REPORT | WORK

Unlocking the potential of young people furthest from the labour market

This report gives 4 key policy principles to help young people furthest from the labour market into good-quality, sustained employment.

Published on: 6 May 2025
Written by: Rachel Casey, Joseph Elliott

Reading time: 46 minutes

Executive summary

This report outlines 4 key principles essential for designing a labour market policy that unlocks the potential of young people furthest from the labour market to support them towards good-quality, sustained employment. Young people furthest from the labour market face prolonged periods of being out of work or learning, citing ill health as a reason, and face complex and multiple issues of disadvantage. Without the guiding principles outlined here, addressing economic inactivity in this group will be difficult.

The Government's *Get Britain Working* white paper and *Pathways to Work* green paper present competing visions for supporting young people furthest from the labour market into employment. However, cuts to health and disability benefits outlined in the green paper threaten the intent of the *Youth Guarantee* outlined in the white paper.

Principles for unlocking potential

- **A blended approach**: This approach combines a functioning and adequate safety net and public services, with highly tailored active labour market policies to support young people into employment.
- **Highly targeted and bespoke support:** Policy design should use national and local intelligence alongside insight from young people, employers, local services and voluntary

and community-based organisations to identify and engage those who need the most support.

- **High unit cost contained total cost**: Due to the lack of perceived fiscal headroom, a higher unit cost programme that provides higher quality and more effective support, with a low to medium contained total cost overall, could be more attractive fiscally.
- **Flexible success measures**: Achieving good-quality and sustained employment for this group of young people will be challenging, and some young people may need ongoing support even if employment is not immediately possible. Therefore, success should focus on multiple outcomes, considering each young person's starting point and measuring progress towards meaningful engagement and sustained good-quality employment.

1. Introduction

The number of young people who are unemployed or economically inactive has seen an uptick since the pandemic. Currently, 987,000 young people aged 16–24 are estimated to be neither in education, employment, or training (so-called NEET) (ONS, 2025). Despite the recent increase, the overall rate of young people not in employment, education or training has remained relatively stable over the last decade. However, beneath this headline figure lies a nuanced story.

Of young people aged 16–24 who are currently not in employment, education or training, it is expected that around 40% will move into work or learning within 6 months if typical trends are followed, based on analysis of the longitudinal Labour Force Survey data. However, a substantial number of young people remain outside of employment, education or training for a long time; around 600,000 (approximately 8% of all young people on the basis that there are 7.2 million young people) are out of work or learning for more than 12 months and around 300,000 for more than 2 years (average across the 4 quarters to Q3 2024). Increasingly, mental ill health is being cited as a reason for not being in work or education.

The Government's flagship *Get Britain Working* white paper (UK Government, 2024a) and *Pathways to Work* green paper (UK Government, 2025) have young people not in work or learning

as a key target for its reforms, specifically young people who are economically inactive due to health conditions or disability. It is important to note that not all young people who are out of work or learning are receiving health and disability benefits. However, those who are will be significantly affected by the proposed changes to the health and disability benefit system.

Labour Force Survey data health warning

Much of the analysis in this report is based on the Labour Force Survey (LFS), a widely used government dataset for examining employment trends. The LFS sample size has declined substantially in recent years, prompting concerns that this may have introduced systemic bias, limiting the dataset's ability to produce accurate estimates of employment, unemployment and inactivity levels (Corlett, 2024). While the LFS remains one of the most comprehensive sources of labour market data, its findings should be interpreted with caution. In general, the trends highlighted in this report were observable before the decline in sample size and align with analysis based on alternative data sources and methods.

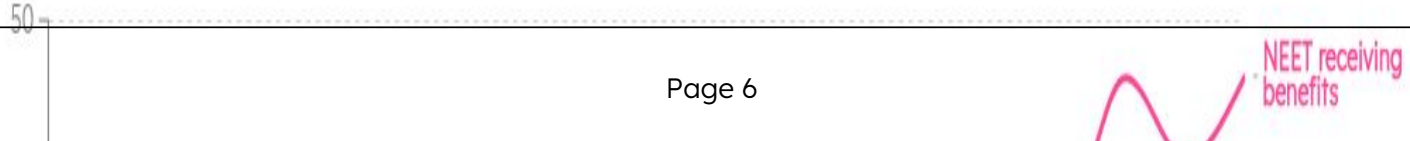
2. Ill health increasingly behind not being in work or education

Before the pandemic, there had been dramatic shifts in the demography of young people not participating in work, education or training. Young women are now less likely to be out of work due to caring responsibilities and more likely to be in employment and education than 20 years ago. On the other hand, young men have shifted from unemployment to being out of work with a long- or short-term illness or disability. This number has more than doubled since 2000 (Holmes et al., 2021).

What is most striking for both young men and women is that there has been a substantial rise in the numbers who are not in work, education or training and who cite ill health as the reason: a doubling from around 1 in 10 to 1 in 5 from 2005 to 2024. Behind this is a growing incidence of reporting of ill health generally among young people who are not in work or studying, rising from around 1 in 5 in 2005 to over 2 in 5 by 2024. There has been a particularly stark growth in the reporting of mental ill health in particular – quintupling over the same period (see Figure 1).

Figure 2: Almost half of NEET adults in receipt of state benefits reported having a mental health condition

Mental health conditions, all 16-24-year-olds by economic status and benefit receipt (NEET only)



Family Resources Survey (FRS) analysis shows that three-quarters (76%) of 16–24-year-olds receiving Personal Independence Payment (PIP) or Disability Living Allowance (DLA) were not in education, employment or training. Looking again at the period since 2005, the number of 16–24-year-olds in England and Wales receiving PIP or DLA has more than tripled to 411,000 by August 2024, with the majority claiming PIP or DLA for 'psychiatric' conditions (see Figure 3).

PIP categorisation of 'psychiatric' conditions includes:

- autism spectrum disorders, which make up a third (32%) of all PIP claims for 16–24-year-olds
- hyperkinetic disorders – such as ADHD, ADD and so on; 11%
- global learning disabilities – Down's syndrome, Fragile X and so on; 10%
- mixed anxiety and depressive disorders (9% of all PIP claims for 16–24-year-olds), anxiety disorders (3%), mood disorders (2%) and personality disorders (1%) together also make up a substantial share of PIP recipients. In contrast, older age groups receive PIP for more musculoskeletal conditions, such as specific back pain, neck, wrist and hand disorders, and injuries/fractures/dislocations.

Note: 6 focus groups were conducted with 30 young people not in employment, education, or training in Bradford, Hull and Slough. Participants discussed the barriers they face, and what solutions they think would work for them (see Methods section for further detail).

If labour market policy is to support **all** young people into employment and educational opportunities, policy-makers must recognise the significance and varying dimensions of these health conditions for those young people who are not participating in (or looking for) work or education. Mental health exists on a complex continuum, which is experienced differently, with varying degrees of difficulty and distress. For example, one young person in our qualitative research explained that whilst they had no diagnosis, their mental health condition acted as a barrier to employment:

Speaking about 'internal' barriers to work, a young person in Bradford aged 16-24 told us:

> "I've got anxiety, it's not diagnosed, I struggle a lot – especially with interviews, and I stutter a lot … I try to push past it, I don't get any help for it – I haven't told anyone."

For another young person in the same group, their mental and physical health problems were more severe:

> "I've got health and mental health problems, sometimes when it flares up I can't get myself out of bed – and my anxiety gets really, really bad."

Whilst recognising the significance of these health issues for the individual, policy-makers need to acknowledge that mental health issues seldom occur in a vacuum. A young person, aged 16-24 from Slough, in one of our focus groups articulated this whilst explaining that their mental ill health had been triggered by an adverse life experience that continues to impact their ability to work or learn:

> "I didn't even leave my house for – must have been about 4 months [following an adverse life event] – I literally stayed in my room in the dark for 4 months. My mental health was bad – it still is, I still struggle, daily. Depression and mental health does play a massive part of working life."

Mental health can be shaped by the interaction of individual characteristics (psychological and biological) with the social, physical and structural conditions in which people live across their life course. Social inequalities, in particular, are associated with an increased risk of many common health conditions. These vary across the life course, influencing people at different ages, genders and stages of life (WHO and CGF, 2014).

The following section will discuss in more depth how mental ill health is often the tip of a complex iceberg, hiding an interplay of individual, social and structural factors that influence health, educational and employment outcomes.

3. Mental ill health is often the tip of the iceberg

It is increasingly recognised that mental (as well as physical) health is significantly influenced by social determinants (The Kings Fund, 2013; Marmot et al., 2010; WHO and CGF, 2014). Social determinants refer to the conditions and circumstances in which people are born, grow, live, work and age. They are shaped and reinforced by the distribution of power, money and resources that can persist across generations (Marmot et al., 2010; CSDH, 2008). All of these can not only increase the risk of developing mental health issues but also present opportunities to intervene to reduce these risks. The important areas include:

- individual (life-course): prenatal, pregnancy, perinatal, early childhood, adolescence, working age, older age, all related to gender, ethnicity, sexuality and genetic factors
- social (parents, families and households): material conditions (income, access to resources, food and nutrition, water, sanitation, housing, employment), working conditions, unemployment, parental physical and mental health conditions, parenting behaviours and attitudes, social support
- physical (community and local services): neighbourhood deprivation, natural and built environment, neighbourhood safety and trust, community-based participation, early

years care and education provision, school, youth services, health care, social services, clean water and sanitation

- structural (macro-level): distribution of wealth, welfare, discrimination, availability of work, housing, health care, food security, conflict, human rights and governance.

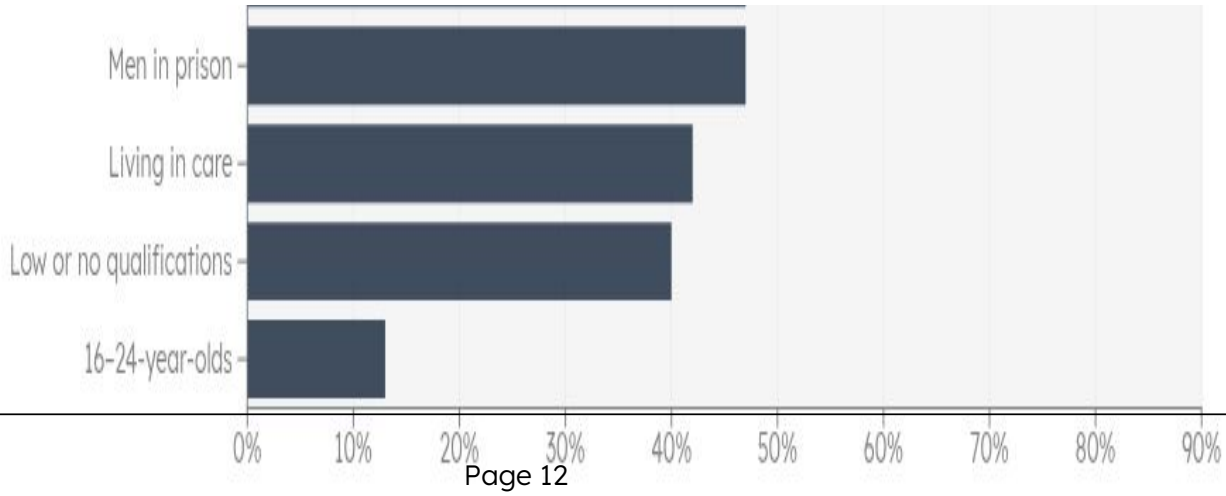
For children and young people especially, inequalities in the social determinants of health may contribute to the prevalence of Adverse Childhood Experiences (ACEs); these are defined as highly stressful, traumatic and acute or ongoing traumatic events which affect the individual. These may include emotional and physical neglect, abuse (emotional, physical or sexual), poverty, living with someone who has drug or alcohol dependency, mental or physical illness, experience with the criminal justice system, exposure to domestic abuse, or losing a caregiver through divorce, death or abandonment (LGA, 2018).

Exposure to ACEs can have a substantial impact on an individual's mental and physical health throughout their life course (Bellis et al., 2014). Indeed, evidence shows that experiencing ACEs in childhood and adolescence can more than double the risk of having no educational qualifications and increase the risk of mental health issues, unemployment and poverty in adulthood (Allen and Donkin, 2015; Hardcastle et al., 2018; Hughes et al., 2024). ACEs can also increase the likelihood of 'health-harming behaviours' including drug and alcohol dependency, risky behaviour, violence and involvement in crime (Allen and Donkin, 2015; Anda et al., 2002).

Figure 4 illustrates that the prevalence of mental health issues is particularly high among young people who experience complex circumstances compared to the total population of 16–24-year-olds reporting mental health problems.

Many of the experiences shown in Figure 4 were common and overlapping for young people in our qualitative research. Across our focus groups, we heard from young people who had mental health conditions (some diagnosed and some not), were not currently in work or education, were receiving state benefits, were living in supported and insecure housing, had no or very few qualifications, lacked family and social support, and had faced discrimination in school or from employers because of their sexuality or health condition.

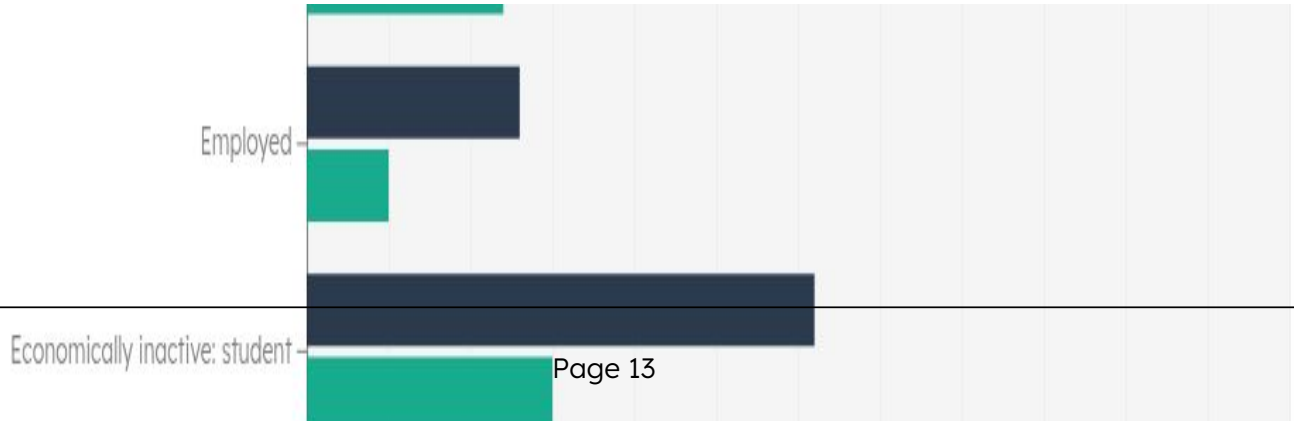
Poor mental health was often the tip of a complex iceberg and was affected by the wider conditions and circumstances in which young people were living. However, it was clear that poverty, housing insecurity and poor education were prominent themes for those young people who were not in employment, education or training, and citing health issues. These factors often triggered or exacerbated mental health issues and hindered moves into education and employment opportunities.



Poverty

Poverty increases the risk of mental illnesses, including schizophrenia, depression, anxiety, and drug and alcohol dependency. It can act as both a causal factor, for example, stress resulting from poverty triggering depression, and a consequence of mental illness, for instance, schizophrenic symptoms leading to decreased socio-economic status and prospects (Fell and Hewstone, 2015). Figure 5 shows that young people not in employment, education or training are over 2-and-a-half times more likely to be in poverty than those who are in work or education. The figures are even starker for young people who are not in employment, education or training and who do not live with parents or caregivers. This group is more than 3 times more likely to be in poverty than 16–24-year-olds in work, education or training (60% compared to 18%).

The very low incomes on which young people not in education, employment or training live mean that 40% are classed as experiencing material deprivation, around twice the rate for all working-age adults. Many cite being unable to heat their homes, afford adequate food or replace broken furniture or electrical items. Not having enough to cover the essentials weighed heavy on young people's minds in our qualitative research, especially those receiving Universal Credit (UC). One young person, aged 16–24 from Bradford, explained how the inadequacy and



conditionality of benefit support caused them significant anxiety:

> "I get [£x amount] per week, it may sound like a lot, but it's not – it's damn near impossible to live off. I don't know if it's the same with other benefits – but they threaten your money at every given opportunity. You put one foot wrong, they'll threaten to cut your benefits. If they don't think you're looking hard enough for a job – they'll cut your payment."

Studies on the introduction of UC have suggested that austerity, welfare reforms and a greater conditionality have adverse effects on benefit claimants' mental health (Barr et al., 2015; Wickham et al., 2020). As a result, young benefit claimants have been exposed to lower rates of UC and increasing conditionality. This will be explored in more detail later in the briefing on the strengths and weaknesses of labour market policies. However, we also heard that UC was a vital lifeline, especially for some young people with complex personal circumstances. For one young person, aged 16–24 from Hull, receiving support from the social security system was the difference between having a roof over their head and being homeless:

> "I don't think that people realise that if we didn't have that Universal Credit we would literally not be here – we would all be on the streets, literally … I think people need to know that young people do actually matter, that we do have problems, we do have these things that are going to impact our lives."

Housing insecurity

There is strong evidence that experiencing housing insecurity worsens mental and physical health (Mason et al., 2024). According to Crisis (n.d.), 45% of people experiencing homelessness have been diagnosed with a mental health issue. This rises to 8 out of 10 people who are street homeless. We heard from young people from across our focus groups who were living in a variety of precarious situations, such as street homelessness, being at risk of immediate eviction, being unable to move on from supported housing due to high housing costs in the private rented sector, and lengthy waiting lists for social housing. Insecure housing prevents young people from putting down roots, committing to longer-term education or training courses, or moving into work. One young person, aged 16-24 from Bradford, explained that because they were at risk of eviction and struggling to find social housing, seeking a job was not their immediate priority:

> "I can't find any jobs because I don't know where I'm gonna live, I'm about to be homeless. I've been bidding for [city] social housing for over a year now – and they said they'd get back to me in 10 weeks, but I don't have 10 weeks – I have less than a month."

For other young people, having no fixed address was a barrier to holding down a job, alongside broader issues like being unable to shower, have clean clothes and show up to work presentably. One young person, aged 16-24 from Hull, told us that they were currently street

homeless, and despite having work experience and qualifications, having no address was their primary concern:

> "I'm trained in [cooking, baking and butchery] and my mates are like why can't you get a job with all that qualification – well you need an address."

Several young people who participated in the qualitative research live in supported housing. Supported housing is accommodation provided by councils, housing associations and charities alongside support, supervision or care to help people live as independently as possible in the community (MHCLG, 2020). Young people were living in supported housing for various reasons and support needs. These included care leavers, young people with learning disabilities and those with mental health conditions.

A key problem for this group of young people is the substantial loss of support upon moving into work. Young people living in supported housing receive Housing Benefit (HB) to pay their rent. This is different to those living in the private rented sector, who receive the housing element of UC. HB and UC have 2 taper systems, which means young people living in supported housing who want to move into work face having their benefit income subjected to 2 taper rates.

This means that if a young person takes on more than minimal hours of work, this can reduce their overall income and put them at risk of rent arrears, debt and eviction due to the high rent

levels in supported housing. Moreover, this is a disincentive to moving into work and moving on from supported housing. This problem is highlighted in a conversation among 2 young people, aged 16-24, who participated in our focus group in Hull:

> "I want to work. But if I was to work – I'm in a shared house so if I was working, I would be paying way more rent than I do now. I'd be paying £450 when I'm only paying £100 at the minute … I've been in and out of hostels and shared houses since I was 16 – there is just no end of that. I'd be too scared. You end up in the trap. There's a risk of everything just falling."

> "[Another participant] Sorry, are you essentially saying that you really want to work, but you literally can't afford to work?"

Removing the cliff edge in HB rules that prevent young people living in supported housing from moving into full-time employment could be done by amending HB rules as proposed by Centrepoint (2023) or adjusting UC, for example, by reviewing the monthly assessment structure to accommodate short stays (Howarth et al., 2018).

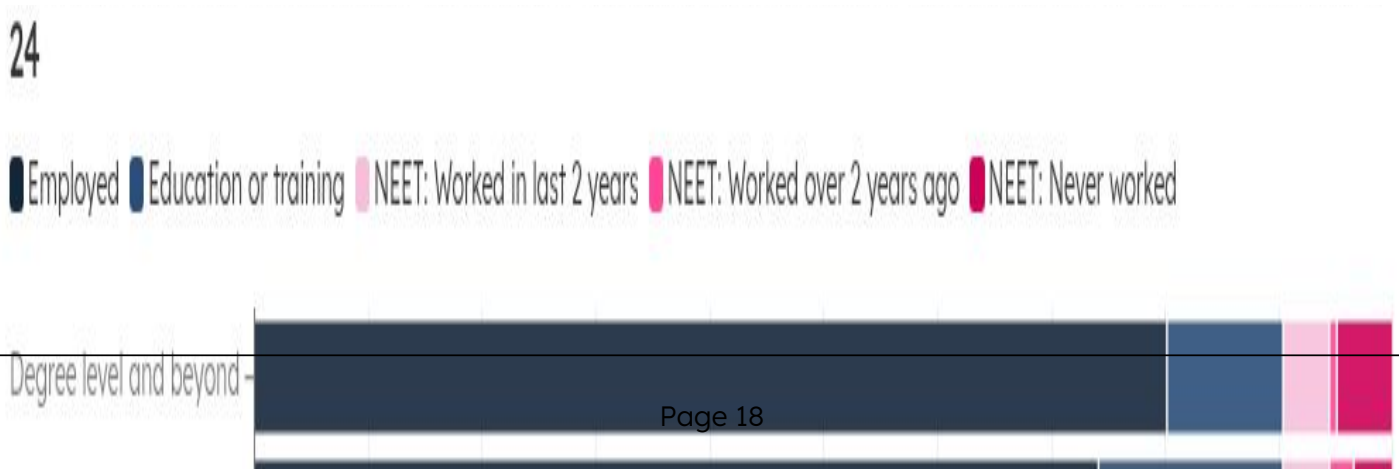
Not being able to afford the high rent costs of supported housing could lead to eviction, adding to the anxiety of losing a relatively stable home and support (Shelter Cymru, 2019). We heard how young people in supported housing are subjected to a range of different tenancy and licence agreements, such as exclusion orders, Section 21 'no-fault' evictions or 28-day

notices to quit. This means that in some types of supported housing, tenants can be evicted more easily, and a landlord might not need to go to court (Shelter England, 2024). The chance of losing their home in a short period does not create a stable foundation from which young people can move into work and move on from supported housing, and it adds to the feeling of being 'trapped'.

Educational attainment

Low levels of educational attainment may lead to lower wages, insecure employment and a greater risk of unemployment (Allen and Donkin, 2015). Figure 6 illustrates that young people with low or no qualifications are disproportionately likely to have never worked or been out of work for longer. Of the 22–24-year-olds with no qualifications, 40% have never worked, compared to 5% of those with a degree or above.

Achieving no qualifications or low grades at school adds to poor self-esteem that can profoundly impact an individual taking up education or employment opportunities. One young person, aged 16-24 from Bradford, felt that their behaviour at school had led to their current unemployment and felt pessimistic about their future:



> "When I was in school – I sabotaged my future … I didn't pass my grades, didn't get my GCSEs, and it's affecting me trying to get a job now. I weren't mature enough, I didn't think about what job I wanted to do."

Low levels of education can also indicate wider adversity experienced by the individual. Children eligible for free school meals are more likely to perform poorly in education. For example, in England, only 25% of 16-year-olds eligible for free school meals achieved GCSE Grade 5 or above in English and maths, compared to 52% among those not known to be on free school meals (JRF, 2025). Several young people in our research described how not getting the support they needed at school for their mental health condition had a negative impact on their education. One young person, aged 16-24 from Hull, explained that their behaviour at school affected their ability to learn and was misunderstood, leading to them not getting the support they needed:

> "I struggled a lot at school – they just called me as a disturber to the class, as the class clown – but they didn't know I had like severe autism, so I struggled quite hard to maintain all the qualifications. It would have been different [if I had got the right support], if teachers acknowledged all the different disabilities that are out there in the world."

Over the last decade, there has been a substantial increase in diagnoses of autism, and the share of young people not in work or learning with autism (17%) or severe and specific learning

difficulties (9%) is much higher than for those in work or learning (5% and 2%, respectively) (LFS, 2024). Evidence shows that young people with autism are twice as likely to be excluded from school than their peers, with 1 in 4 children living with autism waiting more than 3 years to receive the support they need at school (Ambitious about Autism, 2021).

Moreover, research by the LSE found that children with special educational needs (SEND) living in deprived areas were less likely to receive an Education, Health and Care Plan (EHCP) – a higher-level SEND provision funded by local authorities – than those in affluent areas: 17.5% and 22%, respectively (Campbell, 2023). This highlights the need for more inclusive and adaptable education systems and workplaces to support these young people effectively, especially those from deprived areas. A young person aged 16-24 from Slough said:

> "I was looked at as a naughty kid in school because I couldn't sit still in lesson, I couldn't focus on what the teacher was saying – because my mind was racing, I struggle to keep my mind calm … I got kicked out in year 10. And didn't get any more support than that. Went through apprentice stages, a few other jobs – nothing seemed to be working out. So I went on UC – and yeah, it's just been downhill from there."

We cannot view a young person's non-participation in employment solely through a health lens. Labour market policy to support young people into education and good-quality, sustainable employment must be guided by principles that acknowledge the complex interplay of personal, social and structural factors young people experience. This means understanding

the connection between social conditions and individual experiences and their effect on someone's internal, emotional and thought processes. Addressing these structural factors will be crucial to decreasing the population's risk of experiencing health issues. However, the following section will focus on the strengths and weaknesses of labour market policies for young people with complex and intersecting issues of disadvantage.

4. What labour market policy works?

Labour market policy is characterised by Passive Labour Market Policies (PLMPs) and Active Labour Market Policies (ALMPs). PLMPs include out-of-work benefits – which may have mandated job search provisions corresponding to active labour market policy elements – and broader public services provisions, such as health, housing and social services. ALMPs can be broken down into 2 categories:

1. Supply-side measures may include 'work-first' approaches that encourage people to move into employment quickly and 'human capital' measures that take more time but seek to increase skills and qualifications and remove barriers before assisting individuals to find work.
2. Demand-side measures may include subsidised jobs, hiring incentives and direct job creation.

The orthodox view of PLMPs (such as out-of-work benefits) is that a more generous level of benefit support lengthens spells of unemployment because it reduces someone's incentive to look for work, creating a culture of dependency; encourages people to take longer to search for work, leaving jobs that need to be filled vacant; and negatively impacts health and well-being. In the UK, this view has shaped political and public discourse. It has been a strong part

of the rationale behind successive changes to the social security system, such as the need to reduce the welfare bill, tighten monitoring and compliance of unemployed claimants, and pursue 'work-first' ALMPs that move people into work as quickly as possible.

While extensive literature shows that generous benefit support can lead to longer spells of unemployment, recent evidence suggests that there are positive effects on job quality too, in terms of wages, productivity and job sustainability (Brewer and Murphy, 2023). A recent US study found that more generous unemployment support leads to higher reemployment wages because it increases the quality of job matching and the quality of jobs secured. Interestingly, the effects on unemployment support and job match quality are more significant for workers more likely to be financially constrained, such as women, ethnic minorities and people with low educational attainment (Farooq et al., 2022).

In the UK, the welfare system is characterised by a combination of ALMP and PLMP, with elements of ALMPs mandated in return for receiving benefits. Welfare policy has tried to incentivise moves into work by reducing benefit generosity, increasing monitoring and compliance, and speeding up the work entry of unemployed claimants. However, this has come at a cost for those furthest from the labour market in terms of productivity and living standards. Unemployed claimants have tended to move into low-paid, part-time work with little prospect of progression (Waters, 2023), and support from the social security system has fallen so low that it is harder, not easier, for people to move into work (Porter and Johnson-

Hunter, 2023).

The combination of an inadequate safety net and tightening monitoring and compliance may have also contributed to higher health-related benefits caseloads in recent years, as people with health conditions seek to find more support elsewhere in the welfare system (Porter, 2024; Waters, 2023). A young person who is currently on health-related UC in our qualitative research described how they were told they were too unpredictable for work by a former employer and were encouraged to apply for UC. Their perception was that being placed on the health-related UC regime meant that they were not allowed to look for work, which is not the case. However, this left them with a feeling of being in limbo, unable to live their life due to a lack of income, and a sense that they were unemployable, not able to look for work. A young person aged 16–24 from Bradford said:

"[On limited capability for work-related activity] The one they've put me on … it means I'm no longer entitled to look for work, cannot do anything with my life … Their actual, specific words were 'you are too unpredictable to be in a work setting' … But whilst I can't be in it – what do you want me to do? … So, if I can't live my life and I can't do something all the time, but I don't know what you want me to do."

ALMPs that have been designed to have a 'work first' approach in the UK have been largely ineffective for those who are long-term unemployed with low or no educational attainment,

little work experience and mental or physical health conditions (Kantar Public et al., 2024; L and W, and Ipsos, 2024; NAO, 2021). For example, Kickstart was designed to prevent unemployed young people from slipping into long-term unemployment due to the pandemic by moving them quickly into subsidised jobs. It was not intended to tackle the disadvantages that specific groups of young people face. This is evident in the high percentage of young people who took part in the scheme with any long-term health condition, who were still not working or learning 7 and 10 months into the programme (51% and 32% respectively) (IFF Research, 2023).

Evaluation of Restart (2021–24), a scheme designed to help the long-term unemployed find work, shows that it was not able to help those long-term unemployed with higher levels of need, such as mental and physical health conditions or caring responsibilities, all of whom were less likely to move into employment during the programme (L and W, and Ipsos, 2024).

Similarly, the Work and Health Programme was less effective at supporting those with the lowest qualifications and health conditions. These people were less likely to find employment and less likely to feel that the support had helped them move closer to work within the 24-month programme across both voluntary and mandatory participants. However, it is notable that aspects of the design were positive, such as the option of voluntary participation, longevity of support offered, flexibility, a local approach and dedicated key workers. Ineffectiveness for people with low-level qualifications and health conditions may have been a result of key workers being unable to access broader specialist support in health, addiction

services, bereavement support, and a lack of available resources and long waiting lists for mental health services (Kantar Public et al., 2024).

Trials of supported employment programmes indicate some effectiveness for groups of people with longer-term and complex employment barriers. For example, Individual Placement and Support (IPS) (UK Government, 2024b), a form of supported employment based in mental health services, integrates intensive support, job search, paid work placement and in-work support targeted at people experiencing severe mental health conditions. It has had recent positive trials with people experiencing alcohol dependency. However, there is a lack of evidence in the UK on the efficacy of the scheme for young people who report severe mental ill health alongside other barriers such as low educational attainment, no work experience and entrenched hardship.

A combination of strong PLMPs and ALMPs can benefit employment, unemployment and labour force participation. However, the current labour market policy in the UK is weakened by inadequate levels of benefit support, the monitoring and compliance culture of the social security system, crumbling public services and poor-quality jobs. To leverage the full potential of blending these policy approaches, PLMPs and ALMPs should not be implemented at the expense of one another.

Evidence from the International Labour Organisation (2018) shows that the more money is spent on one policy, the more the other policy becomes effective; that is, spending on passive policies can have positive labour market effects – reduction in unemployment and increase in employment rates – on the condition that sufficient amounts are spent in active interventions. Investing in welfare, public services and policies that actively support young people into work is necessary for young people who are economically inactive with health conditions.

The following section sets out 4 key principles for designing a labour market policy that unlocks the potential of the most excluded young people.

5. Principles for unlocking potential

A blended approach

This approach combines a functioning and adequate safety net and public services with highly tailored active labour market policies to support young people into employment.

Highly targeted and bespoke support

Policy design should use national and local intelligence alongside insight from young people, employers, local services and voluntary and community-based organisations to identify and engage those who need the most support.

High unit cost and contained total cost

Due to the lack of perceived fiscal headroom, a higher unit cost programme that provides higher quality and more effective support, with a low to medium contained total cost overall, could be more attractive fiscally.

Flexible success measures

Achieving good-quality and sustained employment for this group of young people will be challenging, and some young people may need ongoing support even if employment is not immediately possible. Therefore, success should focus on multiple outcomes, considering each young person's starting point and measuring progress towards meaningful engagement and sustained good-quality employment.

6. How Get Britain Working and Pathways to Work measure up

The Government has now outlined its vision for reducing economic inactivity among young people not in employment, education or training. The *Get Britain Working* white paper, launched in November 2024, sets out an ambition for a *Youth Guarantee* to ensure all 18–21-year-olds in England have access to education, training or help to find a job or an apprenticeship. The *Pathways to Work* green paper aims to create a 'clearer youth phase' in the benefits system and is consulting on changes to the benefit rules for young people to support and underpin the *Youth Guarantee*, ensuring that all young people are learning or earning.

The white and green papers present 2 competing visions for employment support. The white paper outlines a plan for young people and employment support that, in the main, sounds positive, recognising the need for localised and personalised support to help those with multiple barriers into employment.

In contrast, the green paper proposes around £7 billion (gross) in cuts to social security for health, disability, and carers in 2029/30, with the impact growing over time. Young people will lose out significantly as a result of freezing and cutting Limited Capability for Work-Related

Activity (LCWRA) – the health element of UC – and proposing barring young people from claiming LCWRA until the age of 22, as well as the possibility of further cuts to public services, with the promise of additional Employment Support which is currently ill-defined.

Taken together, these cuts would undermine the intent of the *Youth Guarantee* and other types of employment support outlined in the white paper, such as Connect to Work. In the following section, we comment on the Government's proposals and how they measure against the 4 key principles outlined above.

A blended approach

The *Youth Guarantee* places great emphasis on ALMPs to reduce economic inactivity among young people and support them into work or training. The Guarantee will ensure that all 18–21-year-olds are offered a pathway into further education, training or employment, and will build on existing employment support provisions which offer a range of ALMPs to enhance skills in English, maths, digital literacy and work-related training. It will also create new foundation apprenticeships, alongside partnerships with sports, arts and cultural organisations. Moreover, it proposes a locally led, holistic approach to employment, skills and health services, in recognition of the complex, interconnected issues that young people face.

These sound like positive proposals, and the Government's plan for a guaranteed pathway into education, employment or training for all young people is a partial adoption of what the youth employment sector has called for in recent years (Youth Futures Foundation, 2024). A *Youth Guarantee* will especially benefit those young people closest to the labour market in the short term, who face fewer challenges to employment, training or educational opportunities, and it will help identify those at risk of becoming long-term unemployed or economically inactive and offer individualised and tailored support.

In addition, the *Pathways to Work* green paper will consult on significant changes to benefit rules for young people to support and underpin its *Youth Guarantee*. The green paper proposes:

- **Virtually all young people covered by the *Youth Guarantee* (aged 18–21) will be expected to engage with work or training-related activity**. This means that conditionality will be expanded to include young people who are placed in the LCWRA group.
- **A consultation on delaying access to LCWRA until age 22** on the basis that the savings generated would be reinvested into work, support and training opportunities for this age group, and ultimately removing any 'potential disincentive to work'.
- **A consultation on raising the age from 16 to 18 at which young people move from Disability Living Allowance for children (DLAc) to the adult PIP, and allowing new claims to be made to PIP from age 16 to 18**. The aim of this change is to better align

the age at which young people first claim adult disability benefits with other milestones in the transition to adulthood and support available, and to reduce pressure on young people going through adult PIP assessments.

The white and green papers offer 2 competing visions for supporting young people furthest from the labour market into employment. However, young people with health conditions or disabilities are caught in the crosshairs. The specific changes and proposals in the green paper for young people, combined with broader reforms to the health and disability benefits system, will significantly impact young people who already experience unacceptably high levels of hardship and labour market disadvantage.

The Government's own impact assessment for its planned health and disability benefit cuts shows that they risk pushing 250,000 people (including 50,000 children) into poverty (DWP, 2025b). The equality analysis of the reforms shows that average losses tend to be slightly higher for households aged over 40, and lower for younger families (DWP, 2025a). This is because older people are more likely to be in receipt of disability benefits.

However, the Government is consulting on delaying access to claiming the health element of UC until the age of 22 and using the money saved from this change to reinvest in employment support. If implemented, this would mean that from 2027/28 onwards, young people who qualify for the health element of UC would only receive the standard allowance until the age of

22. This proposal has been framed as a way of 'removing any potential disincentive to work during this time'.

Our research shows that young people who rely on UC and health-related UC experience high levels of hardship. Young people told us that they are already struggling to cover the cost of essentials. Inadequate financial support and a lack of access to decent, secure and affordable housing exacerbate the cognitive strain they face, hindering their ability to engage with support and progress toward meaningful employment or training. Cutting benefits for young people risks pushing young people into further hardship since under 25s already receive lower rates of UC than older adults.

Higher levels of hardship may in turn hamper the effectiveness of the *Youth Guarantee*. There is already a lack of trust in the social security system. The combination of an inadequate safety net and tighter monitoring and compliance may have led young people who would otherwise claim benefits to not do so, and so remain 'hidden' from the system. As previously stated, benefit inadequacy and punitive conditionality may have also contributed to higher health-related benefits caseloads in recent years, as people with health conditions seek to find more support elsewhere in the welfare system.

The green paper states that around 150,000 16–24-year-olds are in the LCWRA group and 66,000 are aged 18–21 (UK Government, 2025). Around 244,000 16–24-year-olds are

claiming PIP or DLA only. Existing LCWRA claimants will have their LCWRA claim frozen from April 2026 to 2029/30, and any new LCWRA claimants will see their claim cut to £50 per week and frozen from April 2026 to 2029/30.

The approach to conditionality for the *Youth Guarantee* will also be different for young people aged 18–21 than for those aged 22 and over in the reformed benefits system. The *Youth Guarantee* will expect all young people aged 18–21 to engage in learning or the labour market, including those in the LCWRA group (with some exceptions where a disability or health condition makes this not possible).

It is not clear what this means for young people aged 18–21 who are existing LCWRA claimants, and whether they will be subject to the baseline expectation to engage in a support conversation along with other LCWRA claimants or a completely different regime under the *Youth Guarantee*. As with the wider plans to scrap the Work Capability Assessment, the Government states that it will 'consider what special provisions need to be put in place for those young people where engagement with the guarantee is not a realistic prospect'.

For future claimants, the Government is consulting on raising the age at which young people start claiming PIP from 16 to 18. Disabled young people's organisations have called for this raising of the age to reduce the pressure on young people having to go through adult PIP assessments. Keeping young people on DLAc for longer has therefore been broadly welcomed

by those campaigners, as it will create a smoother transition into PIP.

Yet, as this change is intended to remove a cliff edge for young disabled people transitioning into adult systems and support services, it may only delay the cliff edge of losing DLAc/PIP entirely. First, evidence shows that prior to the green paper, nearly a third of young people receiving DLAc had their PIP claims rejected (Morris, 2025). Second, the proposed PIP rule to remove the daily living component from claimants who do not score 4 points or higher for at least one activity means that existing young PIP claimants could lose out upon reassessment. Finally, the Government is also clear that this proposal will reduce benefit expenditure overall.

The green paper proposals will not only make it more difficult to claim additional support through the social security system but will also reduce the amount of financial support available to young people with health conditions and disabilities, making it harder for them to engage in work or learning. Furthermore, amid these plans, the Department for Work and Pensions (DWP) has reduced the level of support it offers to UC claimants due to a shortage of available work coaches (NAO, 2025). This comes despite the department's proposal, as part of its £1 billion package of employment support accompanying the benefit reforms, to redeploy 1,000 work coaches to deliver intensive employment support in 2025/26 to around 65,000 sick and disabled people.

Young people who have a health condition or are disabled should be offered more support to move into work or learning, but doing so does not have to be contingent on cutting their benefits or imposing punitive conditionality. To ensure the social security system fully leverages the *Youth Guarantee*'s potential, it must ensure that:

- **The health element of UC should not be cut for young people under 22**. Young people who are deemed too unwell to work and qualify for the health element of UC should not have to wait until they are 22 to make a claim. Ideas like the 'Right to Try Guarantee' outlined in the green paper will help to remove the perceived barriers that prevent people from working, but the Government risks undermining this positive proposal with the cuts it has set out.
- **UC guarantees the essentials for young people who are entitled to claim it and need it to participate in the** *Youth Guarantee*. A robust financial safety net is essential for young people to access employment, education, or training opportunities.
- **Young people who experience multiple and overlapping issues of disadvantage need active labour market policies that are well resourced and highly personalised**. Elements of programme design that have been successful in engaging young people with complex circumstances have included the option of voluntary participation, long-term and consistent support from a dedicated key worker, access to support based in their community, flexibility within programmes, participation of employers and the use of subsidised employment. Direct access to specialist support and resources in housing,

health, addiction services or bereavement support is vitally important to any attempt at supporting a young person's moves towards employment.

Highly targeted and bespoke support

Elements of the *Youth Guarantee* have the potential to offer highly targeted and bespoke support for young people who are furthest from the labour market. A key component of the Guarantee will be the introduction of *Youth Guarantee* Trailblazers in 8 mayoral authorities across England, starting in Spring 2025. These trailblazers will test critical elements of the *Youth Guarantee*, including coordination, engagement, and accountability, by providing tailored support for 18–21-year-olds who need assistance with employment, education and training.

The trailblazers will involve collaboration with councils, training providers, Jobcentre Plus, the National Careers Service and local employers, with the aim of improving leadership and creating a cohesive support system. Additionally, they will implement mechanisms to better identify young people at risk of disengaging from education before the age of 18 and target those aged 18–21 who are neither in work nor learning.

While this approach seems sound and offers promising opportunities to better identify young people at risk of long-term unemployment and economic inactivity, the white paper rightly acknowledges that regional disparities mean addressing economic inactivity requires a locally

led and tailored strategy. Our analysis shows geographic variation in rates of young people not in work or learning at the regional and county levels.

These disparities are more pronounced at the local level, with significant differences across 'neighbourhood or ward' areas. For example, in some areas of Hull, the rate of young people not in employment, education or training is over 1 in 3 for 16–24-year-olds, compared to fewer than 1 in 10 in other areas of the city. This demonstrates the need for a well-developed relationship between mayoral and constituent local councils, as well as a strong link between local councils and neighbourhoods, ensuring the Guarantee reaches those young people who need it most.

Successfully engaging young people furthest from the labour market will also require the voluntary and community sector, which plays a crucial role in identifying those who may be hidden from mainstream services and the Jobcentre. Additionally, these organisations may be able to offer bespoke, voluntary support for young people with complex needs. The white paper acknowledges the importance of collaborating with organisations such as The King's Trust and Youth Employment UK to help deliver the *Youth Guarantee*, which is a positive step. In some areas of the country, existing partnerships with community organisations may be better placed to lead the delivery of the programme.

Moreover, effectively targeting this group of young people requires both national and local labour market intelligence, along with deeper insights from young people and employers at the local level when designing employment support programmes. The establishment of a *Youth Guarantee* Advisory Panel is a promising step towards shaping policy based on young people's experiences. However, it is equally important to consider how support can be locally designed and tailored to address the unique challenges faced in specific areas.

While the *Youth Guarantee* expectation that all young people aged 18–21 are required to participate in work or learning is a well-meaning aspiration, it could have an adverse effect on young people's engagement, particularly those young people who are currently not known to mainstream services and classed as 'hidden' NEETs. It may prove harder to engage marginalised and disadvantaged young people through voluntary and community outreach if there is a mandatory requirement to participate in learning or working, rather than a voluntary one.

Similarly, extending conditionality to young people on LCWRA without any clarification about who will be protected from the changes could push young people with a health condition or disability further away from employment, not closer to it, as they already fear punitive conditionality and benefit sanctions. It is unclear why programmes outlined in the white and green papers, such as the new supported employment programme, Connect to Work, are 'voluntary' (in recognition of the complexity of people's lives, health conditions and disabilities)

but the *Youth Guarantee* is not, despite recognising that young people may have similar barriers to participation, such as homelessness, drug and alcohol dependency, and being a care leaver.

High unit cost but contained total cost

The current political and fiscal environment suggests a limited appetite for policies with high total costs. The funding announced in the white paper reflects a focus on low unit cost initiatives with contained total expenditure, primarily for test and learn pilots, in addition to existing support and entitlements. For example, £45 million has been allocated for the *Youth Guarantee* Trailblazers in 2025/26, targeting 8 mayoral authorities. Another £15 million has been set aside for the Building Future programme, which will pilot support for 5,000 young people aged 14–16 at risk of dropping out of education, led by the Youth Futures Foundation.

Reviews of mainstream government employment programmes underscore the challenges of designing low-unit-cost programmes for people with higher support needs, such as those with low educational attainment and/or mental or physical health conditions. These programmes have struggled to help people with multiple and unmet needs transition into employment. The reality for this cohort is that they require highly tailored, longer-term support that is locally delivered and grounded in trusted relationships. While such support would come at a higher unit cost, it would be more cost-effective overall, as it would cater to fewer young people but offer high-quality, locally based interventions.

Looking to the voluntary, community and social enterprise sector for relevant examples, programmes targeting young people furthest from the labour market can deliver meaningful results. For instance, the National Lottery Community Fund's Talent Match Programme (2012–18), with a total budget of £96 million, targeted young people facing significant barriers to employment (National Lottery Community Fund, 2020). The upfront costs were high due to the active involvement of young people in designing and delivering programmes, but the additional benefits were substantial. The Talent Match programme demonstrated higher levels of additionality compared to other government programmes, such as the Future Jobs Fund and the New Deal for Young People.

Another example is the Springboard programme (2016–23) in Hull, which aimed to support economically inactive or unemployed young people aged 16–29 with access to education and employment through specialist support and training (Humber Learning Consortium, 2023). This programme, funded by the European Social Fund and National Lottery Community Fund, highlights the effectiveness of locally tailored support for young people furthest from the labour market.

However, it is important to consider the resource and capacity challenges faced by more deprived areas of England. Many local authorities with high proportions of economically inactive 16–34-year-olds (excluding students), such as Blackpool, Oldham, Bradford, Hartlepool (17%), Burnley, Sandwell, Middlesbrough, Walsall, Swale (16%) and Birmingham (15%), face the

additional challenge of having ‘doubly disadvantaged’ neighbourhoods (Local Trust and OCSI, 2018; ONS, 2021).

These areas are characterised by high levels of deprivation and low levels of social infrastructure, which includes places and spaces for meeting, connectivity – both physical and digital – and community engagement. This lack of community infrastructure makes it difficult to effectively reach young people most at risk of disengagement from the labour market.

Despite recent increases in council core spending, many of these areas were profoundly affected by austerity measures in the 2010s (Ogden and Philips, 2024), further exacerbating their challenges. Therefore, careful consideration is needed regarding how government funding and/or devolved funding is allocated, prioritising areas with the greatest need. For instance, the Community Needs Index, developed by the Oxford Consultants for Social Inclusion (OCSI), has been successfully used to target government funding to increase participation in volunteering and combat loneliness (Noble, 2023). A similar approach could be adopted to direct funding where it is most needed to help young people at risk of long-term inactivity.

Flexible success measures

The white paper does not provide detailed information on how success will be measured but sets an intention for the trailblazer areas to establish clear, measurable goals for maximising

participation in the *Youth Guarantee* and reducing the number of young people who are not in education, employment, or training. Achieving the goal of securing good-quality, sustainable employment for young people who have been out of work or education for prolonged periods requires careful planning. For some young people, finding employment within the time frame of the trailblazer pilot (or any labour market programme) may not be feasible due to the complex and ongoing barriers they face, which will require support regardless of whether they are employed.

There are also structural challenges to consider, such as the strength of the local labour markets, the willingness of local employers to hire and engage with the programme, and whether vacancies can be adapted or created for young people with complex needs. To maximise participation in the *Youth Guarantee* of young people furthest from the labour market and reduce the number of young people who are not in education, employment or training, the Government must recognise that a single primary outcome is insufficient. There needs to be a more nuanced approach, with structured measures that reflect each young person's starting point. Emphasis should be placed on outcomes that demonstrate engagement and progress, leading toward the ultimate outcome of good-quality, sustainable employment.

Methodology

Qualitative research

Local partners and practitioner roundtables

We held 2 invite-only online roundtables under the Chatham House Rule. In late January and early February 2024, 24 local partners and practitioners across Hull and Bradford participated in the 2 roundtables. Participants were representatives of regional and local government, health, education, wider public services and local voluntary, community and social enterprises working with young people not in employment, education or training.

The objectives of the roundtables were to explore organisations' and practitioners' perspectives on the challenges and opportunities facing young people who are not in employment, education or training and to discuss their perspectives on what changes are needed at a national and local level to reduce youth non-participation in employment, education and training.

Focus groups

In mid-February, we conducted 6 focus groups with 30 young people not in employment, education or training in Bradford, Hull and Slough in 'youth-friendly' venues. The purpose of the focus groups was to discuss the views of young people not in employment, education or training, understand the barriers they face, and determine what solutions they think would work for them.

Participants were recruited by Acumen recruitment to a detailed person specification to reflect the diversity of groups of young people not in employment, education or training, and to be broadly representative of key characteristics and/or circumstances including:

- all currently unemployed or 'economically inactive' and not in education, across the age range of 16–24
- range of employment experience (none, some with recent employment, some out of work for a longer-term period)
- range of educational attainment (no qualification to degree level)
- some reporting of mental ill health, neurodiversity and disability
- broadly 50/50 split of benefit receipt/no benefits
- different housing tenures, some with caring responsibilities (children/family members).

The locations were chosen as they had higher-than-average rates of young people not in employment, education or training, higher rates of mental ill health, covering different demographics (particularly ethnicity) and types of labour market (all typically weaker labour markets, but varying types of jobs available/industries/sectors, seasonality of work and proximity to larger/stronger labour markets).

Quantitative analysis

The analysis in this briefing uses the LFS quarterly and longitudinal series, the FRS, and data from DWP StatXplore. Where necessary to achieve sufficient sample sizes, figures are based on multi-quarter or multi-year averages.

As noted in Section 1, there are known issues with the depleting sample size in the LFS. Some have expressed concern this has introduced systemic bias, limiting the dataset's ability to produce accurate estimates of employment, unemployment and inactivity levels. As such, analysis based on this dataset should be treated with caution. In general, the trends we report here exist prior to the decline in sample size in the LFS and we have sought to corroborate results using analysis from other sources and alternative datasets.

References

Autistica (2021) Personal tragedies, public crisis (https://www.autistica.org.uk/downloads/files/Personal-tragedies-public-crisis-ONLINE.pdf)

Allen, M. Donkin, A. (2015) The impact of adverse experiences in the home on the health of children and young people, and inequalities in prevalence and effects (https://www.instituteofhealthequity.org/resources-reports/the-impact-of-adverse-experiences-in-the-home-on-children-and-young-people/impact-of-adverse-experiences-in-the-home.pdf)

Ambitious about Autism (2021) Time for Ambition: Our strategy 2024–2026 (https://www.ambitiousaboutautism.org.uk/sites/default/files/reports/files/ambitious-about-autism-strategy-2024-2026.pdf)

Anda, R. Whitfield, C. Felitti, V. Chapman, D. Edwards, V. Dube, S. Williamson, D. (2002) Adverse childhood experiences, alcoholic parents, and later risk of alcoholism and depression (https://psychiatryonline.org/doi/epdf/10.1176/appi.ps.53.8.1001)

Barr, B. Kinderman, P. Whitehead, M. (2015) Trends in mental health inequalities in England during a period of recession, austerity and welfare reform 2004 to 2013

(https://doi.org/10.1016/j.socscimed.2015.11.009)

Bellis, M. Hughes, K. Leckenby, N. Jones, L. Baban, A. Kachaeva, M. Povilaitis, R. Pudule, I. Qirjako, G. Ulukol, B. Raleva, M. Terzic, N. (2014) Adverse childhood experiences and associations with health-harming behaviours in young adults: Surveys in eight eastern European countries (https://www.researchgate.net/publication/267933660_Adverse_childhood_experiences_and_assoc harming_behaviours_in_young_adults_Surveys_in_eight_eastern_European_countries)

Brewer, M. Murphy, L. (2023) From safety net to springboard: Designing an unemployment insurance scheme to protect living standards and boost economic dynamism (https://economy2030.resolutionfoundation.org/wp-content/uploads/2023/09/From-safety-net-to-springboard.pdf)

Campbell, T. (2023) Inequalities in provision for primary children with special educational needs and/or disabilities (SEND) by local area deprivation (https://sticerd.lse.ac.uk/dps/case/cp/casepaper231.pdf)

Centrepoint (2023) Making work pay in supported accommodation: Analysis of the relationship between work and Housing Benefit in supported accommodation (https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fcentrepoint.org.uk%2Fsites%2F 09%2FMaking%2520work%2520pay%2520in%2520Supported%2520Accommodation%2520report.doc

Commission on Social Determinants of Health (CSDH) (2008) Closing the gap in a generation: health equity through action on the social determinants of health (https://iris.who.int/bitstream/handle/10665/43943/9789241563703_eng.pdf?sequence=1)

Corlett, A. (2024) Get Britain's stats working: Exploring alternatives to Labour Force Survey estimates (https://www.resolutionfoundation.org/publications/get-britains-stats-working/)

Crisis (n.d.). Mental health (https://www.crisis.org.uk/ending-homelessness/key-homelessness-policy-areas/health-and-wellbeing/mental-health/)

Department for Work and Pensions (DWP) (2024) DWP youth offer (https://data.parliament.uk/DepositedPapers/Files/DEP2024-0673/051_DWP_Youth_Offer_V8.0.pdf)

Department for Work and Pensions (DWP) (2025a) Spring Statement 2025 health and disability benefit reforms: Equality analysis (https://assets.publishing.service.gov.uk/media/67e3fbe29c9de963bc39b4b5/spring-statement-2025-health-and-disability-benefit-reforms-equality-analysis.pdf)

Department for Work and Pensions (DWP) (2025b) Spring Statement 2025 health and disability benefit reforms: Impacts (https://assets.publishing.service.gov.uk/media/67e667fe4a226ab6c41b1fe2/spring-

statement-2025-health-and-disability-benefit-reforms-impacts.pdf)

Earwaker, R. Johnson-Hunter, M. (2023) Unable to escape persistent hardship: JRF's cost of living tracker, summer 2023 (https://www.jrf.org.uk/cost-of-living/unable-to-escape-persistent-hardship-jrfs-cost-of-living-tracker-summer-2023)

Farooq, A. Kugler, A. Muratori, U. (2022) Do unemployment insurance benefits improve match and employer quality? Evidence from recent U.S. recessions (https://www.nber.org/papers/w27574)

Fell, B. Hewstone, M. (2015) Psychological perspectives on poverty (https://www.jrf.org.uk/psychological-perspectives-on-poverty)

Garvie, D. Pennington, J. Rich, H. Schofield, M. (2023) Still living in limbo (https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/still_livi

Hardcastle, K. Bellis, M.A. Ford, K. Hughes, K. Garner, J. Ramos Rodriguez, G. (2018) Measuring the relationship between adverse childhood experiences and educational and employment success in England and Wales: Findings from a retrospective study (https://www.sciencedirect.com/science/article/pii/S0033350618303032?via%3Dihubt)

Holmes, C. Murphy, E. Mayhew, K. (2021) What accounts for changes in the chances of being NEET in the UK? (https://www.tandfonline.com/doi/epdf/10.1080/13639080.2021.1943330?needAccess=true) (https://www.tandfonline.com/doi/epdf/10.1080/13639080.2021.1943330?needAccess=true)

Howarth, P. Charlesworth, Z. Ghelani, D. (2018) Universal Credit: Making it work for supported housing residents (https://policyinpractice.co.uk/wp-content/uploads/Universal-Credit-and-Supported-Housing-23Oct18.pdf)

Hughes, K. Bellis, M.A. Cresswell, K. Hill, R. Ford, K. Hopkins, J. (2024) Examining relationships between adverse childhood experiences and coping during the cost-of-living crisis using a national cross-sectional survey in Wales, UK (https://bmjopen.bmj.com/content/bmjopen/14/5/e081924.full.pdf)

Humber Learning Consortium (2023) Springboard 2016–2023 – The largest youth employment project in the Humber area... (https://www.hlc-vol.org/our-programmes/past-programmes/springboard/)

IFF Research (2023) Kickstart Scheme: Process evaluation (https://www.gov.uk/government/publications/kickstart-scheme-process-evaluation/kickstart-scheme-process-evaluation)

International Labour Organisation (2018) Better together: Active and passive labour market policies in developed and developing economies (https://www.ilo.org/publications/better-together-active-and-passive-labour-market-policies-developed-and)

Joseph Rowntree Foundation (JRF) (2025) UK poverty 2025 (https://www.jrf.org.uk/uk-poverty-2025-the-essential-guide-to-understanding-poverty-in-the-uk)

Kantar Public, ICF and BPSR (2024) Work and Health Programme evaluation: Synthesis report (https://www.gov.uk/government/publications/work-and-health-programme-evaluation-synthesis-report/work-and-health-programme-evaluation-synthesis-report)

The Kings Fund (2013) Broader determinants of health: Trends (https://www.kingsfund.org.uk/insight-and-analysis/articles/time-to-think-differently-broader-determinants-of-health-trends)

Learning and Work Institute, and Ipsos (2024) Restart Scheme: Evaluation summary (https://www.gov.uk/government/publications/the-evaluation-of-the-restart-scheme/restart-scheme-evaluation-summary#key-findings-on-participant-outcomes)

Local Government Association (LGA) (2018) Adverse experiences in childhood (https://www.local.gov.uk/case-studies/adverse-experiences-childhood)

Local Trust and Oxford Consultants for Social Inclusion (OCSI) (2018) Left behind? Understanding communities on the edge (https://localtrust.org.uk/wp-content/uploads/2019/08/local_trust_ocsi_left_behind_research_august_2019.pdf)

Marmot, M. Allen, J. Goldblatt, P. Boyce, P. Mcneish, D. Grady, M. Geddes, I. (2010) Fair society, health lives: The Marmot Review (https://www.parliament.uk/globalassets/documents/fair-society-healthy-lives-full-report.pdf)

Mason, K. Alexiou, A. Li, A. Taylor-Robinson, D. (2024) The impact of housing insecurity on mental health, sleep and hypertension: Analysis of the UK Household Longitudinal Study and linked data, 2009–2019 (https://www.sciencedirect.com/science/article/pii/S0277953624003836?via%3Dihub)

Ministry of Housing Communities and Local Government (MHCLG) (2020) Supported housing: National statement of expectations (https://www.gov.uk/government/publications/supported-housing-national-statement-of-expectations/supported-housing-national-statement-of-expectations)

Morris, J. (2025) 'Worrying' number of teens lose disability benefits (https://www.bbc.co.uk/news/articles/ckgn1w1jvl9o)

National Audit Office (NAO) (2021) Employment support: The Kickstart Scheme (https://www.nao.org.uk/reports/employment-support-the-kickstart-scheme/) (https://www.nao.org.uk/reports/employment-support-the-kickstart-scheme/)

National Audit Office (NAO) (2025) Work coach shortage leads DWP to reduce support for Universal Credit claimants (https://www.nao.org.uk/press-releases/work-coach-shortage-leads-dwp-to-reduce-support-for-universal-credit-claimants/)

National Institute for Health and Care Excellence (NICE) (2021) Looked-after children and young people (https://www.ncbi.nlm.nih.gov/books/NBK575858/)

National Lottery Community Fund (2020) Talent Match evaluation: A final assessment (https://www.tnlcommunityfund.org.uk/media/documents/Talent-Match/Talent-Match-eval-final-assessment.pdf)

Noble, S. (2023) Community Needs Index used to allocate funding for Know your Neighbourhood Fund (https://ocsi.uk/2023/03/21/community-needs-index-used-to-allocate-funding-for-know-your-neighbourhood-fund/)

Office for National Statistics (ONS) (2021) Economic activity status, England and Wales: Census 2021 (https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetype

Office of National Statistics (ONS) (2025) Young people not in education, employment or training (NEET), UK – Office for National Statistics (https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/bulletins/y

Ogden, K. Phillips, D. (2024) How have English councils' funding and spending changed? 2010 to 2024 (https://ifs.org.uk/sites/default/files/2024-06/How%20have%20English%20council%27s%20funding%20and%20spending%20changed.pdf)

Pignatti, C. Van Belle, E. (2018) Better together: Active and passive labour market policies in developed and developing economies (https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40dgreports/%40inst/documents/

Porter, I. (2024) Unlocking benefits: Tackling barriers for disabled people wanting to work (https://www.jrf.org.uk/work/unlocking-benefits-tackling-barriers-for-disabled-people-wanting-to-work#_-improving-trust-fixing-assessments-and-changing-culture)

Porter, I. Johnson-Hunter, M. (2023) Inadequate Universal Credit and barriers to work (https://www.jrf.org.uk/social-security/inadequate-universal-credit-and-barriers-to-work)

Prison Reform Trust (2022) Prison: The facts. Bromley Briefings Summer 2022 (https://prisonreformtrust.org.uk/wp-content/uploads/2022/07/Prison-the-facts-2022.pdf)

Public Health England (2017) Better care for people with co-occurring mental health and alcohol/drug use conditions (https://assets.publishing.service.gov.uk/media/5a75b781ed915d6faf2b5276/Co-occurring_mental_health_and_alcohol_drug_use_conditions.pdf)

Shelter Cymru (2019) End youth evictions: Stopping the cycle of youth homelessness in Wales (https://sheltercymru.org.uk/wp-content/uploads/2020/06/End-youth-evictions_ENG.pdf)

Shelter England (2024) How long can you stay in supported housing? (https://england.shelter.org.uk/housing_advice/council_housing_association/your_rights_in_suppo

UK Government (2024a) Get Britain Working (https://www.gov.uk/government/publications/get-britain-working-white-paper/get-britain-working-white-paper)

UK Government (2024b) Individual placement and support – alcohol and drug study: Main findings (https://www.gov.uk/government/publications/helping-people-in-alcohol-and-drug-treatment-services-into-work/individual-placement-and-support-alcohol-and-drug-study-main-findings--2)

UK Government (2025) Pathways to Work: Reforming benefits and support to get Britain working (https://www.gov.uk/government/consultations/pathways-to-work-reforming-

benefits-and-support-to-get-britain-working-green-paper/pathways-to-work-reforming-benefits-and-support-to-get-britain-working-green-paper)

Waters, T. (2023) Decades of benefit reforms have pushed more people into work – but very often into part-time, low-paid work with little prospect of progression (https://ifs.org.uk/inequality/press-release/decades-of-benefit-reforms-have-pushed-more-people-into-work-but-very-often-into-part-time-low-paid-work-with-little-prospect-of-progression/)

Whickham, S. Bentley, L. Rose, T. Whitehead, M. Taylor-Robinson, D. Barr, B. (2020) Effects on mental health of a UK welfare reform, Universal Credit: A longitudinal controlled study (https://www.thelancet.com/action/showPdf?pii=S2468-2667%2820%2930026-8)

World Health Organization (WHO), Calouste Gulbenkian Foundation (CGF) (2014) Social determinants of mental health (https://iris.who.int/bitstream/handle/10665/112828/9789241506809_eng.pdf?sequence=1)

Youth Futures Foundation (2024) Youth employment guarantee: Youth employment group (https://youthfuturesfoundation.org/blog/youth-employment-group-blog-youth-guarantee/)

Acknowledgements

We would like to thank all the young people who participated in the focus groups across Hull, Bradford and Slough; the organisations and practitioners who support them daily; and the people who contributed their time to share their views and experiences, which made this briefing possible.

Acumen for the hard work in managing the recruitment of young people to participate in the research, sourcing venues that were based in the community and known to young people who participated.

How to cite this report

If you are using this document in your own writing, our preferred citation is:

Casey, R. and Elliott, J. (2025) Unlocking the potential of young people furthest from the labour market. York: Joseph Rowntree Foundation.