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Employability and the changing role of universities

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The New Skills Landscape

Why employability matters
Graduate outcomes, social mobility and participation

How government is responding
Skills policy, lifelong learning and devolution

What this means for universities
Regulation, embedded employability and changing expectations

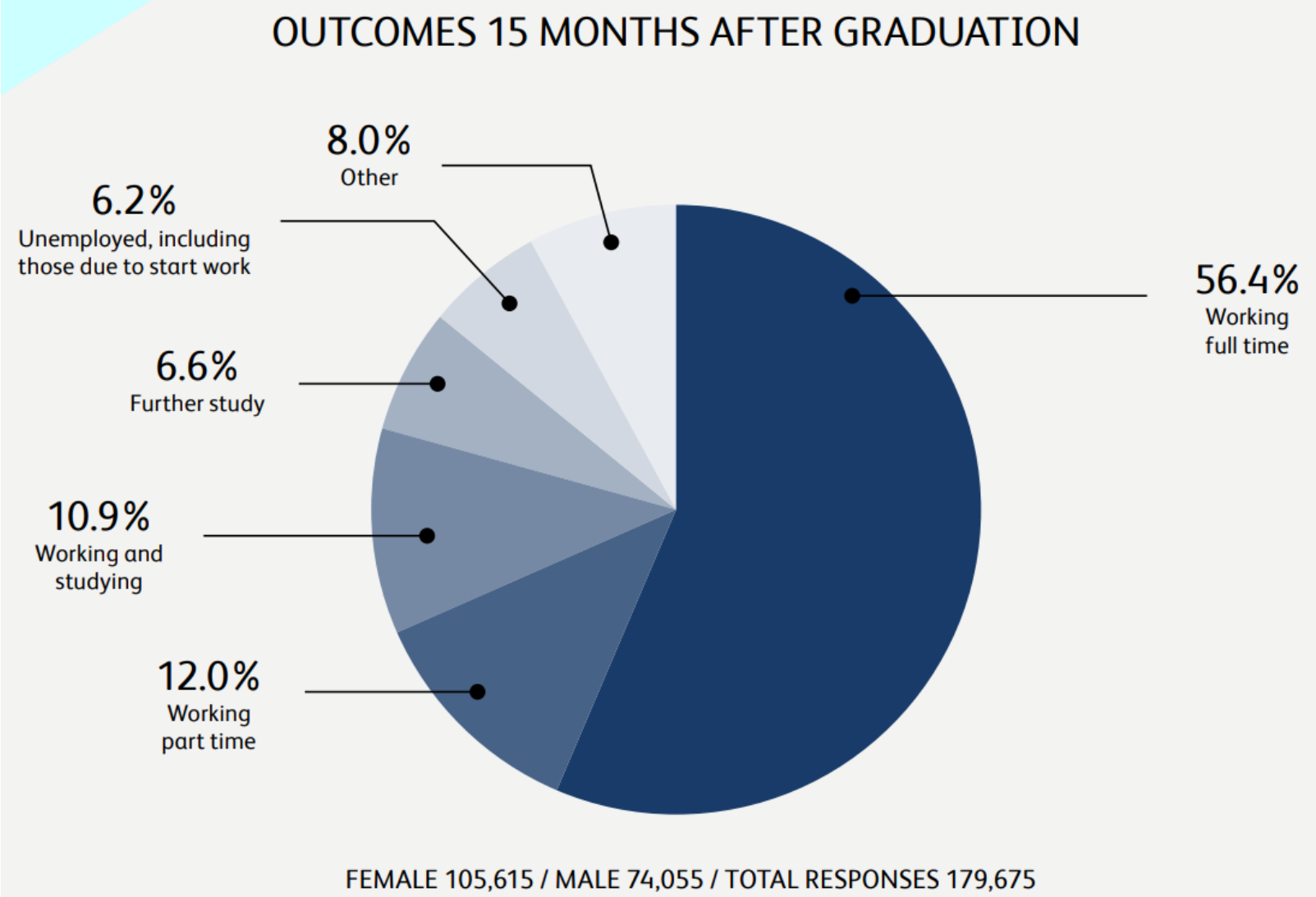
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Why employability matters



The graduate labour market remains resilient, but has softened



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Graduate Outcomes Survey - What do graduates do? 2025/26 – Prospects & HESA

Employability is a social mobility issue

Most reported barriers to feeling prepared after graduation
45% - Financial challenges
43% - Lack of relevant work experience
40% - Lack of a professional network

Student insight report – Offer Holder 2026

How can higher education better deliver on social mobility? – UUK Insight Report – May 2025

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The wider participation challenge

The challenge is not simply unemployment. It is disconnection from education, skills and work.

981,000

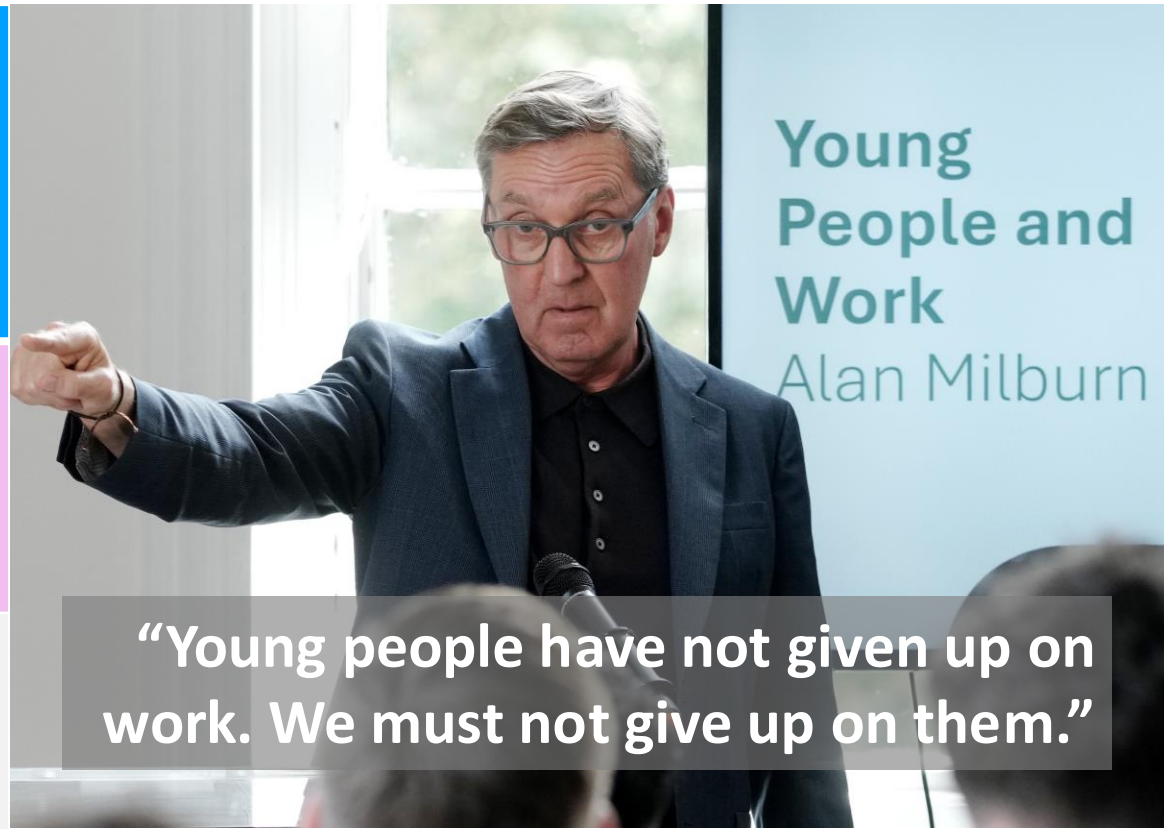
UK young people aged 16 to 24 were not in education employment, or training
April to June 2026 (13% of the age group)

393,000

Unemployed; looking and available for work

588,000

Economically inactive



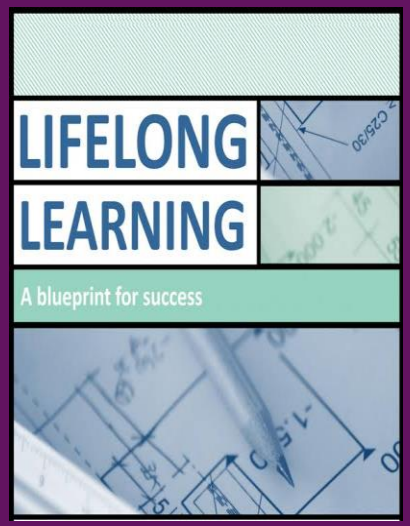
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Graduate outcomes are a regulatory issue

Condition B3: Are students achieving positive outcomes?	Access and Participation Plans: Who has an equal opportunity to achieve them?
The OfS measures: • Continuation: students continuing in higher education after their first year **80%** threshold • Completion: students completing their qualification, or receiving another qualification **75%** threshold • Progression: graduates entering managerial or professional employment, further study, or another recognised positive outcome **60%** threshold	Universities charging the higher fee must: • **identify** risks to equality of opportunity across access, success and progression; • **develop** interventions to address those risks; • **set** objectives and targets; • **evaluate** whether interventions work; • commit investment and take reasonable steps to deliver the **improvement** plan.

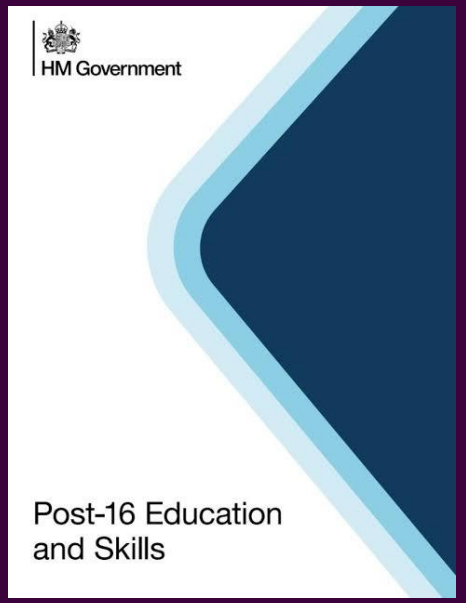
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Policy Development

From HE to 'Skills' (to Devo) - The changing face of post-16 education policy



From HE policy to skills policy

HE is no longer treated as a standalone policy issue, but as one component of a wider system for developing the skills, knowledge, and capabilities the economy needs. It tackles an economic question, not an educational one.

The traditional policy lens for HE was straightforward:

16–18 Education → University → Graduation → Employment

HE was very much at the centre of the policy framing. This is shifting.

- The UK has a skills and productivity problem that cannot be solved through university expansion.
- Labour is deliberately moving away from the idea that success in education should principally be measured by how many young people go to university.
- **The Government has not abolished a distinct HE agenda. Rather, it sits as part of a much broader education, skills, employment, and growth system.**

"I don't think the way we currently measure success in education, that ambition to get 50% of kids to uni, I don't think that's right for our times."

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The Post-16 White Paper

To *'...educate and train the workforce of the future and give people the skills and knowledge they need to succeed.'*

🎓 **Student Demand**
- More routes into higher-level learning
- L4/5, apprenticeships, lifelong learning

📚 **Curriculum**
- Closer alignment with priority skills
- Industrial strategy + regional needs

🤝 **Provider models and collaboration**
- More specialisation & collaboration = distinctive institutional/regional roles

🔬 **Research**
- Greater focus on excellence + impact leading to more opportunities for innovation, commercialisation, growth

HE is being asked to become more flexible, more specialised, and more explicitly connected to economic growth

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The Lifelong Learning Entitlement (LLE)

"Those institutions that thrive will be the ones that treat the LLE as permission to innovate, not just an obligation to comply"

- **One Funding system –** The LLE replaces HE student finance and advanced learner loans for levels 4-6.
- **Modular learning -** Funding available for eligible modules, including modules from HTQs and selected Level 6 qualifications (provided they align with priority skills and the Industrial Strategy).
- **Learning throughout working life -** People can train, retrain, and upskill, with tuition-fee loans available to eligible learners up to age 60. *'The LLE will allow people to develop new skills and gain new qualifications at a time that is right for them.'*
- **Skills-led funding -** Modular funding is initially focused on areas linked to priority skills needs and the Government's Industrial Strategy.
- **Four years (ish) of entitlement -** New learners can access up to £39,160 of tuition-fee loan entitlement at 2026/27 fee rates.

How do we turn the LLE from a new funding mechanism into a compelling lifelong learning proposition?

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Devo, LSIPs and regional growth

"Innovation does not happen when organisations, people and places pointlessly work in competition or isolation. It happens when you have networks of people across businesses big and small, with universities at the centre of those networks."

Devolution will be one of the defining policy issues of this government. It will also have an impact on HE and Skills policy.

🎓 **Shape the skills pipeline -** Use institutional expertise and employer relationships to influence the priorities identified through LSIPs. Government explicitly expects universities to work with FE and training providers across this spectrum.

🏭 **Build deeper employer partnerships -** Move beyond consultation towards co-design: curriculum, placements, apprenticeships, CPD, applied research and innovation.

📍 **Align with growth strategies -** Connect institutional strategy to the sectors and investment priorities identified in Local Growth Plans. particularly where there are major opportunities around Industrial Strategy sectors.

🤝 **Collaborate across systems -** The emerging model is explicitly collaborative. The opportunity may lie as much in what an institution can convene as what it can deliver itself.

If skills policy is moving closer to 'places', universities have an opportunity to become much more central to regional economic strategy.

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What does this mean for Universities?

From responding to individual policies to adapting institutional strategy

What will Universities be expected to do?

The readiness is all - preparing and equipping ourselves and our stakeholders for these sweeping policy changes is going to be critical.

Each stakeholder in this process requires slightly different information.

- **For learners -** need informed decision making about options and pathways
- **For providers -** need to plan for qualification reform, workforce development, employer partnerships, and adaptive curricula.
- **For employers -** need to know who to speak to at providers, and what is on offer. They must be participative.
- **For policymakers and regulators -** need to ensure robust implementation, monitor quality, fund appropriately, and support capacity building.

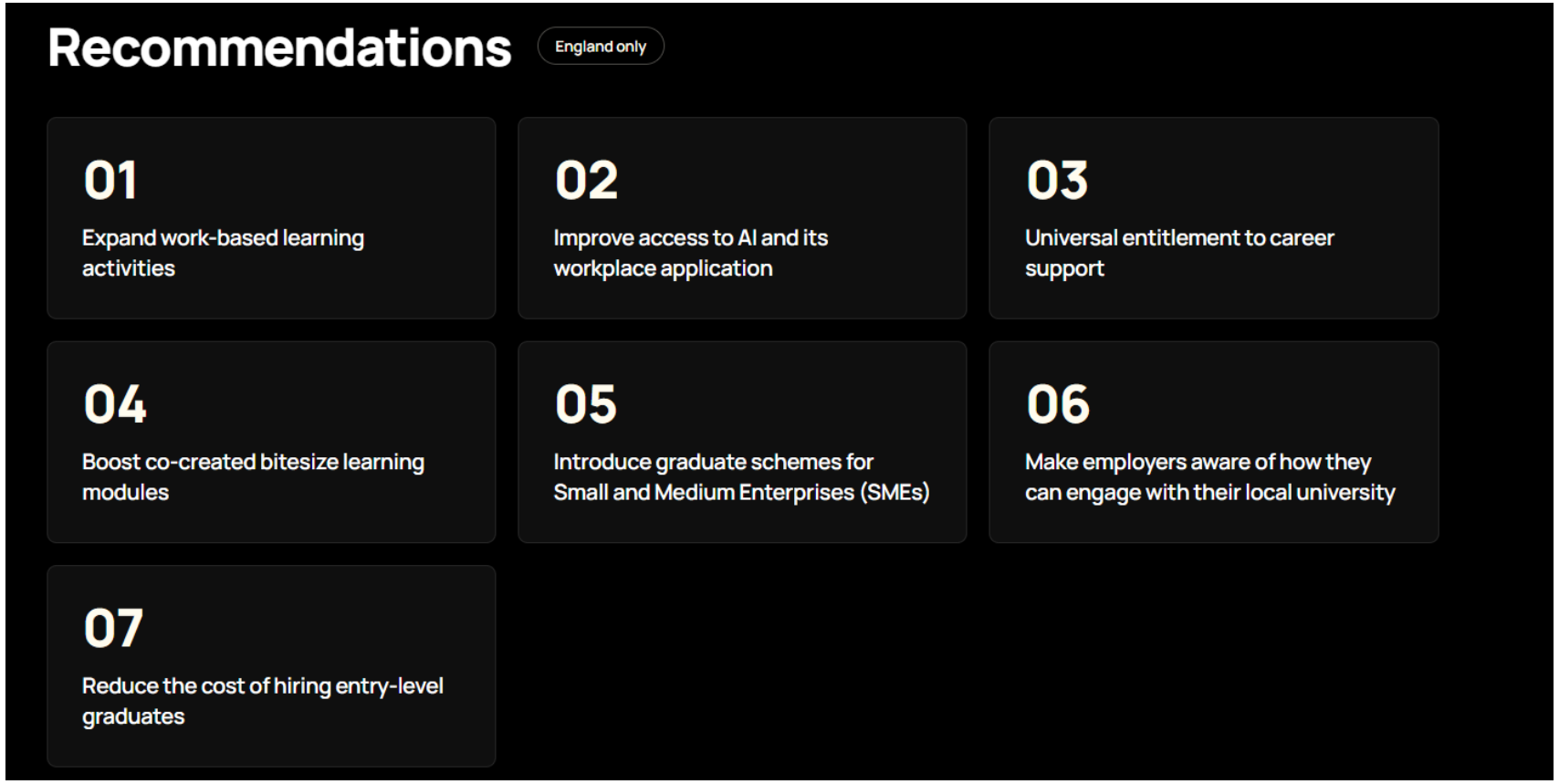
But consider…

- **There are still significant questions about learner demand -** We still need to see the data i.e. progress on the take-up of new pathways, employer engagement levels, progression outcomes for learners, adult participation rates, etc.
- **Focus on students -** In much of these policy changes, students are seen as '*future workers*' or '*economic units*'. The student experience should not be forgotten.
- **Starmer to Burnham –** Much of what we have spoken about today are Starmer era policies. How much this approach will change under Burnham remains to be seen.

Hot off the press! UUK's Future Jobs Roadmap

Published this morning, Universities UK (UUK) have published their 'Future Jobs Roadmap' acknowledges that the HE sector's approach to employability needs to evolve, and they have engaged extensively with employers and graduates to identify their roadmap.

Their objective is to ensure: *'Graduates see positive returns on their investment throughout their working life and are equipped with the skills the UK will need to navigate an uncertain future.'*



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Why embedded employability matters

Where graduates encountered support
46% - Through contact with academic staff
41% - Through course teaching
33% - Through their institution's careers service
26% - Through other student support services
24% - Through a work placement forming part of their course

Visible and accessible

- Do students know where and how to access support?
- Are institutions proactively reaching students who may benefit most?
- Is provision accessible to disabled students?

Coordinated

- Is there a clear approach across academic departments, careers teams and co-curricular services?
- Do students experience a coherent offer rather than separate activities?

Relevant to the course

- Is support tailored to subject, course and stage of study?
- Are employability and routes into further study embedded in course delivery?

Connected to opportunity

- Can students recognise and articulate the skills they develop?
- Can they access employers, professional networks and mentoring?
- Does support continue beyond graduation?

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Preparing for the next steps after higher education - OfS Student Insight report – March 2026

Conclusion and questions

Government increasingly expects universities to demonstrate three things:

Quality and outcomes

- Are students continuing, completing and progressing?
- Are graduate outcomes recognised and valued by employers?

Equality of opportunity

- Are students from all backgrounds able to access the experiences, networks and support that lead to positive outcomes?
- Are universities closing progression gaps, rather than simply widening entry?

Economic alignment

- Are courses helping students develop capabilities relevant to a changing labour market?
- Are universities contributing to employer need, priority sectors and regional growth?

Together, these expectations are moving employability closer to the centre of how government defines the quality, purpose and contribution of higher education

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