Stay Nimble

UK Labour Market Briefing

Current Conditions and Forward Outlook

February 2026

Executive Summary

The UK labour market is contracting across almost every headline measure. Unemployment has risen to 5.2%, its highest level in nearly five years. Job postings are more than 25% below pre-pandemic levels. Payrolled employment **has fallen by 184,000 over the past year**. Youth unemployment has reached 16%, the highest in more than 10 years. The forward-looking indicators suggest these conditions will persist through 2026 and into 2027.

The central labour market question has shifted. For the past three years, the policy focus has been on participation: are there enough workers? The question now is whether there are enough jobs. This is a demand-side constraint, and it has direct implications for any organisation investing in employability outcomes. People we support are taking longer to convert, facing more rejection, competing against larger candidate pools, and watching roles get withdrawn mid-process. The same quality of support, applied to equally capable people, is producing slower results because the external environment has deteriorated.

We are not waiting for conditions to improve. Over recent months we have deployed new infrastructure specifically designed in response to what we are seeing with our members:

Job Radar, an intelligent search agent that monitors employer career pages and specialist job boards so people spend their energy on applications rather than searching;

CV Helper that provides professional-level feedback, tailoring, and career transition assessment at scale;

Next Best Action, a recommendation engine that keeps people moving when the market gives them every reason to stop;

and a foundation model upgrade to **GPT-5.2** that materially improves the quality of career guidance Ask.Nim can provide.

Career Allies has gone borough-wide in Kingston, with **20 organisations** enrolled and 50 people on the programme in the first month, building career conversation capability directly into the community organisations where people already go for support.

This briefing sets out the data, the structural drivers, what we are observing in current delivery, and what we are building in response.

Current position: February 2026

Headline indicators

Indicator	Current	Year ago
Unemployment rate	**5.2%**	4.4%
Youth unemployment (16-24)	**16.1%**	~12%
Payrolled employees (annual change)	**-184,000**	+ve growth
Vacancies	**726,000**	799,000
Unemployed per vacancy	**2.6**	1.9
Job postings vs pre-pandemic	**-26%**	-19%
Total unemployed	**1.88 million**	1.55 million

Sources: ONS Labour Market Overview, February 2026; House of Commons Library, February 2026; Indeed Hiring Lab, January and February 2026. NB: Payrolled employees is provisional estimate and subject to revision.

Sectoral contraction

The contraction is concentrated in sectors that disproportionately employ people furthest from the labour market. Retail and hospitality have lost a combined 142,000 payroll jobs over the past year: 72,000 in retail and 70,000 in hospitality. These are the sectors where underserved individuals, particularly young people, have traditionally taken their first steps into employment.

The Learning and Work Institute describes the central labour market question for 2026 as having shifted from whether there are enough workers to whether there are enough jobs. The number of people leaving employment now exceeds the number starting new jobs, with inflows to new employment declining more steeply than outflows. This dynamic is particularly challenging for anyone trying to enter or re-enter the labour market.

Sources: Learning and Work Institute Labour Market Briefing, January and February 2026; HMRC PAYE Real Time Information data.

Entry-level and youth labour market

The youth labour market is deteriorating faster than the overall market. Youth unemployment has climbed to 16%, the highest rate in more than 10 years. The number of 18-24 year olds out of work jumped by 80,000 in a single quarter to 575,000. Almost one million young people (946,000) are not in education, employment or training (NEET), up from approximately 800,000 in 2019.

The UK now ranks 27th out of 38 OECD countries on PwC's Youth Employment Index, having dropped four places in a single year. PwC's analysis found no direct impact of AI on youth unemployment in the aggregate data, with weaker business sentiment and softer labour demand being the primary drivers. However, in sectors with high AI exposure such as IT, there are signs of impact on entry-level roles specifically.

Indeed's Hiring Lab observed in its February 2026 analysis that weakness at entry level is particularly concerning. Employers are navigating higher payroll costs, fragile business confidence and persistent uncertainty about growth, and are responding by pulling back on junior hiring. Work Foundation analysis suggests the UK now has the fastest annual increase in unemployment in the G7.

Sources: ONS Labour Market Overview, February 2026; FE News analysis, February 2026; PwC Youth Employment Index 2025; Indeed Hiring Lab, February 2026; House of Commons Library Youth Unemployment Statistics, February 2026; Work Foundation, February 2026.

Structural pressures on employer demand

The contraction is not purely cyclical. Several structural factors are suppressing employer demand for new hires, and these are unlikely to reverse in the near term.

Employer National Insurance increase

From April 2025, the employer National Insurance rate rose from 13.8% to 15%, and the threshold at which employers begin paying dropped from £9,100 to £5,000. This near-tripled the monthly NI bill for a part-time worker on minimum wage, from approximately £32 to over £96 per month. Combined with the National Minimum Wage increase, businesses with high volumes of lower-paid staff face a 9.1% increase in wage costs. The sectors hit hardest (retail, hospitality, care, logistics) are the same ones that have historically been the main routes into employment for underserved populations.

Indeed's Hiring Lab noted in February 2026 that employers are still absorbing the impact of the National Insurance increase, which hit businesses just as confidence was already fragile. Many are opting to do more with existing staff rather than hire.

Sources: ICAEW National Insurance analysis; Indeed Hiring Lab, February 2026; City Heights Accounting Services employer cost modelling.

Frozen tax thresholds and consumer demand

Income tax thresholds remain frozen until 2030-31. As wages increase nominally, more households are pulled into higher tax brackets, reducing disposable income and constraining consumer spending. This limits demand in consumer-facing sectors, further suppressing hiring. KPMG's December 2025 Economic Outlook noted that consumer spending is likely to remain subdued over the coming year due to this fiscal drag.

Sources: KPMG UK Economic Outlook, December 2025; ICAEW Economic Update, January 2026.

Employer caution and job hugging

The established pattern described by Indeed is "low hiring, low firing." Redundancy notifications remain modest, so there is no imminent spike in job losses. But employers are not creating new roles either. Workers in existing jobs are staying put to avoid the risk of unemployment. Job-to-job moves have declined from around 2.8% of the workforce in late 2022 to 2.1% in the latest data. The labour market is becoming less dynamic, with fewer opportunities for anyone currently outside it to find a way in.

Sources: Indeed Hiring Lab, February 2026; Learning and Work Institute, February 2026.

Forward outlook: 2026–2029

The consensus among forecasters is that the UK labour market will remain weak through 2026, with limited improvement expected before 2027 at the earliest.

Forecaster	2026	2027	Key judgement
Bank of England	~5.0%	~5.0%	Unemployment remains elevated for two years
OBR	~5.0%	Falling from early 2027	Economy operating substantially below capacity
BCC	5.1%	4.8%	Labour market conditions may remain subdued through 2026-27
IFS	Peak at 5.1%	Gradually falling	Employment growth soft in 2026, strengthening from 2027
CIPD	Peak mid-2026	n/a	No major recruitment rebound expected in 2026
ICAEW	Rising further	n/a	2026 may be the low point for growth this parliament
Resolution Foundation	Elevated	Elevated	Too many jobseekers chasing too few jobs; a demand-side problem requiring different policy responses

Sources: Bank of England Monetary Policy Report, November 2025; OBR Economic and Fiscal Outlook, November 2025; British Chambers of Commerce Forecast, December 2025; IFS Economic Outlook, October 2025; CIPD Labour Market Outlook, January 2026; ICAEW Economic Update, January 2026; Resolution Foundation Labour Market Outlook Q4 2025.

GDP and investment outlook

GDP growth is forecast at approximately 1.2–1.4% for 2026, rising modestly to 1.5–1.6% in 2027. ICAEW describes 2026 as shaping up to be another dismally anaemic year for the UK economy. Business investment is projected to rise by only 0.9% in 2026, as firms delay plans amid weak demand and rising costs. Sectors such as retail and hospitality face a particularly testing year given their direct exposure to higher business costs, including the April 2026 minimum wage increase.

Sources: OBR Economic and Fiscal Outlook; BCC Forecast, December 2025; ICAEW Economic Update, January 2026; KPMG UK Economic Outlook, December 2025.

Wage growth trajectory

Nominal wage growth is decelerating. The OBR forecasts average weekly earnings growth declining to 3.2% in 2026-27, then falling to around 2.2% by 2027-28. Private sector wage growth has already eased to 3.4%, approaching levels the Bank of England considers consistent with its 2% inflation target. Indeed characterised slowing wage growth as a double-edged sword: it may comfort policymakers worried about inflation, but it reflects genuine weakness in labour demand.

Sources: HM Treasury Economic Evidence to Pay Review Bodies, December 2025; Indeed Hiring Lab, February 2026; ONS Labour Market Overview, February 2026.

What we are seeing in current delivery

Stay Nimble is currently in the final year of delivering the Regenerative AI programme. Over recent months, we have observed a marked change in the experience of people we are supporting into employment. The data above provides the structural context; what follows is what it looks like in practice.

Longer time to employment

People who are job-ready, with strong applications, relevant skills, and coaching support, are taking significantly longer to convert from active job search to offer. The time between first application and accepted offer has extended. This is consistent with the data showing fewer vacancies, lower job-to-job mobility, and employers taking longer to fill roles or pausing recruitment processes entirely.

Increased rejection and non-response

The volume of applications required before receiving any response has increased. People we support are reporting higher rates of outright rejection and, increasingly, no response at all. Ghosting by employers, where an application or even an interview receives no follow-up, has become noticeably more common. This has a compounding effect on confidence and motivation, requiring additional coaching support to sustain momentum.

Roles withdrawn during recruitment

We are seeing employers pull vacancies at late stages of the recruitment process, including after interviews have taken place. This appears to reflect a pattern where hiring managers secure budget approval to recruit, begin the process, and then have the role withdrawn or frozen as cost pressures or uncertainty increase. For the people affected, this is particularly damaging: they have invested time and emotional energy into a process that ends without resolution.

More competition for fewer roles

Where roles are advertised, the volume of applicants has increased substantially. People we support are competing against larger and more experienced candidate pools than even 12 months ago. In a market with 2.6 unemployed people per vacancy, and falling job-to-job mobility meaning fewer people are leaving existing roles to create openings, the competition for every available position is materially more intense.

The coaching response

In practice, this means the support our coaches provide is shifting. More time is spent on resilience and sustained motivation. More coaching hours are used navigating rejection and maintaining job search activity over longer periods. The programme infrastructure (ongoing platform access, Ask.Nim availability, coaching hours that carry forward) is absorbing this extended timeline, but the implication is clear: the same quality of support, applied to equally capable people, is producing slower results because the external environment has deteriorated.

The growing risk of exploitative services

A deteriorating labour market does not just create unemployment. It creates a market for exploitation. As more people search for longer, experience more rejection, and become progressively more anxious about their prospects, they become vulnerable to services that monetise that anxiety rather than resolve it.

We are seeing a growing prevalence of sophisticated extraction models targeting jobseekers. These are not obvious scams. They operate on LinkedIn and other professional platforms, often disguised as legitimate recruitment activity. A typical pattern involves someone posing as a recruiter, initiating contact, simulating a hiring process complete with calls and assessments, and then pivoting at the point of maximum emotional investment to sell CV rewriting, career coaching, or interview preparation services. The person has already invested time and trust. The "recruiter" has manufactured credibility. The sale happens at the exact moment someone is most desperate and least able to evaluate what they are being offered.

These operations are industrialised, not incidental. They target people who are actively job searching, which means the operations are invisible to anyone not currently in that situation. The worse the labour market becomes, the larger the pool of vulnerable people and the more profitable the model. Someone who has been applying for three months, hearing nothing, and watching roles get withdrawn is significantly more likely to pay £300–£500 for a CV rewrite from someone who appeared to be offering them a real opportunity.

This matters for two reasons. First, the money often comes from people who cannot afford it. Second, the services are frequently delivered by unqualified individuals with no professional accreditation, no code of ethics, and no accountability for outcomes. Career coaching and career development services in the UK are entirely unregulated. Anyone can call themselves a career coach without holding any qualification or adhering to any professional standard.

The implication is that visibility and awareness of trusted, qualified, free-to-access services is not a marketing question. It is a safeguarding question. When people do not know that accredited support exists, the vacuum is filled by people charging for inferior or fraudulent services. Every person who reaches a Career Ally in a library, or finds Ask.Nim on a council website, or gets referred to a CDI-registered coach through a housing association is a person who does not end up paying someone unqualified to rewrite a CV that did not need rewriting. In a market that is pushing more people toward desperation, making trusted services visible and accessible is itself a form of protection.

How we are responding

The conditions described above are not something we can wait out. We are actively adapting our infrastructure and tools to address the specific challenges this labour market creates for the people we support.

Career Allies: building career conversation capability into communities

When the labour market deteriorates, the demand for career support increases but the supply rarely keeps pace. Funded programmes have fixed capacity. Coaching services have waiting lists. Jobcentre caseloads grow. The people who need a conversation about work (not necessarily a formal intervention, but a good conversation with someone who knows what questions to ask) often have nowhere to turn. They are in libraries, community centres, housing association offices, and GP waiting rooms, surrounded by frontline workers who see the stress but lack the framework to help.

Career Allies addresses this by building career conversation capability directly into community organisations. It is a CPD-accredited microcredential that equips frontline workers and volunteers with a structured framework for effective career conversations, practical digital tools they can demonstrate, and clear referral pathways when someone needs more than a conversation can provide. The investment is in the people and the organisations, not in a programme that disappears when funding ends.

In Kingston, Career Allies has just gone borough-wide. In the first month, 20 organisations have enrolled volunteers and team members, with 50 people now on the programme and 5 fully accredited Career Allies. These are frontline workers in libraries, council services, and community organisations who now have a professional framework for the conversations they were already having informally.

This matters because the capacity to support people through career transitions should not depend entirely on the availability of professional services or the timing of funded programmes. Communities that have trained Career Allies embedded in their existing organisations have a layer of resilience that persists. When someone loses their job, or is thinking about a change, or has been out of work for months and does not know where to start, there is someone nearby who can have that first conversation well. That capability does not expire when a contract ends.

Job Radar: reducing the grind that defeats people

One of the most corrosive effects of a contracting labour market is what it does to job search behaviour. When someone is applying for dozens of roles, hearing nothing back, and spending hours each week manually checking employer websites and job boards, motivation erodes. The rejection and silence we described earlier is compounded by the sheer volume of effort required just to find roles to apply for. This is where people disengage, and it is often the point at which programmes lose them.

Job Radar is our response to this. It is an intelligent job search agent, built into Ask.Nim, that monitors employer career pages, specialist job boards, and niche recruiters on the user's behalf. Users set up their search through a conversation with Nim, specifying roles, locations, seniority, and target employers. The system then identifies relevant sources, including ones the user would not know to check, and runs scheduled weekly searches, emailing curated matches with direct links.

The insight behind Job Radar is that in a market with fewer vacancies and more competition, the job search grind is not writing CVs or preparing for interviews. It is finding the roles in the first place. Many of the best opportunities are on individual employer career pages, specialist industry boards, or with niche recruiters that a jobseeker would never discover through Indeed or generic aggregators. Job Radar automates that discovery, so people spend their energy on applications rather than searching.

In a deteriorating market, this is differentiating because it keeps people active and applying when they would otherwise disengage. It surfaces opportunities others miss. And because it runs continuously, it catches roles that appear and disappear quickly, which is increasingly common as employers post, pause, and withdraw vacancies in the uncertain environment we are seeing.

CV Helper: professional-level application support at scale

Ask.Nim now includes a CV Helper that goes well beyond template generation. It provides professional-level feedback on CV content and structure, suggests rewrites that strengthen how someone presents their experience, and identifies formatting issues that would cause a CV to be silently filtered out by employer screening systems. Critically, it can tailor a CV to specific roles surfaced by Job Radar, aligning someone's experience with the language and priorities of a particular job posting. It can also assess whether a career transition is viable based on the gap between what a CV evidences and what a target role requires, giving people an honest professional assessment before they invest time in applications that are unlikely to succeed.

In a market where the volume of applicants per role has increased substantially, the quality of each individual application matters more than it did 12 months ago. CV Helper means that every person on the platform has access to the kind of application support that would otherwise require a qualified career professional sitting alongside them, available at any time, for every application.

Next Best Action: proactive guidance when people get stuck

In a healthy labour market, people move through job search with their own momentum. In this one, they stuck. The gap between rejection and the next application gets longer. People stop logging in. They avoid opening emails. The motivation erosion we described in our delivery observations is not a character failing; it is a predictable response to sustained negative feedback in a market that is not generating enough positive signals.

Next Best Action is a recommendation engine built into Ask.Nim that surfaces contextual, timely prompts based on where someone is in their journey and what they have done recently. Rather than waiting for someone to decide what to do next, the platform suggests it. If someone has not engaged for a week, it might surface a short piece of content relevant to their situation. If they have completed interview preparation but not yet applied, it prompts them to take the next step. If Job Radar has found new matches, it brings those forward.

This is a direct response to the conditions we are operating in. When the external environment provides fewer rewards for effort, the support infrastructure needs to generate its own forward motion. Next Best Action is designed to keep people moving when the market gives them every reason to stop.

GPT-5.2 foundation model upgrade

Ask.Nim is now built on GPT-5.2, a material capability upgrade from the model the platform launched with. The practical effect is that Nim is significantly better at understanding complex career situations, providing nuanced guidance on career transitions, and holding context across longer conversations. For the populations we support, where career histories are often non-linear, where gaps and changes need careful framing, and where confidence is low, the quality of the AI interaction matters. A model that can understand why a three-year gap happened and help someone articulate what they gained from it is qualitatively different from one that suggests they hide it.

Agentic intelligence: the roadmap

We are developing the capability for Ask.Nim to reason about a user's career situation from their longitudinal conversation history, without requiring them to articulate a search or ask a specific question. This means the platform can identify emerging career intent, assess readiness for particular types of roles, and surface opportunities or coaching interventions based on what someone has discussed over weeks or months, not just what they searched for today.

This is on our development roadmap and represents a shift from reactive tools that respond to queries toward infrastructure that actively works on someone's behalf. In a market where people are searching for longer, the ability to maintain intelligent, continuous engagement across an extended journey is what will distinguish effective support from tools that people eventually stop using.

Implications for employability investment

These conditions have broader implications for how employability outcomes should be understood and evaluated.

Employment outcomes are externally constrained

The proportion of programme participants who achieve sustained employment is primarily determined by whether employers are hiring, what they are hiring for, and where the jobs are located. Programme quality affects whether someone is well-prepared and competitive when opportunities arise, but it cannot create demand that does not exist. In a market with 2.6 unemployed people per vacancy, even well-supported, job-ready individuals face structural competition for a shrinking pool of roles.

The underserved face compounding disadvantage

The populations that employability programmes typically target face the sharpest end of the contraction. Entry-level roles are declining fastest. Retail and hospitality, which historically provided first jobs, are shedding positions. Employers are choosing experience over potential. Youth unemployment is three times the overall rate. These are not conditions that additional programme investment can override, because the constraint is on the demand side of the labour market.

Outcome timelines are extending

What we are observing in current delivery is that people are still achieving employment outcomes, but the time to achieve them is lengthening. Someone who might have converted within 8 weeks in 2024 may now take 16 or more. This means that programmes with fixed reporting periods will undercount their actual impact, because some outcomes will materialise after the measurement window closes. Programme designs that maintain support beyond funded periods, including ongoing platform access and coaching availability, are better positioned to capture these delayed outcomes.

Investment in preparation retains its value

In a contracting market, there is a risk of concluding that employability support is less effective. The opposite is true. When competition for roles is more intense, the quality of someone's preparation, their ability to articulate their value, their AI literacy, their confidence after coaching, becomes more differentiating, not less. The people who are best supported will still be the ones who get the jobs that do exist. The question is how many jobs exist, and that is a macroeconomic variable, not a programme design variable.

Infrastructure outlasts the cycle

Labour markets are cyclical. The current contraction will eventually reverse. When it does, the infrastructure built during this period (trained community career allies, established venue relationships, platform access that persists, coaching networks) will be positioned to convert outcomes at a faster rate. Investment made now is not lost if employment outcomes are slower than expected; it is stored in infrastructure that compounds when conditions improve.

Reference: Key Data Points

Indicator	Data
Overall unemployment rate	5.2% (Oct-Dec 2025), highest since 2021
Youth unemployment rate (16-24)	16.0%, highest for more than years
18-24 year olds out of work	575,000 (up 80,000 in one quarter)
Young people NEET (16-24)	~946,000 (up from ~800,000 in 2019)
Total unemployed	1.88 million (up 331,000 over the year)
Payrolled employment (annual change)	-184,000 (Dec 2024 to Dec 2025)
Vacancies	726,000 (down 73,000 / 9.2% on year), below pre-pandemic
Unemployed per vacancy	2.6 (up from 1.9; highest since 2015 excl. pandemic)
Job postings vs pre-pandemic	-26% (UK is only major economy below baseline)
Retail job losses (annual)	-72,000
Hospitality job losses (annual)	-50,000
Job-to-job moves	2.1% of workforce (down from 2.8% in late 2022)
UK OECD Youth Employment ranking	27th of 38 (down from 22nd)
Employer NI rate (from April 2025)	15% (up from 13.8%); threshold lowered to £5,000
GDP growth forecast (2026)	1.2-1.4% (OBR 1.4%, BCC 1.2%, BoE 1.2%)
Unemployment forecast (2026)	~5.0-5.1%, expected to remain elevated through 2027
G7 unemployment increase	UK has the fastest annual increase (Work Foundation)

Sources

1. Office for National Statistics. *Labour Market Overview, UK: February 2026.* 17 February 2026. Available at: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/february2026[ons.gov]
2. Office for National Statistics. *Vacancies and Jobs in the UK: February 2026.* 17 February 2026. Available at: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/february2026[ons.gov]
3. Office for National Statistics. *Young People Not in Education, Employment or Training (NEET), UK.* November 2025 release. Available at: https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/bulletins/youngpeoplenotineducationemploymentortrainingneet/november2025[ons.gov]
4. House of Commons Library. *UK Labour Market Statistics.* (Research Briefing CBP-9366). Available at: https://commonslibrary.parliament.uk/research-briefings/cbp-9366/
5. House of Commons Library. *Youth Unemployment Statistics.* (Research Briefing SN05871). Available at: https://commonslibrary.parliament.uk/research-briefings/sn05871/
6. Learning and Work Institute. *Labour Market Briefing: January 2026.* Available at: https://learningandwork.org.uk/labour-market-briefing-january-2026/[learningandwork.org]
7. Learning and Work Institute. *Labour Market Briefing: February 2026.* Available at: https://learningandwork.org.uk/labour-market-briefing-february-2026/[learningandwork.org]
8. Indeed Hiring Lab. *January 2026 UK Labour Market Update: Waning Wage Growth.* 2 February 2026. Available at: https://www.hiringlab.org/uk/blog/2026/02/02/january-2026-uk-labour-market-update-waning-wage-growth/[hiringlab]
9. Indeed Hiring Lab. *UK Employment Figures, February 2026: The Labour Market Continues to Weaken.* 17 February 2026. Available at: https://www.hiringlab.org/uk/blog/2026/02/17/uk-employment-figures-february-2026/[hiringlab]
10. Indeed Hiring Lab. *2026 UK Jobs and Hiring Trends Report.* December 2025. Available at: https://www.hiringlab.org/uk/blog/2025/12/09/indeed-2026-uk-jobs-hiring-trends-report/[hiringlab]
11. Office for Budget Responsibility. *Economic and Fiscal Outlook.* November 2025. Available at: https://obr.uk/efo/economic-and-fiscal-outlook-november-2025/[obr]

12. Bank of England. *Monetary Policy Report.* November 2025.
Available at: https://www.bankofengland.co.uk/monetary-policy-report/2025/november-2025[bankofengland.co]

13. British Chambers of Commerce. *The UK's Low Growth Trap Continues: Post-Budget Forecast.* December 2025.
Available at: https://www.britishchambers.org.uk/news/2025/12/bcc-economic-forecast-budget-unlikely-to-be-growth-game-changer/[britishchambers.org]

14. Institute for Fiscal Studies. *Economic Outlook: Navigating Narrow Paths.* October 2025.
Available at: https://ifs.org.uk/publications/economic-outlook-navigating-narrow-paths[ifs.org]

15. Resolution Foundation. *Labour Market Outlook Q4 2025.* December 2025.
Available at: https://www.resolutionfoundation.org/publications/labour-market-outlook-q4-2025/[resolutionfoundation]

16. KPMG. *UK Economic Outlook.* December 2025.
Available at: https://assets.kpmg.com/content/dam/kpmgsites/uk/pdf/2025/11/uk-economic-outlook.pdf[assets.kpmg]

17. ICAEW. *Economic Update: What to Expect in 2026?* January 2026.
Available at: https://www.icaew.com/insights/viewpoints-on-the-news/2026/jan-2026/economic-update-what-to-expect-in-2026[icaew]

18. CIPD / James Cockett. *2026 Labour Market Trends.* January 2026 (via People Management).
Available at: https://www.peoplemanagement.co.uk/article/1943835/2026-labour-market-trends-hiring-slowdown-ai-disruption[peoplemanagement.co]

19. PwC. *Youth Employment Index 2025.*
Landing page: https://www.pwc.co.uk/services/economics/insights/youth-employment-index.html[pwc.co]
Full report (PDF): https://www.pwc.co.uk/economic-services/assets/youth-employment-index-2025.pdf[pwc.co]

20. HM Treasury. *Economic Evidence to the Pay Review Bodies 2026–27 Pay Round.* December 2025.
Landing page: https://www.gov.uk/government/publications/economic-evidence-to-the-pay-review-bodies-2026-27-pay-round[gov]

21. FE News. *ONS Labour Market February 2026: UK unemployment rate is 5.2% and youth unemployment is now at 14%.* 17 February 2026.
Available at: https://www.fenews.co.uk/skills/ons-labour-market-february-2025-uk-unemployment-rate-is-5-2-and-youth-unemployment-is-now-at-14/[fenews.co]

22. Work Foundation. _February 2026 analysis (cited in FE News).
Referenced in the FE News article above as Work Foundation analysis on the UK having the fastest-rising unemployment in the G7.[fenews.co]

Prepared by Stay Nimble, February 2026.