Federation of Master Builders (FMB)

response to:

Work and Pensions Committee Call for Evidence - Youth employment, education and training

19 February 2026

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About the FMB

The Federation of Master Builders (FMB) is the largest trade association in the UK construction industry. With more than 6,500 member firms, representing around 45,000 employees, the FMB is the recognised voice of micro, small and medium-sized (MSME) construction businesses.

Local builders sit at the heart of supporting the economy, creating new jobs and training the next generation of builders with skills fit for the modern economy. They are also key drivers in helping to deliver government priorities on growing the economy, quality housing delivery, and improving the UK's existing housing stock to be healthier.

Background

Figures from the CITB indicate that the construction industry needs to recruit an additional 251,000 workers by 2029 to achieve the Government's stated aim to retrofit five million homes and to build 1.5millon new homes. Future productivity in the construction industry is threatened by an ageing workforce and a high dropout rate on construction apprenticeships with 47% of new entrants not reaching their end point assessments.

Executive Summary

This submission sets out the FMB's evidence on youth employment, education and training from the perspective of small and medium-sized construction firms. It highlights that young people often become NEET due to weak transitions between education and work, particularly where training is not clearly linked to real job opportunities. For SMEs, a lack of site readiness and meaningful work experience creates real risk.

The response emphasises that policy should focus on sustained outcomes rather than short-term starts. High non-completion rates in construction apprenticeships underline the need for better preparation and clearer pathways into work.

The submission highlights Build Academy as an employer-led model that bridges the gap between education and employment through structured provision, placements and ongoing support. Drawing on evidence from the FMB's 2025 Small House Builders' Survey, it shows that while SMEs are keen to train, barriers around quality, cost, drop-out risk and administration remain. Overall, the FMB argues that small builders stand ready to help address the skills crisis, but Government policy must reduce risk for employers and be judged on whether it leads to sustained employment.

Response

Ongoing programmes to incentivise NEET employment

Build Academy: Building Construction Careers

Build Academy is the Federation of Master Builders (FMB) unique response to tackling the skills crisis, in collaboration with Shooters Hill College and funded by the Construction Industry Training Board (CITB).

Build Academy is a pilot programme aimed at giving 20 young people site ready skills and making them capable of joining SME businesses with the ability to make an immediate impact. Learners benefit from a curriculum put together in consultation with FMB members making sure the learners gain relevant knowledge and skills for the SME sector. They are also taught vital soft skills including timekeeping, communication, traveling to site and onsite safety.

Learners are 16-19 years old and have previously been on construction courses. All learners are interviewed before joining the course to make sure they genuinely want to be in construction. Build Academy shapes them into site ready apprentices, bridging the gap between further education and work. Key to this is sending each learner on two, two-week work placements with SME building companies.

The main target is to have our 20 learners placed in employment by the end of the initial programme in July 2026.

Young people who are NEET

1. **What factors lead to a young person not being in education, employment or training (NEET)? Are there some young people who are more likely to be NEET than others?**

A young person becoming NEET is usually the result of a combination of factors, but in construction pathways this is often driven by weak transitions between education and work. Many young people complete a course without a clear bridge into employment, and that gap is where disengagement frequently sets in, particularly when they feel they have done what was asked of them but still cannot see a route into paid work.

From an employer's perspective, a lack of basic site readiness is a significant barrier. SMEs are often willing to train, but taking on someone without core work behaviours, such as timekeeping, communication, the ability to travel independently to site, or an understanding of on-site safety culture, can be difficult for a small firm to absorb. Build Academy was created in direct response to this issue, following feedback from London

FMB members who were struggling to recruit people with the right SME-ready skills, alongside colleges finding it hard to secure suitable placements.

A lack of meaningful work experience compounds this problem. Without exposure to live workplaces, young people are less able to judge whether a trade or sector is right for them, increasing the risk of poor choices and early drop-out. This is particularly acute during economic downturns, when entry-level opportunities are often squeezed first, underlining the need for dependable, experience-based routes into work.

2. **What are the long-term consequences for young people who are NEET for an extended period?**

Long-term NEET status has a clear scarring effect, causing confidence to drop, routines to be lost, and basic workplace behaviours start to erode. From an employer's perspective, especially in sectors like construction where SMEs recruit quickly and informally, and work is often highly skilled and potentially dangerous, long gaps often represent risk rather than potential.

The key point to focus on is that time matters, and that the longer someone remains NEET, the more support they need. However, that support must lead to a real job outcome. Training on its own is rarely enough. Without a clear route into work, the risk is simply cycling young people through activity without changing their prospects.

3. **Would it be useful for the Government to set specific goals or target relating to the number or proportion of young people who are NEET? What might such a target be?**

Yes, but targets must measure sustained outcomes, not just "starts". Any national target should focus not just on reducing the headline NEET rate, but on whether interventions lead to sustained outcomes. In practice, this means measuring whether young people remain in employment, education or training for an extended after support has ended, rather than simply whether they have entered an activity.

Targets that focus only on starts can be misleading. Research by CITB shows that the dropout rate of Construction apprenticeships is around 47% showing how often young people are brought into training without the preparation or support needed to see it through. Without a focus on sustained outcomes, there is a real risk of cycling young people through provision without improving their long-term prospects.

Preventing young people from becoming NEET

4. **How can the Government, and the DWP, help to prevent young people becoming NEET in the first place?**

Preventing young people from becoming NEET requires earlier intervention at key transition points, particularly the move from education into work. Too often, young people complete a course only to reach a point with no clear next step and no link to an employer. The most effective programmes avoid this by building a clear handover from education into employment and by maintaining a structured routine that reflects the expectations of work. Build Academy is designed on this basis, operating on a full-time model of around 30 hours a week and focusing on employability rather than qualifications, with employer expectations embedded throughout the curriculum.

Work experience also needs to be real, structured and clearly linked to employers. Too often it is optional or offers limited insight into what work is like. Build Academy addresses this by requiring learners to complete multiple placements with SME building firms, giving them direct exposure to live sites and helping them make informed decisions about trade choice and working environments.

Finally, training needs to be designed with employers, not simply delivered to them. In construction, SMEs dominate the workforce but are rarely placed at the centre of curriculum design, leading to a mismatch between training provision and the realities of work on site.

5. **Are there any examples of Government-funded interventions designed to prevent young people becoming NEET that have been particularly effective?**

Not that we are aware of for SME builders.

Support for young people who are NEET

6. **How well supported are young people as they move from school to college and into education? What impact might the transfer of apprenticeships and Skills to DWP for people aged 20+ have on these transitions?**

Too many young people move from school into college or training without a clear route into a job at the end of it. Without proper support, they are left to navigate multiple systems, repeat assessments, and piece together support for themselves. The result is fragmented provision and a loss of momentum at exactly the point when continuity matters most.

What is missing is clear responsibility for outcomes. Too often, success is measured by whether a young person has turned up or started an activity, rather than whether they have progressed into sustained employment, education or training. There needs to be a single, accountable “owner” responsible for that progression, so young people are not passed from one programme to another without anyone being responsible for whether it actually leads somewhere.

In this context, the transfer of skills and apprenticeships responsibilities presents both risks and opportunities. The risk is that pressure to move young people off benefits quickly could outweigh the need to place them into the *right* opportunity, where they can develop and progress. The opportunity is to bring employment support and skills policy closer together in a way that genuinely works for young people and employers, but only if delivery remains employer-led and aligned with real vacancies.

7. What is the most effective way of delivering support to young people who are NEET? Are there any initiatives that can be learned from, domestically or internationally?

A workable model for supporting young people who are NEET is one that is employer-led, intensive, and clearly focused on progression into work. Build Academy, noted earlier, provides a practical example, operating as a full-time, pre-employment route that mirrors the expectations of work, helping learners build routines and basic work behaviours before entering employment.

Crucially, the programme is designed with employers from the outset. The curriculum reflects the skills and behaviours SME building firms actually need on site, reducing the gap between training and work and lowering the risk for small firms considering taking someone on. Structured work placements are a core part of the model, allowing both learners and employers to test fit before any longer-term commitment is made.

The programme also recognises that job entry is not the end point. Ongoing support through the early stages of employment or apprenticeship helps reduce early drop-out, which is particularly important in a sector where SMEs cannot absorb repeated recruitment failures.

The wider lesson for policy is not that Build Academy is unique, but that its design principles are transferable. A replicable approach would combine employer-designed training, mandatory placements, and post-placement support, delivered through local partnerships and judged on sustained employment outcomes rather than participation alone.

8. How can and should DWP support young people who are not in contact with the benefit system?

There will need to be greater funding and promotion of open-access routes into work outside Jobcentres, working through institutions that young people already trust. This is particularly important for reaching those who are not engaged with the benefits system and who may be put off by Jobcentres.

It’s also an opportunity to engage with employers through industry organisations. Builders employ informally and the job market is not well captured in vacancy data. More needs to be done to incentivise small building employers to engage with formal recruitment processes including the Jobcentres.

9. **What barriers or disincentives prevent young people from taking up, or completing, apprenticeships?**

From the perspective of building firms, the main barriers relate to readiness and fit. Employers often find that new starters do not fully understand what working in construction involves until they begin, which can lead to early drop-out. Mismatches in trade choice are common, particularly where young people commit to an apprenticeship without prior exposure to site work.

Practical issues such as travel to site, access to tools, and the realities of early pay and irregular work patterns can also create friction for small firms. These challenges are reflected in the sector's high non-completion rate, with around 47% of construction apprentices not reaching end-point assessment, underlining the importance of better preparation before young people enter formal apprenticeships.

10. **What barriers are there to employers offering and targeting apprenticeships at young people? How effectively will the Government's current approach address these?**

From the perspective of building firms, the barriers to taking on apprentices are well-established. The FMB's Small House Builders' Survey 2025 shows that quality concerns are the most significant issue, cited by 51% of firms, reflecting worries about whether new starters are genuinely ready for site work. Cost pressures are a barrier for 39% of builders, while 39% cite the risk that apprentices may drop out after the firm has already invested time and money in training.

Administrative complexity also plays a major role, with 34% of firms identifying bureaucracy and system complexity as a deterrent. Together, these findings underline that cost is only one part of the picture: SMEs are more likely to take on apprentices when recruits are work-ready and when the system reduces, rather than adds to, the burden on small firms.

11. **How can apprenticeships and other forms of training offered by DWP, e.g. Skills Bootcamps or the sector-based work academy programme, be best utilised to support young people?**

Different training routes work best at different stages, and employers are more likely to engage when those routes are clearly defined. The sector-based work academy programme (SWAP) works well where there are known vacancies and a guaranteed interview, particularly in shortage sectors like construction, provided vacancies are realistic and shaped by SME input.

Skills Bootcamps can be effective where they deliver specific, employer-recognised competence, but for younger cohorts they need to be linked to placements and pastoral support to avoid becoming training without a job. Apprenticeships remain the gold standard for long-term skills, but only where entrants are properly prepared to reduce early drop-out.

Build Academy shows how a clear pre-apprenticeship stage can give employers confidence about when to engage. By sitting between college-based learning and formal apprenticeships, it provides a clear signal to SMEs that learners are ready for work, have tested their interest through placements, and understand what the job involves. This sequencing matters: it allows employers to engage at the right point, rather than being asked to take on risk too early, and helps ensure that when firms do invest, it is more likely to lead to sustained employment.

12. How does support for young people who are NEET differ between the UK's four nations? How might the transfer of Skills to DWP impact the delivery of support for young people across the UK?

We observe that they are broadly the same for general builders. The same issues around employment and competency are persistent across all nations.

Employment and the labour market

13. What are the main barriers to employers supporting young people into employment and how can the Government better work with employers to address these?

SME building firms are keen to take on young people and play their part in tackling the skills crisis. SMEs already train the majority of construction apprentices and provide the first step into work for many new entrants. There is strong appetite among builders to do more, particularly where they can see confidence that new starters are work-ready and that taking someone on will not expose them to disproportionate risk. Builders want to invest in the next generation, but they need a system that works with them rather than placing additional burdens on small firms.

From an employer's perspective, Government can make the biggest difference by reducing risk and friction. Structured, funded placements with wraparound support would allow SMEs to offer opportunities without being left to manage wider issues on their own. Clearer processes and simpler points of contact would also make a material difference in a sector where recruitment is often informal and relationship-based, rather than driven by standard recruitment channels. Many small builders do not actively engage with public employment programmes and may be unaware of what support is available, underlining the need for Government to communicate more clearly and practically with SMEs.

While elements of DWP's current approach, including a greater emphasis on work experience and links to vacancies, point in the right direction, the Committee should focus on whether this is translating into consistent delivery on the ground. The test is not whether programmes exist, but whether they are easy for SMEs to engage with, reduce the risks of taking someone on, and result in sustained employment rather than short-term activity. Where Government gets this right, SMEs stand ready to do more to train, employ and support the next generation of builders.

14. How well is support for young people tailored to local labour market conditions and how can this be improved?

Tailoring works best when programmes are vacancy-led and shaped by employers, rather than designed in isolation. The sector-based work academy programme (SWAP) is explicitly demand-led and sector-linked, while Build Academy shows how local tailoring can work in practice, built around London SME needs and a specific college–employer ecosystem.

To strengthen this approach, local programmes should be required to demonstrate genuine employer co-design, not just consultation. Greater transparency on outcomes. including starts, completions and sustained jobs, alongside SME involvement in local partnership governance, would help ensure provision reflects real labour market demand.

15. What impact may developments in technologies, such as AI, have on the employment of young people? How should Government respond?

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16. How can employers be encouraged to invest in skills training?

We know that employers will invest in skills training when the system reduces risk and reflects how small firms actually operate. The FMB's Small Housebuilders' Survey 2025 shows that the biggest barriers are practical: concerns about apprentice quality (51%), cost (39%), fear of drop-out (39%) and administrative burden (34%). In a sector where around 47% of construction apprentices do not reach end-point assessment, these concerns are well-founded. For SMEs, taking on an apprentice is a commercial decision, and the current system often feels high-risk.

Build Academy demonstrates how that risk can be reduced. By involving employers in curriculum design, focusing on site-readiness, and using structured placements to test fit before longer commitments are made, it gives firms confidence that new starters will add value rather than create cost. Crucially, it allows SMEs to recruit when a learner is ready, not only at fixed points in the academic calendar, which better reflects real-world recruitment.

Employers are also more likely to invest where training keeps pace with how construction is changing. FMB Training Group discussions have highlighted that SMEs need practical support. Government can encourage investment by backing training routes that combine high-quality technical skills with basic digital competence, delivered in a way that is simple to access, employer-led, and focused on sustained outcomes rather than short-term starts.