CBI

# AI Skills Report

## Building an AI-Ready Workforce

# Contents

# Executive summary

As transformative AI technologies become essential across the economy, their full benefits will only be realised if the workforce has the right skills and is supported through an inclusive transition. This report draws on insights from the CBI's AI Skills Task and Finish Group, reflecting real-world business practice and emerging challenges of AI-driven workforce transformation.

Evidence from members shows that AI is reshaping work by becoming embedded in business strategy, transforming how tasks are structured and driving demand for hybrid skills like oversight and judgement. AI is also changing how people enter and progress through work. Routine early-stage tasks are evolving while new oversight responsibilities emerge.

Building organisational readiness for AI requires coordinated investment in people, data and governance, with the greatest gains emerging when AI complements, rather than replaces, human expertise. Firms that combine AI adoption with visible leadership, practical learning and employee involvement report higher levels of trust, morale and productivity.

Many organisations, particularly SMEs, face capability gaps, even as the pace of change is accelerating. Given the scale of the challenges and opportunities for the economy and society, there is a need for employers, government, education providers and professional bodies to work in partnership.

To deliver this transformation, the report identifies the following priorities for collective action:

- Focus the 7.5-million-workers initiative on harder-to-reach groups and catalyst roles
  - Extend support and learning pathways towards harder-to-reach groups.
  - Treat teachers and education intermediaries as a priority group
  - Integrate AI literacy and governance into professional development and accreditation frameworks
- Make AI literacy a core capability across education and training
  - Deliver AI-focused micro-credentials and hybrid qualifications to create flexible, employer-recognised pathways that keep pace with rapidly evolving AI capabilities and sector demand.
  - Make apprenticeships more flexible and responsive to employer needs
  - Unlock the potential of the Growth and Skills Levy to fund the scale of training needed for an AI-enabled economy.
  - Capitalise on the potential of the Lifelong Learning Entitlement (LLE) to increase adult participation.
- Strengthen national coordination and coherence in AI skills delivery
  - Develop a UK AI Literacy Standard to provide a consistent baseline for responsible AI use across the workforce.
  - Establish a National AI Skills Delivery Board to drive coherence and accountability across the AI skills system.

# Introduction

The UK stands at a critical juncture. Artificial intelligence (AI) is no longer an emerging technology on the horizon. It is now a defining force in our economy. While its impacts vary across sectors and regions, AI is beginning to reshape how people live and work, transforming business models and changing the skills needed across sectors, roles and functions. For businesses, working people and communities alike, preparing the workforce for an AI-driven future is becoming increasingly important. Building AI literacy and ensuring inclusion are now viewed as essential foundations of competitiveness, resilience and sustainable growth across the country.

Recent technological advances have been nothing short of profound. Even before the mass emergence of generative AI, AI technologies were already being used across industries, driving transformation. However, the accelerated proliferation of AI technologies recently, has driven a major transformation in global labour systems.[1] While the UK's AI sector is projected to reach over £1 trillion by 2035.[2] Yet, only about 39% of UK businesses currently report using AI, and adoption rates vary widely, 68% in large firms, just 15% among micro-enterprises and with notable disparities across regions and sectors.[3]

The integration of AI into the workplace brings both opportunities and challenges. Concerns over job displacement, algorithmic bias and the shifting demand for skills have fuelled discussions on how society could prepare for an AI-driven economy. Many workers will need new competencies to remain competitive in an evolving job market. As a result, many businesses are beginning to rethink their workforce learning strategies to stay adaptable. Upskilling and reskilling, once considered episodic, are gradually becoming more continuous elements of talent development.[4] While businesses see the potential of AI to boost productivity and outcomes, many face challenges in ensuring their organisations and people are prepared. Without urgent action, the UK risks losing ground internationally, businesses may struggle to stay competitive, working people may miss out on access to good jobs and the wider communities may find it harder to thrive in an AI-enabled economy.

[1] Calvino, F., Samek, L., Squicciarini, M., & Morris, C. (2022). Identifying and characterising AI adopters: A novel approach based on big data (OECD Science, Technology and Industry Working Papers, June 2022). OECD.

[2] Tech Nation. (2025). UK AI Sector Spotlight 2025.

[3] Forbes. (2025). UK Artificial Intelligence (AI) Statistics and Trends in 2025; Office for National Statistics. Management practices and the adoption of technology and artificial intelligence in UK firms, 2025; Business YouGov SME Leaders AI Adoption Survey, 2025.

[4] McKinsey & Company. (2024). The role of AI in reskilling and job transitions. McKinsey Global Institute.

The opportunity, however, is significant. Government analysis suggests that full adoption of AI in the UK could lift productivity by around 1.5% per year, delivering an estimated £47 billion annually,[5] creating new opportunities for growth, exports and innovation. But these gains will only be realised if the UK workforce is equipped with the skills and competency to harness AI effectively.

Government has begun to respond. The AI Opportunities Action Plan, the 7.5 million workers AI skills initiative, and Skills England's AI Skills for the UK Workforce report, mapping sector readiness and providing practical tools for planning workforce development, are all welcome initiatives. However, closing the AI skills gap will require more than policy intent. The case for sustained government support for AI literacy for all workers is very strong and a key part of putting working people at the centre of the AI transformation.[6] What has been missing so far is the demand-side view, insight into how employers are managing the workforce transformation, the new skills they require and the challenges they face in equipping people to succeed.

This report fills that demand-side gap. It has been developed through the CBI's AI Skills Task & Finish Group, bringing together senior business leaders from Amazon, AstraZeneca, The Advertising Association, Lloyds Banking Group, Wincanton, the University of Manchester, Oxford Brookes University, National Gas, BP and the Advanced Manufacturing Research Centre, alongside insights from members of the CBI's AI & Data Protection Working Group. Drawing on these perceptions, it captures the practical experience of businesses at different stages of AI adoption. These findings are to be read as views of participating businesses and do not constitute a comprehensive assessment of the whole UK economy and will need ongoing review as adoption evolves across sectors and regions.

[5] Department for Science, Innovation & Technology. (2025). Technology Adoption Review (June 2025). UK Government.

[6] Cantwell-Corn, A. (2025, 27 August). Building a pro-worker AI innovation strategy. Trades Union Congress.

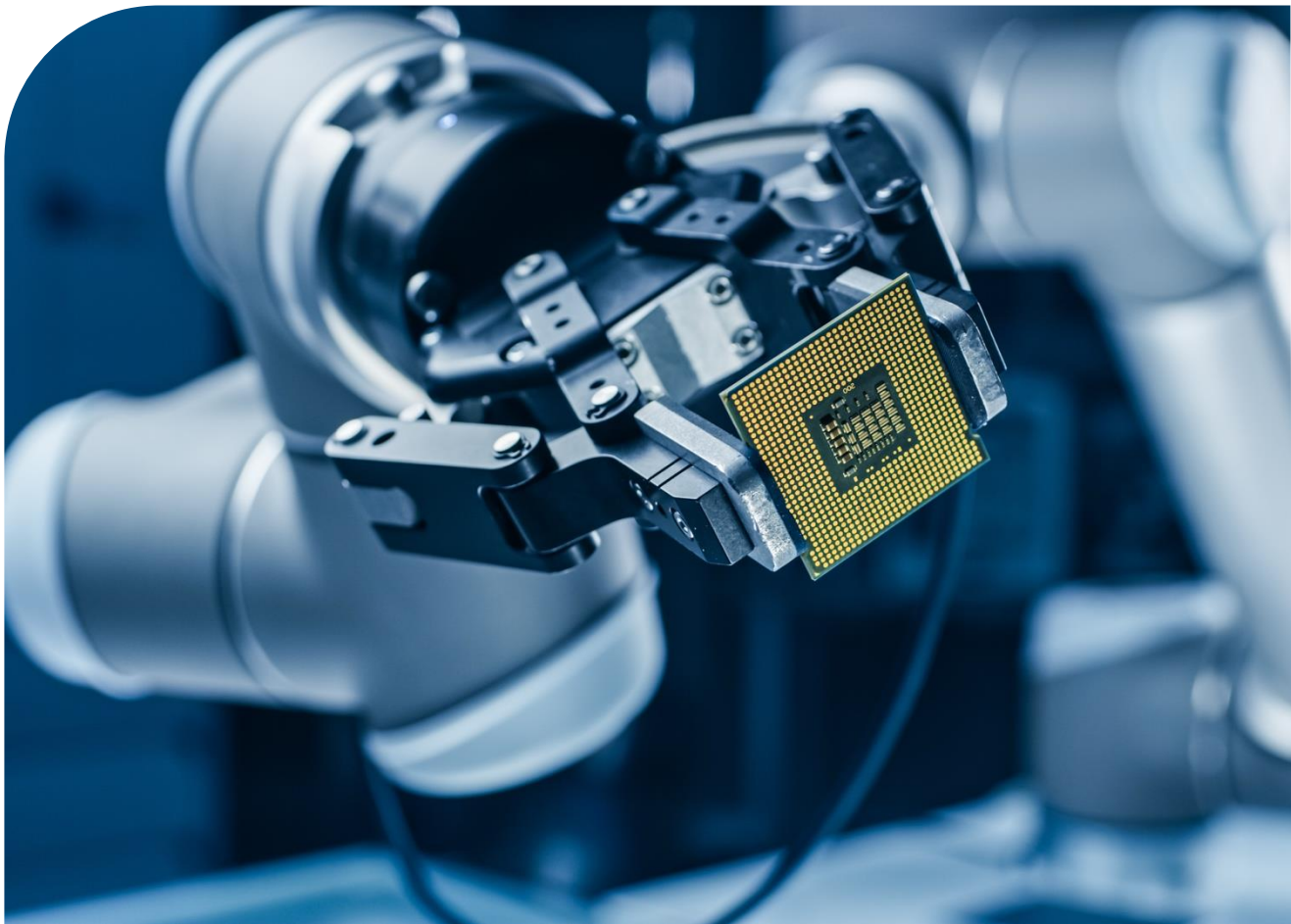
The aim of the report is to ensure government investment, including the 7.5 million workers initiative, is directed where it will have the greatest impact, helping businesses to deploy AI productively, enabling working people to access good jobs and supporting communities across the UK to share in the benefits of an AI-enabled economy.

For this project, we take a broad, cross-economy view of AI. This spans:

- Agentic and Generative AI – tools capable of creating new content or carrying out tasks with a high degree of autonomy.
- Predictive and Analytical AI – systems that identify patterns in data to support forecasting, diagnostics, and decision-making.
- Automation and Robotics – AI-enabled systems that carry out physical or digital tasks at scale.

This framing ensures that recommendations apply not just to generative AI, but also to the wider set of technologies already shaping jobs, workflows, and productivity.

Our members tell us that moving from strategy to delivery will be essential if the UK is to make the most of this moment. The government has the chance to position the UK as a world leader in responsible, inclusive AI adoption by building a workforce with the right skills. This requires investment targeted where businesses need it most, closer partnership with employers of all sizes and a focus on ensuring people across the UK can benefit. The decisions taken today will determine whether AI drives shared prosperity and good work or deepens divides. By acting boldly and in partnership, government can ensure AI underpins not only economic growth, but also fairness and resilience in a changing global economy.



# AI as a strategic driver for businesses

## AI is becoming central to business strategy

Businesses are moving fast to put AI at the heart of their growth strategies. Once treated as a standalone technology project, **AI is now increasingly seen as a core driver of competitiveness, productivity and value creation.** In 2025, the nation's AI sector exceeded £21 billion and is projected to reach £1 trillion by 2035[7], affirming the UK's status as a global AI leader. Recent UK business surveys indicates that around 39% of UK businesses use AI in some capacity[8]. Our Task & Finish Group members highlighted that this shift is increasingly shaping leadership decisions, workforce planning and customer experience. This reflects the growing perception of AI as a driver of competitiveness and productivity rather than an add-on technology. These patterns are echoed in the CBI analysis, which estimates that AI diffusion could add about £38bn to UK GVA by 2030.[9]

**AI's value as a strategic lever is not limited to technology or tech-centric roles.** Reports by the Department for Science, Innovation and Technology (DSIT) and by the University of St Andrews show that adopting AI drives productivity gains of 27%–133% for UK SMEs[10], especially in sectors like hospitality, catering, finance and logistics.[11] Automation of repetitive activities and improved data-driven decision-making are among the most commonly cited sources of these gains. For example, businesses adopting AI for scheduling, inventory management, or marketing personalisation report freeing up capacity for higher-value, strategic and customer-facing work.

Beyond cost savings, the taskforce contributors also stressed the need to integrate AI with workforce planning and operational strategy. Research shows that **organisations see the largest measurable benefits when AI-augmented decision-making is paired with investment in leadership skills and staff upskilling.**[12]This holistic approach is now widely championed by businesses as they increasingly view people and technology as inseparable drivers of productivity and competitiveness.

[7] Tech Nation. (2025) UK AI Sector Spotlight 2025, p. 16.

[8] Forbes. (2025). UK Artificial Intelligence (AI) Statistics and Trends In 2025.

[9] Confederation of British Industry. (2024). Confederation of British Industry submission: Spring Budget 2024.

[10] University of St Andrews Business School. (2025). AI could boost SME productivity by 133%, April 2025.

[11] Department for Science, Innovation and Technology. Technology Adoption Review 2025, UK Government.

[12] University of St Andrews Business School. (2025). AI could boost SME productivity by 133%.

In summary, external evidence confirms what has been observed internally by the Task & Finish Group: AI is already transforming leadership priorities and business strategy at every scale, from microbusinesses to FTSE100 firms. Continued investment in both technological capabilities and workforce development will underpin the UK's future competitiveness and growth in the AI-enabled era.

> "AI readiness is now a critical part of our workforce strategy. We plan people and technology together, they can't be separated anymore."
>
> **Astra Zeneca**

## Government Initiatives Supporting AI Skills

### BridgeAI

Delivered by Innovate UK and strategic partners, BridgeAI offers funding and tailored support to help innovators assess and implement trusted AI solutions, connect with AI experts and strengthen AI leadership skills. It targets sectors with high growth potential but lower current adoption, helping businesses translate innovation into practical capability.

### AI Skills Hub

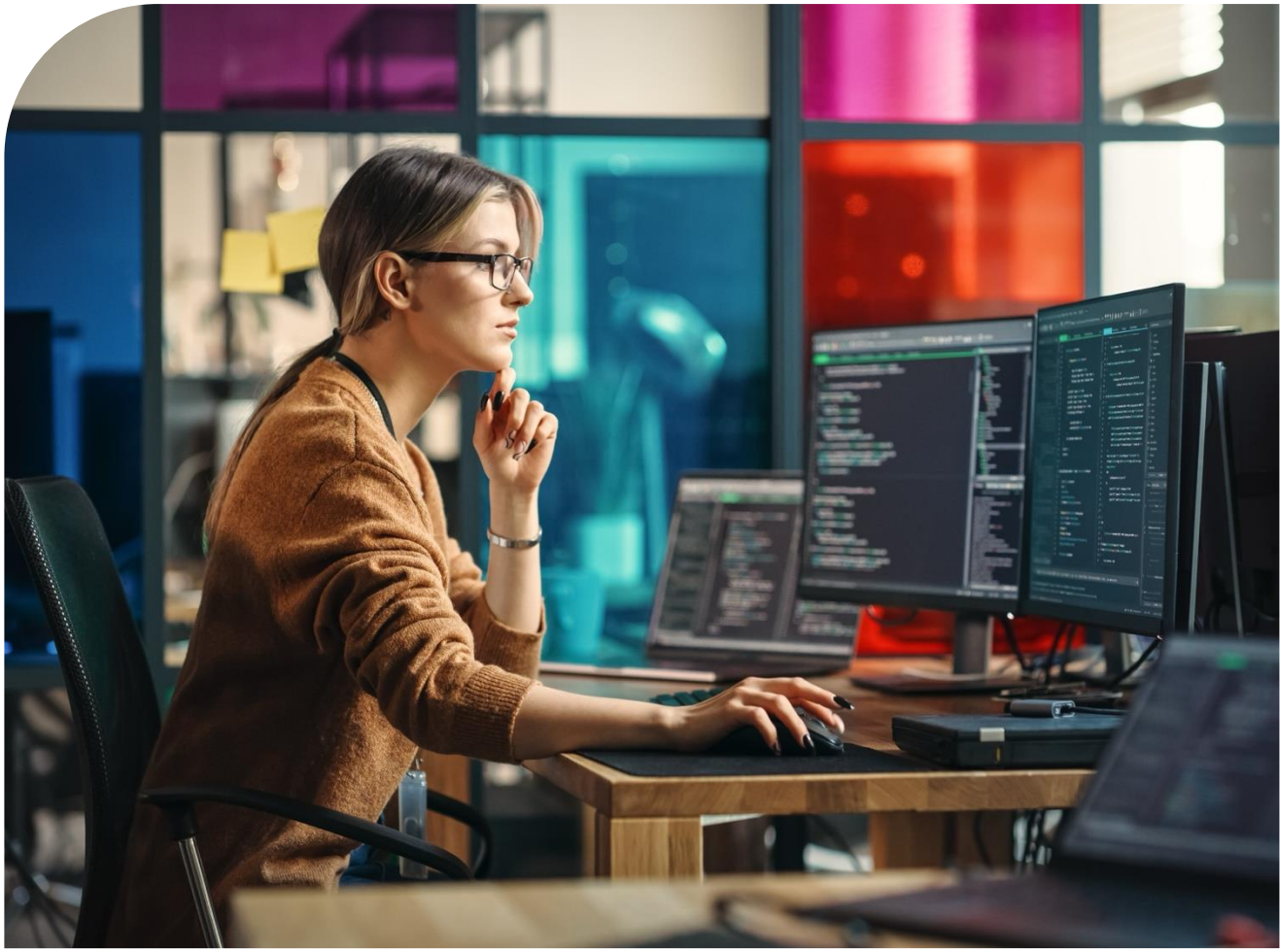
Developed by DSIT, in partnership with Innovate UK and PricewaterhouseCoopers LLP (PwC), the AI Skills Hub is a digital platform that provides personalised learning pathways based on a short skills assessment. Learners receive curated training recommendations aligned with their sector, role, experience level, and technology preferences, grouped into three personas, AI Worker, AI Leader and AI Professional. The Hub signposts trusted courses and resources to help people at every level build competence in using AI effectively.

Together, these initiatives demonstrate how partnership between government, industry and academia is turning strategy into delivery, supporting responsible AI adoption and equipping the UK workforce with the skills needed to succeed in an AI-enabled economy.

## Building organisational readiness for AI requires investment in people, data and governance

**Success with AI in UK businesses increasingly depends on organisational readiness.** Safe and enterprise-wide AI scaling requires not just access to the latest AI tools but also building the right mix of leadership, skills, data infrastructure and governance.

Even where businesses are trialling AI, progress often stays fragmented, with pilots confined to single business units and limited visibility across the organisation. CBI survey evidence indicates fewer than one in five businesses reported sustained investment in "AI & emerging technologies" as recently as 2024, with skills, internal resources and uncertainty about what to buy cited as major barriers.[13] For SMEs, the confidence gap is particularly acute. Independent advice and trusted guidance are in high demand, as many smaller firms lack impartial resources to help them choose the right solutions among competing vendor claims.



[13] London School of Economics. (2 July 2024). What an LSE-CBI survey found about AI adoption in UK firms. https://eprints.lse.ac.uk/124258/1/Business-Review_what-an-lse-cvi-survey-found.pdf

Taskforce participants identified three interdependent foundations for readiness:

- **Workforce readiness:** Employees at every level, entry roles to senior leadership must develop both technical proficiency and adaptive skills. **At present, much AI learning still happens informally, as employees experiment with tools in their day-to-day work.** Less than half of UK workers report any formal AI-related training, and only 10% rate themselves as having full knowledge of AI systems.[14] **In most cases, rather than being replaced, employees are increasingly expected to manage AI-supported workflows, requiring oversight, critical evaluation and creative judgment.** Leadership capability is vital, successful change depends on leaders who can embed AI into business and workforce planning, not simply champion technology adoption. This underscores the need for structured, supported learning environments that combine safe experimentation with formal training pathways and leadership development.
- **Trusted data foundations:** Reliable, high-quality and ethically managed data systems are essential for safe scaling and workforce confidence. Internal governance must be robust, but many sectors face external regulatory uncertainty, including cross-border compliance in finance, life sciences and global supply chains, which can delay both training and investment. As taskforce participants noted, **data management is a rate-limiting factor for AI adoption and businesses need hard skills in data literacy to address these gaps.**
- **Governance and culture:** Strong governance and ethical practice depend on people with the skills to apply them in practice. **Leaders need the capability to link AI use to business strategy and risk, while employees require the confidence and literacy to use tools safely and responsibly.** Members reported that training staff to collaborate with AI, combining judgement, problem-solving and creativity with automation, result in higher morale, productivity and trust.

Weakness in any one of these foundations' limits progress in the others. For example, unclear governance may stall staff training, while weak workforce capability limits the return on data and technology investments. The balance of these foundations differs by sector, regulated industries often face stronger compliance barriers, whereas service sectors cite workforce confidence as the main constraint.

**Without coordinated progress across people, data and governance, AI risks remaining a series of disconnected experiments rather than a driver of transformation.** Strengthening these capabilities now will determine how far and how fairly the benefits of AI are shared. This is vital for businesses seeking to stay competitive, for people wanting access to good jobs and for the UK as it strives for long-term growth and global leadership.

[14] University of Liverpool.(23 January 2025). National Survey Report Appendix. https://livrepository.liverpool.ac.uk/3194127/1/20250123%20National%20Survey%20Report%20Appendix.pdf

## From automation to augmentation: putting people at the heart is key to unlocking AI-driven productivity

**Artificial intelligence is transforming the world of work, not by completely eliminating jobs, but by automating repetitive tasks and enabling employees to focus on higher-value, creative and analytical work.** The World Economic Forum's Future of Jobs Report 2025 projects that by 2030 around 92 million jobs could be displaced globally[15], but 170 million new roles created, a net increase of roughly 78 million jobs. The McKinsey Global Institute (2024) estimates that 27–30% of hours worked in advanced economies could be automated by the end of the decade, largely through generative and analytical AI.[16] Meanwhile, the OECD Employment Outlook 2024 finds that more than 60% of workers already perform tasks with some AI exposure.[17]

Taskforce members noted that, in practice, few businesses are seeing large-scale redundancies. Instead, **roles are being gradually redefined or phased out as tasks change, with businesses focusing on reskilling and redesigning work to retain talent and capability.** The result is not mass unemployment but a re-composition of tasks and capabilities across nearly every role. Moreover, recent research and business experience show that **measurable productivity gains emerge when AI augments, rather than replaces, human expertise.** For example, studies indicate that AI has contributed up to a 40% productivity increase and tripled efficiency for certain tasks in workplaces where employees are empowered by upskilling and human-centric workflow redesign.[18] Participants in the Task & Finish Group caution against overgeneralizing this impact. While some employees experience genuine empowerment and upskilling, without thoughtful implementation others could face job redesigns that remove valued tasks or create new skills gaps.

Morale and adoption are highest when businesses involve employees directly in deciding which elements of their roles could be supported by AI. This finding is echoed in both member feedback and international labour studies.[19]Conversely, top-down automation can erode trust and ownership, especially where workers lack input or clarity on changing expectations. Understanding these task-level shifts is essential to capturing productivity gains while maintaining workforce trust and motivation.

[15] World Economic Forum (2025). Future of Jobs Report 2025: Jobs of the Future and the Skills You Need to Get Them. Geneva: WEF. https://www.weforum.org/stories/2025/01/future-of-jobs-report-2025

[16] McKinsey Global Institute (2024). A New Future of Work: The Race to Deploy AI and Raise Skills in Europe and Beyond. McKinsey & Company. https://www.mckinsey.com/mgi/our-research/a-new-future-of-work-the-race-to-deploy-ai-and-raise-skills-in-europe-and-beyond

[17] Organisation for Economic Co-operation and Development (2024). OECD Employment Outlook 2024: AI and the Labour Market. Paris: OECD Publishing. https://www.oecd.org/employment/outlook/

[18] PwC (2025). "The Fearless Future: 2025 Global AI Jobs Barometer," June 2025.

[19] World Economic Forum (2025), "The Future of Jobs Report 2025." Geneva: WEF. https://www.weforum.org/publications/the-future-of-jobs-report-2025/

## Use Case: How AI is reshaping work

### Wincanton (logistics & automation)

- **AI application:** Robotics and AI-enabled logistics in warehouses.
- **Impact:** Doubled productivity in picking; reduced vehicle damage by 40%.
- **Skills required:** Reskilling warehouse staff to supervise and maintain robots; workflow redesign to integrate automation safely and effectively.

### Lloyds Banking Group (knowledge work & generative AI)

- **AI application:** Internally developed Athena tool for knowledge search.
- **Impact:** Reduced knowledge-search time by two-thirds; freed employees for customer-facing and high-value work.
- **Skills required:** Training employees in prompt use, validation and critical review of AI outputs.

## Task-level change: deconstructing work

Participants in the Task & Finish Group emphasised that the **most visible disruption is occurring within jobs rather than between them.** Some businesses are experimenting with “deconstructing” roles to identify which tasks are best performed by AI and which remain uniquely human. In finance, for example, AI can draft compliance reports that analysts then validate; in logistics, predictive systems manage scheduling while supervisors oversee quality and safety. These hybrid models release human time for problem-solving and customer engagement. From these discussions, several common approaches emerged for managing task-level change effectively:

- **Empowerment through co-design.** Businesses that involve employees in deciding which elements to automate report higher adoption and trust. A top-down automation drive, by contrast, can remove valued tasks and damage morale.
- **Hybrid and oversight skills.** Workers increasingly need to interpret and guide AI outputs, blending technical awareness with contextual judgement. Leadership capability, especially the ability to connect technology change with culture and communication, is critical to sustaining confidence.
- **Reskilling and redeployment.** Rather than replacing staff, many businesses are rotating talent into new analytical, supervisory or data-governance roles. This supports wider policy aims to re-engage experienced workers and promote lifelong learning.
- **Emerging specialisms and collaboration.** As AI reshapes roles, new capabilities are emerging in areas such as AI ethics, governance, and model assurance. Businesses are developing these by pairing domain specialists with data and AI experts, or retraining compliance, risk, and engineering professionals to take on assurance and oversight roles, helping ensure AI systems reflect real-world knowledge and standards.

Despite ongoing anxiety, the evidence and experience of participating businesses suggest AI is reshaping roles and ways of working, rather than displacing workers. The challenge is managing the transition so that every worker can participate in the productivity and job-quality gains that AI can unlock. Achieving that requires coordinated investment in skills, leadership and trust-based change management, ensuring that people remain at the centre of an AI-enabled economy.

## ROI from AI goes beyond efficiency savings

Many businesses that contributed to this project maintained that while AI's return on investment is real and measurable, it takes multiple forms and can extend far beyond efficiency savings. **While early pilots often deliver striking productivity gains,** in some cases reporting substantial time savings and major boosts in process throughput, but participants stressed that these headline numbers, while impressive, are only part of the story. For most businesses, the broader value lies in better services, stronger governance and improved employee experience.

Businesses are now assessing AI's value through a wider lens on ROI, including:

- **Faster innovation cycles and decision-making**, with AI-powered agents and analytics shortening the time from insight to action.
- **Stronger compliance and risk management**, as systems continuously scan for anomalies and flag potential problems.
- **Improved employee experience, engagement and retention**, as routine work is automated and staff can focus on higher-value, more fulfilling tasks.
- **Job quality and upskilling opportunities** for workers at all levels, tracked through participation in training, internal mobility and performance feedback.
- **New channels of value creation**, through workflow redesign, augmented customer journeys and more responsive service delivery, measured through productivity and service metrics.
- **Higher levels of trust, motivation and inclusion**, reflected in improved team climate, stronger engagement scores and lower turnover rates.

These outcomes remain a critical lever for realising the full employee dividend. The Gallup State of the Global Workplace survey highlights significant scope to strengthen UK employee's motivation and connection.[20] Businesses increasingly see AI, when combined with purposeful upskilling and inclusion, as a way to achieving that.

Ultimately, the productivity dividend from AI depends not just on investment in technology, but on a well-designed AI transformation that can be a catalyst for building employee morale, capability and long-term productivity.

[20] Gallup. (2025). State of the Global Workplace. https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx

## Case study: Amazon – Democratizing AI capability across the workforce

At Amazon, providing employees with accessible tools to build their own AI applications, agents and workflows has resulted in tens of thousands of custom solutions created and shared by workers across all roles, including non-technical staff. These grassroots innovations improve personal productivity, build confidence, and create accessibility accommodation, with successful approaches spreading organically across teams.

Amazon's approach shows how ROI from AI depends on workforce capability as much as technology. By empowering employees across all functions, including those outside traditional tech teams, to design and deploy tools that solve problems in their own work, the company has demonstrated how AI adoption can scale through bottom-up innovation rather than top-down mandate. This model builds workforce confidence, capability and engagement alongside productivity gains.

# Learning and gaps from AI skilling initiatives to date

## Lessons from past transformations show that effective change management determines AI success

Participants of the taskforce emphasised that access to AI tools alone will not deliver transformation. Success depends as much on people, culture and leadership as on technology. Many firms reflected that the **lessons for AI workforce transformation are not new, they echo earlier experiences with digitisation, automation and cloud migration, but the pace and scale of AI make these lessons more urgent.** Members described effective change management as the decisive factor separating pilots that scale from those that stall.

From their experience, several lessons of change management stand out:

- **Invest in skills beyond technology rollout:** Successful technology adoption requires dedicated time and budget for communication, training and employee support, not just for technical deployment.
- **Integrate HR and technology functions:** Organisations that bridge people strategy with technology architecture embed AI more effectively into work design, skills planning and long-term capability building.
- **Co-create with employees:** Involving staff early, viewing AI as a workplace companion rather than a replacement and providing safe environments to experiment build trust and motivation.
- **Embed governance into change:** Clear guardrails reassure employees that AI is being introduced responsibly and that support is available if issues arise.
- **Show visible leadership:** Senior leadership sponsorship and line-manager advocacy signal that upskilling is a strategic priority.
- **Build trust through hands-on learning:** Role-based training and visible use cases help employees see tangible benefits instead of perceiving skilling programmes as a top-down directive.

**Most participants of the task and finish group favoured a "pilot → test → scale" approach rather than a "big-bang" rollout.** Pilots provide safe learning environments but must be designed with clear routes to enterprise adoption, linking technology choices to business processes, governance frameworks and workforce skills. Sustaining progress requires equipping teams with the skills and leadership capability to translate pilot learning into lasting business change. In the experience of participating businesses, resistance to AI often stems less from hostility than from change fatigue and uncertainty about how benefits will be shared. Effective change management therefore depends on leaders and managers having the skills to communicate purpose, support learning and involve employees in shaping how AI is used.

## Case Study: AstraZeneca - Upskilling for AI at Scale

AstraZeneca launched an enterprise-wide programme in 2024 to build AI capability across its global workforce, ensuring every employee, not just technical specialists, can use AI safely and effectively. The initiative uses a tiered learning framework (Bronze, Silver, Gold, and Platinum) offering progressive learning based on role, readiness, and ambition.

Delivered through lectures, lab sessions and reflection activities, the programme focuses as much on ethical awareness and judgement as on technical skill. Available in 12 languages and open to all roles, it has reached more than 12,000 employees worldwide.

By combining structured learning with strong leadership visibility and ethical framing, AstraZeneca has positioned AI literacy as a baseline capability for all staff. The programme is helping to future-proof the organisation, building confidence, curiosity and capability to use AI responsibly at scale.

## Building confidence and trust is critical for AI workforce development

Participants of the task and finish group maintained that AI workforce development depends less on technical knowledge alone and more on the skills, confidence and practical experience that build trust in using new tools. Many employees are familiar with the idea of AI but remain uncertain about what it means in practice and how it will affect their work. The Public Attitudes to Data and AI Tracker Survey (Wave 4) shows that while 96% of UK adults have heard of "artificial intelligence",[21] confidence in understanding what AI actually is varies sharply. Most people feel overwhelmed, with over 60% of UK workers saying AI is advancing faster than they can keep up and only a minority feeling truly ready to adapt.[22] **Differences appear to be driven by prior digital exposure and the role people perform, highlighting the need to target AI skills support by focusing on people with lower digital confidence or limited access to workplace training.**

Uncertainty about how AI will change day-to-day tasks, or whether skills will remain relevant, can limit engagement with training and slow adoption. Trust is built through experience, not explanation, people gain confidence when they can see, test and shape how AI applies to their own roles.

From employer experience, several practical approaches are proving effective in building workforce confidence and trust in AI:

- **Safe experimentation**. Creating low-risk opportunities for staff to test tools and workflows helps demystify AI and reduce anxiety.
- **Peer-to-peer learning.** Champion networks and mentoring schemes allow employees to learn from colleagues they trust, helping new behaviours spread organically.
- **Positive framing.** Positioning AI as a workplace companion that simplifies or enhances work encourages experimentation and creativity.
- **Visible leadership.** Managers play a crucial role in normalising AI use, acknowledging uncertainty and celebrating early wins.

[21] Public attitudes to data and AI: Tracker survey (Wave 4) report - GOV.UK

[22] Henley Business School (2025). "The AI High FOBO Report." Henley Business School, June 2025.

## Case study: BP

BP has framed **AI as a workplace companion** rather than a replacement, using tools such as Microsoft Copilot to boost collaboration and productivity. The company embeds **human–machine teams**, ensuring employees retain oversight while AI takes on repetitive or data-heavy tasks. By integrating digital ethics into its Code of Conduct and working with partners like the University of Oxford, BP has reinforced trust and created clear guardrails for safe deployment. This approach has helped employees view AI as a tool that augments skills and enhances work, rather than something imposed on them.

## Trusted AI deployment depends on people with the right data and governance skills

**Governance and data were described by taskforce members as the "unglamorous but critical" enablers of AI adoption.** Participants agreed that one of the essential foundations for scaling AI safely is the ability of people and organisations to manage data well, interpret regulation, and apply responsible-AI standards in practice. Governance, therefore, is not simply a compliance function but a workforce skill set that underpins trust, accountability and long-term adoption.

### Building capability in data and governance

**Data readiness remains one of the biggest barriers to scaling AI.** A CBI Economics survey with the University of Exeter found around 60% of UK businesses have adopted or intend to adopt AI, yet many lack the internal data and assurance expertise to extend use confidently.[23]

Weak data integrity, inconsistent models and poor integration are often linked to a shortage of people with the right mix of technical, analytical and governance skills.

More digitally matured taskforce businesses representatives are addressing this through a blend of recruitment and upskilling, building internal data and AI governance teams, retraining analysts, engineers and IT professionals and embedding data management and assurance into wider workforce planning. This shift is as much about capability building as technology adoption as businesses want employees at every level to understand how to use and oversee AI safely and responsibly.

Current government and industry AI skilling programmes rarely reflect the full continuum of need, from baseline AI literacy and ethical awareness for the wider workforce to advanced data governance, assurance and architecture skills for technical and leadership roles. The absence of clear pathways between these levels limits both individual progression and businesses' ability to plan workforce development strategically.

[23] CBI (2025). "Equipping Researchers for Impact: Unlocking the Potential of University-Business Relationships." Confederation of British Industry. https://www.cbi.org.uk/media/zagdap1a/equipping-researchers-for-impact_unlocking-the-potential-of-university-business-relationships.pdf

## Skills for resilient governance and data confidence

Effective governance depends on people as much as process. Taskforce members highlighted two distinct capacity needs:

- **Leaders and professionals, in compliance, risk, audit and data, increasingly have direct responsibility for overseeing how AI is designed, deployed and monitored within their organisations.** They need a clear grasp of how AI systems generate outputs, where risks arise and what good assurance looks like. Embedding this through CPD, professional accreditation and training enable senior teams to ask informed questions, challenge assumptions and make accountable decisions that link governance directly to business value.
- **Employees and early-career staff need a foundational understanding of how to use AI tools safely, ethically, and effectively in their day-to-day work.** This includes knowing how to validate AI outputs, recognise potential bias or errors, protect sensitive data and escalate issues when human oversight is required. Building this confidence through structured onboarding, peer learning and role-specific training ensures AI adoption happens safely, consistently and with trust across the workforce.

Businesses view regulation and workforce capability as mutually reinforcing. Companies are ready to invest in training but need clearer alignment between skills development and emerging standards in areas such as AI assurance, model risk, and data protection. Without a shared framework that connects skills, governance and standards, capability building risks becoming fragmented, making it harder for businesses to scale AI responsibly and confidently.

## Targeted support for SMEs is essential if the UK's AI transition is to reach the whole economy

Small and medium-sized enterprises (SMEs), which make up 99% of the UK business base[24] face distinctive barriers to AI skilling. CBI's submission to DBT's SME strategy review underlines that **SMEs face distinct constraints, finance, regulatory complexity, skills, and "where to turn" for advice, so delivery through trusted intermediaries is key.[25]** Local delivery models therefore need to go beyond community hubs to meet businesses where they already are, for example, working through trusted intermediaries such as banks, accountants, trade associations and professional bodies that already advise SMEs and have established credibility.

### Overcoming barriers: funding, trust and delivery models for SMEs

#### Funding schemes

The UK Government's Flexible AI Upskilling Fund (launched in 2024)26 offers £6.4 million in match-funded grants to help employers subsidise staff AI training. It has supported around 20 organisations, mainly in professional and financial services, to build practical AI skills through accredited courses. While small in scale, the Fund provides a useful learning of how government and industry can co-invest in workforce capability. Future funding models could build on this approach, testing more flexible co-funding and reimbursement mechanisms to make participation accessible for SMEs and sectors such as manufacturing, logistics and hospitality, where foundational AI skills could deliver strong productivity gains.

#### Partnership approaches to SME readiness

Members also pointed to the value of partnership-based approaches such as Innovate UK's BridgeAI, which connects SMEs with AI specialists and readiness support. Case-based learning, peer mentoring and practical templates were viewed as particularly effective ways to help employees engage confidently and apply new skills.

[24] Supplementary Information: Small and Medium-sized Enterprises Definition." GOV.UK, updated 11 April 2025. https://www.gov.uk/government/publications/procurement-act-2023-short-guides/supplementary-information-small-and-medium-sized-enterprises-definition-html

[25] CBI Response to the Business and Trade Committee inquiry into the Small business strategy July 2025

[26] Department for Science, Innovation and Technology (DSIT), Flexible AI Upskilling Fund Pilot, August 2024.

## Entry-level pathways could be disrupted if routine tasks disappear, even as new oversight responsibilities emerge for junior employees.

Businesses who contributed to this report agreed that **AI maybe beginning to change some early career experiences,** not by removing roles outright, but by hollowing out the early routine tasks that once built professional judgement and workplace confidence. In offices, this includes activities such as collating data, drafting reports or preparing presentations; in logistics, it means stock-checking, scheduling and process monitoring. Junior staff who previously developed expertise through these tasks are increasingly seeing these activities automated by AI tools.

These routine tasks have traditionally helped new hires understand organisational culture, workflows and quality standards. **Without deliberate redesign, early-career workers risk missing out on this formative learning, weakening the pipeline for future leaders and specialists.** As a task and finish group participant put it: *"AI won't remove jobs; it will take away the tasks that teach you how to do your jobs."* The risk is not simply job loss, but the erosion of early-career learning that builds long-term capability. This mirrors international evidence, the World Economic Forum's Future of Jobs Report 2025 estimates that 40% of core skills will change by 2028, underscoring the need for continuous upskilling and stronger early-career pathways.[27]

At the same time, new responsibilities are emerging even at junior levels. Employees are increasingly assembling teams of AI tools, prompting them effectively, coordinating multiple systems to work together, and supervising and quality checking outputs. **Capabilities once reserved for managers, such as oversight, delegation and performance review, are increasingly required earlier in careers.** This trend is reflected in wider evidence, McKinsey's State of AI 2024 report found that up to 45% of tasks in entry-level knowledge roles are now automatable, with rising demand for judgement, collaboration and communication skills.[28]

Many businesses are beginning to experiment with ways to preserve on-the-job learning while introducing automation. Some **businesses are piloting "AI-assisted learning"** approaches, for example, pairing junior employees with mentors who review AI-generated outputs, or giving apprentices supervised responsibility for monitoring AI-enabled systems. These kinds of structured, supervised uses of AI can in some ways help recreate the formative learning that entry-level workers once gained through routine tasks, allowing them to build judgement and confidence while working safely alongside automation.

[27] World Economic Forum (2025), Future of Jobs Report 2025, Geneva: World Economic Forum.

[28] McKinsey & Company (2024). The State of AI in Early 2024: Gen AI adoption spikes and starts to generate value. May 30, 2024.

## AI literacy is becoming a foundational skill, but education systems are struggling to keep pace

While many employers are helping their existing workforces adapt through on-the-job learning, the wider UK education and training system is still catching up. Taskforce members noted that **curricula, teaching practice and institutional capacity are not yet evolving fast enough to equip people for work and participation in an AI-enabled society.** Businesses recognised that this challenge extends well beyond their own remit and depends on stronger coordination between government, educators, and industry to ensure AI literacy becomes a shared foundation across all stages of learning.

### Schools and early education

Taskforce members described the main challenge for schools as helping pupils build the confidence and judgement to use AI responsibly. **Current curricula still emphasise content recall over critical thinking and AI literacy is rarely embedded across subjects.** While an increasing number of students now use generative AI platforms in their day to day lives, familiarity with AI tools in personal contexts does not automatically translate into professional competence. Habits formed through casual or personal use can create risks when applied in workplace settings. The principle was highlighted in the recent tribunal case *Elsbury v HMRC*[29], where questions about the use of generative AI in assessing R&D tax credit claims underscored the importance of transparency and accountability in AI-assisted decision-making. Similar issues could arise in everyday contexts, for example, when employees use personal logins or consumer-grade AI tools for professional tasks, potentially contravening data-protection and privacy responsibilities.

Several members observed that **progress in this space depends on teacher competence**, both for those already teaching and for trainees entering the profession. Many teachers remain uncertain about how to use and model the safe use of AI. Recent government research shows that 43% of teachers rate their AI confidence at just 3/10, with over 60% asking for help applying AI to planning and support tasks. Nearly all teachers wanted safety guidance and additional training.[30]

[29] "HMRC Ordered to Disclose Its Use of AI in R&D Tax Claims," Forrest Brown, 17 September 2025.

[30] Research on public attitudes towards the use of AI in education (DfE / DSIT, 28 August 2024)

"I think most people working in teaching roles should have at least some AI knowledge. A basic level of AI literacy. But the level of readiness varies a lot across individuals. So we need to level everyone up to a certain standard."

**Oxford Brookes University**

## Case study: UNESCO's global framework for AI literacy

UNESCO has developed an AI competency framework for students that goes beyond technical coding skills to cover four pillars: a human-centred mindset, ethics of AI, AI techniques and applications, and AI system design. Crucially, the framework emphasises interdisciplinary learning that blends STEM with social sciences and humanities, ensuring students not only understand how AI works but also how it shapes behaviour, society, and ethics.

This model shows how AI literacy can be taught in ways that build critical thinking, creativity and responsible use, rather than focusing narrowly on programming. It provides a useful reference point for the UK as it seeks to embed AI literacy across the curriculum and lifelong learning pathways.

## Higher and further education

**Universities and colleges in the UK are beginning to embed AI capability across disciplines, moving away from treating it solely as a specialist topic.** However, participants noted that this shift remains uneven and at an early stage, with most institutions still developing the capacity to combine technical, social-scientific and ethical perspectives effectively.

> "We're moving away from AI being a specialist subject. At Manchester, we see it as a baseline skill, every graduate, whether in law, medicine or the arts, will need some level of AI capability to thrive in their careers."
>
> **University of Manchester**

Recent research supports this view. Studies as far back as 2020, show that AI literacy is now recognised as a core graduate competency across all disciplines, not only in computer science.[31]Universities worldwide are responding by integrating AI into teaching and assessment, reflecting its growing role in fields from marketing (predictive analytics and decision-support) to the arts (creative collaboration between humans and machines).[32] This reflects the **wider need for structured, role-specific AI education that helps build ethical judgement, data awareness and leadership capabilities.** These capabilities will ensure that future workforce can apply AI responsibly in regulated and high-trust environments. Participants agreed that stronger collaboration between educators and industry will be critical to closing this gap, helping academic learning reflect real-world data governance, compliance and accountability challenges.

[31] Long, D. & Magerko, B. (2020). What Is AI Literacy? Competencies and Design Considerations. Proceedings of the AAAI Conference on Artificial Intelligence, 35(7).

[32] Ardeliya, V. E., Taylor, J., & Wolfson, J. (2024). Exploration of Artificial Intelligence in Creative Fields: Generative Art, Music, and Design. International Journal of Cyber and IT Service Management (IJCITSM), 4(1), 40–46. https://doi.org/10.34306/ijcitsm.v4i1.149

## Case Study:
## University of Manchester - Building AI Skills through Apprenticeships

The University of Manchester has launched a Data & AI Academy in partnership with Multiverse, offering a 13-month apprenticeship that equips its own employees with practical AI and data skills.

The initiative is open to all employees, regardless of technical background and supports the university's ambition to embed AI literacy across its workforce.

Participants spend around six hours per week on structured learning and applying new tools directly in their roles, helping drive measurable efficiency gains, with some reporting time savings of up to four hours a week. The programme's design, delivered flexibly alongside existing roles, has proved effective in maintaining engagement while accommodating busy workloads. It has also created new career pathways and leadership opportunities, showcasing how AI training can empower non-technical staff and strengthen institutional capability.

By aligning professional development with real-world application, Manchester's model demonstrates how AI skills can be mainstreamed across large organisations, using existing apprenticeship frameworks to build confidence, capability and adoption at scale. It also illustrates the value of modular, work-integrated learning, a theme echoed in employer feedback across sectors.

## Widening participation in AI skills is critical for both fairness and competitiveness

The UK's AI ambition will only be realised if building an AI-ready workforce focuses not only on technical skills, but also on giving everyone the opportunity to participate. This point came through strongly from the Task and Finish Group. Businesses recognise that **success will depend on bringing their whole workforce with them.** There is an opportunity here, given AI can act as a leveller between technical and non-technical roles. However, as businesses try to reach across their workforce, differences in job roles and workplace culture mean that people start from very different points.

### Building capability through tailored learning

Task & Finish Group participants noted that **effective AI-skilling initiatives recognise these different starting points.** For example, people who already experiment with AI personally often need support to apply it responsibly in professional settings that demand judgement, validation and accountability. Others face more practical barriers, limited time, a lack of managerial support, or uncertainty about how AI relates to their role, which can make it harder to engage.

In practice, this means designing learning routes that reflect different **personas of readiness**, such as:

- Individuals already using AI personally who need help applying it responsibly at work, with attention to data protection, bias and validation;
- Learners who benefit from structured, role-based modules linking AI concepts directly to day-to-day tasks;
- New or returning entrants who gain most from targeted, practical learning tied to live vacancies and mentoring support.

The early iteration of the **AI Skills Hub has already begun taking this tailored approach**, using self-assessment to guide individuals to learning pathways suited to their current skills and role. This aligns closely with what businesses described through the Task & Finish Group and provides a strong foundation for further development as the Hub evolves.

However, inclusion is not only about access to training but also about **how AI is introduced and used across organisations.** Our members emphasised the importance of ensuring that the **tools and use-cases themselves reflect the diversity of work.** If examples and pilots focus on one type of role, people in other functions will not see the relevance and opportunities for adoption will be missed. To close this gap, businesses have started to involve a wider range of teams in identifying and testing AI use-cases, drawing ideas and feedback from across the workforce. This helps ensure that solutions, training and examples feel relevant to different roles and levels, and that inclusion is built into the design of AI workforce transformation rather than added afterwards.

As part of this, businesses are experimenting with new ways to engage employees and build capability more broadly. Examples shared through the Task & Finish Group include:

- **Internal marketplaces** for approved AI tools and case studies, enabling staff to explore at their own pace;
- **AI champions and peer networks** acting as role models and supporting wider participation;
- **Hackathons and sandbox environments** that harness the enthusiasm of advanced users and capture ideas from across teams;
- **Enterprise-wide AI platforms** providing a consistent, secure baseline for all staff.

These approaches show that inclusion works best when delivery combines flexibility with trust, giving learners freedom to explore while also providing support through structured pathways. They also demonstrate that inclusive design is as much about **how AI is implemented and governed** as how it is taught, ensuring that upskilling reflects the full diversity of work across the UK economy.

## Broadening representation and reach

While tailored learning helps individuals start from where they are, persistent inequalities in access remain, creating a clear **need to broaden participation among under-represented groups.** Research from Alan Turing Institute shows that women hold only around 22% of technical AI and data-science roles, highlighting persistent inequalities in specialist occupations.[33] However, there are encouraging signs of change in broader adoption patters. OpenAI's 2024 study of ChatGPT usage finds rising engagement with generative AI among women, suggesting everyday adoption is becoming more inclusive.[34] This contrast is revealing, and taken together, these trends show that **while technical inclusion remains a challenge, wider workforce engagement is expanding**. This underlies the opportunity to build AI capability across all roles, technical and non-technical alike.

[33] The Alan Turing Institute. (2025). Where are the women? Mapping the gender job gap in AI. The Alan Turing Institute.

[34] OpenAI (2024). The Economic Impacts of ChatGPT: Evidence from a Global Survey of Users. https://cdn.openai.com/pdf/a253471f-8260-40c6-a2cc-aa93fe9f142e/economic-research-chatgpt-usage-paper.pdf

As the UK's AI-skilling landscape matures, the focus needs shifting from developing training content to ensuring it reaches every part of the workforce. While many businesses are beginning to invest in developing AI capability across their workforce, **the real opportunity lies in reaching those least likely to engage** - the harder-to-reach groups. This is where public–private partnership has the potential to add most value, complementing the investment that firms are already making. Past initiatives such as the Government Equalities Office's **Returners Grant Fund** pilot show what can be achieved when support is targeted effectively. Although small in scale, the programme demonstrated measurable gains in work-readiness and progression for people re-entering the labour market.[35]

Discussions through the Task & Finish Group suggest a growing appetite among businesses to work with government on this agenda. If that collaboration can extend opportunities to those currently underserved, it would represent an important step toward building an AI-ready workforce across the whole economy.

## Case Study: Lloyds Banking Group - AI Summer School

Lloyds Banking Group has created a large-scale AI and Data Summer School to equip employees across the organisation with practical AI skills. To date, there have been over 75,000 registrations, showing the appetite for training when it is accessible and engaging.

### Key features:

- Scale and inclusivity: open to all employees, from frontline staff to senior managers.
- Practical learning: focused on how AI supports everyday roles, from productivity improvements to enhanced customer service.
- Gamification: learners earn medals as they complete modules, building motivation and normalising AI use across teams.

Impact: The programme shows how large employers can create inclusive, engaging training at scale. By framing AI as a supportive tool rather than a disruptive threat, Lloyds has boosted workforce confidence and helped embed adoption across the business.

[35] Government Equalities Office (2021). Evaluation of the Returners Grant Fund. London: HM Government.

# Recommendations

Turning current momentum in UK AI skills into a sustained, inclusive, and trusted national capability requires an integrated approach. The following recommendations offer actionable steps for government, industry, education providers, and professional bodies. Each recommendation is designed as part of an interconnected strategy, building sequentially towards a resilient and AI-ready UK workforce.

## Focus the 7.5-million-workers initiative on harder-to-reach groups and catalyst roles

Widening participation in AI skills is essential if the UK is to build an AI-ready workforce that is both fair and competitive. Businesses recognise their role and are already investing in upskilling, but targeted support is still needed to ensure harder-to-reach groups can benefit. This is about strengthening partnership between government and industry so everyone can take part in the transition.

- **Extend support and learning pathways towards harder-to-reach groups within and beyond the workforce.**

  Persistent barriers prevent many workers from accessing AI learning opportunities, particularly those in lower-digital-exposure roles, smaller firms, or outside major employment centres.

  The **AI Skills Hub** has developed tailored learning pathways, which provide a useful foundation for widening access. Embedding these pathways more fully within the 7.5-million-workers initiative would help ensure support reaches those furthest from current opportunities and reflects the diversity of work across sectors and regions. This will require closer coordination between government and industry to engage groups that existing programmes often miss.

  To maximise reach and impact, government could:

  - Work through **trusted local intermediaries**, such as colleges, libraries, growth hubs, jobcentres and professional institutes, to deliver training in accessible settings;
  - Build on existing schemes such as **BridgeAI partnerships** and **Skills Bootcamps** to engage harder-to-reach groups, including returners, career-changers, SMEs and workers in low-adoption sectors across every region;
  - Use insights from industry delivery partners and local networks to **identify gaps in participation and tailor outreach** to specific groups and regions;
  - **Collect and publish participation data** by demographic and region to measure inclusion outcomes and guide future targeting within the 7.5-million-workers initiative.

  Lead: DSIT working in partnership with Skills England and Innovate UK
  Timeline: National rollout through 2026.

- **Treat teachers and education intermediaries as a priority group within the 7.5-million-workers initiative**

  Teachers and education providers, alongside businesses, are the frontline enablers of an

AI-ready society. Their AI competency and understanding will impact how successfully young and adult learners build the curiosity, judgement and ethical awareness needed to thrive in an AI-enabled economy. While some National Professional Qualifications (NPQs) and teacher-training routes now include AI awareness, provision remains uneven and early-stage. Embedding consistent AI-literacy and safe-use exemplars across these pathways will ensure every teacher, from early years to further education has the competence to equip the next generation to thrive in an AI enabled world.

**Government could equip teachers and education intermediaries to deliver AI literacy and responsible-use skills**, recognising their pivotal role in preparing future workforce for AI-enabled work and participation. **DfE should work with training providers and Ofsted to systematically embed AI literacy modules within initial teacher training, CPD and NPQs, covering both the technical basics of AI tools and the pedagogical judgement required for their responsible use.**
Lead: DSIT working in partnership with DfE

Timeline: Curriculum design through 2026; rollout from 2027.

- **Integrate AI literacy and governance into professional development and accreditation frameworks to embed responsible and inclusive AI use across sectors.**

  Professional bodies are a critical channel for embedding AI capability across the workforce and ensuring that opportunities to build these skills reach all professions. They also act as trusted advisors, with a key role in supporting businesses, particularly SMEs, to build the skills and confidence needed for safe and effective AI use. Building on the approach highlighted in the SME Digital Adoption Taskforce report, government should leverage the reach and credibility of these professional intermediaries, to help improve awareness, uptake and the development of AI-related skills across the workforce.

  For many professions, including law, accountancy, engineering, healthcare and teaching, CPD and accreditation frameworks determine which skills are prioritised and how widely they are adopted. Some have begun incorporating AI into CPD modules or specialist certificates, but progress remains uneven, and most professional standards still treat AI as optional, leaving gaps in capacity and consistency across sectors.
  Government should work with **professional and accreditation bodies**, including BCS, CIPD, ICAEW, RICS and others, to **embed AI literacy, ethical use and governance principles into existing CPD and accreditation standards**, building on the **AI Skills Hub's governance and assurance modules**.

  These frameworks should define **sector-specific competencies** for responsible AI use across all professional levels, from practitioners applying AI tools to senior professionals making strategic or risk-based decisions. They should also maintain **common standards** around ethics, data governance and oversight, aligned with **BSI and international standards** such as ISO/IEC 42001.

Embedding AI competence in professional standards in this way would make capability-building more inclusive and sustained, ensuring that every regulated profession recognises AI literacy and ethical judgement as core elements of professional practice. This approach would create long-term pathways for continuous learning that are accessible across regions, sectors and career stages, helping spread responsible AI adoption across the whole economy.
Lead: DSIT working in partnership with DfE, professional bodies and regulators
Timeline: Pilot implementation through 2026-28.

## Make AI literacy a core capability across education and training

Building AI capability requires a joined-up approach across the education and training system. Employers and government must work in partnership to create flexible and responsive pathways, including modular learning, apprenticeships and in-work retraining, so people can build AI skills at every stage of their careers.

- **Deliver AI-focused micro-credentials and hybrid qualifications to create flexible, employer-recognised pathways that keep pace with rapidly evolving AI capabilities and sector demand.**
  The current qualification landscape struggles to adapt quickly enough to technological change, leaving learners and employers without clear, portable signals of competence. As government explores more flexible training models, government must convene employers, universities, further-education and lifelong-learning providers to deliver a new generation of AI-focused micro-credentials and hybrid qualifications. These should be co-designed with employers and aligned to sector occupational standards through Skills England. These qualifications should blend technical AI learning with applied domain expertise, for example, AI in business management, healthcare, logistics or creative disciplines — allowing learners to build capability incrementally while maintaining sector relevance.
  To ensure quality and scalability, these qualifications should:
  - Adopt flexible models, including credit-bearing modules within existing degrees, standalone certificates that stack toward full qualifications, and accelerated programmes developed jointly by industry and academia.
  - Ensure portability and employer recognition so that learners can move seamlessly between institutions and sectors.
  - Integrate quality assurance and credit transfer through Skills England and the Office for Students to maintain consistent standards across providers.
  - Collect data on learner outcomes, employer satisfaction and scalability to inform future national rollout.

  Lead: DfE working in partnership with Skills England, DSIT, the Office for Students
  Timeline: Design in 2026; delivery through 2027.

- **Make apprenticeships more flexible and responsive to employer needs so training keeps pace with technological change and evolving business demand.**
  The process for updating apprenticeship standards must become more agile, enabling training content to keep pace with emerging technologies and ensuring funding bands reflect inflation and the true cost of delivery. This means exploring policy changes that enable firms to tailor apprenticeship standards to their individual skills needs — for example, through the modularisation of apprenticeship standards and by allowing businesses to adjust a proportion of approved training content as technologies evolve.
  These reforms would make apprenticeships a more agile and relevant tool for developing AI and digital capability across all sectors, supporting higher uptake of levy funding and better alignment with employers' real-world needs.
  Lead: Skills England, DfE
  Timeline: Reform design in 2025; pilot modular apprenticeship standards from 2026.
- **Unlock the potential of the Growth and Skills Levy to fund the scale of training needed for an AI-enabled economy.** There is a clear case for the limited Growth and Skills budget for non-apprenticeship courses to focus on cross-economy skills that benefit a wider range of businesses. This includes AI and digital. But to support the scale of training needed to unlock an AI-enabled economy, it is critical that government takes steps to reduce competing pressure on the Growth and Skills Levy budget. This includes allocating the full funding raised through the Levy (including underspend returned to Treasury) and the Immigration Skills Charge to be spent on skills and training.

  These reforms would create a stable, long-term funding source for AI upskilling and digital capability, while giving employers greater confidence to invest in shorter, modular training that complements traditional apprenticeships.

  Lead: HMT, DWP

  Timeline: Policy development through 2025; implementation from 2026.
- **Capitalise on the potential of the Lifelong Learning Entitlement (LLE) to increase adult participation and make lifelong flexible study a practical reality for working adults.**
  The **Lifelong Learning Entitlement (LLE)** and the modularisation of higher education courses, has the potential to lift training participation by supporting more adults to balance learning with work.
  Government should **integrate an employer co-funding mechanism** into the LLE and **abandon plans to introduce a levy on universities' international student income** in favour of creating a **financial sustainability strategy** in partnership with the higher-education sector.
  These reforms would help ensure that the full potential of the LLE is realised, enabling more adults to access modular, high-quality training aligned to business needs, while maintaining the financial health and capacity of higher-education institutions to deliver it.
  Lead: DfE, HMT
  Timeline: Employer co-funding model design in 2026; rollout from 2027.

## Strengthen national coordination and coherence in AI skills delivery

Delivering the scale of AI skills the UK needs will require stronger coordination and a shared understanding of priorities across departments, industry and education providers. Responsibilities are currently spread across multiple initiatives, making it harder to align delivery, measure progress or provide long-term certainty for employers and training providers. A more coherent approach, with clear structures for collaboration, shared standards and transparent monitoring, will help all partners direct effort and investment where it has the greatest impact.

- **Develop a UK AI Literacy Standard to provide a consistent baseline for responsible AI use across the workforce.**

  AI literacy is essential to confident and responsible AI adoption, yet current approaches remain fragmented, leaving employers and training providers without a shared definition of what good looks like. DSIT should work with **BSI** to develop a **national AI Literacy Standard** defining the knowledge, skills and behaviours required for safe and effective AI use.

  - The Standard should consider building upon the Innovate UK BridgeAI AI Skills for Business Competency Framework', developed by the Turing Institute, in partnership with BSI, STFC, and Digital Catapult.
  - Set out practical competencies for recognising, using and overseeing AI responsibly, including understanding outputs, managing data ethically and knowing how to raise or contest issues.
  - Begin as a fast-track guidance standard to test market demand before exploring evolution towards a formal British Standard, or international standard e.g. via ISO/IEC.
  - Embed inclusion and accessibility, ensuring SMEs and non-technical roles can apply it easily.

  These reforms would create a trusted, business-facing reference point for AI literacy — enabling consistent, high-quality training and supporting confident, responsible adoption across the economy.

  Lead: DSIT working in partnership with BSI

  Timeline: Scoping and consultation through 2026; Publication by 2027.

- **Establish a National AI Skills Delivery Board to drive coherence and accountability across the AI skills system.**

  The scale and complexity of the AI skills challenge demands coordinated action between departments, industry and education providers. Fragmented responsibilities risk duplicated effort, gaps in provision and slow progress toward the 7.5-million-workers target.

  A National AI Skills Delivery Board, co-chaired by DSIT, DfE, DWP, Skills England and industry, should oversee implementation of AI skills initiatives, align programmes across sectors, and track delivery against national objectives. The Board should be responsible for tracking progress against the 7.5-million-worker target, identifying and addressing delivery barriers and ensuring coherence across different skills initiatives including apprenticeships, technical education, professional development, and regional programmes. It should publish annual delivery scorecards setting out progress against key metrics including participation by demographic and region, progression outcomes, and employer engagement.

  Membership should include Skills England, Innovate UK, professional bodies, trade unions and employer representatives from firms of all sizes.

  Lead: DSIT, DWP, Skills England and Industry

  Timeline: Establish in 2026.

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