



Executive Summary

Submission: Budget October 2025

A New Path for Growth: The People's Skills Solution.

A change of direction to benefit all

The next phase of national growth must be built around people, their potential, ambition, and capacity to adapt. A People's Skills Solution recognises that sustainable economic growth will not come from systems or structures alone, but from empowering individuals to learn, retrain, and thrive throughout their lives.

Asks of Government

Investing in adult education is not just a moral imperative; it is a "spend to save" policy.

A New Path for Growth: The People's Skills Solution

People must lead the revolution in skills. By investing in adults' potential, government can unlock growth, productivity, and wellbeing across every community. A People's Skills Solution puts learning power in the hands of citizens, valuing practical and vocational skills alongside academic achievement, and builds a system that works for everyone, everywhere.

ASK 1: Fair & Increased Funding

Increase the adult skills budget by **£5 billion** over this Parliament and create a **fair, locally focused funding system**. Investment must support adults with the lowest skills, not just those in higher education, and be channelled through local networks that understand community and employer needs.

Adult and Community Education (ACE) providers already have the infrastructure, partnerships, and expertise to reach adults who are economically inactive or furthest from the labour market. With fair funding, they can expand quickly and deliver measurable results.

ASK 2: Equity of Educational Experience

Ensure **education equity for all adults**, particularly those furthest from learning or work including SEND students. Provision must be consistent, high-quality, and lead to meaningful qualifications and progression.

Expand **ESOL** to meet rising demand, enabling inclusion, integration, and productivity and provide a clear pathway for those who need language support to achieve on vocational courses.

As the Government invests in Level 4 and above, it must also strengthen the **foundation pipeline** of literacy, numeracy, digital skills, and Level 1–2 vocational routes by creating clear progression into professional roles.

ASK 3: Recognition & Cross-Government Strategy

Recognise adult education as a driver of growth, wellbeing, and community strength. **Skills England** should lead a **cross-government lifelong learning strategy** linking DWP, DfE, MHCLG, Mayoral Combined Authorities, and Local Authorities. Local voices must shape provision and ensure skills planning aligns with economic and civic priorities.

ASK 4: Stronger Infrastructure, Governance & Accountability

Establish clear **coordination between DWP, MHCLG, DfE, MCAs, and Local Authorities** to make lifelong learning responsive and accountable. Local government must play a leading role in identifying needs, directing funding, and aligning adult skills with growth strategies.



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A New Path for Growth: The People's Skills Solution.

A change of direction to benefit all

The time to act is now

The next phase of national growth must be built around people, their potential, ambition, and capacity to adapt. A People's Skills Solution recognises that sustainable economic growth will not come from systems or structures alone, but from empowering individuals to learn, retrain, and thrive throughout their lives.

In a rapidly changing economy shaped by technology, demographic shifts, and new global challenges, people must lead this revolution in skills. When individuals have the opportunity and confidence to learn new skills, they not only secure better jobs and incomes but also strengthen their communities and contribute to a more productive, inclusive, and resilient society and in doing so improve their own wellbeing and their families future.

This approach puts power and opportunity in the hands of citizens, valuing practical, creative, and vocational skills alongside academic achievement and ensures that everyone, regardless of background or age, can play an active role in shaping the nation's future prosperity.

Introduction

This paper sets out HOLEX's 4 Asks of Government and expands on how those asks could be implemented, outlines the argument for increased investment and the public value of adult education and why this is a spend-to-save programme. Each Ask corrects a weakness in the present system and by adopting these proposals the system will be more agile and able to respond to the growth needs of the nation, while providing what residents and learners need from a sustainable place-based skills system.

Adult skills acquisition and education have a significant impact on individuals, communities, and the economy. Investing in adult skills and education can produce

public and economic benefits that extend beyond the individual learner and the businesses bottom line, they also contribute to broader societal goals of improved health and well-being, community integration and a better life. Adult education has a key role in reducing structural inequalities and underpins the government's five missions. It is fundamental to these missions that the barriers to opportunity are broken down and the system is rebuilt around supporting and incentivising learners to learn a new skill.

The rapid development of artificial intelligence, alongside the pressing economic and societal issues surrounding clean industries, net zero policies, and a growing number of economically inactive individuals necessitates a comprehensive and innovative approach to lifelong learning. We need a new approach for skills, and it should not be confined to fragmented initiatives or isolated departmental programmes but should instead unite all government departments to strategically plan for our country's future skill requirements. If the Chancellor's growth plans are to materialise, reskilling our nation will be vital. Also, adult education has an equally important role in fostering social cohesion - a dimension often overlooked in discussions about education skills policy.

For years, adult educators have warned of the dire consequences of cutting over £1 billion annually from the adult skills budget. Compared to 2009, 1 million less adults now participate in adult education, training and skills development. These cuts have resulted in reduced productivity, a lack of qualified staff, increased reliance on overseas labour, poorer social integration and civil unrest. Although challenging to directly link these outcomes to specific budgetary decisions, the fact remains that our underinvestment in adult education has left us trailing behind other nations.

Beyond economic imperatives, adult education plays a vital role in narrowing economic disparities, reducing social fragmentation, and fostering inclusivity. It offers marginalised groups, including immigrants and minorities, a pathway to integration through language skills and cultural knowledge. These programmes break down barriers, foster understanding, and create new social networks that strengthen communities.

Moreover, adult education equips individuals with the skills needed to navigate rapid economic and social changes. Lifelong learning enhances personal development and well-being, critical components of a cohesive society. Additionally, civic education, often embedded in adult learning programmes, empowers citizens to engage more actively in democratic processes, further strengthening community bonds. Also, the localised approach can provide early intervention and prevention through ACE's work with families.

In today's world, where adaptability is key, the role of adult education extends far beyond employability. It helps build a more resilient, informed, and engaged society, capable of managing social change and reducing the risk of unrest. We must ask ourselves: what are the long-term costs of not investing in adult education?

Investing in adult education is not just a moral imperative; it is a "spend-to-save" policy. It boosts the economy, reduces public expenditure, and enhances the well-being of individuals and communities.

Adult Community Education (ACE)

Addressing the skills shortage and boosting productivity in the UK is crucial for driving economic growth. Adult Community Education (ACE) services and centres provide an essential stepping stone, supporting individuals entering the workforce and/or pursuing further education while improving wellbeing and social integration. These learning organisations equip students with the necessary skills to succeed in today's dynamic environment, particularly those previously underserved by traditional educational systems. ACE provides tailored approaches to skill acquisition, fostering pathways into apprenticeships, higher skills, employment and improved well-being and social integration.

HOLEX represents a coalition of 150 local authority adult community education (ACE) services, colleges, and institutes for adult learning. Together, they annually educate and train 400,000 adult learners across 10,000 local venues. Notably, they are sector best - Ofsted rated 96% as either good or outstanding. Their collective education mission is to support those marginalised from both employment and society.

Despite their significant impact, these learning organisations often operate under the radar and contend with diminishing budgets, but they exhibit unwavering enthusiasm and a readiness to expand their efforts, exemplified by their exceptional work on initiatives like the recent new maths programme. Adult education services act as community anchors by supporting economic development through providing skills training, fostering personal and professional growth, promoting social cohesion, enhancing health and well-being, and ensuring access and inclusion for all community members. These services create a more educated, skilled, and cohesive community, ultimately leading to a higher quality of life for individuals and the community and reducing the financial burden on other government departments such as DWP and Health.

Although cash strapped (their budgets are 47% lower since 2009), ACE organisations remain positive; they could do more but are hampered by the existing infrastructure for skills, which has become cumbersome and over processed, leaving adults confused about where they get support. There needs to be a change of focus; adult learners deserve better, and the country needs an adult skills service that embraces the full international definition of lifelong learning – all ages, all levels and in all settings. Adults need a system based on their needs which incentivises learning a new skill. They need clear progression routes and learning organisation need to collaborate locally to do that. Government and the combined authorities need to provide an enabling infrastructure that allows trusted learning organisations to work directly with the adult learner to tailor courses that support their ambitions, which in turn will support improved productivity and the country's economic success.

Argument for Change

The rapid development of artificial intelligence, alongside the pressing economic and societal issues surrounding clean industries, net zero policies, a growing number of economically inactive individuals, and the ongoing recovery from the pandemic, necessitate a comprehensive and innovative approach to lifelong learning. We need a new approach for skills, and it should not be confined to fragmented initiatives or

isolated departmental programmes but should instead unite all government departments to strategically plan for our country's future skill requirements. Adults deserve better; they should not just get the unintended consequences of strategies devised for young people.

The present uncoordinated set of skills programmes has led to reductions in participation and under investment by both government and employers. With the ever-changing jobs landscape, people are grappling with concerns about the transformation of their existing roles, while others are anxious about entering or re-entering the job market. We have over 25% of the adult population without a basic qualification, with 9 million having low level literacy, numeracy and digital skills and many millions inactive and unable to participate in the workplace.

In this uncertain environment, government support is vital. Previous strategies primarily placed employers in the driving seat, a policy that has proven ineffective. This approach has resulted in fewer young people on apprenticeships and adults engaging in training; diminished state and private investment; and a cumbersome system that fails to produce the desired quality outcomes. Of course, employers play a pivotal role in creating new jobs, determining accessible recruitment strategies, motivating their workforce and eliminating obstacles to learning, but they are not capable of, or desirous of, leading the skills system. We need to try something different. The new skills policy should target the unique needs and aspirations of individual citizens, offering incentives for learning, for example allowing to students to claim Universal Credit when in learning, providing a clear pathway for career advancement and supporting their wider life ambitions.

Crucially, learning is an individual endeavour, and the core focus of any new strategy should be the removal of barriers which are hindering learning. The strategy should emphasise motivation, incentivisation, and the empowerment of all individuals to embrace lifelong learning and to take control of their own skill development and training needs.

Asks of the Government

ASK 1: Fair & Increased Funding

Over the life of this Parliament, Government should increase the adult skills budget by £5 billion and create a fair funding system. Funding must enable adults with the lowest skills to benefit from investment currently concentrated in tertiary education, and it should be channelled locally to strengthen civic infrastructure and meet community needs.

Adult and Community Education (ACE) providers are ready to grow. They already have the local infrastructure, partnerships, and expertise needed to engage adults who are economically inactive or furthest from the labour market. ACE services understand what motivates people back into learning and work, from building confidence and skills to providing flexible, community-based routes into employment. With fair funding, these providers can expand quickly and effectively, reaching those for whom mainstream systems struggle to engage.

With the Department for Work and Pensions now taking ownership of the Adult Skills Fund, it is vital that existing provision is not destabilised or duplicated. This change

offers an opportunity to strengthen the link between employment support and skills development, enabling more coherent pathways for adults to gain the qualifications and confidence they need to progress in work. Government must build on what works, drawing on the expertise and successful delivery models already in place, rather than reinventing the wheel.

Why this matters?

Without fair and sufficient funding, millions of adults will be locked out of opportunity, employers will face persistent skills shortages, and communities will be weakened. Strategic investment ensures money is spent efficiently and delivers real returns for the economy and society by activating untapped potential and connecting more adults to meaningful, sustainable work.

What needs to be done

- Only 2% of the funding available to government is spent on community-based adult education. Government should rebalance spending by prioritising basic and Level 2 adult education, injecting £5.2 billion into the system, and providing a 10-year budget to break the cycle of low skills, and to support local cohesion and integration policies by increasing the community education Tailored Learning budget, by inflation, to £330 million per annum.
- Provide a 5-year funding settlement for Adult Community Education learning organisations to align with the government's lifelong learning strategy. DWP should work with Mayoral Combines authorities to simplify funding processes, promote transparency, and emphasise accountability.
- For areas where there are no opportunities to do an apprenticeship allow Adult Community Education organisations to grow, their very successful 16-19 NEET programmes.
- Increase the envelope of funding so that colleges and learning organisations can pay their staff appropriately and facilitate professional development programmes for staff. Treat all teaching staff the same and provide qualified adult education lecturers with the same as college lecturers.
- As Mayoral Combined Authorities develop localised offers. Their work should be reviewed and built upon and best practice shared for example the threshold for when course are free should be the same and all MCA's should adopt the higher salary level ensuring those who upskilling are facilitated to do so.
- Create a second shared prosperity fund which builds on the lessons learned from the successful maths initiative, by extending it to English and digital skills.
- Remove Family Learning funding and place back in DFE. This funding has traditional been spent in schools therefore should not be managed by DWP.
- Establish a cross- Government framework for ESOL, which forms a framework for MCA and LA's which standardises the criteria and rules around who is eligible for funding support and determines the appropriate funding levels through a new national review.

- Introduce a "learning and skills tax rebate" for employers investing in low-skilled workers, targeting adults without Level 2 qualifications or with an income less than the National Living Wage.
- Establish, through a capital fund, a branded adult education centre in every town, promoting multi-use community centres as outreach posts for adult education. This should include reimagining spaces in some of our high streets that are in decline, to become exciting and accessible places of learning. Adult and Community Learning organisations are well-placed to be supported to lead this shift.

ASK 2: Equity of Educational Experience

Government must prioritise education equity, ensuring adults who are most distant from learning, employment, and community participation have access to high-quality opportunities that lead to meaningful qualifications and progression. Provision must be consistently available across the country, removing barriers and enabling all adults to benefit from learning that improves their lives and communities.

Ensure education equity for all adults, particularly those furthest from learning or work including SEND students. Provision must be consistent, high-quality, and lead to meaningful qualifications and progression.

A key part of this **is** expanding access to English for Speakers of Other Languages (ESOL). In many parts of the country, demand for ESOL far exceeds capacity, leaving adults unable to participate fully in work, education, or civic life. Strengthening ESOL provision is fundamental to inclusion, integration, and productivity, it is the essential first step in the skills pipeline for many adults. There should also be a clear pathway for those who need language support to achieve on vocational courses. To help fund this activity the different government pots that sit in other departments such as Ministry for Housing Community and local government should be brought together with DWP Adult skills fund.

As the Government expands access to Level 4 programmes, a move we fully support, it is essential that this opportunity is made available to adults as well as young people. Achieving this requires meaningful investment in the pipeline of qualifications at Levels 1 and 2 including ESOL and foundational literacy, numeracy, and digital skills alongside the development of clear and supported pathways through education and into professional roles. While the Lifelong Learning Entitlement offers a flexible financing mechanism, it cannot deliver on its promise unless adults and young people alike have viable progression routes. Without these, the long-term ambition of equipping people for high-level, well-paid jobs will remain out of reach for many.

Why this matters?

Adult education is often the first step into work, training, or civic engagement for those excluded from mainstream opportunities. For many, especially new arrivals and speakers of other languages, ESOL is the gateway to all further learning. A fair system reduces inequality, boosts social mobility, and strengthens local economies by bringing untapped talent into play. Short courses that don't lead to qualification or

a “**Trade for Life**” may lead to a job, but that job is often short-lived. Without a qualification or the language skills to progress including a new role is near impossible, and the person ends up back on benefits. This revolving door must stop

What needs to be done

- Implement the lifelong learning strategy by starting with Adult Community Education as its foundation, ensuring there is a ladder of progression for all learners by removing regional differences.
- Build on the new Tailored Learning programme to ensure local flexibility and clear progression routes.
- Prioritise the 1 in 5 adults without formal qualifications, ensuring a seamless pathway for skills development, and foster collaboration between Adult Community Education, Further and Higher Education, and relevant stakeholders.
- Underpin the strategy with new, cross-government policies for learning at Level 2 and below, focusing on vocational shortage areas such as healthcare, service industries, construction industry and heritage crafts transport.
- Ensure that all post 16 policies recognises the fundamental importance of gaining qualifications, and that qualifications are not seen solely as the preserve of those who thrived in formal education. Every young person and adult should have the opportunity to achieve a qualification that validates their skills, enhances their confidence, and opens pathways to sustainable and rewarding employment. Policy should promote an inclusive system where lifelong learning and skills recognition are accessible to all, empowering individuals to adapt, progress, and transition into new roles as the economy and society evolve.
- Introduce a new policy: an entitlement to a “Trade for Life” which grant qualified tradespeople at Level 2 the formal right to practise their trade. This would ensure that sole traders and craftspeople are recognised and valued on an equal footing with those who have completed a university degree or employer-led apprenticeship.
- Commit to promoting the Legal Entitlement to essential skills for adults in numeracy, literacy, language, and digital skills. Measure the demand for ESOL, created by the influx of people into communities and fund appropriately.
- Reinstate the need for all Apprentices to continue with their maths and English to at least level 2.
- The DfE / Skills England should assess existing family learning initiatives and conduct a thorough mapping of activities to identify regions lacking family learning opportunities. The Government should take active steps to help our sector to continue to promote and expand Family learning, offering interventions and short courses through Adult Community Education learning organisations to ensure universal access.

- Identify key sectors with skills shortages and offer fully funded and supported learning pathways from pre-Entry Level to Level 3. Support Adult Community Education learning organisations in delivering foundation courses to prepare individuals for free Level 3 courses.
- As part of the new NEET programme re-prioritise apprenticeships so that all young people and those without Level 3 qualifications can take part.

ASK 3: Recognition & Cross-Government Strategy

Government should recognise the power of adult education in building skills, communities, and civic life. Skills England should lead the creation of a cross-government lifelong learning strategy covering all ages and levels (pre-entry to level 7). This requires DWP and Mayoral Combined Authorities to work in partnership with Local Authorities, ensuring residents' voices shape provision and local growth plans are supported rather than bypassed. The myriad forms of skills planning should be consolidated, and Local Authorities should be given the lead role to contextualise and bring together as one plan for their residents.

Why this matters? Adult education cuts across health, employment, justice, and community cohesion. A joined-up strategy prevents waste, aligns policy goals, and maximises the wider social, civic, and economic benefits of learning.

What needs to be done

- Strengthen and expand the remit of Skills England to lead the development of a comprehensive, government-wide Lifelong Learning Strategy that unites employment, health, migration, and skills policies. This strategy should clearly articulate how adult learning drives economic growth, boosts productivity, supports community cohesion, and enhances individual wellbeing. It must also provide the overarching framework for devolving skills and education budgets, ensuring national coherence, local flexibility, and clear, inclusive progression routes for learners of all ages and backgrounds.
- Build on the new DWP/DFE collaboration by establishing a robust cross-government coordination mechanism, led by the Minister of State for Higher and Further Education, to align departmental strategies and delivery nationally and locally. This structure should embed adult education at the heart of government priorities, as a key driver of economic resilience, workforce development, and national wellbeing.
- Recognise and strengthen the role of Local Authority adult education and skills services as trusted community coordinators. These services are uniquely placed to identify local needs, often at street level, and to bring together funding, partnerships, and provision that address employment, health, and social inclusion priorities. They have proven expertise having

been successful in managing the multiply and more recently the Connect to Work programme.

- Launch a national and regional awareness campaign to promote the value of lifelong and tailored learning. The campaign should direct adults to local services, institutions, and centres, targeting those least likely to engage in education. It should draw on insights from learners themselves and ensure that reforms to careers guidance include a commitment to lifelong information, advice, and guidance, so adults can access support to reskill and upskill at any stage. A concurrent review of quality assurance processes should ensure consistent standards across providers.
- Undertake a comprehensive review of progression pathways between learning organisations. This should identify and remove barriers that prevent adults from moving easily between community, further, and higher education, with a focus on improving outreach to disadvantaged learners. Government should also expand affordability measures such as targeted grants, fee reductions, and improved financial support to make adult learning genuinely accessible to all.
- Create a formal civic network for adult learning, mandating collaboration between community hubs, Jobcentre Plus, public health teams, libraries, arts venues, housing providers, early years settings, schools, colleges, universities, and adult education services. These co-located learning centres should operate in every town, city, and region, embedding adult education as a shared civic responsibility and a visible, accessible public service

ASK 4: Establish and Strengthen the Underpinning Infrastructure, Governance, and Accountability Framework

Ensure collaborative working between DWP, MHCLG, DfE, Strategic Authorities, Mayoral Combined Authorities (MCAs), and their constituent Local Authorities and Councils to guarantee that the voices of all residents and learners are heard. DWP, through MCA's new Skills Commissioners should build on Local Authorities' existing growth plans and work in partnership to prioritise funding based on identified local needs. This will strengthen civic infrastructure and ensure that investment is directed to communities, supporting inclusive local growth.

Why this matters? A coherent and accountable infrastructure is essential to make lifelong learning accessible, responsive, and effective. At present, fragmented governance made worse by moving adult funding to DWP and overlapping initiatives can lead to duplication and inefficiency. Strengthening collaboration between national departments, MCAs, and Local Authorities will ensure that decisions are made closer to communities, informed by local intelligence, and aligned with economic and social priorities. A joined-up governance framework provides the checks and balances needed to maximise the impact of public investment, reduce

inequalities, and ensure that every community benefits from the opportunities lifelong learning provide

What needs to be done

- Establish joint governance structures through collaboration boards with diverse representation. Develop formal agreements that define shared objectives, accountability arrangements, and decision-making processes. Strong, transparent governance will ensure coordinated efforts, equitable partnerships, and consistent delivery across regions.
- Decouple Skills England to form:-
 1. an independent skills observatory that advises all government departments, the MCA's and the Post 16 sector on what are the skills needs and where the gaps are.
 2. a business operation that manages apprenticeships
- Conduct comprehensive needs assessments in partnership with Adult and Community Learning Organisations, drawing on existing Local Authority data to identify skills gaps and community priorities. Meaningful consultation with residents and learners will ensure that programmes are designed around real local challenges and opportunities.
- It is still unclear what the forthcoming Post-16 White Paper will include or how the role of the Department for Work and Pensions (DWP) will evolve alongside Strategic and Mayoral Authorities. However, we would like to see DWP place a stronger emphasis on the role of skills within its remit. This would mean shifting the focus of Jobcentres to become Opportunity Centres, supporting people not just into any job, but into a good job that offers progression and security. By aligning benefit reform to genuinely make work pay, DWP could enable individuals to train while claiming, helping them secure sustainable employment through access to relevant skills development.
- Create robust feedback mechanisms to embed continuous community engagement. Establish learner advisory panels and hold regular town hall-style forums to gather feedback on provision, outcomes, and funding priorities. These mechanisms will support transparency, inclusivity, and responsive planning.
- Align funding with local needs by building on existing successful programmes and avoiding duplication. Collaborative planning of investment priorities will enable resources to target specific gaps, empower Local Authority providers to expand provision, and engage those who are currently economically inactive.
- Enhance civic infrastructure through sustained investment in local providers, facilities, and workforce development. Supporting community-based

institutions strengthens local economies, aligns provision with regional priorities, and builds long-term capacity for inclusive growth.

- Establish one system for monitoring, evaluating, and innovating by tracking outcomes against shared performance metrics and fostering a culture of continuous improvement. Invest in the Individual Learner Record and continue to publish key sector data annually.
- Encourage innovation through pilot projects, shared learning, and regional collaboration to ensure sustainable, evidence-led development.

Argument for Increased Investment

The five missions of government will not succeed without an appropriately skilled work force. By investing more in adult skills and education, the Government can cultivate a higher skilled and productive workforce, support those who are economically inactive, reduce unemployment and welfare dependency, and promote economic growth and social cohesion. If the national and local growth plans are to be realised, a greater parallel investment in skills needs to happen. Government needs to adopt a "spend-to-save" approach: helping all adults enhance their skills results in fewer individuals ultimately relying on state support, while also improving contributing more through taxable income.

Adult skills and education are an important investment that generates both public and economic value.

Public Value:

- **Improves health and well-being:** Adult education can promote healthy behaviours, mental health, and general well-being. Learning activities can also help prevent cognitive decline in later life.
- **Enhances social cohesion:** Adult education can promote social cohesion by bringing people from diverse backgrounds together, providing them with opportunities to learn, share experiences and gain a sense of community.
- **Social justice:** there is a need for adults to grow more than just their academic ability when looking to develop a wider skill set to improve their life, work and pay prospects. They need to acquire skills, attitudes, knowledge and competences that encompass a wider understanding, with the ability to develop relationships and networks and to be able to operate in wider society and culture. A report in 2008 (Feinstein, *et al*) indicated that adult education reduces racism and increases civic participation and voting. Fujiwara (2012) states £1,160 of benefits to the exchequer for an adult engaged in part-time learning using the HM Treasury green book methodology.
- **Fosters civic engagement:** Adult education provides a platform for individuals to develop their civic knowledge and skills, enabling them to

participate in democratic processes, such as voting, volunteering, and community involvement.

- **Reduces crime rates:** Studies have shown that adult education programmes can reduce crime rates and recidivism by providing individuals with skills and knowledge that enable them to secure employment and contribute positively to society.

Economic Value:

- **Return to the economy:** Training and adult learning has a reputation for delivering a strong return on investment, with a Department for Business Innovation and Skills research paper showing a £10 return to the economy for every £1 of government investment for learning below Level 2.
- **Increases employability:** Adult education provides individuals with new or updated skills, making them more employable and able to secure better-paying jobs.
- **Boosts productivity:** Skilled workers are more productive, leading to increased profitability for businesses and the wider economy. For Level 2 qualifications, there is a £26 return on every £1 invested and a £28 return on every £1 invested at Level 3.
- **Supports innovation:** Adult education can foster creativity and innovation by encouraging individuals to think critically and solve problems.
- **Reduces the burden on welfare systems:** Adults who engage in education are less likely to rely on welfare systems, reducing the cost to governments and taxpayers.

Overall, adult skills acquisition and education have a significant impact on individuals, communities, and the economy. Investing in adult skills and education can produce public and economic benefits that extend beyond the individual learner and the businesses bottom line, they also contribute to broader societal goals of improved health and well-being, community integration and a better life.

Return on investment in adult skills and education in England

Adult education provides a positive return to government and individual investment. The return on investment (ROI) of adult skills and education in England refers to the financial benefits that are generated by investing in education and training for adults, compared to the costs incurred in delivering these programmes.

Adult skills and education deliver a positive ROI as evidenced through:

- **Increased earnings:** One of the primary benefits of adult education is that it can increase an individual's earnings potential. By acquiring new skills and

knowledge, adults may be able to secure higher-paying jobs, negotiate better salaries or promotion, or start their own businesses. Studies have shown that individuals who participate in adult education programmes tend to earn more than those who do not.

- **Return on investment:** .ASF-funded adult and community/ tailored learning often enables individuals already in employment to remain in work through upskilling and confidence-building. This preventative value is recognised within government ROI frameworks, reflecting measurable savings through reduced staff turnover, welfare dependency, and productivity loss.
- **Reduced unemployment:** Adult education can also reduce unemployment and lower economically inactive numbers by providing individuals with the skills and knowledge they need to secure employment. This can benefit both individuals and society by reducing the burden on welfare systems and increasing tax revenues.
- **Improved productivity:** Adult education can improve productivity by providing individuals with new or updated skills and knowledge. This can benefit employers and the wider economy by increasing efficiency and competitiveness. Over 4000 employers surveyed in 2016 said Basic Skills training (English and maths) resulted in a 64% improvement in employees' productivity (Dept of Business Innovation and Skills, 2016). When reviewing productivity improvement for young people and adults accessing apprenticeships as a form of training, once an apprentice has completed their programme, they can add around £214 per week in productivity gains because of increased profits and reduced staff turnover.
- **Better health outcomes:** Adult education can also lead to better health outcomes, as individuals who engage in learning activities are more likely to adopt healthy behaviours and make informed decisions about their health. This can result in lower healthcare costs and reduced absenteeism in the workplace. For example:
 - **Physical health:** Longitudinal studies have shown that adult learning is linked with smoking cessation and better nutrition, lower risk of coronary heart disease, especially for those with the fewest qualifications at the time of leaving school, and a reduction in drug abuse. For example, 92% of those with the highest literacy proficiency levels in England and Northern Ireland reported that they were in good health, compared with 60% of those with the lowest level of literacy, a pattern repeated across OECD countries (OECD, 2014a, Table A8.1a (L)).
 - **Mental health:** It has been shown that adult learning fosters: a sense of identity, an ability to cope and a feeling of purpose in life, a greater level of well-being especially in older adults, an increase in life satisfaction and positive changes in mental wellbeing and a sense of purpose. Continued education throughout life contributes to a

‘cognitive footprint’ which may delay the onset of dementia. The DfE funded project led by Ipsos MORI called the Community Learning Mental Health (CLMH) Project found:

- 52% of people with clinically significant symptoms (i.e. where GPs would recommend treatment according to NICE guidelines) **recovered** (using the same recovery criteria as the NHS IAPT service uses). Last year the annual medical treatment IAPT data for England was a 49.3% recovery rate, and that is after a much bigger investment in staff and services since 2008 than went into this ACL project.
- Plus, the CLMH conversion from referral to assessment and assessment to starting a course (of learning in our case, CBT in IAPT's) is higher, and the completion rate for ACL was much higher. In fact, the 76% completion rate overall should be celebrated and used to challenge those who fear people with mental health problems will damage their retention figures, and to challenge DfE to publish that data for ACL overall. Low retention rates are a myth when it comes to all kinds of mental health problems, e.g. Highbury College consistently got circa 95% retention rates for young people with severe and enduring mental health problems.

Conclusion

Investing in adult education is a spend to save policy. Improving adult education and skills levels will provide a boost to the economy arising from increased engagement, employment, tax revenues, and consumer spending. This is further supported by a corresponding reduction in pressure and public expenditure in critical areas such as the NHS, policing, and the benefits system.

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