DELIVERING GROWTH
PRODUCTIVITY

FROM CLASSROOM TO CAREER

Delivering Growth through Lifelong Learning in England

British Chambers of Commerce

WHERE BUSINESS BELONGS

CONTENTS

FOREWORD

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Growth depends on having people with the right skills in the right jobs. That is why careers education, skills development, employment support and lifelong learning must be seen as parts of the same system, rather than separate policy challenges.

As this report shows, a productive economy relies on helping young people take their first steps into work while supporting adults to retrain, upskill and adapt throughout their careers.

Businesses understand this challenge. Across the Chamber Network, employers are investing in training, offering apprenticeships, providing work experience and supporting mentoring programmes. They want to do more.

But business investment does not happen in a vacuum. Employers need a stable policy environment, clear incentives and a skills system that is easy to navigate. Too often, firms encounter complexity, fragmentation and short-term policy changes which undermine confidence and investment.

This report sets out a practical plan to create a stronger lifelong learning system. It calls on government to create better conditions for employer investment in skills, strengthen the Lifelong Learning Entitlement through a clear co-investment model, and provide long-term support for local skills brokerage through Local Skills Improvement Plans. It also argues for closer alignment between careers advice, employment support and local labour market needs.

The report makes clear that the foundations of lifelong learning must be built early. Careers education should be embedded throughout schooling and informed by local economic opportunities. More young people should benefit from mentoring and meaningful encounters with employers. Work experience should be modernised through a consistent national framework that enables more businesses, particularly SMEs, to participate.

The Government's focus on tackling economic inactivity and improving opportunities for young people is welcome. But the challenge extends across the whole workforce. As technology transforms jobs and careers become longer and less linear, lifelong learning must become a normal part of working life. The goal should not be to create more programmes and initiatives, but to build a simpler, more coherent system that supports people from classroom to career.

If policymakers in all parts of the UK can provide that framework, businesses stand ready to play their part.

KEY RECOMMENDATIONS TO DRIVE GROWTH THROUGH LIFELONG LEARNING

1. Create an attractive environment for firms to invest in skills development by lowering business costs. This includes immediately extending the existing employer national insurance contribution zero-rate to all 21 to 24-year-olds.

2. By 2027, Skills England must commit to shaping the future of the Growth and Skills Levy through a formal co-design process with business and employer representative bodies, to ensure provision is based on real business needs.

3. Government should set out a clear employer co-investment model for the Lifelong Learning Entitlement in England before full roll-out in January 2027.

4. Government should adopt and promote a single national framework for flexible work experience, such as the equalex framework, so that employers encounter a consistent process regardless of geography, capacity or sector.

5. By September 2027, every school and college should be connected to a local employer-led mentoring network, coordinated by Chambers of Commerce and other local employer representative bodies, so more young people can meet employers, build confidence and understand routes into work.

1. INTRODUCTION

The UK needs growth, and improving productivity is central to achieving it. A more productive economy with improvements in living standards, depends on people having the skills, confidence and opportunities to adapt throughout their working lives.

Achieving these goals will only be possible if we build a lifelong learning system. The system must support adults to reskill and upskill as the economy changes, while also ensuring young people are better prepared to enter and progress in work. Skills shortages, low business investment in training, weak careers guidance and difficult transitions into work all affect businesses' access to the people and capabilities they need to grow. They also limit individuals' ability to access a decent standard of living. Yet, too often, skills policy is divided between separate debates about schools, further education, adult training, employment support and business investment.

58%
of businesses are currently facing skills shortages[i].

67%
of businesses say better access to skills would support growth in their organisation[ii].

A stronger lifelong learning system is needed that makes it easier for people to continue developing skills throughout their careers. This is particularly important as the UK faces an ageing population, a rising state pension age, declining immigration, and rapid technological change. More people will need to remain in work for longer, move between sectors, and adapt to new ways of working. Government policy should therefore support adults to retrain and progress, creating the right conditions for employers to invest confidently in their workforce.

This does not reduce the importance of supporting young people. The government's focus on young people, including through the Young People and Work Review led by Alan Milburn, is welcome and necessary. However, the UK needs to think beyond schools and build a careers and skills system that supports people from school through to retirement. Short-term policy tweaks to individual parts of the education or labour market system will not shift the dial on youth employment or investment in ongoing training. Government needs to create the right conditions for businesses to take on this challenge, through a stable fiscal and policy environment, clearer incentives, and a more joined-up approach across education, skills, employment and welfare. With the Milburn Review's second "solutions" report due to be published soon, there is now an opportunity to bring these agendas together.

While skills, education and careers systems differ across the four nations of the UK, this report focuses primarily on the policy levers available in England. The underlying challenge, however, is UK-wide. Businesses across every nation need a simpler, more responsive system that supports people to develop skills throughout their working lives.

2. CAREERS EDUCATION AND SKILLS DEVELOPMENT NEED TO BE A PART OF WORKING LIFE

For the UK to improve productivity and living standards, careers education and skills development must become a normal part of working life. Adults need access to good quality careers advice to help them adapt, upskill and reskill as jobs change and working lives lengthen.

Businesses also need the right investment environment, with stable policy, clear incentives and a simpler skills system that gives them confidence to develop their workforce. A successful lifelong learning system should therefore support both individuals and employers: helping people make informed choices about their careers, while enabling businesses to invest in the skills they need for growth.

2.1 Good quality careers advice needs to be available to adults in work

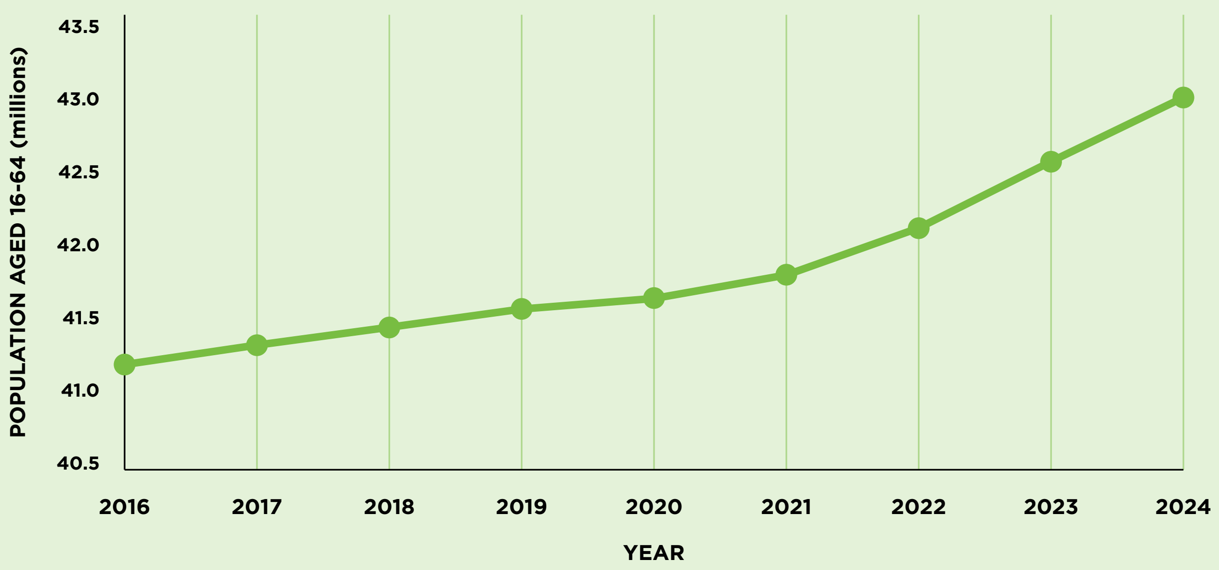
A modern careers system should support people throughout their working lives, not only at the point of leaving education. As the economy changes, adults will increasingly need to retrain, upskill and move between roles or sectors. Working lives are getting longer. In 1999, the average age of labour market exit was 63.2 for men and 60.8 for women. By 2025, this had risen to 65.8 and 64.7 respectively[iii].

Good careers advice is an essential part of a wider lifelong learning system, alongside greater employer investment in training, accessible opportunities to develop new skills, and the right government framework to make lifelong learning easier to navigate and invest in. The need is increasingly urgent as the size of the UK working age population grows, as show in the graph below[iv].

Current adult careers information, advice and guidance (IAG) provision is insufficient, and investment in training by both government and employers has declined due to a tight fiscal environment. This has created a productivity problem.

When people cannot identify where their skills are best matched in the labour market, are not using existing capabilities effectively, or remain in roles that do not suit their interests, health needs or wider life commitments, the economy loses potential. The same is true when workers are unable to keep pace with technological change and shifting labour market demand, or when businesses can't plan strategically for future skills needs.

UK WORKING-AGE POPULATION, 2016-2024 ONS DATA: LF20 LABOUR MARKET STATISTICS TIME SERIES



England's adult career guidance in 2026

England's adult careers guidance offer is centred on the National Careers Service (NCS), which provides support through its website, online chat, telephone line and some face-to-face provision.

However, a 2025 review commissioned by the Gatsby Foundation suggests that this model is more limited than adult guidance systems in several comparable countries. The report notes that the way the NCS is funded means it cannot provide a universal face-to-face service, and so support is typically focused on groups similar to those served by Jobcentre Plus[v].

Adult careers support in England is therefore largely concentrated on people who are unemployed, in education, or able to pay for private provision. By contrast, the strongest international examples use statutory entitlements, public employment services, local and regional delivery networks, specialist provision, professional guidance staff and labour market data to make careers guidance available to both unemployed and working adults.

From October 2026, the NCS will be merged with Jobcentre Plus in England, which may provide better integration of employment support and careers advice, but conversely may further the perception that the NCS is for adults out of work only.

Strengthening access to tailored careers advice for all adults would be a relatively low-cost intervention with the potential to unlock significant productivity gains.

Recommendation

Fund the National Careers Service to provide face-to-face support for all adults in England regardless of employment status.

2.2 Government must create better conditions for business to invest in continuous development

Good quality careers advice, informed by local economic needs, helps people make informed decisions. This should then guide investment in skills.

Both businesses and individuals have a role to play in supporting lifelong learning and career development. Employers understand they have this role and stand ready to do more. But government must create the conditions that support business investment in skills to ensure the UK remains competitive globally in light of the changing global economy and reduced levels of migration.

The current high-cost environment is holding back skills investment

The cost stack on businesses is too high – particularly employment costs which have risen dramatically in the past few years.

Successive UK governments have added to the cost burden on business. BCC's analysis of 11 key factors shows that domestic policy-driven costs have risen by more than 70% over the last decade for an average mid-sized firm.

The BCC Cost Stack Calculator is available at www.britishchambers.org.uk/cost-stack-calculator.

When labour cost pressures are high, training and outreach budgets are often the first to be cut, alongside investment in young people which can feel higher risk. The BCC's 2026 Workforce Survey found that 38% of firms scaled back recruitment as a direct result of the National Living Wage rise in April, while 17% reduced their staff training budget.

70%
Businesses' costs have risen 70% in 10 years.

17%
of businesses reported training budget cuts to fund wage rises in 2026.

The rise in employer National Insurance contributions has also had a significant impact. Government must create an attractive environment for firms to invest in skills development by lowering business costs. There are already no employer NICs payable for people aged under 21, or apprentices under 25. So, a quick win would be to extend the zero-rate to all employees under 25.

Recommendation

Immediately extend the existing employer national insurance contribution zero-rate to all 21 to 24-year-olds.

Constant tinkering with the skills system has equally held back investment

Additionally, the skills system in England is incoherent. Constant tweaks and changes such as the defunding of apprenticeships mean employers don't have the confidence to invest in career development pathways.

Recommendation

Government must avoid unnecessary changes to the skills system, including further defunding of apprenticeships, to ensure there is a pathway to progression from L2 to L7 across all sectors.

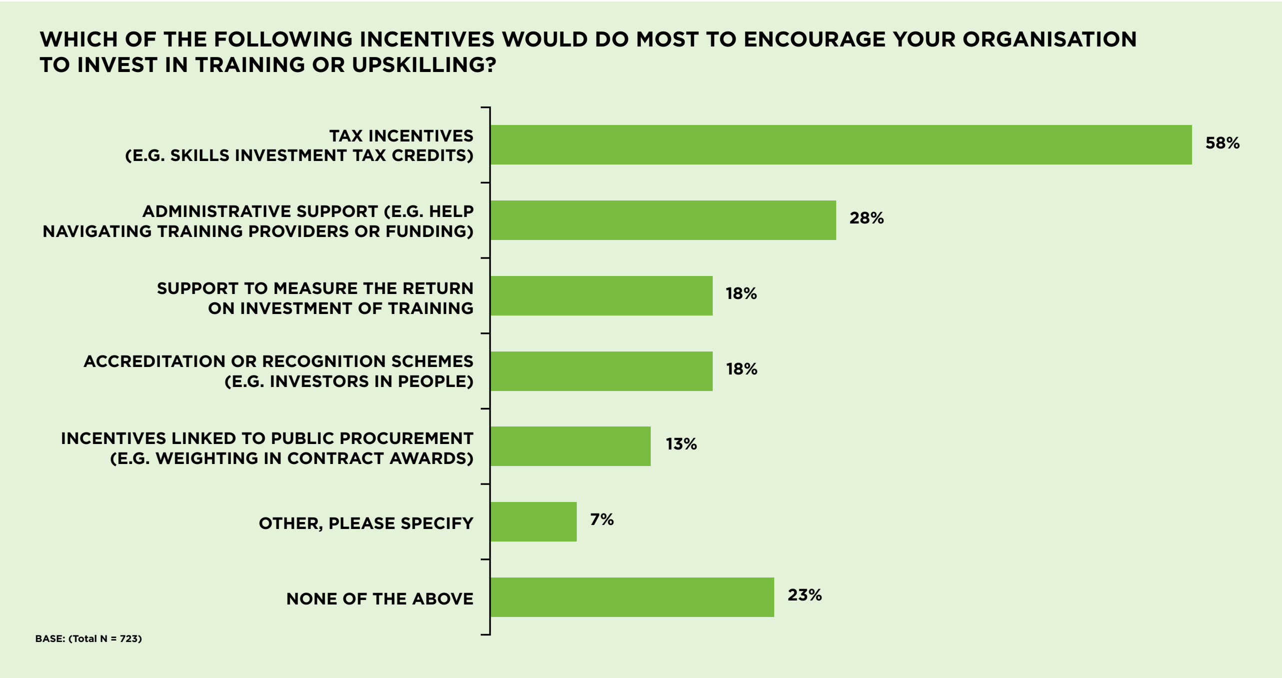
Incentives are needed to shift the dial on lifelong learning

To ensure the UK economy grows and living standards improve, there must be a cultural shift towards lifelong learning. This change won't happen organically. The right incentives need to be in place to nudge both employers and individuals.

Research from the BCC Insights Unit shows that employers say tax incentives are the most effective measure to encourage investment in training or upskilling. One option would be a skills tax credit, modelled on existing R&D tax credits, to reward proactive businesses and reduce the risk attached to investment.

Recommendation

Introduce a skills tax credit or similar fiscal incentive to help firms invest in their existing workforce.



Greater support to measure the return on investment in skills is also needed

A further 18% of firms said they would be incentivised to invest if they had more support to measure the return on that investment. The need for support to measure the ROI of training suggests there is still work to do to shift employer perceptions of workforce development from a discretionary cost to a core investment in productivity. Businesses are making rational decisions in a high-cost environment, particularly where they fear that trained staff may leave before the firm sees a return.

However, a stronger culture of lifelong learning would benefit the wider economy by increasing the pool of skilled workers available across the labour market. Evidence from Germany suggests that business' concerns about staff being poached need not be a major barrier to employer investment in training. Research on German apprenticeship training found that only around 3% of training firms had had staff poached, and concluded that the overall importance of poaching for expected returns and training decisions appeared negligible[vi].

There are good practice examples from the UK context as well. Many employers, especially larger businesses with HR capacity, are taking on the challenge of changing skills needs in the modern labour market.

Aviva Foundry

As technology, automation and AI continue to reshape the workplace, Aviva is investing in helping colleagues develop the skills needed for evolving roles across its business. A key part of this approach is the Aviva Foundry, the company's flagship programme for building digital, data and technology capability.

The Foundry was established after Aviva identified growing demand for skills in areas such as digital, data, technology and transformation, alongside a recognition that advances in automation and AI are reshaping skills requirement across the business. Rather than relying solely on external recruitment, Aviva invested in its existing talent, creating opportunities for colleagues to reskill and move into areas of growing demand while retaining valuable experience and institutional knowledge.

To date, the programme has reskilled more than 210 colleagues, including supporting transitions from customer telephony roles into digital positions. The Foundry sits alongside wider investment in learning and development through Aviva University and capability academies covering areas including AI, data, underwriting, claims and wealth. All Aviva colleagues also have access to Microsoft Copilot and Aviva continues to build AI capability across the business.

Through investment in lifelong learning, reskilling and digital capability, Aviva is helping colleagues adapt to technological change while building the skills the business needs now and for tomorrow.

This needs to sit alongside a much simpler, coherent and easy to navigate skills system

In the UK, businesses often report that the skills system is complex and incoherent. There is a proliferation of training products and funding models, cumbersome bureaucracy, and often a disconnect between the skills employers need and the local provision available. Critically, tailored careers advice is not systematically embedded into the skills system, whether in full-time education or adult upskilling.

All of this can impede lifelong learning, undermining UK competitiveness. The UK could stand to adopt the approach similar to those seen in other countries. Germany, for example, provides a useful model for comparison on lifelong support for learning.

Germany's lifelong learning system

Germany's careers and employment system offers adults access to advice through local Employment Agencies and Job Centres, with the Federal Employment Agency supporting vocational guidance, placement, retraining and continuing education for people in work, out of work or looking to change career.

Germany has sought to embed this within a wider National Skills Strategy, with the aim of making lifelong learning part of normal professional and business development.

The system is not perfect, and recent OECD work notes that Germany still needs to improve access to adult learning. But 60% of German adults participated in education or training in 2022, compared to just 21% of adults currently engaged with training in the UK labour market[vii,viii]. This demonstrates the value of a more visible, coherent infrastructure: careers advice, employment support and reskilling are treated as connected parts of the labour market system, rather than separate interventions.

Better signposting and improved collaboration between stakeholders, at the local and national level, could improve career mobility and investment in lifelong learning. Such integration and collaboration should be extended to wider employment and skills system infrastructure, as in the German system.

The government recently announced that local employment support will be devolved to strategic authorities in England. This offers a good opportunity to align employment support with the skills system at a place level, with the Adults Skills Fund and 16-19 skills funding also devolved, and strategic authorities having joint ownership of Local Skills Improvement Plans (LSIPs).

To realise this potential, employment support services such as Jobcentre Plus should align their advice with the growth priorities and labour market intelligence identified in the LSIP.

Recommendation

The Department for Work and Pensions should require Jobcentre Plus and local employment services to work with Chambers of Commerce and other LSIP Employer Representative Bodies to align careers advice, employment support and skills provision with local labour market needs.

Local Skills Improvement Plans

In 2019, the British Chambers of Commerce launched a Workplace Training and Development Commission to consider how best to tackle the issue of skills shortages across the economy.

Its final report identified a mismatch between the skills that employers needed, and the training provision available locally. The UK Government listened to the findings and created 38 Local Skills Improvement Plans (LSIPs) across England.

These are employer-led initiatives to bring together businesses and providers to respond to the skills needs of local economies, now and in the future. There are now 39 LSIPs in England, and 33 are led by Chambers of Commerce, as the designated Employer Representative Body (ERB). The representative body convenes stakeholders to create, and then implement, the plan according to local growth priorities.

2.3 What should a skills and careers system built for business look like?

It is easy to establish the importance of system design and to use the rhetoric of systems thinking. The harder task is to define what that system should look like in practice. For employers, a stronger adult skills and careers system must connect several elements that are too often treated separately: clear careers advice, skills development, mentoring, brokerage, flexible funding, employer investment, and the right fiscal and policy incentives from government. Taken together, these components create the conditions for lifelong learning.

The need for each component part is clear. Adults need clear information and guidance to understand their options and make informed choices about retraining or progression. Employers need a simple way to identify the skills they require, shape provision, and invest in their workforce. Local institutions need the capacity to broker relationships between businesses, providers and learners. Government must then provide the framework that makes this system easy to navigate, financially viable and responsive to changing economic needs, including through stable funding, tax incentives and a lifelong entitlement to learning that can bring in additional employer investment.

There are practical elements of a lifelong learning system that would enable more adults to reskill and upskill throughout their working lives, while giving employers the confidence to invest in the skills they need for growth. These include focusing on employer-led provision rather than individual products; an evolved Lifelong Learning Entitlement; Local Skills Improvement Plans; and flexible development programmes such as mentoring.

Employer-led provision needs to sit at the heart of the lifelong learning system

To drive growth, businesses need to be able to address shortages at the highest skill levels and move people up through their careers, in turn freeing up opportunities at the bottom of the careers ladder for young people.

A frequent criticism of successive government departments is that the default response to a skills issue is to introduce a new product. The result is a complex plethora of qualifications and training programmes with inconsistent delivery. Businesses don't 'speak the language' of the skills system or have the resources to wade through the broad range of training options that may be available. Training providers and government sources talk about skills and qualifications in terms of 'levels', but this means nothing to most businesses who think in terms of their roles and competencies.

Businesses instead need a system that reflects their needs, helps them address skills shortages and drive productivity improvements through skills investment. BCC research undertaken in 2026 shows that most businesses favour training that is short, often non-accredited, or a small number of very well-established qualifications.

BCC report, Upskilling the Workforce, 2026

Employers want a mixed training offer. When asked which types of training they would ideally like to offer employees, 42% of firms selected mentoring or coaching, 41% selected apprenticeships, 37% selected short, non-accredited courses, 33% selected industry accreditations and 32% selected vocational qualifications. Only 11% selected university degrees.

Different sectors and sizes of firms have different needs. Manufacturers were more likely to offer apprenticeships (48%) and vocational qualifications (37%). In contrast, B2B services firms leaned more towards mentoring and coaching (45%), while B2C services firms relied more on short, non-accredited courses (44%). Larger firms were much more likely than smaller businesses to offer training opportunities, with 78% saying they would ideally offer apprenticeships, 69% mentoring or coaching, and 60% vocational qualifications.

Employers do not experience their workforce needs in terms of government "products". They need a stable, simple and flexible skills system that allows them to choose the right training for the right person at the right time.

Both high-quality apprenticeship pathways and short, modular, flexible options are valued by businesses, often depending on their size and sector. Therefore, the defunding of higher-level apprenticeships in England is a genuine concern for upskilling pathways, in the context of just 11% of businesses wanting to use university degrees for upskilling.

Recommendation

By 2027, Skills England must commit to shaping the future of the Growth and Skills Levy through a formal co-design process with business and employer representative bodies, to ensure provision is based on real business needs.

The Lifelong Learning Entitlement must evolve to play a key part in lifelong learning

The Lifelong Learning Entitlement (LLE) has the potential to become a significant pillar of lifelong learning in England. From January 2027, eligible learners will be able to access student finance for full courses and some modules at levels 4 to 6, with a tuition loan entitlement equivalent to four years of post-18 study. The policy is intended to support more flexible access to education and training across working lives. This ambition is welcome. Businesses have consistently called for a more flexible, modular lifelong learning offer that supports in-work upskilling, and the BCC has therefore supported the principle of the LLE.

However, there is a risk that the reality of the LLE does not yet match the scale of the original policy ambition. Awareness of the model remains limited, and the range of modular provision available at launch appears narrower than many employers expected. While a useful starting point, it may not be enough to create the broad, responsive and employer-relevant training market needed to drive adult upskilling at scale.

The current model would be strengthened by a clearer framework for employer co-investment. Where individual career ambitions, business needs and local skills priorities overlap, co-investment could help public funding go further and unlock additional private investment in adult skills. Employers are willing to invest in training where it supports workforce development, retention or future skills needs. However, firms need a simple and credible mechanism for doing so alongside individual finance and public funding.

Without that framework, there is a risk that the LLE is treated primarily as an individual loan product, rather than as part of a wider lifelong learning system. In practice, employees may be reluctant to take on personal debt for training that primarily benefits their employer, while employers may find it difficult to justify releasing staff for courses that are not clearly linked to business need. A stronger co-investment model would help align learner choice, employer demand and local skills priorities, making the LLE more likely to drive behaviour change and support sustained investment in adult skills, driving both economic growth and individual improvements in living standards.

Recommendation

Government should set out a clear employer co-investment model for the Lifelong Learning Entitlement in England before full roll-out in January 2027.

Local brokerage is crucial to help employers navigate the system

Local brokerage plays an important role in helping employers navigate a complex and fragmented skills system. Through LSIPs, Chambers of Commerce act as trusted intermediaries, bringing together employers, training providers and local stakeholders to identify skills needs and translate them into practical training solutions. This local brokerage underpins an effective lifelong learning system and a more competitive economy.

Independent evaluation in May 2023 found that more than 65,500 businesses had engaged with LSIPs during the early stages of delivery, with many SMEs participating in the skills system for the first time[x]. LSIPs are accessible to businesses far beyond Chamber membership. For example, the North East Chamber of Commerce, Employer Representative Body (ERB) for Tees Valley LSIP, has engaged over 3,500 businesses through a variety of methods including in-person events with other business networks, a large telephone survey, social media outreach, word of mouth between local businesses, and in one case actually walking down the high street to engage more hospitality businesses face-to-face.

LSIPs in England are helping to align training provision more closely with employer demand, local growth priorities and strategic workforce planning. The latest iterations of LSIPs for 2026-2029 are aligned with Local Growth and Get Britain Working Plans, under joint ownership with strategic authorities. However, the effectiveness of this local brokerage depends on stable relationships and sustained engagement. Short-term and inconsistent funding cycles make it harder to maintain the partnerships that underpin successful local skills planning.

Skills WM+W and Millboard

The West Midlands and Warwickshire Local Skills Improvement Plan established Skills WM+W to strengthen employer engagement with the local skills system and help businesses connect with training providers.

Through this local infrastructure, Coventry-based manufacturer Millboard worked with Coventry and Warwickshire Chamber of Commerce Training to address a need for stronger leadership and management skills. To support its growth, Millboard invested in a combination of government-funded apprenticeships and company-funded training. The employer helped shape the provision around its operational needs, including lean manufacturing, problem-solving and process improvement, and funded employees to undertake ILM Level 2 and Level 3 leadership and management programmes.

Millboard reported increased productivity and product quality, stronger leadership and management capabilities, and improved process controls. The case study shows how LSIP-supported employer engagement can help a business navigate the skills system and turn an identified workforce need into direct employer investment in training.

Recommendation

Guarantee long-term funding for LSIP Employer Representative Bodies in England, to embed employer-led local skills planning, maintain stakeholder collaboration and provide businesses with a consistent point of contact to engage with the skills system.

Scale mentoring and coaching to support lifelong learning

With BCC research showing 42% of firms wanting to offer mentoring or coaching, there's a clear opportunity to scale a low-cost intervention that supports lifelong learning and benefits employers, employees and young people.

Mentoring schemes can help employees make informed decisions about career progression, improve job satisfaction and retention, and benefit mentors by developing leadership skills and broadening their perspectives[xi].

Peer-to-peer mentoring can create personal and professional benefits for both the mentee and the mentor. For the mentee, it provides access to practical advice, tacit knowledge and support from someone with relevant experience. For the mentor, it can build communication, coaching and leadership skills.

Some employers also use reverse mentoring, where a younger or more junior employee supports a more experienced colleague or leadership team. This can help senior staff understand emerging trends, new technologies and the perspectives of younger workers, while giving junior employees the opportunity to develop confidence, influence and communication skills.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3. LAYING THE FOUNDATIONS FOR LIFELONG LEARNING STARTS IN SCHOOLS

In order to create a true lifelong learning system, engagement with individuals must start long before they enter the labour market.

The Milburn Review has rightly identified the importance of early careers guidance and exposure to work in preventing young people from becoming disconnected from education and employment. Its next phase is an opportunity to go further, embedding this agenda within a wider lifelong learning system that supports people from school through to retirement.

High-quality careers information, advice and guidance (IAG) are equally important at this age, alongside meaningful work experience. They provide the foundation for a lifelong learning system and should be embedded in the school system. This will help young people understand the world of work, make informed choices, and develop the skills and confidence employers need.

3.1 Embed quality careers advice in school

Good quality careers advice helps ensure young people make the right choices, in the context of their local and the national economy's needs. It is therefore no surprise that in the interim report for his review of Young People and Work, Alan Milburn identified that protecting young people from risk of becoming NEET 'depends on getting the right exposure to work experience and careers guidance'[xii].

Careers advice in schools is not working despite improvements

At present, provision of careers advice and guidance in schools is too inconsistent, often too generic and disconnected from local labour markets. This means too many young people leave education without a clear understanding of local opportunities or routes into technical and vocational pathways.

Current careers provision in England is improving through initiatives such as the Gatsby benchmarks which has placed a greater emphasis on employer interactions. However, in most cases, IAG is still not prioritised, consistent, or embedded throughout the curriculum.

Gatsby benchmarks

The Gatsby benchmarks, developed by the Gatsby Foundation, are used by more than 4,700 schools and colleges in England.

The benchmarks 'define world-class careers guidance for young people' and have been central to government statutory guidance for secondary schools and guidance for colleges since 2018. Since then, national performance against the eight benchmarks has more than tripled[xiii].

Employers consistently report that young people, and their advisors, are not aware of vacancies in their local economy, the breadth of careers within different sectors, or the pathways into them. That is a missed opportunity to lay the foundations for lifelong learning and improve productivity, growth and individual living standards.

Opportunities to put careers at the heart of the curriculum have been missed

Previous BCC policy reports have identified an opportunity to build closer links between education and the labour market in England by allowing employers and LSIPs to play a greater role in shaping pre-16 learner demand[xiv]. This would ensure there are clear, visible career pathways for young people, with training provision available in their local area.

One Chamber of Commerce told the BCC that 'by introducing careers engagement at an earlier age, we feel that pupils will develop wider horizons, challenge typical careers stereotypes, and establish an early link between classroom learning and future personal goals'.

The government's recent Curriculum and Assessment Review could have been an opportunity to address this. However, it did not even consider careers and work experience, as these activities are treated as extra-curricular and therefore out of scope. This represents a missed opportunity to join up the education system with the labour market in a more cohesive way, so young people are aware of the opportunities available to them, the skills needed, and the pathways to get there.

Action is needed now to improve provision and has significant benefits

The prize of getting careers advice right is high. In 2024/25, the Careers and Enterprise Company estimated that careers information, advice and guidance supported a net fiscal value of £300m in savings through reduced numbers of young people who are NEET alone[xv].

£300m
School careers guidance delivers £300m net value from NEET reduction.

The government's recent announcement that local government and employers in England will work together to shape new pathways for students from Year 10 is a step in the right direction. Employers want pupils to understand how the subjects they learn at school can connect in reality to a broad range of careers in their local economy and beyond.

But this should start from an earlier age, in primary school. Furthermore, the growth priorities identified by local authorities to shape these pathways must be led by and aligned with the LSIP. That will ensure they reflect employer demand and skills needs and avoid duplicating an existing framework. The impact will be young people are better prepared for work and better connected to the opportunities in their local economies.

Recommendation

Careers IAG, informed by the priorities identified in the Local Skills Improvement Plan, should be embedded throughout the school curriculum in England from the end of Key Stage 2 onwards. This should include better promotion of technical and vocational pathways alongside academic qualifications.

3.2 Scale work experience to shape careers and workplace skills

Work experience done well shows young people possible career pathways and helps them develop workplace skills. As the Milburn report identified, this can help protect young people from becoming NEETs. In this respect, work experience is a fundamental pillar of the lifelong learning system employers want to see.

Positively, new BCC research shows that work experience is already one of the most common careers activities that employers provide. 64% of employers told us they engage with some careers activity, and 46% said they provide work experience[xvi]. One of the reasons is that it provides a pipeline of talent, as well as bringing young people into the workplace, rather than taking an employee out of the business and into a school.

The traditional model of work experience presents barriers in the modern world

The challenge is now both to scale this engagement, and to ensure it is producing the intended outcome. This means overcoming barriers to the provision of work experience placements in the modern world of work.

46%
of Chamber members provide work experience.

Good quality work experience helps build awareness of careers

Firstly, exposure to a range of real-life workplaces can broaden the ambition of students and raise awareness of careers they may not have considered. It is powerful to see a business in action, whether an office environment or a laboratory, an agricultural site or a hotel. Many teachers have only worked in schools and therefore can't convey what it is like to work in an advanced manufacturing production line. Students, and often their parents, 'don't know what they don't know', which means they may miss opportunities to go into a career which would excite them.

Work experience can also help develop skills and behaviours for success

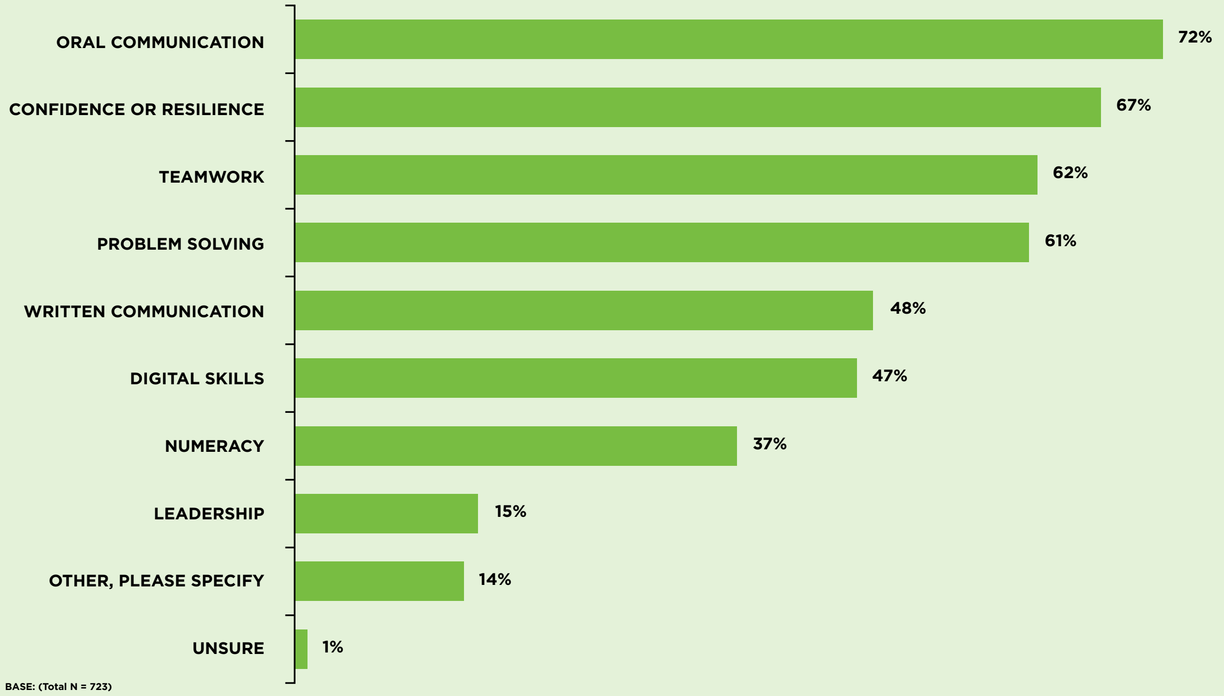
Secondly, real-life experiences can provide students with some of the work-readiness skills they need to get their first job.

The BCC repeatedly hears from businesses that behaviours are more important than qualifications for entry level recruitment. Employers can train people to gain the technical skills they need on the job, but young people need to leave school with the essential employability skills to succeed on day one.

In the BCC's 2026 Workforce Survey, we asked over 700 firms which skills they would advise a young person to focus on. Oral communication was cited by almost three quarters of businesses (72%), closely followed by confidence (67%) and teamwork (62%).

The data is new, but the message is not. For years, employers have told the BCC that young people need more than technical knowledge to succeed at work. Communication, confidence and teamwork are fundamental to entry-level recruitment and progression. Work experience can offer a practical chance to develop these behaviours in a 'real-life' context, meaning young people will be ready to become productive in the workplace sooner.

IF YOU WERE SPEAKING TO A YOUNG PERSON ENTERING THE WORKFORCE FOR THE FIRST TIME, WHICH OF THE FOLLOWING AREAS WOULD YOU ADVISE THEM TO FOCUS ON?



BASE: (Total N = 723)

Current barriers to work experience provision must be overcome

The fact that businesses still do not see improvement in these skills among school leavers shows that current careers education and work experience provision is not yet preparing young people consistently enough for the workplace. To get there, barriers to provision - which are often most severe for SMEs who represent the majority of firms in the UK - need to be overcome. These include health and safety concerns, administrative burdens, questions about insurance and cyber security.

Health and safety concerns can be a serious barrier in many workplaces, especially to providing opportunities to under 16s. This will be an increasing concern given the government's recent announcement of new technical pathways and employer interactions for students from age 14.

There can also be a high administrative burden to organise placements, and many businesses, especially SMEs, lack the capacity to host placements or design more creative solutions. These barriers often lead students to rely on personal networks to secure work experience, which poses risks for inclusion and social mobility. SMEs are also disadvantaged by this as they lose out on the chance to reach new talent pools and build their workforce pipeline.

Other barriers may be more an issue of perception than reality. For example, BCC members often report that their insurance policies are a barrier to taking on work experience students. However, students would be covered by existing Employers' Liability and Public Liability insurance. The Association of British Insurers (ABI) developed an Insurance and Work Experience guide to 'debunk' some of these misconceptions and found that 'misunderstandings can result in unnecessary administrative burdens, last-minute queries, or even unsuitable restrictions on what students are allowed to do'[xvii].

Cyber security can create a further barrier for firms. Some businesses cannot provide temporary access to internal systems or sensitive data. That means they either need to provide separate equipment and restricted access, which can add cost and complexity, or design activities that are less realistic and valuable for the learner.

Recommendation

Government should simplify and consolidate guidance for employers, such as the ABI guidance, covering insurance, health and safety, safeguarding and employer responsibilities for work experience placements. This will make it easier for SMEs to understand what is required of them and where they can access trusted information.

Other barriers to an in-person block placement are more difficult to overcome – such as providing PPE that will fit young students. So, businesses should be supported to take part in different approaches to providing work experience.

Best practice in flexible work experience provision should be scaled up

Several employers and organisations have developed innovative approaches to work experience which move away from the traditional two-week block placement and make provision easier for many firms. These good practice case studies offer learnings that can be extrapolated to the wider business community, and for government to scale its ambition for every young person to receive two weeks' worth of work experience. They are important as they provide a wider range of experiences for young people which can inform careers decisions.

This includes the Careers & Enterprise Company's 'equalex framework' which replaces a single placement with multiple meaningful employer encounters; Northumbrian Water Group's Young Citizens Festival which offers workshops across two days; and the Kings Trust's Mosaic Mentoring Programme.

Careers & Enterprise Company's 'equalex framework'

The Careers & Enterprise Company (CEC) developed equalex as a framework for modern work experience which replaces a single placement with multiple meaningful encounters with employers throughout a young person's education.

It provides a structured set of learning outcomes that help schools, colleges and employers design workplace experiences that build skills, knowledge and career readiness over time.

Early evidence from pilots shows equalex delivering positive outcomes for learners and employers. 92% of learners from high-deprivation schools in a KPMG UK-led pilot reported a better understanding of the types of skills employers are looking for.

Employers valued equalex's flexibility and reduced administrative burden[xviii]. A CEC interim evaluation found that best practice for delivering equalex includes guided reflection to help learners connect experiences to curriculum learning and future aspirations.

Northumbrian Water Group’s Young Citizens festival

Northumbrian Water Group has developed an innovative approach to work experience through its Young Citizens Work Experience Festival, designed to reach young people who might otherwise miss out on traditional placements.

Now in its third year, the festival welcomed around 430 students from 19 schools in 2026. Over two days, students took part in eight workshops focused on key employability skills delivered by Northumbrian Water Group and other organisations from across its supply chain and the wider community. Activities ranged from CV and application workshops to STEM-related challenges and hands-on environmental projects.

Feedback collected from students showed improvements in teamwork, communication, problem-solving and creativity. The festival also creates opportunities for young people who are not in education, employment or training (NEET), with Northumbrian Water Group offering paid work experience placements to support participation.

The company has already seen evidence of increased community engagement, with students and families recognising the organisation from previous outreach activities and expressing interest in future apprenticeship opportunities. The initiative also benefits employees, who gain valuable experience in presentation, mentoring and communication through volunteering and school engagement activities.

However, a proliferation of different approaches around the country could lead to a postcode lottery of provision, and employers operating across multiple sites could find it difficult to engage with schools looking for different bespoke arrangements.

Recommendation

Government should adopt and promote a single national framework for flexible work experience, such as the equalex framework, so that employers encounter a consistent process regardless of geography, capacity or sector.

Mentoring can positively reinforce work experience and careers advice

Mentoring and coaching is not just for those already in work. Work experience students equally benefit from structured mentoring-style activities. This gives school-age learners a meaningful career development opportunity, while also helping existing employees reflect on their own roles, explain their work clearly and build coaching skills. For employers, it could also strengthen future talent pipelines by creating earlier and more purposeful contact with young people.

There is also an opportunity to connect mentoring with employer-supported volunteering. Many businesses, particularly larger firms, already offer corporate social responsibility or volunteering days to staff. Employers could encourage employees to use some of this time to take part in mentoring programmes with schools, colleges or community organisations.

When designed well, mentoring through volunteering can therefore create a 'win-win-win' model: young people gain exposure to the world of work, employees develop transferable skills, and businesses increase the productivity value of their community investment.

The King's Trust's Mosaic Mentoring Programme

As part of The King's Trust's Mosaic Mentoring Programme, 27 Year 9 students spent the day with Santander UK's CEO and Executive Committee. For many of the young people, it was their first time inside a large corporate office. More importantly, it was an opportunity to meet people whose career journeys could help them imagine new possibilities for themselves.

For Santander's Executive Committee, this was not simply a volunteering opportunity. Their involvement was also intended to lead by example and inspire colleagues across the organisation to get involved in skills-based volunteering. Mark Homans, Santander UK's Head of Social Impact, reflected on how stepping outside of his usual environment enabled him to build a strong connection with the students and reinforce his message that confidence develops through experience.

By the end of the day, students had gained far more than a glimpse into one organisation. They had experienced a professional workplace, met senior leaders, explored the skills needed for future success and heard stories about resilience, learning and growth. Santander colleagues heard new perspectives from the students on sustainability and challenges for the future, and had space to reflect on their own skills and career development.

Recommendation

By September 2027, every school and college should be connected to a local employer-led mentoring network, coordinated by Chambers of Commerce and other local employer representative bodies, so more young people can meet employers, build confidence and understand routes into work.

4. CONCLUSION

The evidence in this report points to a simple reality: careers information, advice and guidance and lifelong learning cannot be treated as separate policy challenges. They are part of the same journey.

A productive economy depends on helping young people access good careers, supporting adults to navigate change throughout their working lives, and enabling employers to develop the skills they need. Careers support should therefore begin earlier, continue for longer, and be available at every stage of life, from primary school through to retirement. All parts of the UK need a coherent careers system that links education, employment, skills and welfare, rather than a series of disconnected interventions.

Businesses are clear that they want to play a greater role in this agenda. Employers already provide work experience, careers engagement, training, mentoring and apprenticeships, and many want to invest more in workforce development. However, business investment does not happen in a vacuum. Employers respond to the incentives, costs and institutions created by government. A stable skills system, lower barriers to participation, clearer signposting and stronger local brokerage are all essential to creating the conditions in which employers can invest confidently in people and skills. Government creates the environment; business delivers the investment in skills that in turn delivers growth.

The government's welcome focus on reducing the number of young people who are not in education, employment or training must be part of a broader ambition. As the UK population ages and working lives lengthen, supporting older workers to retrain, adapt and progress is just as important as helping young people take their first steps into employment. Investment in youth opportunity and adult skills is not an either or. In fact, the two are mutually reinforcing: a stronger lifelong learning culture helps people progress through careers, boosts productivity, and creates new opportunities for the next generation entering the labour market.

The challenge for policymakers is therefore not to create more programmes, products or initiatives. It is to build a clearer, simpler and more coherent system that connects careers guidance, skills development and employment support throughout a person's life. If government can provide that framework, employers stand ready to help deliver. The prize is a more productive economy, a more adaptable workforce and a careers system that truly supports growth from classroom to career.

5. APPENDIX

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xv. BCC Workforce Survey, 2026

xvi. https://www.abi.org.uk/globalassets/files/publications/public/gi/abiinsuranceworkexperienceguideapril2026.pdf

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