Impetus

Closing the Youth Jobs Gap

How to ensure the Youth Guarantee reaches young people from disadvantaged backgrounds

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Youth Jobs Gap

ARES | CHARITABLE FOUNDATION

National Institute of Economic and Social Research

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Impetus transforms the education and employment outcomes of young people from disadvantaged backgrounds. We do this by using our deep expertise and high calibre networks to give the best non-profits in these sectors the essential ingredients to have a real and lasting impact. Through a powerful combination of long term funding, direct capacity building support from our experienced team and our pro bono partners, alongside research and policy influencing to drive lasting systems change, we work towards a society where all young people can thrive in school, pass their exams and unlock the doors to sustained employment, for a fulfilling life.

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Cover image: A pupil supported by MCR Pathways

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Foreword

The Rt Hon. the Lord Blunkett

There are now one million young people not in education, employment, or training (NEET), the highest rate since 2013.

This is a grim milestone for the UK, and inflicts profound costs on the economy, the state, and – most importantly – on young people themselves, who can suffer a lifetime of adverse impacts on their health, wealth and wellbeing.

Crucially, these costs are not borne evenly. For young people from disadvantaged backgrounds, the odds are stacked against them. These young people are more likely to start further behind, face the greatest barriers, and are twice as likely to end up NEET as their better-off peers. Yet it is precisely this group that risks being overlooked if our ambition is limited merely to reduce the headline NEET numbers.

That is why, taken together with Alan Milburn's interim findings and the research of Sir Charlie Mayfield, this report matters. Grounded in evidence and informed by organisations with practical experience of helping young people to move into education, employment and training, the report offers detailed recommendations to ensure that the current momentum to address the NEET crisis leads to action that promotes equity, and can be accessed by all young people, regardless of background.

Impetus has a long and important track record of bringing data, research and practical insight to bear on the question of how best to support young people from disadvantaged backgrounds. Their groundbreaking work in this area has helped to establish the employment gap between these young people and their more advantaged peers, and to identify the barriers which, if left unaddressed, can compound disadvantage and prevent young people from fulfilling their potential.

The challenge before us calls for bold action. But, as this report shows, the cost of inaction is far higher than acting now. Investing in young people is not simply a moral imperative; it is an economic and social necessity. The benefits to the individual, to communities, to the economy and to the public purse repay that investment many times over.

I hope the recommendations set out in these pages will help shape policy in the years ahead. Above all, I hope they will build on a growing national determination to create a future in which every young person, whatever their background and whatever their starting point, has the opportunity, support and confidence to realise their full potential.

Executive summary

This report is the latest in Impetus' Youth Jobs Gap series. Our earlier reports established which young people are most likely to become NEET – not in education, employment or training – and why. This report sets out what to do about it, proposing a practical programme for closing the Youth Jobs Gap, designed around the young people most likely to be left behind.

There are now around one million young people across the UK neither earning nor learning. Roughly one in five of them are from disadvantaged backgrounds. These young people are twice as likely to be NEET as their better-off peers – a 'youth jobs gap' that has held firm across six years of our research. Only half of this gap can be explained by qualifications.

The costs of the NEET crisis are steep. New modelling for this report finds that every additional young person who becomes NEET costs the state an average of at least £244,000 over their lifetime.[1] But the costs to the individual are deeper still: being NEET scars a young person's health, earnings and prospects for decades, with these consequences persisting into midlife.

The government's Youth Guarantee, announced in 2024 and since expanded, is a welcome and serious step. But without intentional support for those furthest behind, it risks widening the very inequality it should seek to close, by concentrating effort on the young people who are easiest to reach. As the interim report of the Young People and Work Inquiry (Milburn Review) has made clear in its diagnosis, far more is needed to ensure that support reaches every young person – and particularly those who face the highest barriers – to avoid the prospect of a 'lost generation'. With the Review's final report expected this autumn, there is a rare moment of opportunity to act.

This report sets out a coherent programme of fourteen recommendations for Government action across five areas:

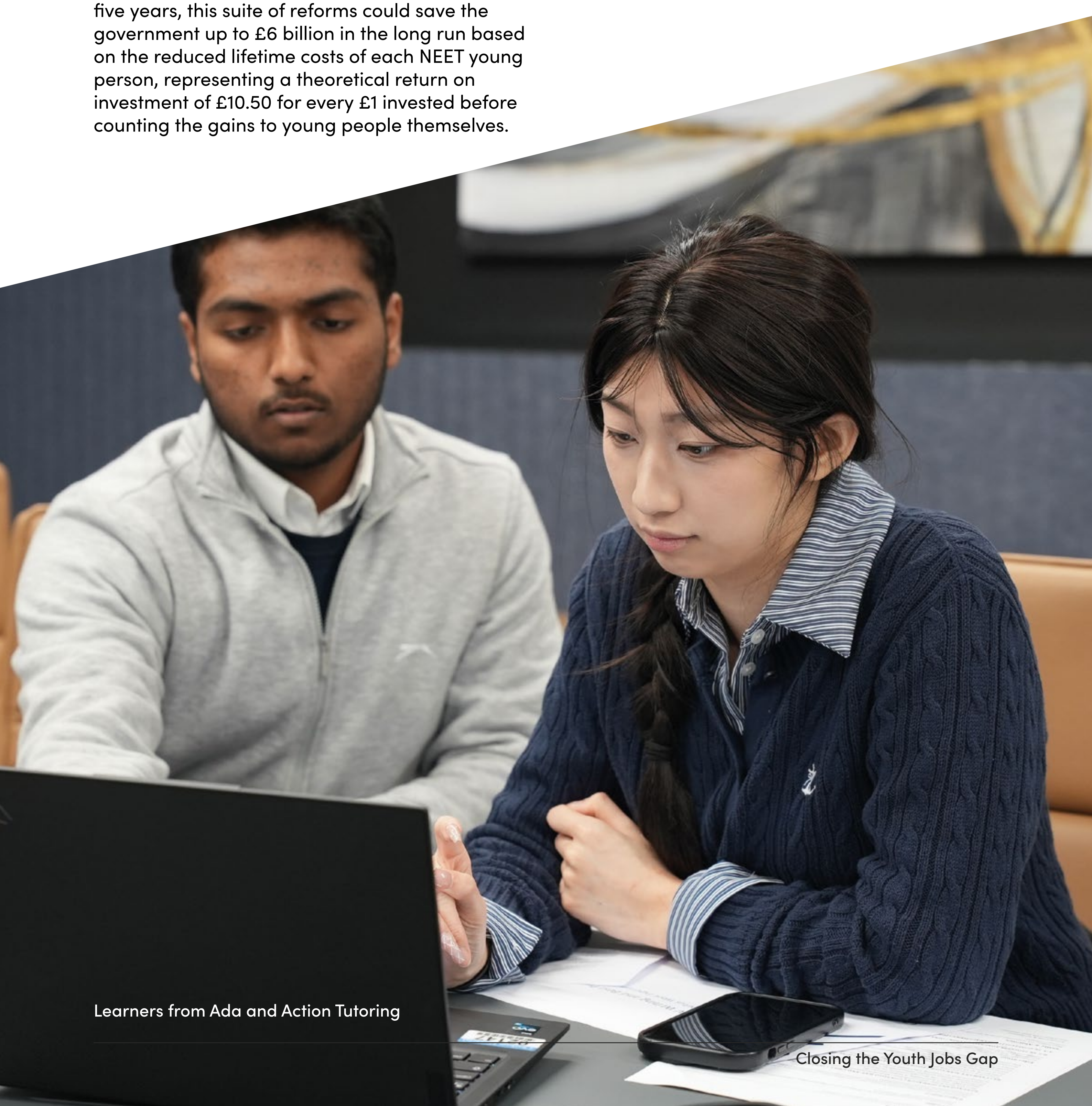
1. **National leadership and data infrastructure:** a cross-government NEET Unit in the Cabinet Office with a binding, disadvantage-focused reduction target, a single real-time data infrastructure to track every young person to the age of 24, and the consistent use of risk indicators so that those most at risk are identified early.
2. **Prevention in education:** stronger targeted support for disadvantaged pupils at risk, making sustained education, employment or training a core objective of the school system, and a new 16–19 Student Premium to end the funding cliff edge that young people face at 16.
3. **Stronger pathways into work:** broadening the Jobs Guarantee into an 'Opportunity Guarantee' that values education and training as fully as a job, building clear stepping stones such as a national pre-apprenticeship scheme, and embedding work readiness from Key Stage 3.
4. **Apprenticeships, employers and affordability:** aligning skills provision with labour-market demand, supporting the employers – especially small and medium-sized enterprises (SMEs) – best placed to offer a first opportunity, and removing the financial barriers that put apprenticeships out of reach for young people from disadvantaged backgrounds.

1 These figures are drawn from Impetus' cost-benefit 'Lifetime Cost of a NEET Young Person' model (June 2026). Several of its key assumptions – including the NHS cost multiplier and the rates at which young people are reached and move into sustained EET – are provisional and subject to further evidencing. They should be read as an indicative order of magnitude rather than precise forecasts.

5. **Supercharging Youth Hubs and reaching hidden NEET young people:** making Youth Hubs the universal 'front door' for NEET provision, anchored in support from a trusted adult and stable funding, alongside a community-based outreach model to find the many young people no current service is built to reach.

We have indicatively costed three of our largest recommendations – a national data infrastructure, a 'Youth Hubs first' delivery model and an outreach programme to find hidden NEET young people. Costing around £570 million over five years, this suite of reforms could save the government up to £6 billion in the long run based on the reduced lifetime costs of each NEET young person, representing a theoretical return on investment of £10.50 for every £1 invested before counting the gains to young people themselves.

The case for action is both moral and economic. Young people from disadvantaged backgrounds make up less than a quarter of the NEET population, but they start furthest behind, face the highest barriers, and are too often overlooked in the drive to bring overall numbers down. We believe the time has come for that to change – and for the Youth Guarantee to be designed, deliberately, around the young people who need it most, so that every young person, regardless of background, can unlock the door to sustained employment and a fulfilling life.



Learners from Ada and Action Tutoring

Introduction

A young person supported by Action Tutoring

Introduction

There are now one million young people across the UK who are not in education, employment or training (NEET). New modelling for this report finds the cost of every additional young person not in education, employment, or training (NEET) to the state is on average £244,000 over their lifetime.[2]

But at its heart, this issue is a moral rather than an economic crisis. Being NEET damages young people's prospects for decades: those NEET at 18–19 are 20% more likely to be unemployed ten years later, NEET young people are over-represented in substance misuse, criminal and anti-social behaviour, show a heightened risk of later life homelessness, and they are almost twice as likely to have a health problem. New UCL research has found scarring effects persist into midlife in the form of worse health and finances and an increased risk of psychological distress.

Crucially, these costs are not borne evenly, and NEET outcomes reflect deep inequalities in childhood. Some 4.5 million children live in poverty, already around 5 months behind their peers by age five; young people from disadvantaged backgrounds are far more likely to be persistently absent, suspended or excluded, and are around half as likely to pass English and maths GCSEs as their better-off peers. By the time young people from disadvantaged backgrounds reach adulthood, these challenges compound to have a devastating impact on their prospects. Our 2019 Youth Jobs Gap report found that young people eligible for free school meals are *twice as likely to be NEET* as their better-off peers, meaning roughly one in five of the one million young people currently NEET are from disadvantaged backgrounds.

Impetus exists to transform the lives of young people from disadvantaged backgrounds, by supporting them to thrive in education and employment. The government's Youth Guarantee, announced in 2024 and since expanded, is a positive step in the right direction. But without meaningful and intentional support for the furthest behind, the Youth Guarantee risks exacerbating the existing inequality in NEET likelihood, by targeting support at those easiest to reach.

Last year, we welcomed the government's commissioning of an independent review (Young People and Work Inquiry) into high NEET rates, led by Alan Milburn. As the diagnostic report of the Milburn Review highlights, far more needs to be done to support what Alan Milburn has called 'the lost generation', and to ensure that the support available can be accessed by all young people, regardless of background.

The analysis in this report draws on Longitudinal Educational Outcomes (LEO) data, commissioned as part of Impetus' multi-year Youth Jobs Gap project, alongside desk-based research and insight gathered through a series of expert roundtables. The roundtables brought together policy and delivery experts working across the system, including members of Impetus' portfolio, to test our emerging findings against the realities of on-the-ground delivery. Their contributions have shaped the analysis and recommendations throughout, ensuring the report is grounded not only in the evidence base but in the practical experience of those supporting young people into education, employment and training.

2 These figures are drawn from Impetus' cost-benefit 'Lifetime Cost of a NEET Young Person' model (June 2026). Several of its key assumptions – including the NHS cost multiplier and the rates at which young people are reached and move into sustained EET – are provisional and subject to further evidencing. They should be read as an indicative order of magnitude rather than precise forecasts.

These recommendations are, in our view, the most impactful way government can reduce NEET rates among young people from socioeconomically disadvantaged backgrounds, primarily through the framework of the Youth Guarantee. We limit the scope of our recommendations to supply-side measures, while recognising that demand-side and labour market considerations matter greatly.

Young people from disadvantaged backgrounds make up under a quarter of the NEET population,[3] but they are the ones who need the most support in the transition to adulthood and the world of work. It is these young people who start off furthest behind and face the highest barriers, and yet are often overlooked in efforts to get overall NEET numbers down. We think the time has come for that to change.

Our recommendations at a glance

This report argues that the Youth Guarantee will only close the youth jobs gap if it is designed explicitly around the young people most likely to be left behind. Young people from disadvantaged backgrounds are twice as likely to be NEET as their better-off peers, and the systems intended to support them too often lose sight of them at precisely the points of greatest risk.

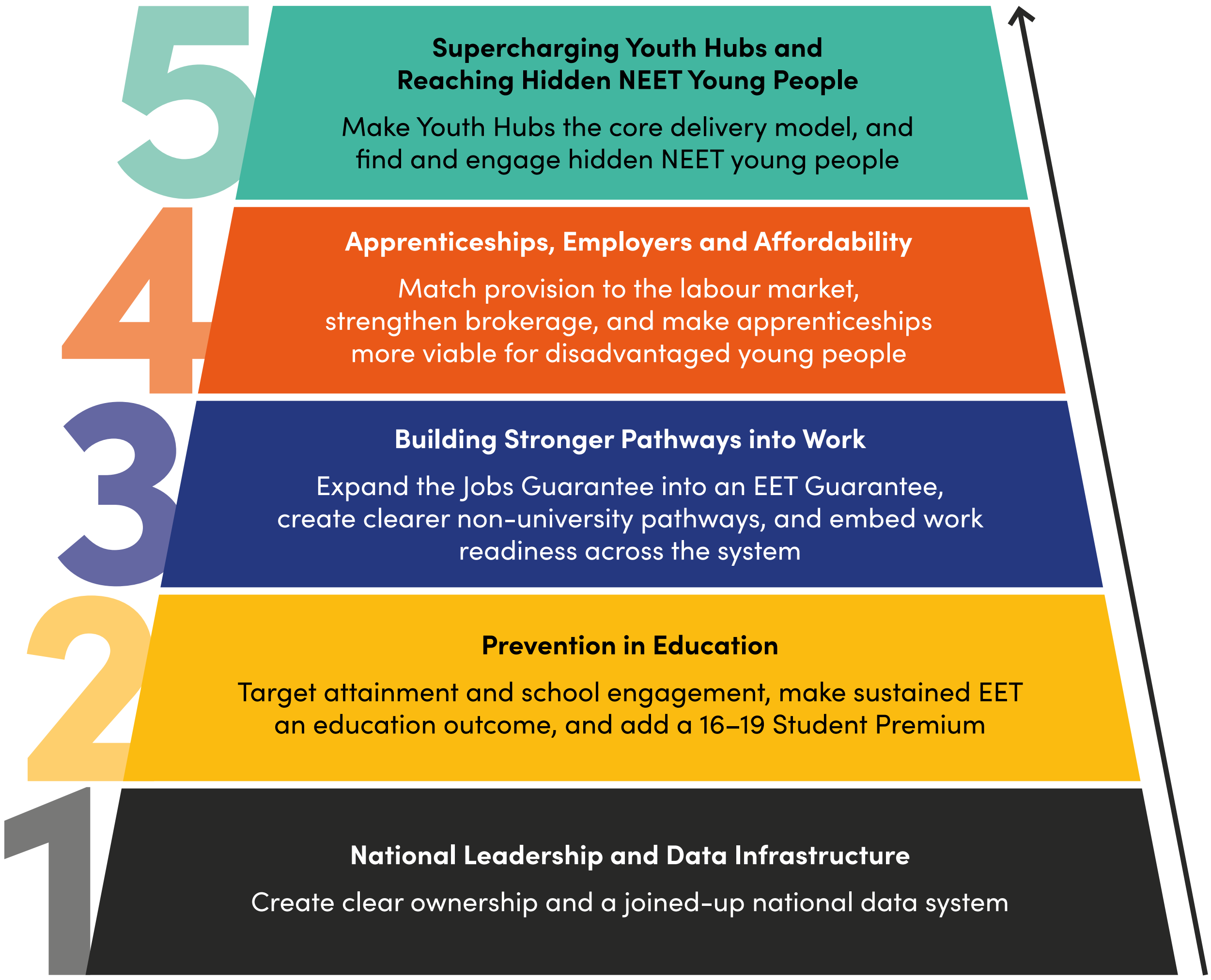
The recommendations below set out a practical programme for preventing young people from disadvantaged backgrounds becoming NEET, for identifying and supporting those who are already NEET, and ensuring the routes into work and training are genuinely accessible to all.

Chapter	Recommendations	Spotlight Recommendation
1 National Leadership and Data Infrastructure	1, 2, 3	**Recommendation 2:** Build a comprehensive national data infrastructure, including a single database to identify the real-time NEET/EET status of every young person
2 Prevention in Education	4, 5, 6	**Recommendation 6:** Introduce a 16–19 Student Premium – modelled on the Pupil Premium – as part of the 2027 Spending Review
3 Building Stronger Pathways into Work	7, 8, 9	**Recommendation 8:** Build a clear non-academic pathway and provide stepping stones towards technical and vocational education, employment or training
4 Apprenticeships, Employers and Affordability	10, 11, 12	**Recommendation 12:** Make apprenticeships financially viable for low-income young people and families
5 Supercharging Youth Hubs and Reaching Hidden NEET Young People	13, 14	**Recommendation 13:** Make Youth Hubs the core support model for NEET young people **Recommendation 14:** Launch a major Outreach Programme to identify and engage hidden NEETs

3 Impetus' analysis of Longitudinal Educational Outcomes (LEO) data – as part of our Youth Jobs Gap series – found that young people from disadvantaged backgrounds – those eligible for free school meals – make up around 22% of the overall NEET population.

Building the system from the foundations up

Each chapter builds on the one below it, from national foundations to front-line delivery. Each tier depends on the one beneath it; the foundations come first.



"The Youth Guarantee will only close the youth jobs gap if it is designed explicitly around the young people most likely to be left behind"

The Lifetime Cost of a NEET Young Person

Preventing young people from becoming NEET is not only the right thing to do – it is far cheaper than the cost of doing nothing. New Impetus cost-benefit modelling estimates that a young person who becomes NEET costs the public finances around **£244,000 more over their lifetime** than an average worker, expressed in present value.[4]

The 'Lifetime Cost of a NEET Young Person' is made up of:

- **£102,000 in lost tax and National Insurance**, reflecting lower lifetime earnings and a shorter working life;
- **£68,000 in higher welfare costs**, across Universal Credit, Housing Benefit, ESA and PIP;
- **£65,000 in higher NHS costs**, reflecting the long-term scarring impact of being NEET on physical and mental health;
- **£9,000 in higher criminal justice costs**.

Set against this, the investment required for the recommendations set out here is modest. We have costed three of our biggest recommendations – a new National Data Infrastructure, a supercharged 'Youth Hubs first' delivery model and an outreach programme to find hidden NEET young people. As a package, these reforms are estimated to cost the public purse in the region of **£570 million in present value over five years.**

Using our 'Lifetime Cost of a NEET Young Person' calculation, the estimated return on these three reforms alone could save the government up to £6 billion based on the reduced lifetime cost of each NEET young person (present value).[5] This represents a theoretical return on investment of £10.50 for every £1 invested over the lifetime of each young person, before counting the benefit to the young people themselves and to the wider economy.[6]

The 'Lifetime Cost of a NEET Young Person' is made up of:

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in higher welfare costs, across Universal Credit, Housing Benefit, ESA and PIP.

£65,000

in higher NHS costs, reflecting the long-term scarring impact of being NEET on physical and mental health.

£9,000

in higher criminal justice costs.

£244,000

more over their lifetime

4 This is a deliberately conservative estimate, sitting below the University of York's long-standing benchmark of roughly £256,000 once uprated for inflation.

5 This is based on a highly conservative assumption of moving some 25,000 young people out of NEET status and into sustained education, employment or training.

6 These figures are drawn from Impetus' cost-benefit model (June 2026). Several of its key assumptions – including the NHS cost multiplier and the rates at which young people are reached and move into sustained EET – are provisional and subject to further evidencing. They should be read as an indicative order of magnitude rather than precise forecasts.

Who is NEET?

Impetus' groundbreaking Youth Jobs Gap research series offers one of the most accurate pictures of NEET risk to date, using Longitudinal Educational Outcomes (LEO) data – which links young people's education and tax records – rather than survey data. So far, we've found:

Most NEET young people are long-term NEET. Of those NEET for three months, 75% go on to be NEET for 12 months, and almost 90% for six months or more.

Disadvantage dramatically increases the risk of being NEET. Young people from disadvantaged backgrounds (these are young people who were eligible for free school meals in Year 11) are 66% more likely to be NEET than average, and twice as likely as their better-off peers – a gap consistent over time and comparable in magnitude to the effect of caring responsibilities, substance misuse or youth offending. They are also twice as likely to be long-term NEET (21% vs 10%). Crucially, only half of this gap can be explained by qualification level.

Compound disadvantage produces the bleakest outcomes. Certain characteristics compound and intersect to disproportionately harm certain groups. When disadvantage combines with special educational needs and disabilities (SEND), NEET likelihood increases to 140% above average. Young people with "triple jeopardy" characteristics – those from disadvantaged backgrounds, with SEND and low qualifications – are 171% more likely to be NEET than average. And where you live matters deeply; in Hartlepool, 55% of such young people are NEET, making them more likely to be NEET than in education, employment or training (EET). The research stresses these barriers are deeply interwoven and demand interventions designed around how they intersect.

Pupils from Co-op Academies Trust

National Leadership and Data Infrastructure

1

National Leadership and Data Infrastructure

The problem

"Right now, there is no single view of the young person: the challenges they face, the support they need, the provision that would help. The system cannot tailor support [...] And it lacks the foundations for effective data sharing and interoperability."

– Young People and Work Inquiry, interim report (Milburn Review), para 403

Alan Milburn's report diagnoses the NEET crisis as a systems-level failure, with fragmented leadership and poor infrastructure underpinning who becomes NEET and who stays that way. The most fundamental of these is the absence of a single accountable body for NEET prevention. Although lead responsibility shifted to the Minister for Skills – whose remit now spans the Department for Education (DfE) and DWP – in 2025, accountability in practice remains dispersed across many actors and outcome frameworks, with no single body providing strategic leadership.

Meanwhile, changes across the system – including the academisation of schools, the relaxing of the statutory requirement on local authorities to track young people, and the loss of the structures which once gave local authorities oversight of 14–19 institution-level NEET – have meant there is essentially no coordinated data system tracking young people at risk of NEET through school and beyond. And while destinations data exists and schools and colleges have to report on it, without accountability, there is no incentive to maintain or use the data well.

Current government policy

The government has taken real steps in this area. On leadership, it gave lead responsibility to the Minister for Skills in 2025, moved skills policy to the Department for Work and Pensions (DWP) to frame the agenda as labour-market participation, established Skills England and commissioned the Milburn Review. On identifying and supporting young people, there has been a £34 million investment to spot young people before they drop out, a new AI-enhanced Risk of NEET Indicator tools, alongside a pilot of automatically allocating a college place for 16–17-year-olds without a plan and attendance tracking across 16–19 providers.

However, what is still missing are the fundamentals to shift the dial on the issue: cross-departmental ownership of the NEET issue, a unified, real-time, linked data system across the full 16–24 range, and funding to rebuild local authority tracking capacity.

Recommendation 1: Create a Cabinet Office NEET Unit with a binding target to reduce NEET rates and close the Youth Jobs Gap

The Unit should:

1. Be a cross-government venture with a core membership that spans the DWP, DfE, Treasury (HMT), Department of Health and Social Care (DHSC), the Ministry of Justice (MoJ), Department of Culture, Media and Sport (DCMS), Department for Levelling Up, Housing and Communities (DLUHC)
2. Own national NEET data and definition
3. Convene and direct departmental effort
4. Coordinate funding across current 'cliff edges' of support
5. Set a national NEET-reduction target, with a sub-target that looks at progress for young people from disadvantaged backgrounds, and be subject to independent external scrutiny of its progress against these targets
6. Include an advisory board, with representatives from relevant civil society actors, employment support providers, and formal youth voice representation

The most consistent finding of the Milburn Review is that no one is accountable for NEET young people. The Department for Education is responsible for attainment, the Department for Work and Pensions for benefit flows and employment, the Department of Health and Social Care for treatment, and others for housing, youth services and skills, but nobody is accountable for the pathway from childhood to working life. For young people from disadvantaged backgrounds, whose needs almost always span several departments at once, this lack of join-up is particularly harmful. That is why we recommend a dedicated NEET Unit in the Cabinet Office. However, ownership only matters if it comes with accountability, which is why there must be a binding NEET-reduction target.

To avoid perverse incentives, such as pushing young people into any destination that counts, the measure should focus on sustained education, employment or training and keep the disadvantage gap front and centre. It should also sit alongside the enhanced local accountability proposed later in this report, so national ownership is matched by clear local responsibility. There is a real risk of creating yet another layer in an already crowded landscape, so the Unit has to simplify rather than add complexity. That means giving it real authority, including ownership of the national data and definition and the power to convene and direct departments. Existing NEET-focused teams within the relevant departments could be seconded into the Unit, to avoid duplication. There is direct precedent for this: the Social Exclusion Unit, set up in the Cabinet Office in 1997 to produce "joined-up solutions to joined-up problems", published the 1999 report *Bridging the Gap on* 16 – to 18-year-olds not in education, employment or training – the report that first established NEET as a policy priority and resulted in the establishment of Connexions and the Education Maintenance Allowance, showing that a cross-cutting central unit can drive coordinated action on precisely this problem.

> "What is still missing are the fundamentals to shift the dial on the issue: cross-departmental ownership of the NEET issue, a unified, real-time, linked data system across the full 16–24 range, and funding to rebuild local authority tracking capacity."

Recommendation 2: Build a comprehensive national 16–24 NEET identification and tracking system

1. Adopt one national NEET definition and a standard tracking methodology so young people are counted consistently across the country
2. Create a single linked database, made up of existing administrative datasets (e.g. HMRC, NPD etc.) allowing for a real-time and local picture of every young person's current EET/NEET status
3. Require central government to share the real-time linked database (Recommendation 2.2) with regional and local authorities
4. Extend the statutory duty of local authorities to track young people up until age 24
5. Introduce a national data-sharing framework so that schools, colleges, Youth Hubs and other relevant services, can access and share data as necessary

We estimate a shared data spine allowing for real-time NEET and risk of NEET identification, including the development of national and local dashboards, would cost roughly £25.5 million over five years, reaching £7.6 million/year at steady state.

This data infrastructure underpins the recommendations which follow. Taken together, we calculate these measures could support an additional 25,000 NEET young people to move into sustained education, employment or training (EET), saving the government up to £6 billion based on the reduced lifetime cost of each NEET young person (present value).

Cost of building National Data Infrastructure

FTE cost basis
£4,500–10,500/month
Market rate for UK public sector digital/data roles

FTE headcount
~66 FTEs total
Across 31 workstreams; majority are time limited

Cloud and software
Itemised/line
Per-workstream software, hardware and other costs

Contingency
10% flat rate
Applied to all one-time and recurring line items

Cost structure
Mostly fixed
Only hosting scales with volume; remainder is overhead

Total cost:
£25.5 million/five years

Every recommendation which follows in this report depends on being able to 'see' the young people who are NEET, or at risk of becoming so, yet at present the system cannot identify them effectively. There is no single agreed definition of NEET, Risk of NEET Indicator (RONI) tools are used inconsistently, and the data that does exist is locked in separate systems with serious time-lags. The young people who fall through these gaps are overwhelmingly the most disadvantaged – those who move between schools, areas and institutions, and whose needs cut across education, health, housing and benefits.
A coherent national data infrastructure, with one consistent definition, linked administrative records and a standardised approach to risk, is well overdue, and would let the system act earlier. The building blocks already exist: the Longitudinal Education Outcomes dataset already links education, tax and benefits records at a national level, but it runs with a significant lag and is not available to local areas in the real-time, operational form this would require.

Data sharing has long been a bugbear for actors across the system, yet the barriers are as much cultural and legal as technical: information held by schools, health services, the welfare system and others rarely joins up, and uncertainty about data protection has left practitioners erring on the side of not sharing. That legal picture has now shifted. The Data (Use and Access) Act 2025 has created clearer gateways for sharing data to improve public services, with its recognised legitimate interests expressly including the safeguarding of vulnerable people. The obstacle is therefore moving from whether such sharing is lawful to whether any single body has the duty, the mechanism and the mandate to make it happen – which is precisely what these recommendations would supply.

At 18, the NEET rate rises, yet this is the very point at which participation duties end and local-authority tracking largely stops. Meanwhile, a large share of NEET young people are not claiming benefits and so are invisible to the Jobcentre system. Extending statutory tracking responsibility to age 24, up from 18, addresses the point at which young people from disadvantaged backgrounds are at risk of falling out of the system. This would not be without precedent: local authorities already track young people with Education, Health and Care Plans and care leavers up to age 24. A statutory duty to track young people to 24, drawing on a combined administrative dataset and referring them to relevant services according to their current status, would address the current tracking cliff-edge.

This is why we endorse and echo the recommendation of the Skills Commission's Earning or Learning report, calling for a GDPR-compliant data-sharing template, developed with legal experts and drawing on models such as Scotland's Information Sharing Toolkit, the West Midlands's adaptation of the Scottish Toolkit and the Common Assessment Framework.

Two cautions should shape how this is done. The first is that the effort of building data infrastructure must not crowd out the work of getting support in place, because the data exists to enable intervention, not to substitute for it. The second is that safeguarding must be central, and the infrastructure should be designed in consultation with young people themselves, so that potential risks are identified and their perspectives are properly considered.

Scotland – data sharing that lets the system see every young person

Scotland offers the clearest example in the UK of data sharing built into the architecture of NEET prevention. Under its 'Opportunities for All' commitment – a guarantee of a place in learning or training for every 16 – to 19-year-old – local authorities, schools, colleges, the DWP and Skills Development Scotland share information on every young person from their 16th to their 20th birthday, whether or not they are currently participating. This shared view means provision can be targeted at those most at risk, and the practical benefit is that no young person leaves the school system without partners being aware of where they are heading next. Skills Development Scotland acts as the national coordinating body that holds this picture together, so the data has an owner rather than sitting in siloes.

Scotland's Information Sharing Toolkit underpins this, giving public, voluntary and contracted bodies a single, standardised and re-usable framework, and a template for recording information-sharing agreements consistently, applied across education, health, safety, crime prevention and wellbeing. Scotland's example highlights what England's currently lacks: a national framework rather than a patchwork of local agreements and a single body responsible for the whole picture. It must be noted that Scotland benefits from a more unified institutional landscape than England's academy-heavy system, in which many schools sit outside direct local-authority control. Encouragingly, that translation is already underway: the West Midlands Combined Authority has been adapting Scotland's data-sharing model for an English context.

Recommendation 3: Embed more systematic, nuanced and effective use of Risk of NEET Indicators (RONI)

1. Mandate and resource the use of a Risk of NEET Indicator (RONI) tool by every local authority and school
2. Standardise how RONI data is defined, shared and used, turning the current inconsistent patchwork of local tools into a coherent national approach
3. Assign a designated "NEET prevention lead" in each local authority (LA) and publish national-level guidance and minimum standards requirements for the role

While local authorities have a statutory responsibility to track young people at risk of NEET, in practice this is a patchwork of actors and services. We know young people from disadvantaged backgrounds are some of the most likely to become NEET, and this begins at school, meaning the use of RONI tools is particularly important. We also believe the local authority, rather than a higher regional structure such as a combined or Mayoral Strategic Authority, is the right service for this. Combined authority powers and funding are oriented towards those aged 19 and over, whereas NEET prevention must begin well before 16 and local authorities retain the statutory relationship with schools which may facilitate this partnership. There is also precedent for this, via previous initiatives such as Connexions. Local authorities will, however, need the resource to make this a reality.

It is important to ensure that mandating the use of RONI tools does not simply add to the administrative burden of often underfunded local authorities. Implementing a national-level framework, drawing on best practice, is therefore essential. The NEET Early Risk Index developed by the Youth Futures Foundation and the National Centre for Social Research is a high-quality example, allowing tracking to begin from Year 6 rather than Year 10, in a more nuanced and standardised way. This matters most for young people from disadvantaged backgrounds, both because the disadvantage gap opens early, so earlier identification reaches them

A pupil from Co-op Academies Trust

before disengagement hardens, and because a well-designed tool allows scarce resources to be targeted at those genuinely most at risk, rather than schools under pressure flagging most of a year group, and being unable to target at all. Government should support the development of this tool in concert with Youth Futures Foundation (YFF), National Centre for Social Research (NatCen) and local authorities, and explore piloting the tool more widely.

A designated NEET prevention lead in each local authority is the necessary counterpart to the mandate, ensuring someone at the local authority level owns this work. In many cases, this role will already exist, for example as a Youth Participation Coordinator – the point of the recommendation is to highlight the importance of systematising and standardising the role in order to streamline delivery, track outcomes and evaluate success. The NEET prevention lead should provide strategic oversight based on local knowledge, coordinate RONI use across schools, academies, colleges and other relevant services; build strong relationships between these services and be responsible for the use and development of the RONI tool. Above all, the lead should hold local-authority-level oversight of high-needs pupils in particular, including those from disadvantaged backgrounds, who are the most likely to fall through the gaps – ensuring that the young people the data identifies as most at risk are the ones the system actively watches for and acts upon.

This addresses one of the structural weaknesses running through this report: in a landscape where much provision sits outside direct local-authority control and institutions hold their own budgets, there is frequently no one whose job it is to oversee the whole system. The evidence on where RONI works well points to exactly this, since the consistent enablers are skilled staff, strong relationships between councils and schools, and effective data-sharing – none of which materialise without someone responsible for building them.

Use of Risk of NEET Indicators in Blackpool

A new report by the Youth Futures Foundation and the National Centre for Social Research combines research on the risk factors for becoming NEET alongside Blackpool Council's experience of implementing a local Risk of NEET (RONI) tool.

Blackpool Council has been using a local RONI tool since 2022–23. The tool was designed to help the Council and schools prioritise caseworker support for young people most at risk of becoming NEET after the age of 16. Blackpool's RONI tool comprises 15 indicators across five themes: education; educational needs; child protection; health and contact with the criminal justice system. Schools are asked to report how many of these indicators apply to each pupil, and the resulting score – ranging from 0 to 14 – is used to place pupils into four risk bands, from no risk to high risk.

The report highlighted practical insights raised by frontline staff and caseworkers. Firstly, applying the tool at Key Stage 4 was considered too late. By the time a high-risk score was generated, the primary window for meaningfully reaching young people – the school environment – was about to close, with risk often crystallising much earlier. Practitioners also highlighted the importance of recency – with an exclusion from several years ago, where a young person has since re-engaged successfully, carrying different implications from a recent one. Finally, school staff reported significant data collection burdens. NatCen meanwhile highlighted that the current, equal weighting of all 15 indicators is a limitation, with certain factors – such as qualification level – a much stronger predictor of NEET.

The report provides a strong case study for what a nuanced and systematic RONI tool could look like, highlighting the key ingredients as:

1. Minimal data collection burden
2. Usability by local authority staff
3. Early use to enable early intervention
4. Linkage with other datasets

Prevention in Education

Prevention in Education

The problem

"The education system knows who will struggle. It knows at age 5. It knows again at age 11 and then at age 16 too. It has the data, the evidence and the research. It has had them for decades. What it does not have is the architecture, the funding or the accountability to act on what it knows."

– Young People and Work Inquiry, interim report (Milburn Review)

The Milburn Review is unflinching in its diagnosis that the path to becoming not in education, employment or training (NEET) does not begin at 16. There is now a well-established evidence base on the factors which predict NEET likelihood, meaning that by the time a young person appears in the statistics, the pattern has often been years in the making. The warning signs are predictable enough to be preventable, yet the structures that should act as guardrails are weakest precisely where the need is greatest.

Impetus' Youth Jobs Gap research previously found young people with low qualifications – i.e. those below Level 2 – were around 77% more likely to be NEET than average. We also found that each step up the qualifications ladder roughly halves a young person's likelihood of being NEET. For young people from disadvantaged backgrounds, moving from below Level 2 to a Level 2 qualification saw a 13.4 percentage point difference in NEET likelihood.

The link between lost learning – via absence, suspension and school exclusion – and NEET is also well-established. Research has found persistent absence is associated with a 3.9 times greater risk of being NEET at 16–18, meanwhile Impetus' research with the Education Policy Institute (EPI) found students suspended once are 1.6 times more likely to be NEET and 1.9 times more likely to be receiving out-of-work benefits by age 24. This was reaffirmed by NatCen's recent research into risk factors for being NEET.

Young people from disadvantaged backgrounds are at the sharpest end of these risks. Despite the narrowing of the attainment gap in the years preceding the Covid pandemic, they are still around half as likely as their better-off peers, to achieve crucial Level 2 qualifications. In the 2024/25 academic year, young people eligible for free school meals had an overall absence rate of 10.6% – roughly double that of their better-off peers (5.4%). FSM-eligible pupils had a persistent absence rate of 33% – more than double that of their better-off peers (13.4%). Trends in suspensions and exclusions are equally worrying, with the suspension rate for FSM-eligible pupils more than four times that of pupils who were not eligible, and rates of permanent exclusion five times higher for FSM-eligible pupils, compared to pupils who were not eligible.

Current government policy

As part of the Youth Guarantee, the government has provided an additional £800 million in 2026/27 for 16-19 funding in England, alongside improved access to mental health and SEND support. It has begun improving data and Risk of NEET Indicators (RONI) and strengthening attendance monitoring through the Regional Improvement for Standards and Excellence (RISE) teams, which aim to spread best practice across the school system, and is piloting the automatic placement of pupils without an alternative destination at a local further education provider to strengthen post-16 transition. Following the independent review of curriculum, assessment and qualifications it commissioned in September 2024, the government has also accepted a number of Professor Becky Francis's recommendations, including a new oracy framework, an enrichment entitlement, and two weeks of work experience for every pupil across key stages 3 and 4.

With over a million young people NEET, and a breadth of evidence showing that many of the strongest predictors of NEET become visible in school, NEET prevention should be a core function of statutory education. This requires both stronger preventative provision, targeting the attainment gap and the lost learning that disproportionately impact disadvantaged pupils, and an accountability system which rewards institutions for whether young people – particularly young people from disadvantaged backgrounds – go on to sustained education, employment or training.

Recommendation 4: Strengthen targeted school support for disadvantaged pupils at risk of becoming NEET

1. Tackle lost learning among pupils from disadvantaged backgrounds, and treat attendance, exclusion prevention and re-engagement as core NEET-prevention measures, including through broadening the definition of inclusion in the government's upcoming Education for All Bill
2. Continue to prioritise English and maths attainment for young people from disadvantaged backgrounds, through evidence-based interventions such as oracy provision, and committing to a state-funded, multi-year "Tutoring Guarantee"
3. Invest in transition support (such as Transition Coordinators) for pupils from disadvantaged backgrounds. This could be funded through the Pupil Premium and Student Premium (see Recommendation 6)

We know that 'lost learning' through school absence and exclusion is a key NEET driver, for example, Impetus research finds that young people who experience even a single suspension, or temporary removal from secondary school, are less likely to pass crucial GCSEs in English and maths and have twice the risk of being NEET. In addition, changes to the school environment that have narrowed our definition of success, reduced opportunities to achieve outside the classroom and cut opportunities for social time, have left parents and pupils questioning the value and purpose of education, and have changed attendance from being automatic to a choice every day.

We recommend that the government stop treating attendance as an issue of individual behaviour and instead understand it as a symptom of a more fundamental disengagement from a school system that many – particularly those from disadvantaged backgrounds – feel is devoid of meaning and value.

Going to school every day should once again be the rational choice for parents and young people, especially those from disadvantaged backgrounds. We therefore recommend the fostering of school environments that value and structure social time and widen access to opportunities that give pupils other routes to succeed, connect and enjoy school are rebuilt. In addition, we urge government to deliver on its recent commitment to broaden the definition of inclusion in its upcoming Education for All Bill, to ensure the needs of young people from disadvantaged backgrounds are identified, and support provided at the earliest opportunity.

We also support the government's recent commitment to halving the attainment gap. Tutoring is one of the strongest and best-evidenced educational tools we have for closing the attainment gap. Government could address the growing 'tutoring gap' between young people from disadvantaged backgrounds their more advantaged peers by committing to a state-funded multi-year Tutoring Guarantee. This guarantee would target closing the attainment gap and provide a minimum of 15 hours of small group tutoring to those most at risk of not gaining vital English and maths qualifications – the single most protective factor against becoming NEET – with the majority of the funding supporting those eligible for free school meals.

Post-16 and post-18 transitions across statutory education provide huge opportunities, but also risks, and are the point at which many young people fall through the cracks. For the young people who don't have the right qualifications or networks – such as those from disadvantaged backgrounds – this is where the school-to-NEET pipeline crystallises. It therefore follows that more resource and attention should be dedicated to these points in a young person's journey into the world of work.

Recommendation 5: Make sustained education, employment or training a core objective for the education system

1. Update national guidance on collecting, sharing and using destinations data, and – crucially – who is responsible for its management
2. Align destinations tracking expectations across local authorities, schools and colleges with the Gatsby Benchmarks, extending tracking from two to three years
3. Build sustained EET into Ofsted and performance accountability frameworks, adjusted for disadvantage and local context by:
   a. Moving sustained EET from reported data to a graded element within the relevant evaluation areas at the next review of the Ofsted inspection framework
   b. Judging the sustained EET indicator against a disadvantage-adjusted expectation
4. Explore the potential for reflecting sustained progression into EET in funding formulas, rather than enrolment and retention alone
5. Review the so-called 42-day drop-out rule

Destinations data is any information that is collected on where a student goes and what they do after leaving school. The data records the number of students who have been in a sustained destination for six months to a year after finishing Key Stage 4. They are used by the DfE as an accountability tool and are a useful way to measure the efficacy of secondary careers provision and whether an institution is meeting the Gatsby Benchmarks. Building pupil destinations more firmly into Ofsted judgements and performance tables, so they sit alongside measures such as Progress 8 and Attainment 8 and prompt support when persistently poor, would give them real teeth. For colleges and training providers, this could extend to funding, aligning a share of post-16 resource with sustained progression rather than enrolment alone.

This matters most for young people from disadvantaged backgrounds, who are at higher risk of becoming NEET and are precisely the group the current system is least incentivised to serve well. As schools and colleges are measured largely on attainment, retention and completion, effort is pulled towards the students closest to a positive result and away from the harder work of securing a good destination for a young person at risk of becoming NEET. This means a provider can post strong headline results while a substantial share of leavers from disadvantaged backgrounds drift into the NEET or untracked categories, with little consequence. We therefore recommend strengthening the incorporation of destinations data into school and college accountability, so that progression into and retention in EET carries weight in inspection judgements, rather than sitting as contextual information.

For it to work, however, the measure must be designed with care. It should be contextualised for intake and the local labour market, otherwise it risks punishing geography rather than performance. This could look like a disadvantage-adjusted expectation, with the disadvantage gap in sustained EET named explicitly, so that institutions serving high-disadvantage intakes are held to account for progress rather than penalised for their cohort. Care must also be taken to capture meaningful, sustained progression rather than any recorded destination, to avoid incentivising the placement of young people in low-value provision.

Under the current so-called "42 day rule", a learner who leaves within the first 42 days of enrolment is not counted in a college's official retention figures. Because they do not count as a "qualifying start," they do not negatively impact the college's official retention or achievement rate calculations. We also know that young people from disadvantaged backgrounds will be at the sharpest end of this, as they are more likely to drop out. This rule should be re-assessed so that every young person who enrols remains visible, and so that institutions share a common incentive to keep disadvantaged young people engaged rather than optimising around a reporting threshold.

Recommendation 6: Introduce a 16-19 Student Premium as part of the 2027 Spending Review. The Premium should:

1. Allocate roughly £1,122 per pupil – the same as the Pupil Premium
2. Be based on a clear, consistent and fair measure of disadvantage, aligning with government changes to how Pupil Premium is calculated (currently still free school meals eligibility)
3. Be offered as auto-enrolment, with families and young people retaining the option to opt out
4. Be additional to existing post-16 funding and disadvantage funding
5. Support colleges, sixth forms and training providers to deliver evidence based interventions that improve attainment, attendance and progression.
6. Be monitored by school leaders, whilst FE Colleges, Sixth Forms and Independent Training Providers (ITPs) should be externally accountable to Ofsted and the governing board

Young people from disadvantaged backgrounds face worse outcomes than their better-off peers at every stage of the journey from education into work. The Pupil Premium, introduced in 2011, gives schools additional funding for evidence-based support to narrow that gap. But it stops the moment a young person leaves secondary school. For around 180,000 eligible Year 11s, June marks the end of their allocation and this funding cliff-edge coincides with a wider drop-off in pastoral support and guidance.

The end of the Pupil Premium compounds a longer-term erosion of direct financial support. The Education Maintenance Allowance (EMA), introduced nationally in 2004, paid young people from disadvantaged backgrounds up to £30 a week, worth almost £55 today. When EMA was abolished in 2011 and replaced by the 16-19 Bursary Fund, at around £160 million – less than a third of EMA's £560 million – the DfE's own evaluation estimated a 1.2 to 1.6 percentage point fall in Year 12 participation among those who would have received the full award. The Bursary Fund remains at roughly £160 million, unchanged in cash terms since 2011, meanwhile, the original EMA would today be worth around £900 million.

That is why Impetus has joined a coalition of 14 social mobility and education organisations calling for a Student Premium, led by the charity Get Further to end the funding cliff edge that young people from disadvantaged backgrounds face at 16. The returns run from improved attainment and earnings through to wider health, wellbeing and economic gains.

The 16-19 Student Premium would give sixth forms, colleges and independent training providers the resources for targeted, evidence-based support. As with the Pupil Premium, providers should be required to publish an annual strategy statement setting out their spending, the barriers their disadvantaged students face, and the measurable impact of their interventions on academic and social progress.

We know young people from disadvantaged backgrounds are roughly half as likely to achieve English and maths GCSE passes. We also know that these are the qualifications that matter most. A Premium could fund well-evidenced and impactful routes to attainment, such as small-group tutoring. It could also fund interventions to support engagement through the transition from pre-16 education such as driving up attendance and retention, delivering targeted academic interventions to help students secure gateway qualifications, and offering enrichment activities that support progression into work or training.

Young people from disadvantaged backgrounds are also more likely to move into employment after 16-19 education and less likely to progress to higher education than their more advantaged peers. While the higher education system has increasingly come under fire in recent years, returns to progression are still clear, with earnings 19% higher for men and 24% higher for women relative to similar peers and fewer than one-in-three (28 per cent) NEET young people hold a degree compared to over four-in-ten (42 per cent) young people overall. For FE, level 4 and 5 qualifications are associated with higher earnings when compared to level 3 qualifications. The introduction of a Student Premium could support colleges and sixth forms to further develop their Widening Participation initiatives within 16-19 education.

Building Stronger Pathways into Work

3

Building Stronger Pathways into Work

The problem

"The skills 'system' from 16 upwards is highly fragmented, complex and confusing. It contains very different accountability and policy regimes which cover schools, further and higher education, adult learning and work-based training, including apprenticeships. Funding varies considerably across these different areas and there is little coordination between providers or coherence in the system overall. Few, if any, parts of this system have a focus on NEET young people as a primary role or responsibility. [...] in truth it is a misnomer to call it a system."

– Young People and Work Inquiry, interim report (Milburn Review) , para 368

The post-16 landscape is famously fragmented. Schools, further and higher education, adult learning and work-based training all operate with separate accountability regimes and funding streams, but little coordination. At the same time, the constant creation and abolition of qualifications creates churn almost entirely on the non-academic side, leaving the young people who rely most on vocational routes – disproportionately those from disadvantaged backgrounds – most exposed to instability. Adding to the confusion is weak careers provision, where despite over 90% of schools benchmarking against the Gatsby framework, only 32% of young people received face-to-face advice in 2025, with apprenticeships discussed with just 18%.

Meanwhile, further education, a key route for young people from disadvantaged backgrounds, has been hollowed out. Student numbers fell by around 16% between 2015/16 and 2023/24, per-student funding still lags behind higher education (£7,860 compared with £9,906), and pupils from disadvantaged backgrounds have worse retention rates at across all Level 3 routes. Alongside this, routes that build work readiness have weakened: work experience remains an afterthought for often overburdened and under-resourced schools, meaning those without strong networks miss out. Meanwhile, the "first rung" on the ladder into the labour market is being eroded, with the proportion of 16–17-year-olds who have never had a paid job increasing by 17% since 2005.

The result is a bind in which employers expect confidence, experience and work readiness, but the labour market offers young people far fewer ways of acquiring them. These poor outcomes are underpinned by perverse incentives in the system, which penalise providers for taking on so-called "higher-risk" learners, while workforce instability and high vacancy rates create constant churn.

Current government policy

The Post-16 Education and Skills White Paper, published last year, set out a programme to simplify the qualifications landscape and raise the status of further education and technical study. This includes substantial reform at Level 3, including "T Levels" (a single large qualification equivalent to three A Levels) being positioned as the main technical route for young people confident about a particular occupation, while new 'V Levels', will replace the roughly 900 approved vocational and applied qualifications currently available, becoming the sole pathway at that level for 16 – to 19-year-olds. V Levels are intended to be similar in size to an A Level, with content linked to occupational standards set by Skills England so they can be combined flexibly. The changes are backed by additional investment in 16-to-19 education, including nearly £800 million extra in 2026/27 (rising to £1.2 billion more per year in skills by 2028/29) and a review of the 16-to-19 funding formula.

As part of the £2.5 billion Youth Guarantee package, the government has also announced 300,000 new work experience and training placements over three years. This includes up to 150,000 additional work experience placements for young people and up to 145,000 additional places on Sector-based Work Academy Programmes (SWAPs) (employer-designed training spanning sectors such as construction, health and social care, and hospitality). SWAPs are available to Universal Credit claimants and provide pre-employment training, work experience and the potential for a job interview. Recent analysis suggests around four in ten SWAP participants move into sustained work within six months. Underpinning delivery, the DWP's Employer Support Offer provides partnership managers alongside recruitment and programme support to help employers shape and host placements.

Recommendation 7: Broaden the Jobs Guarantee into an 'Opportunity Guarantee'

1. Extend the Jobs Guarantee programme from a work placement into a full 'Opportunity Guarantee', so that young people who are not yet ready for a work placement can benefit from an education or training placement instead
2. Expand eligibility for the current Jobs Guarantee programme to 18-24 year olds who are on Universal Credit and have been looking for work for 12 months, from the current policy of 18 months

The Youth Guarantee as currently designed skews towards getting young people into work rather than into further education and training. Young people from disadvantaged backgrounds are often furthest from the labour market and most in need of the protective qualifications that education provides, yet least likely to achieve them. This is not an argument against work – the scarring effect of a long NEET spell is severe, and a job now with training attached is better than continued unemployment – but a system that can only offer employment leaves behind those for whom a period of education, training or experience may be the necessary first step to sustained EET. The Jobs Guarantee should therefore be widened so that a confirmed education or training place can satisfy it as fully as a job.

Previous Impetus research found that 75% of young people who are NEET for 3 months have been NEET for 12 months, with only 10% of this group moving into a positive EET destination after a further three months. Our research also found that young people from disadvantaged backgrounds made up 26% of the long-term NEET population nationally, despite being only 16% of the population at the time. Meanwhile, a study by UCL's Centre for Longitudinal Studies recently found that the longer a young person spends NEET between the ages of 16 and 24, the worse the scarring effect. It's clear that earlier intervention is crucial, alongside the fact that young people from disadvantaged backgrounds stand to lose out the most. Government should therefore extend the Jobs Guarantee eligibility criteria to 18-24 year olds who are on Universal Credit and have been looking for work for 12 months, from the current policy of 18 months.

> "Employers expect confidence, experience and work readiness, but the labour market offers young people far fewer ways of acquiring them."

Recommendation 8: Build clear stepping stones towards technical and vocational education, employment or training

1. Commission research to better understand at which points in the journey to EET young people from disadvantaged backgrounds are likely to drop out
2. Deliver stronger technical and vocational careers guidance to young people, via investing in upskilling and training careers leads and advisors
3. Create a 'single source of truth' for non-university pathways including T-Levels, V-Levels, foundation apprenticeships etc. through an easily accessible digital platform
4. Establish a National Pre-Apprenticeship Scheme, building on traineeships and the Sector-based Work Academy Programme (SWAP)

At the moment we don't fully understand how young people facing higher barriers enter, navigate and exit the labyrinthine skills system, and why. Without a clear picture of the problem, solutions will be hard to come by. Government should try to better grasp where young people – particularly those from disadvantaged backgrounds – are falling out of the system, via commissioning research, so resource can be targeted to plug these gaps.

Careers guidance should be strengthened, particularly within further education and for young people from disadvantaged backgrounds. Investing in the upskilling and training of careers leads and advisors will be key to this. This should include clearer and earlier signalling of available pathways, sectors, and potential outcomes, beginning at the earliest possible stage, so that young people without professional networks or family experience of these routes can easily navigate them.

Government also has a significant opportunity to expand digital models information sharing. This could build on pre-existing platforms, such as the National Careers Service website. Because non-academic routes are disproportionately pursued by young people from disadvantaged backgrounds – these routes also have to be made less complex and more navigable, for young people without the networks or family experience to piece the picture together themselves.

A young person supported by School of Hard Knocks with their Social and Emotional Learning Lead

The Netherlands – vocational education that works because the whole system does

The Netherlands has the lowest NEET rate in the OECD, partly due to the Dutch vocational system (MBO). MBO educates a large share of Dutch young people across four levels and two routes – a school-based track with substantial work placements and a work-based apprenticeship track – and crucially it is a respected, mainstream choice rather than a fallback. A vocational qualification in the Netherlands is not perceived by employers as a signal of low academic performance, and the combination of a good reputation, occupationally relevant skills and close school–employer links means the school-to-work transition of vocationally trained young people is relatively smooth.

What makes the system effective is that the vocational route sits inside an integrated ecosystem rather than standing alone. Employer involvement is institutionalised through a national cooperation body (the SBB) that sustains collaboration between employers and VET providers and accredits work placements. The system also prevents detachment before it happens: a qualification duty keeps young people in education until they gain a basic qualification and an entry-level route brings in those without a qualification, while schools, municipalities and employment services track young people at risk of dropping out and offer training, work or tailored support before they become NEET. One-stop youth hubs (Jongerenpunt) – the model now inspiring the UK's own accelerated Youth Hubs rollout, bring CV, housing and mental-health support together in one place. The result, as research by Youth Futures Foundation and RAND puts it, is a system built on robust institutional structures that "promote coordination and collaboration across levels of government, the education sector, and the employment sector, while allowing flexibility in implementation".

It's important to note a few caveats: Firstly, the Netherlands has a population of around 18 million, far smaller and less regionally unequal than the UK. Secondly – and crucially for this report – the system's strength of sorting pupils by ability is a double-edged sword, risking filtering out young people from disadvantaged backgrounds earlier and further disadvantaging them long term. Finally, policy has been criticised for focusing on the school-age group and leaving those who struggle with their first steps into work relatively unattended.

The Dutch example is therefore proof that an integrated system can deliver low NEET rates, but must be designed with care, particularly in relation to young people from disadvantaged backgrounds.

Pre-apprenticeship schemes provide foundation skills to prepare pupils for an apprenticeship and are typically targeted at young people from disadvantaged backgrounds, early school leavers, those who are unemployed or 'low skilled' and facing barriers to work. For young people from disadvantaged backgrounds, a national pre-apprenticeship programme has the potential to be an important stepping stone into an apprenticeship. For employers, it can function as a 'try before you buy', can improve completion and mitigate the perceived risk of taking on a young person with less labour-market experience. According to international evidence, good programme design would require careful initial assessment and matching, preparatory activities to build essential skills before workplace exposure and wraparound support tailored to the needs of the recipient, often including a mentor.

In practice, building on the model of traineeships and SWAPs, this could look like a placement with a strong element of wraparound support, with structured follow-ups in the months after they leave – for example, as France's E2C73 does at three-month intervals across the following year – to sustain support through the period when drop-out is most likely. This should sit alongside a wider shift towards longer, structured, paid or subsidised placements and end with a guaranteed apprenticeship interview.

Recommendation 9: Embed work readiness across education, employment support and the Youth Guarantee

1. Produce a clear, common framework, language and criteria for 'work readiness'
2. Introduce a universal, structured work-readiness offer for young people from starting in Key Stage 3 onwards

The interim report of the Milburn Review found that of today's 24-year-old NEET young people, 45% have never had a job. A structured work-readiness offer, which incorporates essential skills via a clear national framework, would address this, building on the government's commitment of a minimum of two weeks of work experience in secondary education.

A common framework would introduce a shared language for young people, the education system and employers– often considered a barrier to success. It should consider job search skills, work experience, understanding workplace expectations and behaviours, and building essential skills such as confidence, motivation, resilience, and coping strategies, and utilise established frameworks such as Skills England's Skills Classification and Skills Builder's Essential Skills Framework. The framework should be used not only to describe a young person's development but also to measure progress over time.

Work readiness should not begin only once a young person is already at risk, either. Building in opportunities for employer exposure and to develop essential skills, into statutory education from Key Stage 3 would give young people – particularly those from disadvantaged backgrounds – the early contact with the world of work that their more advantaged peers acquire through family and networks. Crucially, this must be a broadening exercise – and should therefore be universal – ensuring any pre-16 vocational exposure functions as awareness-raising, so that it cannot be used to filter out pupils from disadvantaged backgrounds.

Case study: Generation UK

Generation UK shows how an intensive, employer-linked training model can move young people facing barriers into skilled work. It supports people facing barriers to employment into otherwise inaccessible careers through skills bootcamps, combined with extensive wrap-around support, and since launching in the UK in 2019 has supported more than 3,500 young people. The model is deliberately built around the before-and-after, not just the placement: it runs one-to-three-month full-time bootcamps teaching the skills, mindsets, behaviours and employability needed to thrive in entry-level roles, provides pastoral mentorship and employability coaching during the programme and for six months afterwards, and matches learners to interviews with employer partners.

Generation's programme was evaluated by the Department for Work and Pensions' Employment Datalab. The results make the case for this kind of structured, outcome-focused provision. Around 70% of learners are placed in jobs within six months of completing a programme, with an average starting salary of £25,000, more than 80% retention after a year, and an estimated £20,000 of additional income over five years per learner. Crucially for a disadvantaged cohort – around one in ten Generation learners has never worked – the charity's counterfactual analysis finds that learners are roughly twice as likely to find work within six months as a comparable group who applied but did not take part, and three times as likely to be working in their target profession.

Apprenticeships, Employers and Affordability

4

Apprenticeships, Employers and Affordability

The problem

"The system has strengthened progression for those already inside the labour market while narrowing access for those outside it. For the young people for whom apprenticeships matter most, the bridge has been pulled up."

– Young People and Work Inquiry, interim report (Milburn Review) , para 383

Despite apprenticeships offering potential for social mobility – with research finding young people from disadvantaged backgrounds reap the most substantial benefits – the system has drifted decisively away from young people, particularly those from disadvantaged backgrounds. Between 2015/16 and 2022/23, the number of apprenticeship starts fell by 41% for those aged under 19, a fall of almost 54,000 and declined by just over a third (36%) for those aged 19 to 24 (–55,000). Young people from disadvantaged backgrounds are at the sharpest end, with these learners less likely to secure an apprenticeship than their better-off peers. Retention is also poor, with more than one in three apprentices failing to complete, and apprentices from disadvantaged backgrounds significantly more likely to withdraw.

On the employer side, the 2012 Richard Review reforms raised quality through occupational standards and employer-led design, but made the system harder for a small firm to navigate. More recently, the introduction of the Apprenticeship Levy – now the Growth and Skills Levy – in 2017 compounded the difficulty, requiring employers with an annual pay bill above £3 million to pay 0.5% of it into a fund that can then be drawn down to pay for apprenticeship training. Employers have long criticised it as too rigid – usable only for apprenticeships rather than broader training, and complex for smaller firms to navigate.

Current government policy

In April 2026, the Apprenticeship Levy became the Growth and Skills Levy in England, backed by an extra £725 million over the next three years, which the government says will create around 50,000 additional apprenticeship opportunities. A central pillar is SME support, with the government fully funding apprenticeship training for eligible 16 – to 24-year-olds at non-levy-paying employers from the 2026/27 academic year, by removing the 5% SME co-investment that previously applied to 22 – to 24-year-olds, meaning the full cost for all eligible under-25s is now covered. The reformed levy also brings greater flexibility, including reducing the minimum apprenticeship duration to 8 months (down from 12), more flexible English and maths requirements, and new short, modular 'apprenticeship units' in critical skills areas. Government has also committed to expanding foundation apprenticeships – entry-level, paid Level 2 jobs lasting eight months, designed as a stepping stone into higher apprenticeships, first launched in construction, digital, engineering and manufacturing and health and social care, with employers receiving payments of up to £3,000 per apprentice. As well as this, they are reducing the levy-fund expiry window from 24 to 12 months, removing the 10% government top-up, raising employer co-investment from 5% to 25% once funds are exhausted, and restricting Level 7 apprenticeships for over-22s.

Case study: Volunteer It Yourself

Volunteer It Yourself (VIY) is an engagement-led route into vocational skills for young people who have disengaged from mainstream education. It supports young people to learn trade and building skills on the job by repairing youth and community facilities, mentored by professional tradespeople and working towards City & Guilds accreditations, with most participants NEET, excluded, or at risk of becoming so. Since 2011, more than 13,000 young people have taken part across over 700 projects, gaining more than 5,000 City & Guilds accreditations.

What the model does for individual young people is best seen through them. Elliott, 19, joined a VIY project at Eastmoors Youth Centre in Cardiff as a NEET young person with no clear direction, having become disengaged from education after being excluded from school, and unsure the experience was for him. After just three days he achieved his City & Guilds introductory carpentry and joinery qualification, and was motivated enough to volunteer his own time to return for the next two weeks. As he put it, “the first day I came here … I just thought, I could do this for the rest of my life.” Inspired by VIY’s trade mentors, he secured his CSCS card with the charity’s support and, through relationships built on the project, moved into paid work experience with a construction firm, where he is now working on site with carpentry contractors.

The charity’s progression support also carries young people into sustained training. Brothers Aidan, 17, and Tyler, 19, referred to VIY at risk of becoming NEET, gained hands-on construction skills on a community refurbishment project alongside one-to-one employability support – CV development, apprenticeship applications and interview preparation – and both secured property maintenance apprenticeships. Aidan reflected that he had not understood that applying for apprenticeships is largely about “how you sell yourself to the employer,” and that the support helped him see himself as “a hard working individual” who just needed an employer to take a chance.

Young people on a Coach Core programme

A young person and a mentor on a Volunteer It Yourself project

Recommendation 10: Better align skills provision with labour market demand and strengthen brokerage

1. Assign Skills England a stronger system-leadership and brokerage role
2. Use priority-occupation analysis to create clear routes into high-demand sectors, and a clear language around skills
3. Pilot the approach in sectors and places with clear workforce shortages

Skills England, the government's national skills agency, sitting within the Department for Work and Pensions is widely credited with strong market diagnostics and priority-occupations analysis. However, it is also seen as under-powered, sitting within a government department rather than being independent, as was originally intended, and led below director-general level in a way that limits its authority. We recommend that it move beyond regulating and reporting to act as a genuine system leader and broker, convening employers and providers to solve specific skills market failures, and playing an active role in supporting the design of technical and vocational pathways. This could look similar to the model of the Dutch Foundation for Cooperation on VET and the Labour Market (SBB), responsible for the cooperation between vocational education and training (VET) and the world of work. Government should prioritise piloting the approach in sectors and regions with clear workforce shortages.

Aligning provision to labour market demand helps young people from disadvantaged backgrounds in a way that is easy to overlook. Those without professional networks face a role-model gap: they do not always know what jobs exist or what employers want, and are least able to find out. Translating Skills England's analysis of priority occupations into something a young person can navigate is therefore as much an equity measure as an economic one, provided it weights and signals towards strong prospects rather than compelling choices and accounts for replacement demand across the wider economy. This should also include creating a shared language around skills – building on the work of Skills England's UK Standard Skills Classification – supporting young people to translate their experiences to employers, and employers to understand.

Recommendation 11: Support employers, especially SMEs, to provide opportunities, particularly for young people from disadvantaged backgrounds

1. Reduce administrative barriers for smaller employers
2. Build business.gov.uk into a single digital front door for opportunities
3. Fund neutral intermediaries – such as third sector partners – to broker matches between employers, providers and young people
4. Prioritise preparation, matching and in-placement support over financial incentives alone
5. Support employers to rebuild Level 2 entry-level apprenticeship routes
6. Expand the recently-introduced financial incentives for employers, so that employers are also incentivised to hire apprentices from disadvantaged backgrounds

SMEs make up over 99% of the UK business population. Many are micro-employers embedded in local labour markets and communities who are best placed to offer young people from disadvantaged backgrounds a first opportunity, but least equipped to do so alone. A key barrier is the administrative and regulatory burden on smaller employers, who are wrestling with the basics, from holiday pay to employment conditions. Building business.gov.uk into a digital one-stop-shop through which they can advertise opportunities, recruit and find support would reduce the administrative burden and simplify the process of bringing on young apprentices.

Brokerage organisations, such as Impetus portfolio partner, Coach Core Foundation, have become increasingly common in the space, providing support for such administrative burdens and simplifying a notoriously complex system. These brokerage organisations add particular value for the micro and small employers who make up the large majority of potential hosts, and early evidence on the wraparound support they provide – preparing both the young person and the employer and making the match work – shows real potential. Such organisations should be treated as core delivery infrastructure, with stable multi-year funding and a defined role in the system, rather than left to survive on short-term grants. Government should explore options for funding this as part of their additional investment to support SMEs to hire young apprentices. There is a live question as to whether this is best devolved or directed centrally.

Government should also broaden incentives to encourage hiring young people from disadvantaged backgrounds. The Young Apprentice Payment of £1,000 should be extended to those aged 19-24 from disadvantaged backgrounds (from those aged 19-24 with EHCP or care leavers), while the Foundation Apprenticeship Incentive payment of up to £2,000 should be extended to foundation apprentices aged 22-24 from disadvantaged backgrounds (from those aged 22-24 with EHCP, care leavers or prison leavers).

Beyond financial incentives, government should support the reduction of perceived risk for employers. For example, intermediaries could be resourced to run pre-work-readiness programmes, support young people throughout a placement, and manage recruitment and matching. Finally, employers, and SMEs in particular, should be supported to reinstate the Level 2, entry-level apprenticeships that once offered young people a first rung on the ladder and have largely disappeared since the levy was introduced, with starts at this level down by around two-thirds – which matters acutely for young people from disadvantaged backgrounds, since without that bottom rung they cannot get onto the ladder at all.

Recommendation 12: Support increased apprenticeship uptake for young people from disadvantaged backgrounds by removing financial barriers

1. Remove benefit penalties when 16–18-year-olds take up apprenticeships, and introduce a participation protection rule so low-income households are not worse off overall
2. Fund a national 16–24 free bus entitlement, delivered locally
3. Set a higher apprenticeship minimum wage in priority sectors identified by Skills England, such as construction and advanced manufacturing, exploring options to fund this through the Growth and Skills Levy
4. Adopt targets for Level 2 and Level 3 apprenticeship starts for young people from disadvantaged backgrounds aged under 25

The raising of the national mandatory participation age declared education, training and apprenticeships equivalent routes, yet the benefits system continues to penalise families who choose an apprenticeship. The apprentice minimum wage, at £8.00 an hour against a National Living Wage of £12.71, is not enough to live on independently, so parents go on providing housing, food and transport much as they would for a young person taking A-levels – but the system does not treat the two the same. An apprentice is removed from the parental benefit unit and treated as their own household despite continuing to live at home and depend on parental support, so the family loses Child Benefit and the Universal Credit child element for that young person, while the part-time earnings of a young person in full-time education are disregarded. This falls hardest on low-income families, most of whom will not be able to afford the cost of their child going down the apprenticeship route.

Government must now ensure that taking up learning or an apprenticeship never leaves a household worse off at the point of transition. As recommended by the Skills Commission, a "Participation Protection" rule would guarantee that 16 – to 18-year-olds from low-income households see no net reduction in household income from entering full-time education, training or an apprenticeship, and that 18 – to 24-year-olds on the Youth Guarantee moving from out-of-work benefits into lower-paid learning or apprenticeship routes are not made worse off in cash terms. Extending the higher Universal Credit work allowance to all apprentices and Jobs Guarantee participants aged 18 to 24 would let them keep more of what they earn, and government should consider the more fundamental step of keeping 16 – to 18-year-old apprentices within the parental benefit unit and treating apprenticeship earnings like the part-time earnings of a school pupil.

Transport comprises a major expense for apprentices and is a key physical barrier to education, employment and training. A national bus entitlement for 16 – to 18-year-olds could go some way to connecting young people to provision, whether an apprenticeship, a Youth Hub or a job.

> "Despite apprenticeships offering potential for social mobility – with research finding young people from disadvantaged backgrounds reap the most substantial benefits – the system has drifted decisively away from young people, particularly those from disadvantaged backgrounds."

Supercharging Youth Hubs and Reaching Hidden NEET Young People

5

Supercharging Youth Hubs and Reaching Hidden NEET Young People

The problem

"One of the most troubling findings of this Review is how many are hidden from the very systems meant to help them. [...] They are out of work and out of sight. No institution is responsible for finding them or helping them"

– Young People and Work Inquiry, interim report (Milburn Review) , para 611

A defining characteristic of England's approach to young people who are NEET is that no single institution is responsible for them. Each part of the system operates within its own funding stream and accountability framework, so a young person who is NEET, or at risk, bounces between various elements of the system. The data infrastructure mirrors this fragmentation. Once a young person turns 18 they 'disappear' unless they claim an out-of-work benefit, and the data that does exist is scattered with no agreed means of joining it up. Because employment support is built around the welfare system, it also cannot see the roughly half of NEET young people – estimated at between 314,000 to 486,000 – who claim no benefit, meaning there is no systematic, funded means of finding them, since the current model is almost entirely self-referring. The problem is compounded by workforce instability. A key mechanism for engaging young people furthest from the labour market is a consistent, trusted figure, yet work coach and Youth Employability Coach turnover is high, placing coaches in Jobcentres associates them with conditionality and the threat of sanctions, and the specialist and community organisations these young people most need sit outside the formal system at the end of a referral chain.

The cumulative result of the lack of clear accountability and responsibility at the central and local level, a data system which is unfit for purpose, and the neglect of roles which directly engage young people, is a million NEET young people, of which a third are hidden from the system, and all of whom are disproportionately more likely to be from disadvantaged backgrounds.

Current government policy

The government is not oblivious to these structural problems, and the Young People and Work Inquiry's interim report acknowledges that the Youth Guarantee, Pathways to Work, the Youth Guarantee Trailblazers and the accelerated expansion of Youth Hubs all represent serious attempts to address them. The Youth Guarantee is the overarching framework, backed by £2.5 billion committed across employment, skills and apprenticeship reform. The main elements of the offer are a Gateway providing structured triage and four weeks of intensive work coach support for young people on Universal Credit; eight Youth Guarantee Trailblazers, delivered through mayoral combined authorities and a Jobs Guarantee from April 2026 covering full employer costs for up to 25 hours a week for six months for 18–21 year olds on Universal Credit for over 18 months. Meanwhile, Youth Hubs have been allocated £25 million to expand to over 360 sites and there has been a £34 million data investment to make it easier to identify young people who need support before they drop out of the system.

Recommendation 13: Supercharge Youth Hubs, making them the primary access point for support for NEET young people, as part of a comprehensive 'Youth Participation Service'

1. Establish the Youth Hub as the main provision for all NEET young people aged 16 to 24
2. Place young people from disadvantaged backgrounds, who are eligible, on the Youth Employability Coach support programme, providing them with a "trusted adult" in their journey to EET
3. Fund Youth Hubs via a blended, multi-year settlement (minimum three years)
4. Ensure Youth Hubs have access to Risk of NEET Indicators data alongside schools, colleges and LAs
5. Create a Success Charter for Youth Hubs – a replicable set of guidance that can be implemented in a tailored way in each local authority

Supercharge Youth Hubs

Coach salary
£45,000/year
Plus NI (13.8%), pension (5%), travel, training, kit

Total cost/coach
£56,685 year 1
£53,985/year recurring;
£2,700 one-time onboarding

Coaches per hub
5 coaches
Base case; linear cost driver

Hub rollout
10 → 50 → 100 → 200 → 317
Over five years; England only
(317 local authorities)

Total cost:
£215 million/five years

The interim report of the Milburn Review is clear that marginal improvement to existing provision will not be enough, and that what is required is a fundamental reorientation of where support is delivered, by whom, on what terms, and with what accountability for sustained outcomes.

Supercharging Youth Hubs as the main provision for NEET young people – regardless of whether they claim Universal Credit – is how that reorientation can be achieved in practice, providing drop-in access, a trusted adult relationship and co-location of various services. There is encouraging evidence that hubs work – both the Institute for Employment Studies and the Department for Work and Pensions' evaluation found Youth Hubs to be an effective means of attracting young people into support, with the non-threatening environment central to that success and co-location of services allowing the warm handovers that matter most for young people with multiple needs.

Any young person, including hidden NEET young people identified through the outreach workforce set out in Recommendation 14, should therefore be able to access Youth Hub support without first making a benefit claim. This complements the direction already set by the Youth Guarantee, where the expanded hubs are open to all young people regardless of benefit status.

Supercharging Youth Hubs and making them the primary access point for support for NEET young people, as part of a comprehensive 'Youth Participation Service', would cost roughly £215 million over five years.

Our economic model estimates that by enacting this policy as part of a package which includes a national data infrastructure and outreach programme to find hidden NEET young people – costing £570 million over five years – an additional 25,000 NEET young people would be moved into sustained education, employment or training (EET), saving the government up to £6 billion based on the reduced lifetime cost of each NEET young person (present value).

A growing evidence base points to the value of a single trusted figure who stays with a young person throughout their journey. This is also where present provision is poor, due to high turnover in these roles, which comes as no surprise when Youth Employability Coaches are taking on larger workloads and Work Coaches are handling more complex challenges without sufficient training. Research by charity and Impetus alumni partner Spear[7] has found that whether a coach ever discovers what happened to the young people they signpost is largely left to the individual, so an under-supported coach is as likely to refer to ineffective as to effective provision, undermining both outcomes and value for money. Government should therefore strengthen workforce training and capability, by providing incentives such as investing in training, or enforcing a minimum term for these roles.

Stability cannot exist without adequate funding and conducive funding terms. The recommendation for a minimum three-year settlement reflects the fact that relationships and local capacity take time to build and sustain, and that short-term funding cycles fall hardest on young people from disadvantaged backgrounds, who are least able to seek out alternatives when provision disappears. Funding could draw on a combination of DWP, DfE, DCMS and local funding rather than the conditional welfare budget alone.

For hubs to prevent disengagement, they need to be able to see young people before they fall out of the system. Allowing hubs access to Risk of NEET Indicator (RONI) data alongside schools, colleges and local authorities is central to this, and ties directly to Recommendations 2 and 3 on data infrastructure.

There is a strong evidence base on Youth Hubs, including Impetus' work with the Library of Birmingham Youth Hub, with best practice highlighting the importance of space and a welcoming environment; co-location of services and offer of broader, wraparound support; leadership; a single point of contact bringing services together and adequate resourcing. This wealth of knowledge should be used to draft a Success Charter for Youth Hubs – as called for by the Youth Employment Group in 2023 – based on an evaluation of existing provision, that draws together key lessons learned from existing Youth Hubs and turns them into a replicable set of guidance that can be implemented in a tailored way in each local authority. The Success Charter should also provide guidance on how Youth Hubs will work with community organisations, which are often the trusted, non-stigmatised access points to which young people who have disengaged from the system, will respond.

As transport remains a decisive barrier, particularly for young people from disadvantaged backgrounds in areas with poor links, the hub model also needs a genuine hybrid form, combining physical access with digital access through platforms and outreach. This has to be done carefully to avoid entrenching digital poverty, and must be evaluated continuously.

Case study: Spear – coaching young people furthest from work

The Spear Programme is one of the UK's most impactful youth employment programmes. Spear works with the young people furthest from the labour market: young people who face barriers to employment, such as being from a disadvantaged background, having mental health issues or having fewer than five GCSEs. More than 70% of those who finish the initial 4-6 week phase of the Spear Programme are in work or study a year later, with their approach centring on the trusted adult relationship and on building work-readiness and mindset, supported by an in-house tool that measures a young person's progress across five areas – attitude, professionalism, confident communication, mindfulness of others and self-leadership – rather than only counting whether they reach a job.

The human stories show what that makes possible. Ruqayyah, from London, dropped out of sixth form and spent the whole of 2023 not leaving her house, isolated and alone, until her social worker recommended Spear. She is now studying social sciences. Her experience highlights the importance of instilling confidence and resilience in young people – she says, "Thanks to Spear, I've been able to build up that resilience. So when things get tough, I'm able to keep going."

7 This is drawn from an as-yet unpublished internal research project by the employment charity Spear

Recommendation 14: Create an outreach workforce to find and engage hidden NEET young people

1. Use linked government data to identify those likely to be hidden NEET young people
2. Build a paid, trained outreach workforce, staffed where possible by young people who are currently NEET
3. Use this outreach workforce to connect young people to Youth Hubs and local provision, not to create a parallel support system
4. Design the model with strong safeguarding, supervision and progression routes

Even a fully realised 'Youth Hubs first' system will only help young people it can find, and a large share of the NEET cohort is invisible to every service currently designed to reach them. Some are simply travelling, but many face barriers so high that they will never approach a service at all. Meanwhile, while data on these young people exists, it is so siloed between departments, and for administrative data such as LEO, it faces such a time lag, that it cannot currently be used for tracking purposes.

An outreach model — working through digital channels and, critically, through a community-based workforce — is how government might reach the cohort no current service is built to find, and it is central to the case for making Youth Hubs the 'front door' of support. There is some precedent for this approach, seen through the detached youth work model, which meets young people where they are, rather than putting the onus on them to engage with formal services. Detached youth work is particularly valuable for the most marginalised young people, such as those who are not accessing existing services, mistrust institutions, experience social exclusion or are at risk of homelessness, violence, exploitation, or criminal involvement. The evidence base on this approach remains limited, with very few evaluations of detached youth work. However, research from the Youth Endowment Fund, there is enough consistency in practice to develop shared models and theories of change, meaning a robust evaluation may be feasible.

Engaging hidden NEET young people

Outreach worker salary
£27,500/year
Lower than coach; community outreach profile

Total cost/coach
£36,770 year 1
£34,070/year recurring;
£2,700 one-time onboarding

Workers per hub
5 workers
Same rollout as Rec 2;
independently budgeted

Productivity
100 NEET young people/year
Per worker/year engaged;

Per-hub overhead
£455,000
Rent, kit, CRM, team lead, compliance per hub

Total cost:
£414 million/five years

Engaging hidden NEET young people makes up the largest cost in our analysis, and is estimated to cost roughly £414 million over five years.

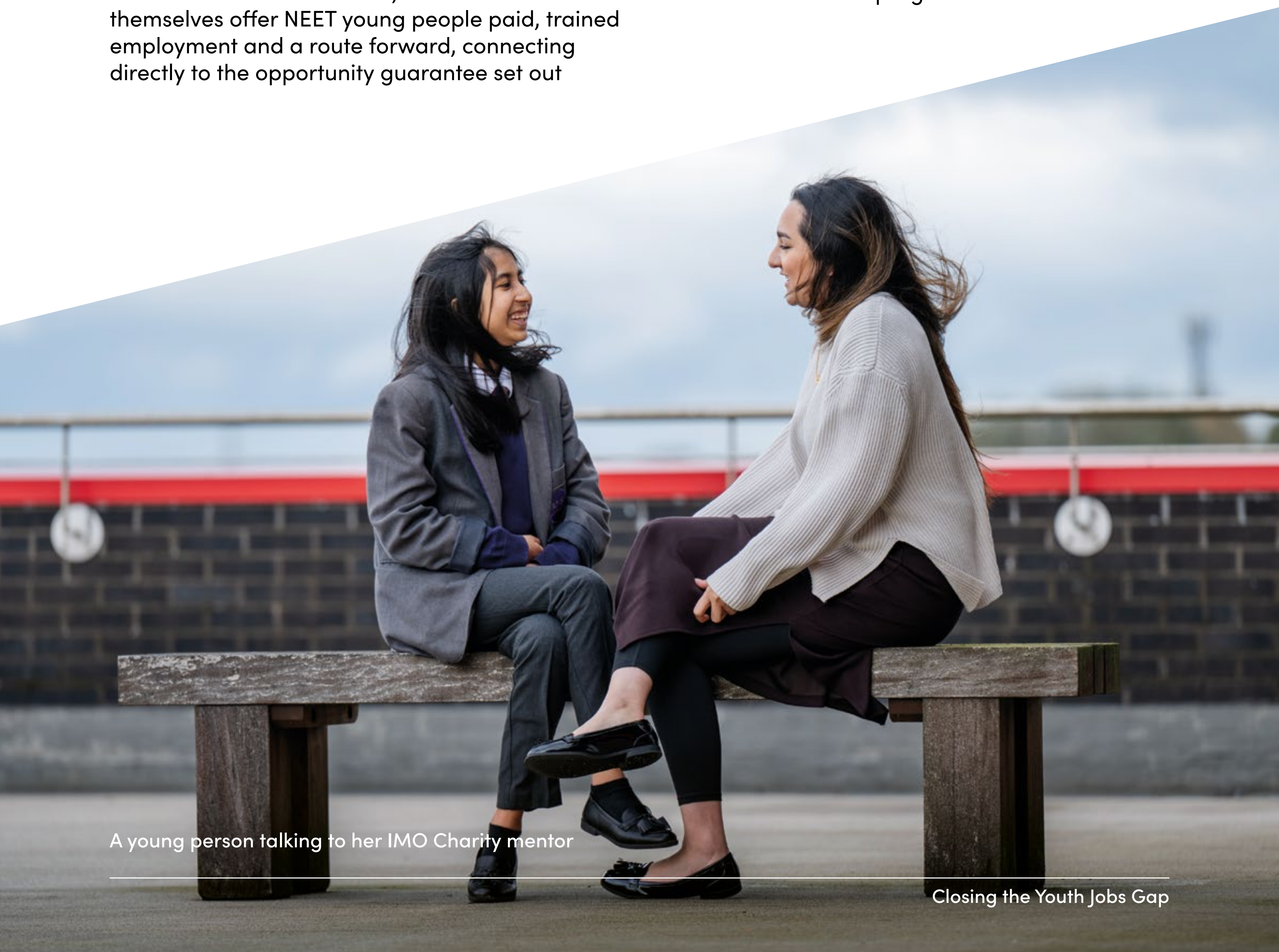
Our economic model estimates that by enacting this policy as part of a package which includes a national data infrastructure and supercharging Youth Hubs – costing £570 million over five years – an additional 25,000 NEET young people would be moved into sustained education, employment or training (EET),saving the government up to £6 billion based on the reduced lifetime cost of each NEET young person (present value).

An outreach model to find hidden NEET young people would draw on aspects of this model: meeting young people where they are, relational practice where trust is viewed as the foundation of the intervention, and youth-centred and flexible. This would have to be underpinned by trained and credible staff, strong safeguarding systems and partnership working with other services.

The relational aspect rests on trust and credibility, which is why it matters that it is made up of current or formerly NEET young people. For someone who has disengaged from every institution around them, speaking to a person who has been in their shoes, speaks their language and knows the area can open a door that a Jobcentre appointment never will. A good starting point for recruiting this workforce could be to find the young people who have already had good experiences of Youth Hub and employment support, who can advocate for their efficacy. This local grounding also helps reach the geographic cold spots and overcome the transport barriers that keep young people from disadvantaged backgrounds away from centralised services, and it carries a dual benefit, since the roles themselves offer NEET young people paid, trained employment and a route forward, connecting directly to the opportunity guarantee set out earlier. The remit must be clear: outreach, referral and raising awareness, helping young people find the right door, rather than a caseload-holding coaching role. Employing outreach workers through the Youth Hub provider keeps them tied to that single front door, and where hubs are not yet established they should signpost young people to whatever local provision exists in the meantime.

Organisations such as Impetus portfolio partner Sister System show how peer-led outreach can be designed safely and credibly. The organisation trains and pays former service users – known as "Sis-Stars" – to progress into paid roles as 'Big Sisters'. The Big Sisters then take part in a peer-mentoring program, where they guide younger service users.

One consequence also deserves careful thought; signposting a hidden young person into the system often means putting them onto Universal Credit, which represents a short-term cost, and also may not be in their interest. The better aim is to 'un-hide' young people without automatically routing them onto welfare, for example by placing them on a Youth Hub programme.



A young person talking to her IMO Charity mentor

Case study: Sister System – Angel's Journey

Before joining Sister System, Angel faced many of the challenges experienced by the young women Sister System supports. She was navigating difficult personal circumstances, struggling with confidence and trying to make sense of her future. Like many young women referred to Sister System, Angel needed more than practical support. She needed trusted adults, positive role models and a community where she felt understood and valued.

Angel joined Sister System as a young participant, initially accessing mentoring. Through mentoring, workshops and group activities, Angel began to build confidence and develop new skills. She was encouraged to use her voice, share her opinions and take on new challenges. Over time, she started to see herself differently, not simply as someone receiving support, but as someone with strengths, talents and experiences that could help others.

As Angel's confidence grew, so too did her involvement in Sister Systems programme and pastoral offer. She participated in leadership and employability programmes, gaining practical skills and experience that helped prepare her for adulthood and employment. Through this process, Angel developed confidence in her ability to communicate, build relationships and take on responsibility. She began to see a future for herself that extended beyond simply overcoming challenges.

One of the most significant aspects of Angel's journey has been her transition from participant to employee. Today, she works as a Big Sister helping to deliver activities, provide peer support and mentorship to younger girls participating in Sister System programmes.

Her lived experience enables her to connect with young women in a unique way. She understands many of the challenges they face because she has experienced them herself. As a result, she is often able to build trust quickly and provide encouragement that feels authentic and relatable.

For some participants, Angel represents what is possible. One young woman who joined Sister System during a particularly difficult period of her life described Angel as one of the key reasons she stayed engaged. Seeing someone with a similar background who had successfully progressed through the organisation gave her hope that positive change was possible. That young woman later completed multiple Sister System programmes, secured employment and became a Youth Advisory Board member herself.

Angel's journey highlights how lived experience can become a powerful force for change when combined with the right support and opportunities.

"An outreach model — working through digital channels and, critically, through a community-based workforce — is how government might reach the cohort no current service is built to find"

Conclusion

A young person supported by Coach Core

Conclusion

There are now one million young people neither learning nor earning. Of this group, we know those from disadvantaged backgrounds are twice as likely to be NEET as their better-off peers. With so much attention on the NEET issue, we have a once-in-a-generation opportunity to meaningfully shift the dial. But there is a real risk that in the rush to reduce the headline NEET rate, we miss the opportunity to close the Youth Jobs Gap. This gap opens long before young people from disadvantaged backgrounds appear in official statistics, and is further entrenched by poverty, lost learning, weak transitions, a fragmented system, limited access to employers, and the practical costs of taking up education or work.

This report sets out a practical programme for closing that gap. As a leading impact funder, collaborating for decades with the most impactful organisations working at the coal-face, we know this is not inevitable. As the case studies throughout this report highlight, there is no shortage of interventions and evidence on what works to support young people into education, employment or training.

Government should start with the foundations: national leadership and a joined-up national data infrastructure. It should then build an education system geared for NEET prevention, making sustained education, employment or training a core education outcome, and extending targeted funding through a 16–19 Student Premium. It should make offer a genuine 'Opportunity Guarantee', with guaranteed routes into education and training as well as jobs, and put Youth Hubs at the centre of support for both visible and hidden NEET young people. Finally, it should ensure that apprenticeships and entry-level opportunities are affordable, accessible and better aligned with the labour market.

The Milburn Review's final report is expected this autumn. With it comes a moment of real opportunity to bring down the NEET numbers, and do so in a way that promotes equity, ensuring that young people from disadvantaged backgrounds get the extra support they need. Get the response right, and the Youth Guarantee could become the most significant youth intervention in a generation. Get it wrong, and a million becomes the new normal. But delivering on that ambition will require more than new funding announcements, and any solutions need to be capable of reaching those furthest away from the job market.

The case for action is both moral and economic. Every young person left NEET creates a long-term cost to the public purse, but more importantly, they carry the personal cost of a system that failed to act early enough, join up effectively, or remove barriers that were already visible. The reforms proposed here are ambitious, but they are also practical, targeted and excellent value for money. If government wants the Youth Guarantee to reduce NEET rates and close the disadvantage gap, it must build a system that can find all young people, stay with them, and support them into sustained education, employment or training. With one million young people neither learning nor earning, the time for action is now.

A young person on a Volunteer It Yourself project

Impetus

Company number 08460519.
Registered charity number 1152262.

Youth Jobs Gap