

Reed in Partnership  
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# A three-lane superhighway into work:

Practical measures to  
reduce NEET rates now  
and in the future

February 2026

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# Summary



**The fact that almost one in eight young people aged 16–24 are not in education, employment or training (NEET) represents an unacceptable level of wasted time, talent, potential and fulfilment for young people, their families, communities and the economy. In launching his investigation into the causes of record unemployment and inactivity amongst young people, Alan Milburn rightly calls it a national outrage: both a social injustice and an economic catastrophe.**

On taking office in September 2025 Secretary of State for Work and Pensions Pat McFadden immediately recognised the importance of addressing this major societal issue<sup>1</sup>:

"I want to begin with young people and ask ourselves some tough questions about the growth in the number of NEETs – the idea that somebody could leave education and not have a training course or a job to go to. That number of people is growing, I think that to me is an early concern.

"Because the truth is, if you don't get somebody on the right path or a productive path at that age, it can be very difficult to change the course later on. So I want that to be an early area of priority for me."

The Secretary of State has further described this situation as "also a lost opportunity for the country – lost energy, commitment and contribution."<sup>2</sup>

Given the scale of the challenge, the Secretary of State asked the former Health Secretary Alan Milburn to conduct an investigation into the causes of record unemployment and inactivity among 16–24 year olds. Mr Milburn has recently spoken of the "long-term scarring effect" of being NEET:

"If you're not working in your twenties you're probably not going to be working in your thirties, your forties, your fifties, and that exacts huge consequences. I think a lot of the debate around this has been framed in the wrong way as a fiscal problem.

"It is a fiscal problem, but it's a moral problem, it's a social problem, it's an economic problem. We've got to measure this not just in dry statistics, but in lost lives."<sup>3</sup>

The findings of the Milburn review, expected later this year, will be an important moment in the fightback against rising youth unemployment.

It has been a very tough few years for many young people. The Government's new National Youth Strategy powerfully sets out the real world situation they face today:

"This is the most connected and isolated generation in history. Young people have been amongst the greatest casualties of a decade of neglect and austerity followed by a global pandemic. As a nation, we have failed to invest in places for them to go and people who care for them. Too many young people have retreated into their bedrooms where the online world presents serious challenges to their safety and wellbeing. They care deeply about the future and place a high premium on education, but too many are held back by poor housing, poverty and a crippling anxiety about the future."<sup>4</sup>

1 "Starmer's new welfare chief vows to get young off benefits", Daily Telegraph, September 2025

2 "The scandal of a million young people not in education, employment or training must end", Daily Express, December 2025

3 "Alan Milburn: We blame the young, but we're not investing in them", The Times, January 2026.

4 Department for Culture, Media and Sport, Youth Matters: Your National Youth Strategy, December 2025

# One in eight young people aged 16-24 are not in education, employment or training (NEET)

This paper starts from the premise that the challenge is the absence of a fully connected system to support young people's transition into adult life. One way of framing this is through the concept of a three-lane superhighway, encompassing direct entry to employment, progression through apprenticeships and progression through university. In a well-functioning system, each of these routes should offer a clear, credible and supported pathway into secure, sustained work, with nobody left behind.

In practice, these lanes are not equally developed. The university route is the most established and visible, supported by long-standing institutional structures and clear progression expectations. By contrast, the apprenticeship and employment routes are more fractured, less consistently supported and harder to navigate. It is in these latter two lanes that the risk of disengagement is greatest, most of all for young people facing the greatest disadvantages.

Our goal is therefore to help build a fully connected three-lane superhighway for young people's journeys, where all routes are visible, valued and well supported. While acknowledging the strengths of the university pathway, this paper focuses on improving outcomes from the apprenticeship and employment lanes, where the system is currently weakest and where the opportunity for improvement is greatest.

The Government's new Youth Guarantee represents a major and welcome shift in national policy. Alongside wider reforms across post-16 education, skills, support for special educational needs and child poverty, it signals a renewed commitment to ensuring that young people do not fall out of learning or work. However, given the scale of the challenge and the pace at which disengagement is rising, the success of the Youth Guarantee will depend on how effectively it is embedded within a wider, more coherent system.

## A three-lane superhighway into work, with nobody left behind



O1.

Employment

O2.

Apprenticeship

O3.

University

**This paper sets out practical proposals to support that ambition and ensure that young people are able to engage, progress and sustain their place in the labour market. The common theme is that these interventions are deliverable, either quickly (within months) or in the near term. They**

**are as follows:**

**01. Prevent young people from becoming NEET**

- a. Strengthen the impact of careers education by extending the reach and role of Careers Hubs.
- b. Provide a single online front door for young people to access support, guidance and labour market information.
- c. Improve and join up NEET data to enable earlier intervention, better targeting and system accountability.

**02. Support young people to stay on track**

- d. Activate community NEET outreach through locally embedded engagement teams.
- e. Introduce a rapid response employment support intervention for short-term unemployed and economically inactive

young people.

**03. Strengthen the employment route**

- f. Build on the youth trailblazer scheme and Restart Scheme by scaling up a flagship mainstream employment support offer for young people.
- g. Strengthen employer capability and responsibility to support young people, particularly around health and neurodivergence.

**04. Strengthen the apprenticeship route**

- h. Remove barriers to gold standard apprenticeships, particularly for SMEs.

**05. Strengthen the university route**

- i. Raise the quality of careers and employment support in higher education.



# Introduction: A national emergency of wasted potential

The pandemic, swiftly followed by a cost-of-living crisis, came after a decade which saw spending on youth services cut by 73%, geographical inequalities in educational outcomes grow and mental health and neurodivergence support needs increase, leading to a dramatic rise in the number of economically inactive young people. Now unemployment is on the rise, making it harder for young people to get a foot on the career ladder, in “a jobs downturn highly concentrated among the young.”<sup>5</sup>

This is a national emergency of wasted potential. It is the consequence of a longstanding “broken ladder” between education and the labour market for young people not choosing university, despite progress towards parity of technical and academic education in recent years. While young people entering higher education generally follow a clear pathway with deep historical roots (as a recent report from the Centre for Social Justice outlines<sup>6</sup>), those choosing a vocational training or employment course face multiple barriers along the way, both systemic and practical, too often compounded by disadvantages such as ill health and poverty, highly influenced by where they live<sup>7</sup>.

Despite high economic demand for the skills that apprenticeships and high-quality vocational training can support, the number of young people successfully starting the apprenticeship route is only a fraction of the 51% of young people who do not attend university<sup>8</sup>. One recent study<sup>9</sup> found that only 5% of

young people started an apprenticeship in the two-year period after taking their GCSEs, and for every young person who obtained one, three tried to get one and failed. Without greater support for small employers to recruit young apprentices, this route will remain fragmented and narrow at its point of entry.

A second key theme is the high levels of recently diagnosed ill health and disability driving increased NEET rates, as well as the rising identification and incidence of neurodivergent conditions amongst young people. This means that the manner in which services and systems engage with young people will be key for outcomes. In particular, it means that engaging, personalised, very relational support, with effective “no wrong door” signposting, close working with health services and crucially – in-work support – will need to be a strong theme of the Government’s Youth Guarantee. It also means that employers have a supportive role to play in providing inclusive and flexible opportunities for young people and that they fully understand the benefits that a neurodiverse

5 Resolution Foundation, [Labour Market Outlook, Q4 2025](#)

6 Centre for Social Justice, [Rewiring Education: The state of technical education in England, December 2025](#)

7 Impetus, [Youth Jobs Gap: Exploring compound disadvantage, May 2025.](#)

8 House of Commons Library, [Higher Education Student Numbers, January 2026](#). The latest cohort-based Higher Education Participation measure found that 49% of people aged 15 in 2012/13 had started higher education by the age of 25.

9 Young Lives, Young Futures, [Precarious transitions: A summary report of key findings from the Young Lives, Young Futures study, November 2025](#)

workforce can bring.

While the greatest proportion of NEET young people are economically inactive, unemployment is the biggest reason that young people give for currently being NEET. The Government's announcement of a new Youth Guarantee – backed by major investment and the creation of 350,000 work and training opportunities – represents a significant shift in national policy on youth participation. Alongside this, the proposals in the Post-16 Education and Skills White Paper, the Child Poverty Strategy and the first Youth Strategy for 15 years represent an overdue prioritisation of young people's futures in evidence-based policy.

But given the scale of youth inactivity and the pace at which disengagement is rising, with the number of NEET young people likely to breach the one million mark in 2026, more urgent measures are required to ensure that the Youth Guarantee succeeds in supporting young people to engage, progress and sustain their place in the labour market. This is why this paper calls for a step up in employment support for young people, through NEET outreach, rapid response and national provision designed with young people at its heart.

More fundamentally, these challenges point to a deeper structural issue in how young people move from education into adult life. One way of approaching this is through the concept of a three-lane superhighway: direct entry to employment, progression through apprenticeships or vocational training and progression through university. In a well-functioning system, each of these lanes should offer a clear, credible and supported route into sustained work, with young people able to move between lanes where appropriate without falling out of the system

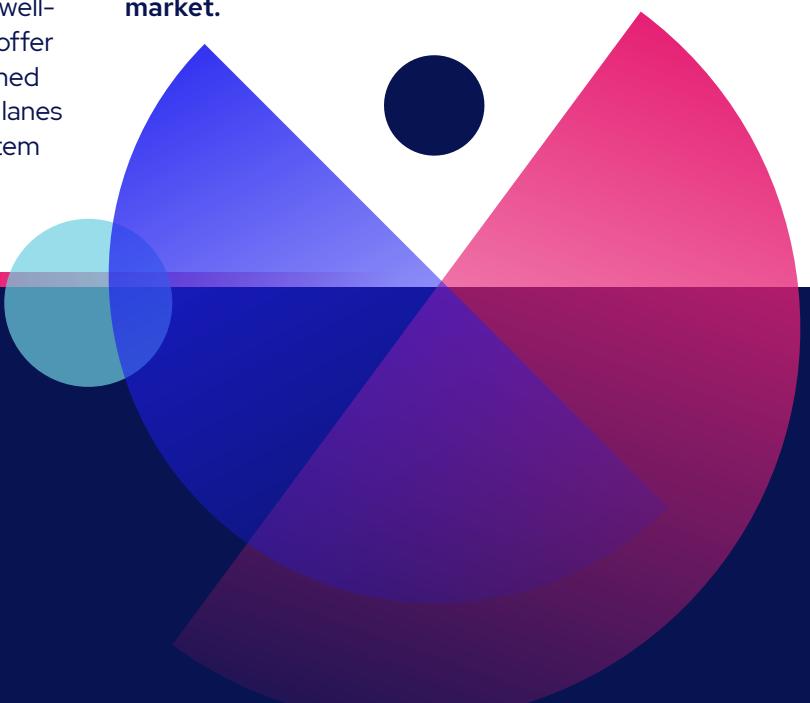
altogether.

In practice, however, these lanes are not equally developed. The university route is the most established and visible, underpinned by long-standing institutional structures and clear progression expectations, although the numbers of young people with a degree who find themselves NEET are not insignificant. By contrast, the apprenticeship and employment routes are less consistently supported and more dependent on local capacity and employer engagement. It is in these latter lanes that the broken ladder is most apparent, and where the risk of disengagement and NEET status is greatest.

This imbalance helps to explain why rising investment and reform alone will not be sufficient. While the Youth Guarantee provides a vital foundation, its success will depend on the strength and coherence of the wider system around it. Without a clearer superhighway, stronger employer participation and more responsive, joined-up support, too many young people will continue to fall out of learning or work at the point where early intervention matters most.



**This paper therefore focuses on how the non-university lanes of the superhighway can be aligned and better connected. It looks at each route, establishes why risk concentrates outside higher education, and sets out what practical, deliverable measures could help ensure that the Youth Guarantee succeeds in supporting young people to engage, progress and sustain their place in the labour market.**

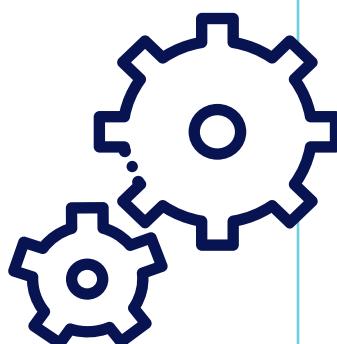


# Ol. Prevent young people from becoming NEET

## a. Strengthen careers education and guidance

When the Children's Commissioner surveyed half a million 9 to 17-year-olds in 2021<sup>10</sup>, their top priority for the future was having a good job or career when they grow up. Yet a recent survey of school leaders by the Children's Commissioner<sup>11</sup> on their top concerns found that "careers and support for post-16" was only cited as a top concern by 2.2% of secondary school leaders and 0.2% of primary school leaders.

School leaders' higher levels of concern around issues such as support for young people with special educational needs and disabilities (SEND), attendance and attainment are understandable. These are also issues, particularly school attendance and the "protective" effect of achieving qualifications<sup>12</sup> - that are most closely related to NEET prevention. However, making high-quality careers education a top priority in schools is not only critical to young people's transitions, but can help a school tackle these challenges at the same time in a way that can benefit the most disadvantaged pupils the most.



### The reasons why high-quality careers provision is so central to preventing young people becoming NEET include:

- Strong evidence that high-quality careers provision lowers NEET rates once young people leave school. The Careers and Enterprise Company recently demonstrated that the highest-quality provision reduces the likelihood of a young person being NEET by 8% post-16 and post-18, compared with a school with little or no provision, reaching up to 20% for the most disadvantaged schools.
- Greater impact of high-quality careers education for young people most at risk of NEET. For example, the Careers and Enterprise Company's Effective Transition Fund<sup>13</sup> project, targeting young people in receipt of Free School Meals, demonstrated how effective careers education can narrow the gap between disadvantaged young people and their peers.
- Positive association between career provision and students' career readiness, with this positive benefit more than compensating for the average disadvantage associated with being in receipt of free school meals<sup>14</sup>.

10 Children's Commissioner, [The Big Ask - The Big Answer](#), 2021

11 Children's Commissioner, [The Children's Plan](#), September 2025

12 Impetus, [Youth Jobs Gap: Exploring Compound Disadvantage](#), May 2025

13 Careers and Enterprise Company, [Effective Transitions Fund](#), July 2024

14 Careers and Enterprise Company, [Careers Education and Careers Readiness](#), 2024

Careers education in schools is coordinated and supported by the national but devolved network of Careers Hubs, whose reach now covers 93% of secondary schools. They have demonstrated year-on-year improvements in Gatsby Benchmark achievement and strong links between high-quality careers education and reduced NEET risk. They are leading the way in developing careers guidance tailored for neurodivergent learners and those with complex needs. The deployment of a digital Risk of NEET Indicator (RONI) tool across the Careers and Enterprise Company's schools network will further drive their NEET reduction interventions<sup>15</sup>.

But in many ways, Careers Hubs are under-exploited as a powerful convenor of schools, FE/HE, trainers, apprenticeship providers, employers and local policy makers. The introduction of the Government's new Work Experience Guarantee would be complemented and supported by an expansion to the reach and scope of the well-established, devolved Careers Hubs system in England.

15 The Career and Enterprise Company's [Tackling NEET resources](#) can be found on their website.

16 Careers and Enterprise Company, [The Promise of Primary: Insights on the impact of career-related learning in primary schools from The Careers & Enterprise Company's Start Small; Dream Big pilot](#), 2025

## An enhanced hub network could:

- Expand support for primary schools, complementing the introduction of the new Modern Work Experience guarantee from year 7. An initial primary school pilot has already shown great promise, with 93% of schools committed to continuing career-related learning beyond the project.<sup>16</sup>
- Work both with home-schooled children and those who are missing from education, whose number is rising – through community outreach work in partnership with local authorities and schools.
- Link the Careers Hubs formally with the expanding Youth Hubs network, to support young people's transition pathways and coordinate support around those most at risk.
- Expand support for employers: while the Careers Hubs offer all employers support and training in working effectively with young people, expansion could boost both the reach and sustainability of school/employer relationships. Employers are often nervous of engaging with alternative provision schools, for example, or in supporting young people with SEND.

The impact of careers education and guidance at school age on NEET rates is most strongly evidenced when provision is of high quality and at the heart of a school's teaching and wider strategies.

## Government can support schools to do this by:

- Ensuring that every single secondary school and college has a dedicated, fully-trained careers lead, particularly given the importance of careers leadership in the new Ofsted framework. Currently, many perform this role on top of other responsibilities or without having benefited from training.
- Implementing the unique pupil identifier in the Children's Wellbeing and Schools Bill, so that schools can get the full picture of a young person's circumstances and needs from the health, social care or criminal justice system, for example, and therefore be in a better-informed position to put in place the most effective NEET interventions for their students.
- Examining the support local authorities and schools will need with implementation of the much-needed strengthened requirements around post-16 destinations set out in the Post-16 Education and Skills White Paper. Without additional support, there is a high risk that the automatic allocation of a place at a local college or FE provider for young people without a destination will be a promise on paper only.



## b. Provide a single, accessible front door for young people

Given the existence of thousands of young people's support, careers, advice and other services and information points, it is surprising that there is no one single, national website designed specifically for young people that brings together both a front door for accessing support and the kind of accessible, labour market information that can help young people think about what career they might choose. While young people do not value face-to-face support any less than older peers<sup>17</sup>, they are more likely to look for quick information online. While the actual support and choices are local, single focus Government websites have proved successful on topics such as cost-of-living support or childcare in translating complex systems into personal choices.

### Such a website could:

- Act as a gateway to support and advice, signposting clear contact points and other support information (e.g. mental health and safety).
- Raise awareness of the Youth Guarantee amongst young people.
- Be designed specifically around young people's most likely journeys and key transition points.
- Provide visually clear and engaging explanations of different pathways and choices.
- Provide a gateway into labour market information on different occupations and sectors.
- Be used as a common tool for organisations to share the same, simple, reliable information – especially with young people not in contact with services, as well as parents and carers.

<sup>17</sup> A series of focus groups carried out with 200 "Gen Z" Restart Scheme participants by Reed in Partnership in 2025 found a clear preference for face-to-face appointments over remote.



## c. Improve NEET data and cross-system coordination



The NEET challenge is one that can only be addressed system wide through partnership working between government, schools, employers and the UK's ecosystem of employment and youth support organisations. However, tackling such a complex, critical national mission together needs better data to underpin it. Skills England has demonstrated that creating a clear story of the challenges and solutions needs an effective, data-driven exposition of the

challenge to drive consensus and action on the skills pipeline. The same approach is needed with the NEET challenge – but the lack of a “mission” type policy focus and the quality of official data is holding this back.

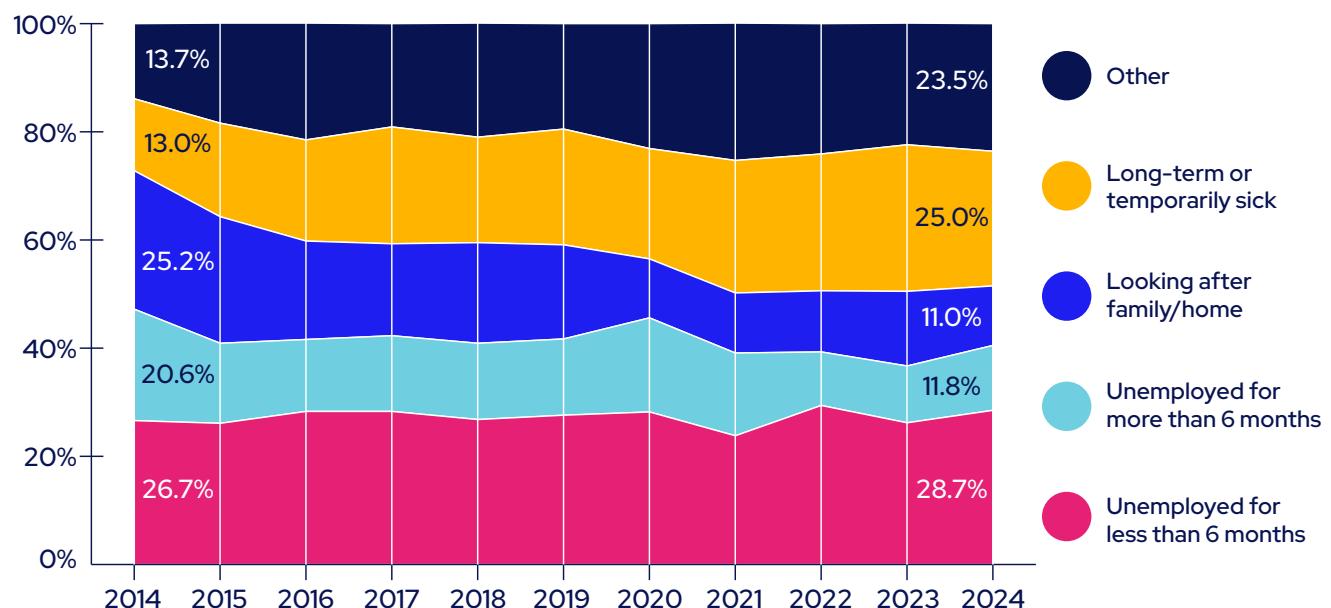
18 [Labour Markets Evaluation and Pilots \(LMEP\) Fund: funded projects - GOV.UK](#)

### Improvements could include:

- A national NEET reduction target with regular progress reporting.
- Returning to a quarterly bulletin (rather than annual) that includes labour market status in line with the ONS's publication of the total NEET figures, as was the case until 2018.
- Addressing the fact that almost one in four (23.5%) are NEET for “other” reasons (see chart below), by requesting that the Office for National Statistics investigate what these reasons are.
- Address gaps in the official data around young people from certain ethnic backgrounds highlighted by the Learning and Work Institute, which can result in their “systematic erasure” from the data that drives policy.
- Harness the power of data linkage across Government by prioritising NEET prevention and reduction in cross-Government data sharing improvements (such as projects funded by the Labour Markets Evaluation and Pilots Fund<sup>18</sup>).

### What reasons do young people give for being NEET and how has this changed?

Source: Office for National Statistics, NEET aged 16 to 24 2024 annual release, March 2025.



# O2. Support young people to stay on track

## d. Activate community NEET outreach through locally embedded engagement teams

A growing proportion of school leavers are neither connected to formal services nor in a position to yet benefit from structured training or work experience. This early disengagement cohort is characterised by low confidence, limited recent experience and sporadic interaction with education or employment. Without immediate and early support, many are at risk of transitioning into long-term inactivity, which is significantly harder to reverse and more costly for public services. This may include many people amongst the four in 10 (44%) not claiming any unemployment benefits.

While Youth Hubs are a promising model for community outreach with this cohort and their expansion is very welcome, it will be challenging to assess their impact on NEET rates given the wide variation in models locally. One way of enhancing their impact and expansion could be to deploy NEET engagement and prevention teams locally, similar to the many specialist, targeted NEET services that were funded by the European Social Fund<sup>19</sup>. These types of services are now largely absent from local support, while the emerging model for the Growth Fund which to some extent replaces the ESF's successor, the UK Shared Prosperity Fund, looks unlikely to be funding such support.



### NEET community teams could:

- Offer support to any young person, led by their aspirations and preferences.
- Provide entirely community-based, co-located and proactive "trusted adult" support for young people to help them make a positive step.
- Link young people up with the services or support (e.g. safeguarding or health) that they need.
- Support integration and join up between local authorities, schools, youth workers, further education and employers, linking up with both Careers Hubs, Youth Hubs, the voluntary sector and statutory services.



<sup>19</sup> ERSA, Designing Better Futures: Lessons from Forty Years of Youth Employment Interventions in England, 2025

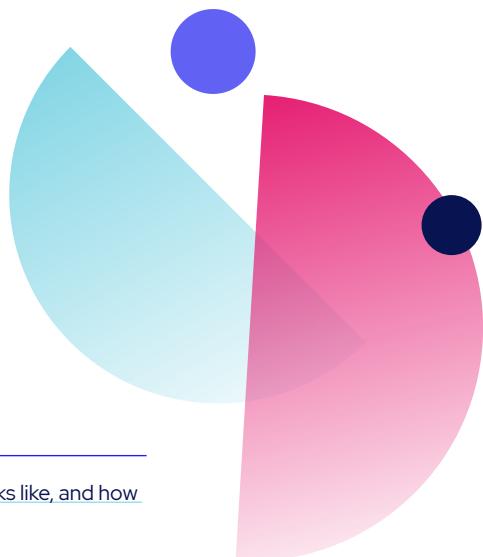
## e. Introduce a rapid response employment support offer for young people

Around two-thirds (63%) of unemployed young people are unemployed for fewer than six months, and their numbers are growing. While the Department for Work and Pensions (DWP) Restart Scheme supports a growing cohort of young people unemployed for longer than six months and the forthcoming Jobs Guarantee is an important follow-on backstop, there is a wealth of evidence on the potentially life-long scarring effects of any time spent unemployed while young. As the Resolution Foundation points out, young people are more likely to escape being NEET via employment than study: more than three-quarters (78%) who do so move into work.<sup>20</sup>

The DWP Job Entry Targeted Support (JETS) scheme introduced in 2020 offered nationwide coverage to help people newly out of work re-enter employment quickly, using a short, structured and non-stigmatising support model, with business-like branding, which proved particularly accessible to younger participants. The evaluation<sup>21</sup> of the JETS scheme concluded that: "The type of employment support offered by JETS is particularly beneficial among young claimants." The fast-paced engagement, alongside non-clinical but highly popular wellbeing support<sup>22</sup>, made the remote service accessible and easy for young people to engage with, resulting in significantly higher employment levels over two years following referral for the 18-24-year-old age group than other groups<sup>23</sup>. JETS also showed that such provision can be mobilised rapidly and at scale. Such a scheme could focus on short-term unemployed people but also take referrals of economically inactive young people from community organisations.

### A youth-specific JETS-style model would:

- Provide swift, early employment support, with a focus on confidence, skills, wellbeing and prioritising contact with employers.
- Offer one-to-one and group wellbeing support and signposting to health services.
- Deliver short, structured interventions that re-engage young people, build momentum and address skills gaps.
- Use existing national infrastructure and current employment support services such as the Restart Scheme to mobilise quickly.
- Take quick action to reduce the risk of long-term unemployment or inactivity by intervening before barriers become entrenched.



20 Resolution Foundation, [False Starts: What the UK's growing NEETs problem really looks like, and how to fix it](#), October 2025.

21 DWP, JETS (Job Entry Targeted Support) Impact Evaluation, February 2025.

22 For example, on Reed in Partnership's JETS provision in the North East of England, almost one in three (33.2%) participants accessed one-to-one wellbeing sessions while more than half (50.7%) took part in group sessions.

23 The DWP's evaluation found that the two-year effect of the programme was 9.4 percentage points in additional payrolled employment for participants aged 18 to 24 compared to 7.2pp for those aged 25 to 49 and 5.6pp for those aged 50 or older.

# O3. Strengthen the employment route

## f. Build on the Youth Guarantee Trailblazers and Restart Scheme by scaling up a flagship, mainstream employment support offer for young people

The Youth Guarantee Gateway will offer young people in receipt of unemployment benefits a dedicated Work Coach session, four weeks of additional intensive Work Coach support and support to take up varied opportunities, including an expanded number of Sector-based Work Academy opportunities. However, most young people who have been unemployed for more than six months are likely to need more personalised support than this, backed up with in-work support to sustain in work. Many young people lack recent work experience, professional networks or familiarity with employer expectations. As a result short periods of structured training may not be sufficient to secure lasting employment. Employers, meanwhile, need early-career workers who can contribute quickly and who are likely to remain in post. Currently, young people are more likely than their older peers to successfully start work, but more likely to leave without sustained support.

The experience of the Kickstart scheme also offers important lessons for how rapid, employer-led opportunities can be mobilised at scale for young people. Introduced at pace during the pandemic, Kickstart created hundreds of thousands of paid job placements for young people at risk of long-term unemployment, and demonstrated that with the right incentives, clear national signalling and light-touch administration, employers can be engaged quickly to create early-career roles. While the scheme was not without operational challenges, its core principles –

paid work experience, strong employer demand and a clear focus on young people who would otherwise struggle to secure a foothold in the labour market – remain highly relevant. A modern application of these principles, aligned to the Youth Guarantee and integrated with sustained employment support and progression routes into apprenticeships or skilled work, could play a valuable role in strengthening the employment lane of the three-lane superhighway and preventing short-term unemployment from becoming long-term disengagement.



Next year, the only nationally-commissioned employment support programme, the DWP's Restart Scheme, is set to close to new referrals, while the Government's Youth Trailblazers, which have been piloting locally tailored support to young people in eight different areas, will come to an end. An extended and expanded Restart Scheme presents an opportunity to use existing scale<sup>24</sup> and structures of the programme to build in learning from the trailblazers and create a blueprint for the best possible future support for young people. Using learning from the Restart Scheme, the Youth Guarantee Trailblazers and previous youth programmes, a new service would provide a strong underpinning for the Youth Guarantee itself, particularly in supporting young people unemployed between six and 18 months, collaborating closely with Jobcentre Plus Work Coaches.

## Whether this is a standalone service for young people or tailored youth provision within a service supporting all ages, a flagship youth employment support service could:

- Engage young people in its design.
- Build in the support elements that the evidence shows are most effective for young people, with stepped up in-work support, simple referral and eligibility routes, a choice of engagement channels and comprehensive wellbeing, resilience and mental health support.
- Target sectors with high vacancies and long-term workforce needs, aligning directly with opportunities being created through the Youth Guarantee.
- Provide paid, structured work experience with built-in employability and skills support.
- Mobilise established employer networks and provider infrastructure.
- Embed clear progression routes into apprenticeships, sector-based training or sustained employment.
- Widen access through proactive outreach to young people least likely to succeed through traditional jobsearch.

24 The latest Restart Scheme statistics show that the scheme has supported 167,000 young people as at October 2025.



## g. Strengthen employer responsibility and capability to support young people

Employer engagement, built on shared responsibility and collaboration, will be central to the success of the Youth Guarantee. Yet a significant readiness gap persists: only one in four employers recruiting young people consider them to be work-ready, and 35% report a lack of essential employability skills among applicants. Alongside this, three in five employers report persistent hard-to-fill vacancies, particularly in roles suited to young entrants.

Recent analysis, including the Keep Britain Working Review, highlights that employers are positioned to play a much greater role in helping young people succeed in the labour market. The review found that early workplace support, clear expectations and structured progression routes significantly increase retention and reduce the likelihood of young workers cycling repeatedly between short-term jobs and inactivity. It also emphasised that employers benefit directly when they invest in young people, particularly in sectors facing sustained recruitment pressures.

Employers face mounting pressures linked to skills gaps, demographic change and sectoral churn, while young people face challenges navigating the transition into early work. Without clearer employer commitments, many opportunities created under the Youth Guarantee risk becoming short-term or disconnected from longer-term workforce needs. Strong employer participation, supported through structured mentoring, onboarding and progression pathways, can significantly improve retention, reduce recruitment costs and ensure that the Youth Guarantee delivers genuine labour-market outcomes rather than isolated placements.

Most employers want to give young people a chance, but many feel under-confident in their ability to support a young person with additional needs. Now is the time to launch a voluntary employer scheme and campaign, that employers could sign up to for support and advice, coordinated and backed by government, to galvanise employers to hire young people and enable them to learn and develop as employees.

### A voluntary employer scheme would support and encourage employers to:

- Proactively recruit and support neurodivergent young people and those with health conditions.
- Provide mentoring, buddy systems and regular check-ins to support retention.
- Partner with local employability and skills providers, Careers Hubs and Jobcentre Plus.
- Create progression routes from short-term opportunities into longer-term roles or apprenticeships.
- Commit to established standards such as Youth Employment UK's Good Youth Employment Standards.



# O4. Strengthen the apprenticeship route

## h. Remove barriers to high-quality apprenticeships

The long-term decline in youth access to apprenticeships is now constraining workforce development. Under-19 apprenticeship starts have fallen sharply in recent years, with analysis showing a 41% decline in starts for those under 19 between 2015/16 and 2022/23. At the same time, employer demand for new skilled entrants continues to grow: official data indicates that a substantial share of vacancies are classified as skill-shortage vacancies, particularly in sectors such as construction and engineering, and workforce planning for the transition to a net-zero economy suggests large additional labour requirements. Across clean energy and related low-carbon sectors, projections suggest that hundreds of thousands of new jobs are likely to be created by 2030, underscoring the importance of expanding and strengthening youth apprenticeship and training pipelines to meet future demand.

If apprenticeships are to operate as a genuinely equal lane alongside university, participation will need to increase significantly over time. A system in which around one in three young people undertake an apprenticeship at some point between the ages of 16 and 24 would represent a step change in how work-based routes are valued, accessed and supported.

**This is not about diverting young people away from higher education, but about ensuring that apprenticeships are available at sufficient scale and presented as a mainstream, credible option for young people and employers alike.**

The Government's recent announcement of major apprenticeship reforms, including measures expected to create around 50,000 additional opportunities for young people, represents a welcome and important step towards addressing these challenges.

In particular, action to reduce cost barriers for employers, expand entry-level and foundation routes, and strengthen local matching of opportunities to young people aligns well with the objectives of the Youth Guarantee. However, reaching the scale implied by a one-in-three ambition will require sustained focus on both employer capacity and progression pathways.

Apprenticeships remain one of the UK's most effective long-term productivity levers, yet their availability to young people has diminished at precisely the moment the labour market requires more early-career entrants. The Youth Guarantee promises a new pipeline of work-ready young people, but without a significant expansion in apprenticeship capacity, many risk facing a cliff-edge after short-term placements or entry-level roles. Creating clear, reliable progression routes into skilled training will be essential if the Youth Guarantee is to deliver not only immediate engagement, but a future-facing workforce aligned to economic priorities.

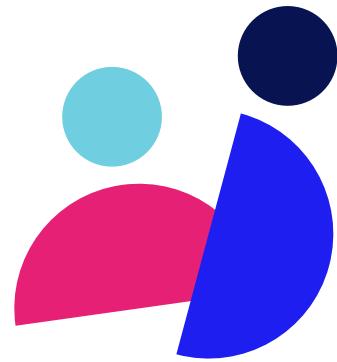
Covering the full cost of young people's apprenticeships for SMEs is an important step forward in supporting employer participation. However, employers continue to face challenges associated with the pastoral support young people require, alongside wider employment costs, particularly with the apprenticeship minimum wage rising again in April 2026. Without additional practical support, there is a risk that new funding flexibilities will not be fully taken up by the employers who could benefit most and who are critical to expanding apprenticeship supply at scale.

## A strengthened apprenticeship approach would therefore need to focus on scale as well as quality, including:

- Expanding entry-level apprenticeship supply by supporting SMEs to take on young apprentices at greater volume.
- Expanding support for SMEs with the pastoral, administrative and supervision requirements associated with employing young people.
- Using levy underspend and targeted, time-limited incentives to accelerate starts in sectors facing acute and long-term skills shortages.
- Developing local pre-apprenticeship pathways to enable smoother progression from Youth Guarantee opportunities into skilled training.
- Strengthening coordination between employability providers, training providers and local authorities to create clear progression ladders into and through apprenticeships.



# O5. Strengthen the university route



## i. Raise the quality of employment and careers support in higher education

There is no question that young people with low levels of qualifications are far more likely to become NEET than those who have achieved a set of GCSE results sufficient to set them on a path to study for a degree. One study found that young people with fewer than five Grade 4 passes at GCSE are 75% more likely to be NEET than the average, rising to 130% for young people from disadvantaged backgrounds.

While young graduates who are NEET are not the focus of policy, they should not be ignored. Of 22-24-year-olds who are NEET, 28% hold a degree<sup>25</sup> and rising unemployment is hitting graduates as well as non-graduates. While the latest PwC Youth Employment Index finds an absence of a strong link between AI and increased youth unemployment, it points to the fact that graduate employment is more widely distributed across sectors with greater AI exposure, with a 14% fall in graduate opportunities in the IT sector, for example. Meanwhile, there is an economic imperative to ensure that as high a possible proportion of graduates are ready to supply the skills needs of the UK's priority growth sectors. In 2023, more than one in four graduates aged 21 to 30 were in low-skilled employment.

While the Post-16 Education and Skills White paper contains a range of promising proposals to strengthen the higher education sector's role as an engine of innovation and growth, it does not mention the importance of careers advice and guidance at higher education level, which, despite many examples of high-quality provision in the sector, evidence suggests can be variable. For example, one recent survey<sup>26</sup> found far lower levels of career advice activities undertaken by young people at university than at sixth form or college level, with students' top three sources of careers advice listed as careers websites, lecturers and family rather than careers advisers.

**Expanding services and introducing higher standards for careers advice and guidance in higher education, learning from good practice in the sector as well as the employability support sector, could:**

- Provide university students who are at risk of NEET with much more proactive support and mentoring.
- Guide and encourage all students to work on an action-based plan for their career on leaving university, rather than ad hoc appointments or events.
- Include more contact with employers and the expansion of work-based learning and placement opportunities.
- Support students undertaking part-time work while studying to enable them to secure more career benefit from the experience.

25 Louise Murphy, "Three myths about NEETs in the UK", LSE Inequalities blog, December 2025.

26 Prospects Luminate, Early Careers Survey, 2025.

# Conclusion

The challenge set out at the start of this paper is clear. Rising NEET levels represent a loss of potential for young people and a growing constraint on economic growth and productivity. They reflect a system in which the routes from education into adult life are uncertain, with too many young people becoming detached from work and learning at a point where re-engagement becomes increasingly difficult.

The Youth Guarantee provides a strong foundation, but its success will depend on the strength and coherence of the wider system that it interacts with. The measures set out here demonstrate how rapid, practical interventions could strengthen the non-

university lanes of the three-lane superhighway, while longer-term reforms improve progression and resilience across all routes into work.

By prioritising what can be implemented quickly, while continuing to invest in prevention and system resilience, it would be possible to build a more balanced and connected superhighway for young people moving from education into work. In doing so, the UK can ensure that university, apprenticeships and direct entry to employment all offer clear, credible and supported journeys – turning a growing national challenge into a source of long-term social and economic advantage.



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