



HM Government

Get Britain Working

CP 1191



Get Britain Working

Presented to Parliament
by the Secretary of State for Work and Pensions,
Chancellor of the Exchequer and Secretary of State for Education
by Command of His Majesty

November 2024



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ISBN 978-1-5286-5157-8

E03184199 11/24

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

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Joint Ministerial Foreword

To get Britain growing again, we've got to get Britain working again.

Our country's greatest asset is its people. However, the talents of too many are being wasted because of spiralling economic inactivity. We've got 2.8 million people locked out of work due to long-term sickness.¹ One in eight of our young people are not in education, employment or training.² Nine million adults lack the basic skills they need to get on.³

Behind these statistics are human stories played out time and again across the country. Young people with mental health problems, waiting for treatment, or lacking the basic qualifications they need to get a job and kick-start their career. People in their 50s and 60s struggling with chronic pain like bad joints, with women often caring for elderly relatives, who have huge experience to offer employers but far too few opportunities. The school-leaver let down because employment support is not designed to help them seize today's opportunities.

This is not good enough for people across the country who cannot access the support they need to improve their living standards and build a better life. It is bad for employers who are desperate to recruit but cannot find people with the skills to fill well-paying roles. It is bad for the economy and the taxpayer, driving a rising benefits bill.

Nothing less than radical reform is required. This White Paper sets out a fundamentally different approach, alongside the detail of our plan for £240 million of investment. Rather than writing people off, our reforms target and tackle the root causes behind why people are not working, joining up help and support, based on the needs of local people and local places.

This means fixing the NHS, cutting waiting lists so people can get back to health and back to work, as well as having a greater focus on preventing people becoming ill in the first place.

It means transforming a department for welfare into a genuine department for work through a new national jobs and careers service, focused on people's skills and careers not only monitoring and managing benefit claims.

It means mobilising Mayors and councils to join up local work, health and skills support in ways that meet the needs of their area.

It means building a Youth Guarantee, so every young person has a real chance of either earning or learning.

With our series of trailblazers around the country, we will begin to set the blueprint for this new approach to reducing economic inactivity.

It also means supporting employers to employ people with health conditions, and to keep them in the workplace, as well as having a health and disability benefits system that encourages people to engage with support and try work.

¹ INAC01 SA: Economic inactivity by reason (seasonally adjusted) - Office for National Statistics (www.ons.gov.uk), published 15 October 2024.
Available at:
<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/datasets/economicinactivitybyreasonseasonallyadjusted/inac01sa>

² Young people not in education, employment or training (NEET) – Office for National Statistics (www.ons.gov.uk), published 22 August 2024.
Available at:
<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/youngpeoplenotineducationemploymenttraining/neettable1>

³ Building skills for all: a review of England – Organisation for Economic Co-operation and Development (epale.ec.europa.eu), published 2016.
Available at: <https://epale.ec.europa.eu/sites/default/files/building-skills-for-all-review-of-england.pdf>

This White Paper is part of wider government action to spread opportunity and fix the foundations of our economy. This includes launching Skills England to create a shared national plan to boost the nation's skills, creating more good jobs through our modern Industrial Strategy, and strengthening employment rights through our Plan to Make Work Pay.

Our plan to Get Britain Working sets us on a path to bring down economic inactivity levels and takes the first steps to delivering our long-term ambition to achieve an 80% employment rate.

This is not only a mission for the whole government. It also needs genuine partnership with and between, the new jobs and careers service, Mayors and councils, trade unions, private, voluntary, community and social enterprise organisations, the NHS, employers and schools, colleges and universities. This is how, together, we can build a healthier, wealthier nation - driving up employment and opportunity, skills and productivity – while driving down the benefit bill.

Above all, this is about how we ensure everyone, regardless of their background, age, ethnicity, or where they live, has the opportunities they need to achieve and thrive, to succeed and flourish.

Helping people into decent, well-paid jobs and giving our children and young people the best opportunities to get on in life. This is how we get Britain working and growing again.

The Rt Hon Rachel Reeves MP, **Chancellor of the Exchequer**

The Rt Hon Liz Kendall MP, **Secretary of State for Work and Pensions**

The Rt Hon Bridget Phillipson MP, **Secretary of State for Education**

The Rt Hon Wes Streeting MP, **Secretary of State for Health and Social Care**

Executive Summary

1. A key part of this Government's mission to kick-start growth is our commitment to building an inclusive and thriving labour market where everyone has the opportunity of good work, and the chance to get on at work. This will improve living standards and ensure we can fund vital public services. It is also central to delivering on our missions to break down barriers to opportunity, and to improve the health of the nation.
2. That is why the Government has set a long-term ambition to achieve an 80% employment rate. This would place the UK among the highest performing countries in the world, with the equivalent of over two million more people in work.⁴ Our approach is based on three pillars:
 - A modern Industrial Strategy and Local Growth Plans – to create more good jobs in every part of the country.
 - Improving the quality and security of work through the Plan to Make Work Pay.
 - The biggest reforms to employment support for a generation, bringing together skills and health to get more people into work and to get on in work.
3. This third pillar is the focus for this White Paper: to Get Britain Working, as part of a system based on mutual obligations, where those who can work, do work, and where support is matched by the requirement for jobseekers to take it up.

The case for change

4. The UK is the only major economy that has seen its employment rate fall over the last five years, reversing the previous long-run trend of declining rates of economic inactivity. This has been driven predominantly by a rise in the number of people out of work due to long-term ill health.
5. This White Paper sets out fundamental reforms to tackle six key issues:
 - Too many people are excluded from the labour market – especially those with health conditions, caring responsibilities or lower skill levels.
 - Too many young people leave school without essential skills or access to high-quality further learning, an apprenticeship or support to work so that they can thrive at the start of their career.
 - Too many people are stuck in insecure, poor quality and often low-paying work, which contributes to a weaker economy and also affects their health and wellbeing.
 - Too many women who care for their families still experience challenges staying in and progressing in work.
 - Too many employers cannot fill their vacancies due to labour and skills shortages, holding back economic growth and undermining living standards.

⁴ Get Britain Working Analytical Annex – GOV.UK (www.gov.uk), published November 2024. Available at: <https://www.gov.uk/government/publications/get-britain-working-white-paper>

- There is too great a disparity in labour market outcomes between different places and for different groups of people.
6. The UK has lived with many of these challenges for decades, but the impacts of the Covid-19 pandemic alongside long-running economic, demographic and technological changes mean that we need radical action now to address them.
7. The current employment support system is set up to deal with the problems of the past, not the challenges of today or the opportunities of the future. It is:
- Too narrowly focused on unemployment, with too little support in particular for disabled people and people who have health conditions, and young people who are too often written off before their careers have even begun.
 - Too centralised and siloed, both across central government and in the relationships between national and local government.
 - Too focused on benefits and compliance, which can push people away from support at the expense of real help that meets their needs.

Our new approach

8. The driving purpose behind our new approach is to enable everyone to have the opportunity of secure, rewarding and fulfilling work. That means tackling economic inactivity, particularly where it is driven by ill health. It means getting more young people the chances and choices to learn, earn and take the first steps in work and their career. It means helping more people to get good jobs and progress out of poverty. And it means enabling local areas – especially through mayoral authorities – to lead and drive action to reduce economic inactivity and expand opportunity for young people, working with the NHS, councils, colleges, the voluntary sector and employers.
9. To deliver this, our fundamental reforms will transform the system so that there is better:
- Support for people to get back into work if they are outside the workforce (and help to stay in employment if they have a health condition).
 - Access to training, an apprenticeship, or help to find work for young people (including help to avoid losing touch with the workforce at a young age).
 - Help for people to get a job, upskill, and get on in their career, whether they are unemployed or in employment, alongside clear obligations on people to take up support and do in return everything they can to work.
 - Support for employers to recruit, retain and develop staff.

Plan for reform

10. This White Paper sets out our proposals for action and change in a range of areas:
- **Scaling up and deepening the contribution of the NHS and wider health system to improve employment outcomes.** Given the strong evidence on the health benefits of good work, we will:
 - Support the NHS to provide 40,000 extra elective appointments each week and deploy dedicated capacity to reduce waiting lists in 20 NHS Trusts in England with the highest levels of health-related economic inactivity.

- Address key public health issues that contribute to worklessness, through an expansion of Talking Therapies, our landmark Tobacco and Vapes Bill and a range of steps to tackle obesity (including trials of new treatments).
- Expand access to expert employment advisers as part of treatment and care pathways, in particular mental health and musculoskeletal services. We will also continue to expand access to Individual Placement and Support (IPS) for severe mental illness, reaching 140,000 more people by 2028/29.
- **Backing local areas to shape an effective work, health and skills offer for local people, with mayoral authorities leading the way in England.** Going with the grain of the Government's wider approach to devolution, we will:
 - Work with mayoral authorities and the Welsh Government to mobilise eight place-based trailblazers to reduce economic inactivity, with £125 million of funding in 2025/26.⁵ This will enable them to work with the full range of partners in their areas to shape a strong, joined-up and local work, health and skills offer. Trailblazers will trial new interventions and increase engagement with local people who are outside the workforce. In three areas in England, trailblazers will receive a share of £45 million for dedicated input from the local NHS Integrated Care System (ICS). They will all have a set of agreed outcomes, shared governance and a commitment to robust evaluation and learning.
 - Support all areas in England to develop local Get Britain Working Plans and to convene local partners to work together to deliver these. Plans will focus on reducing economic inactivity and taking forward the Youth Guarantee within local areas. We expect these plans to be developed by mayoral authorities where they exist – aligned with their Local Growth Plans – and elsewhere by groups of local authorities.
 - Kick-start local plans with £115 million in funding next year to enable local areas in England and Wales to deliver new back-to-work support for people who are economically inactive. Connect to Work, a new supported employment programme, will support up to 100,000 people a year at full rollout, as the first tranche of money from a new Get Britain Working Fund. This approach will enable local areas to develop this new provision as part of a coherent local offer, alongside wider health and skills support, the use of the UK Shared Prosperity Fund and active links with local employers.
 - Incorporate devolved funding for Connect to Work into the new Integrated Settlements for Mayoral Combined Authorities from 2025/26, which will initially be available to Greater Manchester and the West Midlands.
- **Delivering a Youth Guarantee so that all 18 to 21-year-olds in England have access to education, training or help to find a job or an apprenticeship.** Building on existing provision and entitlements, we will:
 - Work with mayoral authorities to mobilise eight place-based Youth Guarantee trailblazers with £45 million of funding in 2025/26. These trailblazers will design and test how different elements of the Guarantee can be brought together into a coherent offer for young people, with clear leadership and accountability and proactive engagement to make sure no young person misses out. All trailblazers will have a set of agreed outcomes, shared governance and a commitment to robust evaluation and learning.
 - Expand opportunities for young people by transforming the Apprenticeship Levy into a more flexible Growth and Skills Levy. As a first step, we will create new foundation and shorter apprenticeship opportunities for young people in key sectors.
 - Establish a new national partnership to generate a range of exciting opportunities that engage young people and set them on the path to success, beginning with leading

⁵ Trailblazers will be developed with Mayoral Combined Authorities, in London and with the Welsh Government.

sports, arts and cultural organisations like The Premier League, Channel 4 and the Royal Shakespeare Company.

- Explore a new approach to benefit rules for young people, to make sure they can develop skills alongside searching for work, while also preventing young people from falling out of the workforce before their careers have begun.
- Act to prevent young people losing touch with education or employment before the age of 18, with a guaranteed place in education and training for all 16 and 17-year-olds, an expansion of work experience and careers advice, action to tackle school attendance, and steps to improve access to mental health services for young people.
- **Creating a new jobs and careers service to help people get into work and get on at work.** To promote employment, tackle economic inactivity and boost living standards, we will transform Jobcentre Plus across Great Britain into a genuine public employment service, bringing it together with the National Careers Service in England. This service will:
 - Be digital, universal and fully inclusive.
 - Be based around personalised support to help people get into work, build skills and get on in their career, underpinned by a clear expectation that jobseekers do all they can to look for work.
 - Build new and enhanced relationships with employers that better meet their recruitment needs and help to reduce reliance on foreign workers.
 - Have a clear focus on supporting progression and good work by bringing together employment support and careers advice.
 - Be locally responsive, embedded and engaged, as a strong local partner with other local services and local organisations.

The new jobs and careers service will be focused around three core objectives of improving engagement, employment and earnings. The recent Budget allocated £55 million in 2025/26 to kick-start these ambitious reforms. This will enable investment in new digital prototypes and tests and trials of elements of the new service, including an enhanced employer offer. To build a national service that is fundamentally local at heart, we will design, develop and test this service in partnership with mayoral authorities, local authorities and devolved governments.

- **Launching an independent review into the role of UK employers in promoting healthy and inclusive workplaces.** Poor workforce health imposes large costs on employers, especially from sickness absence and turnover, while also making it harder for them to find the talent they need to grow and thrive. There is also compelling evidence about the value of helping people with a health condition or disability to stay in work, including to prevent them becoming economically inactive. In response, the review will consider what more can be done to enable employers to:
 - Increase the recruitment and retention of disabled people and those with a health condition, including via the new jobs and careers service.
 - Prevent people becoming unwell at work and promote good, healthy workplaces.
 - Undertake early intervention for sickness absence and increase returns to work.

The review will run until next summer and involve wide-ranging engagement with employers, employees, trade unions, health experts, and disabled people and those with health conditions. It will complement the Government's Make Work Pay reforms, which will tackle job insecurity and expand flexible working.

11. To support these goals, the Government believes there is also a strong case to change the system of health and disability benefits across Great Britain so that it better enables people to enter and remain

in work, and to respond to the complex and fluctuating nature of the health conditions many people live with today. The Government will bring forward a Green Paper in spring 2025. We will listen to and engage with disabled people as we develop proposals for reform in this area and across the employment support system.

12. In delivering this new approach, we are building on existing strengths: thousands of dedicated frontline employment and careers advisers (including in Jobcentre Plus and the National Careers Service); a network of capable providers and voluntary organisations; local leaders – in devolved governments and councils, combined authorities, colleges, universities and the NHS – committed to making a difference; and businesses, employers and trade unions across the country who are passionate about playing a positive role in their communities.
13. The changes set out in this White Paper require government to work in a very different way. Consistent with mission-driven government, that means being more joined up across central government, especially in relation to work, health and skills, and forging a new relationship between the UK, devolved and local governments, as well as with other partners like the NHS, colleges, employers, trade unions and civil society.

Chapter summaries

- **Chapter 1:** sets out our ambition to drive growth through employment and to build a thriving and inclusive labour market that works for people, communities and the economy.
- **Chapter 2:** diagnoses the problems we face in the labour market and sets out the case for fundamental reform of our health, employment and skills systems.
- **Chapter 3:** focuses on interventions to prevent economic inactivity driven by ill health and sets out government action to increase workforce participation through improving the health of the population, mobilising local work, health, and the skills systems, supporting employers to promote healthy workforces, and reforming the health and disability benefits system. It also sets out plans for a series of major place-based trailblazers to design and test local action to tackle economic inactivity.
- **Chapter 4:** focuses on getting young people the jobs and opportunities they deserve, the challenges faced by young people first entering the world of work, how the Government is delivering the Youth Guarantee in England, including through new local trailblazers, and plans to launch a Youth Guarantee Advisory Panel and national partnerships with leading organisations to help young people develop skills and find employment.
- **Chapter 5:** focuses on how the Government will deliver a new jobs and careers service to support people to progress in their careers, earn more and find higher quality work, the five pillars that will underpin design and delivery of this new service and our plan for adult skills.
- **Chapter 6:** sets out wider labour market reforms that support the Government's policy agenda to deliver economic growth and break down barriers to opportunity.
- **Chapter 7:** sets out the territorial scope of these reforms, our plans for greater devolution in Wales and England and our conclusions and next steps.

Chapter 1: Driving growth through employment

14. Building a thriving and inclusive labour market and increasing the number of people in work is central to achieving the Government's number one mission to grow the economy, as well as delivering our missions to spread opportunity and improve the health of the nation.
15. We want to build a labour market in which everyone has the opportunity to participate and progress regardless of their background, age, ethnicity, or where they live – because work is good for people, for communities and for the economy.
16. For individuals, having a job helps provide a sense of purpose, value and control. It provides financial resilience, enabling families to improve their living standards and escape poverty. The benefits also go beyond a pay cheque: research shows that good employment is good for physical and mental health and promotes full participation in society and independence.⁶
17. For communities, more people in work means more money spent in local shops, hospitality and entertainment, boosting local prospects and reducing regional disparities. Through the Government's Growth Mission, we will ensure more people are supported to access and engage with dynamic markets across the UK, wherever they choose to live.
18. Skilled work is good for helping businesses to grow. Approximately one third of annual productivity growth from 2001 to 2019 was due to general skills improvement, but there are still significant gaps that are limiting growth in key sectors.⁷ Increasing the amount of skilled work helps to increase productivity and innovation, which in turn encourages businesses to invest.⁸
19. Increasing employment is also good for our economy and public finances. More people in work means more funding for vital public services. Office for Budget Responsibility (OBR) analysis recently suggested half a million more people participating in the labour market would lower borrowing by £18.7 billion by 2027/28.⁹
20. Therefore, to grow the economy and spread opportunity to every corner of the country, this Get Britain Working White Paper will support higher employment and lower economic inactivity, and will enable more people to develop their careers and boost their skills so that they can move into higher paid, higher quality and more productive work.¹⁰ This will in turn help us to make progress towards our long-term ambition of an 80% employment rate for the UK (see Box 1).

6 Is work good for your health and well-being? An independent review - GOV.UK (www.gov.uk), published January 2006. Available at: <https://www.gov.uk/government/publications/is-work-good-for-your-health-and-well-being>

7 Skills and UK productivity research report – GOV.UK (www.gov.uk), published February 2023. Available at: https://assets.publishing.service.gov.uk/media/63f4bee8d3bf7f62eaf2e75/Skills_and_UK_productivity.pdf

8 Learning at work: Employer investment in skills - Learning and Work Institute (<https://learningandwork.org.uk>), published July 2021. Available at: <https://learningandwork.org.uk/wp-content/uploads/2021/07/Learning-at-Work-Employer-investment-in-skills.pdf>

9 Fiscal risks and sustainability, July 2023 - Office for Budget Responsibility (<https://obr.uk>), published July 2023. Available at: <https://obr.uk/frs/fiscal-risks-and-sustainability-july-2023/>

10 Measuring the net present value of further education in England 2018 to 2019 – GOV.UK (www.gov.uk), published May 2021. Available at: <https://www.gov.uk/government/publications/measuring-the-net-present-value-of-further-education-in-england-2018-to-2019>

Box 1: A bold, long-term ambition to reach an 80% employment rate

Increasing labour market participation will support the Growth Mission through expanding labour supply and boosting the productive capacity of the economy. Unemployment is low by historical standards at 4.1%, so reducing elevated levels of economic inactivity is critical to achieving an 80% employment rate.¹¹ This would bring the UK in line with top performing economies such as the Netherlands (82.5%), Switzerland (80.4%) and Iceland (85.3%).¹² This White Paper identifies three key groups for whom economic inactivity could be reduced: people who are economically inactive due to long-term sickness, young people who are not in education, employment or training, and women with caring responsibilities.

Office for National Statistics (ONS) measures of economic inactivity include people who are studying, which in time can lead to higher quality employment and higher wages. We will therefore ensure that setting ambitious goals to reduce economic inactivity does not set the wrong incentives around young people's participation in learning, and that our efforts are fully focused on reducing the number of young people who are not in education, training or employment. The Labour Market Advisory Board (see Chapter 7) will support our work on the exact definition and measurement of our ambitions on employment and labour force participation.

21. This requires a full UK and devolved government, public sector, third sector, and business effort. Get Britain Working is part of a bold, new, mission-led approach, enabling a collective and relentless focus on the UK's top priorities, to deliver a decade of national renewal.

Box 2: Mission-driven government

The UK government has set out five key missions: Growth, Clean Energy, Safer Streets, Opportunity and Health. Get Britain Working supports each mission:

Growth Mission – Increasing the number of people in good jobs is central to the Government's ambition to drive growth, an ambition which includes a range of actions being taken across government such as the modern Industrial Strategy. Sustained economic growth is in turn the only route to improving living standards and employment prospects across the UK.

Opportunity Mission – The UK should be a country where hard work means you can get on in life regardless of your background. The Opportunity Mission will break the link between young people's backgrounds and their future success by delivering in three key areas: giving every child the best start in life; helping them achieve and thrive through school years and building skills for opportunity and growth.

Health Mission – Through the Health Mission and the NHS 10-year plan for England, which will be published next spring, we have a dual focus on fixing the foundations of the NHS and shifting to a system focused on prevention. Ill health has become a critical driver of economic inactivity, and through these steps we will improve the health of the population and support people to stay in and return to work.

Clean Energy Superpower – Becoming a world leader in climate action will create jobs and opportunities right across the country. One in five jobs will be directly influenced by the shift towards a net-zero carbon economy, with the Climate Change Committee estimating that between 135,000 and 725,000 new jobs could be created across low-carbon sectors by 2030, across the range of different skills levels.¹³

Safer Streets Mission – Halving violence against women and girls (VAWG) and knife crime within a decade, while simultaneously improving confidence in policing and the criminal justice system, will require improvements in local policing. To achieve this, the Safer Streets Mission is focusing on delivering thousands more neighbourhood policing roles to meet the Government's neighbourhood

11 A01: Summary of labour market statistics, UK - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics>

12 OECD infra-annual labour market statistics employment rate quarter two 2024 – Organisation for Economic Co-operation and Development (www.oecd.org), published 2024. Available at: <https://www.oecd.org/en/data/indicators/employment-rate.html?oecdcontrol-40985420ae-var3=2024-Q2&oecdcontrol-40985420ae-var5=Q>

13 A net zero workforce – The Climate Change Committee (theccc.org.uk), published May 2023. Available at: <https://www.theccc.org.uk/wp-content/uploads/2023/05/CCC-A-Net-Zero-Workforce-Web.pdf>

policing guarantee and to restore public confidence in policing. The knock-on societal benefits of this mission – for example, fewer young people falling into crime, less anti-social behaviour and fewer victims of crime – will also benefit the Opportunity, Health and Growth Missions, which will in turn support the labour market.

Chapter 2: Problem diagnosis and the case for change

22. Although the number of people in the UK on payrolls is at a near record high, this masks significant inequalities and challenges.¹⁴
23. **Too many people are excluded from the labour market – especially due to ill health and disability.** The UK remains the only G7 country that has higher levels of economic inactivity (see Box 3) now than before the pandemic,¹⁵ with a record level of 2.8 million people out of work due to long-term sickness.¹⁶ As Box 4 sets out, a lower percentage of people are working than before, with an economic inactivity rate of 21.8% in Q2 2024.¹⁷ This is bad for individuals and their living standards, bad for communities, bad for employers who lose out on people's talents, and bad for public finances.

Box 3: What do we mean by economic inactivity?

According to internationally agreed definitions, people in the labour market fall into one of three groups: employed, unemployed and economically inactive. Economically inactive people are those without a job who have not sought work in the last four weeks and/or are not available to start work in the next two weeks. This differs from the definition of unemployment, where people are without a job but are seeking work and available to start. Many economically inactive people contribute to the economy in ways other than work, for example, by caring or studying to build their skills. However, the UK's current high economic inactivity rate is unsustainable, leaving many people excluded from the labour market and holding back economic growth.

24. **For too many people, labour market opportunities are shaped by where they live.** Employment rates, earnings and access to skilled jobs vary significantly between areas. As the chart below shows, rates of economic inactivity are highest in the North of England, Wales and Northern Ireland, with, for example, around a quarter of people aged 16-64 economically inactive in the North East of England (25.6%) compared with just over one in six in the South East (17.7%).¹⁸ Excluding students, of the 20 upper-tier local authorities in England with the highest rates of economic inactivity, 11 are in the North of England, while none are in the South East and just two are in London.¹⁹ However, there are disadvantaged areas across the United Kingdom, and inequalities within regions are often

14 Earnings and employment from Pay As You Earn, Real Time Information, seasonally adjusted – Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/realtimereferenceinformationstatisticsreferenceableseasonallyadjusted>

15 OECD infra-annual labour market statistics employment rate quarter two 2024 – Organisation for Economic Co-operation and Development (www.oecd.org), published 2024. Available at: <https://www.oecd.org/en/data/indicators/employment-rate.html?oeecdcontrol-40985420ae-var3=2024-Q2&oeecdcontrol-40985420ae-var5=Q>

16 INAC01 SA: Economic inactivity by reason (seasonally adjusted) - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/datasets/economicinactivitybyreasonseasonallyadjusted/inac01sa>

17 A01: Summary of labour market statistics, UK - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics>

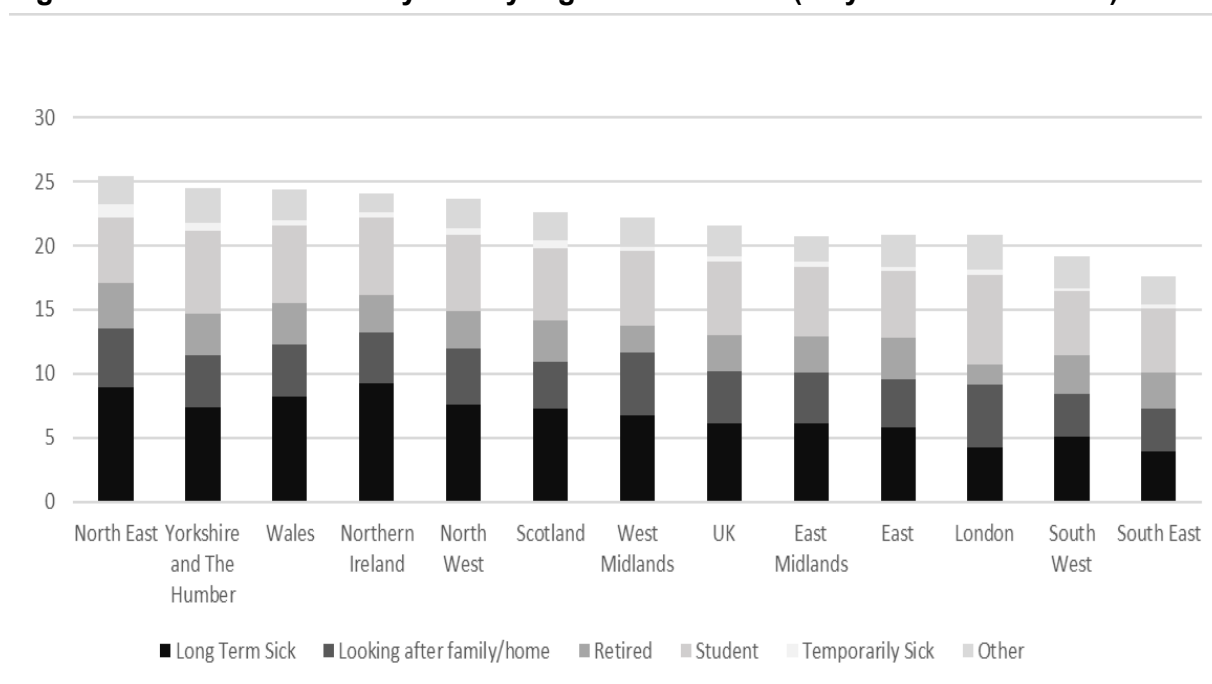
18 Annual population survey - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.nomisweb.co.uk/> (using 'Query data'). Caveat: 'APS Estimates have not been reweighted to new populations and consequently, will be inconsistent with the population totals used for the Labour Force Survey in the latest periods.'

19 Get Britain Working Analytical Annex – GOV.UK (www.gov.uk), published November 2024. Available at: <https://www.gov.uk/government/publications/get-britain-working-white-paper>

greater than those between them.²⁰ In particular, economic inactivity is higher in some coastal and ex-industrial communities than other parts of the country, and there are areas with high levels of people not working in our major cities.^{21 22}

25. There are also notable differences in qualification levels between regions in England. London and the South East tend to have higher proportions of adults with degree-level qualifications compared to the North East and parts of the Midlands. Overall, areas with higher levels of deprivation often have lower levels of educational attainment, and areas with higher unemployment rates and lower average incomes typically have a higher percentage of adults with no qualifications.²³

Figure 1: Economic inactivity rate by region and reason (July 2023 – June 2024)²⁴



26. **Too many young people leave school without essential reading, writing, maths or digital skills**, or the support and opportunities to thrive at the start of their career. Nearly 900,000 young people (16 to 24-years-old) are currently not in work or education,²⁵ with many having special educational needs, low-level skills and mental health conditions.²⁶ Young people struggling with poor

20 ONS Labour market in the regions of the UK: October 2024, Table LI01 Regional labour market: local indicators for counties, local and unitary authorities – Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/li01regionallabourmarketlocalindicatorsforcountieslocalandunitaryauthorities>

21 ONS Labour market in the regions of the UK: October 2024, Table LI01 Regional labour market: local indicators for counties, local and unitary authorities – Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/li01regionallabourmarketlocalindicatorsforcountieslocalandunitaryauthorities>

22 Get Britain Working Analytical Annex – GOV.UK (www.gov.uk), published November 2024. Available at: <https://www.gov.uk/government/publications/get-britain-working-white-paper>

23 Constituency data: Educational qualifications – House of Commons Library (www.commonshlibrary.parliament.uk), published October 2024. Available at: <https://commonshlibrary.parliament.uk/constituency-data-educational-qualifications-2021-census/>

24 Annual population survey - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.nomisweb.co.uk/> (using 'Query data'). Caveat: 'APS Estimates have not been reweighted to new populations and consequently, will be inconsistent with the population totals used for the Labour Force Survey in the latest periods.'

25 Young people not in education, employment or training (NEET), UK - Office for National Statistics (www.ons.gov.uk), published 22 August 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/bulletins/youngpeoplenotineducationemploymentortrainingneet/august2024>

26 NEET primary health condition estimates from the APS - GOV.UK (www.gov.uk), published June 2024. Available at: <https://explore-education-statistics.service.gov.uk/data-tables/permalink/284b51a6-bb08-4253-e0fd-08dc918b9d8f>

mental health and who lack basic qualifications face the greatest disadvantages.²⁷ For young people, a prolonged stretch of unemployment or economic inactivity at an early age can make it harder to find a job in the future, with negative impacts on the economy.²⁸

27. Too many people are stuck in insecure, poor quality and often lower-paying work, which contributes to a weaker economy and also affects health and wellbeing.²⁹ There are labour market success stories across the UK but the overall economy has experienced a long period of sluggish productivity growth, with real earnings (after inflation) having barely grown since the 2008 financial crisis.³⁰ There are now 700,000 more working-age adults, and 900,000 more children living in poverty in families where someone works than in 2010/11.³¹ In addition, people in low-paid work are relatively unlikely to leave it, with only 2 in 5 low-paid people in 2017 consistently earning enough by 2023 to no longer be considered low paid.³² In-work poverty varies between different regions of the UK. The West Midlands and the North West have the highest rates of in-work poverty at 22% and 20% respectively. These regions also had the highest rates of in-work child poverty at 33% and 30% respectively. Northern Ireland and the North East have the lowest rates of overall in-work poverty at 12% and 13%, while Northern Ireland and Scotland have the lowest rates of in-work child poverty at 16% and 18%.³³

Box 4: Rising economic inactivity in the UK, which is an outlier internationally

Rising labour market participation was a key driver of economic growth across the 2010s but this has reversed since 2020. The working-age participation rate peaked at 79.5% in early 2020, including rising participation among women, older workers and disabled people. This is likely to have reflected a number of factors, including policy changes (such as the rise in State Pension age and childcare support), changes in social norms and rising educational levels.³⁴ The UK's economic inactivity rate has risen sharply since early 2020, increasing to 21.8% in June-August 2024. Over 700,000 additional people are outside the labour market compared to when the economic inactivity rate was at its 2020 low.³⁵

27 Census 2021 - Highest level of qualification by economic activity status for 16-24 age group in England - Office for National Statistics (www.ons.gov.uk), published 28 March 2023. Available at: <https://www.ons.gov.uk/datasets/RM048/editions/2021/versions/3>

28 Gregg, Paul and Emma Tominey, The wage scar from male youth unemployment, Labour Economics, Volume 12, Issue 4 - Elsevier (www.sciencedirect.com), published August 2005. Available at: <https://doi.org/10.1016/j.labeco.2005.05.004>

29 Working for the Future: Final Report of the Commission on the Future of Employment Support - Institute for Employment Studies (www.employment-studies.co.uk), published September 2024. Available at: <https://www.employment-studies.co.uk/system/files/resources/files/Working%20for%20the%20Future%20Final%20Report.pdf>

30 Average weekly earnings in Great Britain: October 2024 – Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/october2024>

31 Households below average income (HBAI) statistics – GOV.UK (www.gov.uk), published March 2024. Available at:

<https://www.gov.uk/government/collections/households-below-average-income-hbai--2>

32 Get Britain Working Analytical Annex – GOV.UK (www.gov.uk), published November 2024. Available at:

<https://www.gov.uk/government/publications/get-britain-working-white-paper>

33 Stat-Xplore Households Below Average Income – GOV.UK (www.gov.uk), published 21 March 2024. Available at: <https://stat-xplore.dwp.gov.uk/webapi/jsf/tableView/tableView.xhtml>

In-work poverty is defined as relative poverty after housing costs where at least one person in the household works.

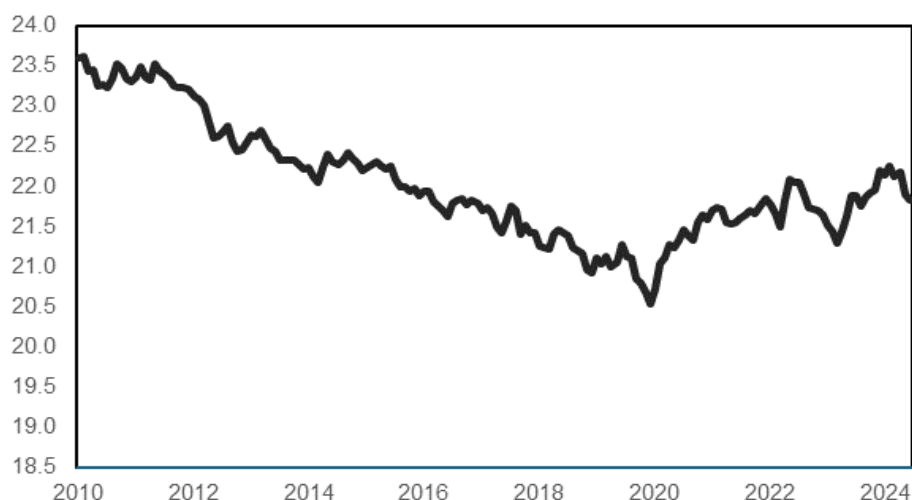
34 A01: Summary of labour market statistics, UK - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics> Data is available from tables A01, A02 SA and A08 of the bulletin.

35 A01: Summary of labour market statistics, UK - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at:

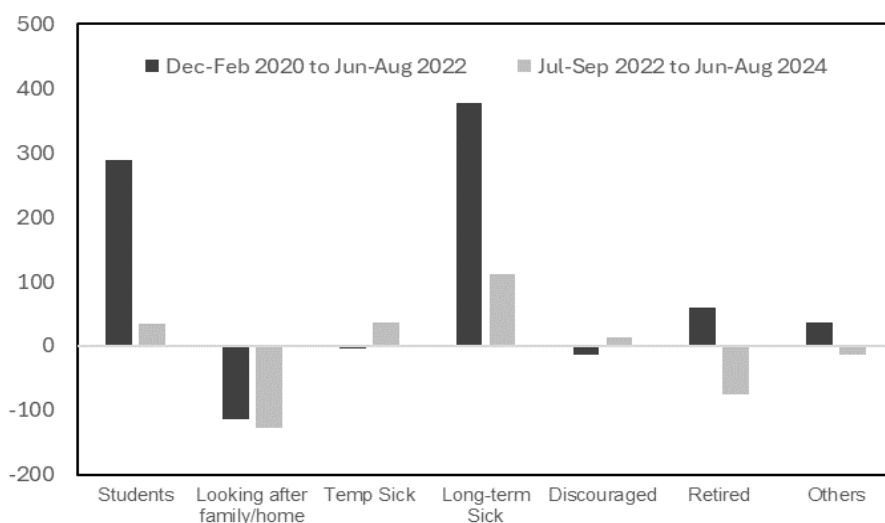
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics> Data is available from tables A01, A02 SA and A08 of the bulletin.

Figure 2: Economic inactivity rate (16 to 64-year-olds Labour Force Survey)³⁶



While there are many reasons for labour market inactivity, increases since 2020 have been primarily driven by long-term health conditions which remain at historically high levels.³⁷ The UK's sustained rise in economic inactivity since the pandemic is not replicated in other major G7 economies.³⁸

Figure 3: Change in economic inactivity by reasons (000s) (Labour Force Survey)³⁹



36 A02 SA: Employment, unemployment and economic inactivity for people aged 16 and over and aged from 16 to 64 (seasonally adjusted) - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/employmentunemploymentandeconomicinactivityforpeopleaged16andoverandagedfrom16to64seasonallyadjusted>

37 INAC01 SA: Economic inactivity by reason (seasonally adjusted) - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/datasets/economicinactivitybyreasonseasonallyadjusted>

38 OECD infra-annual labour market statistics employment rate quarter two 2024 – Organisation for Economic Co-operation and Development (www.oecd.org), published 2024. Available at: <https://www.oecd.org/en/data/indicators/employment-rate.html?oecdcontrol-40985420ae-var3=2024-Q2&oecdcontrol-40985420ae-var5=Q>

39 INAC01 SA: Economic inactivity by reason (seasonally adjusted) - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/datasets/economicinactivitybyreasonseasonallyadjusted>

Pre-July-Sep 2022 series has been estimated using different population data, causing a 'step-change discontinuity' in estimates of reasons for inactivity. ONS are in the process of adjusting the full series.

The challenge of increasingly poor health is likely to continue, driven in part by the ageing population. The number of people living with major illness in England is projected to increase by over a third by 2040,⁴⁰ and the OBR projects the participation rate amongst the 16+ population to fall from around 63% today to around 61% over the next fifty years. However, if health continues to deteriorate across the population the participation rate could drop below 60%.⁴¹

- 28. Too many women who care for their families still experience challenges in staying and progressing in work.** While the UK's gender participation gap has been closing over recent decades, it is still larger than top performing economies, with a female economic inactivity rate in 2023 at 25.3% that was 7.3 percentage points higher than the male rate (18.0%).⁴² Mothers on average experience a decline in participation and hours worked after having children, which persists over time. This drives down hourly pay for women and contributes to the gender pay gap.⁴³ While many mothers want to care for their children full time, survey data indicates around half of non-working mothers would prefer to work.⁴⁴ For many mothers a lack of affordable and accessible childcare, inflexible working practices and fragmented and poor-quality information can make this challenging.⁴⁵ Five million people are providing unpaid care and 59% of these are women. One in five women aged 55-59 are providing unpaid care.⁴⁶
- 29. Too many employers cannot fill their jobs due to labour and skills shortages, holding back economic growth and undermining living standards.** The number of skills shortage vacancies more than doubled between 2017 and 2022, with 36% of vacancies now due to skills shortages.⁴⁷ Global shifts such as the green transition and artificial intelligence will impact the distribution of jobs and skills further. We need a robust, skilled labour market to respond to and benefit from these changes. However, despite evidence that qualifications pay dividends for individuals and the taxpayer, participation in training is falling. UK employers invest half as much per employee in training compared to the EU average,⁴⁸ while employer investment in training has fallen by nearly 20% in real terms since 2011.⁴⁹ 33% of working-age adults in England do not have a Level 3 or above qualification, and 17% do not have a Level 2 or above qualification.⁵⁰ In Yorkshire and the Humber and the North East only four in five young people achieve a Level 2 (GCSE or equivalent A*-C) qualification by the age of 19 and around half achieve Level 3 (A Level or equivalent), making these the poorest performing regions in England.⁵¹ Furthermore, economic inactivity is strongly

40 Health in 2024: projected patterns of illness in England – The Health Foundation (www.health.org.uk), published July 2023. Available at: <https://www.health.org.uk/publications/health-in-2040>

41 Fiscal risks and sustainability – September 2024 – Office for Budget Responsibility (www.obr.uk), published 12 September 2024. Available at: <https://obr.uk/frs/fiscal-risks-and-sustainability-september-2024/>

42 A02 SA: Employment, unemployment and economic inactivity for people aged 16 and over and aged from 16 to 64 (seasonally adjusted) - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/employmentunemploymentandeconomicinactivityforpeopleaged16andoverandagedfrom16to64seasonallyadjusteda02sa>

43 Andrew, Alison, Oriana Bandiera, Monica Costa Dias, Camille Landais, The careers and time use of mothers and fathers – Institute for Fiscal Studies (www.ifs.org.uk), published March 2023. Available at: <https://ifs.org.uk/inequality/wp-content/uploads/2021/03/BN-The-careers-and-time-use-of-mothers-and-fathers.pdf>

44 Childcare and early years survey of parents, Reporting year 2023 – GOV.UK (www.gov.uk), published July 2024. Available at: <https://explore-education-statistics.service.gov.uk/find-statistics/childcare-and-early-years-survey-of-parents>

45 Qualitative research with working people exploring decisions about work and care - GOV.UK (www.gov.uk), published October 2024. Available at: <https://www.gov.uk/government/publications/qualitative-research-with-working-people-exploring-decisions-about-work-and-care>

46 Unpaid care by age, sex and deprivation, England and Wales: Census 2021 – Office for National Statistics (www.ons.gov.uk), published 13 February 2023. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/socialcare/articles/unpaidcarebyagesexanddeprivationenglandandwales/census2021>

47 Employer skills survey, Calendar year 2022 - GOV.UK (www.gov.uk), published September 2023. Available at: <https://explore-education-statistics.service.gov.uk/find-statistics/employer-skills-survey/2022>

48 Employer investment in skills – Learning and Work Institute (learningandwork.org.uk), published July 2021. Available at: [Learning-at-Work-Employer-investment-in-skills.pdf](https://learningandwork.org.uk/learning-at-work-employer-investment-in-skills.pdf)

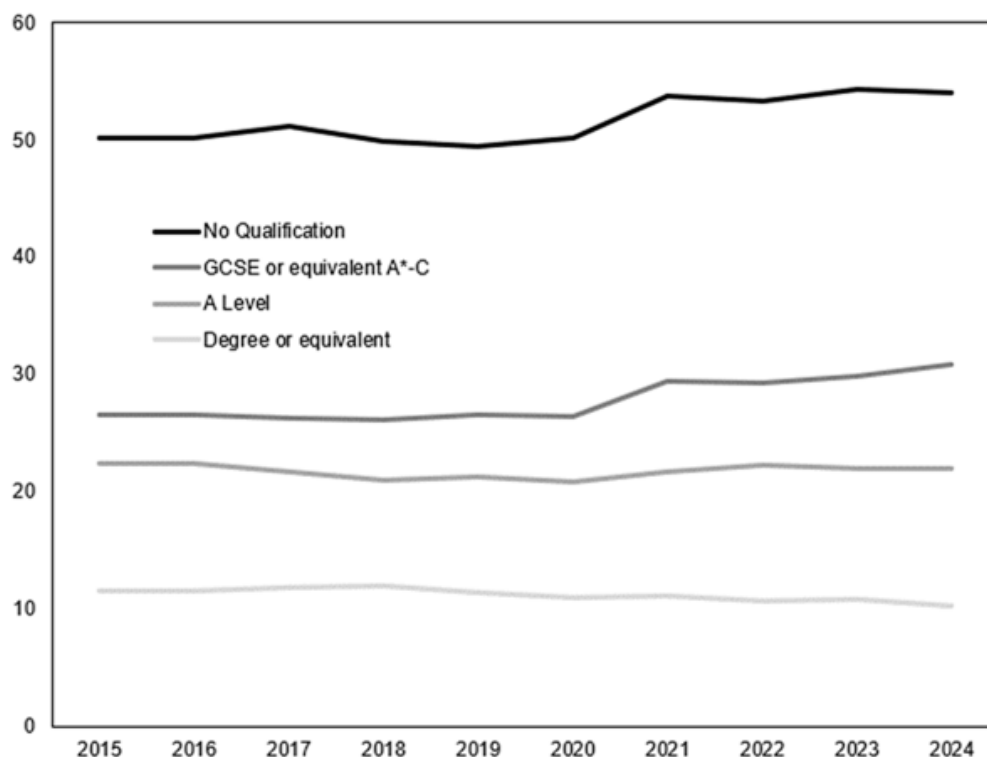
49 Employer skills survey, Calendar year 2022 - GOV.UK (www.gov.uk), published September 2023. Available at: <https://explore-education-statistics.service.gov.uk/find-statistics/employer-skills-survey/2022>

50 Highest qualification among 19-64 year olds – GOV.UK (www.gov.uk), published November 2023. Available at: <https://explore-education-statistics.service.gov.uk/data-catalogue/data-set/dd563e14-3f80-4397-9317-d26e6fa95987>

51 Level 2 and 3 attainment age 16 to 25 – GOV.UK (www.gov.uk), published April 2024. Available at: <https://explore-education-statistics.service.gov.uk/data-tables/level-2-and-3-attainment-by-young-people-aged-19/2022-23?subjectId=6d25f7a4-2e7f-4ef4-85dc-08dc5d2e18da>

correlated with low skills. The graph below shows that people with no qualifications are significantly more likely to be inactive than those who have a higher level of qualification.

Figure 4: Percentage of population aged 16 to 64-years-old, by highest qualification, that are economically inactive⁵²



The case for fundamental reform of our health, employment and skills systems

30. These labour market challenges are serious. However, the current system is almost entirely set up to address the problems of the past, not those that we see today or are facing in the future. The current system does not allow us to deal with spiralling inactivity, an ageing population or increasing prevalence of ill health. It does not help ensure that young people get the education, skills and job opportunities that they need to kick-start their careers, and it does not enable people to get the chance to earn decent pay and to build skills and careers.

Health system

31. Our health system is struggling and waiting lists have been increasing. NHS referrals to elective treatment waiting lists in England increased from 4.4 million in January 2020 to 7.6 million in July 2024.^{53 54} Between 18 October 2023 and 1 January 2024, 33% of working age people who were economically inactive (excluding those who were retired) were on NHS waiting lists, in comparison to

⁵² Get Britain Working Analytical Annex – GOV.UK (www.gov.uk), published November 2024. Available at: <https://www.gov.uk/government/publications/get-britain-working-white-paper>

⁵³ Incomplete-commissioner-Jan20-revised - Referral to Treatment (RTT) Waiting Times - National Health Service (www.england.nhs.uk), published March 2020. Available at: <https://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/>

⁵⁴ Incomplete-commissioner-Jul24 - Referral to treatment (RTT) Waiting times - National Health Service (www.england.nhs.uk), published September 2024. Available at: <https://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/>

19% of those who were either employed or self-employed.⁵⁵ There is insufficient focus on preventing the common health conditions, risk factors and health inequalities that limit people from engaging with work, and there is limited support to help disabled people or people with health conditions to stay in work (or get back into work quickly). This is critically important, as once people become economically inactive due to long-term sickness, they are highly unlikely to move into employment in the future.⁵⁶

Employment support system

32. Our employment support system has been primarily focused on managing the benefits system and not on delivering a public employment service. It primarily engages with people who are unemployed and focuses on rapid job entry, which potentially misses the opportunity to find the right job for them. The system provides little support to those who are looking to find a new job, to progress in work, or to stay in work but need help to do so, such as carers.⁵⁷ It also pays insufficient attention to wider issues like health, skills, childcare and transport, which play a fundamental role in supporting people to enter, stay in or get on at work.

Skills system

33. Our current skills system is not delivering the skills that the country needs. Many adults with lower skills and qualifications disengage from learning after leaving education. Nearly one in four do not participate in any training after this point,⁵⁸ with the lowest-qualified and poorest adults the least likely to access further training.⁵⁹ While quality post-16 education has clear benefits,⁶⁰ many face barriers like cost, childcare responsibilities and work-related time pressures that hinder access to these opportunities.⁶¹ Typically, the most disadvantaged people fall through the cracks and are more likely to experience unemployment scarring effects, which negatively impact their future career prospects, earnings and wellbeing.⁶² Domestic skills shortages are widespread, increasing our reliance on migration and hindering economic growth.

34. The result is a system that is too siloed, which fails to join up health, work and skills support and is not rooted in local economies or driven by local needs.

55 Waiting for a hospital appointment, test, or treatment through the NHS by employment status and age: 18 October 2023 to 1 January 2024 – Office for National Statistics (www.ons.gov.uk), published 2 May 2024. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/adhoc/2014waitingforahospitalappointmenttestortreatmentthroughthenhsbyemploymentstatusandage18october2023to1january2024>

56 The employment of disabled people 2023 – GOV.UK (www.gov.uk), published October 2023. Available at: <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2023>

57 Qualitative research with working people exploring decisions about work and care – GOV.UK (www.gov.uk), published October 2024. Available at: <https://www.gov.uk/government/publications/qualitative-research-with-working-people-exploring-decisions-about-work-and-care>

58 Adult Participation in Learning Survey 2023 – Learning and Work Institute (www.learningandwork.org.uk), published November 2023. Available at: <https://learningandwork.org.uk/resources/research-and-reports/adult-participation-in-learning-survey-2023/>

59 The adult skills gap: is falling investment in UK adults stalling social mobility? – Social Mobility Commission (<https://socialmobility.independent-commission.uk/>), published January 2019. Available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774085/Adult_skills_report_2019.pdf

60 Measuring the Net Present Value of Further Education in England 2018/19 – Department for Education (www.gov.uk), published May 2021. Available at:

https://assets.publishing.service.gov.uk/media/609e78c6d3bf7f2883267c3b/Measuring_the_Net_Present_Value_of_Further_Education_in_England_2018_to_2019.pdf

61 Barriers to Learning - Learning and Work Institute (www.learningandwork.org.uk). Available at: <https://learningandwork.org.uk/what-we-do/lifelong-learning/adult-participation-in-learning-survey/barriers-to-learning/>

62 Which groups find it hardest to find a job following a period out of work? – Office for National Statistics (www.ons.gov.uk), published March 2021. Available at:

<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/articles/whichgroupsfindithardesttofindajobfollowingaperiodoutofwork/2021-03-30>

Chapter 3: Tackling economic inactivity caused by ill health

35. Reversing the increase in economic inactivity caused by ill health is a national priority. A quarter of all people aged 16-64 have a long-term health condition that limits their day-to-day activities (therefore classing them as disabled), with disabled people nearly three times more likely (than non-disabled people) to be economically inactive.⁶³ This leads to significant adverse impacts for people, for the economy and for the public finances.
36. Many people who are off work with long-term health conditions want to work, with 600,000 stating that they would like a job at the moment.⁶⁴ However, too many disabled people and people with long-term health conditions face significant challenges in: finding work that can accommodate their needs, getting the right support to help manage their conditions, or having the right adjustments at work.⁶⁵
37. Our approach – for individuals and employers – needs to reflect the scale of the challenges that disabled people and people with health conditions face.
38. This chapter sets out the drivers and impacts of ill health-related economic inactivity, and how the Government is going to tackle this challenge, in four priority areas:
- Improving the health of the population so that more people can stay in and thrive at work.
 - Mobilising local leadership to tackle economic inactivity by better connecting work, health and skills support and increasing engagement with that support.
 - Supporting employers to promote healthy workplaces, and to recruit and retain workers with a health condition or disability.
 - Reforming the system of health and disability benefits to promote and enable employment.
39. Many of the policy functions described in this chapter are devolved to Northern Ireland, Scotland and Wales. Where this is the case the focus of this chapter is on the actions the UK Government will take in England. The UK Government will work closely with the devolved governments to maximise positive outcomes and learning across the UK whilst respecting devolution settlements.

63 A08: Labour market status of disabled people – Office for National Statistics (www.ons.gov.uk), published 13 August 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusofdisabledpeoplea08/current>

64 INAC01 SA: Economic inactivity by reason (seasonally adjusted) - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/datasets/economicinactivitybyreasonseasonallyadjustedinac01sa>

65 Employee research Phase 1: Understanding the experiences of employees who have had a sickness-GOV.UK (www.gov.uk), published March 2023. Available at: <https://www.gov.uk/government/publications/employee-research-phase-1-and-2/employee-research-phase-1-understanding-the-experiences-of-employees-who-have-had-a-sickness-absence#summary-and-background>

III health-related economic inactivity trends

40. Long-term sickness-related economic inactivity is at a near-record high.⁶⁶ Disability prevalence is also increasing, with 2.6 million (38%) more people in the working-age population classed as disabled compared to a decade ago. The employment rate of disabled people (53%) is nearly 29 percentage points lower than that of non-disabled people, and this employment 'gap' has stopped narrowing over the last five years.⁶⁷
41. There has also been a decline in the health of those who are working. 4.1 million people are currently in work with a health condition that is work-limiting – an increase of 300,000 over the past year.⁶⁸
42. More than half of those who are economically inactive due to long-term ill health are aged 50-64.⁶⁹ However, recent trends have been particularly concerning for young people, who have seen a greater proportional increase in comparison to older groups. The steepest increase has been for those aged 16-34, who account for 22.6% of those economically inactive due to ill health, an increase of 3.4 percentage points between 2019 and 2023.⁷⁰
43. Ill health also affects the employment prospects of the friends and family members who provide unpaid care. There are untapped opportunities to prevent and reduce economic inactivity by exploring how those with care needs and those caring for them navigate the social care system.⁷¹
44. A range of complex and interacting factors have contributed to the rise in ill health-related economic inactivity since 2019. These include population ageing, as the last of the 'Baby Boomer' generation enter their 60s, a higher prevalence of ill health among people aged 16-64, particularly since the Covid-19 pandemic (affecting both mental and physical health)⁷², and potentially, factors related to the benefits system: a combination of the strictness of 'conditionality' for jobseekers, administrative changes to health assessments, and differences in benefit rates, may have contributed to increases in the number of people claiming health-related benefits.⁷³
45. People who are economically inactive due to long-term sickness are likely to face multiple barriers in returning to the labour market. Most have several long-term health conditions and no recent work history. They are also more likely (than the population as a whole) to have no qualifications, and some may also face other complex disadvantages, including homelessness, drug or alcohol addiction and contact with the criminal justice system.⁷⁴

66 INAC01 SA: Economic inactivity by reason (seasonally adjusted) - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/datasets/economicinactivitybyreasonseasonallyadjusted/inac01sa>

67 The employment of disabled people 2023 – GOV.UK (www.gov.uk), published October 2023. Available at: <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2023>

68 A08: Labour market status of disabled people – Office for National Statistics (www.ons.gov.uk), published 13 August 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusofdisabledpeople/a08/current>

69 The employment of disabled people 2023 – GOV.UK (www.gov.uk), published October 2023. Available at: <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2023>

70 The employment of disabled people 2023 – GOV.UK (www.gov.uk), published October 2023. Available at: <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2023>

71 Qualitative research with working people exploring decisions about work and care – GOV.UK (www.gov.uk), published October 2024. Available at: <https://www.gov.uk/government/publications/qualitative-research-with-working-people-exploring-decisions-about-work-and-care>

72 Rising ill-health and economic inactivity because of long-term sickness, UK: 2019 to 2023 (www.ons.gov.uk), published 26 July 2023. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/articles/risingillhealthandeconomicinactivitybecauseoflongtermsicknessuk/2019to2023>

73 Fiscal risks and sustainability – July 2023 – Office for Budget Responsibility (<https://obr.uk>), published 13 July 2023. Available at: <https://obr.uk/frs/fiscal-risks-and-sustainability-july-2023/#chapter-2>

74 The employment of disabled people 2023 – GOV.UK (www.gov.uk), published October 2023. Available at: <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2023>

Box 5: Common risk factors

The most prevalent primary conditions in people who are economically inactive due to long-term sickness are mental health conditions, musculoskeletal (MSK) conditions, and cardiovascular disease (CVD),⁷⁵ with obesity being a key risk factor across all of these and a significant driver in and of itself.⁷⁶

Mental health conditions are the most common conditions that affect younger working-age people who are economically inactive due to long-term sickness. They have been trending up over the past decade.⁷⁷ Of the rise in long-term sickness among 16 to 49-year-olds between 2019 and 2022, mental health conditions account for 25% (50,000 people).⁷⁸ The number of workers aged 16-34 who report that their mental health limits the type or amount of work they can do has increased more than four-fold over the past decade, and mental health is now the leading work limiting health condition among those aged 44 and younger.⁷⁹

MSK conditions are the most common conditions that affect older working-age people who are economically inactive due to long-term sickness.⁸⁰ They were trending down prior to the pandemic but have since risen. Of the rise in long-term sickness among 50 to 64-year-olds between 2019 and 2022, 22% (40,000 people) is accounted for by MSK conditions.⁸¹

Of all the people who were economically inactive due to long-term sickness in 2023, 14.4% reported cardiovascular and digestive health problems (which includes diabetes) as their main health condition.⁸² More than one in three heart attacks treated in hospital were in people of working age, and one in four people who have a stroke are of working age, with a third of stroke survivors not returning to work and an additional 16% reducing their working hours – this equates to around 11,000 people not able to work each year.⁸³ CVD disproportionately impacts on the most deprived communities and is a leading driver of health inequalities.⁸⁴

Obesity, smoking, harmful alcohol consumption and physical inactivity are key drivers of ill health and premature mortality and are linked to mental health, MSK and CVD conditions. Those who smoke, drink alcohol at high levels, or have a Body Mass Index (BMI) of over 40, are more likely to be out of work than those who do not (controlling for factors such as level of education).⁸⁵ It has been estimated that nearly half a million people are unemployed or economically inactive due to these unhealthy behaviours.⁸⁶

75 The employment of disabled people 2023 – GOV.UK (www.gov.uk), published October 2023. Available at:

<https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2023>

76 Health profile for England: 2018 Chapter 3 trends in morbidity and risk factors-GOV.UK (www.gov.uk), published September 2018. Available at: <https://www.gov.uk/government/publications/health-profile-for-england-2018/chapter-3-trends-in-morbidity-and-risk-factors>

77 What we know about the UK working-age health challenge - The Health Foundation (www.health.org.uk), published 17 November 2023. Available at: <https://www.health.org.uk/publications/long-reads/what-we-know-about-the-uk-s-working-age-health-challenge>

78 Fiscal risks and sustainability July 2023 – Office for Budget Responsibility (obr.uk), published July 2023. Available at: https://obr.uk/docs/dlm_uploads/Fiscal_risks_and_sustainability_report_July_2023.pdf

79 What we know about the UK's working-age health challenge, figure 8 – The Health Foundation (www.health.org.uk), published 17 November 2023. Available at: <https://www.health.org.uk/publications/long-reads/what-we-know-about-the-uk-s-working-age-health-challenge>

80 Health conditions among working-age people - The Health Foundation, (www.health.org.uk), published 16 September 2024. Available at: <https://www.health.org.uk/evidence-hub/work/employment-and-unemployment/health-conditions-among-working-age-people>

81 Fiscal risks and sustainability July 2023– Office for Budget Responsibility (obr.uk), published July 2023. Available at: https://obr.uk/docs/dlm_uploads/Fiscal_risks_and_sustainability_report_July_2023.pdf

82 Rising ill-health and economic inactivity because of long-term sickness, UK: 2019 to 2023 - Office for National Statistics (www.ons.gov.uk), published on 26 July 2023. Available at:

<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/articles/risingillhealthandeconomicinactivitybecauseoflongtermsicknessuk/2019to2023#types-of-health-conditions>

83 Lived experience of stroke report – The Stroke Association (www.stroke.org.uk), data from 2018. Available at: <https://www.stroke.org.uk/lived-experience-of-stroke-report>

84 Health matters: preventing cardiovascular disease-GOV.UK (www.gov.uk), published February 2019. Available at: <https://www.gov.uk/government/publications/health-matters-preventing-cardiovascular-disease/health-matters-preventing-cardiovascular-disease#health-inequalities>

85 Holding us back: tobacco, alcohol and unhealthy food and drink – Obesity Health Alliance, Alcohol Health Alliance and Action on Smoking and Health (obesityhealthalliance.org.uk, ahauk.org, ash.org.uk), published November 2023. Available at: <https://ash.org.uk/resources/view/holding-us-back-tobacco-alcohol-and-unhealthy-food-and-drink>

86 Major conditions strategy: case for change and our strategic framework – GOV.UK (www.gov.uk), published August 2023. Available at: <https://www.gov.uk/government/publications/major-conditions-strategy-case-for-change-and-our-strategic-framework#full-publication-update-history>

Most people who are economically inactive due to long-term sickness have multiple health conditions.⁸⁷ In 2023, 81% reported having more than one condition and 35% reported having five or more conditions.⁸⁸ This suggests that increasingly complex and interlinked health needs are keeping people out of work.

There are more working-age adults living with major illness in the most deprived areas (14.6%), which is more than double the rate in the least deprived areas (6.3%). Inequalities in working-age ill health are also projected to persist. 80% of the increase in the number of working-age people living with major illness between 2019 and 2040 (from 3 million to 3.7 million) will be concentrated in more deprived areas.⁸⁹

The case for change

46. The impact on people who are locked out of the labour market is clear. Compared with employees (both part-time and full-time workers), those who were economically inactive because of temporary sickness were 8.9% more likely to report lower life satisfaction ratings. Meanwhile, those who were inactive because of long-term sickness or disability were 5.1% more likely to report lower life satisfaction than employees.⁹⁰ It is the purpose of the reforms in this White Paper to shift those trends in a positive direction.
47. The current system of support for disabled people and people with health conditions is centralised, fragmented and not set up to handle the challenge of ill health-related economic inactivity. Too often, disabled people and people with health conditions cannot get the help they need or cannot access support in a way that is joined up between services. To tackle these trends, preventative health interventions, a stronger role for local areas in integrating support, reforms to the benefits system and support for employers to play a proactive role, are all needed.

The future system we are aiming for

48. Tackling economic inactivity will require a joined-up approach right across government, the NHS, employment services, local areas and employers in England, building on work to better integrate health and employment support, including through the Joint Work and Health Directorate of the Department for Health and Social Care (DHSC) and Department for Work and Pensions (DWP). Our future system in England will be based around a coordinated approach that prioritises prevention and early intervention, as well as tackling the risk factors and inequalities that drive economic inactivity. Improving the health of the population will enable more people to stay in and thrive at work. We will learn and embed best practice from across systems, including within the devolved governments. Local leaders know best the challenges local people and employers face. They are best placed to shape a coherent offer to meet their needs from the range of support and opportunities available in their area, and to increase engagement with people who are economically inactive and outside the workforce and who are, too often, written off. We will empower local areas and leaders in England to take a leading role in addressing economic inactivity. We will also work to ensure that more people are engaged with support that can help them to work.

87 The employment of disabled people 2023 – GOV.UK (www.gov.uk), published October 2023. Available at: <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2023>

88 Rising ill-health and economic inactivity because of long-term sickness, UK: 2019 to 2023 – Office for National Statistics (ons.gov.uk), published 26 July 2023. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/articles/risingillhealthandeconomicinactivitybecauseoflongtermsicknessuk/2019to2023>

89 Health Inequalities in 2040: projected patterns of illness in England – The Health Foundation (www.health.org.uk), published April 2024. Available at: <https://www.health.org.uk/publications/health-inequalities-in-2040>

90 Personal well-being in the UK - Office for National Statistics (www.ons.gov.uk), published 7 November 2023. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/measuringnationalwellbeing/april2022tomarch2023>

Box 6: The Joint DWP and DHSC Work & Health Directorate was set up in recognition of the significant link between work and health and to improve employment opportunities for disabled people and people with health conditions. The goal of the Directorate is to open up opportunities to good work and to support a healthier, more productive and inclusive nation, by helping more disabled people and people with health conditions to: get appropriate work, get on in that work, and to return to work as quickly as possible if they leave it.

This is achieved through the delivery of evidence-based programmes, trials and tests, as well as by working with employers, local areas and wider government, to remove the additional barriers these groups face when in and out of work, with a focus on better aligning the work and health systems.

Priority 1: Improving the health of the population, which will enable more people to stay in and thrive at work

49. Our health system is struggling. Lord Darzi's independent investigation into the NHS in England found that it is not contributing to national prosperity as it could be. For example, the waiting list for elective treatments rose to over 7.6 million in June 2024, and Lord Darzi highlighted that more than half of those on the waiting lists for inpatient treatment are working-age adults.⁹¹ In its 2023 Fiscal Risk and Sustainability Report, the OBR estimated that, relative to the elective waiting list in England remaining flat at 2022 levels, a scenario where the waiting list halves over five years would reduce working-age inactivity by around 25,000.⁹²

Fixing the foundations of the NHS

50. The Government will deliver an additional 8,500 new mental health staff and provide 40,000 extra elective appointments each week. This will enable people to get the treatment they need more quickly, reducing waiting lists and returning to NHS constitutional standards that 92% of patients should wait no longer than 18 weeks from referral to treatment. While the direct impact of reducing waiting lists on economic inactivity is inconclusive at present, it is an important step alongside other interventions to support people to enter and stay in work.

51. Building on wider work to reduce waiting times, we will deploy Getting It Right First Time Further Faster teams to support 20 Trusts in areas of England with the highest numbers of people off work sick.⁹³ To ensure community services can also address their waiting times in areas of high unemployment and provide support to hospitals, we are also working jointly between DWP, DHSC, and Getting It Right First Time teams to deliver a MSK Community Delivery Programme. This will work with Integrated Care Board leaders to further reduce waiting times and improve data and metrics and referral pathways to wider support services. Jobcentres and other, locally led employment support will work with Getting It Right First Time teams to enable the end-to-end support people need: from treatment to rehabilitation to good work and health.

91 Independent Investigation of the National Health Service in England, The Rt Hon. Professor the Lord Darzi of Denham - GOV.UK, published September 2024. Available at: <https://assets.publishing.service.gov.uk/media/66f42ae630536cb92748271f/Lord-Darzi-Independent-Investigation-of-the-National-Health-Service-in-England-Updated-25-September.pdf>

92 Fiscal risks and sustainability report 2023 - Office for Budget Responsibility (<https://obr.uk>), published July 2023. Available at: <https://obr.uk/frs/fiscal-risks-and-sustainability-july-2023/>

93 Getting It Right First Time Further Faster teams will support the following 20 trusts: South Tees Hospitals NHS Foundation Trust, The Royal Wolverhampton NHS Trust, Sandwell And West Birmingham Hospitals NHS Trust, The Newcastle Upon Tyne Hospitals NHS Foundation Trust, The Dudley Group NHS Foundation Trust, The Rotherham NHS Foundation Trust, Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust, Sheffield Teaching Hospitals NHS Foundation Trust, Northern Care Alliance NHS Foundation Trust, Wrightington, Wigan and Leigh NHS Foundation Trust, Bolton NHS Foundation Trust, Hull University Teaching Hospitals NHS Trust, Northern Lincolnshire and Goole NHS Foundation Trust, East Lancashire Hospitals NHS Trust, Mersey and West Lancashire Teaching Hospitals Trust, Wirral University Teaching Hospital NHS Foundation Trust, Warrington and Halton Teaching Hospitals NHS Foundation Trust, Manchester University NHS Foundation Trust, Blackpool Teaching Hospitals NHS Foundation Trust, University Hospitals of Morecambe Bay NHS Foundation Trust

A greater focus on prevention to reduce working-age ill health

52. Tackling the conditions that drive economic inactivity requires a fundamental shift towards prevention and early intervention. Under the Health Mission, we will move from a model of sickness to one of prevention – keeping people well and in work for longer, addressing health inequalities and closing the gap in healthy life expectancy.
53. Health inequalities mean poorer health and a reduced capacity to be economically active for many. Our Health Mission in England will therefore also address the risk factors for poorer health as well as the social determinants of health, with the goal of halving the gap in healthy life expectancy between the richest and poorest regions. This is not just a health matter – it makes economic sense and is central to economic growth.
54. To achieve these aims, wide-ranging actions over a decade or more are required. The 10-Year Health Plan will set out broader actions to support the shift to prevention across the health and care system in England, which will include the conditions and risk factors driving economic inactivity.
55. To tackle poor mental health, the leading driver of ill health-related inactivity,⁹⁴ the Government has committed to continuing to expand access to NHS Talking Therapies for adults with common mental health conditions in England. This is expected to increase the number of people completing courses of treatment by 384,000 and increase the number of sessions. There is extensive literature and studies showing that Cognitive Behavioural Therapy (CBT) and NHS Talking Therapies more widely have significant positive health impacts, as well as improving employment outcomes.⁹⁵ Currently over 90% of NHS Talking Therapy Services in England also provide access to Employment Advisers, with an aspiration that by March 2025 99% of NHS Talking Therapies services in England will offer employment support as part of their service.⁹⁶ The Government will also continue expansions to Individual Placement Support (IPS), increasing access for people with severe mental illness by an additional 140,000 people by 2028/29. The OBR judged that both these expansions of support would boost employment by 20,000 in 2028/29.⁹⁷ The IPS scheme helps thousands of people with severe mental illness to find and keep employment. IPS for severe mental illness is an employment support service integrated within community mental health teams for people who experience severe mental health conditions. It is an evidence-based programme that helps people find and retain employment through intensive, individualised support, rapid job search followed by a placement in paid employment, and unlimited in-work support for both employers and employees. In August 2024 38,704 people accessed IPS for severe mental health services in the previous 12 months, meaning we are above our trajectory to meet the end of year target of 40,500 people accessing these services.⁹⁸
56. Tobacco remains the single largest cause of preventable ill health and mortality and is a key risk factor for CVD and respiratory diseases, which are leading drivers of economic inactivity due to ill health. The Government’s landmark Tobacco and Vapes Bill will create the first smoke-free generation, helping to reduce the around 80,000 preventable deaths from smoking each year, gradually ending the sale of tobacco products across the country, and banning vapes and other

94 The employment of disabled people 2023 – GOV.UK (www.gov.uk), published October 2023. Available at: <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2023>

95 Wakefield, Sarah, et al, Improving access to psychological therapies in the United Kingdom: A systematic review and meta-analysis of 10-years of practice-based evidence – British Journal of Clinical Psychology, published 23 June 2020. Available at: <https://core.ac.uk/reader/326518250>

96 For further information on employer advisers in NHS talking therapies services see: Employment advisers in improving access to psychological therapies - client research - GOV.UK (www.gov.uk), published May 2022. Available at: <https://www.gov.uk/government/publications/employment-advisers-in-improving-access-to-psychological-therapies/employment-advisers-in-improving-access-to-psychological-therapies-client-research>

97 Economic and fiscal outlook November 2023 - Office for Budget Responsibility (www.obr.uk), published November 2023. Available at: https://obr.uk/docs/dlm_uploads/E03004355_November-Economic-and-Fiscal-Outlook_Web-Accessible.pdf

98 Mental health services monthly statistics, performance August 2024 - NHS England (digital.nhs.uk), published 10 October 2024. Available at: <https://digital.nhs.uk/data-and-information/publications/statistical/mental-health-services-monthly-statistics/performance-august-2024>

nicotine products from being deliberately branded and advertised to children.⁹⁹ It will also reduce the burden on the NHS and the taxpayer.

57. At Autumn Budget 2024, the Government re-committed to the tobacco duty escalator for this Parliament, increasing rates by 2% above the Retail Price Index (RPI). To reduce the gap with cigarette duty, the duty on Hand Rolling Tobacco will rise by a further 10% (12% in total) above RPI this year. High and increasing rates of tobacco duty are proven to reduce smoking prevalence, as well as supporting the public finances.
58. The Government also announced an increase in alcohol duty in line with inflation on all non-draught products, alongside a cut in duty rates for lower strength products sold on draught. This decision encourages responsible drinking in social, controlled settings, recognises cost of living pressures, and reflects the connection between excessive alcohol consumption, ill health and economic inactivity.
59. We are committed to continuing to develop the evidence base on how health interacts with the labour market, to ensure the Government can prioritise programmes that improve people's health and help them back to work. This includes a forthcoming ONS evaluation on the impact of NHS Talking Therapies, as well as exploring opportunities to utilise the data platform created by Our Future Health in partnership with the NHS, the largest health study of its kind. We will build on evidence published by the ONS which finds that bariatric surgery leads to a sustained increase in employee pay and the probability of being in work (as a paid employee).

Box 7: Obesity

Obesity remains a significant health challenge. 64% of adults aged 16 years and over were overweight or living with obesity in 2021.¹⁰⁰ Childhood obesity has also increased over the last few decades with 36.6% of Year 6 children overweight or living with obesity in 2022/23.¹⁰¹

Obesity is a key risk factor for leading conditions driving health-related economic inactivity (CVD and MSK).¹⁰²

The prevention of ill health is a clear priority for this Government, and we remain committed to tackling obesity. As announced in the King's Speech, we are committed to restricting television and online advertising of less healthy food to children, empowering councils to block the development of new fast-food shops outside schools, and banning the sale of high-caffeine energy drinks to under-16s.

Reformulation of everyday food is also a key element of preventing obesity. The sugar reduction programme led to reductions in sugar across a range of foods between 2015 and 2020, with some categories achieving higher reductions such as approximately 13.5% for yogurts and approximately 14.9% for breakfast cereal.¹⁰³

The Soft Drinks Industry Levy has also been a successful mechanism to drive reformulation in the soft drinks sector, with a 46% average reduction in sugar in soft drinks between 2015 and 2020.¹⁰⁴ To ensure the Soft Drinks Industry Levy remains fit-for-purpose and effective, the Government committed at Budget to ensure the levy increases with inflation - to maintain incentives for soft drinks producers to reduce

99 Statistics on public health, England-NHS England Digital (<https://digital.nhs.uk>), published 20 August 2024. Available at: <https://digital.nhs.uk/data-and-information/publications/statistical/statistics-on-public-health/2023/part-2-mortality>

100 Health Survey for England 2022 part 2 - NHS England Digital (<https://digital.nhs.uk>), published 24 September 2024. Available at: <https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2022-part-2>

101 National Child Measurement Programme 2022/23 school year - NHS England Digital (<https://digital.nhs.uk>), published 19 October 2023. Available at: <https://digital.nhs.uk/data-and-information/publications/statistical/national-child-measurement-programme/2022-23-school-year/age>

102 Health profile for England: 2018 Chapter 3 trends in morbidity and risk factors - GOV.UK (www.gov.uk), published September 2018. Available at: <https://www.gov.uk/government/publications/health-profile-for-england-2018/chapter-3-trends-in-morbidity-and-risk-factors>

103 Sugar reduction programme: industry progress 2015 to 2020 - GOV.UK (www.gov.uk), published December 2022. Available at: <https://www.gov.uk/government/publications/sugar-reduction-programme-industry-progress-2015-to-2020>

104 Sugar reduction programme: industry progress 2015 to 2020 - GOV.UK (www.gov.uk), published December 2022. Available at: <https://www.gov.uk/government/publications/sugar-reduction-programme-industry-progress-2015-to-2020>

their sugar content - as well as to review its sugar content thresholds and the exemption for milk-based drinks.

The Government is committed to reducing the number of people becoming overweight and obese and wants to work with the sector to consider all levers to further encourage food and drink reformulation to help tackle obesity, in a way that protects consumers and with a focus on voluntary and regulatory measures.

The collaboration between the Government and Eli Lilly will see plans for a place-based real-world evidence study being conducted in Manchester. This aims to evaluate the effectiveness of tirzepatide on obesity and its impact on obesity-related conditions in a real-world setting, to improve our understanding of how obesity medications can potentially improve health, health inequalities and obesity-related absences. As well as data on patient outcomes, such as a reduction in rates or even reversal of conditions such as diabetes, CVD and poor mental health, the study will also improve the evidence base on non-clinical outcomes of weight loss, including the health economic impacts through potential reductions on health service usage and changes in participants' employment status and sick days from work.

Priority 2: Mobilising local leadership in England, and working closely with devolved governments, to tackle economic inactivity by better connecting work, health and skills support and increasing engagement with that support

60. In addition to improving population health, we also need a step change in how the UK Government funded support to help those who are economically inactive back into the workforce is integrated with local provision.
61. DWP funded employment support provision has focused overwhelmingly on the unemployed, while local help offered – by local councils, the NHS, voluntary sector, colleges and housing associations – is often fragmented and difficult to navigate.
62. The Government will therefore support and enable local areas in England to take the lead in shaping a coherent offer of support across work, health and skills, and to effectively engage local people and local employers in that offer. That means: every area having a plan to tackle economic inactivity, backed up by new funding for supported employment; trailblazers to go further and faster towards a locally led approach; a strong focus on increasing levels of engagement with support; and a new role for government in making a more locally led system a success. In Wales the trailblazer will be jointly designed with the Welsh Government to ensure all aspects of the new jobs and careers service partner effectively with devolution of non-Jobcentre Plus employment support funding and areas of devolved competence.

Local Get Britain Working Plans and devolved funding in every area

63. To make this new approach a reality, we will provide all areas in England with resource to produce a local 'Get Britain Working Plan', focused on reducing economic inactivity among their local population, and to convene key local stakeholders, people and partners who have a role in delivering on it.
64. Going with the grain of the Government's wider approach to devolution in England, we expect these plans to be developed by combined authorities where they exist, and across groups of local authorities elsewhere. In mayoral authorities, these plans will be guided by, and support, the aims of their Local Growth Plans and link to other existing strategies and plans such as Local Skills Improvement Plans.

65. The thinking behind Get Britain Working Plans has been informed by the 1,900 responses to the fit note Call for Evidence which include insights from employers, healthcare professionals and patients about the role of the fit note process in supporting people to stay in work while they manage their healthcare condition.¹⁰⁵
66. The purpose of local Get Britain Working Plans will be to set out an analysis of the economic inactivity challenge in each local area and the actions that will be taken to improve outcomes across the local population. This should aim to draw on the full range of provision and resources in a local area, as well as maximising the contribution of local relationships and assets. This includes local authorities, the NHS, training providers, Jobcentre Plus, the voluntary sector, employers and trade unions.
67. Local areas should actively involve these partners, as well as local people, in the development of their plans, with the aim of establishing or further enhancing forms of local collaboration that can support successful delivery.
68. To kick-start these plans, the Government will devolve funding over the coming years to support those who are economically inactive back to work, starting with £115 million going to local areas in 2025/26 to deliver Connect to Work, a new supported employment programme for people who are economically inactive. This will be the first strand of funding within a new Get Britain Working Fund. Part of this funding will go to Wales.
69. From 2026/27 Connect to Work will support up to 100,000 people per year. Local areas will be responsible for delivering the provision and will use the ‘place, train and maintain’ model, which has a strong evidence base from a range of international sources,^{106 107} as well as from trials in South Yorkshire and the West Midlands.¹⁰⁸
70. The development of local Get Britain Working Plans will support an integrated offer of local work, health and skills support. This should include the contribution of new and existing provision such as Connect to Work and the Ministry of Housing, Communities and Local Government-led UK Shared Prosperity Fund, which remains a source of locally controlled funding that can be used to support the economically inactive population.
71. Funding from DWP for supported employment provision will be included in the new Integrated Settlement from 2025/26, which will initially be available to the Greater Manchester and West Midlands Combined Authorities. The Integrated Settlement will be available to other eligible areas in England from 2026/27. Devolution of supported employment funding is part of a wider set of reforms which will also increase transport, adult education and skills, housing and planning powers to help drive growth across England.

Trailblazers to go further and faster

72. To accelerate a more locally led and joined-up approach to tackling economic inactivity, we will launch a set of place-based trailblazers in eight areas in England and Wales to run during 2025/26. These trailblazers will be at the forefront of designing how a model of locally joined-up work, health and skills support will work in practice. They will enable participating mayoral authorities in England

105 Fit note reform: call for evidence - GOV.UK (www.gov.uk), published April 2024. Available here: <https://www.gov.uk/government/calls-for-evidence/fit-note-reform-call-for-evidence/fit-note-reform-call-for-evidence#fn:6>

106 Individual Placement and Support (IPS) beyond severe mental health: An overview review and meta-analysis of evidence around vocational outcomes - Elsevier, published July 2024. Available at: <https://www.sciencedirect.com/science/article/pii/S2211335524002018#s0110>

107 Review of supported employment within Scotland – GOV.SCOT (www.gov.scot), published August 2021. Available at: <https://www.gov.scot/binaries/content/documents/govscot/publications/independent-report/2022/09/review-supported-employment-scotland/documents/review-supported-employment-within-scotland-findings-recommendations/review-supported-employment-within-scotland-findings-recommendations/govscot%3Adocument/review-supported-employment-within-scotland-findings-recommendations.pdf>

108 Health-led employment trials evaluation - GOV.UK (www.gov.uk), published April 2023. Available at: <https://www.gov.uk/government/publications/health-led-employment-trials-evaluation>

and the Welsh Government to maximise the impact of existing resources, including supported employment funding, the UK Shared Prosperity Fund, WorkWell pilots (where operating – see Box 8), wider NHS-led employment support as well as local authority and voluntary sector provision. We will also focus activity to design and test the new jobs and careers service in trailblazer areas, to help shape a fully integrated local offer in England and Wales.

Box 8: WorkWell

WorkWell brings together Integrated Care Boards, local authorities, Jobcentre Plus and other local organisations to design and deliver services that help to keep people with health conditions in work or to get them back into the workforce quickly.

From 1 October, 15 WorkWell pilot services have begun to deliver an early intervention work and health assessment service to reduce the flow of people into economic inactivity, with low-intensity holistic support for health-related barriers to employment, to 56,000 participants by March 2026. They also offer a common point of access into local support services, whether health, employment or skills, to simplify the support landscape for participants. Participation will be voluntary and will include people in and out of work, regardless of benefit entitlement.

73. We will work closely and at pace with mayoral authorities to mobilise these trailblazers around a set of common core elements to ensure we maximise the learning from their implementation:

- Clear plans for delivery with agreed outcomes – including the proposals being tested; strong performance oversight and management; how existing and new resources will be used; and measurable goals for tackling economic inactivity.
- Governance and management – including accountabilities and responsibilities across partners, and arrangements for data sharing.
- Evaluation and support – an agreed and common approach to measuring impact, including an evaluation strategy for tests and trials,¹⁰⁹ along with a support programme to develop capability, capacity and infrastructure.

74. We will design the detail of what is tested in partnership with mayoral authorities, in two key areas:

- Targeted expansion of provision – testing additional early intervention support to keep people in work or get new qualifications to work (pre-Work Capability Assessment), wider employment, health and skills support, case management or support to address individual barriers to work.
- Enhanced engagement activity – to reach people out of work and not in regular contact with employment, health or local services – including those claiming Universal Credit without requirements to prepare for work or attend meetings.

75. Given that poor health is a leading cause of economic inactivity,¹¹⁰ the local health system will play a vital role in all the trailblazers. In addition, at least three of the trailblazer areas will also receive a share of £45 million funding for Integrated Care Systems to test ambitious reforms in how the NHS operates with local partners to address the health drivers of economic inactivity. These areas will be selected on the basis of having a combination of high rates of health-driven economic inactivity and people in work with health conditions, communities more likely to be affected by deprivation and inequality, and with demonstrated proactive action on integrating work and health support. The focus

¹⁰⁹ NHS England has already partnered with the National Institute for Health and Care Research (NIHR) to deliver robust evaluation of both the short and long-term economic impacts of health care interventions.

¹¹⁰ INAC01 SA: Economic inactivity by reason (seasonally adjusted) - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/datasets/economicinactivitybyreasonseasonallyadjusted/inac01sa>

of this activity will be improving population health outcomes and reducing health-related economic inactivity.

76. We will work with Mayoral Combined Authorities and London to establish the most appropriate type of trailblazer for their areas. Alongside our plans for Youth Guarantee Pathfinders (set out in Chapter 4), this means that all Mayoral Combined Authorities, the four sub-regional partnerships in London, and Wales will receive some funding for testing or trailblazer activity in 2025/26. We will discuss arrangements for Wales with the Welsh Government.

Box 9: The Pathways to Work Commission¹¹¹

In July 2024 the Pathways to Work Commission published its report setting out how to give the 6,000 economically inactive people who live in Barnsley a pathway to work. The Commission's research found that seven in 10 currently economically inactive people would like a job that is aligned to their skills, interests and circumstances. They highlighted the many problems with the current approach to addressing growing levels of economic inactivity, including perverse system incentives, confusing support offers and the lack of clarity on the role of employers.

The Commission identified the need to take a whole-system approach to supporting people who are economically inactive and making good work accessible to everyone, with the Rt Hon Alan Milburn, the Pathways to Work Commission Chair, calling for a radical new approach that is: *'built on a new national ambition to build a more inclusive economy where people have a right to work, and an expectation that those who can should be helped to do so. Tackling economic inactivity must become the national mission shaping welfare and employment policy over the next decade. That will require action across government but also by employers, local authorities, charities, communities and, of course, citizens themselves'*.

The Commission identified six themes it sees as critical to addressing economic inactivity locally: leadership and funding, tailored support, work that is worth it, business engagement, health interventions and improved education. These themes informed the development of a South Yorkshire proof of concept proposal that will start to sort the system, prepare the jobs and take the journey with people.

Increasing engagement with those who are economically inactive

77. A key objective from shifting to a more locally led approach to tackling economic inactivity – and reforming Jobcentre Plus – is to increase the quantity and quality of engagement with those outside the workforce. It cannot be right that so many on health-related benefits are effectively written off and offered little support. Our goal is for many more people to be on a pathway towards employment, in particular those who do not currently have any contact with Jobcentre Plus.
78. Increasing engagement is the first essential step to delivering better employment outcomes. We want to test new ways of keeping in touch more regularly, offering a conversation and encouraging people to take the first step on a journey towards employment. Our trailblazers will provide an opportunity to explore how we can increase levels of engagement, working closely with charities, local government, the health service and disabled people and people with health conditions themselves.

¹¹¹ Pathways to Work Commission report - Barnsley Council and Pathways to Work Commission (www.barnsley.gov.uk), published July 2024. Available at: <https://www.barnsley.gov.uk/media/opbpxkz/bmbc-pathways-to-work-commission-report.pdf>

A new role for the UK Government

79. Finally, to support the development of a more locally led system of support in England for those who are economically inactive, the role of the UK Government needs to evolve. We are committed to providing local areas with the support they need to develop their plans and to build capability and infrastructure in England. That includes working together on:

- Better use of data. The Government wants local areas to have improved data to understand local population needs and to help design future programmes. We also need better data to track outcomes and develop the evidence base.
- Accountability and governance. The Government will work with local areas to create suitable frameworks, where these are not in place, to underpin the relationship with central Government, to agree outcomes and to determine how different partners should be held accountable for results.
- Consistent strategic geographies. The English Devolution White Paper will set out plans to create a system of consistent strategic geographies across England, which will provide the basis for a more locally led approach.

Priority 3: Supporting employers to promote healthy workplaces and to recruit and retain workers with a health condition or disability

80. To take a comprehensive approach to tackling economic inactivity, we must ensure that employers have the support they need to recruit and retain disabled people and those with a health condition.

Employers have a key role in creating and maintaining healthy and inclusive workplaces

81. Poor health of the working-age population imposes a large cost on employers, including: poor workplace health impacting performance; costs due to sickness absence; loss of valuable experience when employees drop out of work, and recruitment costs to replace them; and restricted access to the widest pool of potential talent.^{112 113 114}
82. Employers stand to benefit from promoting workplace health and taking action on preventable illnesses. In 2022/2023, an estimated 35.2 million working days were lost due to work-related illness and non-fatal workplace injuries in Great Britain, the majority (31.5 million days) because of work-related illness.¹¹⁵ Work-related MSK conditions make up around a quarter of all self-reported cases and work-related stress, depression, or anxiety make up around half of all cases.¹¹⁶
83. Alongside the steps the Government is taking, employers have a vital role to play through their recruitment practices in creating inclusive workplaces that protect health and support retention and rehabilitation for disabled employees and those with health conditions. The evidence is clear: once

112 Does worker wellbeing affect workplace performance? - GOV.UK (www.gov.uk), published October 2014. Available at: <https://assets.publishing.service.gov.uk/media/5a7ea9ff40f0b6230268abd8/bis-14-1120-does-worker-wellbeing-affect-workplace-performance-final.pdf>

113 Work, Health and Disability Green Paper Data Pack - GOV.UK (www.gov.uk), published October 2016. Available at: <https://assets.publishing.service.gov.uk/media/5a751552e5274a3cb2869853/work-health-and-disability-green-paper-data-pack.pdf>

114 Government response: Health is everyone's business - GOV.UK (www.gov.uk), published October 2021. Available at: <https://www.gov.uk/government/consultations/health-is-everyones-business-proposals-to-reduce-ill-health-related-job-loss/outcome/a31ca5a9-b01f-493c-8c63-aae46356dfa3>

115 Health and safety at work - summary statistics for Great Britain 2023 - GOV.UK (www.gov.uk), published November 2023. Available at: <https://www.hse.gov.uk/statistics/overview.htm>

116 Health and safety at work - summary statistics for Great Britain 2023 - GOV.UK (www.gov.uk), published November 2023. Available at: <https://www.hse.gov.uk/statistics/overview.htm>

someone loses touch with the labour market, their chances of getting back into employment are diminished.

84. The majority of employers recognise the link between work, health and wellbeing, and their role in relation to this.¹¹⁷ Previous studies have found that employees consider worker health to be a collective responsibility between employers, the state, and individuals.¹¹⁸ We know that many employers are excellent at creating inclusive workplaces in relation to disability, health, and wellbeing. Many others recognise the value in doing so and would like to take action but need support and confidence to do so.
85. Earlier intervention that prevents people from falling out of work, an improvement in retaining people in the workforce, and greater support for absences and returns to work from absences, is good for business, individuals, and wider society. This needs to be approached through a new partnership between government and business, capable of boosting growth and improving opportunities across our economy.
86. To explore action and change in this area, we are launching an independent review into the role of employers in creating and maintaining healthy and inclusive workplaces. This review will be led by someone with strong business experience and be supported by a group of experts in this field to include a broad range of perspectives. The review will consider actions and make evidenced-based and practical recommendations that support employers to:
- Improve recruitment and retention of disabled people and people with health conditions, including via the new jobs and careers service.
 - Prevent people becoming unwell at work and better support good, healthy workplaces.
 - Undertake early intervention for sickness absence and increase returns to work.
87. Our intention is that the review will run through to summer 2025 and will engage widely with businesses, employers, employees, trade unions, health professionals, disabled people and people with long-term health conditions and their representative organisations.
88. This review will complement the Government's Plan to Make Work Pay (see Chapter 6), which is being developed in consultation and partnership with business, trade union and third sector bodies and will help more people stay in work through making work more secure, flexible and family-friendly.

Priority 4: Reforming the system of health and disability benefits to promote and enable employment

89. The DWP-led health and disability benefits system is not well designed to promote and enable employment.
- It is designed around gateways to benefits, not conversations about goals or access to support, so it misses opportunities for early intervention about what work is possible and helping people to adapt and adjust to health conditions or disability.
 - It rigidly categorises people as either able or unable to work, instead of reflecting the complex reality and fluctuating nature of people's health conditions, life circumstances, or the range of jobs in the labour market.

117 Sickness absence and health in the workplace: understanding employer behaviour and practice - GOV.UK (www.gov.uk), published July 2021. Available at: <https://assets.publishing.service.gov.uk/media/60f59b6c8fa8f50c774582d9/sickness-absence-and-health-in-the-workplace-report.pdf>

118 Employee research phase 1 and 2 -GOV.UK (www.gov.uk), published March 2023. Available at: <https://www.gov.uk/government/publications/employee-research-phase-1-and-2>

- It leaves people judged unable to work without further support or engagement.
- It involves lengthy and complex processes that can be hard for people to navigate, with multiple assessments and too many disputed decisions.

90. The current system focuses on assessing capacity to work instead of on helping people to adjust and adapt to their health condition. It misses opportunities to work with people to identify what kind of support could make work possible for them. 20% of people with limited capability for work and work-related activity (LCWRA) across Universal Credit and Employment and Support Allowance feel that paid work could be possible in the future.¹¹⁹ However, around half of those who believe they could work at some point in the future fear not getting their benefits back.

Box 10: Journey of an incapacity benefit customer

If a person is unable to work due to their health condition, they will be asked for medical evidence, usually a statement of fitness for work (a fit note) from a healthcare professional. Between July 2023 and June 2024, 11 million fit notes were issued electronically in primary care in England and 93.3% of those fit notes issued were signed off as “not fit for work.”¹²⁰

People who have a health condition can claim Universal Credit and will need to provide medical evidence, at which point the customer is entitled to the Universal Credit standard allowance of £4,721.40 per year, for a single person over 25. Entitlement to the additional health-related amount of Universal Credit is determined by the Work Capability Assessment (WCA), which assesses individuals’ capability to work against a number of areas covering physical, sensory, mental and cognitive health conditions.

For Employment and Support Allowance (ESA), a fit note is used as evidence that a customer has limited capability for work and allows us to treat them as such until a WCA is conducted, allowing the basic rate of £90.50 per week (for a customer over 25) for that period, where the customer is eligible.

If they are found to have limited capability for work and work-related activity at their WCA they will receive an additional Universal Credit award of £4,994.28 per year (or ESA Support Group component of £2,480.40 per year) and have no conditionality requirements. In 2023, 64% of WCAs (for both Universal Credit and ESA) resulted in a determination of LCWRA.¹²¹

People in England, Wales and Northern Ireland with a long-term health condition or disability may also be eligible for Personal Independence Payment (PIP) which can be payable to people in or out of work and is not means-tested. It is not dependent in any way on the ability to work and is intended to help with extra costs. In Scotland, PIP has been replaced by Adult Disability Payment (ADP). People eligible for PIP or ADP can receive from £1,492.40 to £9,583.60 per year, depending on their level of need.

91. These challenges mean fundamental reform is needed alongside the wider changes set out in this White Paper. We said in our manifesto that the Work Capability Assessment needs to be reformed or replaced. Our ambition is a system that:

- Empowers disabled people and supports them to have equal opportunity, with the chances and choices available to all.
- Is simpler for people to navigate.

119 Work aspirations and support needs of claimants in the ESA Support Group and Universal Credit equivalent - GOV.UK (www.gov.uk), published February 2020. Available at: <https://www.gov.uk/government/publications/work-aspirations-and-support-needs-of-claimants-in-the-esa-support-group-and-universal-credit-equivalent>

120 Fit notes issued by GP practices, England, June 2024 – National Health Service (www.digital.nhs.uk), published 10th October 2024. Available at: <https://digital.nhs.uk/data-and-information/publications/statistical/fit-notes-issued-by-gp-practices/june-2024>

121 Stat-Xplore UC WCA Decision Outcomes – GOV.UK (www.gov.uk), published 12 September 2024. Available at: <https://stat-xplore.dwp.gov.uk/webapi/jsf/tableView/tableView.xhtml> Stat-Xplore ESA WCA by Date of Decision - Department for Work and Pensions (<https://stat-xplore.dwp.gov.uk>), published 12 September 2024. Available at: <https://stat-xplore.dwp.gov.uk/webapi/jsf/tableView/tableView.xhtml>

- Is trusted by the people who use it, with good user experience and the right decisions first time, as far as possible.
 - Focuses on preventing people from falling out of work and where they do, works with them at the earliest opportunity to re-enter the labour force when they are ready and able to do so.
 - Moves away from binary categories of fit for work, or not fit for work, meaning people do not need to demonstrate they are too sick to work to access financial support.
 - Empowers people to feel able to engage with employment support and try work without fear of losing benefit.
92. We are committed to reforming the system of health and disability benefits so that it promotes and enables employment among as many people as possible.¹²² The system must also work to reduce poverty for disabled people and those with health conditions and support disabled people to live independently. It is also vital to ensure that the system is financially sustainable in the long term.
93. So, alongside our Get Britain Working White Paper, we want to engage with disabled people, and others with expertise and experience on these issues, to consider how to address these challenges and build a better system. We will be working to develop proposals for long-term reform in the months ahead and will set them out for further consultation and engagement in a Green Paper in spring 2025. This Government is committed to putting the views and voices of disabled people at the heart of all that we do, so we will fully consult on these proposals with disabled people and representative organisations.

¹²² DWP is responsible for all health and disability benefits in England and Wales. In Northern Ireland, health and disability benefits are the responsibility of the Northern Ireland Executive, although the UK Government and the Northern Ireland Executive work closely together to maintain parity between their respective social security systems. In Scotland, some elements of support for disabled people and people with health conditions remain the responsibility of the UK Government and some are the responsibility of the Scottish Government. We will work closely with the Devolved Governments as we develop these proposals.

Chapter 4: A Youth Guarantee to unleash opportunity and set young people on the path to success

94. This Government is determined to break down barriers to opportunity for all young people. While most young people successfully move from compulsory education into further learning or work,¹²³ some face a more difficult journey. The increasing rates of young people becoming economically inactive at an early age or struggling to find work mean we must act to prevent damage to their life chances.¹²⁴ Too many young people are at risk of being left behind, without the skills, opportunities and support to get started in the world of work, preventing them from building pathways to fulfilling futures.

95. This chapter sets out:

- The multiple drivers (in particular, worsening mental health) for increasing numbers of young people not being in education, employment or training, and the economic and individual impacts of this.
- The case for a decisive new focus on this challenge, acknowledging the failures of the current system.
- Our vision for a Youth Guarantee, to ensure all young people aged 18-21 are learning or earning, to prevent them from becoming economically inactive before their careers have even begun.
- The importance of sustaining young people's participation in education and training before the age of 18, through strengthening support for 16 to 17-year-olds.
- Our approach to designing, testing and bringing the Youth Guarantee to life through a series of place-based trailblazers, led by mayoral authorities in partnership with educational training providers, the National Careers Service, DWP and Jobcentre Plus, and local employers.

Challenges facing young people

96. The rate of 16 to 24-year-olds not being in education, employment or training is increasing and is higher now (at 12.2% across the UK) than in July-September 2022 (10.8%).¹²⁵ This is driven by increases in youth unemployment since this time period and a longer-term increase in the proportion

123 Key stage 4 destination measures – GOV.UK (www.gov.uk), published October 2024. Available at: <https://explore-education-statistics.service.gov.uk/find-statistics/key-stage-4-destination-measures>

124 A06 SA: Educational status and labour market status for people aged from 16 to 24 (seasonally adjusted) - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/educationalstatusandlabourmarketstatusforpeopleagedfrom16to24seasonallyadjusted>

125 Young people not in education, employment or training (NEET) – Office for National Statistics (www.ons.gov.uk), published 22 August 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/youngpeoplenotineducationemploymentortrainingneettable1>

of young people who are economically inactive because of health conditions and disabilities – a trend that mirrors the increase in young people reporting challenges with their mental health.^{126 127 128}

Young people and health

97. Health-related issues are increasingly contributing to rising rates of young people not being in education, employment or training. The proportion of young people who are not in education, employment or training and who are affected by long-term or temporary sickness has risen, with over one in four citing sickness as a barrier to participation in 2023, compared to one in 10 in 2012.¹²⁹
98. This includes mental health, which is a critical factor influencing young people's participation.¹³⁰ In 2023, one in five young people aged 16-24 who were not in employment, education or training reported a mental health condition, a significant increase from 2012 figures.¹³¹ Spending time not in education, employment or training can have a negative impact on a young person's health and wellbeing.¹³²

126 Young people not in education, employment or training (NEET), UK - Office for National Statistics (www.ons.gov.uk), published 22 August 2024. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/bulletins/youngpeoplenotineducationemploymentortrainingneet/august2024>

We have not compared the current rate at which young people are not in education, employment or training with rates prior to July 2022 due to a discontinuity in the data at that point.

127 Employment of disabled people 2023 Supplementary Table EIA014 – GOV.UK (www.gov.uk), published October 2023. Available at: <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2023>

128 Mental health of children and young people in England, 2023 – wave 4 follow up to the 2017 survey – NHS England Digital (www.nhs.uk), published 21 November 2023. Available at: <https://digital.nhs.uk/data-and-information/publications/statistical/mental-health-of-children-and-young-people-in-england/2023-wave-4-follow-up>

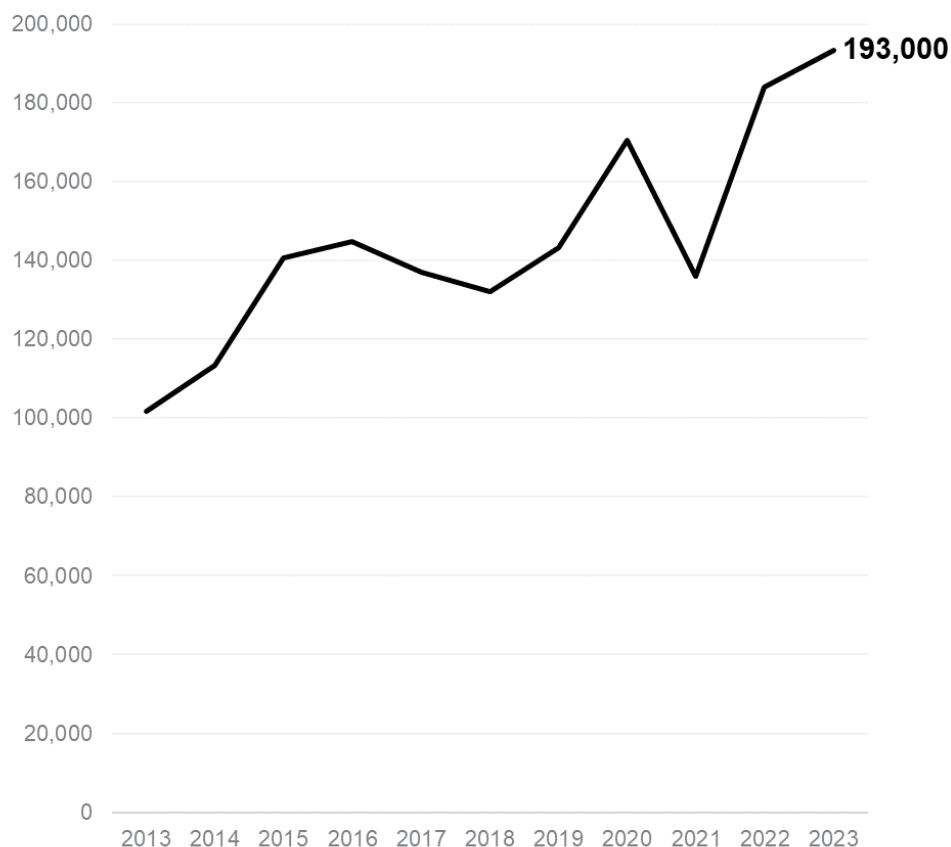
129 NEET and NET estimates from the LFS from NEET age 16 to 24 - GOV.UK (www.gov.uk), published June 2024. Available at: <https://explore-education-statistics.service.gov.uk/data-tables/permalink/3ffe4b54-da3c-4d87-508f-08dc90623e4f>

130 Risk factors for being NEET among young people - Youth Futures Foundation (<https://youthfuturesfoundation.org>), published 7 December 2023. Available at: <https://youthfuturesfoundation.org/news/new-research-identifies-the-key-risk-factors-for-young-people-becoming-neet/>

131 NEET primary health condition estimates from the APS - GOV.UK (www.gov.uk), published June 2024. Available at: <https://explore-education-statistics.service.gov.uk/data-tables/permalink/284b51a6-bb08-4253-e0fd-08dc918b9d8f>

132 Health profile for England - Chapter 6: Social determinants of health - GOV.UK (www.gov.uk), published July 2017. Available at: <https://www.gov.uk/government/publications/health-profile-for-england/chapter-6-social-determinants-of-health>

Figure 5: The number of young people in the UK aged 18-24 who are economically inactive because they are long-term sick¹³³



Young people and education

99. Across the UK, 18 to 21-year-olds have lower employment rates compared to 22 to 24-year-olds, even when taking into consideration their increased participation in full-time education.¹³⁴ While a range of factors will contribute to this, low attainment is a significant risk factor.¹³⁵ Young people who are not in education, employment or training over the long term are more likely to have lower qualifications than their peers.¹³⁶ While one in five young people aged 16-24 in full-time education or employment had no qualifications or qualifications below Level 2, this proportion doubled among those who were not in full-time education and were unemployed or economically inactive.¹³⁷

¹³³ Employment of disabled people 2023 Supplementary Table EIA014 – GOV.UK (www.gov.uk), published October 2023. Available at: <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2023>

¹³⁴ A06 NSA: Educational status and labour market status for people aged from 16 to 24 (not seasonally adjusted), May-Jul 2024 quarter - Office for National Statistics (www.ons.gov.uk), published 15 October 2024. Available at:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/educationalstatusandlabourmarketstatusforpeopleagedfrom16to24notseasonallyadjusted>

¹³⁵ Risk factors for being NEET among young people - Youth Futures Foundation (www.youthfuturesfoundation.org), published 7 December 2023. Available at: <https://youthfuturesfoundation.org/news/new-research-identifies-the-key-risk-factors-for-young-people-becoming-neet/>

¹³⁶ Characteristics of young people who are long-term NEET - GOV.UK (www.gov.uk), published February 2018. Available at: <https://www.gov.uk/government/publications/characteristics-of-young-people-who-are-long-term-neet>

¹³⁷ Highest level of qualification by economic activity status - Office for National Statistics (www.ons.gov.uk), published 28 March 2023. Available at: <https://www.ons.gov.uk/datasets/RM048/editions/2021/versions/3>

100. The prevalence of Special Educational Needs and Disabilities (SEND) among young people who are not in education, employment or training is also significant. In 2023, 10.6% of 16 to 24-year-olds who were not in employment, education or training were identified as having learning difficulties, up from around 5.5% in 2020.¹³⁸
101. Young people from low-income families face significant challenges in securing sustained education or employment.¹³⁹ The disadvantage gap in GCSE English and maths widened to 18.8 months of learning in 2022 – its largest since 2012. Persistently disadvantaged pupils were almost two years (22.7 months) behind by the end of secondary school. Disadvantaged 16 to 19-year-olds were 3.5 grades behind their peers across their three best subjects in 2022.¹⁴⁰ Early disparities may manifest in inequalities later in educational attainment, raising the risk of these young people not being in education, employment or training. Identifying and tackling potential problems early so they do not become a barrier to participation and access to education is, therefore, essential to tackling economic inactivity among young people.

Wider risk factors affecting young people

102. Care leavers are particularly vulnerable to not being in education, employment or training, with care leavers in England aged 19-21 nearly three times more likely to not be participating in education or employment than their peers (38% compared to 13%).¹⁴¹ Approximately two in three children in custody have been in care.¹⁴²
103. Young people at risk of serious violence are also more likely to not be in education, employment and training, though this can also be attributed to other experiences and challenges that they face.¹⁴³

Regional disparities

104. The rates of young people who are not in education, employment or training vary significantly across the country. In England, the highest rates are in the North East (15.4%) and North West (15.0%), in contrast to just 10.6% in London.¹⁴⁴ This is often focused in disadvantaged areas. The direct drivers of this may vary between groups of young people. For example, the high rate in the North East is, in part, due to high levels of sickness and disability among young men and substantial caregiving among women.¹⁴⁵
105. There is also variation in the proportion of young people claiming Universal Credit between local authorities across the country and within regions.¹⁴⁶ The local authorities with the highest proportion of the 18 to 21-year-old population on Universal Credit are Blackpool (26.8%) and Hartlepool

138 NEET primary health condition estimates from the APS - GOV.UK (www.gov.uk), published June 2024. Available at: <https://explore-education-statistics.service.gov.uk/data-tables/permalink/284b51a6-bb08-4253-e0fd-08dc918b9d8f>

139 Risk factors for being NEET among young people - Youth Futures Foundation (www.youthfuturesfoundation.org), published 7 December 2023. Available at: <https://youthfuturesfoundation.org/news/new-research-identifies-the-key-risk-factors-for-young-people-becoming-neet/>

140 Education in England: Annual Report - Education Policy Institute (www.epi.org.uk), published 12 October 2023. Available at: <https://epi.org.uk/annual-report-2023-disadvantage/>

141 Children looked after in England including adoptions - GOV.UK (www.gov.uk), published November 2023. Available at: <https://explore-education-statistics.service.gov.uk/find-statistics/children-looked-after-in-england-including-adoptions>

142 Children in custody 2022–23 – GOV.UK (www.gov.uk), published November 2023. Available at: <https://www.justiceinspectors.gov.uk/hmprisons/wp-content/uploads/sites/4/2023/11/Children-in-custody-web-2023-2.pdf>

143 Risk factors for being NEET among young people - Youth Futures Foundation (www.youthfuturesfoundation.org), published 7 December 2023. Available at: <https://youthfuturesfoundation.org/news/new-research-identifies-the-key-risk-factors-for-young-people-becoming-neet/>

144 Get Britain Working Analytical Annex – GOV.UK (www.gov.uk), published November 2024. Available at: <https://www.gov.uk/government/publications/get-britain-working-white-paper>

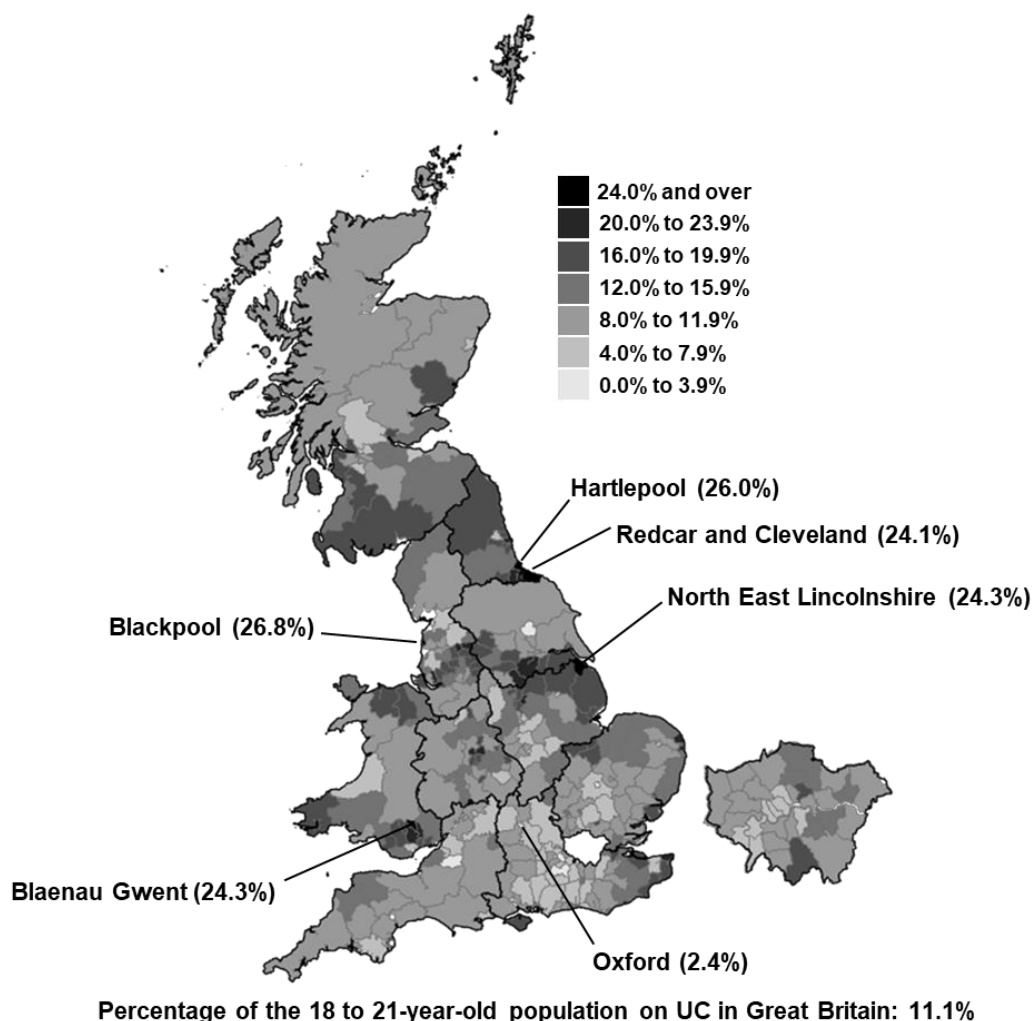
These estimates are subject to heightened volatility due to ongoing data quality problems with the ONS Labour Force Survey. This is particularly the case for the 16-24 group, which as a smaller population group has wider margins of error/volatility than for other groups of the population.

145 The power of potential: supporting the future of 'NEET' young people in the labour market - National Learning and Work Institute (www.learningandwork.org.uk), published July 2022. Available at: <https://learningandwork.org.uk/resources/research-and-reports/power-of-potential/>

146 Universal Credit is available to eligible young people who are out of work as well as some who are on low incomes.

(26.0%). In contrast, Oxford has one of the lowest (2.4%).^{147 148} Regional variation means that there is no ‘one-size fits all’ approach to supporting young people, and we need to consider a more tailored strategy that considers where young people live across the country, to complement any national support offers.

Figure 6: Percentage of the 18 to 21-year-old population on Universal Credit by Local Authority¹⁴⁹
150



106. In many cases, the characteristics and risk factors that make a young person unlikely to be in education, employment or training will not be mutually exclusive. This shows why it is necessary to

147 People on Universal Credit - GOV.UK (www.gov.uk), published October 2024. Available at: <https://stat-xplore.dwp.gov.uk/webapi/jsf/login.xhtml>

148 Mid-Year population estimates, UK, June 2022 – Office for National Statistics (www.ons.gov.uk), published 26 March 2024. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>

Universal Credit caseload data is average for September 2023 to August 2024. Excludes Isles of Scilly

149 People on Universal Credit - GOV.UK (www.gov.uk), published October 2024. Available at: <https://stat-xplore.dwp.gov.uk/webapi/jsf/login.xhtml>

150 Mid-Year population estimates, UK, June 2022 – Office for National Statistics (www.ons.gov.uk), published 26 March 2024. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>

Universal Credit caseload data is average for September 2023 to August 2024. Excludes Isles of Scilly

The proportion of 18 to 21-year-olds on Universal Credit is derived by taking the number of 18 to 21-year-olds on Universal Credit in each Local Authority, dividing this by the population of 18 to 21-year-olds in the Local Authority and multiplying this by 100

consider a more rounded approach to support young people, which factors in health, place, education, family structures and lack of opportunity, as these can all drive poorer employment prospects and outcomes.

The case for change

107. A sustained period away from learning or work has a significant and damaging impact on young people's prospects and the wider economy. A prolonged stretch of unemployment early in a young person's life can have a scarring effect on their later employment prospects,¹⁵¹ ¹⁵² and a detrimental effect on mental and physical health.¹⁵³ Research suggests that if the UK could reduce the number of young people who are not in education, employment or training by a third to match Germany's rate, UK GDP could increase by 1.8% in the long-term (equivalent to £38 billion).¹⁵⁴
108. We must do more to help young people to achieve at school and progress in sustained education. We know that a rigorous, flexible and varied curriculum is important in ensuring young people remain engaged in education. That is why the Government has established an independent review of the existing national curriculum and statutory assessment system, including qualification pathways. The review will look closely at the key challenges to attainment for young people, and the barriers which may hold them back from the opportunities and life chances they deserve. It will also look at whether the current assessment system can be improved, while protecting the important role of examinations and how best to support the almost one third of 16 to 19-year-olds who currently do not achieve Level 2 English and maths by age 16.¹⁵⁵ We will also work with the sector to deliver our pledge to recruit 6,500 additional teachers across schools and colleges, to raise standards for children and young people and deliver our mission to break down the barriers to opportunity at every stage.
109. While provision and entitlements already exist for young people, moving from education to employment is a pivotal step in young adulthood. Those with additional challenges often face a more difficult journey, risking disengagement and economic inactivity. However, there is no single public body with the powers, responsibilities and accountability to ensure that young people have access to a wide range of education, training or employment opportunities once they reach 18. This can create a lack of responsibility and accountability for young people within a local area.
110. Issues of coordination, engagement, and accountability are longstanding but have yet to be adequately addressed. Numerous policy initiatives have been introduced, yet several delivery systems – for instance, further education and training, and employment support – continue to operate in a disjointed manner, often pursuing conflicting objectives. As a result, many young people remain poorly served, with gaps in services and support that undermine the intended impact of these initiatives. This contributes to the growing challenge of young people not in education, employment or training.

151 Gregg, Paul and Emma Tominey, The wage scar from male youth unemployment, Labour Economics, Volume 12, Issue 4 - Elsevier (www.sciencedirect.com), published August 2005. Available at:

<https://www.sciencedirect.com/science/article/abs/pii/S0927537105000345?via%3Dihub>

152 Reducing the number of young people not in employment, education or training (NEET) – GOV.UK (www.gov.uk), published September 2014. Available at: <https://www.gov.uk/government/publications/local-action-on-health-inequalities-evidence-papers>

153 Wright, Liam, Jenny Head, Stephen Jivraj, Heterogeneity in the association between youth unemployment and mental health later in life: a quantile regression analysis of longitudinal data from English schoolchildren, British Medical Journal - BMJ Open (bmj.com), published 19 July 2021. Available at: <https://bmjopen.bmj.com/content/bmjopen/11/7/e047997.full.pdf>

154 Youth Employment Index 2022, April 2022: Building a resilient workforce for the future – Youth Futures Foundation (www.youthfuturesfoundation.org), published 5 April 2022. Available at: <https://youthfuturesfoundation.org/news/38bn-prize-if-neet-rate-matched-germanys/>

155 Level 2 and 3 attainment age 16 to 25 – GOV.UK (www.gov.uk), published April 2024. Available at: <https://explore-education-statistics.service.gov.uk/find-statistics/level-2-and-3-attainment-by-young-people-aged-19#dataBlock-6875b289-b88b-4d50-9a18-3d0171123892-tables>

111. There are strengths within the system and examples of good practice, but it remains complex and challenging to navigate. This, coupled with the risk of scarring to those who are not in education, employment or training, creates a strong case for change. A new delivery framework is needed to ensure all young people are better supported to determine the right path for themselves and to have the opportunity to access education, employment and training.

The future system we are aiming for

112. Every young person deserves the opportunity of sustained employment and the chance to develop their knowledge and skills and make a success of their careers. To deliver on this vision, the Government will establish a Youth Guarantee in England, so that every young person aged 18-21 has access to further learning, help to get a job or an apprenticeship.

113. While this Guarantee is based, in the first instance, on existing provision and entitlements, we will build on this through the actions set out in this White Paper to generate new and additional opportunities for young people. We will bring the Guarantee to life through a series of place-based trailblazers.

The foundations of the Youth Guarantee

114. Our Youth Guarantee brings together a range of existing entitlements and provision that 18 to 21-year-olds can access:

- Funded further education provision such as free English and maths for those assessed as being below Level 2, digital learning including at Level 2 for those with low digital skills, a fully funded first Level 2 or 3 qualification, and a range of Level 3 learning through Free Courses for Jobs for those that are low paid or unemployed.
- Apprenticeship opportunities where young people can earn and learn. The Government funds the training and assessment cost of an apprenticeship for those aged up to 21 for non-levy paying employers. Employers are not required to pay anything towards employees' National Insurance for all apprentices aged up to 25 (when the employee's wage is below £4,189/month).
- In addition, there is a range of other work-related training options, such as Skills Bootcamps and supported internships where they can learn new skills, particularly in sectors identified by Skills England as critical to addressing local skills needs.
- Employment support currently provided by DWP through the expanded Youth Offer, which provides access to the Youth Employability Programme, Youth Employability Coaches, and Youth Hubs delivered in conjunction with partner organisations, where DWP work coaches provide support alongside other services.
- Careers advice through their school or college, or the existing National Careers Service and, if on benefits, support from Jobcentre Plus.

115. To further expand opportunities for young people through the Youth Guarantee we are taking steps to transform the Apprenticeship Levy into a more flexible Growth and Skills Levy by investing £40 million, which will help to deliver new foundation and shorter apprenticeships in key sectors. This will deliver greater flexibility for employers and learners, aligned to the Industrial Strategy, while rebalancing the offer so that more apprenticeships are focused on young people.

116. Foundation apprenticeships will give people who are starting their careers a new route into good, skilled work in critical sectors. This will enable them to earn a wage while developing vital skills that will support their progression into work-based training or employment. Shorter duration

apprenticeships, offered where occupational competence can be achieved more quickly and where it is supported by the sector, will provide greater flexibility to employers and apprentices. They will also support progression by enabling relevant prior attainment to be counted as part of the apprenticeship.

117. Skills England will support the Youth Guarantee by working with partners at a local level to understand their needs and ensure that individuals and employers have access to a comprehensive suite of apprenticeships, training and technical qualifications that are aligned with skills gaps and employers' needs.
118. Our Youth Guarantee will meet the needs of those facing disadvantages relating to mental or physical health, unpaid caregiving, homelessness or transport. Collaborating closely with stakeholders from a range of sectors will be integral to improving opportunities for young people. Many organisations, such as the Youth Employment Group, which includes Youth Employment UK and The King's Trust, have a strong connection with, and an ability to reach, young people. We will use organisations' expertise to help deliver our Youth Guarantee.
119. We will also work closely with the devolved governments to consider their experiences as we develop a Youth Guarantee for England, bearing in mind that the Scottish and Welsh Governments have developed their own Young Person's Guarantees. In Scotland, this has been mainstreamed through careers, skills and employability provision.

Youth Guarantee trailblazers

120. From spring 2025, we will launch Youth Guarantee Trailblazers in eight mayoral authorities across England. Building on the existing range of employment support provision and training entitlements, these will provide a focal point for our ambitions to mobilise the Youth Guarantee and bring it to life for young people.
121. We will work closely and at pace with mayoral authorities to design and mobilise these trailblazers, so that they can test ways to tackle persistent challenges around coordination, engagement and accountability, by:
- Providing tailored support for 18 to 21-year-olds who may need additional help with preparation for employment and help to access education and training opportunities locally.
 - Developing clear leadership and accountability through mayoral authorities, working in partnership with their constituent councils, training and other providers, Jobcentre Plus, National Careers Service and local employers.
 - Connecting the local system together through a coherent offer, along with improved digital services and outreach to connect young people to support, so that no one misses out.
122. The trailblazers will have a set of common core elements, to ensure that we can maximise the learning from their implementation:
- Clear plans for delivery with agreed outcomes – including the proposals being tested, strong performance oversight and management, how existing and new resources will be used, and measurable goals for maximising participation in the Youth Guarantee and reducing the number of young people who are not in education, employment or training.
 - Governance and management – including accountabilities and responsibilities across partners, arrangements for making the best use of data, and management structures.

- Evaluation and support – an agreed and common approach to measuring impact, including an evaluation strategy for tests and trials, along with a support programme to develop capability, capacity and infrastructure.
123. We will take the learning from these trailblazers to inform the future development of the Youth Guarantee.

Preventing young people from losing touch with education or employment pre-18

124. The Government is committed to acting and intervening early to ensure young people are in employment, education or training at or after becoming 18 by:
- **Ensuring an offer of a place in education and training for every 16 and 17-year-old:** The September Guarantee requires local authorities to ensure that every young person receives a suitable offer of a place in post-16 education or training, with over £7 billion invested during academic year 2024/2025 to back this up. To support disadvantaged 16 to 19-year-olds to fully participate, bursary funding has been allocated to institutions to help with costs such as travel, books and equipment.
 - **Investment in further education and skills:** We are increasing funding by £300 million to drive forward high-quality education and training across further education, delivering training for higher numbers of learners. We particularly want to enable all young people to have the opportunity to access the high-quality education and training that will equip them with the skills needed for a successful transition into the labour market.
 - **Identifying and supporting 16 and 17-year-olds to prevent disengagement:** We will publish new guidance on using a Risk of NEET Indicator (RONI) approach and provide a new data tool so that local authorities can better identify those at risk of becoming disengaged and put preventative measures in place. In addition, the £15 million Building Futures Programme (led by the Youth Futures Foundation) is piloting targeted support for at least 5,000 young people aged 14-16 who are at risk of dropping out of education, to test if earlier mentoring interventions can support their continued participation. The Careers and Enterprise Company is also currently exploring ways to identify young people similarly at risk from Key Stage 3 onwards through enhanced local tools to target additional preventative support.
 - **Offer work experience and careers advice:** We will ensure young people are able to confidently identify their next steps and benefit from an introduction to the world of work through our careers offer in schools and colleges, including early steps towards delivering two weeks' worth of work experience. Working in partnership with local stakeholders, the new jobs and careers service will also provide support where needed for young people aged under 18 who are not in school or college.
 - **Trialling the development of transition plans:** We want to help improve the experience that young people have when they move between phases of education and into the labour market. Through our trailblazers, we will look to trial the development of transition plans for young people disengaged or at risk and the ability to automatically reserve them a place at a local college if they have not secured one.
 - **Tackling school attendance:** In August, the Department for Education introduced new statutory guidance for schools and local authorities on improving attendance, supported by comprehensive near real-time data in England. The department also announced a £15 million expansion of the attendance mentoring programme, offering targeted one-to-one support to over 10,000 persistently absent secondary school-age children across ten local authorities.

- **Improving access to mental health services:** As well as investing heavily in the NHS, we will deliver access to specialist mental health professionals in every school. Mental Health Support Teams in colleges will also provide evidence-based interventions to students, with all eligible colleges in England having access to senior mental health lead training by 2025.

Box 11: Illustration of the Youth Guarantee

Luca, 18, dropped out of education before completing his Level 3 qualifications at college. Living in a rural area with limited and costly public transport, he feels isolated, which impacts his mental health, causing anxiety. Overwhelmed, he has disengaged from seeking further learning or work. Under the accountability and data sharing frameworks of a future Youth Guarantee, the college informs the Mayoral Combined Authority that Luca is at risk of not being in education, employment or training.

A local, youth-focused community organisation commissioned by the Mayoral Combined Authority reaches out to Luca to offer support and encouragement to re-engage and explore his employment or further education options. They pair him with a youth mentor who is co-located with employment support services. His mentor leverages the Youth Guarantee's network of support to address his barriers, such as mental health, transport, and lack of work experience. Together, they create a tailored pathway aligning with Luca's career ambitions and the growing regional employment opportunities. The mentor arranges confidence boosting activities, work experience opportunities, refers Luca to mental health support and identifies relevant learning.

Luca receives ongoing guidance and support through his learning, work experience and future job application processes. He decides to undertake a Level 3 apprenticeship in software development with a local company, setting him up for a career in the growing digital sector.

Utilising the expertise of young people and industry

125. **Developing partnerships, starting with national and local sports, arts and culture organisations:** Sports, arts and culture play a vital role in our society and economy, creating hundreds of thousands of jobs and contributing to growth, as well as giving joy to millions. Many national and local organisations already do inspiring work with disadvantaged young people, offering opportunities to build their skills and confidence and pathways into experiences, qualifications, and jobs. This work has become even more important since the Covid-19 pandemic, which harmed the chances and choices of so many young people. We believe all young people deserve the opportunity to thrive and that sports, arts and culture are crucial to achieving this goal. Therefore, Government will work in partnership with organisations at the national and local level to join up, enhance and champion their efforts as part of our new Youth Guarantee. Our first partnerships will be developed with Channel 4, the Royal Shakespeare Company and leading sports organisations including the Premier League.
126. The Government will continue to broaden and diversify the talent pipeline in the creative industries by providing £3 million to expand the Creative Careers Programme, giving schoolchildren the opportunity to learn more about career routes and directly engage with the workplace.
127. **Launching a Youth Guarantee Advisory Panel of young people with experience of the challenges of today, to shape design of the Youth Guarantee:** This engagement will build on the Youth Voice forum established in collaboration with Youth Futures Foundation and Youth Employment UK, to hear directly from young people with lived experience of facing barriers in their search for employment.

Next steps

128. The Youth Guarantee is a first step towards a more coherent and effective phase of support and opportunities to ensure all young people are earning or learning. The Government will expand the availability of high-quality options: to train, to get work or to benefit from an apprenticeship. We will ensure there is clear leadership and accountability for coordinating the Youth Guarantee, bringing it to life and ensuring no young person misses out. We will ensure that the system of benefits and conditionality for young people supports and underpins the Guarantee.
129. The Government will therefore consider what changes to benefit rules might be necessary to support the intent and design of the Youth Guarantee. The current design of benefit rules either places people in conditionality groups with requirements focused on job search and work-related activity or in a part of the system with no expectations for participation of any kind. This can mean that some young people enter the labour market without the skills and qualifications they need to thrive and progress, which employers are looking for. Others risk losing their connection to the labour market and opportunities for learning before their careers have even begun. We will engage widely on this issue and any change aimed at underpinning the goal of learning or earning for all young people would need to include special provisions for those with the most severe disabilities and very young children of their own.
130. Ensuring all young people have the support to achieve a job, training or education is a priority for this Government, and securing young people's role in our economy is central to our strategy. We will continue to use young people's voices and experiences, the experience of organisations across the UK, and work with mayoral authorities and local authorities to design and deliver our vision.

Chapter 5: Creating a new jobs and careers service that can support more people into work and to get on in work

131. The UK Government's current employment support system was designed for yesterday's challenges and not the urgent challenges of today, tomorrow, and beyond. It requires fundamental reform. Reforms will cover Great Britain but will be flexible, operating differently in different areas to reflect local systems and needs – including reflecting devolution settlements in Scotland and Wales. In England, this includes bringing employment support closer together with careers support and advice. We want a system that enables everyone to access good, meaningful work that matches their desires and aspirations, supports them to progress over the course of their careers, and helps them to get the training they need, thus supporting the needs of the economy and economic growth.
132. This chapter sets out:
- Challenges with Jobcentre Plus (which operates across Great Britain) and the National Careers Service (which operates in England) that can mean the current system is not always designed to help people into work and to develop meaningful careers.
 - Our future vision for a new universal service to help people get into work and get on at work.
 - The five pillars that will underpin the delivery of a new jobs and careers service and the concrete first steps we are taking to deliver reform.
133. The Government are investing £55 million in 2025/26 to fund both the digital development of this service and the tests and trials for its development.

Summary of the existing system

134. Jobcentre Plus provides millions of people each year with support to help them find work and training opportunities, and to administer their benefit claims. The Jobcentre Plus network includes 639 Jobcentres spread across Great Britain. It is separate from careers support and advice, which is delivered in England by the National Careers Service and which is devolved (alongside skills and health) in Scotland and Wales.
135. When claiming Universal Credit, people are generally expected to undertake certain activities in return for financial support. These can vary depending on the conditionality group that applies to them, which in turn is based on the person's individual and household circumstances and earnings.
136. All Universal Credit customers must accept a Claimant Commitment as a condition of entitlement to their benefits, which sets out the individual requirements that a customer is asked to meet. There is a requirement for some customers to attend mandatory work-focused appointments on a regular

basis. Their regularity can vary from weekly through to quarterly. Where work-related activities are not undertaken, or mandatory appointments are not attended, a benefits sanction may be applied.

137. The core strength of Jobcentre Plus is its work coaches who are rooted in the communities they serve and demonstrate a high level of commitment to support customers. In a recent customer experience survey, 85% of respondents said they were satisfied with the employment support that they received from their work coach.¹⁵⁶
138. The National Careers Service provides free, up-to-date and impartial advice on careers, skills and the labour market in England. This aims to help people make decisions on learning, training and work. It consists of a universal digital offer and a multi-channel service delivered by careers advisers based in the local community. This includes careers advisers being co-located in the majority of Jobcentre Plus offices and operating in a range of community settings, including community centres, training providers, libraries, and within employer settings.
139. In Scotland and Wales, skills and careers are devolved. In Northern Ireland, employment support and the careers service are transferred matters and responsibility for policy sits with the Northern Ireland Executive.

The case for change

140. Despite the strong levels of commitment and daily dedication of work coaches and careers advisers, there are several fundamental problems with how both Jobcentre Plus and the National Careers Service currently operate and align services.
141. Too few employers want to engage with Jobcentre Plus and use it to recruit staff. Of employers surveyed in 2022 who had either recruited or tried to recruit in the last 12 months, only 14% had used Jobcentre Plus. Only 15% of employers were aware of Jobcentre Plus or DWP Work Trial programmes.¹⁵⁷ Employers are missing out on our customers' talents and abilities, and our customers are missing out on the job opportunities employers could provide.
142. Jobcentre Plus, and the National Careers Service in England, have insufficiently unlocked progression and career opportunities, and the two organisations are often too disjointed. 38% of all Universal Credit customers are in employment.¹⁵⁸ Currently, there are no shared, measurable outcomes between DWP and Department for Education for effective careers guidance on skills and careers, nor are there appropriate joint governance arrangements to monitor progress and take account of local contexts. This was flagged as part of the review conducted by Sir John Holman who identified that with this comes a risk of confusion for those who need careers support, duplication of provision and poor value for money.¹⁵⁹ Although there is some co-location, the aims and activities of the two different organisations have resulted in services not being consistently aligned to fully support customers to move into work and progress their careers.
143. Jobcentre Plus' approach is too centralised, has too little scope to tailor to local labour markets, and too often does not value enough collaboration with local partners. This has led to a one-size-fits-all model for applying conditionality and delivering employment support across Great Britain. It has

156 DWP Customer Experience Survey: Benefit Customers 2023 to 2024 - GOV.UK (www.gov.uk), published 29 August 2024. Available at: <https://www.gov.uk/government/publications/dwp-customer-experience-survey-benefit-customers-2023-to-2024>

157 Employer Survey 2022: research report - GOV.UK (www.gov.uk), published 14 September 2023. Available at: <https://www.gov.uk/government/publications/department-for-work-and-pensions-employer-survey-2022/department-for-work-and-pensions-employer-survey-2022-research-report#recruitment-retention-and-progression-of-staff>

158 People on Universal Credit – GOV.UK (www.gov.uk), published October 2024. Available at: <https://stat-explorer.dwp.gov.uk/webapi/jsf/tableView/tableView.xhtml>

159 Letter from Sir John Holman re: Careers Guidance System in England – GOV.UK (www.gov.uk), published 6 June 2022. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1122179/Letter_from_Sir_John_Holman_to_DfE_and_DWP_Ministers_re_Careers_Guidance_System_in_England.pdf

not catered sufficiently for disparities in unemployment and other local labour market indicators. Jobcentre Plus needs to focus more on local challenges in addition to the national picture and work more closely with a range of local partners.

144. Jobcentre Plus has not fully harnessed the benefits that the digital revolution can bring. Jobcentre Plus has a range of digital products that support people. This includes Find a Job, JobHelp, and the Universal Credit service. However, its core is still focused on face-to-face weekly or fortnightly work coach appointments – just as it was in 1999. This means that Jobcentre Plus only serves a small proportion of the population and overserves some customers who are already close to the labour market.
145. Employment support provided to customers by Jobcentre Plus is insufficiently personalised. The current service is too focused on box ticking around monitoring benefit compliance, with standardised appointment slots that can get in the way of work coaches providing customers with tailored employment and careers support. This too often impacts on the quality of the Claimant Commitment and means it is applied inconsistently. There is a one-size-fits-all approach to conditionality which places too much emphasis on compliance.

The future system we are aiming for

146. We will create a new single and universal service, reforming Jobcentre Plus and providing a stronger focus on skills and careers. The new service will cover Great Britain but will be flexible, operating differently in different areas to reflect local systems and needs – including reflecting devolution settlements in Scotland and Wales. It will provide support for anyone who is looking for work, who wants to get on in work, or who wants to change their career or retrain. It will prioritise providing genuine support for people over monitoring compliance and benefits administration. It will be a service that values employer engagement, working with employers to understand and support their current and future recruitment needs.
147. In England, the formation of the new service will involve bringing together Jobcentre Plus and the National Careers Service. In Scotland and Wales, where skills and careers are devolved, we will work closely with the devolved governments to ensure that the new service works effectively with the devolved services there and takes into account learning and best practice from those services.
148. This service will also play a key role in our overall approach to tackling economic inactivity. The availability of a high-quality, attractive, and trusted jobs and careers service will play a key part in encouraging people who are economically inactive to start looking for work.
149. The new, single and universal service covering Great Britain will focus on a revised set of objectives:
- **Employment:** It will support a reduction in unemployment at a national level and reduce regional disparities in unemployment rates.
 - **Earnings:** It will enable individuals to make informed choices about their careers, including helping them to boost their skills as well as helping them move into higher paid, higher quality, and more productive work and supporting economic growth.
 - **Engagement:** This will be a universal service which all people – not just benefit recipients – will be able to engage with. It will be a key partner in supporting the development and implementation of new plans for work, health and skills.
150. To achieve these outcomes, and respond to the above challenges, our future service will be developed around five key pillars.

Pillar 1: A new enhanced relationship with and service for employers

151. The new service needs to serve not only individuals, but employers too. Our vision is for a service that all employers want to engage with, as they know it is a place where they can find high-quality, highly motivated future employees.
152. The existing Jobcentre Plus service already supports employers with their recruitment at both a national and local level. It offers an array of bespoke services, such as help with drafting vacancy adverts, use of Jobcentre Plus facilities, pre-screening applicants before interviews and a website to post job vacancies. Many employers have responded positively to this support and have benefited from access to a pool of employees they may not have otherwise reached. It offers recruitment managers and employer advisers to work directly with employers (both within individual Jobcentres and at a nationwide level) to help understand their recruitment needs and the opportunities for filling vacancies through partnering with Jobcentre Plus.

Box 12: Jobcentre Plus working closely with B&M

Since 2019, B&M has built a strong partnership with DWP, establishing the department as its preferred recruitment partner for new store openings and large-scale hiring. B&M's entry-level recruitment strategy places a strong emphasis on sourcing candidates from Jobcentres. It works closely with local Jobcentre teams to fill store vacancies, holding Group Information Sessions where candidates can learn about the company and are guaranteed an interview, eliminating the need for CVs and application forms. This approach by B&M reduces barriers for candidates with limited work history and has been extremely successful, with over 85% of new store hires in 2024 coming directly from Jobcentre referrals.

The partnership has had a significant impact, both for B&M and the individuals it recruits. By focusing on Jobcentre candidates, B&M provides life-changing opportunities, particularly for those who have been unemployed for long periods. The voluntary nature of the recruitment process has been met with strong interest, with most candidates opting to proceed to interviews.

153. The new service will build on Jobcentre Plus' existing employer offer, reflecting the wider range of people that will access the new service. It will support a broader range of employers, including those requiring skilled and specialist talent, to find the candidates they need. We will also work with employers to understand how to overcome the impact of recruitment practices which can act as a barrier for applicants, ensuring that a wide range of candidates can access employers' vacancies regardless of these barriers.
154. The service will be crucial in ensuring more of our domestic workforce, and especially those in regions of higher unemployment and economic inactivity, can take full advantage of the opportunities and job creation that the Industrial Strategy and the Government's wider sectoral priorities will bring.
155. As a first step, we will continue our Sector-based Work Academy Programme (SWAPs) in England and Scotland over 2025/26, with Jobcentres working with local training providers to deliver employer led placements combining sector-focused employability training, a work experience placement and guaranteed job interview. These placements can last for up to six weeks. This service is offered at no additional cost to employers with suitable local roles and has a strong track record of supporting individuals to build their skills in new sectors and helping employers access a new pool of candidates. We will build on our experience of what works for both employers and citizens to improve this offer even further, fuelling our mission to increase participation across sectors, including but not limited to construction, health and social care, logistics and warehousing, hospitality, green energy and security.
156. As outlined in Chapter 3, the Government is launching a review into the role of employers in creating and maintaining healthy and inclusive workplaces. The feedback from employers and wider insights from this review will help inform the future design of a national jobs and careers service.

157. We know that the Government does not itself hold the answer on how a new jobs and careers service can most effectively serve employers. We will therefore work with employers of all shapes and sizes (including local employers and partners), employer representative bodies, and recruitment service representatives in a structured programme of engagement in early 2025, as we enter the next phase in developing the service, to make sure it works for employers.

Box 13: International models for working with employers

There are many international models that we can learn from in how public employment services work with, engage and support employers.

In the **United States**, employer-led Workforce Development Boards – usually at city or county level – bring together employers and delivery agencies and are responsible for ensuring that employment services offer a one-stop, demand-led system. This includes specific requirements to develop career pathways and industry partnerships between employment services and employers. This has helped support the development of a range of initiatives that bring together pre-employment support for individuals – around career readiness, skills development and preparation for work – with occupation-specific training and placement services for employers, often with impressive results.

Through Jobservice **Denmark**, employers have a single point of entry to the employment service, with support then co-ordinated across all local jobcentres. Employers can also then make a longer-term ‘job service agreement’ which is based on their specific recruitment and training needs and commits to specific responsibilities within the employment system and goals (for example on delivering services, supplying candidates and filling jobs).

There are many examples too in other countries of services being tailored to specific regions, industries or employer types. For example, in the **Belgian-Flemish** employment service, dedicated teams offer specific support for different sectors in different regions – helping to join up across services, and including dedicated resource for supporting disabled people, workplace learning and job mobility. In **Lithuania** and **Estonia**, the introduction of employer-specialist advisers, and improved links between vocational training, services for jobseekers and employer support, has led to improved engagement with services by employers and higher satisfaction. In **Greece**, the employment service has had a particular focus on developing new tools and support for advisers so that they can better understand and meet the needs of small and medium-sized employers.

Finally, there are also good practices that we can learn from working with employers to support employment and retention in work for disabled people and others who are significantly disadvantaged in the labour market. In the **Netherlands** for example, the ‘Inclusive Redesign of Work’ (IHW) model uses a four-stage process to work with employers to make jobs, management and workplaces more accessible and inclusive. This has been successfully adopted in industries including construction, health, business services and education, through specialist organisations and support from the public employment service.

Pillar 2: A revised focus on supporting progression and good work through aligning employment support and having it work better with skills and careers advice

158. Aligning employment support more effectively with skills and careers will help more people to get work and get on in work. In turn, this will open new opportunities for people in local labour markets to address local skills gaps and to realise their career goals. The new service will support people to have more rewarding working lives, where career development and acquiring new skills are the norm, and opens up their opportunities to progress into future roles.

159. In England, bringing Jobcentre Plus together with the National Careers Service will create a greater awareness and focus on skills and careers, as well as genuine collaboration in the decision-

making process for current and future skills and careers provision. Anyone engaging with the service should have their skills needs assessed, and then be able to swiftly access the relevant training. In Scotland and Wales, we will work with the devolved governments to build on the good collaboration already in place between Jobcentre Plus, Skills Development Scotland, and Careers Wales.

160. For many, the flexibility and independence provided through self-employment is a key route to engaging with the labour market and moving out of poverty, and also contributes to our Growth Mission. We will review the existing offer of support for the self-employed and consider whether it should be enhanced.
161. As a first step to better integrate employment support and careers advice in England, we will launch a pathfinder in early 2025 to test more enhanced collaboration between Jobcentre Plus and the National Careers Service. The focus will be on delivering better employment, earnings, and skills outcomes through better aligning our advice on progression, skills, and careers, and will include consideration of what we can learn from other countries. The site will be carefully considered and announced in the coming months. To enable this, a new England-wide data sharing agreement between the Department for Education and DWP will be put in place from winter 2024.

Pillar 3: A locally responsive, embedded and engaged organisation

162. The principle of localism will run all the way through the new service across Great Britain. This will be a locally tailored and embedded service, designed to meet the different needs of local labour markets, local people and local employers. It will be an active partner with key local stakeholders and providers of services. It will seek to integrate with existing support provided locally rather than duplicate, ensuring a more seamless user experience. It will also seek to support and influence key local decisions regarding investment, skills and training, as well as addressing local structural barriers to employment, including in health, transport, and childcare.
163. As a first step towards developing a more locally responsive and engaged organisation, we will more closely align Jobcentre Plus with existing mayoral authorities. Many Jobcentre Plus areas do not match their mayoral authority, making join-up challenging and potentially inhibiting the closer working we envisage under the new service. Alignment with mayoral authorities will take advantage of their expertise in devolved skills service provision.
164. We are committed to designing, developing, and testing this service in partnership with mayoral authorities and devolved governments. These tests will be designed to help us discover how we can shape a local service, while the UK Government maintains overall accountability for it.
165. Furthermore, as part of our reforms to move to a model of personalised support, we will explore whether rebranding Jobcentre Plus could be a useful step towards delivering a trusted, universal jobs and careers service.

Pillar 4: A digital, universal and fully inclusive service

166. The new service across Great Britain will be universal and accessible for everyone. It will be available for anyone who wants to look for work, or consider looking for work, and anyone who wants help to increase their earnings or re-train, upskill or change their career.
167. Key to achieving this will be creating **a new, radically enhanced digital offer** where people can access support through the channels that best meet their needs – whether that is online, on the phone or in person. We will use the latest cutting-edge technology, including artificial intelligence, and develop digital tools that provide relevant, up-to-date information and advice. Moving towards a new and enhanced digital model should free up work coach time and expertise to support more

people and provide more tailored support for those who are more disadvantaged in the labour market.

Box 14: DWP ASK

DWP ASK is an example of a new digital and artificial intelligence-powered tool that we have been developing to support our work coaches and the employment support they provide. The objective is to provide work coaches across the network with a generative artificial intelligence question and response tool that will help them find the right policy and guidance information for their customers faster.

168. We will explore further opportunities to harness the power of digital technology to give our customers the information and support they need to secure the best possible job outcomes. Developing further tools will also provide the foundational data to enable further opportunities to transform the services.
169. We will embed the principles of accessibility and inclusivity into the design of the new service and through the entire user journey, recognising that people have different support needs. This must be a service that works for everyone – including disabled people and those with long-term health conditions, carers, older people, and ethnic minority people. It must also work for people with complex barriers to the labour market including refugees, people with convictions, people who are homeless, and those dependent on drugs and alcohol. To help achieve this aim, we are committed to working with users of the new service, and organisations representing their needs. We will also explore how assistive technology could aid the accessibility and inclusiveness of the service.

Pillar 5: A provider of high-quality personalised support to help people into work, support training, and get on in work

170. We will develop our new service in Great Britain based around people, transforming the experience for all users - benefit customers, non-benefit customers, and employers. A central tenet of our new service will be to provide personalised support, and to move away from the current one-size-fits-all approach of Jobcentre Plus.
171. We will work to remove any stigma that can be associated with going to a Jobcentre, ensuring it is somewhere that people go to receive support, rather than to feel penalised for receiving benefits.
172. We will develop the work coach profession, and the careers adviser profession in England, building on the talent and commitment that thousands of colleagues already show. We will develop this new organisation with customer service at its heart. The principal focus will be on providing professional coaching and employment support, helping individuals progress into meaningful work that is good for them and good for the economy, and helping them get on at work and advance further in their careers.
173. As a first step towards this, we will **launch a new coaching academy**. This will offer further training for a range of our staff on delivering high-quality coaching conversations for customers, focused on goal setting and action planning, as part of our commitment to enhancing the way we interact with people.
174. For those who are unemployed and claiming benefits, we will **maintain conditionality requirements** to support the goals and outcomes of our new service, with the system based on mutual obligations. The fundamental principles regarding requirements for people on benefits who are unemployed or have low earnings will remain the same:

- Unemployed benefit customers must be looking for and be available for work (including preparing for work and attending relevant training), take reasonable job offers and must not leave work voluntarily without good reason.
 - Sanctions have an important place in our social security system when people refuse to meet reasonable requirements agreed with their work coaches, but there will be no targets – national or local – around the use of sanctions.
175. However, we want the time people spend with their work coach and careers adviser to be as employment-focused and forward looking as possible - setting goals and action planning about how to achieve them, and keeping people motivated and engaged to find work, rather than focused on checking compliance with benefits requirements. Checking work-related requirements will move from the foreground to the background of the customer-work coach relationship. This will allow more time and space for more personalised conversations, including about training or seeking skills provision. Furthermore, as part of our reforms to move to a service of personalised support, we will explore whether renaming Jobcentre Plus could be a useful step towards delivering a trusted, universal jobs and careers service.
176. We will also look at varying the frequency and mode of mandatory engagement for those claiming benefits based on what will work best for the individual, rather than sticking to the one size fits all nationally determined 20th Century face-to-face approach.
177. Our first three steps to take this forward:
- We have launched a large-scale trial to test providing support for people by telephone and video as well as face to face appointments. This is seeking to test whether outcomes can be improved while also enhancing customer experience by cutting back on unnecessary transport to and from appointments at Jobcentres.
 - In October 2024, we launched a trial to test whether meeting unemployed people less frequently in a Jobcentre would have an impact on their work outcomes. We will carry out segmentation analysis to understand whether this more empowered approach is more beneficial for any particular groups.
 - We are launching an internal review of the Claimant Commitment to assess its appropriateness for customers on work-related benefits.
178. As a first step towards this we have launched Innovation Hubs in Worsley, East Kilbride, Stratford, Porthcawl. These hubs are being used to test changes to the Jobcentre Plus environment which have been developed with industry experts on technology and the office environment. These changes include new ways to welcome and triage customers as well as real-time language translation and integrated digital solutions to help customers where language barriers inhibit engagement, enabling our colleagues to work more productively. All of these changes are designed to direct people to the services they require more quickly and efficiently and improve the quality of the service they receive. We are also testing how we can work more closely with key partners including the Ministry of Justice and probation services (see Box 15 below).

People with convictions

179. People with convictions can face significant barriers to seeking and finding work including lack of work experience, confidence and fewer skills and qualifications. Data shows that only around 31% of prison leavers are in employment 6 months after release and 46% are employed in the 6 months

following completion of a community sentence.¹⁶⁰ Each year this represents tens of thousands of people still in need of work at this six-month point who could be filling skills shortage vacancies.

180. We will look at how employers can be supported and encouraged to hire people with convictions while building on our previous successes in collaborating with prisons and probation. As we seek greater personalisation of our services and develop the work coach profession, we will ensure that they are equipped to give the right support to people with convictions and make sure that they continue to receive timely access to work and skills programmes. Identifying these individuals is key to targeting support effectively and we will explore how best to do this as we develop improved digital tools.

Box 15: DWP Ministry of Justice (MOJ) and Probation Services collaboration with Innovation Hubs

We are working with the Salford Foundation to understand the benefits of having a dedicated resource at 'the right place and right time'. This involves testing integrated working with the Ministry of Justice and Probation services to support ex-offenders gain financial support and reduce re-offending.

We are now able to work holistically with partners, ensuring DWP benefits are in place to prevent, in some cases, re-offending and helping people get closer to work, gain housing and improve their lives. This joined-up approach is improving trust between customers, organisations and wider partners.

These reforms will be enabled by wider changes to the skills system in England

181. A high-quality skills system is an integral part of a sustainable labour market. Skills enable people to get into and get on in work, fuel innovation in workplaces and drive up living standards across the country. This includes the vocational training and essential skills (numeracy, literacy and digital skills) that people need to get into work, upskill, train and progress.
182. The skills landscape in England can be difficult and overwhelming to navigate, which is why the Government is setting up Skills England, an Arm's Length Body that will help bring different aspects of the skills system together, ensuring it is clear and navigable for employers and individuals. Skills England will work with combined and local authorities, businesses, trade unions, and education providers to understand national and local skills needs and ensure that there is a comprehensive suite of apprenticeships, training and technical qualifications for individuals and employers to access, which are aligned with skills gaps and what employers need.
183. Skills England will support combined authorities and local and regional partners such as designated Employer Representative Bodies to construct skills systems that feed into both local and national priorities. This will include making the skills system clear and navigable for both employers and individuals, enhancing career pathways and increasing workplace skills development. It will draw on local and regional vacancy data and Local Skills Improvement Plans (LSIPs) to inform its skills needs assessments, identifying and then acting on key differences and commonalities in the skills required in different parts of the country. LSIPs will complement Get Britain Working Plans as well as local work, health, and skills plans.
184. As set out in Skills England's first report published in September 2024, future megatrends will impact the UK labour market, and demand for technical and vocational skills too. This will affect people who are already in work, who may need to upskill or retrain to avoid unemployment. Our

¹⁶⁰ Offender Employment Outcomes Statistical Summary - GOV.UK (www.gov.uk), published 25 July 2024. Available at: <https://www.gov.uk/government/statistics/offender-employment-outcomes-update-to-march-2024/offender-employment-outcomes-statistical-summary>

ageing population will increase demand for health and social care, with non-clinical healthcare roles anticipated to grow 22%. Technology change means that low paid, low skilled repetitive tasks are at risk of automation and AI replacement, which will create job losses, and demand for STEM professionals is projected to grow. The transition to net zero carbon emissions will increase jobs in specialised areas.¹⁶¹

185. Skills England will work with the Industrial Strategy Council to identify skills needs in priority growth sectors and delivery against industry needs. It will also collaborate with the Migration Advisory Committee (MAC) and DWP to grow the domestic skills pipeline in all parts of the country, supporting a reduced reliance on overseas workers.¹⁶² By linking migration data with skills and employment policy, we will ensure that training in England is aligned to labour market needs. This will help people to get better jobs, improve local opportunities and economies, and help tackle economic inactivity, working towards our 80% employment ambition. Skills England will also collaborate with devolved governments in Scotland, Wales and Northern Ireland, to boost growth and spread opportunities throughout the UK.
186. Furthermore, we recognise the vital role that lifelong learning plays in building an adaptable labour market. The Lifelong Learning Entitlement (LLE) will launch in academic year 2026/27 for learners studying courses starting on or after 1 January 2027. It will transform the post-18 student finance system in England and provide eligible learners with a loan entitlement to the equivalent of four years of higher education study. This will help people pay for college or university courses, and train, retrain and upskill flexibly over their working lives.
187. The Adult Skills Fund (ASF) supports around a million learners every year. 78% of those who achieve their Further Education qualification via the ASF go on to a sustained positive destination; 65% of these into employment and 26% of these into sustained learning.¹⁶³ The ASF funds technical education up to and including Level 3 in England. It also supports adults to improve their English, including English for Speakers of Other Languages, maths and digital skills, and to re-engage in learning. These programmes can help people re-engage in learning to upskill, or retrain, and progress into sustained employment.
188. The ASF is devolved to Mayoral Combined Authorities and Greater London Authority already. This enables local areas to support local people and respond to local skills needs, helping ensure every pound is spent to achieve good outcomes for learners and drive economic growth. Adult education at this level is critical to getting people into work following unemployment or economic inactivity, and to supporting people to retrain or upskill to meet economic needs.

161 Skills England: Driving growth and widening opportunities – GOV.UK (www.gov.uk), published September 2024. Available at: https://assets.publishing.service.gov.uk/media/66ffd4fce84ae1fd8592ee37/Skills_England_Report.pdf

162 Immigration system statistics, year ending March 2024 – GOV.UK (www.gov.uk), published 23 May 2024. Available at: <https://www.gov.uk/government/statistics/immigration-system-statistics-year-ending-march-2024>

163 Further education outcomes, Academic year 2020/21 - GOV.UK (www.gov.uk), published November 2023. Available at: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-outcomes#explore-data-and-files>

Box 16: Case study - supporting employment and training through the devolved Adult Skills Fund

The Greater Manchester Combined Authority (GMCA) has developed policies to enhance residents' skills and support progression towards, into and within employment and further learning. GMCA demonstrates that accessible training for people looking to enter or return to the labour market can significantly improve employability and support people to achieve sustainable employment and further education. GMCA goes beyond the national entitlement by offering fully funded Level 2 Digital Skills courses to all residents, regardless of their previous qualifications or employment status, in order to ensure they have the essential digital skills identified by employers via Greater Manchester's Local Skills Improvement Plan and other engagement. These courses, tailored to meet the needs of both students and employers, have seen strong enrolment and retention rates. Participants gain practical digital skills for life and work, boosting their job prospects and confidence. Overall, GMCA's initiative has led to substantial improvements in employability and productivity, with up to 70% of participants progressing to and in further education, apprenticeships, or employment.

189. There are many people in England who could benefit from further developing their essential skills. 9 million working-age adults in the UK had low literacy or numeracy skills (or both)¹⁶⁴ and of the 5 million residents without English as a first language, 880,000 cannot speak it well.¹⁶⁵ Research from 2023 shows 4.4 million lack the digital skills required for everyday life, and 7.5 million people do not have the digital skills they need for work.¹⁶⁶
190. Addressing this will have huge economic benefits both for the individual and society. It is estimated that for every Full Level 2 and Full Level 3 qualification that an adult starts, the economy benefits by £39,000 and £82,000 respectively.¹⁶⁷
191. Essential digital, literacy and numeracy skills are important to employers and are needed to get into work, train and progress. They have been consistently cited in LSIPs as key to upskilling in local areas, so access to training that will tackle these skills gaps is important for boosting employment and progression.
192. To bring all of this together, we will develop a comprehensive strategy for post-16 education and skills, to break down barriers to opportunity and drive economic growth.

Conclusion

193. The reforms set out in this chapter will transform the way we support people to find work and get on in work, with an enhanced focus on skills and careers. This will not only help more people to build rewarding and fulfilling careers but will also help to boost wages and address historically low levels of productivity growth in the UK economy.
194. Our Jobcentre Plus reforms will shift our focus to providing people with genuine, better and more tailored support. The new service will be one which works better and more closely with employers of all sizes to help them fill vacancies. It will have a new, radically enhanced digital offer which anyone will be able to use to access support. Across Great Britain, we will work closely with local partners to

164 Building skills for all: a review of England – Organisation for Economic Co-operation and Development (epale.ec.europa.eu), published January 2016. Available at: <https://epale.ec.europa.eu/sites/default/files/building-skills-for-all-review-of-england.pdf>

165 Proficiency in English - Office for National Statistics (ons.gov.uk), published 29 November 2022. Available at: <https://www.ons.gov.uk/datasets/Ts029/editions/2021/versions/3>

166 Lloyds 2023 Consumer Digital Index – Lloyds Bank (www.lloydsbank.com), published November 2023. Available at: https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/231122-lloyds-consumer-digital-index-2023-report.pdf

167 Measuring the Net Present Value of Further Education in England 2018-19 - GOV.UK (www.gov.uk), published May 2021. Available at: https://assets.publishing.service.gov.uk/media/609e78c6d3bf7f2883267c3b/Measuring_the_Net_Present_Value_of_Further_Education_in_England_2018_to_2019.pdf

ensure that the new service is tailored and geared up locally to address the different challenges we face in local labour markets.

195. Ultimately, by helping people to make more informed choices about their employment and careers trajectory, we will help more employers to recruit the skilled workforce they need. In turn, this will Get Britain Working and play a key role in delivering on the Government's Growth Mission.

Chapter 6: Taking a system-wide approach to Get Britain Working

196. The labour market reforms set out in this White Paper support the Government's wider policy agenda to deliver economic growth and break down barriers to opportunity. That is why our reforms will be:
- Complemented by plans to deliver a modern Industrial Strategy that creates high-quality jobs in sectors for the future.
 - Reinforced by a strengthened employment rights framework that will ensure access to good work that improves living standards across the country.
 - Enhanced by actions across government to reduce barriers to work, which can be multifaceted and sit across multiple areas and layers of government. This includes measures to make it easier to access affordable childcare and manage caring responsibilities alongside work, to find a decent home and to have reliable transport links that people need to get around.
 - A catalyst for other key government priorities, including our steadfast commitment to tackle child poverty.

Creating good-quality jobs through the Industrial Strategy

197. Our new Industrial Strategy, *Invest 2035*, is central to the Government's Growth Mission. Our recently published Green Paper sets out the vision for a modern Industrial Strategy: a credible, 10-year plan to deliver the certainty and stability businesses need to invest in high-growth sectors, and to unleash the full potential of our cities and regions. The eight Industrial Strategy sectors are: Advanced Manufacturing, Clean Energy Industries, Creative Industries, Defence, Digital and Technologies, Financial Services, Life Sciences, and Professional and Business Services. The Industrial Strategy will create a pro-business environment and support high-potential clusters across the country. It will take advantage of the UK's unique strengths and untapped potential. Our modern Industrial Strategy will enable the UK's already world-leading services and manufacturing sectors to adapt and grow, and will seize opportunities to lead in new sectors, with high-quality, well-paid jobs.¹⁶⁸
198. Government policies to deliver clean energy and net zero targets will create new jobs and economic opportunities across the country. One in five jobs will be directly influenced by the shift towards a net-zero carbon economy, with around 3 million workers requiring upskilling.¹⁶⁹ The Climate Change Committee estimates that between 135,000 to 725,000 net new jobs could be created in low-carbon sectors by 2030.¹⁷⁰ For every broader 'green job', an additional 2.4 jobs are created, on average.¹⁷¹ Research by PwC suggests that green jobs in the UK tend to be higher

168 *Invest 2035: the UK's modern industrial strategy* - GOV.UK (www.gov.uk), published October 2024. Available at:

<https://www.gov.uk/government/consultations/invest-2035-the-uks-modern-industrial-strategy/invest-2035-the-uks-modern-industrial-strategy>

169 Tracking local employment in the green economy – PCAN (<https://pcancities.org.uk>). Available here: <https://pcancities.org.uk/tracking-local-employment-green-economy-pcan-just-transition-jobs-tracker>

170 A Net Zero Workforce – The Climate Change Committee (www.theccc.org.uk), published May 2023. Available here: <https://www.theccc.org.uk/wp-content/uploads/2023/05/CCC-A-Net-Zero-Workforce-Web.pdf>

171 Green Jobs Barometer – PWC (www.pwc.co.uk), published December 2023. Available here: <https://www.pwc.co.uk/who-we-are/purpose/green-jobs-barometer-2023.pdf>

quality, both in terms of financial reward and how fulfilling workers find their roles. Higher levels of pay are not just limited to higher-skilled professions, with entry-level green roles in 60% of occupations commanding an average pay premium of 23%.

199. Capitalising on these opportunities will require coordinated action between various UK government departments and agencies, devolved governments and agencies, industry, trade unions, and skills providers. To accelerate this work, the Office for Clean Energy Jobs has been established within the Department for Energy Security and Net Zero, which will work closely with stakeholders, including Skills England, to coordinate action needed to deliver the skilled workforce to meet our Clean Energy Superpower Mission.

Reforming employment rights and increasing the National Minimum Wage

200. The Plan to Make Work Pay will strengthen the employment rights framework and is a core part of the mission to grow the economy, raise living standards across the country and create opportunities for all. It will tackle the low pay, poor working conditions and poor job security that have been holding our economy back. It will achieve this by bringing in day one rights; modernising the legislative framework that underpins our trade unions and protecting businesses and workers from the minority who knowingly break the rules.
201. Our Plan to Make Work Pay will support employers and businesses across the country, creating a level playing field and modernising the world of work. Once implemented, it will represent the biggest upgrade of workers' rights in a generation. Alongside the Government's new Industrial Strategy, it will help drive long-term sustainable, inclusive and secure growth.
202. Furthermore, the Government has accepted the Low Pay Commission's recommendations on the rates of the National Minimum Wage (NMW), including the National Living Wage (NLW). From 1 April 2025, the NLW will increase by 6.7% to £12.21 per hour for eligible workers aged 21 and over. This represents an increase of £1,400 to the annual earnings of a full-time worker on the NLW and is expected to benefit over 3 million low-paid workers. From 1 April 2025, the 18-20 NMW will increase by a record amount in both cash and percentage terms, increasing by 16.3% to £10.00 per hour, beginning to close the gap with the NLW. This represents an increase of over £2,500 to the annual earnings of a full-time worker on the 18-20 NMW and is the first step in the Government's plan to remove the discriminatory age bands and create a single adult wage rate for eligible workers.

Expanding support for parents and carers

203. The Government is committed to addressing structural factors to support people into the labour market, such as expanding access to early years education and childcare. This is alongside wider support for those who are caring for others, including families with at least one parent who is economically inactive, or in education or training rather than work.
204. Since September 2024, eligible working parents in England with children aged between nine months and two years have been receiving 15 hours of government-funded early education per week, with over 320,000 children accessing a place so far, alongside provision of 30 hours per week for those with children aged three to four. In September 2025, this will be extended to 30 hours per week for all eligible working parents, from the term after a child turns nine months until their child starts school. This comes on top of existing entitlements for disadvantaged 2-year-olds, and

universal 15 hours entitlement for 3 and 4-year-olds. The OBR predicts this expansion could bring 60,000 parents into the workforce and allow 1.5 million to increase their working hours by 2027/28.¹⁷²

205. In Universal Credit, working families across Great Britain can claim up to 85% of their eligible childcare costs each month, regardless of the number of hours they work. The maximum reimbursements are £1,014.63 a month for one child and £1,739.37 a month for families with two or more children, with more assistance for upfront costs when parents transition into work or increase their working hours. The Tax-Free Childcare scheme is also available for working parents earning between the equivalent of 16 hours at the National Minimum Wage and £100,000 annually. Using Universal Credit childcare or Tax-Free Childcare together with the early education entitlements can help parents access more childcare support and progress in the labour market. The Government is committed to reducing the complexity and administrative barriers that prevent parents accessing multiple schemes together.
206. To enhance childcare availability, the Government plans to deliver 3,000 new or expanded school-based nurseries across England and a significant increase in the number of before- and after-school childcare places through the National Wraparound Childcare Programme supporting parents to work the jobs and hours they choose. Additionally, from April 2025, free breakfast clubs will be available in up to 750 early adopter schools in England. This will be a test-and-learn phase ahead of the national roll-out of free breakfast clubs in every state-funded school with primary-aged pupils under the Children's Wellbeing Bill. These initiatives will help deliver the aim of a flexible early years and childcare system that meets families' needs from the end of parental leave to the end of primary school.
207. Many people providing unpaid care to family or friends want to stay in paid work, but, due to fragmented and poor-quality support and information, feel like they have no option but to leave paid work altogether. Research has suggested that improving information access and quality could help early and potential carers to make more informed, proactive decisions about work and care, better enabling them to stay in work.¹⁷³ As a first step to responding to these findings we have launched the Job Help campaign site to support people who are both working and caring.¹⁷⁴
208. The Government is also committed to supporting carers to balance unpaid care with paid work where they can, through a review of carers' leave and Universal Credit's system of tapers and work allowances, and by raising the Weekly Earnings Limit in Carer's Allowance in England and Wales to the equivalent of 16 hours at the National Living Wage from April 2025.¹⁷⁵ Almost 70% of Carer's Allowance recipients are women: the change will give unpaid carers greater flexibility to undertake paid work alongside their caring responsibilities, increasing their financial security. This is the largest increase to the earnings limit since Carer's Allowance was introduced in 1976. This is an increase of £45 per week and will allow over 60,000 more carers to access Carer's Allowance by 2029/30.¹⁷⁶

Increasing high-quality housing supply and creating new jobs in construction

209. New homes create jobs and investment in construction and wider built environment professions, such as planners, building inspectors and architects, and ensure people can afford to live where they

172 Economic and fiscal outlook – OBR.UK (<https://obr.uk>), published March 2023. Available at: https://obr.uk/docs/dlm_uploads/OBR-EFO-March-2023_Web_Accessible.pdf

173 Qualitative research with working people exploring decisions about work and care - GOV.UK (www.gov.uk), published October 2024. Available at: <https://www.gov.uk/government/publications/qualitative-research-with-working-people-exploring-decisions-about-work-and-care/report-qualitative-research-with-working-people-exploring-decisions-about-work-and-care>

174 Further information available at: <https://jobhelp.campaign.gov.uk/work-and-caring-support-with-caring-eng/>

175 Carer's Allowance is a devolved matter in Scotland and a transferred matter in Northern Ireland

176 Autumn Budget 2024 – HC 295 Available at:

https://assets.publishing.service.gov.uk/media/672232d010b0d582ee8c4905/Autumn_Budget_2024__web_accessible_.pdf

wish and access high-quality, productive jobs. Yet the number of planning permissions granted is at a 10-year low.¹⁷⁷ To correct this course, the Government will publish a Long-Term Housing Strategy, setting out a vision for the housing market including building 1.5 million homes within this Parliament, delivering the biggest increase in social and affordable housing in a generation, and building a new generation of New Towns.

210. New funding confirmed at the Budget is part of the first steps to deliver the homes the country needs – with £500 million in new Affordable Homes Programme funding to deliver more affordable housing, and ensure social housing is available for those who need it. This brings total investment in housing supply to over £5 billion in 2025/26. This sits alongside further changes the Government is taking forward, including reform to the planning system to build more homes and improve affordability over time, moving towards longer-term stability for social housing through consulting on a new, five-year social housing rent settlement to unlock more investment in new homes, and stemming the erosion of the social housing available by reducing Right to Buy discounts.

Investment in local transport

211. Unreliable transport services and inaccessible infrastructure hold too many people back from accessing work and progression opportunities: the average minimum travel time via public transport to reach a large employment centre, offering 5,000 or more job opportunities, takes roughly double the time when compared to travelling by car.¹⁷⁸
212. The City Region Sustainable Transport Settlements will, when combined with greater devolution of funding and powers in England, provide eligible Mayors and local leaders with the ability to ensure that the Government's investment in local transport can align with the biggest opportunities for growth in these key city regions, including those identified in Local Growth Plans.
213. The Government has committed to delivering better bus services, and confirmed at the Budget more than £1 billion investment for buses. This includes £640 million for Local Transport Authorities to support and improve bus services, and £285 million for the Bus Services Operators Grant to continue running and protect existing services. This investment sits alongside the measures we are already undertaking to reform the bus system, including through the introduction of the Buses Bill later in this Parliamentary session, as we seek to ensure local leaders have the powers they need to deliver the better, more reliable services that passengers deserve.

Tackling child poverty

214. Reforms that provide greater support for parents and carers to participate in the labour market, and the positive effect that can have on household income, are crucial to delivering this Government's commitment to tackle child poverty. Tackling child poverty is at the heart of this Government's mission to break down barriers to opportunity, addressing the root causes of poverty and giving every child the best possible start in life. Growing up in poverty not only affects children's wellbeing and opportunities during childhood, but also the opportunities and experiences they have

177 Planning applications in England: April to June 2024 – GOV.UK (www.gov.uk), published September 2024. Available here: <https://www.gov.uk/government/statistics/planning-applications-in-england-april-to-june-2024/planning-applications-in-england-april-to-june-2024-statistical-release>

178 Journey Time Statistics, England: 2019 – GOV.UK (www.gov.uk), published November 2021. Available here: <https://www.gov.uk/government/statistics/journey-time-statistics-england-2019/journey-time-statistics-england-2019#journey-times-to-key-services-JTS0101>

throughout their lives.¹⁷⁹¹⁸⁰ We know that good work can significantly reduce the chances of people, including parents, falling into poverty. The latest available data shows that the relative poverty rate (after housing costs) of children in households where all adults work was 14%, compared to 75% for children living in households where no adults work.¹⁸¹

215. The Child Poverty Taskforce, co-chaired by the Work and Pensions and Education Secretaries of State, has been convened to confront the wide-ranging and deep-rooted causes of child poverty. The Taskforce will explore all available levers to drive forward short- and long-term actions across government to reduce child poverty, and put the direct testimony of children, families and organisations at the heart of its work. This will include consideration of how to increase incomes, including potential further measures that support parents into employment; bringing down the costs of essentials; increasing financial resilience; and improving access to local and community services. Further detail will be published in the Child Poverty Strategy in the spring.

179 Tackling child poverty: developing our strategy – GOV.UK (www.gov.uk), published 23 October 2024. Available at: <https://www.gov.uk/government/publications/tackling-child-poverty-developing-our-strategy/tackling-child-poverty-developing-our-strategy-html>

180 Households below average income (HBAI) statistics – GOV.UK (www.gov.uk), published March 2024. Available at: <https://www.gov.uk/government/collections/households-below-average-income-hbai--2>

181 Households below average income (HBAI) statistics - GOV.UK (www.gov.uk), published March 2024. Available at: <https://www.gov.uk/government/collections/households-below-average-income-hbai--2>

Chapter 7: The path to reform: how we will deliver across the UK and within England

216. This White Paper has set out ambitious reforms and changes to ways of working across the UK and within England. Some elements will apply to England only, where skills or health policy is a matter for the devolved governments in Scotland, Wales and Northern Ireland. Others, such as our Industrial Strategy, will drive growth across the UK or, in the case of our employment service reforms, across Great Britain.
217. This chapter sets out:
- Our ambition for greater partnership working across the UK to create a more inclusive and dynamic economy.
 - Our next steps and plans to engage citizens, experts, and stakeholders in developing our reforms.

Delivering employment support across the UK

218. The UK Government will respect settlements with devolved governments.
219. Within Great Britain, we will work closely with the Scottish and Welsh Governments to ensure all aspects of our new approach to delivering employment support partner effectively with devolved provision, including but not limited to skills, health and careers as well as Scottish and Welsh Government-funded employment support. The Government has also made a new commitment to devolve non-Jobcentre Plus employment support funding to the Welsh Government. Working in partnership with the devolved governments is essential to improving the overarching employment offer to help as many people as possible experience the benefits of these reforms.
220. We plan to establish new governance arrangements with the Scottish and Welsh Governments to help frame discussions around the reform of Jobcentre Plus, and agree how best to work in partnership on employment issues for which we both have responsibility and shared interests.
221. These forums can also showcase areas of individual and shared responsibility, building on initiatives such as Careers Wales/Working Wales and No One Left Behind.

Box 17: Case study – Careers Wales/Working Wales

Careers Wales/Working Wales has worked closely with DWP for decades, both locally and nationally. They share a common purpose in supporting adults who are seeking to enter and/or progress in the labour market and who may need careers information, advice and guidance as preparation for more focused job-searching or for the workplace.

Working Wales careers advisers and employability coaches are currently working out of 54 Jobcentres across Wales to support DWP customers and, through local arrangements and warm handovers,

Jobcentres signpost customers to Working Wales with this support, supplementing the DWP customer offer and journey. On average, one third of Working Wales customer referrals come from DWP.

Box 18: Case study – No One Left Behind, Scotland

No One Left Behind is the shared Scottish and Local Government approach to delivering an all-age, place-based, person-centred model of employability support in Scotland. Collectively with partners, Scotland is building an employability system that tackles inequalities in Scotland's labour market by creating more responsive, joined-up and aligned services that meet the needs of employers and local labour markets, while helping people of all ages access fair and sustainable work.

That is why, through No One Left Behind, Scottish and Local Government embarked on a programme of transformational change to design and implement a delivery model that has partnership at its heart, and that actively drives alignment and integration of the services people need to support their journey towards, into and in work.

The No One Left Behind approach has supported 67,150 people since April 2019: 20,743 (31%) have entered employment, while a further 8,999 (13%) entered further or higher education or training.¹⁸²

222. In Northern Ireland, health, skills, careers and all aspects of employment support are transferred matters. We will work closely with the Northern Ireland Executive, including sharing best practice with the Northern Ireland Executive's Department for Communities about how our reforms to reduce economic inactivity are working.

Working with citizens and stakeholders to develop these proposals

223. This White Paper has set out the Government's ambitions, desired outcomes and vision for fundamental reform. We are determined to make quick progress, but acknowledge that transformation of the scale we have set out will take time to deliver.

224. DWP will establish a panel to consult disabled people as part of our wider efforts to ensure that the views and voices of disabled people are put at the heart of the design and delivery of our reforms.

225. We will continue to engage the expert Labour Market Advisory Board announced by the Secretary of State for Work and Pensions to provide the Government with insight, ideas, and challenge. The immediate priorities of the Board, chaired by Paul Gregg (former Director of the Centre for Analysis of Social Policy at the University of Bath), include job quality and progression, opportunity and equalities, health and inactivity, regional inequalities and data.¹⁸³

226. On the key areas of reform set out in this White Paper, we will:

- Establish a panel to consult disabled people about the reforms set out in the White Paper.
- Work collaboratively with the devolved governments to ensure we are sharing best practice, co-developing policy, and testing new ways of working.
- Continue to work closely with mayoral authorities and local government to develop detailed proposals and test new ways of working.

¹⁸² No One Left Behind: Statistical Summary, October 2024 – GOV.SCOT (www.gov.scot), published 30 October 2024. Available at: <https://www.gov.scot/publications/scotlands-devolved-employment-services-no-one-left-behind-statistical-summary-october-2024/pages/no-one-left-behind-official-statistics-in-development/>

¹⁸³ Labour Market Advisory Board – GOV.UK (www.gov.uk). Available at: <https://www.gov.uk/government/groups/labour-market-advisory-board>

- Continue to work with Labour Market Engagement Group and Work and Health External Advisory Group.
 - Continue to work with the Youth Employment Group and set up a Youth Guarantee Advisory Panel to ensure young people's voices are central to the design of a Youth Guarantee.
227. Delivering our vision for the future – enhanced partnership working between all four nations, local communities, and individuals – will take time, but it is essential for securing the best opportunities and outcomes for people across the UK.

E03184199

978-1-5286-5157-8