

## techUK response to Department for Work and Pensions call for evidence on Young People and Work Report

30 January 2026

techUK is the trade association which brings together people, companies and organisations to realise the positive outcomes of what digital technology can achieve. Over 1000 companies are members of techUK. These companies across the UK range from leading FTSE 100 companies to new innovative start-ups. The majority of our members (around 60%) are small and medium-sized digital businesses. By providing expertise and insight, we support our members, partners and stakeholders as they prepare the UK for what comes next in a constantly changing world.

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### Overview

techUK welcomes the Milburn Review and its ambition to support young people who are not in education, employment or training (NEET). In order to do so effectively, it will be imperative that the factors at play are well-understood. These will include both general barriers and specific barriers for particular groups, as well as broader challenges pertaining to hiring and employment. However there are also opportunities to address these factors, such as through the effective use of technology.

Indeed, reducing the number of young people who are NEET means a focus on both barriers and support, and a holistic approach that crowds in related work on wellbeing, skills and jobs. The government's focus on sector-specific job plans provides a foundation to bring together initiatives and policy to drive workforce participation and development while boosting economic growth and supporting the priority sectors outlined in the industrial strategy. techUK is already supporting government's work on the plan for Tech and Digital Jobs, but it will be critical to ensure there is alignment between efforts across these related and reinforcing areas.

In our response, we highlight a number of key factors impacting young people's participation:

- **The rising cost of employment and declining entry-level job opportunities...** amid economic pressures and rising minimum wage and NI costs for employers, with hiring caution amplified by AI.
- **Young people's shifting perspectives...** toward flexible, purposeful work over low-value roles that lack progression or appropriate support.
- **Persistent skills mismatches...** particularly in digital and 'soft' skills, with over half of 18-24 year-olds lacking the ability to do all essential digital work tasks.
- **Limited understanding of diverse tech and digital career pathways...** compounded by stereotypes, with only 11% seeing tech roles as 'for people like them', and gaps in careers advice.
- **Challenges with system navigation and support...** that struggles to reach the 50% of young people who are NEET and outside of the benefits system.

- **Intertwined health challenges...** with the proportion of those who are NEET due to sickness or disability making up 28% of all NEETs.

And emphasise interventions across a number of areas to address the issue:

- **Creating an effective Youth Guarantee...** by expanding coverage to 18-24 year-olds and ensuring access to opportunities that lead to sustained job outcomes, including those in growth sectors, through embedding future-ready skills and adequate employer engagement.
- **Leveraging flexible work and learning...** via modular approaches to qualifications, protecting Access to Work and strengthening the Disability Confident scheme with a greater emphasis on technology-enabled inclusion for those with disability or health conditions.
- **Encouraging youth employment...** considering wage subsidy and incentive schemes, learning from previous schemes such as Kickstart, and thinking again about scrapping the youth rate in light of rising employer costs.
- **Championing different pathways into jobs...** by ensuring equitable access to effective work experience and work-related learning experiences, tackling challenges with apprenticeships and supporting employers to recruit foundation apprentices.
- **Strengthening careers advice and navigation...** by looking at digital solutions like Skills Passports and AI-powered job-matching in the Jobs and Careers Service, and embedding trusted navigators, youth workers and employer role-models across schools, colleges, Hubs and Jobcentres.
- **Joining up wellbeing, skills and jobs initiatives...** including sector job plans and local growth plans, empowering local areas with the means and funding to provide holistic support, and ensuring data sharing.

### **What is stopping more young people from participating in employment, education or training?**

- The cost of employment and challenges with entry-level and graduate jobs

#### *The entry level and graduate jobs landscape*

A key barrier to employment for young people is the changing landscape for entry-level roles. The combination of broad economic conditions, advancements in technology like AI and government policy decisions has created an environment that is reducing employment opportunities – driving hiring caution while also impacting funding for in-work training.

Adzuna has seen [a 30% drop](#) in UK entry-level job postings since ChatGPT's launch. This chimes with [McKinsey research](#) that reported online job advertisements fell by 31% since the three months ending in May 2022 and that roles expected to be heavily affected by AI, in sectors like technology, saw a higher reduction (38%) in online job advertisements than those with low exposure (21%). Similarly, a King's College London study found that firms highly exposed to AI cut total employment by 4.5% on average, with junior positions down 5.8% and hiring intentions 16.3 percentage points lower, especially in technical roles.

However, the picture is nuanced. [Data from the Institute of Student Employers](#) suggests graduate hiring has fallen by 8% year-on-year, but apprentice hiring

increased by 8%, resulting in an overall drop in 5% in the entry-level job market. They caveat these findings by noting that [trends vary between sectors and employers](#); although 42% reduced graduate hiring and 40% school/college leaver hiring, over a third increase hiring across both pathways.

Moreover, their data identifies significant increases in application volume. They find a 44% increase, following the 59% increase the [ISE reported](#) in 2024, suggesting that growing competition, reductions in academic requirements, and the ease of online technology are driving increased applications. Insights from an SME techUK member show that for one junior IT vacancy, over 200 applications were received. This is notable because, [according to research conducted during 2022](#), around a quarter of young people said applying for jobs without success was stopping them from securing work – a challenge which may only become more acute.

A [report by the CIPD](#) published in Autumn 2025 found that 61% of employers plan to recruit staff in the next three months, compared to 67% a year ago, with hiring intentions lower in the private sector (58%). CIPD data from the Spring found that employer hiring intentions in 2025 were the lowest since the pandemic, and lower than the years preceding the pandemic. Recruiters continue to highlight weak confidence in the economy and higher payroll costs, with [84% of UK businesses](#) saying their employment costs had risen since NIC changes took effect in April, and a third saying they had risen by a large extent.

[Information from the ONS](#) in November 2025 found unemployment had reached 5%, the highest level in 4 years. [Data from Experis ManpowerGroup](#) in Q4 2025 found that UK hiring demand saw the biggest drop in year-on-year planned hiring globally. [And findings from the British Chambers of Commerce](#) crystallise these trends, with 72% of businesses citing labour costs as the biggest cost pressure, fewer firms expecting to grow their workforce in early 2026 and over a fifth of firms cutting staff training.

When taken together, the data suggests that the NI increase for employers – along with changes to the minimum wage, rising operational costs and low business confidence – is being met with cuts to staff and training, contributing to a large scale slowdown in labour demand and impacting the prospects of young people.

### *The impact of AI*

[Over a third of SMEs](#) say they are now actively using AI, and 24% say they plan to adopt it in the future. In 2025, AI adoption by UK businesses [grew by 33%](#), and 52% of them are now using AI. In the context of AI adoption, skill gaps, and a challenging economic and hiring environment, employers may be more likely to attempt to fill productivity and talent gaps with technology.

The World Economic Forum's [Future of Jobs Report 2025](#) noted that 40% of employers expect to reduce their workforce where AI can automate tasks. [Another study of global business leaders](#) by the BSI found that 41% of bosses said AI was allowing them to cut the number of employees, nearly a third said their organisation was looking at AI solutions before considering hiring a person, and two-fifths said entry-level roles had already been reduced or cut as a result of efficiencies made by using AI tools.

Further [data from the CIPD](#) suggests that in over a quarter of larger UK businesses, there is an expectation that headcount will be reduced due to the impact of AI, and junior roles are most likely to be affected. In SMEs, this is expected to be the case for just 9%. For

employers who said AI would reduce their headcount, a quarter said the reduction would be of more than 10%. Some sectors are more exposed to these potential shifts than others, with employers in financial services (37%) and IT (26%) most likely to report that they will reduce headcount.

However, there is also research that suggests AI is positively impact hiring and jobs. A global study [by Access Partnership and LinkedIn](#) reported that a third of businesses planned to increase hiring and expand headcount, while another third planned to focus on retention, with growing demand for technical, creative and customer-facing roles. And demand for [AI-related skills and roles](#) remains strong.

An [FDM Group survey](#) found only 2% of organisations expected a decline in graduate roles because of AI, indicating their intent, and that other factors are likely to be at play. Indeed, while [PwC's analysis](#) of sectors with high AI exposure such as IT shows early signs of impact on entry-level roles in 2025, across all sectors its modelling found no direct impact of AI on youth unemployment, instead highlighting weaker business sentiment and slowing demand.

Some employers are also hiring graduates directly into higher-level roles, bypassing traditional entry-level pathways. [A UK survey](#) found that 73% of HR professionals had done so, citing AI's ability to automate routine tasks. Others are using AI to enhance junior roles, rather than eliminate them. 24% of HR professionals said they have reimagined entry-level roles to be more strategic and creative, leveraging the benefits of AI to enable a greater focus on higher value work, and 24% [reported that](#) AI reduced the experience required for such positions, potentially broadening access.

Overall, while AI may be amplifying existing hiring caution, it appears that business sentiment, labour costs and weak growth are the primary drivers – with a clear impact on employment opportunities for young people. In the near future, it appears AI could have a growing impact, and particularly so in larger organisations.

- Perspectives on work

Perspectives of work are changing among young people and can be a barrier to participation. However, this is more about access to *good work* rather than rejecting work itself.

Evidence suggests that, among teenagers and young workers, there is a growing emphasis on job satisfaction, work-life-balance and purpose. A [survey conducted by the BBC](#) of teenagers found that they prioritised 'feeling good about what you do' and 'happiness' considerably more than they did money. It found that nearly 60% would not pursue a job they did not enjoy, and similar [research by Bright Network](#) found that Gen Z ranked company culture and colleagues and job specifics most highly when selecting a role.

Employers are noticing this trend too. [Timewise and Youth Futures Foundation's work](#) on young people and inclusion reports that employers perceive young people as placing greater weight on diversity, inclusion and work-life balance than previous generations, especially the ability to fit work around health, caring and study. A lack of flexibility for young people is viewed as a major source of stress and a reason to leave or avoid role.

When jobs do not offer flexibility, progression or a sense of purpose, young people are more likely to churn, step back, or opt out into inactivity, which increases the NEET risk. Rigid hours, a lack of flexible options, unpredictable schedules, restricted autonomy, and a lacking focus on wellbeing are perceived as barriers to work in their own right. Considering that rising inactivity and NEET numbers are linked to long-term mental health problems, it can be seen how these trends interact with expectations of work. For example, young people with anxiety or depression may be more likely to disengage if roles lack flexibility and support. Anxiety itself is already cited as a barrier to work [by 30% of young people](#).

While values are clearly growing in importance among young people, financial considerations do still play a role. Low wages at entry level, or for apprentices, remain a barrier to entering employment for some, while [other costs](#), such as clothes, transport or training and qualifications, are also viewed as prohibitive.

There is an AI element that is beginning to impact young people's perceptions too. PwC's [Hopes & Fears data](#) show Gen Z are more optimistic and more likely to upskill than older groups, yet nearly a third of entry-level workers say they are worried about AI's impact on their future and over a third of UK workers fear AI will reduce entry-level roles.

Other data shows that many young people believe AI will make them more hireable and boost performance, but many think it could eventually replace them and [over a quarter have avoided applying](#) for a job or course because they think AI might replace it. [The 2025 Youth Voice Census](#) reported that more than half of young people are concerned about taking jobs away. This mix of optimism and anxiety risks deterring some young people from entering particular sectors or applying at all, reinforcing NEET risks. Indeed, [research by the IFOW and EY Foundation](#) found that young people who are pessimistic about the economy, and the level and quality of opportunities available to them, may have lower levels of intrinsic motivation – undermining their engagement with work and learning.

- Skills and qualification mismatches

Skills and qualifications considerations can pose barriers to education, employment and training. Findings from the Resolution Foundation highlight that lower-qualified young people have the highest NEET rates: rates of graduates ages 22-24 are around 10%, while for those of the same age that hold a highest qualification at GCSE level or below the rate is three times higher. It is therefore concerning that 20% of secondary school pupils are persistently absent from school.

[Insights from the Learning and Work Institute](#) find that youth opportunity is higher in local authorities that have high levels of GCSE attainment, Level 3 attainment and progression to higher education – while the inverse is also true. Interestingly, apprenticeship starts are higher in areas ranking lowest for youth opportunity, which may be as a result of them being viewed as a primary option for those with prior lower attainment.

However it should be recognised that experiences of our members in working with neurodiverse communities, for example, highlight seeing highly capable individuals whose abilities go beyond what is captured by typical academic pathways and qualifications. Many of these individuals do not hold conventional qualifications, despite their outstanding ways of thinking and problem-solving, and face barriers to participation as a result.

The qualification offer, in any case, must be considered. Reforms to the English Baccalaureate in the National Curriculum is welcome, as it has led to a decline in subjects that are associated with improved engagement and confidence in pupils at risk of becoming NEET. While government is taking forward plans to create a new vocational qualification (V Levels) at level 3, vocational provision has faced difficulties that have impacted both young people and employers. Entry-level apprenticeships have declined significantly, AGQs like BTECs are being removed without appropriate alternatives in place, and T Levels continue to face teething issues.

60% of NEETs in 2025 [have never worked](#), up from 42% in 2005, suggesting that more young people are failing to make any initial transition into work or training. This lack of initial work experience means many NEETs also miss out on building essential workplace behaviours and networks, compounding skills gaps in a vicious cycle that is hard to break without targeted intervention.

Employers are increasingly seeking 'work-ready' candidates who can deliver immediate value, with less appetite to invest in foundational training amid rising labour costs. Research from the British Chamber of Commerce found that more than a fifth of firms have cut staff training in response to rising costs, even as many report persistent skills shortages and difficulties recruiting the right candidates. This squeeze on training investment exacerbates skills mismatches, where employers and young people alike report gaps between what is needed and what is available.

Low confidence is a key factor preventing NEETs from seeking work, with [only around half of young people](#) feeling ready for work after education – a concern echoed by employers, of whom [just one in four](#) think 16-24-year-olds are well prepared. Employers most often point to [gaps in 'soft' skills](#) such as communication, teamwork, problem-solving and basic workplace behaviours, alongside missing technical and digital capabilities.

At the same time, IT and data skills [remain the hardest to find](#) for UK employers, and [more than half](#) of 18-24-year-olds still cannot complete all of the essential digital work tasks that most jobs now require. Digital skills shortages are seen as the top hiring barrier across sectors, with employers reporting that even basic proficiency in productivity tools and data handling is often missing among young applicants.

These interconnected skills mismatches – from qualifications gaps and missing work experience to lacking support for SMEs, pressure on training budgets, and employer demands for immediate value and digital proficiency – create a locked door for NEET young people, screening them out before they can gain the on-the-job learning needed to break the cycle.

- Understanding of digital and tech careers

A barrier to employment is that progression routes are not always clear, or otherwise not well communicated to young people, and that there is not always an awareness of what jobs are out there and what they entail. In terms of tech and digital, there are a diversity of roles, across a range of sectors. This should, in theory, attract a diversity of young people to these careers – but that is not always the case, and there are misconceptions that particular sectors, jobs or fields are for particular types of people.

[Youth Voice Census 2025](#) data shows similarly low awareness of growth sectors like green jobs (only 18% have heard of them), many of which are tech jobs, and digital roles with many young people reporting they simply do not know what these careers involve or how to pursue them. This barrier is sharper for those already NEET or from disadvantaged backgrounds.

There is further research that evidences the challenges young people face when thinking about a future career. [A report by the King's Trust supported by Cognizant](#) exploring the digital skills gap found that not only are 37% worried that they did not have the digital skills to get a good job, but 41% do not feel confident making choices about the skills they need to develop for their future career. This lack of confidence is more severe for those NEET, with the number rising to over half for this group.

Moreover, the report found that low confidence is more of a problem among those with poor access to the internet, and issues pertaining to access are more prevalent among NEET young people – compounding disadvantage. Indeed, [Nominet data](#) found that 3 in 10 NEET young people lack access to a laptop or desktop computer. However, they are also more likely to learn digital skills by themselves or from the internet, underscoring the challenges posed by limited access to skills development, as well as to navigating and pursuing tech and digital careers.

The findings of the King's Trust report highlight further how those that are NEET face more acute barriers than their peers:

- NEET young people are more likely not to study a relevant tech and digital subject beyond KS3 (43% compared to 34%)
  - o 27% of those who were not studying a relevant subject said they were not offered to, and 20% said they were not encouraged to do so
  - o Those who studied a relevant subject at KS3 are more than twice as likely to be attracted to careers requiring advanced digital skills
- NEET young people were more likely to think digital skills would not be essential for their future (52% compared to 38%)

Perception issues are reflected in the fact that only 11% of young people said digital and technology focused roles were for people like them, despite these reflecting young people's priorities from employment.

Broader engagement challenges exist too. A techUK member who is a training and apprenticeship provider notes their experience of creating 40 roles in one city in the East Midlands which received over 1000 applications – speaking to growing application volumes – but only 92 candidates attended interviews, with a majority of challenges coming from those aged 19-25. They note issues with limited communication from applicants, low engagement and even little understanding of the roles they are applying for.

There is [some data that suggests](#) stereotypes of younger workers may be contributing to young people's perceptions and broader employment challenges. A survey found that one in 10 employers rejected a young person due to their age, and reported employer views that young people were overly sensitive (34%), entitled (27%) or lazy (23%). Many of those young people (26%) who encountered such discrimination reported that it made them not want to work again.

- System navigation

As noted by the [Youth Future Foundation's 2025 Outlook](#), fragmented schemes, benefits rules and a confusing training offer are a key barrier for disadvantaged young people, including and especially those furthest from the labour market. [RAND Europe's comparative study for YFF](#) highlights how poor coordination between employment services, education providers, health systems and local authorities can leave young people “falling through the gaps” at key transitions, with complex needs often going unmet. Youth Guarantee Trailblazer projects are seeking to tackle this issue and better integrate different services in localities and regions across the country.

At present, there are specific issues at different stages and levels of support. Around 50% of young people who are NEET do not claim benefits at all, resulting in difficulties reaching many of this group, and only 250,000 of the over 800,000 NEET young people get regular support from a work coach. [The stigma of engaging](#) with the benefits system or Jobcentres prevents engagement, as does the fact many do not see it as a system intended to help them. And in some cases, the benefits system can penalise young people and their households when they enter work or training. The fact that 48% of those who are NEET remain so after a year indicates the patchwork system of services is not supporting this group.

These system navigation issues contribute to and are exacerbated by, as highlighted in the previous section, challenges navigating the training and education landscape and understanding pathways into employment.

- Health and wellbeing

Health and wellbeing is intimately related to the NEET and youth employment challenge. The proportion of those who are NEET due to sickness or disability [makes up 28% of all NEETs](#), more than doubling since 2005 – and NEET young people are more likely to experience health problems and report lower wellbeing. At the same time, being NEET is linked to a higher risk of both physical and mental health problems over time.

Early risk factors for NEETs [are rising](#), including the previously mentioned rise in persistently absent students at secondary schools. In addition, 1 in 6 secondary school students now receiving SEN support and almost a quarter of children age 11-16 have a probable mental health disorder.

Mental health conditions are particularly prevalent among young people. [A survey of 2500](#) young people found nearly a third say they have a mental health condition, and 85% of those believe it affects their ability to find or conduct work. The fact that [over a quarter of 18-24 year-olds](#) have taken time off work for health reasons while waiting for NHS treatment evidences the impact delays in health provision can have for all young people, including NEETs. And mental health issues intersect with other barriers, such as lower qualification attainment: [around a third](#) of young people with mental health problems and no degree are out of work, compared to 17% of graduates with mental health problems.

For many young people, especially those with fluctuating or invisible conditions, conventional full-time, on-site roles and rigid education timetables may not be compatible with managing their health. In addition, [some employers express](#) concerns that their managers

would require more support and guidance in order to hire, support and retain young workers with mental health conditions. According to the [Mental Health UK Burnout Report 2025](#), confidence in discussing stress with managers dropped to 56% from 75% in 2024.

For sure, in order to be successful, any efforts to address the number of NEET young people must be properly aligned with a well-considered and thoughtful strategy focused on supporting young people with their mental health.

### **What would make the biggest difference to support more young people to participate?**

There are a number of ways in which young people can be supported to participate in employment, education and training. The government's creation of a National Youth Guarantee is a valuable step forward, provided it is delivered and targeted effectively, and coupled with efforts to tackle wider barriers preventing engagement.

Considering these barriers, it is clear that support is needed for all young people who are NEET – especially those with health problems and disability – and routes to support those with limited qualifications, supporting flexible and purposeful work while taking steps to encourage hiring.

- Delivering an effective National Youth Guarantee

The package of support that forms the National Youth Guarantee – including the creation of Youth Hubs, work experience and training opportunities, funding for extra apprenticeships, a jobs guarantee, and early interventions on NEETs – are a good foundation to build on. Each of these component parts are valuable, but there is more that can be done to strengthen the offering.

As we have noted, many young people who are NEET are not engaged with the benefits system, meaning the role of Youth Hubs and other support services will be key in driving engagement with young people who sit outside of typical employment support. Targeted and incentivised outreach will be key for this group. In addition to focused efforts to support those outside of the benefits system, specific and specialist support for those with SEND or other complex needs must be provided, as must effective join-up with health provision to support those with mental and physical illness.

It is important to consider interventions that support all young people who are NEET. As highlighted by [the Resolution Foundation](#), work is the most typical route for young people out of being NEET, and there are as many NEETs aged 22-24 as there are 18-21 – meaning provisions such as the Work Guarantee would benefit from being available for the entire 18-24 group.

Moreover, success of the Youth Guarantee, whether its elements pertaining to training or employment, will require strong support and coordination with providers and employers. They will be critical partners in delivery, ensuring that provision is effective, available, high-quality, and benefits young people. The success of the scheme will be heavily dependent on employers. There will need to be substantive engagement with employers, with appropriate support and guidance to navigate the breadth of employment and training schemes targeted at young people, from apprenticeships to sector-based work academies (SWAPs).

A key test will be whether the scheme offers the skills-building opportunities and experiences that can support young people into sustained employment, including careers in identified growth sectors like digital. This should mean alignment with sector-specific jobs plans. Exposure to tech-enabled roles requiring digital skills – that are increasingly critical for most jobs – digital and tech jobs, and pathways into higher apprenticeships and further training would be valuable in this regard, as would provision focused on boosting the qualification level of young people to level 3.

For sure, regardless of the pathway or route forward, provisions to support young people will need to focus on systematically building the skills they will need for future jobs. As we have outlined earlier in this response, digital capabilities – including AI – and essential ‘soft’ skills are at the core of this discussion. [Research from FDM Group](#) reveals that over half of industry leaders expect AI to underpin all early-career roles in the future. Embedding these capabilities and ensuring they are explicitly developed across all provision, from work experience to apprenticeships, SWAPs and other education and training routes, will therefore be paramount. With this focus on developing skills with a view to sustainable job outcomes, the system should also enable young people to study qualifications and undertake impactful learning without compromising their benefits, with participation in such learning seen as a means of meeting job search requirements.

Support will need to be coordinated and delivered effectively in different localities and regions, through a diversity of services. There will be local barriers to participation, that might include things like transport, while differences in the devolution of powers around health, education and employment levers underscore the need to consider what steps are required to empower all parts of the country to support young people who are NEET.

[Lessons can be learnt](#) from previous programmes focused on youth employment, such as the Kickstart scheme. Both young people and employers had positive experiences of the scheme, nearly all young people on the scheme experienced in-work training, and around 75% were in in employment, education and training ten months after entering it. However, the scheme was not as effective for those already disadvantaged – with low qualifications, work experience, or with health conditions – and was only available to those on benefits. [DWP analysis](#) found that for every 100 participants, an additional 11 were in employment compared to a group that did not participate. This was found to result in a loss of 73p on every pound spent by the taxpayer after two years, but a gain of 18p when considering wider societal impacts.

- Ensuring support for flexible work and learning

Providing the right opportunities for young people to enter the workforce, including those with disabilities or health conditions, means leveraging the breadth of flexible work and learning, and broader support for inclusion underpinned by technology.

Analysis by the Learning and Work Institute found that 20% of young people who are NEET have been assessed as too ill to work, but many would consider roles that aligned with their condition. However as they are assessed as too ill to work, this can mean that they do not receive adequate support to find such roles or appropriate training. Around 230,000 young people on Universal Credit are not required to look for work, with limited contact with support services even if they are interested in working or learning.

While efforts to greater support this group to find meaningful and appropriate work and development opportunities would be welcome, this does not mean that everyone who has been assessed in this way would be able to undertake work. Any consideration of conditionality around benefits on engagement with support through the Youth Guarantee must be mindful of this, and recognise the diversity of disability and health conditions, in order to avoid causing undue stress and risking disengagement.

In order to better support those who are able and have a desire to work or undertake training, ensuring that the right and appropriate opportunities for those with physical and mental health conditions, disabilities or other factors impacting their ability to work and learn are available will be essential.

Flexibility is key for these groups facing particular barriers at work, and is also valued more broadly by young people. For young people managing mental health conditions, flexible work patterns are often a necessary support for entering or staying in work. [CIPD's 2025 Health and Wellbeing at Work report](#) finds that promoting flexible working options is one of the top three measures employers use to support mental health and is associated with better reported mental wellbeing and lower intentions to quit. [Mental Health UK's work on burnout](#) also highlights that giving employees flexibility over how they manage their working pattern or arrangement can reduce stress and help people sustain their roles while managing ongoing mental health challenges.

Education and training routes can also be inflexible. Support for students with a health condition or disability in schools can be variable, owing to long assessment waiting lists, and disabled people in the UK are nearly three times more likely to have no qualifications compared to non-disabled peers. Rigid timetables, curricula and assessments, full-time mandates and a lack of adjustments can exclude many with health conditions. For example, T Level placement requirements of 315 GLH and a 45-day industry placement can be prohibitive, while consistent attendance requirements for apprenticeships can clash with fluctuating conditions. Embedding modular approaches to qualifications of all types and at all levels would enable disabled learners or those with health conditions to bank progress, and step on and off of pathways when needed.

The employment gap of 28% between disabled and non-disabled people is stark. Around 43% of disabled people want to work but are considered economically inactive. The [Disability Policy Centre](#) has reported that a third of disabled people in work are part time, and two-thirds of those out of work would take a part-time role to join the workforce. Yet there are not enough part-time roles, nor high enough paying part-time roles, to close the employment gap.

Government has recently announced plans to reform the Disability Confident Scheme that is intended to get more businesses to recruit and retain disabled people. This is welcome, considering inherent limitations in the scheme, but the real test will be whether it has the backing and substance to ensure accredited employers are hiring disabled workers.

At the same time, the Access to Work scheme – which is meant to fund assistive technology, adjustments and job coaching – is under strain. Disability organisations report significant numbers of applications stuck in processing, long delays in payments, and awards being significantly cut, with some disabled workers losing jobs or turning down offers because support was not in place. For employers, this sends a mixed message, and

smaller employers may be particularly cautious to employ disabled workers considering uncertainty over support.

Disability Confident commitments should enhance focus on assistive and accessible technologies, considering their centrality in supporting disability employment. Strengthening this scheme with a focus on employment outcomes and supporting technology, coupled with shoring up Access to Work support, would enable these schemes to work together as drivers of genuine inclusion.

Other arrangements such as remote working can support the employment of disabled people and enable workers to create working environments that work for them. A [study by the Work Foundation](#) found that 70% of disabled workers said that if their employer did not allow them to work remotely, it would negatively impact their physical or mental health and 85% of disabled workers surveyed felt more productive working from home.

However, surveys of employment on those disabilities found that they are most likely to be working in human health and social work, retail, education and social work, and less likely to be in jobs where home and hybrid working is possible. Indeed, disabled workers are less likely to be in higher skilled occupations such as managers, directors and senior officials and professional occupations compared with non-disabled workers. This is the case even though [disabled people and those with health conditions](#) are more likely to report benefits for their health and wellbeing, and support flexible working where available. An NHS survey of disabled staff found 84% [wanted to retain](#) at least some form of flexibility and remote working from COVID-19.

Considering that hybrid and remote working will not be appropriate working arrangements across all roles and sectors, the breadth of flexible work must be considered. We have already discussed part-time work, but there are other potential solutions too, and many can be supported by technology tools. For example, [Timewise has worked with employers](#) in sectors like health, social care, constructions and retail to improve flexibility and stability in the workplace. One case study is their work with the NHS Royal Free Hospital focused on giving workers more control over working patterns through self-rostering, resulting in a reduced staff turnover, and such approaches can also improve productivity.

- Protecting and encouraging youth recruitment

For employers to be able to play an effective role in the Youth Guarantee, and in supporting the employment of young people more generally, government will need to be cognizant of growing labour costs. As we have set out, the costs of employment have risen considerably, and are already impacting the hiring plans of businesses. This does not bode well for the prospects of young people in the labour market, as employers look for immediate ROI when employing new people and training budgets are under strain.

Government will therefore need to consider what steps it should and should not take in order to stimulate the employment of young people. Abolishing the youth rate, for example, risks worsening the jobs challenge for young people, as does the rise in apprentice wages. The current hiring context is difficult enough for businesses, and moves that increase the cost of taking on young people will certainly drive NEET numbers higher. An ambition to equalise pay levels for all workers is likely to make young people at the start of their careers a less attractive hiring prospect than more mature candidates.

On the other hand, incentivising youth employment will also be imperative, learning from previous schemes like Kickstart and the Future Jobs Fund. This could take the form of wage subsidies and support for employers, and some regions in the UK are already moving in this direction. The [West Yorkshire Combined Authority](#) is looking to inactivity trailblazer funding to subsidise work experience, funding minimum wages and wraparound support, and the Liverpool City Region has taken forward a three-year scheme of wage incentives for employers recruiting 18-24 year olds.

For sure, government will need to play an important enabling role by creating incentives for businesses to take on and train early career talent, in light of growing costs of employing young people, as well as a growing volume of applications for junior roles. To ensure the opportunities are there, and the future talent pipeline is strong, it must consider taking forward policies that *reward* organisations for investing in young people.

Employer engagement – coupled with support and incentives – is a key lever in enabling more organisations to support young people who are NEET, but this can be challenging, especially for SMEs. And according to the [British Chambers of Commerce](#), only 13% of businesses have a recruitment plan for young workers.

How government intends to strike the balance between its ambition to equalise wages across age groups and to encourage youth employment, with a sufficient level of entry-level opportunities amid economic pressures, rising costs and tech-powered change, will be a significant challenge.

- Providing better careers advice and navigation support

Providing better careers advice and navigation support is one of the most powerful levers to reduce NEET, especially for young people without connections or confidence. The evidence shows clearly that good careers education, trusted adults and joined-up services materially change post-16 destinations. It also shows that gaps in these supports form distinct barriers.

[Research by the Careers & Enterprise Company \(CEC\)](#) found that the government is saving an estimated £300m each year because of significant improvements in careers provision in England's schools and colleges, which help keep at-risk 16 to 19 year olds in education, training or work. However, the 2025 Youth Voice Census reported only 32% of young people received face-to-face career advice and only 23% had an employer visit. Moreover, apprenticeships and alternative pathways are not well-promoted: 32% said apprenticeships were never discussed with them while they were studying. And careers support diminishes once young people leave education.

Within schools and colleges, conversations with role models and those in industry, sharing their career journeys and insights, can be a powerful tool in supporting students to make more informed decisions about their futures and understand the breadth of opportunities available. It can inspire learners into careers they may not have considered and help them understand different routes and pathways into those jobs. [Organisations like F4S](#) draw upon a pool of volunteers and corporate partners to do just that.

Equally, government should make effective use of existing careers infrastructure like Careers Hubs that bring together schools, colleges, providers and employers. Particularly for

industry, they offer material opportunities to connect with young people, including NEETs and those at risk of becoming NEET. Considering the number of careers hubs, and the regions and localities they cover, they also enable join-up between early careers initiatives, young people, and local programmes like Local Skills Improvement Plans.

In Greater Manchester, Enterprise Advisers help support the development of careers advice and provision, working within local Careers Hubs. Enterprise Advisers are senior business volunteers who commit around two hours per month of their time and use their professional expertise and skills to support careers leaders in schools. They undertake planning meetings and work with careers leaders to shape and improve careers programmes, as well as providing operational support and industry connections.

In Jobcentres, it will be important that work coaches are equipped to help young people and address their specific needs and challenges, with the time and resource to support system navigation and provide adequate support. Youth services are also a key delivery partner. A large number of NEET young people are outside the benefits system and subsequently not in touch with mainstream employment services. [There are studies](#) demonstrating the benefits of effective youth services, with a clear return on investment for the taxpayer, through things like improving mental health and improving employability. Similarly, there is a link between declining funding in youth services and rises in educational underperformance and other negative outcomes.

Government commitments to expand Youth Hubs across the country are welcome. Place-based youth services can reach economically inactive young people and Youth Futures Foundation's work highlights how trusted adults – such as youth workers, mentors and careers advisers – help young people navigate complex offers, connect to mental health or employment support, and stay engaged. As they recommend, giving every young person access to a trusted adult, embedded in youth employment hubs and local services, can directly tackle one of the biggest navigation barriers.

Where young people are in touch with the benefits system, there will need to be strong join-up between this and jobs and careers support, including the Youth Guarantee. Jobcentres should be focused on directing and supporting young people into *long-term* careers, and helping them to navigate the system of opportunities and support, repositioning itself in practice and in the perceptions of young people. Education and training will need to be linked too, so that young people are not penalised through the benefits system for seeking development opportunities.

In schools and colleges, as new qualifications like V Levels replace existing level 3 options, and T Levels continue to face teething issues, government must effectively communicate clearly what each pathway offers, how they stack and lead to jobs. A communications campaign that informs learners, parents, careers advisors, HEIs, and employers is needed to build awareness, confidence, understanding and recognition of the different qualification pathways available to young people – and ensure they all lead to good outcomes.

Skills Passports, now being explored by Skills England, can let young people carry proof of skills from typical qualifications to apprenticeships, short courses or volunteering across jobs and regions, supporting portability and understanding of relevance to careers, as well as identify gaps. This could help young people demonstrate aptitudes and competencies, as well as skills, from a diversity of sources, experiences and forms of learning, and encourage more employers to hire young people with a greater view of their capabilities. If joined-up

with the government's Education Record, and the Jobs and Careers Service, there is a great opportunity to support navigation through education into the labour market, with technology solutions enabling greater insights around skills as they pertain to jobs.

Indeed, better careers advice means using technology to help young people navigate an the labour market. [Adzuna's report](#) argues that a Jobs and Careers Service with AI-powered job-matching, analytics and career guidance at its core could move around 249,000 additional people into work each year by the next election. The technology already exists and is being used by millions of jobseekers and thousands of employers in the private sector, where AI tools support matching, provide 24/7 career guidance on mobile, and help identify those at risk of long-term inactivity so they can be connected to training and support. For young people, especially those who are NEET and lack networks or confidence, integrating these tools into public employment and careers services could help more young people into good work, supported by both technology and better-equipped job coaches.

There is already evidence in industry of how AI can help draw better connections between skills and jobs. [Workday's Skills Cloud](#), for example, uses AI to uncover connections between different skills, goals and development opportunities to enable managers to offer career guidance to employees. Employees, at the same time, are connected to opportunities, mentoring and learning to take ownership of their development. And recruiters are able to use AI-driven job recommendations to build diverse teams, using the technology to match candidate skills with roles and projects.

Job descriptions also need to be rewritten for young people, with less jargon, clear skills requirements and examples of a diversity of entry-routes, so they can see themselves in roles. It is welcome that employers are increasingly looking to skills-based hiring – that is, they are increasingly prioritising skills and aptitude over experience or even some qualifications – and this is a positive move in diversifying hiring and attracting bright young talent from broader pools. This shift could surely benefit from developments around Skills Passports too.

Being clear about a skills-focused approach when advertising jobs and thinking about innovative ways to assess candidates beyond just experience can help better spot potential, especially those with non-linear or atypical CVs. Indeed, some organisations are even adopting CV-less hiring processes, to enable skills-based hiring, manage application volumes and respond to the growing use of AI by applicants. Both the public and private sector should consider taking such an approach.

For disabled young people, job descriptions and adverts can be a particular barrier. Generic inclusion straplines are unlikely to build trust if they are accompanied by phrases like “fast-paced environment” or “must juggle multiple competing deadlines”, which many disabled and neurodivergent candidates read as red flags for stress, inflexibility and presenteeism. Avoiding ableist language, stating clearly that adjustments and flexible or hybrid working are standard and easy to request, and offering concrete examples of accessible processes and platforms are all ways in which employers can encourage more diverse applications.

In terms of advertising and promoting jobs, employers can take steps to actively reach young people where they are. Using specific youth-focused jobs boards, partnering with local Youth Hubs, school and college services, and offering work experience can enable

businesses to better engage young people, and these should be facilitated, supported and incentivised through any initiatives seeking to support youth employment.

- Championing different pathways into jobs

Different pathways into jobs need to be made real, accessible and attractive for young people. Building on the points we have made in the previous section, there is more to be said for the role of work experience, apprenticeships and other entry routes.

Work experience is particularly powerful: Careers & Enterprise Company (CEC) research finds that four or more employer encounters make a young person 86% less likely to be NEET, while three or more boost full-time job success. Government is committed to a two-week work experience entitlement for all school leavers, and work experience is one of the key pathways underpinning the Youth Guarantee. Delivery needs to focus on aspects including:

- *Progressive encounters*: sequenced experiences – from workplace visits to workshops to structured placements – that embed preparation, reflections and follow-up build genuine career knowledge and confidence over time.
  - The [CEC's Equalex](#) model of work experience focuses on progressively building up work experience, rather than concentrating work experience in a block
- *Engagement opportunities*: work experience is most impactful when young people are given the chance to actively contribute.
- *Placement support*: mentors and internal support systems are key to helping young people make the most out of their experience.
- *Clear outcomes*: work experience is most valuable when it results in something substantive, such as developing skills, building networks or offering a progression route into employment.
- *SME support*: targeting support at SMEs is essential as they provide 80% of jobs but can face barriers to engagement.
- *Equity for SEND/disadvantaged young people*: disadvantaged young people are more likely to be NEET, or at risk, meaning tailored support and flexibility will be important.

The benefits of work experience and vocational exposure are especially strong from a younger age and we welcome government intent to embed work experience from an early age. Previous initiatives such as DfE's Increased Flexibility – created to provide enhanced vocational and work-related learning opportunities for 14-16 year olds – are examples of how this exposure can support engagement and progression. Research on the scheme [by the NFER](#) found that “involvement... was said to have contributed to positive developments in students' maturity, self-esteem, self-confidence, independence, attendance, preparedness for the future and career aspirations”.

The [IFOW and the EY Foundation's work](#) underlining the importance of intrinsic motivation, which relates to key human skills such as learning, engagement, communication and initiative, is relevant. Their work finds that intrinsic motivation is often lacking around school or work, and especially so for young people with a lack of clarity on future careers, as well as those from socioeconomically disadvantaged backgrounds. Notably, their findings suggest that having a “clear ambition towards a specific job as a young person tends to be linked to a

stronger articulation of motivation in relation to work". Internalised motivation is important too, especially for work. Effective work experience focused on good quality work, with built-in support that fosters young people's confidence and considers their wellbeing, can certainly help in boosting motivation.

However, there are challenges in delivering ambitions on work experience. Any universal work experience entitlement will need to be supported by solutions to provide equitable access to opportunities, such as a tool or platform that can help learners navigate and identify opportunities. The number and type of opportunities for work experience available to learners will vary considerably depending on their location, meaning some supporting infrastructure is needed to enable learners wherever they are to capitalise on offerings. Virtual work experiences are important in this sense, as they can be accessed from anywhere, and often completed flexibly – broadening access. Further consideration will need to be given to ensuring quality of provision and that all schools and colleges are equipped to deliver.

NCC Group's one-week work placement in their Technical Assurance business unit provides students with a laptop to access relevant software and to access their training network and labs. The laptops include challenges and topics to work through, complemented by a morning session, support throughout the day, and an afternoon review. Topics covered include: OSINT, infrastructure and network security, web application security, and physical security including social engineering.

One student noted: *"(I) have had an amazing time doing the work placement this week. I really enjoyed the office, and I had a great time working with the members of the NCC Group team - they were true professionals. I learned so much about cybersecurity, and I want to learn more still."*

And an NCC Group colleague reflecting on hosting a group of students said: *"Overall, the students left a lasting positive impression. Their outstanding presentation skills, and exceptional performance on tasks highlighted their dedication and commitment to learning. Their intelligence and quick learning abilities, coupled with their strong work ethic, indicate a promising future in the domain. Their contributions significantly enriched the work experience program."*

Through their partnership with Uptree, they have also hosted Work Experience Days which boosted the number of young people who said they'd consider applying to Early Careers opportunities at NCC Group by 66 percentage points, with 76% of young people saying the event was very or extremely useful in improving their confidence talking with professionals.

Siemens offer [virtual work experience](#) for young people. The work experience can be completed on-demand, in learner's own time, enabling greater access for those facing specific barriers. The programme includes up to 10 hours of learning, and provides students with a completion certificate at the end.

Through the programme, students explore real-world projects and are able to develop industry-specific and transferable skills through hands-on tasks. They also hear from and engage with professionals at Siemens, and gain an understanding of the breadth of career opportunities at Siemens – as well as the early-career pathways into those roles.

Jamie, a Year 13 student, said of the programme: *“Thank you so much for the experience, I have really gained so many useful skills I didn’t think I would gain and it was able to teach me so much about working in this industry and I’m much more confident in what I want to do in the future.”*

Apprenticeships remain a key pathway for young people into skilled work, but entry points have narrowed. Level 2 and 3 apprenticeship starts have declined by over 70% since 2016 – from around 260,000 to under 80,000 by 2024 – with Level 2 starts now at their lowest in years and under-19 participation faltering. Recent reforms offer a chance to address this. The government’s investment will deliver 50,000 additional apprenticeships for young people, fully fund training for under-25s at SMEs and introduce Foundation Apprenticeships, but further action must be taken to help tackle challenges around apprenticeships and young people.

To encourage employer uptake and support for Foundation Apprenticeships, thought must be given to business support, particularly concerning wages. Considering the apprentice wage for a young person at a foundation level and a higher-level apprentice would be the same, when there is a marked difference in skill level, potential impact and required level of support, funding for salary costs should be able to be supported through mechanisms such as the Growth and Skills Levy.

We have already discussed how modular approaches to education and learning can reduce barriers to participation for different groups, such as those with disabilities or health conditions, and the impacts of rising costs of hiring. Equally important will be steps to address difficulties around recruitment and retention in further education. Employers – especially smaller ones – also need the right guidance in place that communicates the value of hiring young apprentices.

Alongside work experience and apprenticeships, stepping-stone routes like traineeships, SWAPs and supported internships are valuable for young people furthest from the labour market.

- Joining up wellbeing, skills and jobs initiatives

Ensuring that initiatives related to wellbeing, skills and jobs, including those as part of the Youth Guarantee, are easy to understand and navigate – and joined-up with regional-local delivery – will be imperative. Considering the make-up of the NEET group, support must be available regardless of how any young person seeks to find it, with no wrong way to engage. A campaign that communicates clearly the breadth of opportunity that is available to young people can help drive uptake, while a similar campaign targeting employers around value and support can encourage more to hire young people and support initiatives.

Mayoral Combined Authorities are often best placed to respond to particular challenges in local labour markets, and the complex barriers young people face. West Yorkshire CA and Greater Manchester’s trailblazers demonstrate potential, but data sharing – between local authorities, schools, colleges, providers and national government – is key for understanding learnings, ensuring national-regional-local alignment and evidence-based good practice. The

mayor of Greater Manchester [has noted](#) there have been 'ongoing challenges' around data sharing with 'cultural barriers' preventing full data exchange.

Supporting local areas with responsibilities across education, employment and health can enable integrated and holistic responses to the NEETs challenge. Addressing the myriad barriers contributing to a young person's NEET status, including mental health challenges and wellbeing, as well as aspects pertaining to housing or transport, are of equal importance to ensuring they are ready for work. [Research by the University of Bath](#) found that both supporting emotional wellbeing and general welfare, and generating a sense of feeling cared for, understood and supported, were both key foundational mechanisms to tackle early school leaving and NEET risk.

Integrated solutions, locally delivered, need long-term and flexible funding settlements to facilitate them. In areas where devolution is less advanced, and/or authorities have less responsibilities or powers across these different policy areas, there will also need to be mechanisms that can enable the joined-up regional-local solutions that are required.

This long-term approach will be critical, and support for jobs and employment for young people must entail not just mechanisms that enable them to get into work, but also those that help them stay there including in-work support and opportunities for progression. The Youth Guarantee and its component parts must therefore align with existing pathways and wider plans for jobs. This should mean some interfacing with sector-specific job plans which target identified growth sectors, as well as local growth plans and skills improvement plans.

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