<u>2026 NPF Annual Consultation</u>

Submission to Labour's National Policy Forum

Chartered Institute of Personnel and Development (CIPD)
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About CIPD

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years.

It has 160,000 members across all sectors and sizes of organisation and provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers. It also seeks to promote and improve best practice in people management and development and to represent the interests of our members.

Kickstart economic growth

4. What should the Government consider in implementing and taking forward its Make Work Pay plan?

1) Shore up capability, skills and understanding of employers (particularly SMEs), HR professionals, and line managers, to support successful implementation of ERA measures

The Employment Rights Act 2025 (ERA 25) is the biggest overhaul of UK employment law in decades. It is a cultural shift. The measures in the act will undoubtedly add to the administrative load on employers. It is vital that employers, especially SMEs with limited resources and experience of labour market regulations, as well as HR professionals and line managers have the understanding, capability and skills to ensure the implementation of the Make Work Pay measures are successful within their organisations. HR departments and line managers will be the people on the front line implementing the ERA 25 reforms, and adapting to so many wide-ranging changes presents a collective burden and cost on business.

Changes to legislation in isolation won't change employer and workplace practices for the better. Businesses need to be supported so they can be aware of and understand the implications of legislation and to ensure that their policies are updated, aligned and clearly communicated to the workforce. Crucially, for the ERA 25 to achieve its aims, people managers must be supported in understanding their key role in managing people fairly and complying with the law.

Acas will need more resources to strengthen its ability to provide advice and guidance to organisations, particularly to micro and small firms, which have far less understanding of their legal obligations and risks.

We believe the Government should run a high-profile "know your rights" campaign to ensure all players impacted by the reforms are aware of the changes. In order to be compliant, it is essential for employers to have clear, accessible information and good-practice guidance. As well as practical information and guidance, a campaign would support with the storytelling of the changes – the what and the why. As previously mentioned, these changes represent a cultural shift and for culture reform to be successful there needs to be a constant, consistent, and effective narrative.

2) Ensure the Employment Rights Act 2025 does not negatively impact youth opportunity

Reforms to improve job security are important, but they need to be considered in the round — particularly in terms of how they affect access to entry-level work for young people.

Recent CIPD research suggests a more cautious employer outlook. Hiring intentions have decreased, vacancy growth has slowed and cost pressures remain elevated. A growing minority of employers report reassessing recruitment plans in light of rising labour costs and regulatory change. In this context, the cumulative effect of new obligations on entry-level hiring needs to be carefully monitored.

The proposed ERA provisions granting zero- and short-hours workers the right to guaranteed hours based on an average over a reference period as short as 12 weeks risk creating operational complexity in sectors characterised by fluctuating demand. Hospitality and retail — both key entry points for young people — are likely to be particularly affected. There is a possibility that some employers respond by reducing the availability of flexible roles or limiting recruitment into jobs that have traditionally enabled young people to combine work and study. Over time, this could narrow opportunities for early labour-market exposure, with implications for work-readiness and participation. To mitigate these risks, the CIPD has recommended:

- Extending the reference period for guaranteed-hours calculations to 12 months, or at least six months, to better reflect seasonal demand patterns and reduce volatility.
- Exploring an education-related exemption or opt-out, recognising the distinct role that flexible contracts play for students.
- Strengthening HR and business support for SMEs, enabling smaller employers to adapt while maintaining accessible entry routes.

Timing also matters. Guaranteed-hours reforms are expected to coincide with the planned extension of the adult National Minimum Wage rate to younger workers. While raising wage floors supports earnings, the interaction of higher wage costs and additional regulatory requirements may constrain hiring in youth-intensive sectors. Where margins are tight, employers may adjust through lower vacancy creation rather than headline redundancies — with implications for access to first jobs.

Given these cumulative pressures, there is a sensible case for government to retain flexibility of the timing of the introduction of National Minimum Wage increases. If labour market conditions soften or evidence suggests that entry-level hiring is being adversely affected, a more gradual trajectory would help mitigate risks to youth employment.

The objective of improving job quality should not inadvertently narrow access to work. In a context of elevated NEET levels and weakening employer sentiment, careful calibration of regulatory and wage policy will be essential to avoid unintended participation impacts.

3) Invest in supporting and expanding enforcement mechanisms to ensure the ERA 25 reforms achieve aims

Creating new legislative rights for workers is one thing; ensuring that people are able to exercise those rights in practice is another thing entirely.

The Employment Tribunal's time and resources were coming under increasing strain long before the ERA 25 was introduced, and the additional measures introduced in the Act will only increase demand on the Tribunal. Ministry of Justice data shows rising Employment Tribunal receipts over the last three years and declining disposals in the same period, meaning a growing number of unresolved cases. Without proper investment to expand capacity in the Employment Tribunal delays will continue to increase and the number of unresolved cases will grow, creating uncertainty for individuals and employers alike.

The role of the Fair Work Agency (FWA) must also be focused on proactive enforcement, encouraging compliance by working closely with Acas to support SMEs to comply and not just imposing fines/penalties on employers that fall foul of their legal obligations. A large minority of micro and small firms struggle to comply with employment law not because they are 'bad' employers but because owner managers are knowledge, time and resource poor and lack access to professional HR advice and support.

Given the complexity and breadth of changes in the ERA 25, it is important that implementation of the reforms does not result in more conflict within workplaces particularly in light of the very significant and growing pressure on the employment tribunal service.

4) Continue tripartite working with Government, employer representatives, and trade unions

The importance of tripartite dialogue between employer representatives, trade unions and Government cannot be understated during the implementation process of the ERA 25. We were encouraged by the tripartite meetings in the first year of this Government with Angela Rayner and Jonathan Reynolds, and continued with Minister Dearden in 2025. The tripartite conversations around the changes to unfair dismissal, ultimately resulting in mutual agreement on a practical way forward, was a great example of how this dialogue is needed for successful implementation.

There are a number of measures from the Act where detail is yet to be decided, and which will have far-reaching consequences for businesses' ability to create jobs and contribute to economic growth. In order for employers to recruit, retain and develop the skilled workers they need to grow, it is crucial that the detailed policy on these measures is made in collaboration with businesses.

We ask that meetings be scheduled to enable proper tripartite discussion on outstanding measures, to ensure that the views of UK businesses are fully considered alongside those of trade unions and the Government. The CIPD remains keen to engage constructively and would welcome the opportunity to address these matters with the Government in the near term, to support the design of secondary legislation that is in keeping with the Prime Minister's statement on being a "pro-business, pro-worker government".

5. How can Labour build on its pro-business, pro-worker approach to delivering security and dignity for people in work, at the same time as boosting employment and skills and supporting people to start businesses?

As discussed above, we reiterate our call for the Government to continue tripartite dialogue with trade unions and employer representatives to ensure smooth implementation of the ERA 25. Labour can build on its pro-business, pro-worker approach by putting in place meetings to discuss the measures still to be ironed out in secondary legislation.

The ERA 25 represents a reset in employment relations and now is the time to emphasise the mutuality of the employment relationship. There are benefits for employers, employees, and the economy when employment relations work.

We welcome the Government's aim to create a modern framework for industrial relations. We agree that taking a principles-based approach – the Government proposes 'collaboration', 'proportionality', 'accountability' and 'balancing the interests of workers, employers and the public' – is a good starting point to developing a modern industrial relations framework. This new emphasis on social partnership and meaningful employee engagement can play a key role in helping organisations innovate and adapt to the multiple challenges facing them, for example as they seek to adopt new technology and manage competing demands on resources.

However, it's essential that the Government complements its extensive legislative reforms with proactive measures to promote and embed the four principles in organisations and workplaces, and that its aims for modern industrial relations are underpinned by strong foundations. Otherwise, the risk is that some of the proposed statutory changes will not be enough on their own to deliver the reset in employment relations, working practices and organisational cultures we need to see.

It's crucial that the four principles of modern industrial relations and partnership working are reinforced through guidance and support that helps to bring the principles to life at a workplace level, such as through a statutory code of practice coupled with enhanced resources for the Advisory, Conciliation and Arbitration Service (Acas) to promote good collective employment relations.

Effective joint working between employers, workers and trade unions requires skills, capabilities and a level of understanding that across many parts of the economy have atrophied over many years of low engagement, poor communication, defensiveness and suspicion being the default.

Raising the relevant skills of HR professionals, line managers, trade union representatives and negotiators, and the wider workforce and business community, would enable more effective joint working to address the many other skills challenges our country faces. Government should work with relevant stakeholders to develop a plan to address these gaps – including, where appropriate, through joint learning experiences that some employers and unions have successfully experimented with.

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Break down barriers to opportunity

1. What are the reasons for the increase in the number of young people not in education, employment or training since 2021, and how can Labour best support young people to earn or learn?

The increase in young people not in education, employment or training since 2021 is partly the result of recent shocks; the pandemic and mental health—both well-researched by other organisations—a weaker youth labour market, cost pressures on employers and reduced entry-level opportunities. But it reflects a much longer failure to build coherent pathways from education into work and reduced opportunities to earn and learn, particularly for young people who do not follow the traditional academic route. As well as long-standing problems for disadvantaged youths, we have never managed to make good inroads into reducing disengagement and unemployment among young people experiencing multiple socio-economic disadvantages.

As the recent Milburn review interim report states: *"Every previous generation was different from the one before it. The systems that existed to transport them from the world of education into the world of work had to adapt. This time, they have not. That is not a failure of young people, but a failure of a system stuck in the past.*
It would be easier to blame one thing: covid, smartphones, benefits, schools, employers, parents or young people themselves. The evidence does not support a single explanation. It supports something harder to accept: that the institutions we built to support young people into adulthood are no longer fit for that purpose, and that the country has known this for some time" (Department for Work and Pensions 2026).

The youth labour market has been radically reshaped over the past three decades. One of the biggest changes has been the massive expansion of the higher education system. A growing number of young people, many from increasingly diverse backgrounds, are postponing entry into the workforce to pursue higher education. This means that today's young people are more qualified than ever; however, the advantages of higher education have declined, and alternative pathways through the education system are still very limited.

The absence of a large-scale, viable alternative to the academic route, coupled with a significant decline in the proportion who combine earning and learning opportunities, means that many young people face a difficult transition from education to the workplace. They often enter the workforce lacking many of the skills that employers highly value.

CIPD research shows that young people's transition from education into work has become more difficult as opportunities to combine earning and learning have declined. While more young people are staying in full-time education, fewer are gaining work experience alongside their studies. This matters because early work experience helps young people develop the confidence, social skills and understanding of working life that support smoother transitions into employment.

Among 16–17-year-olds, the proportion combining work and study fell from 42% in 1997 to around 20% in 2024. Among 18–24-year-olds, the share fell from around 40% to 34% over the same period. CIPD's youth employment in the UK 2021 survey found that 83% of young people who combined paid work with education said it helped them develop soft skills, such as teamwork and communication, and they also thought that it supported their ability to secure subsequent employment. These findings align with a wider body of longitudinal evidence suggesting that early labour-market exposure is associated with more positive later employment outcomes.

This weakening connection between education and work is reflected in employer perceptions of young people's work readiness. CIPD survey evidence finds that over half of employers disagree that young people making the transition from education to work are well prepared for the world of work, while many also report concerns about young workers' social skills and understanding of workplace norms. Evidence from the National Employer Skills Survey suggests that employer views of school- and college-leaver preparedness have been relatively stable over time, but the decline in earning and learning is likely to have reduced young people's opportunities to build the wider workplace skills employers value. Employers who report that young recruits are poorly prepared most commonly point to lack of work/life experience or maturity, rather than poor education, literacy or numeracy.

How can Labour best support young people to earn or learn?

Strengthen skills development in young people

Essential skills such as communication, teamwork, problem-solving, self-management and adaptability play a central role in young people's ability to participate effectively in education, training and employment. These skills support successful transitions into work, enable young people to navigate changing job roles, and underpin longer-term progression and resilience in the labour market.

The inclusion of essential/core skills within the UK Standard Skills Classification is a welcome step towards creating a clearer and more consistent language for essential skills across education, training and work. However, recognition within a framework is only part of the solution. Young people also need consistent opportunities to develop, practise and apply these skills in real-world settings.

Evidence from across the labour market suggests that the development of these skills has become more challenging for many young people. One contributing factor is the decline in opportunities to gain early exposure to work, including part-time employment and work experience alongside education. These experiences have historically provided important contexts in which young people could practise communication, teamwork and time management in real-world settings. As such opportunities have reduced, fewer young people are able to develop and apply essential skills informally before entering the labour market.

The next priority should be ensuring these skills are actively developed and applied across education and training, not just described consistently. The Universal Framework for Essential Skills, developed by the Skills Builder Partnership, provides a structured approach to defining, teaching and assessing a core set of transferable skills across education and training. By setting out progressive skill steps and a shared language, the framework offers a basis for greater consistency in how essential skills are developed and recognised across settings. This should be seen as a foundation for more consistent delivery, rather than the full answer. To make a meaningful difference, the framework needs to be supported by practical implementation in schools and colleges, including opportunities for young people to practise these skills across the curriculum, through enrichment, careers education and employer engagement.

A more explicit and consistent approach to essential skills in schools would help strengthen continuity between education and employment. Embedding opportunities to practise and apply these skills across subjects and activities, and supporting young people to reflect on and articulate what they have developed, can help ensure that essential skills are not left to chance or dependent on access to informal experiences.

Strengthening essential skills in this way can help lower barriers to participation by improving young people's confidence, adaptability and ability to engage with recruitment and training. It also supports equity by reducing reliance on informal networks or early work experience as the primary routes through which these skills are developed and recognised.

Rebuild an effective pre-apprenticeship system

The introduction of foundation apprenticeships reflects recognition that many young people need a supported stepping stone into work and full apprenticeships. However, early take-up has been extremely limited, raising questions about whether the programme — as currently configured — is sufficiently embedded within a coherent entry-level pathway.

CIPD research highlighted important lessons from the former traineeships programme. An evaluation by the Department for Education reported strong outcomes: three-quarters of trainees progressed into further education, apprenticeships or employment within a year of completion, with significant positive results for both 16–18-year-olds and 19–23-year-olds. These outcomes are particularly notable given the profile of participants. Around half of trainees had no GCSE passes at grades A*-C, compared with 18% among non-trainees. Trainees were also 22 percentage points more likely to have special educational needs, alongside weaker attendance records and higher rates of exclusion. In other words, the programme was reaching — and supporting progression among — young people facing substantial barriers to participation.

Despite this evidence, traineeships were discontinued as a standalone programme, with government citing low take-up. CIPD analysis suggests this decision removed a crucial ladder of opportunity for disadvantaged young people — particularly given the clear evidence of progression for those who participated. International comparisons further underline the gap in England's system. Most apprenticeship systems include substantial pre-apprenticeship routes for individuals not yet ready to begin a full apprenticeship. In Germany and Switzerland, for every 100 apprenticeship starts there are 52 and 22 pre-apprentices respectively. By contrast, in England in 2022/23 there were just three traineeship starts for every 100 apprenticeship starts — a markedly smaller scale of provision.

The lesson is not that pre-apprenticeship routes are ineffective, but that they were never developed at sufficient scale or stability. Traineeships demonstrated that well-designed, employer-linked pre-apprenticeship programmes can deliver strong progression outcomes for young people with the greatest barriers. However, policy instability, short-term funding and weak integration with apprenticeship pipelines limited employer confidence and long-term growth.

If foundation apprenticeships are to succeed — and function as an effective NEET prevention and re-engagement mechanism — they must avoid repeating this pattern. This requires:

- Clear and guaranteed progression into full apprenticeships or sustained employment.
- Stable, ringfenced funding that signals a long-term commitment to youth entry routes.

- Stronger employer engagement and brokerage support, particularly for SMEs with limited HR capacity.
- Delivery at meaningful scale, comparable with international systems that treat pre-apprenticeship as a core component rather than a marginal add-on.

In addition, if they are to succeed there is a need to ensure that design and delivery of foundation apprenticeships move beyond narrowly defined growth sectors. Reducing NEET numbers requires a broader, more inclusive approach. Pre-apprenticeship pathways should align with local labour demand across the full range of sectors, including the foundational economy, and recognise the importance of stepping-stone employment in building experience and confidence. Industrial strategy priorities should sit alongside — not crowd out — accessible entry routes across the wider economy.

Introduce an Apprenticeship Guarantee for young people

The findings in the recent Milburn Review interim report reflect long-standing concerns about the mismatch between the skills employers need and those the education system is delivering. The CIPD has consistently called for greater investment in high-quality vocational and technical pathways, stronger employer engagement in course design, and a skills strategy linked to labour market demand.

The CIPD welcomed the government's Youth Guarantee announcement in 2025; the wide-ranging packages, including a £1 billion investment in job creation and incentives to help employers create entry-level jobs and apprenticeships, are a step in the right direction to support young people into work. However, we believe a broader Apprenticeship Guarantee would give both employers and young people more certainty. An Apprenticeship Guarantee would apply to all 16-24-year-olds in the UK who meet minimum requirements, and would provide an apprenticeship at level 2 or 3. It would give many more young people a firm basis for earning and learning, while simultaneously helping employers build a talent pipeline. 9 in 10 employers we surveyed back such a move.

Provide a package of employer support

CIPD analysis is explicit that an apprenticeship guarantee cannot be delivered through entitlement alone. Recent government announcements — including a £2,000 apprenticeship incentive for SMEs taking on young apprentices and a £140 million mayoral brokerage pilot — are welcome steps in the right direction. However, our evidence points to the need for a broader package of employer support to underpin any guarantee:

- **A national campaign:** to raise the benefits of apprenticeships, promote the apprenticeship guarantee, and set out the support available to employers.
- **Reducing financial risk:** SMEs are particularly exposed to the upfront costs and risks of recruiting young apprentices. The new £2,000 apprenticeship incentive for SMEs is therefore welcome and reflects the type of targeted support CIPD has called for. To be effective, this should be simple to access, promoted clearly to employers, and evaluated to understand whether it is set at the right level to increases starts among young people — particularly in SMEs, low-margin sectors and areas with weaker apprenticeship provision.
- **Local brokerage and intermediary support:** Many employers, especially SMEs, lack the time or expertise to navigate the apprenticeship system. The announced mayoral brokerage pilot is a

welcome step and should help test how local partners can engage employers, generate apprenticeship opportunities and improve matching between young people and vacancies. However, brokerage will be most effective if it is embedded within a broader business and people management support offer, rather than operating as a standalone matching service. This means helping employers assess workforce needs, design suitable roles, build line manager and mentoring capacity, work effectively with providers, and put in place the supervision and support needed to retain young apprentices. This would help ensure the guarantee drives not only more apprenticeship starts, but sustainable, good-quality opportunities.

- **Building HR and people management capability:** CIPD research highlights most small firms lack access to professional HR advice and support and consequently often struggle to identify and address skills gaps and take on apprenticeships. Support to build people management capability — including supervision, mentoring and workforce planning — is critical to sustaining apprenticeship provision. The government should consider strengthening the quality of business support for small firms on HR and people development to help build their capability in HR and people development.

Ensure the Employment Rights Act reforms don't discourage employers from hiring young people

While there needs to be a significant focus on improving apprenticeships and other vocational routes into work, the Government must also recognise the link between new measures in the Employment Rights Act 2025 and employers' ability to invest in skill development and jobs for young people. For example, changes to the unfair dismissal qualifying period are likely to make employers more cautious about taking on young people whose potential is untested. They could also make it harder for organisations to extend probation periods if new starters need more time to improve.

Proposed new requirements for minimum guaranteed hours for zero hours workers also run the risk of discouraging employers from providing these roles, which would have a negative impact on young people seeking flexible forms of work alongside study.

The Government must consult carefully with employers on these provisions before they are finalised in secondary legislation, and if necessary must be prepared to make adjustments to ensure they do not further restrict employment opportunities for young people.

Break down barriers to opportunity

2. What reforms are needed to break down barriers to opportunity for disabled people and people with long-term health conditions, including young disabled people?

While much of CIPD's evidence on disability, health and work is not specific to young disabled people, it highlights important system-wide barriers that shape disabled people's access to, and progression in, good work across the life course. These barriers are likely to be particularly acute for young people making the transition from education into employment, where limited work experience, weaker employer confidence and gaps in workplace support can compound existing disadvantage. CIPD research points to the need for a stronger focus on employer practice and job quality, alongside employment support and health services, if disabled people and people with long-term health conditions are to access sustainable work. This means moving beyond a narrow focus on individual employability and ensuring employers have the capability, confidence and incentives to recruit inclusively, make timely adjustments, design flexible roles and support retention and progression.

Progress in closing the disability employment gap (DEG) has slowed in recent years, partly because public policy reforms have leaned too heavily on supply-side interventions, without sufficient emphasis on boosting employer demand and confidence through better-resourced systems, more effective regulation, and access to high-quality advice and services that encourage the recruitment, retention, and progression of disabled people, alongside integrating work as a key outcome in clinical health-related discussions.

As the evidence shows, the DEG has remained largely stagnant since 2019, with ONS and Commons Library disabled people in employment analysis indicating only marginal improvements by late 2023 compared to 2019, and DWP statistics confirming just a 0.3% decrease by mid-2024. This flatlining stems from a sharp rise in working-age disability prevalence to 24.8% by April-June 2024, which has increased the complexity of support needs and altered the overall picture, as highlighted in the Economics Observatory's insights on the implications for the UK economy. Compounding this are persistent system frictions, such as extended waiting times for Access to Work decisions—often exceeding 90 days, as reported by the Advice Network—which disrupt timely support and lead to lost opportunities.

From our engagement with members and evidence in the Disability Workforce Reporting submission, employer practice gaps are evident, particularly among SMEs, where uneven capability in disability inclusion, reasonable adjustments and supportive job design hinders progress, while our Flexible working: Guidance underscores how negative attitudes and a lack of knowledge/confidence in implementing effective adjustments further stall retention. Ultimately, this slowdown reflects a confluence of demand-side pressures like employer readiness and job flexibility, supply-side challenges from rising prevalence of ill health among the working population and health service delays, as well as administrative bottlenecks in core programmes, all of which the CIPD urges must be addressed through holistic, people-centred reforms.

Closing the disability employment gap now hinges on quality, timeliness and integration. Programmes work when they are fast, personalised, and integrated: IPS/supported employment with in-work coaching; rapid adjustments via a well-run Access to Work; and capable line managers offering good work design and flexibility.

By addressing these priorities, employers can enhance workforce resilience and productivity, businesses can secure long-term performance gains, and the wider economy and society will benefit from healthier, more engaged participation in the labour market. The CIPD urges the Government to:

- Encourage disability workforce reporting while supporting employer readiness.

- Expand Access to Work with faster, transferable awards and reform SSP for phased returns.
- Strengthen Disability Confident with outcome-based assurance.
- Ensure Pathway to Work advisors are condition-specialist and focused on retention as well as recruitment.
- Embed safeguarding and co-design at every stage of employment support.
- Integrate health and employment services, learning from international models.

What kind of support is most effective?

The most effective support is those tailored to specific condition types, drawing on proven models like Individual Placement and Support (IPS) for mental health and fidelity-assured supported employment for learning disabilities, as our CIPD Health and Wellbeing at Work and Neuroinclusion at Work reports emphasise, ensuring that interventions integrate health and work services to enable entry and long-term participation.

For physical disabilities, flexible working arrangements and ergonomic adjustments prove invaluable, allowing people to adapt roles to their needs without compromising productivity, as evidenced in our Flexible Working guidance. Early occupational health referrals and stress risk assessments to identify and manage the causes of work-related stress can help support mental health at work.

Neurodiversity thrives with tailored recruitment processes and workplace passports, as detailed in our Neurodiversity at Work resources, helping to remove barriers in selection and daily work. For fluctuating conditions like MSK or those affected by menopause, disability leave policies, flexible working, people management capability and job redesign can support retention, aligning with our Pathways to Work and Keep Britain Working submissions that advocate for these.

Overall, integrating occupational health into primary care, supporting the adoption of HSE stress standards (Keep Britain Working), and expanding Access to Work for pre-employment adjustments (Pathways to Work) create a supportive ecosystem, fostering sustained engagement through personalised, evidence-based approaches that our CIPD thought leadership consistently promotes.

Connect to Work holds promising potential. From our CIPD lens, informed by member experiences and the Pathways to Work response, it tends to work better for individuals with physical conditions where straightforward adjustments can be brokered, but falls short for those with mental health or fluctuating conditions that demand ongoing, continuous support to ensure retention. To enhance its effectiveness, we recommend integrating it more deeply with occupational health and employer co-design, aligning with our Health and Wellbeing at Work report's emphasis on holistic, condition-sensitive approaches that prioritise long-term participation over isolated placements.

What should the Government prioritise with its additional employment support for disabled people?

The Government should prioritise retention and progression in its additional employment support, focusing not just on getting people into jobs but on sustaining them, particularly for those with long-term or fluctuating conditions, and therefore we welcome the Keep Britain Working review and its focus on ill health prevention and employee retention.

The disability employment gap is persistent, and we need concerted action across a number of fronts to achieve the necessary step change in improving employment outcomes for disabled people and those with chronic health conditions.

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What works?
A DWP rapid review of international evidence from the European Union (EU) and Organisation for Economic Co-operation and Development (OECD) found a lack of robust international evidence to determine 'what works for whom' to help disabled people into, and to remain in, work. However, there is evidence of the success of some interventions, particularly

- supported employment programmes
- flexible and accommodating workplaces
- return-to-work planning and some health interventions (particularly with an employment focus).

The review also highlighted that:

- interventions should focus on both individuals and employers
- availability and awareness of support are important – many of the more successful interventions were small scale or have low take-up;
- early intervention is key, both to prevent individuals leaving employment due to the onset of an impairment, and to ensure early access to the right support for those on benefits;

Focus on the individual and not the problem/condition with flexible attendance management and support

Line managers typically take responsibility for supporting people's health and wellbeing on a day-to-day basis, including discussing and implementing effective support, flexibility and adjustments. Understandably, they can be very concerned about compliance with procedures and ensuring consistency. Both are important but policies and procedures need to support the individual; someone could have the same fluctuating health condition as someone else, but be affected very differently in terms of how symptoms impact on work.

Therefore, organisations and policies and procedures need to be flexible and responsive, including around attendance management, and tailor support to take into account individual needs and circumstances. This means:

- empowering managers to make decisions and take action where it is in the best interests of the employee, the team, and the organisation, without seeking additional sign-off from senior management or HR
- encouraging job-crafting where possible so employees work to their strengths
- empowering individuals – encourage employees to adopt self-care strategies to help manage their condition, and embed as part of the organisation's health and wellbeing policies and approaches, eg via wellbeing action plans and/or health passports
- avoiding the rigid implementation of sickness absence procedures and ensuring they are responsive and compassionate to support people's fluctuating health conditions – eg by taking care around the use of 'trigger points' that could unfairly penalise someone with a genuine ongoing health issue such as menopause symptoms or a chronic illness.

Facilitate effective workplace adjustments for all that need them

Making reasonable adjustments is a statutory duty under the Equality Act 2010 but there is a high bar for an individual to be protected by the law given the definition of disability. Many employees will benefit from early and supportive work adjustments, whether or not they fall into the disabled category.

Organisations should offer supportive adjustments and support for any employee with a health condition or wellbeing challenge where possible, as it could help to keep that individual in work. The alternative could be someone falling into long-term sickness absence if it becomes unmanageable for them to balance the impact of their symptoms (which could be physical and psychological) and work.

Skilled and capable line managers are key

CIPD evidence shows that, when times are tough, support from line managers is one of the key resources that can help prevent or at least mitigate, the risk of stress and burnout. Other CIPD research shows clear links between line manager quality and employee health, especially mental health; for example, half (50%) of employees with bottom-quartile managers thought work had a negative (or very negative) impact on their mental health, compared one-seventh (14%) of employees with a top-quartile manager.

CIPD research shows the central role that managers play in supporting employee health and wellbeing: 70% of respondents report line managers take primary responsibility for managing short-term absence and 61% for long-term absence. Line managers need to be confident to keep in touch with absent team members in a sensitive and supportive manner and conduct effective return-to-work interviews. They can spot the early warning signs of stress and ensure that workloads are manageable and objectives achievable. They act as a 'gateway' for employees to access expert health services and HR policies that can help individuals to manage the impact of health symptoms on work, as well as implementing reasonable adjustments where needed.

Wider access to a wider range of flexible working opportunities

Flexible working can help support people into employment and employees are increasingly looking for workplace flexibility for a range of reasons including to juggle work and caring responsibilities, and for health reasons. Flexibility in terms of job tasks and working arrangements can act as a powerful retention tool, enabling many people to balance the impact of their symptoms on work and remain economically active. We are therefore pleased to see a Employment Rights Act, building on the day-one right to request flexible working.

Flexible working is more challenging for some sectors and roles, particularly for those working in front-line positions. Therefore, we are calling on the government to create a flexible working challenge fund for businesses with non-office-based and front-line workers to trial and promote different forms of flexible working and their benefits for business and employees. This will be particularly helpful for SMEs who may lack the resource to explore options fully.

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Break down barriers to opportunity

4. How can Labour make progress towards its new target of two-thirds of young people participating in higher-level learning – academic, technical or apprenticeships – by age 25?

As detailed in our previous responses, young people participating in higher-level learning is crucial to closing the UK's skills gap and growing the economy. Real progress can be made by ensuring that higher-level learning routes are closely aligned with employer demand, improving the quality and availability of apprenticeships, strengthening employer partnerships with education providers, and tackling inequalities in access. However, the priority should be not only increasing participation by age 25, but also ensuring that learning translates into sustainable employment, productivity and career progression throughout a person's lifetime.

As covered in previous answers, two key policy interventions in this area could be to:

- **Rebuild an effective pre-apprenticeship system:** To prevent the further growth of NEETs, there should be clear and guaranteed progression into full apprenticeships or sustained employment, accompanied by a stable funding stream and delivery at scale. We would like to see foundation apprenticeships move beyond the narrowly defined growth sectors, with pathways aligned to local labour needs and the full range of sector demands.

- **Introduce a Youth Apprenticeship Guarantee:** Whilst we welcome the Youth Guarantee announcement in 2025 and its accompanying funding packages, we believe that more ambitious investment in high-quality vocational and technical pathways is vital for longer-term success. We believe that a broader Apprenticeship Guarantee would increase certainty and encourage more employers to take up these opportunities.

In addition, employers should play a key and larger role in shaping routes into work, including stronger local partnerships between businesses, colleges and universities to ensure that careers advice, curriculum design and workforce outcomes are appropriate for the entire skills ecosystem.