Explore education statistics – GOV.UK](#)

56 Department for Education (2025), DfE update further education: 9 July 2025. <https://www.gov.uk/government/publications/dfe-update-9-july-2025/dfe-update-further-education-9-july-2025>

We will reform Initial Teacher Education in further education to raise quality standards, embedding evidence-based principles throughout. Statutory guidance will be introduced to ensure consistency and quality in Initial Teacher Education content and delivery. All Initial Teacher Education providers will be required to register with the Department for Education, enabling greater scrutiny and assurance of quality. As part of our commitment to strengthen and embed evidence-based teaching practice in further education, we will work with the sector to review how professional status for further education teachers is achieved, awarded and maintained, and how professional status can better align with our wider Initial Teacher Education and professional development reforms. This may include, for example, linking explicitly to the completion of evidence-based teacher training and development programmes based on clear quality standards. To support professionals transitioning from industry into teaching, we will pilot a high-quality training offer in partnership with the Gatsby Charitable Foundation, Edge Hill University, and colleges. This will ensure that these new entrants benefit from rigorous, evidence-informed preparation.

We will also strengthen the early career experience of new further education teachers. Building on the continuing success of Taking Teaching Further and the Teacher Mentoring Programme, we will work with the sector, including Technical Excellence Colleges, to identify, build on, and spread evidence-based models that work, such as mentoring and structured guidance. This will ensure that new further education teachers are supported by proven approaches that foster professional growth and retention.

We will refocus National Professional Qualifications and associated funding to better support further education teachers and leaders, ensuring that evidence-based leadership development supports the sector's specific needs. This will drive high-quality, evidence-based practice at every level. National Professional Qualifications are already available to teachers and leaders in further education, but we believe that they can play an increased role in strengthening teaching expertise and leadership across the sector.

We will introduce new, in-service professional development courses and wider support to strengthen professional development pathways available to further education teachers. These shorter and more flexible courses will sit alongside National Professional Qualifications in areas that are a priority for further education, such as technical teaching areas, post-16 English and maths, and special educational needs provision. Continuing professional development will be further enhanced, particularly in priority subjects, through collaboration with Technical Excellence Colleges and by building on robust evidence and effective practice, from organisations such as the Education Endowment Foundation and WorldSkills UK.

We will embed industry exchange into in-service professional development, learning from the further education in construction Teacher Industry Exchange scheme, before rolling this out through Technical Excellence Colleges. This initiative opens the door for experts to make an impact in the classroom, whether through masterclasses, teaching modules, or stepping into more formal teaching roles. At the same time, further education staff will gain fresh, hands-on experience through employer placements and cutting-edge continuous professional development via Technical Excellence Colleges, ensuring their teaching stays aligned with the latest industry standards. Our ambition is to scale this model across other priority subject areas, creating a flow of expertise between industry

and education which benefits individuals, employers, and the economy. Targeted support will be provided to strengthen partnerships between industry and education – supporting professionals to share their expertise directly with students and college staff.

We will continue to invest in high-quality, evidence-based leadership and governance development. Strong and effective leadership and governance are essential to the success of the further education sector. Leaders and governors play a vital role in colleges by setting the strategic direction and shaping the culture of organisations to improve outcomes, as well as life chances, for individuals. We will ensure we have a clear and high-quality support offer to further develop both current and future leaders.

We will legislate when parliamentary time allows, so that the Secretary of State has the power to bar unsuitable people from management positions in further education providers. This will protect staff, individuals, and public money, building on the power that the Secretary of State already has to do this in schools. We want to ensure that leaders of further education providers are the right people to be leading their institutions, ensuring that the highest standards underpin leadership and governance.

Strengthening recruitment of teachers

We are providing continued financial support for new further education teachers, including career changers who bring relevant industry experience. We will continue to offer initial teacher education bursaries to eligible candidates and have already taken steps to strengthen this offer. We have increased our top bursary value to £31,000 tax-free in this academic year (2025 to 2026) for teachers training in key subjects, with smaller bursaries available for other priority courses. Through our Taking Teaching Further programme, providers can apply for funding to cover the cost of an early career support package, including a reduced timetable, for new teaching recruits.⁵⁷ We will also explore opportunities in further education for participants on the High Potential Initial Teacher Training programme, which is currently focused on schools, to give trainees an opportunity to gain experience in a further education setting.

We plan to extend the Teaching Vacancy Service to include further education roles, making it easier for providers and candidates to connect with opportunities. We will also continue our national further education teacher recruitment campaign, which has seen consideration of working in further education increase by 30% since the campaign launched in 2022. We will build on this progress with more targeted efforts focused on key sectors.

Supporting retention of great teachers

We will continue the Targeted Retention Incentive for the 2025 to 2026 academic year. The Targeted Retention Incentive gives eligible early career further education teachers in key STEM and technical shortage subjects up to £6,000 after tax annually for their first five years in teaching and has already supported nearly 6,000 teachers in its first year.^{58,59}

⁵⁷ The funding available for the 2025 to 2026 financial year is £21,200 per recruit for a teaching qualification at level 5 or higher, or £15,200 per recruit for the learning and skills teacher apprenticeship.

⁵⁸ Department for Education (2025), Targeted retention incentive for FE teachers: data as of 5 May 2025. [Targeted retention incentive for FE teachers: data as of 5 May 2025 – GOV.UK](#)

⁵⁹ Most recipients of this offer in 2024/25 were teachers in building and construction, maths, and engineering and manufacturing.

As part of our Improving Education Together partnership, we are working closely with unions and employers to improve the retention of staff in colleges, as well as schools. Together, we will drive a step change in teacher experience, working alongside colleges, schools, and key stakeholders to incentivise effective practice and ensure that workload and wellbeing is a priority. This includes testing new digital products to support staff. We are encouraging colleges and schools to sign up to the Education Staff Wellbeing Charter. This sets out commitments from the government, Ofsted, sector representatives and employers to support all education settings to facilitate their own culture of wellbeing. Organisations can draw on the guidance in the charter to support staff wellbeing, including staff working to meet the varied needs of learners with SEND, recognising that this is integral to supporting staff wellbeing, and will contribute to tackling workloads. This complements our broader interventions to simplify funding, accountability, and the qualification landscape, which is key for reducing staff workload.

Supporting the use of new technology to enhance excellent teaching

We will support colleges to take the opportunities of artificial intelligence and technological developments and confidently lead change in the best interests of all learners. Technology, including artificial intelligence, will not replace or automate teaching, but it can transform and improve it. Using new tools can help to alleviate workload pressure, improve productivity and secure new insights into learners' patterns and progress. We know that not all artificial intelligence tools will be good ones, and not all will support true deep learning rather than provide superficial improvement in outputs. That is why we will support the technology market to develop the products that leaders and teachers need by working with EdTech companies to trial cutting-edge products. We will also use data within the further education system, safely and appropriately, to improve provider and policymaker insights into how the system is delivering and enable evidence-based decisions, strong links to pedagogy and work to drive real improvements in learning.

We will support spreading good practice and high-quality technology for learning across the system. Many in the further education workforce are already operating at the cutting edge, teaching new technologies directly, or using new technologies in their work; we want all staff to have the confidence to use technology wisely and well to deliver world-class teaching. We will work with the sector and internationally towards a shared approach on the safe and effective use of generative artificial intelligence in further education.

2.2 Clear pathways into high-quality jobs

At the age of 16, most students will have sat their GCSE exams and will then embark on more specialist study programmes. This is an exciting milestone and a moment for young people to exercise agency over their futures. However, too many qualifications and a lack of a clear pathways can make this a challenging period for young people as they grapple with the range of options available to them. The Curriculum and Assessment Review highlighted this challenge and the importance of a strong post-16 landscape at all levels, to ensure that all learners, but particularly those from socio-economically disadvantaged backgrounds or with SEND, can thrive. We want to ensure that students at all attainment levels are equipped to navigate this transition point and make good choices by giving them access to clear pathways that are linked directly to further study or into a career. Simplifying the post-16 qualification landscape will also make it easier for employers and wider society to engage with the system, so that learners can step confidently into post-16

study in the knowledge that they are undertaking a quality qualification, delivered by an educator empowered by our ever-improving approach to standards, that commands prestige both nationally and internationally.

The Curriculum and Assessment Review's interim report made it clear that we need a different approach at level 3, level 2 and on continued study of English and maths and we have since been working closely with Professor Becky Francis and the Review Panel to set future direction.

2.2.1 The case for change

Most learners (63%) do not study exclusively on an academic pathway after their GCSEs, choosing instead from a range of technical, vocational, academic, or applied academic programmes.⁶⁰ Unlike A levels, which have always benefitted from substantial time, attention and consistency, technical qualifications have allowed for greater variability, leading to a confusing landscape with differently branded and structured qualifications, with limited comparability between qualifications. Whilst choice can be a positive, it is also a double-edged sword. 'Non-A level' students face a choice of approximately 900 approved level 3 qualifications and are more likely to experience 'churn' in their learner journeys (qualification switching/repeat learning)⁶¹ and those studying at level 2 (equivalent to GCSEs) and below at this age are less likely to achieve positive long-term outcomes.⁶² These trends particularly impact socio-economically disadvantaged learners and learners with SEND, who are more likely to study lower-level qualifications in their final years of formal education.

Although still at an early stage, T Levels are already demonstrating their value. We have seen 71% of T Level students go on to work or study in the general field of their T Level after completion, compared to 61% of comparable level 3 technical learners on equivalent routes. Over two-thirds of T Level completers who take up apprenticeships go straight into higher or degree-level apprenticeships — compared to one quarter of all level 3 completers.⁶³

T Levels will be the main level 3 pathway for those young people who are confident about working in a certain occupational area, where it is right to take a single, large qualification (a T Level is the equivalent of three A levels). However, many young people may not be certain at 16 which path they want to pursue; they may be motivated both by academic study and by more applied learning, or they may know they prefer an applied approach but are not yet certain of the occupational path they wish to pursue. The Curriculum and Assessment Review's Interim Report identified that a high-quality and well-respected

60 At level 3: 37% of 16-year-old learners study A/AS levels, a further 11% study a mixed programme of A/AS levels and Applied General Qualifications, and 21% study vocational or Technical pathways — including the 3% who study T Levels. Department for Education (2025), Participation in education, training and employment age 16 to 18. [Participation in education, training and employment age 16 to 18, Calendar year 2024 – Explore education statistics – GOV.UK](#)

61 Department for Education (2019), Students and qualifications at level 3 and below in England. [Students and qualifications at level 3 and below in England](#)

62 Only 64.1% of learners who completed level 2 programmes in academic year 2022/23 achieved sustained positive outcomes in the following academic year (54.7% for disadvantaged learners), whereas 86.6% learners who completed level 3 programmes entered positive destinations (81.4% of disadvantaged learners). Positive outcomes fall to 53.0% for 'all other qualifications' (43.1% for disadvantaged learners), which include pathways below Level 2. Department for Education (2025), 16-18 Destination measures. [16-18 destination measures, Academic year 2022/23 – Explore education statistics – GOV.UK](#)

63 Department for Education (2024), Technical education learner survey 2023: progression of the first T Level cohort. [Technical education learner survey 2023: progression of the first T Level cohort – GOV.UK](#)

alternative path is still needed for students who want a mixed, more vocationally oriented study pathway, alongside A levels, T Levels, and apprenticeships. However, current alternatives are too numerous and are not delivering consistently for students.⁶⁴

Progressing to level 3 at age 16 is not possible for all learners, nor is it the most suitable route for learners who want to progress to a level 2 occupation. The Curriculum and Assessment Review highlighted the over-representation of socio-economically disadvantaged learners studying at level 2 in 16-19 education, with a quarter (26%) eligible for free school meals, and 29% with SEND, compared with 16% of the whole cohort eligible for free school meals and 15% with SEND.⁶⁵ The Review's Interim Report noted that the biggest barrier to learners progressing to level 3 is their prior attainment at key stage 4, especially in maths and English. We also know that studying at level 2 for a transition year can support learners to gain their maths and/or English level 2 (GCSEs or Functional Skills Qualifications) and address wider barriers that prevent learners from progressing directly to level 3 options. We must, therefore, ensure that there is a high-quality post-16 offer at level 2 to help learners progress to level 3 study, and will design our level 3 programmes and qualifications so that they are attractive and accessible to those young people who have completed a level 2, with continued English and maths study if needed. And, given that more than 1 million of the 2.5 million roles in critical demand in the UK require qualifications that broadly map to level 2,⁶⁶ we must ensure that there is also a high-quality post-16 route for learners into occupations at level 2.

The Curriculum and Assessment Review heard strong evidence that the policy around the continued study of maths and English for those who did not achieve a Grade 4 at GCSE was not delivering its intended purpose. There is a compelling social and economic case for encouraging everyone to achieve the best possible levels of attainment in English and maths, and ensuring everyone studies this until a minimum level has been reached. However, in line with the work of the Curriculum and Assessment Review, we must take a different approach to ensure as many learners as possible can achieve positive outcomes.⁶⁷ In particular, we need to support a focus on excellent teaching and learning in English and maths, and disincentivise an approach that enters students as many times as possible for English and maths qualifications.

2.2.2 The change we will make

The right pathways to support progression

We will replace the range of vocational technical qualifications at level 3 with 'V Levels' which will sit alongside A levels and T Levels, and will become the only pathway of vocational qualifications at level 3 for 16 to 19-year-olds. V Levels respond to the Curriculum and Assessment Review's evidence analysis and developing recommendations, offering students a clear choice alongside A and T Levels while radically simplifying the landscape.

⁶⁴ A Nuffield Foundation report found that students who enter higher education with BTECs are almost twice as likely to drop out before their second year when compared to A level students, even when controlling for background characteristics. Nuffield Foundation (2022), Educational choices at 16-19 and university outcomes. [Qualifications and university outcomes final.pdf](#)

⁶⁵ Curriculum and Assessment review (2025), Curriculum and Assessment review Interim Report. [Curriculum and Assessment Review: interim report](#)

⁶⁶ Skills England (2024), [Skills England: driving growth and widening opportunities](#)

⁶⁷ Students who achieve level 2 English and maths at key stage 4 are more likely to have a sustained education, apprenticeship or employment destination after 16 to 18 study than students who do not (87.3% compared to 66.1% respectively). Department for Education (2025), 16-18 destination measures. [16-18 destination measures, Academic year 2022/23 – Explore education statistics – GOV.UK](#)

V Levels will be offered in a range of vocational subjects covering key employment sectors, based on nationally set content. The content will be linked to occupational standards that are set by Skills England, working with employers. We expect new V Levels will be similar in size to an A level so as to be easily combined with other V Levels or A levels, to allow learners the flexibility to explore different areas. We will simplify the range of vocational and technical qualifications at level 3 (where there are c.900 approved qualifications) into this single, simple new pathway. We will work with awarding organisations, colleges, sixth forms, and other sector bodies to ensure that this alternative pathway is fit for purpose, and supports learners to effectively progress into further learning or employment. We will open a consultation on this in autumn 2025 to test the key design principles of the qualification.

V Levels – an example study programme

After GCSEs, a student may choose to study a V Level in Finance and Accounting, alongside A levels in Environmental Science and Geography.

The V Level would draw on content from relevant employer-set occupational standards, including practical and theoretical components. For example, students might:

- Learn how to interpret and produce financial statements and reports
- Explore the principles of budgeting and forecasting, applying these to case studies based on real business scenarios
- Investigate the role of financial regulation and ethics in decision-making

This programme would equip students with core skills such as analytical thinking, digital literacy and communication, while giving them hands-on experience of tasks valued by employers in the finance sector.

Having achieved good grades in all three subjects, the student may then move on to an apprenticeship, working in the renewables sector.

We will work with schools, colleges and awarding organisations to develop two clear post-16 pathways at level 2. This responds to our discussions with the Curriculum and Assessment Review on level 2. Each pathway will be a 16-19 study programme and will have a relevant qualification, and English and maths where needed, at its heart. Students will be prepared for their intended destination, into employment or on to further study. In the occupational pathway, employability skills and high-quality enrichment activity will prepare students to progress directly into level 2 occupations; in the further study pathway, developing independent study skills and exposure to level 3 teaching and assignments will enable progression to level 3 study. Students will be supported by high-quality advice and guidance in their selection of pathway and their choices to move between them.

A new approach to continued study of English and maths

Building on the work of the Curriculum and Assessment Review, we will introduce new 16-19 English and maths preparation for GCSE level 1 qualifications designed to consolidate the foundational skills and knowledge needed to prepare lower prior

attaining students (grade 2 or below) before they then take a GCSE resit. Too few learners with such low prior attainment are achieving a grade 4 by the time they leave education at age 18 or 19 yet are resitting, sometimes repeatedly, when they are not ready. These new qualifications will build on the Curriculum and Assessment Review's analysis of the evidence and developing recommendations. They will reinforce the other measures set out below and already in train this year. They will allow students and teachers the space and time they need in Year 12 to secure these foundations and gain recognition for that, before then progressing onto the GCSE. Students that pass this new qualification in Year 12, would then be better prepared to study towards and achieve the GCSE the following year. Grade 3 prior attainers would continue to access the GCSE directly. We will work closely with the sector as we develop the new qualifications and plan to consult in 2026.

We will support all colleges to emulate the effective practice of the highest performing colleges. The Further Education Commissioner will work in collaboration with the sector to develop effective practice guidance that will focus on:

- high-quality teaching
- the use of data and formative assessment
- a whole college approach
- a strict attendance policy coupled with support for students' wider needs
- sufficient teaching time within the curriculum – from September 2025, we have introduced a requirement for all students resitting English and/or maths to be offered a minimum of 100 hours of in-person, stand-alone, whole class teaching in the relevant subject
- a focus on progress as well as attainment

To support us to understand what is working to improve outcomes, the Education Endowment Foundation will continue their work to build and mobilise the evidence base in the further education sector, which will continue to inform guidance and support for colleges as the evidence base develops.

We will continue to provide additional investment to support more students to progress towards and achieve a level 2 in English and maths by the age of 19. A student who has not yet achieved GCSE grade 4 or above in these subjects will attract both English and maths additional funding, and an additional disadvantage payment. The English and maths funding rate will increase by over 11% in this academic year (2025 to 2026), and the disadvantage payments will increase by nearly 7%.

We have already set out clearer guidance on which students would typically be suitable for entry into the November exam series and which would not. Repeated entry into exams is not helpful for students. The government requirement is for eligible students to continue studying English and maths, and only to sit exams when they are ready to do so. Too many students are entered into resit exams in the November after their GCSE entry the previous summer, without sufficient additional teaching to enable them to succeed. Where a decision is made to enter a student into an exam, this should be based on their institution's assessment that they are ready to improve their grade. Students with prior attainment of a low grade 3 or below will typically need more teaching time to consolidate their learning and make progress. Institutions will therefore want to

consider carefully whether to enter these students into the November resit series, by considering if they have demonstrated suitable readiness, including attendance, engagement and progress. Where information on a student's prior attainment is not available, institutions should use their diagnostic assessment to establish the approximate level of a student's knowledge and skills. We will carefully monitor the implementation of this guidance.

We will revise the 16 to 18 English and maths Progress Measure and Qualification Achievement Rates, and we will ensure providers are recognised for the progress their students make towards a level 2. We have reinstated the 16 to 18 English and maths progress measure this academic year for 2024 to 2025 data, so that this important data on student progress is available, including to Ofsted. The revisions we plan to make will reinforce the need for sufficient time to be given to students to consolidate learning prior to exam entry. For the Progress Measure, this will include considering whether the penalties should be amended. For Qualification Achievement Rates, this will include examining if it can be clearer where a student has achieved a qualification that represents the same, or a lower grade, than they previously held.

Using technology to help learners navigate transitions

We are expanding the new education record app, designed to support individuals through their education and training. The app includes an individual's education and training, their achievements, and details of their learning and support. We know that information often is not transferred with students between institutions, and individuals do not always have a record of their achievements. This app will smooth their transition between education providers and allow individuals to share their education and training achievements seamlessly. After learning from the pilot, we will consider plans for wider rollout and also look at the ways the education record can be expanded to support young people in other transitions – for example to higher education or work.

2.3 Technical excellence colleges designed to provide excellent training linked to employment

We want to move towards a collaborative, specialist system in which providers understand their role within the national and local skills agenda. This renewed sense of purpose and identity will help providers to build relationships with employers and will allow leaders to set a clear direction on workforce recruitment and training, so that all students have access to excellent teaching, driven by the acceleration of our revolution in standards, that gives them the skills they need to thrive in life and work.

2.3.1 The case for change

There has been a significant reduction in the amount that employers have invested in education and training since 2011,⁶⁸ suggesting that we need stronger employer collaboration with education and training. Smaller employers in particular often struggle to identify the training that is right for them and engage with a system which appears complex and opaque. A model of further education based on specialisation in key sectors and with employers fully engaged in the process will help to drive quality and innovation, as well as boosting the supply of provision.

68 Department for Education (2025), Employer Skills Survey 2024. [Employer Skills Survey . Calendar year 2024 – Explore education statistics – GOV.UK](#)

Too few individuals are accessing the provision that is needed to address key skills gaps, as providers are not sufficiently incentivised to offer this education and training, which is often higher-cost provision. Despite funding uplifts in some key subjects, delivery of provision in priority areas has not met the demands of employers, leading to skills shortage vacancies in those sectors.⁶⁹

There is also a ‘leaky pipeline’ in the system which is hampering growth.⁷⁰ Students are studying courses which should lead into sectors with skills gaps, but many are not progressing to work in those areas. Employers report that job readiness and practical experience can be significant issues to recruitment, with employers often hesitant to recruit those who do not have such experience,⁷¹ made worse by a lack of placement opportunities available for individuals.

2.3.2 The change we will make

Technical Excellence Colleges

We are introducing Technical Excellence Colleges. These will be further education colleges that have demonstrated excellent provision in one of the government’s growth-driving priority sectors. They will work with employers, businesses, strategic authorities, trade unions and local government to provide people with better training and job opportunities, and to provide the highly trained workforce that local economies need. Each Technical Excellence College will be a hub of excellence in a specific sector, with advanced facilities and resources, including expert staff, cutting-edge course materials, and strong employer partnerships. Colleges appointed as Technical Excellence Colleges will support other providers that deliver provision in their sector, so that the opportunities and benefits that Technical Excellence Colleges create are spread across regions and learners.

We have already announced 10 Technical Excellence Colleges in construction, backed by £100 million. We will go further, to expand the TEC programme to a further 4 sectors which will include:

- 4 in advanced manufacturing;
- 5 in clean energy;
- 5 in digital and technologies; and
- 5 in defence

These new TECs, backed by £175 million, will secure the pipeline of skilled workers into these areas. Selection processes for these TECs will start by the end of 2025, with delivery planned to begin from April 2026.

We will facilitate increased specialisation through the introduction of Technical Excellence Colleges. Provider specialisms will be aligned with the priority sectors in the Industrial Strategy and Plan for Change, and in direct response to employer demand for

69 Department for Education (2025), Employer Skills Survey 2024. [Employer Skills Survey . Calendar year 2024 – Explore education statistics – GOV.UK](#)

70 Skills England (2025), Assessment of priority skills to 2030. [Assessment of priority skills to 2030 – GOV.UK](#)

71 The Health Foundation (2023), Bridging the gap. [Bridging the gap.pdf](#)

specialist technical skills, as identified through Skills England and Local Skills Improvement Plans. This targeted approach will promote inward investment and develop the skills needed in local economies. As leaders for their specialism, Technical Excellence Colleges will focus on developing excellent specialist curricula and teaching practice. Through a hub and spoke model, Technical Excellence Colleges will share these with other local providers. They will attract and support industry professionals to become high-quality teachers and lead best practice in continuous professional development. They will also upskill existing teaching staff with the latest industry knowledge, ensuring that teaching remains current and responsive to employer needs. This comprehensive teaching offer will be disseminated across the sector to raise standards more broadly.

We will ensure employers are central to the work of Technical Excellence Colleges.

Employers will play a key role in shaping course offers and underpinning curriculum design. Technical Excellence Colleges will need to show that they can align skills delivery with employer needs, and secure long-term employer engagement and investment in skills development. We will be working with the first wave of Technical Excellence Colleges to co-design flexibility in delivering course content and qualifications as part of the first test and learn year.

Technical Excellence Colleges will draw on the experience and expertise of Institutes of Technology, which have shown the benefits of collaborative working between employers, further education providers, and universities. Technical Excellence Colleges will support local colleges with curriculum development and continuous professional development, whilst also forming regional and national specialist networks with other Technical Excellence Colleges to share innovation and knowledge. This collaborative approach will ensure that they are aligned with both local and national sector priorities and are recognised as leaders in specialist skills delivery. We will learn from the knowledge and expertise of Institutes of Technology, which play an important role in fostering stronger partnerships between further education, higher education and industry.

We will facilitate greater partnership between Technical Excellence Colleges and employers to co-finance capital investment in colleges. This will develop college capacity to meet the future training needs of large-scale, strategically important projects. Building on the model deployed in the construction industry, and in line with the Industrial Strategy, which aims to significantly increase business investment into growth-driving sectors by 2035, we will ensure that large-scale projects are linked to further education colleges to deliver training in the places needed.

A place-based focus for Technical Excellence Colleges will ensure even more learners have local access to the specialist skills they need, tailored to meet local priorities. Strategic Authorities will play a crucial role in this by working alongside other local partners such as Employer Representative Bodies to encourage collaboration and facilitate relationships between employers and Technical Excellence Colleges, ensuring skills delivery is directly matched with employer need. Strategic Authorities will work alongside Technical Excellence Colleges to co-design and implement solutions to increase delivery against their core objectives.

2.4 Local integration underpinned by investment in colleges

We will invest in the system and make changes to the further education funding regime to ensure providers are incentivised and have the capacity to deliver the education and training that best meets individual needs, as well as the needs of local and national employers.

Further education colleges will be high-quality destinations for both young people and adults who have chosen to study locally, nurturing and harnessing local talent and driving regional growth. We will simplify the regulatory framework to reduce bureaucracy for providers and facilitate closer integration between colleges and universities to boost participation in higher level study and deliver our ambition for two-thirds of young people to participate in level 4+ education or training by the age of 25.

2.4.1 The case for change

The current funding regime, including capital investment, does not always adequately incentivise or enable delivery of the right provision for meeting individual and employer needs. This can result in providers shifting their offer towards more mass-appeal provision that is lower-cost to deliver, and can position providers in competition with one another to attract learners and staff and win funding competitions, introducing the risk of local provision gaps. Many local authorities are now raising concerns about an increased risk of young people falling out of education or training due to such provision gaps – demographic changes mean that we are expecting a 5% growth in the number of 16 to 18-year-olds accessing education and training between the academic years 2024 to 2025 and 2028 to 2029.⁷² As well as overall provision sufficiency issues, there are particular problems when it comes to high-value provision; this is often more costly to run, particularly in technical areas and especially where training places rely on workshop space, for example in construction and engineering courses. This means that not all local employer needs are being met, which limits opportunities for young people to study in areas which have growth potential in their local area.

2.4.2 The change we will make

More support for providers

We will invest the necessary funding to ensure all 16 to 19-year-olds have a place in education or training, putting providers on a sound financial footing so they can focus on delivering the skills needed by individuals and employers. We have already increased investment in 16-19 education by £400 million in the 2025-26 financial year. From the Spending Review, we will invest nearly £800m extra in 2026-27, including and fully consolidating the £190m boost provided in May. This will support colleges and other providers to recruit and retain the high-quality teachers they need.

We will undertake a 16-19 funding formula review to maximise the impact of this funding, making sure it goes as far as possible towards achieving our objectives. As part of this, we will look at how we are supporting high-value courses to ensure sufficient funding is reaching the most critical subject areas, for example those linked to priority sectors. We will aim to simplify the formula, whilst ensuring we support courses that drive

⁷² Office for National Statistics (2025), Population projections. <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections>

economic growth and support providers to offer more provision that will help young people to thrive in areas with growth potential. We aim to have a revised formula in place for academic year 2027/28.

We will invest in the estate and facilities needed to deliver priority training with £200 million of capital investment over the Spending Review period via a new Skills Mission Fund. This will focus on addressing skills shortages in priority sectors, including expanding Technical Excellence Colleges. Alongside this, we will invest an additional £375 million of capital investment over the Spending Review period to support post-16 capacity to accommodate additional individuals entering the system. We are also investing £1.7 billion of capital funding from the 2026-27 financial year until the 2029-30 financial year to help colleges maintain the condition of their estate, including an annual allocation rising in line with inflation.

We will explore measures to allow further education colleges to secure loans from local or strategic authorities to improve estate condition, foster innovation in facilities and services, drive the delivery of national and local skills priorities, and support local infrastructure and regeneration schemes. Further education colleges are always considering how best to improve their estate, ensuring that they have the buildings and facilities they need to respond to changing skills needs and deliver training that drives opportunity and growth, and we want to improve access to funding routes to support this.

We will support colleges to make further efficiencies and optimise value for money. We will work with colleges to go further in leveraging their collective purchasing power across goods and services to drive down pricing and realise greater efficiencies. We will develop options for cost-savings through areas of bulk or aggregated purchasing, expanding any examples already in use across schools that could now also benefit colleges. At a sector level, the Further Education Commissioner will continue to support colleges to improve financial efficiency and promote sector good practice, where we know many colleges have already significant efficiencies in the way they work. This support includes curriculum efficiency and financial sustainability support, health checks, and tailored support for specific issues. The Commissioner will also lead college restructuring within regions where that is needed, helping to improve overall college efficiency and financial resilience. We will continue to work with the Commissioner to understand how they can best support providers who are not yet at formal intervention stage but who would benefit from their expertise and guidance.

Simplifying regulation to support closer integration

We will bring higher and further education providers closer together by simplifying the regulatory framework for higher level study. The Office for Students will act as the single primary regulator for all higher education providers offering provision at higher level 4 or above. We want to support more people to move into higher education at their local college should they wish to, allowing them to acquire the skills they need at that level or to progress with higher levels of education. This approach combines our high ambition for all, whilst retaining the assurance of quality that the Office for Students provides. The introduction of the Lifelong Learning Entitlement will require a unified regulatory system for classroom-based level 4 to 6 provision. We will do this through requiring all providers who wish to offer Lifelong Learning Entitlement-funded provision, including for courses leading to Ofqual-regulated level 4 or higher qualifications, to register with the Office for Students, which will no longer introduce a third category of registration for providers currently offering Advanced Learner Loan provision.

The Office of Students expects to consult on proposals in autumn 2025 on a proportionate, targeted and supportive framework on registration. This would consider whether to disapply certain registration conditions for providers in the statutory further education sector without degree awarding powers that are delivering, or planning to deliver, higher education and who are either already registered with the Office for Students or planning to register. To support a smooth transition, the dual operation of the level 4 to 6 Advanced Learner Loan funding system will be extended until the end of summer 2030.

Improving quality and outcomes for learners

The Further Education Commissioner will work with colleges across the sector to deliver continuous improvement in quality. The renewed Ofsted framework will provide a more nuanced set of judgements, allowing for increased flexibility and collaboration in driving improvement. We will publish updated guidance setting out stronger support for college improvement. We will take a similar approach to the Regional Improvement for Standards and Excellence programme in schools, with a universal offer of support to all colleges and targeted support where standards need to improve, overseen by the Further Education Commissioner and assisted by the National Leaders of Governance and the National Leaders of Further Education. We will continue to intervene where there are serious failings or where standards do not improve.

We will publish updated guidance setting out stronger support for college improvement. This will include the introduction of Regional Improvement Teams in further education, following the approach to the Regional Improvement for Standards and Excellence programme in schools. These teams will create a clear governance structure for the department to ensure that each region has the provider capacity and capability to support students at risk of being left behind, and respond to local skills needs identified in Local Skills Improvement Plans or by Strategic Authorities. We know that many colleges are already performing brilliantly in these areas, and we will continue to work with them, via our universal offer of support to all colleges, to support the whole of the further education sector to improve. We will also use this structure to identify which colleges need more targeted improvement support and oversight from the Further Education Commissioner, assisted by the National Leaders of Governance and the National Leaders of Further Education. Where there are serious failings or where standards do not improve, we will continue to intervene formally.

Regional Improvement Teams will also look at capacity in the independent training provider market to identify gaps in provision and to identify effective practice and collaboration across colleges, independent training providers, local authorities and Strategic Authorities, which other areas could benefit from.

In line with this model, we will update our approach to accountability agreements for colleges, strengthening the role of Strategic Authorities and Employer Representative Bodies in ensuring that the agreements reflect area need. Accountability Agreements will continue to be published to provide transparency around how need is being met. Where there are concerns that collectively there is a gap in capacity to meet area need, the Further Education Commissioner may be asked to carry out a review to support improvement and identify barriers that need to be addressed.

We will consult on a consistent way of measuring performance across all 16 to 18 learners. We will consider changes to our published performance data to give individuals, stakeholders and government the data needed to make more informed decisions.

3. Strengthening our world-leading higher education system

Our higher education sector is one of our country's most valuable strategic assets and is home to world-class research talent and institutions across a range of sectors including clean energy, digital technologies and life sciences. It is admired across the world and has trained many leaders in industry, public service and academia globally. We are proud to have four universities in the world's top ten,⁷³ alongside world-renowned arts institutions like RADA and eminent applied focused institutions like the Royal Veterinary College. It is the high quality of teaching, research and student experience found right across our diverse sector that delivers consistently strong outcomes and boosts our global reputation. More individuals than ever⁷⁴ are participating in higher education, improving their prospects through the range of financial, professional, health and social benefits linked to higher level qualifications. Our starting point is that the diversity of the sector underpins its strengths and contributions – from specialist institutions in dance, music and drama, through to centres of excellence in teaching and applied research, to powerhouses in scholarship or discovery research.

The sector is a powerful engine of economic growth and a vital component of the wider skills system. It is the foundation of many new companies with the highest growth potential and supports research and development intensive companies in all sectors. Two-thirds of the jobs needed in priority occupations will require qualifications at level 4 and above,⁷⁵ higher education providers deliver 80% of non-business research,⁷⁶ and higher education exports make up roughly 1% of GDP.^{77,78} In 2024, 58 of the world's serving Prime Ministers and Presidents had been educated in the UK.⁷⁹ The total direct and wider economic impact of the UK higher education sector is more than £265 billion, and for every £1 of public money invested in the higher education sector across the UK, £14 is put back into the economy.⁸⁰ It is estimated that higher education providers were directly responsible for the creation of 385,500 full-time equivalent jobs in 2021-22 and indirectly responsible for a further 382,500 full-time equivalent jobs.⁸¹

We know that the sector faces challenges. Demographic shifts, inflation, the increased cost of research and volatility in international student numbers are driving financial pressures. Domestic per-student funding has fallen in real terms by approximately 25% since 2015-2016 and for several years reliance on income from international students has grown.⁸² The

73 QS World University Rankings (2026), QS World University Rankings 2026: Top global universities. [QS World University Rankings 2026: Top Global Universities](#) | [TopUniversities](#)

74 The latest cohort-based Higher Education Participation data shows that 50% of the 2012/13 cohort of 15-year-olds had begun participating in higher education (including all recorded qualifications at level 4 and above) by age 25 in the 2022/23 academic year. Department for Education (2025), Participation measures in higher education. [Participation measures in higher education, Academic year 2022/23 – Explore education statistics – GOV.UK](#)

75 Skills England (2025), Assessment of priority skills to 2030. [Assessment of priority skills to 2030 – GOV.UK](#)

76 Office for National Statistics (2024), Gross domestic expenditure on research and development, UK: 2022. [Gross domestic expenditure on research and development, UK – Office for National Statistics](#)

77 Office for National Statistics (2025), Gross Domestic Product at market prices. [Gross Domestic Product at market prices: Current price: Seasonally adjusted £m – Office for National Statistics](#)

78 Department for Education (2025), UK revenue from education related exports and transnational education activity. [UK revenue from education related exports and transnational education activity, Calendar year 2022 – Explore education statistics – GOV.UK](#)

79 HEPI (2024), HEPI Soft Power Index 2024. [HEPI-SOFT POWER INDEX 2024](#)

80 Universities UK (2024), The economic impact of higher education, teaching, research and innovation. <https://www.universitiesuk.ac.uk/what-we-do/policy-and-research/publications/economic-impact-higher-education>

81 London Economics (2023), The impact of the higher education sector on the UK economy. [LE-UUK-Economic-Impact-of-UK-HEIs.pdf](#)

82 Office for Students (2024), Financial sustainability of higher education providers in England 2024. [Financial sustainability of higher education providers in England 2024](#)

share of postgraduate research that home students undertake continues to fall, threatening our home-grown talent pipeline. Over the same period, the cross-subsidy required to fund research within the sector has grown and it is significantly higher than for teaching, partly due to an otherwise positive increase in research activity. Too often, our scientists and researchers are constrained by excessive bureaucracy, burdensome grant processes and funding mechanisms that fail to reflect the true costs of conducting high-quality research. Artificial intelligence offers huge opportunities and will have a major impact on the sector in education and research, as well as in further education and across the skills system as a whole, but it also presents potentially serious risks, including those to academic integrity.

These challenges have remained unaddressed for too long. We need a reset to ensure the system can play its critical role in delivering provision aligned to the government's growth and Industrial Strategy ambitions, support retraining at scale, deliver opportunity and outcomes for all, and reduce the persistent gaps in outcomes for the most disadvantaged students. This reset must ensure that higher education remains able to create the knowledge and invest in the tools of the future on which growth depends.

Our ambition is to have a more sustainable, more specialised and more efficient sector, better aligned with the needs of the economy. By improving access, driving collaboration, fostering the conditions for excellent research and strengthening expertise, we will place the sector on a stronger footing to support growth and deliver for local economies. Through these changes, we will support the diversity of providers and secure the UK's position at the forefront of global innovation. The measures set out below are England-only, except for changes to UK Research and Innovation policies which are applied across the UK.

3.1 Our vision for higher education

Our objectives for the higher education sector are that it:

- Drives **economic growth** by protecting curiosity-driven research and applied research and development, supporting priority sectors, driving knowledge exchange, start-ups, spinouts and research-intensive industries, and creating a highly skilled workforce
- Maintains **a world-leading, high-quality experience for all**, underpinned by excellent teaching and research that is internationally competitive across disciplines, attracts top research talent and teaches the most advanced knowledge
- Provides **national capability** through specific research expertise (e.g. nuclear, artificial intelligence and across the Industrial Strategy) and supplying the talent pipeline of critical skills in these areas
- Delivers **regional impact** for citizens by driving local economic growth, creating social value and inspiring people to succeed in life and work, and breaking down barriers to opportunity for students from all backgrounds
- Increases the UK's **international standing** through facilitating science diplomacy, international collaboration and teaching the world leaders of tomorrow

We want to embrace the diversity of the sector, recognising each provider's unique contribution and encouraging them to capitalise on their comparative advantage. We have mapped how the sector can deliver these objectives, from the international level down to individual institutions.

Internationally, we want to:

- Maintain and enhance our position as one of the top providers of higher education and university-based research and development in the world
- Attract the best global talent by fostering an environment conducive to international researchers and students
- Enhance our global research through international collaboration
- Project UK international standing through strong international links and research collaboration

Nationally, we want the higher education system to contribute to:

- The government's domestic missions and particularly to driving economic growth and opportunity
- National security and resilience
- National capability for the UK, ensuring that we have research expertise onshored for critical areas (e.g. nuclear, artificial intelligence and Industrial Strategy areas)
- The critical skills and research the country needs

Regionally, we want a much more collaborative system, where higher and further education providers:

- Contribute to the skills and wider economic needs of their area, driving local growth and collaborating where necessary to achieve this
- Provide a pipeline of critical skills for regions, including higher technical qualifications, and support regional economic planning through innovation and working with small and medium enterprises
- Expand and consolidate where necessary to increase efficiency and collaboration

At the provider level, we challenge providers to specialise in areas of strength within this more collaborative system, with clearer roles for teaching- and research-intensive institutions with areas of specialist advantage, and stronger access and participation.

We are clear that delivery of this vision requires a change of approach from the government, just as it also needs a change of approach from higher education providers themselves. This chapter sets out a series of reforms to funding, incentives and regulation of higher education, alongside a set of clear asks of the sector to achieve our vision.

We will focus on targeting sharp regulation where it is most needed, to drive the positive change required to maintain our world-leading higher education system. The approach will be proportionate, risk-based and shaped by the diversity of the system, differentiating to minimise burden and deliver a coherent regulatory environment that actively enables growth. We want a system-wide view of the resilience of the sector and individual providers that incentivises better collaboration on provision which aligns with the needs of the labour market. Students and student choice will remain at the heart of this, as will quality and continuous improvement. We will empower the Office for Students and UK Research and Innovation to assure this across both teaching and research.

Our ambition is to have a more sustainable, more specialised and more efficient sector that is better aligned with the needs of the economy. We want to recognise each provider's unique contribution and encourage them to capitalise on their comparative advantage.

3.2 Specialisation and collaboration in teaching and research

We want to preserve and promote the diversity of the sector and encourage providers to think more sharply about their distinctive roles in the system. Our sector's strength and global competitiveness is reinforced by our universities excelling at both teaching and research – but we must move away from a 'one size fits all' approach.

The government's vision is that providers will be able to leverage their individual comparative advantage whilst working more closely together to create a compelling regional offer that supports students and drives growth, building on existing good practice across the sector. This could be as simple as providers that are based in the same city sharing back-office functions and estates. More importantly, it could also extend to allowing groupings to emerge which will support more structured regional offers across research, skills, teaching, and research and development. Healthy competition must remain part of the system – it is right that students and researchers should have a choice of high-quality provision and employers, that providers who offer outstanding outcomes or resources for students and researchers should be able to expand to meet demand, and that our system is underpinned by excellence. We know that where universities are successful, either individually or in combination, they are powerful drivers of local and regional regeneration, innovation and growth.

The changes outlined here mark the beginning of a journey. We want to continue working with the sector to consider how best we can support greater specialisation in the future.

3.2.1 The case for change

Too many providers with similar offerings are chasing the same students and there has been insufficient focus on each institution's core purpose. We have also seen many providers using franchise arrangements as a way of bringing in income without assuring quality, damaging the reputation of the sector through poor-quality provision to students who may not meet basic entry requirements.

Alongside this, the UK's approach to research assessment has been successful in promoting a vibrant research culture and demonstrating the positive impact of publicly funded research. However, it has also created an environment which gives the impression that all academics and all universities should support research in every area, or always

prioritise basic research over more applied research and development across a breadth of disciplines. This environment is reinforced by some providers' approaches to staff reward and recognition which link research performance to promotion opportunities and pay progression, as well as the way that performance in national or global league tables is calculated. This approach runs the risk of undervaluing certain types of research and development and the vital contribution that teaching makes. This dynamic has led higher education providers to adopt generalist business models that attempt to cover all types of activity equally and do not support their true potential for diversity. This risks diluting the excellence of their educational and research offers, and making their sustainability increasingly vulnerable.

3.2.2 The change we will make

We want all higher education providers to consider how they could specialise in areas of strength and collaborate with others for the benefit of students and the economy. A provider may decide to specialise across multiple disciplines or to focus on one or two where they are strongest. Similarly, a provider may choose to specialise in a specific type of research, which may be more applied or basic curiosity-driven research, or to specialise in teaching. This call to specialise is intended to address the increasing homogeneity in the system. We are clear that we do not expect every provider to hold the same objectives or deliver them in the same way, and some will provide a very broad offering, but we will not structure our support in a way that assumes every institution must do everything.

The higher education sector is independent and autonomous, and it is not for government to impose these changes. We will actively encourage each provider to be clear about the role they are playing, their unique strengths, and where they can build stronger collaborations with other providers. Ultimately, we anticipate that, over time there will be fewer broad generalist providers and more specialists. This will include specialists in teaching only, specialists in research, and some institutions who specialise in teaching with applied research in specific disciplines. Providers will more routinely work in partnership together to ensure that the overall breadth of provision and research is sustainable and retained in local areas whilst sharing infrastructure, assets and talent.

We expect to see more consolidation and formal collaboration in the sector, with the result that institutions will be stronger and more financially sustainable, and provision might expand in areas currently under-served.

Individuals studying level 4 higher technical provision will have greater options for progression, either into level 5 study at a further education college or higher education provider, or directly into the second year of an undergraduate bachelor's degree. We will encourage high-quality and novel alternative business models, including federated models and partnerships with further education providers.

We want providers to work in partnership to make sure there is a comprehensive offer in their local area, including diversity of subjects, qualifications and different modes of study where this is beneficial to students and the economy. Greater collaboration between institutions will unlock more flexible and diverse pathways, giving individuals real choice in how they build their skills and qualifications over time. This should allow students to move between institutions more easily.

We will incentivise this specialisation and collaboration through research funding reform. By incentivising a more strategic distribution of research activity across the sector, we can ensure that funding is used effectively and that institutions are empowered to build deep expertise in areas where they can lead. This may mean a more focused volume of research, delivered with higher-quality, better cost recovery, and stronger alignment to short- and long-term national priorities. Given the close link between research and teaching, we expect these changes to support more specialised and high-quality teaching provision as well. We will explore options for universities to jointly share research grants, as well how we can incentivise sharing of facilities and equipment. We recognise the importance of getting this right and will engage closely with the sector on our proposed changes.

We will clarify how collaboration between providers can happen within the existing legal framework and set out the types of collaboration the government sees as beneficial and wants the sector to embrace. We will support providers to increase their local collaboration where this is beneficial for students and the economy. The Competition and Markets Authority supports this objective as part of its support for lawful collaborations and we will work with them to deliver it. We will also agree high-level objectives for the Office for Students which will strengthen the emphasis on supporting beneficial collaboration.

We will work with the Office for Students to ensure there is a more robust process for market entry, and to explore how best to incentivise regional collaborations which support provision better aligned with economic and societal need. Ultimately, the sector will be more focused on enabling people to train and re-skill throughout their working lives, not just at the start of their career, and on delivering the best quality research (both basic and applied).

Providers should ensure their long-term strategy reflects their circumstances and protects important links between research and teaching, and that delivery plans are robust and achievable. Research informs teaching in a variety of ways depending on the typology of institution. Students will have access to the most advanced research-based academic knowledge through their lecturer's direct expertise, continuous study or engagement with other academics, including across providers.

Providers should also consider how incentives for staff should be aligned with long-term strategies, ensuring that staff pay and performance assessments for academics rewards teaching excellence in the same way it rewards research excellence. Assessment of research performance should reflect a diversity of contributions including mentoring, peer review, commercialisation activities and public engagement.

We envisage that collaboration and specialisation will support the higher education workforce. Our vision is only possible because of the sector's excellent performance across a diverse range of activities, a strong cultural commitment to academic free inquiry, collaboration and research integrity. We believe that our vision for higher education reform can secure research communities through facilitating collaboration and bring improved job security through enhanced institutional sustainability. However, providers need to avoid short-term interventions which undermine the core strengths of the system, such as increasing precarity for early career researchers through expanded use of short-term contracts, or refusing to support collaboration between academia and other parts of the economy.

3.3 Putting the sector on a sustainable footing and driving efficiency

Government and the sector have a shared interest in fully realising the benefits of higher education, including better access and value for money for students and taxpayers, delivering high-quality research, achieving economic and social benefits and supporting business and new company formation. Government has a responsibility to ensure the higher education sector is sustainably funded and the sector has a responsibility to ensure it delivers the best value for students, operating as efficiently as possible, supported by strong governance and realistic financial planning.

Many providers have to cross-subsidise the costs of domestic teaching and research with income from other types of activity. Income from international student fees is used in this way, along with income from other activities such as franchising. Over time, a growing number of providers have become increasingly reliant on these revenue streams, some of which are not sustainable.

3.3.1 The case for change

A growing number of higher education providers are facing financial challenges, with 44% of institutions forecasting a deficit in the 2024/25 academic year.⁸³ Publicly funded teaching activity (i.e. UK domiciled students) at 128 universities in England and Northern Ireland (which accounts for the majority of higher education sector income and expenditure) recorded a deficit of some £1.7bn in 2023/24.⁸⁴ In 2023-2024, research cost recovery for the sector averaged 66% across all research activity.

Institutions use quality-related research funding, or equivalents in the devolved nations (in line with the dual funding principle), alongside other sources of cross-subsidy to fund research, including supporting charity-funded grants, postgraduate researcher training and own funded activity. A number of providers have made strategic decisions to manage their financial sustainability, including changing their business models by cutting courses or restructuring. We support providers implementing necessary changes to future proof their business models and operate more efficiently and innovatively. We encourage providers to work with their staff to develop sustainable models that retain talent and expertise and provide stability for the workforce and the institution.

We have seen overly optimistic strategic and financial planning across the sector, and potential issues with the relationship and information flows between governance bodies and executive management teams. Governance and leadership arrangements must be robust enough to respond to an increasingly challenging and volatile operating environment.

3.3.2 The change we will make

A growing number of higher education providers are facing financial challenges. We will increase undergraduate tuition fee caps for all higher education providers in line with forecast inflation in academic years 2026/27 and 2027/28. Tuition fees caps for foundation years in classroom-based subjects will be frozen for academic years 2026/27 and 2027/28.

⁸³ Office for Students, Financial sustainability of higher education providers in England 2025 (2025). '[Financial sustainability of higher education providers in England: 2025](#)'

⁸⁴ Office for Students (2025), Annual TRAC 2023-24. '[Annual TRAC 2023-24 – Sector summary and analysis by TRAC peer group](#)'

To provide long-term certainty over future funding for the sector, we will then legislate when parliamentary time allows to increase tuition fee caps automatically for future academic years. Annual increases in fees linked to inflation will balance the need to give the sector stability with fairness to students and taxpayers (subject to periodic review).

We will make future fee uplifts conditional on higher education providers achieving a higher quality threshold through the Office for Students' quality regime. This will protect taxpayers' investment in higher education and reward providers for high quality.

We will work with the sector and other funders to address the cost recovery of research. This will ensure that institutions can maintain quality and impact over the long term. We recognise that this may result in funding a lower volume of research but at a more sustainable level. The sustainability of research is a responsibility shared with the sector and it is vital that institutions commit in turn to cost grants accurately, avoid overcommitment, and manage cost control and efficiency. We will further support providers in reducing the overall costs of research by supporting effective collaborations across institutions to share resources and infrastructure, minimising duplication of effort, including better maintenance and staffing of shared research and development equipment and facilities. Moreover, artificial intelligence tools have the potential to dramatically increase productivity in the sector.

We will improve research grant cost recovery. We have updated UK Research and Innovation grant conditions to ensure equipment is now funded at 80% of full economic cost, more than doubled the capital equipment threshold, and have confirmed that matched funding from higher education providers is not required for UK Research and Innovation grants. These changes reinforce our commitment to continuing to award UK Research and Innovation grants based on the quality of the proposed activity, rather than cost. Additionally, we are partnering with the charity sector to address the sustainability of charity-funded research to improve the cost recovery of their grants. Together with UK Research and Innovation we are carrying out research into lower-than-expected cost recovery for other funders of research grants so that we can understand their drivers. Similarly, we are looking into the sustainability of PhD programmes – we will begin by working with the sector to establish cost recovery rates for different types of PhDs, a key evidence gap. Our ambition is that we can address sustainability for all forms of research funding, however, this requires the sector to ensure that they are only carrying out self-funded activity they can afford and to ensure they are charging market rates to industry partners for research.

We will strengthen the sustainability and strategic impact of public research and development investment by ensuring our funding meets 3 distinct priorities: protecting and promoting curiosity-driven research; supporting the delivery of government priorities, missions and the Industrial Strategy; and providing targeted innovation, commercialisation and scale-up support to drive growth. This will ensure alignment with national priorities and help universities demonstrate the value of their research and development portfolios, enabling clearer recognition and more targeted support from government and funders. We anticipate that institutions will be recognised and rewarded, including through the Research Excellence Framework and Quality Related funding, for demonstrating clarity of purpose, demonstrating alignment with government priorities, and for measurable impact, where appropriate. While government will continue to invest across the full spectrum of research, we expect universities to be explicit about their contributions and to use this framework to guide strategic decisions.

We will maintain the dual support funding approach and quality-related research funding to ensure universities can make strategic choices, invest in blue skies and discovery research and support their financial sustainability. Quality-related research is a vital part of the UK's dual support system, providing flexible funding that enables institutions to pursue novel ideas, support emerging talent, and respond to local and national priorities.

We will reform the research assessment system to better incentivise excellence and support the government's vision for the sector. In discussions with the devolved governments, we have paused the development of REF2029 for no more than 3 months to reset it and ensure it meets the UK's research and development ambitions. We will do this while maintaining the 2029 timetable. This will include reviewing the weightings for the 3 elements of the framework to ensure we retain and sustain our focus on excellence. We will streamline the administrative burden of the exercise to the minimum required and ensure academics remain focused on delivering excellent research and teaching. We will ensure that the incentives driven by the Research Excellent Framework align with the government's vision for higher education and enables specialisation and collaboration across the higher education sector.

UK Research and Innovation will work with the sector to provide guidance on good costing practice, streamline bureaucracy in the funding system, and enable more accurate valuation of research projects prior to funding. They will also work with other funders and institutions to improve the use of the Transparent Approach to Costing system for annual reporting and assurance. UK Research and Innovation is working with the sector to identify and enable new, innovative models to increase agility and flexibility in our funding model whilst balancing the need for rigour, good use of public money and accountability in how we fund.

We will seek to better understand concerns within the post-1992 higher education sector about pension provision, noting that defined benefit pensions are an important and valued part of staff remuneration.

Stronger governance

The higher education sector is rightly and proudly autonomous – which means that the leadership of the sector must take responsibility for managing their institutions robustly and in the public interest.

Governing bodies must ensure they have the diverse skills and capability to oversee strategy, plan prudently, understand and manage risk, challenge, deliver change and put in place sustainable business models. In doing so, they should also consider how their institutional strategies align with the delivery of government priorities. We expect governors to be actively involved in the financial management and governance of their organisations and to challenge plans robustly where needed. Governing bodies should not sign off unachievable plans and governors should challenge whether their organisation is specialising appropriately. All governing bodies should be clear on their institution's approach to integrated financial planning and ensure they have the skills needed to understand and shape their organisation's research strategy. They should be clear on their statutory and fiduciary responsibilities, with a clear focus on balancing teaching, research and civic activity as well as their approach to executive pay to ensure the financial health of their organisation.

To reinforce these expectations, we will support the Office for Students' strengthening of its management and governance conditions of registration. These conditions should set clear and high expectations that all providers' governance arrangements are robust, comprehensive, and can be relied upon to ensure sound financial management and good-quality provision, and secure high academic standards.

We support the governance review led by the Committee of University Chairs, which will strengthen its higher education code of governance. This review, launched in May 2025, will consider governance practices and arrangements across the sector with a view to identifying good practice, known issues and barriers to effectiveness.

Improved efficiency

We support the sector-led approach to cost benchmarking and developing an efficiency maturity model that will ensure that providers can assess their maturity and compare their spend with others. We are pleased to see this happening as a result of the work undertaken by Universities UK's Efficiency and Transformation Taskforce.

We ask the sector to build on its strong track record of collaboration by increasing the visibility and awareness of effective practice. Collaboration in areas such as shared services, infrastructure and research partnerships such as the N8 Research Partnership or the Midlands Innovation university partnership have already demonstrated the sector's ability to work in this way. We will also support sector-led efforts to share best practice in philanthropy.

Government will also make efficiencies. We will support the Student Loans Company to deliver its transformation plan to become simpler, more modern, and digital – underpinned by new technology that will reduce cost-to-serve, improve digitisation, and mitigate risk. These changes will drive efficiency, strengthening the delivery of the new student funding model for the benefit of students, government, and taxpayer.

We will support the Office for Students in developing a reformed regulatory framework that focuses on driving out pockets of poor performance, strives to continue to improve quality and safeguards the financial health of the system in a balanced and proportionate way.

We will empower the Office for Students and UK Research and Innovation to work together to develop a risk-based, coherent approach between the Office for Students' regulatory and UK Research Innovation's research responsibilities that delivers the strategic aims and ambitions set out in this paper. We will ensure that regulation is proportionate and reflects the diversity of providers in the system.

The Office for Students will continue to strengthen its financial monitoring and data collection processes to better support the sector in identifying and mitigating risks. Providers must continue to demonstrate financial sustainability to satisfy the Office for Students, including being clear that their future plans are achievable and that they can meet their debt obligations.

3.4 Improving access and participation

Higher education should be a gateway open to all who have the ability and desire to pursue it. With the earnings and careers prospects it can bring, higher education has the potential to be one of the biggest contributors to closing the gap between people from disadvantaged backgrounds and their peers.

3.4.1 The case for change

Significant gaps exist between disadvantaged students and their peers throughout education. For higher education this includes not just access gaps but also lower course completion and poorer labour market outcomes.

The higher education sector already invests around £1 billion per year on providing additional support, including to people from lower socio-economic backgrounds, those with disabilities, mature learners and certain ethnic groups to overcome the barriers they face at all stages of the student journey.⁸⁵

Whilst progress is being made, those from disadvantaged backgrounds are still less likely to access higher education. In academic year 2023 to 2024 there was a 20.1 percentage point gap between free school meal eligible and non-free school meal eligible students progressing to higher education.⁸⁶ Completion rates for full-time first degree domestic mature students (those aged 21 and over) in 2018 to 2019 were 10.2 percentage points lower than those for students under the age of 21.⁸⁷ Disadvantaged students go on to experience poorer labour market outcomes after graduation: in financial year 2022 to 2023 median earnings for free school meal eligible graduates were 9% lower than non-free school meal graduates five years after graduation.⁸⁸

Higher education access is, to a large extent, constrained by inequalities in prior attainment, with the GCSE disadvantage gap back to the levels of the 2011 to 2012 academic year.⁸⁹ Students from poorer backgrounds who do progress into higher education are likely to borrow more, rely on income from part-time employment and graduate with higher levels of debt.⁹⁰ They are also less likely to complete their studies or progress to postgraduate study, limiting the diversity of PhD students. More widely, the financial barriers for those from lower socio-economic backgrounds to undertake a PhD are still too high and the proportion of home PhDs is declining.

Accommodation costs have increased significantly. Average student rents across England are now close to the level of the maximum student loan and in London they are above it.⁹¹ There has also been an acute lack of available accommodation in some places. This is more likely to impact on people from low-income backgrounds, influencing their choice of provider or preventing them accessing or completing higher education all together.

85 Office for Students (2021), Access and Participation plan data. [Monitoring data and outcomes 2018-19 – Office for Students](#)

86 Department for Education (2025), Widening participation in higher education. [Widening participation in higher education, Academic year 2023/24 – Explore education statistics – GOV.UK](#)

87 Office for Students (2024), Access and participation data dashboard. [Access and participation data dashboard – Office for Students](#)

88 Department for Education (2025), LEO Graduate and Postgraduate Outcomes. [LEO Graduate and Postgraduate Outcomes, Tax year 2022-23 – Explore education statistics – GOV.UK](#)

89 Department for Education (2025), Key stage 4 performance. [Key stage 4 performance, Academic year 2024/25 – Explore education statistics – GOV.UK](#)

90 Department for Education (2023), Student Income and Expenditure Survey 2021 to 2022. [Student Income and Expenditure Survey 2021 to 2022](#)

91 HEPI (2024), Priced Out? The Accommodation Costs Survey 2024: London Edition. [priced-out-the-accommodation-costs-survey-2024-london-edition.pdf](#)

Students' experience of higher education has many positives. There has been an increase in the proportion of students who feel their experience has exceeded their expectations and the majority of students are happy with their choice of course and university.⁹² However, students do experience challenges. There has been a significant increase in the prevalence of mental health issues.⁹³ Evidence also shows antisemitic incidents at providers have increased⁹⁴ and students are 4 times more likely than the average occupation class to experience sexual harassment.⁹⁵

3.4.2 The change we will make

Lifetime access to funding for higher skills education and training

To help students from the most disadvantaged backgrounds progress and excel in higher education, we will future proof our maintenance loan offer by increasing maintenance loans in line with forecast inflation every academic year. This will ensure that students from the lowest income families receive the largest year-on-year cash increases in support, and provide students with certainty on the financial support they will receive while studying. We will also provide extra support for care leavers, some of the most vulnerable in our society, who will automatically become eligible to receive the maximum rate of loan.

We will transform the higher education student finance system by replacing it with the Lifelong Learning Entitlement which will be introduced within academic year 2026 to 2027. The Lifelong Learning Entitlement will give new learners access to tuition fee loans for 4 years' worth of education and training and returning learners a reduced residual entitlement to use across their working life. From September 2026, learners will be able to apply for funding to study modules of Higher Technical Qualifications and modules (levels 4-6) of full level 6 qualifications, in subject groups that address priority skills gaps and align with the government's Industrial Strategy, based on advice from Skills England and starting from January 2027. From the first year of the Lifelong Learning Entitlement this will allow for the delivery of more flexible courses in a wide range of qualifications which meet the needs of the economy.

The Lifelong Learning Entitlement is a significant transformation of the student finance system. We are introducing modular funding for the first time and are focusing this on key subjects for the economy informed by the Industrial Strategy. From launch we will look to ensure that the benefits of the Lifelong Learning Entitlement are expanded out across providers and provision. Going forward in year 2 and beyond, we will look to expand the Lifelong Learning Entitlement to enable this opportunity to be available across more key areas.

We will make the Lifelong Learning Entitlement more accessible by removing existing discrepancies between full-time and part-time study through the Lifelong Learning Entitlement funding rules, which will make it possible to fund study on multiple courses and modules at once. In addition, eligible individuals who have used all of their Lifelong

92 AdvanceHE and HEPI (2025), Student Academic Experience Survey 2025. [Student Academic Experience Survey 2025 | Advance HE](#)

93 5.6% of UK higher education students declared a mental health condition in 2022/23 compared to 1.8% in 2014/15. The true prevalence may be higher: 23.3% of 17 to 19-year-olds and 21.7% of 21-year-olds have a probable mental health disorder. House of Commons Library (2025), Student mental health in England: Statistics, policy, and guidance. [CBP-8593.pdf](#); NHS (2023), Mental Health of Children and Young People Surveys. [Mental Health of Children and Young People in England, 2023 – wave 4 follow up to the 2017 survey – NHS England Digital](#)

94 Community Security Trust (2024), Campus Antisemitism. [Campus Antisemitism in Britain 2022-2024.pdf](#)

95 Office for National Statistics (2023), Sexual offences prevalence and victim characteristics, England and Wales. [Sexual offences prevalence and victim characteristics, England and Wales – Office for National Statistics](#)

Learning Entitlement will be able to access additional tuition fee and maintenance support for priority courses. We have worked closely with Skills England to ensure the subjects of this priority additional entitlement are informed by the government's priority sectors.

We will launch our Alternative Student Finance product, with an alternative to interest payments, as soon as possible after the introduction of the Lifelong Learning Entitlement. This will support increased access to higher education for groups who feel unable to use the current student finance offer because of their faith.

Support to access and participate in higher education

We will introduce new targeted means-tested maintenance grants by the end of this Parliament, to help students from the lowest income households who are studying courses that support our missions and Industrial Strategy progress into and excel in higher education. The grants will provide these individuals with crucial additional financial support to undertake courses at levels 4 to 6 under the Lifelong Learning Entitlement, including technical qualifications and degrees.

Maintenance grants will be funded by a new International Student Levy, ensuring that revenue from international students is used to benefit domestic students from low income households and support growth and opportunity. Further details on maintenance grants and the International Student Levy will be set out in the Autumn Budget.

We will reform regulation of access and participation plans, moving away from a uniform approach to one where the Office for Students can be more risk-based. This will allow a focus on the parts of the sector where there is greatest potential for improvement. There will be greater accountability for providers who are lagging behind in addressing inequalities in access and participation, with the expectation that they rise up to the level of others. For those doing well, there will be reduced bureaucracy and more of a focus on continuous improvement. This aligns with the wider approach to regulatory reform. We will also for the first time seek to address the barriers faced by disadvantaged students in accessing and succeeding at postgraduate level. As part of these reforms, it will be vital that providers continue to strengthen evaluation so they can include measures with the biggest impact in their application systems and student support mechanisms. Providers will be expected to strengthen and share their evaluation of access and participation interventions, making use of the rigorous evidence-based work of Transforming Access and Student Outcomes in Higher Education, an affiliate member of the government's What Works Network.

We will develop options to address cold spots in under-served regions and tackle the most systemic barriers to access. This will build on promising higher education sector initiatives such as Universities UK's project to improve admissions practices through consistent and transparent use of contextual admissions for underrepresented groups such as care leavers. We will bring together a Task and Finish group of sector experts, charities, the Office for Students and UCAS to focus on how the system can best widen access for those from disadvantaged backgrounds.

We will explore the challenges that lead to disparities in access to PhD programmes and the declining proportion of UK doctoral student applicants in some fields, including reducing financial barriers for those from lower socio-economic backgrounds. We will work to strengthen alignment between funding, training, and career development to better support future researchers and the UK's research talent pipeline, including by ensuring we retain a supply of home PhD students. We will also consider the

wider set of factors affecting doctoral access and experience, and work with the sector to identify and address systemic challenges over time. This will be supported by our reforms to the Office for Students' regulation of equality of opportunity, which will for the first time seek to address the barriers faced by disadvantaged students in accessing and succeeding at postgraduate level.

We will fund the UK Council for Graduate Education to create an online resources hub for universities seeking to improve access and participation for postgraduate students, to deliver an equitable and inclusive postgraduate sector. This will help strengthen the talent pipeline and will host the resources emerging from 13 projects we have funded, aimed at tackling persistent inequalities that create barriers.

We will change the terms and conditions of UK Research and Innovation's postgraduate researcher training grants to ensure students can access the support they need. We are increasing the amount of available medical leave from 13 to 28 weeks per year, in line with employment law, whilst also making it easier to access. Additionally, we are modernising UK Research and Innovation's parenthood leave rules – introducing neonatal care leave, amending provisions for maternity leave and supporting paternity leave to be taken at any point within 52 weeks of birth. Finally, we will require all UK Research and Innovation partner research organisations to have a policy on providing reasonable adjustments to disabled students where the onus for providing adjustments lies with the research organisations in line with their duties under equality legislation.

An improved student experience

We will work with the sector and others so that the supply of student accommodation meets demand, including increasing the supply of affordable accommodation where that is needed. We will work with the sector, drafting a statement of expectations on accommodation which will call upon providers to work strategically with their local authorities to ensure there is adequate accommodation for the individuals they recruit.

We are extending the Higher Education Mental Health Implementation Taskforce for a further year and have expanded the membership to include greater student representation. The Taskforce will be chaired by the new Higher Education Student Support Champion who will work closely with the sector to address the recommendations from the National Review into Higher Education Student Suicides, alongside the Taskforce's wider outputs.

We support the Office for Students' registration requirement that all registered providers must take concrete steps to prevent and tackle harassment of all kinds. The Office for Students has set clear expectations for training, robust reporting mechanisms, and appropriate support and communication, both with victims and with perpetrators. This approach will enable the Office for Students to take action against any provider found to have breached the condition.

We will equip universities to prevent, identify and tackle antisemitic abuse on campus. Under new stronger requirements which came into force this August, universities must have clear policies to prevent and tackle harassment of all kinds, including robust reporting mechanisms, appropriate support and comprehensive training for both students and staff. We have committed £7 million in funding, to be deployed through the Tackling Antisemitism in Education Programme. Almost £2.4 million has already been awarded to scholarship and training programmes for university staff over the

next three years. These programmes, to be delivered by Palace Yard and the Union of Jewish Students from this academic year, will focus on how to recognise and address antisemitism on campuses, and will reach at least 80% of universities in England. We have also awarded a £500,000 grant to the University Jewish Chaplaincy to support Jewish student welfare on campuses.

As part of the programme, we will launch a ‘Tackling Antisemitism in Education Innovation Fund’ to test innovative approaches to tackling mis- and dis-information, and to promote and support interfaith relationships on campus, with delivery commencing in April 2026.

3.5 Strengthening incentives on higher education providers to promote growth

Innovation is a core driver of growth;⁹⁶ it relies on educational and scientific capabilities, as well as knowledge infrastructures which our higher education system provides. The sector trains the scientists, engineers, marketeers, designers and organisational leaders who commercialise innovation; it generates novel research which address market failures; and it supports translation, company formation and scaling. Alongside this the sector generates exports and plays a critical role both regionally and nationally through providing the skills employers need. The higher education sector is central to the ambitions set out in the Plan for Change and Industrial Strategy.

3.5.1 The case for change

The higher education sector makes a unique contribution to economic growth across skills, innovation and exports. Nationally, it is estimated higher education delivers around £71 billion of gross value added a year and supports more than 750,000 jobs.⁹⁷ The recent Skills England publication highlighted that the economy will need more highly-skilled workers over the next decade.⁹⁸ Projections from Skills Imperative 2035 estimate that by 2035, 48% of the workforce will hold a degree level qualification or higher, compared with 39% in 2024.^{99,100,101} Several of the priority sectors have a large demand for these higher level skills and two-thirds of the predicted jobs in priority occupations will require qualifications at level 4 and above.¹⁰²

However, there are higher level skill shortages in science, technology, engineering, mathematics, creative industries, health and technician roles. Skills mismatches exist at both a regional and national level with some areas feeling acute pressures.

Additionally, the incentives for providers to deliver education which matches the skills gaps at higher technical levels (level 4 and 5) are limited, leading to insufficient supply which also constrains our innovation pipeline. This, combined with low awareness, has

⁹⁶ Department for Business, Innovation & Skills (2011), Innovation and Research Strategy for Growth. [Economics paper 15: innovation and research strategy for growth](#)

⁹⁷ London Economics (2023), The impact of the higher education sector on the UK economy. [LE-UUK-Economic-Impact-of-UK-HEIs.pdf](#)

⁹⁸ Skills England (2025), Sector evidence on the growth and skills offer. https://assets.publishing.service.gov.uk/media/6863f18b3464d9c0ad609ddf/Skills_England_-_sector_evidence_on_the_growth_and_skills_offer.pdf

⁹⁹ NFER (2022), The Skills Imperative 2035: Occupational Outlook – Long run employment prospects for the UK. <https://www.nfer.ac.uk/publications/the-skills-imperative-2035-occupational-outlook-long-run-employment-prospects-for-the-uk/>

¹⁰⁰ Department for Education (2023), Labour market and skills projections: 2020 to 2035. <https://www.gov.uk/government/publications/labour-market-and-skills-projections-2020-to-2035>

¹⁰¹ Office for National Statistics (2024), Annual Population Survey. <https://www.nomisweb.co.uk/datasets/apsnew>

¹⁰² Skills England (2024), Skills England report: driving growth and widening opportunities. <https://www.gov.uk/government/publications/skills-england-report-driving-growth-and-widening-opportunities>

led to low demand for such provision, despite these qualifications having strong outcomes for individuals. As a result of limited supply and low demand, the coverage of higher technical provision remains patchy with cold spots in some areas.

Our higher education sector is excellent at delivering research. Building on this, we need to go further to unlock prosperity, growth and abundance. Commercialisation is a particular focus – whilst recognising that UK universities have improved their performance in knowledge exchange, there are some signs of decline in measures such as patents and new spin-outs in the latest data.¹⁰³

3.5.2 The change we will make

Delivering economic growth by upskilling the nation and enabling innovation

We will reform the Strategic Priorities Grant, ensuring alignment of funding with the priority sectors which support the Industrial Strategy and the Plan for Change and future skills needs. This will ensure the Strategic Priorities Grant provides government funding for high priority courses that address the needs of the national economy.

We will expect providers to offer more flexible, modular provision and strengthen progression routes from further education into higher education, supported by transferable credits. We will consult on making student support for level 6 degrees conditional on the inclusion of break points in degree programmes. This marks a significant shift towards a more inclusive and adaptable model of learning, empowering individuals to tailor their educational journey. The introduction of break points will ensure that learners are acquiring vital, usable skills in every year of higher education. It will give them the option to break down their learning, achieving a qualification at level 4 after the first year and level 5 after their second year of studies, while also ensuring institutions are incentivised to support those who wish to continue their studies. This will enable young people to ‘stay local and go further’ by connecting local provision at level 4 and 5 with internationally recognised degree level providers, unlocking opportunity and ambition across every region.

We will make it easier for providers and awarding organisations to offer standalone high-quality, occupationally focused higher technical (level 4 and 5) courses. We will work with the Office for Students to develop new Higher Technical Qualification awarding powers for providers, as part of the Office for Students’ wider review of degree awarding powers. In addition, we are reforming the process for designating Higher Technical Qualifications. We will make the design more flexible so they can meet a wider range of employer and local needs, and we will develop a process for licensing awarding bodies, including providers with awarding powers, to brand their level 4 and 5 qualifications as Higher Technical Qualifications. Taken together, this will empower providers and awarding organisations to create bespoke higher technical offers in response to skills needs in their areas.

We will strengthen the statutory guidance on Local Skills Improvement Plans, setting out clearer expectations on higher education providers to engage with the development, review and implementation of these plans, and a stronger expectation that they cover technical skill needs at all levels including levels 4 to 8. Higher education providers should engage more actively with Local Skills Improvement Plans as both providers of skills and as employers. Through this engagement with Local Skills

¹⁰³ HESA (2025), [Spin-out register](#).

Improvement Plans, higher education providers will build on and strengthen their collaboration with strategic authorities and further education providers, and ensure they are better meeting the needs of employers.

We will develop a new market monitoring function, drawing together key datasets to provide a clear, single picture of higher education supply and demand. This will enable both decision-makers and higher education providers to understand what courses are available in their area and highlight any gaps between demand, supply and local need. It should also help identify areas where there are cold spots in availability of provision. Skills England will take forward analysis to understand skills needs at local and national scales, helping to identify which education provision is required to address these needs to support effective planning for growth. The Department for Science, Innovation and Technology, together with UK Research and Innovation, will audit the provision of research activity which delivers against the Industrial Strategy, missions and sovereign capability, and assess changes in capability against our needs.

Generating the novel research of the future

We will invest in the fundamentals of the UK research and development ecosystem to ensure we have the research grants, talent and infrastructure we need for future discovery. We have protected the overall funding of UK Research and Innovation at £8.8 billion. We will maintain grant funding to support unique research strengths, support better access to full economic costs, provide non-hypothecated quality-related research funding for universities to support new ideas, and continue our partnership through the current Horizon Europe programme to enable researchers to access vital collaborations and facilities not easily available domestically.

We will continue to ensure we have the right balance across our three research funding priorities: protecting and promoting curiosity-driven research; supporting research and development for the delivery of government priorities, missions and the Industrial Strategy; and providing targeted innovation, commercialisation and scale-up support to drive growth. We will ensure basic curiosity-driven research is protected and can grow as the economy allows and will set UK Research and Innovation a new strategic objective to support this. Alongside this we will continue to invest in infrastructure spending to support the facilities needed to deliver the research of the future.

We will continue to invest in the future by supporting the talent that is essential to deliver our Plan for Change. In financial year 2024 to 2025, UK Research and Innovation invested £474 million in training 27,000 postgraduate research students, with a further £344 million for English institutions through the research degree programme element of quality-related research funding.¹⁰⁴ A further £280 million was invested in supporting around 2,000 fellowships across the UK, enabling researchers to take the next steps in their professional development. In the next year we will increase the minimum stipend paid to its students by 8%, the largest real-terms increase since 2003.

We will work with Public Sector Research Establishments (and related public sector research organisations) to map their existing training programmes and promote these schemes both within and outside government, embedding them more effectively within the UK's training pipelines to raise their visibility and make them more accessible. Alongside their critical research facilities, which deliver sovereign

¹⁰⁴ Quality-related research funding is devolved. Schemes to invest in PGR in Scotland, Wales and Northern Ireland are managed by the devolved administrations.

capabilities, these organisations often play a hidden role in developing specialist skills across industry, academia and government in partnership with higher education providers.

Building the knowledge infrastructure to support commercialisation, company formation and scale up

We will pivot some of UK Research and Innovation's funding to align to areas of strategic importance as described in the Industrial Strategy sector plans. Outside of the protected curiosity-driven research, this will leverage the strength of our university research, postgraduate training and business partnerships to support areas with the greatest potential for economic growth. This will help universities lean into existing industry specialisations, such as the agri-tech commercialisation partnership between the Universities of Lincoln and Cambridge.

We will review higher education innovation funding so the outcomes universities deliver help drive economic growth at both a local and national level. Higher education innovation funding has delivered significant economic and social outcomes since it was set up in 2008. We value this work and will better align it with the growth mission. We recognise and value its role in de-risking innovation, providing business development support, fostering entrepreneurship, supporting universities to develop their role in their local economy and with local communities and driving technology transfer of intellectual property, creation of spinouts and a thriving academic-private sector innovation economy.

We will continue to improve support for university commercialisation and spin-outs. Fifty-eight universities have signed up to the recommended licensing policies of the Spin-Out Review, decreasing the average equity stake taken by universities from 22% in 2023 to 16% in 2024.¹⁰⁵ This will incentivise academic founders to launch and scale their companies more effectively. The national spin-outs register published in June 2025 will allow government and universities to better monitor spin-out performance and showcase this to investors. UK Research and Innovation will continue to enhance its research commercialisation support, including continuing to invest in proof-of-concept funding and creating better connectivity between programmes to provide a clear pathway of support.

We will use the Local Innovation Partnerships Fund to invest up to £500 million to grow high-potential innovation clusters across the UK, aiming to generate at least £1 billion in co-investment and £700 million in added local value. UK Research and Innovation will work with regional partnerships between local authorities, businesses and research organisations (including universities) to co-create a portfolio of investment in each funded region. These will support local innovation ecosystems and align local levers such as skills to accelerate commercialisation and scale-up of new technologies across the country. Importantly, this will put more funding power in the hands of local innovation clusters.

Maintaining the international competitiveness of our globally leading universities

The government is committed to safeguarding the international competitiveness and academic excellence of the country's top higher education providers, including small and specialist providers who are leaders in their field. Through our reforms, we are ensuring that these providers remain world leaders in research, teaching and innovation.

¹⁰⁵ Royal Academy of Engineering (2025), Spotlight on Spinouts. https://raeng.org.uk/media/xutduqvm/spotlight_on_spinouts_2025_24_03_25.pdf

We will place our global leaders on a more sustainable footing. The introduction of the annual inflationary increases in tuition fees, where future fee uplifts are conditional on the Office for Students' quality regime, alongside our plan to address research cost recovery, will improve sustainability and support them in maintaining their global reputation for delivering cutting-edge research and high-quality teaching.

We will ensure that providers can attract international talent and skills. The UK's global reputation for excellence in higher education is reflected in the fact that 58 serving world leaders received their education here, underscoring our international reach and influence.¹⁰⁶ International students also bring significant economic value to towns and cities across the UK, supporting local jobs, employers and communities. To build on this strength, we have recently launched a new £54 million Global Talent Fund to attract world-class researchers and their teams to the UK. The Global Talent Fund is just one part of over £115 million funding that is being newly dedicated to attracting the very best scientific and research talent to the UK. Through the UK Modern Industrial Strategy white paper and the Restoring control over the immigration system white paper, we have also set out a clear plan for how we are linking access to the immigration system to skills and training requirements here in the UK and launching new requirements for Jobs Plans, to continue to attract top international talent.

Welcoming international students and driving UK exports

The world-class nature of our higher education sector means we attract some of the most talented individuals from around the world to come and study in the UK. We recognise the value and contribution that these students make to the UK including supporting our economy, strengthening global ties and enriching our campuses. **We will set out our approach to growing the UK education sector's international partnerships and impact in the forthcoming refresh of the International Education Strategy.**

We will work with the sector to maintain a welcoming environment for high-quality international students. However, providers must ensure that their recruitment practices are sustainable, attract high-quality students, and that they are not materially at risk from volatile overseas markets.

As part of this commitment, we will take steps to safeguard the integrity of the system. We will do this through cracking down on abuse of our immigration system by strengthening requirements on universities. This will involve tighter enforcement by government on visa approvals and course enrolments and completions. Stronger enforcement will ensure that poor recruitment practices do not undermine the integrity of the UK's immigration system.

Recognising civic contribution

We encourage higher education providers to develop civic plans that align with their strengths and priorities. Civic engagement has been central to the mission of higher education providers since their inception and supporting access and participation and local economic growth should be central to providers' civic activities. Many providers trace their roots to civic institutions established to serve their local communities and each provider will have a different approach to civic engagement. We recognise and support this vital function of higher education providers, which should have flexibility to define their civic contribution in ways that reflect their unique institutional role in partnership with

¹⁰⁶ HEPI (2024), HEPI Soft Power Index 2024. [HEPI-SOFT POWER INDEX 2024](#)

stakeholders. Just as different universities will have different approaches to research, each institution will have a different approach to civic engagement based on their profile. We encourage institutions to work with industry and other local leaders to help inform local economic strategies and work together through programmes such as the Local Innovation Partnerships.

3.6 Improving the quality of higher education, training, and research, and driving out poor quality

At the core of a high-quality higher education experience is excellent, challenging and effective teaching. We value the diversity within our higher education sector, recognising that both research-intensive and teaching-intensive approaches are equally important in their contribution. It is vital that the findings of research are translated into teaching, both directly from researchers themselves and through the body of academic knowledge.

3.6.1 The case for change

In the most recent Teaching Excellence Framework exercise, 23% of higher education providers received the highest rating, Gold, indicating student experience and outcomes are typically outstanding.¹⁰⁷ Over half of providers received Silver, indicating very high-quality experience and outcomes.¹⁰⁸

However, we need to raise the bar across the system. Even an already excellent higher education provider needs to remain dynamic and responsive to new pedagogical approaches, new technology, and new ways of delivering education to ensure the highest-quality provision. New technology, including the advent of advanced artificial intelligence, and new ways of delivering education, will provide both challenges and opportunities. There are serious challenges that must be addressed, with pockets of poor provision undermining the reputation of the sector. More must be done to support every individual who enters higher education to continue with their course, complete it successfully, and progress to professional employment outcomes or further study. The most recent data showed that between 13% and 18% of providers failed to meet the Office for Students' minimum expectations on outcomes for full-time first degree students.¹⁰⁹ There are also serious value for money concerns with franchised provision, which has grown rapidly in recent years. These challenges must be swiftly addressed, and the regulator needs to be empowered to more quickly identify and deal with similar risks in future.

Students also need clear and accessible information to choose courses that lead to positive outcomes. Among students who found their university experience worse than they had expected, teaching quality was among the most commonly cited reasons.¹¹⁰ Improving transparency about course quality is essential.

¹⁰⁷ Office for Students (2024), Teaching Excellence Framework 2023. [TEF 2023 ratings – Office for Students](#)

¹⁰⁸ Office for Students (2024), Teaching Excellence Framework 2023. [TEF 2023 ratings – Office for Students](#)

¹⁰⁹ Office for Students (2024), Sector distribution of student outcomes and experience measures data dashboard. [Sector distribution of student outcomes and experience measures data dashboard – Office for Students](#)

¹¹⁰ AdvanceHE and HEPI (2025), Student Academic Experience Survey 2025 [Student Academic Experience Survey 2025 | Advance HE](#)

A strong higher education sector also depends on free speech and academic freedom. These values are increasingly under pressure from global instability, the rise in social media, and polarised debate, reinforcing the need to protect them. Polling conducted on behalf of the Office for Students in 2024 found that 1 in 5 academics do not feel free to teach controversial topics, rising to 1 in 3 afraid to discuss them more generally.

Delivering excellent teaching quality requires that we maintain our research and knowledge strengths. However, funding and research assessment frameworks might incentivise perverse behaviours, making publication itself the main aim. At its most extreme, this can encourage falsification of data. In recent years the global number of articles retracted from journals has been rising sharply, with approximately 10,000 research papers retracted in 2023, up from 1,500 in 2013.¹¹¹ The UK has a critical role to play on research integrity globally, shaping standards and expectations, and the Research Excellence Framework will not rely simply on assessment of publications.

Artificial intelligence presents both risks and opportunities to higher education. It should allow providers to offer more tailored learning whilst unlocking new horizons of research – widespread use of artificial intelligence in science could accelerate economic growth and increase the rate of major scientific discoveries.¹¹² It will also be essential for those entering the workplace to be competent in artificial intelligence use. However, the rapid acceleration of artificial intelligence for science capability demands we act quickly with a clear UK strategy to remain globally competitive in research and teaching. Artificial intelligence is, and will continue to be, an important tool in supporting learners so they can complete tasks required as part of their education – it is vital, however, that artificial intelligence is not a substitute for work that allows students to build key knowledge and the skills required to apply this effectively.

3.6.2 The change we will make

A stronger system that drives up quality

We will take measures to ensure the Office for Students has the capacity and power to swiftly identify low-quality teaching provision, and intervene to tackle it. Its new approach to assessing quality will drive continuous improvement in teaching and student outcomes and we will consider options to increase capacity in the Office for Students to conduct quality investigations. This should allow it to respond to risks more rapidly whilst regulating to deliver continuous improvement for all providers and ensuring its approach to regulation remains proportionate. When parliamentary time allows, we will legislate to ensure the Office for Students is able to impose recruitment limits where growth risks poor quality. As set out previously, we will make future fee uplifts conditional on higher education providers achieving a higher quality threshold through the Office for Students' quality regime.

We are resolute in our commitment to protecting public money in higher education.

In particular we are taking firm action to address serious concerns about poor-quality provision, financial exploitation, and fraudulent practices among some franchise providers, following the rapid growth of franchised provision since 2019. This behaviour undermines student outcomes, damages public trust, and diverts funding away from legitimate education. The Office for Students are already consulting on new, tougher

¹¹¹ International Science Council (2024), The 'publish or perish' mentality is fuelling research paper retractions – and undermining science. [‘The ‘publish or perish’ mentality is fuelling research paper retractions – and undermining science – International Science Council’](#)

¹¹² Nature (2025), AI for Science. <https://www.nature.com/collections/bfefgbacag>

standards for universities overseeing franchise partnerships, and prioritising franchised provision in their investigations. In addition to this, our next step will defund large franchise providers altogether unless they are registered with the Office for Students, in line with our consultation earlier this year. This is ahead of taking legislative powers at the next available opportunity to further strengthen the Office for Students' powers to intervene decisively to tackle poor quality provision and prevent abuse of public money at registered providers as well as safeguard against provision with poor outcomes for students. This will ensure there is tighter oversight for all franchise arrangements and all other third party relationships in future, as well as a higher bar for their market entry and expansion.

Strengthened statutory powers will enable the Office for Students to act quickly to investigate all regulatory risk, and close down provision where fraud or misuse of public money is identified. Subject to the relevant legislation being passed, this will include powers that can be used rapidly when an immediate risk to public money is identified, such as stronger entry and search powers, interim sanctions such as suspension of funding, and final sanctions that can be enforced through the courts.

We will take steps to tackle abuse of the system by recruitment agents. We will explore tightening eligibility for access to the student finance system, to sever the income stream for unscrupulous agents by removing illegitimate student recruitment. We will also bolster the regulatory framework, enabling the Office for Students to hold providers to account with reinforced investigative powers where required.

Education providers interested in delivering modular provision eligible for the Lifelong Learning Entitlement from January 2027 have been asked to submit an expression of interest to the Department for Education so that a quality and regulatory check can be conducted. A simple, quick and unbureaucratic approval process will operate for providers if:

- they have a Teaching Excellence Framework rating of Gold or Silver and either have no Ofsted rating or an Ofsted rating of Outstanding or Good; or
- they have an Ofsted rating of Outstanding or Good and either have no Teaching Excellence Framework rating or a rating of Gold or Silver

We will update this to take account of any changes as a result of the renewed Ofsted framework. Providers without these ratings are required to submit additional information demonstrating their suitability for modular delivery.

Ensuring individuals benefit from higher education

We will work with UCAS, the Office for Students and the sector to improve the quality of information for individuals, informed by the best evidence on the factors that influence the choices people make as they consider their higher education options. Providing applicants with high-quality, impartial, personalised and timely information is essential to ensuring they can make informed decisions when choosing what to study. Recent UCAS reforms aimed at increasing transparency and improving student choice include historic entry grades data, allowing students, along with their teachers and advisers, to see both offer rates and the historic grades of previous successful applicants admitted to a particular course, in addition to the entry requirements published by universities and colleges. As we see more students motivated by career prospects, we will work with UCAS and Universities UK to ensure that graduate

outcomes information spanning employment rates, earnings and the design and nature of work (currently available on Discover Uni) are available on the UCAS website. We will also work with the Office for Students to ensure their new approach to assessing quality produces clear ratings which will help prospective students understand the quality of the courses on offer, including clear information on how many students successfully complete their courses.

The Office for Students plans to reform its approach to degree awarding powers. We will launch a programme of work to support the Office for Students as it considers this reform. This will include assessing the merits of the sector continuing to use the external examining system for ensuring rigorous standards in assessments. We will consider the extent to which recent patterns of improving grades can be explained by an erosion of standards, rather than improved teaching or assessment practices. We will also continue to build the evidence base on the effectiveness or otherwise of the external examining system, which we will feed into the Office for Students' programme for reform. We will also seek employers' views about whether the academic system is giving graduates the skills and knowledge they need for the workplace.

Providers as beacons of academic freedom

To ensure that higher education remains a space for robust discussion, intellectual rigour and exposure to new ideas, we will safeguard protections for freedom of speech and academic freedom. We introduced new expanded duties on higher education providers from August 2025, and as well as securing freedom of speech within the law for staff, students, external speakers and members, higher education providers must now promote freedom of speech and academic freedom and take steps to ensure compliance with strengthened free speech codes of practice.

These duties will be further enhanced by our proposed amendments to the Higher Education (Freedom of Speech) Act to remove unnecessary burdens on higher education providers, and to introduce new routes of redress through a complaints scheme at the Office for Students for staff and external speakers, where their lawful free speech has not been secured. We also intend to give the Office for Students stronger regulatory powers to take robust action against higher education providers who do not meet their duties under the Act. These measures will ensure all providers deliver a higher education experience that expands horizons, fosters research breakthroughs, and promotes rigorous academic enquiry. However, none of these duties give anyone a right to threaten, harass, or intimidate other people. We have seen an appalling rise in antisemitism in universities since the events of 7 October 2023. We expect all universities to take prompt action to take protect Jewish students from harassment. The Office for Students has been clear that they will act if universities do not do so.

Measuring impact

We will work with the Office for Students to develop options for how we measure and compare progress in higher education. As Progress 8 has done in schools, a similar measure would hold providers to account not just for the outcomes their students achieve but also for the progress they make. It would offer providers across the whole sector sharper incentives to improve quality and outcomes, encouraging even those providers whose students have the highest attainment on entry to demonstrate progress, and enabling less selective providers to demonstrate the value they add.

Maintaining our excellent research and development capabilities

We will consider our approach to research assessment to ensure it meets our needs and ambition for research and innovation. The Research Excellence Framework is the UK's national system for assessing the quality of research in higher education. While it has played a central role in shaping the UK's research landscape, it has also promoted a one-size-fits-all model of research excellence. Applying uniform criteria for excellence across all providers and disciplines has led to a concentration of effort perceived to be more 'REFable', potentially at the expense of diverse, interdisciplinary or locally impactful research. We will address this to ensure it supports curiosity-driven research, delivery of government priorities, missions and the Industrial Strategy, and innovation, commercialisation and scale-up (where appropriate for universities). The process of preparing for submissions to the Research Excellence Framework is widely recognised as requiring significant time and administrative effort that can detract from the core activities of research and teaching. We intend to make the process simpler and reduce the bureaucratic burden.

We will launch a pilot this autumn to seek better information on how our strategic institutional research funding is used. This will enable a greater understanding of the way this funding is utilised, fostering greater transparency and ensuring that our funding can evolve and adapt, supporting a financially resilient system that drives and sustains excellence.

Harnessing the benefits of artificial intelligence

Artificial intelligence is a transformative technology that will impact every part of the higher education sector. While the benefits to scientific research – from accelerating drug discovery to modelling climate change – have been widely discussed, artificial intelligence also has the potential to change how every subject is taught and how every job is done. This might be through supporting academics with marking or administrative tasks, freeing up time for tailored support to students, or directly aiding students. For example, language students could have conversations with artificial intelligence, building confidence and breadth, or artificial intelligence could be used as a tool to test ideas, developing critical thinking skills. However, these opportunities are paired with serious risks from generative artificial intelligence undermining the incentives to learn whilst making it easier to create fraudulent data. These changes are already happening, so it is vital that government and the sector act now to maximise the benefits of this technology.

We will publish our plan on Artificial Intelligence for Science in the autumn to keep the UK at the cutting edge of global science, ensuring our scientific research ecosystem thrives in an era where artificial intelligence is set to transform the scientific process. Alongside this, we call on providers to lead on addressing and embracing the disruptions and opportunities of artificial intelligence through institutional strategies.

We will continue to invest in compute capacity to ensure the UK is positioned to be an artificial intelligence maker rather than an artificial intelligence taker. The recently published UK Compute Roadmap lays out the government's plan to build computing infrastructure necessary for the artificial intelligence opportunities of the future. The recently opened Isambard-AI supercomputer at the University of Bristol is the most powerful compute facility in the UK and will be followed by significant investment in further infrastructure, including up to £750m for a new national supercomputer at the University of Edinburgh.

We are strengthening the UK's artificial intelligence talent pipeline, to ensure the UK is the home of the next generation of artificial intelligence leaders. This includes investing £96.8 million to support 1,000 exceptional domestic students a year with undergraduate scholarships in areas like artificial intelligence, cyber security, and computer science, 100 research MSc places, and at least 100 artificial intelligence Spärck scholarships a year for the next-generation of artificial intelligence leaders. This builds on our existing investment in artificial intelligence Centres for Doctoral Training, which will train over 1,500 doctoral students across the programme's lifetime. We will also explore how to combine higher education with practical placements and pathways into the artificial intelligence workforce, embedding real-world experience and regional innovation into artificial intelligence learning, and are committed to making the UK the natural home for the brightest artificial intelligence minds, including enabling interdisciplinary experts to flourish using artificial intelligence, through the expansion of our Turing artificial intelligence fellowships.

We will support the Office for Students to assess the impact of artificial intelligence, including how students are using it in assessments, to ensure the integrity of higher education assessments and qualifications are not compromised. This focus on standards will feed directly into the Office for Students' programme of reform to maintain confidence in the quality of our higher education system. We want the sector to embrace the benefits of future technology and expect that all students will learn about artificial intelligence as part of their higher education experience, but this should support learners to complete tasks rather than substituting work that ensures learners build key knowledge and skills.

4. How we will measure success

This Post-16 Education and Skills white paper sets out how we will reform the skills system to support the Plan for Change, delivering on economic growth and raising living standards so that working people have more money in their pocket, and delivering opportunity for all, breaking the link between a young person's background and their future success. We will measure success in the following ways.

We will measure progress against our target for two-thirds of young people to participate in higher-level learning – academic, technical, or apprenticeships – by age 25. This will include a sub-target of at least 10% of young people going into level 4 or 5 study including apprenticeships by 2040. We will track this using Cohort-based Higher Education Participation measure (CHEP25),¹¹³ which tracks higher education participation by school cohort by age 25.

We will measure the proportion of skills shortage vacancies in our priority sectors. We will track this measure through the Employer Skills Survey, which captures the number and proportion of vacancies within the labour market that are reported as being due to skills shortages.

We will measure the number of individuals starting priority courses, mapped to the skills needs of the priority sectors. This will include delivering on the sector skills packages in digital and artificial intelligence, engineering, defence and construction. We will measure our success in increasing the provision of, and driving demand amongst individuals for, the courses which deliver the skills needed in priority sectors. Skills England's analysis will identify the priority occupations which are critical to meeting skills gaps in priority sectors, allowing the government to provide an update on how it has performed in driving up the number of starts in courses mapped to priority sectors.

We will measure progress against our commitment to deliver 6,500 more teachers across colleges, mainstream secondary and specialist schools across this Parliament which will provide a clear signal that we're building the workforce needed to drive the improving skills system.

We will measure the percentage of 16 to 21-year-olds in either classroom-based education and training, or a job which provides skills training, to help reduce the NEET rate. This includes driving up to 30,000 apprenticeship starts across this Parliament by launching foundation apprenticeships from August 2025, as well as investing £45 million in Youth Guarantee trailblazers, which will provide all-important foundations for the national roll-out of the programme.

¹¹³ Department for Education (2025), Participation measures in higher education. [Participation measures in higher education, Academic year 2022/23 – Explore education statistics – GOV.UK](#)



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