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DEEP DIVE 01



How places are opening routes into work for young people

Growth and Reform Network

A partnership between

Future Governance Forum

Metro Dynamics

About the Growth and Reform Network

The Growth and Reform Network is a partnership between The Future Governance Forum and Metro Dynamics working to support local and combined authorities in driving inclusive growth and public service reform.

Our mission is to bridge the gap between national policy and delivery in local and regional places. We bring together mayors, councils and government to develop the innovative ideas, policy and practice that deliver better services, invest in places and drive good growth.

At the heart of this mission is supporting innovation to increase the trend rate of growth, create better jobs and opportunities for people all over the UK, and improve public service outcomes. The Network exists to support devolution to achieve its full potential, with a more preventative and productive model of local growth and public service delivery.

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Introduction

The NEET crisis in the UK has dominated public discourse over the past year and is a social, economic and moral manifestation of the system's failure to address young people's needs. The number of NEET young people has now passed one million, according to ONS figures published alongside the Milburn review's interim report. This national crisis has become not just an issue of youth unemployment - but one of ill-health, declining confidence, and shifting labour market dynamics.

At the Growth and Reform Network, we consider youth unemployment and economic inactivity as key to our work around embedding inclusive growth and reforming public services. Across the UK, the GRN's members are using their devolved powers to introduce measures that mitigate NEET numbers in their places. The government's rollout of almost 180 Dutch-style Youth Hubs, which will coordinate education, welfare and employment support, is opening over the next two years - and is a welcome step towards giving local leaders more power to join up services around local need.

Since becoming Prime Minister, tackling NEETs has also been linked to the Burnham administration's growth and reindustrialisation agenda. At our recent GRN Innovation Nation Summit, the Prime Minister's speech highlighted good work as a key driver of good growth and the innovation economy:

> We need to give paths to everybody into the emerging innovation economy, and from there we need to provide quality pathways towards work experience, working with our employers, work placements, apprenticeships, solving Britain's skills deficit in a reindustrialised economy.
>
> Prime Minister Andy Burnham, Innovation Nation Speech

Procurement has been given unusual prominence in this agenda, with Burnham making youth unemployment and economic inactivity one of his defining missions. In August 2026, Procurement Policy Note 026 redefined social value for central government contracts around good British jobs, skills and opportunities in every postcode, and from January 2027 it will double the weighting given to social value on contracts over £5m, from 10% to 20%.

Against this backdrop, this deep dive draws on the latest evidence and our members' experience to show what places are already doing to open routes into good work for young people, and what national government must do to help them go further.

What we know from the evidence

The scale of the national challenge

The Milburn Review describes a worsening moral crisis. ONS figures released alongside the interim report in May show the numbers of NEET 16-24 year olds passing one million, for the first time in 13 years. This is around 1 in 8 young people, and is a higher rate than every EU country except Romania. The review projected that - without any appropriate action - the number would reach 1 in 6 young people by 2030, which is projected to cost around £125 billion a year.

The review rejects the idea that young people are unwilling to work or do not have the right skills. 84% of NEET young people want a job or training, yet six in ten have never had one, up from around four in ten twenty years ago. The review showcases that health is a growing driver of economic inactivity among young people: the share of NEETs because of a work-limiting health condition has risen by 70% in a decade. The review also finds that the education system has the data to identify who is at risk, but lacks the architecture, funding and accountability to act on it. It makes a clear case for devolution and local leadership: **"Labour markets are local."**

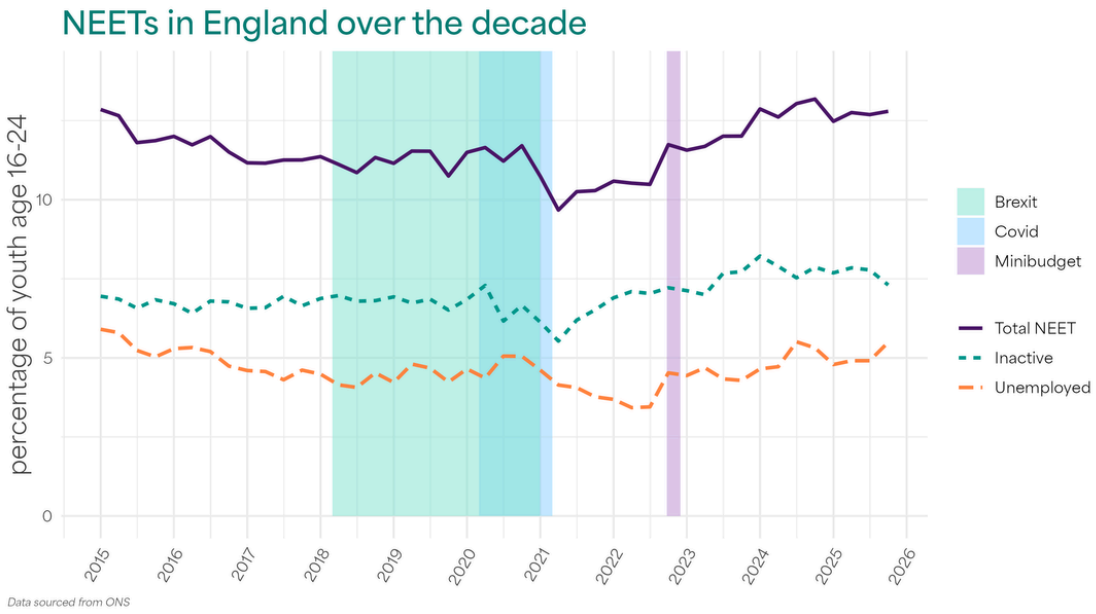


Figure 1: NEETs in England over the decade

The Milburn Review's final report published on November 17th, argues that the NEET crisis cannot be solved through short-term isolated policy interventions or programmes. Instead, it requires a shift towards a whole-systems approach that includes education, health, employment, and welfare. This involves all parts of the system to come together around a shared ambition of delivering better outcomes for young people. These central ideas: a move away from short-termism, a whole-systems approach, and a shared vision, were key themes also reflected in what our members are calling for, and the good work they are delivering, as discussed in this report.

Milburn's review also places responsibilities on the role of mayors. Some of the recommendations include a mayor-led mechanism for developing technical colleges, working with ICBs to increase youth economic participation, commissioning a Youth Opportunity Service from a variety of local providers, and ultimately, holding MSAs responsible for the participation of 16-24 year olds in their areas. To do this, the review acknowledges that money, powers, and responsibilities need to be aligned through multi-year Participation Agreements, holding strategic authorities to account and guaranteeing multi-year funding to support long-term commissioning. This would form part of the work being done on fiscal devolution, where mayors will have greater control over how budgets, and any financial gains, are used.

The long shadow of early disengagement

The Milburn Review describes a crisis of long-term disengagement and makes the case for acting early - because time spent as NEET does not simply 'pass'. New UCL research shows why this matters beyond the present moment. It followed more than 8,000 people in the 1970 British Cohort Study up to age 51. Those who were NEET throughout the eight years between 16 and 24 were almost six times as likely to be out of work or inactive in midlife (64.5% versus 11.5%). They were also around three times as likely to report poor health. The effect builds with time spent NEET and holds after accounting for early disadvantage. Young people with little or no work experience appear to face the greatest risk, and the consequences for today's cohort could be as severe or worse - strengthening the case for prevention and early intervention.

Lessons from across Europe

The Netherlands has kept its NEET rate below 5% since 2015, reaching 3.6% in 2024. The Youth Futures Foundation estimates that matching it would put around 567,000 more young people into work or education in the UK. Previous GRN research and our webinar on youth unemployment across Europe pointed to structural differences, including vocational routes: 22% of UK 18-21-year-olds are enrolled in vocational education, against 35% in the Netherlands, Denmark and Germany. A comparative study across Australia, Denmark, France and the Netherlands found that personalised, wraparound support - through mentoring, coaching and access to wider services - is key to turning participation into lasting outcomes.

Why 'any' job is not enough

Welfare-to-work programmes can and do backfire when implemented poorly. Theoretically, employment guides people on Universal Credit into a job, supports their progression to better employment, and finally, helps them achieve career stability. This is known as the "ABC" approach - **A**ny job, **B**etter job, **C**areer. A report by the New Economics Foundation found that the "ABC" approach to employment reinforces low pay, job insecurity and poor progression among those on UC due to a combination of the strictness of the welfare conditions, the high incidence of low-paid and poor quality work that characterises the UK economy, and the limited availability of jobs in the area where UC claimants tend to live. This reinforces the need for personalised, holistic support that considers each young person's individual situation.

What we know from our membership

Our members have stressed the need for an integrated, holistic approach to employment that can adapt to the needs of different residents. There is no single story of unemployment and economic inactivity, and good job support needs to be responsive and flexible enough to accommodate different needs. This report highlights the work of some of our members, who are leading the way on holistic approaches to employment support. Here we share a few of their strategies, the reasoning behind them, and early indicators of success. There is a wealth of innovation under way in places across the UK, far more than can be captured in a single report, so these examples illustrate the wider work and the range of approaches being taken across our membership rather than offering an exhaustive review.

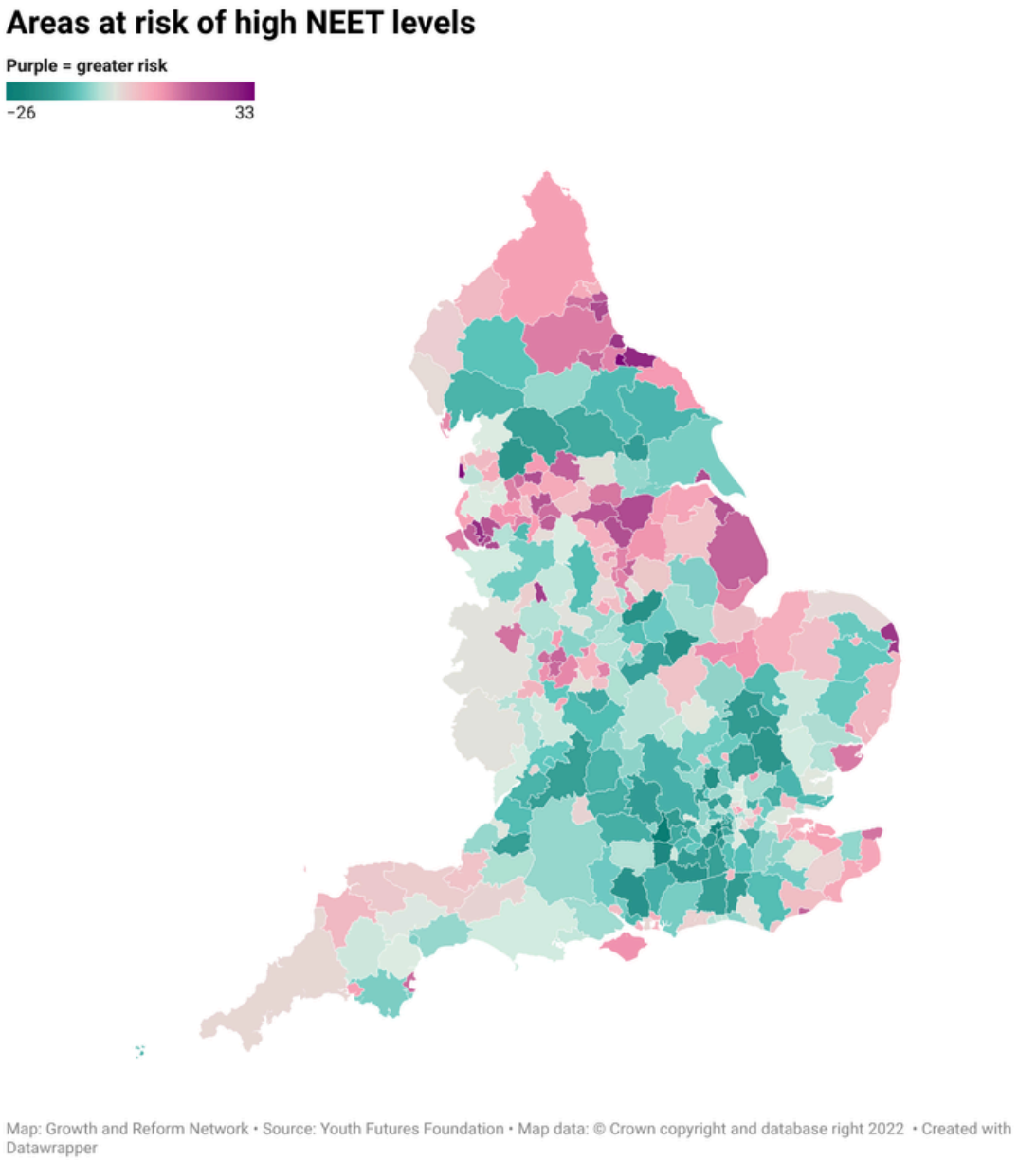


Figure 2: Areas at risk of high NEET levels

Across the approaches of our membership, three themes emerged:

1. Creating a shared vision
2. Taking a whole-systems approach
3. Tackling NEETs and youth disengagement

Creating a shared vision

A shared vision can help align organisations that have different responsibilities and priorities. West Yorkshire Combined Authority (WYCA) and Brighton and Hove have both suggested that the foundation for a good employment support programme rests on a **shared vision** developed together with people who work close to the individuals affected by that support. For Brighton and Hove, this meant a strong network of partnerships including local government, DWP, colleges, training providers, health partners, employers, and community organisations who aligned on common goals rather than individual programme targets.

> **"Some of our most successful interventions have come from organisations aligning around common goals rather than individual programme targets"**
>
> Skills and Employment Officer, Brighton and Hove

Brighton and Hove's Integrated Skills and Employment Service brings together adult skills, employment support, careers guidance, employer engagement and targeted interventions for residents facing barriers to work. The Service includes an adult skills hub, a youth employment hub, a youth employability service, employment and health programmes, and a local employment scheme for construction.

One challenge cited by WYCA was that it can be a confusing landscape for employers wanting to engage with employment support. There are a large number of organisations delivering this support, meaning that organisations compete with one another for contracts, making it difficult for employers to agree on a set of shared values when it comes to inclusive growth.

To address this and create shared values across the employment landscape, WYCA developed the Fair Work Charter in partnership with businesses, unions, public sector and VCSE organisations. The charter breaks fair work into five pillars: opportunity, fulfilment, wellbeing, security, and employee voice. It provides a framework for organisations to continually improve their employment practices against these principles. By becoming signatories of the Charter, organisations commit to working towards fairer employment practices and can access peer networks, a learning and development portal, support attracting talent and use the fair work recognition mark.

> "The work that we've done to foreground our Fair Work Charter has helped establish that kind of shared value."
>
> Employment and Skills Officer, West Yorkshire Combined Authority

Greater Manchester Combined Authority uses a similar charter, the Good Work Charter, to align private and public sectors to a shared vision of good employment. Launched in 2020, the charter is a voluntary membership and assessment scheme which aims to elevate employment standards in Greater Manchester. Initial reception to the charter has been positive, both for employees and employers.

These examples highlight that partnership working is key to address barriers facing economic inactivity. However, it requires more than bringing stakeholders together, it involves agreeing on the shared vision of desired outcomes, establishing shared principles to achieve this, and allowing partners to contribute in ways that speak to their strengths.

A whole-systems approach

A whole system approach to employment can reach further and deeper than a disconnected approach. Integrating and joining up disparate systems can support residents' who are facing multiple barriers to employment, including health, education and skills.

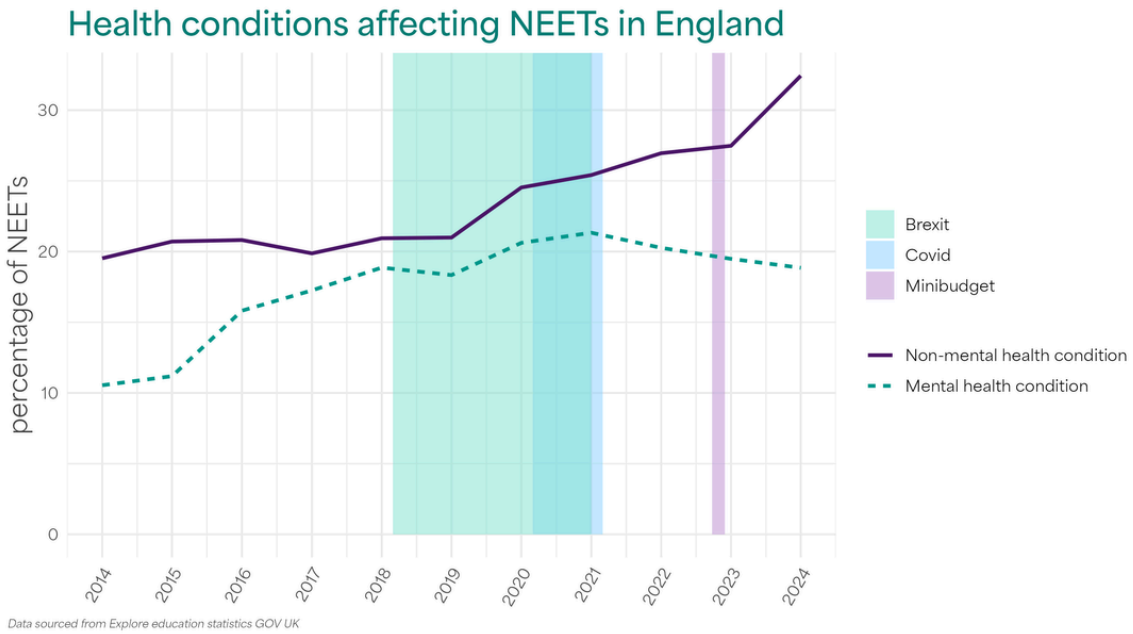


Figure 3: Health conditions affecting NEETs in England

South Yorkshire provides an example of connecting multiple services around an individual. Barnsley's Pathways to Work Commission created a model of integrating work, health and skills support to help people enter, remain in, and progress within employment. Simultaneously it also supports employers to recruit and retain their workforce. The region's economic inactivity trailblazer is backed by £18 million and aims to reduce economic inactivity from 25.5% to 20% by the end of 2029. The Commission has estimated this model could deliver up to £4 of Exchequer savings for every £1 spent.

> **"Ultimately, our biggest learning is that there is no single programme that solves unemployment or economic inactivity. Success comes from creating a connected local system that aligns skills, employment, health and growth around the needs of residents and employers."**
>
> Skills and Employment Officer, Brighton and Hove

WYCA launched its Healthy Working Life portfolio as part of its role as an economic inactivity trailblazer. The portfolio, made up of a collection of programmes, joins up the Combined Authority with the NHS West Yorkshire Integrated Care Board to tackle health-related barriers to employment. It is estimated that in West Yorkshire there are over 100,000 people unable to work because of one or more health conditions. The programme includes supporting businesses with inclusive recruitment and employment, connecting employers to people ready to work but facing health barriers, the Fair Work Charter, and a scheme which encourages employers to recruit and retain disabled people. Across the Healthy Working Life portfolio, approximately 12,000 people were supported in the first year. This approach is intended to make the system easier to navigate for service users, while also strengthening coordination between organisations working on health and employment.

> **"We did a lot of work to establish what we refer to as our 'working life portfolio' that is shared with the integrated care board in West Yorkshire. That gives us this portfolio approach to making those programmes more of a cohesive system of support and a more navigable system."**
>
> Employment and Skills Officer, West Yorkshire Combined Authority

In the North East, the Working Well Employability Hub brings together local officers, DWP, mental health services, housing associations, and skills providers into one accessible setting. This model responds to the multiple barriers people face through wraparound support.

> **"The most important lesson from this work has been that employment, skills and health cannot be treated separately. Sustainable outcomes are achieved when services are integrated around the individual, with strong partnership working and clear progression pathways."**
>
> Skills and Employment Officer, Brighton and Hove

However, these types of models depend on the wider context that they sit in. Nationally commissioned programmes can limit local flexibility if places and providers are not given opportunities to respond to individual circumstances or coordinate provision with local partners. Our members have also reported challenges in data-sharing gaps between schools, colleges, employers and combined authorities, particularly for 18-24-year-olds. Devolution can create more opportunities to improve local labour-market intelligence, but authorities need access to the information, tools, and flexibility needed to meet this responsibility.

National context can also shape how people with health challenges and disabilities interact with employment support. Brighton and Hove reported that a key challenge was the complex relationship that many had with the DWP: most of those who were not in work but open to the possibility were worried that they would be pushed into unsuitable work, and others worried that they would not get their benefits back if they tried working but it didn't pan out. This again highlights the importance of a whole-system approach to employment and health that prioritises flexibility over strict, one-size-fits-all conditionality.

NEETs and youth disengagement

Young people not in education, employment or training (NEET) are a group that requires coordinated action and preventative support. There is a challenge around identifying young people who may not appear in conventional employment statistics. Coupled with difficulty of gathering joint information around health, financial circumstances, and engagement with services can make it difficult to understand individual needs.

The West Yorkshire Promise is an example of a combined authority committing to improving young people's transition from education to work. It guarantees that every young person will have had work experience by the age of 18. Alongside this it aims to make apprenticeships easier, covering the costs of apprentices by using unused apprenticeships funding from big employers (such as Amazon and Asda) for smaller local businesses. Mayor Tracy Brabin launched the West Yorkshire Promise in Bradford, a place which has seen great success in reducing NEET rates, going from 6.8% of people aged 16-17 being NEET in 2022-23, to 4% in 2026 which is below the national average (5.8%).

> **"We're trying to make an offer that makes sense for the person using it and for the people who are interacting in it."**
>
> Employment and Skills Officer, West Yorkshire Combined Authority

Brighton and Hove provides another example of a coordinated offer for young people, connecting services around residents through a wraparound approach. Its Youth Employment Hub (YEH) brings together DWP youth work coaches and local partners in a single accessible setting, taking a 'no wrong door' approach.

Young people are not a homogenous group and there can be complex challenges around compound disadvantage. Brighton and Hove's approach to care leavers and young people with special educational needs and disabilities (SEND) is an example of identifying additional needs early. They are aware that care leavers experience more mental health issues and lower wellbeing compared to non-care experienced peers. Therefore, in their Youth Employment Hub they link the DWP with a Care Leaving Team to flag care leavers to work coaches to provide additional support. Clients are triaged by a hub co-ordinator, meaning that they are not made to re-tell their story to multiple people. A local charity, Amaze, is also part of the YEH to provide SEND re-engagement support. In 2024, the YEH was designated Highly Commended by the Local Government Chronicle (LGC).

> **"Each year YEH has surpassed targets for new registrations, employment outcomes, apprenticeship placements, work experience opportunities, social inclusion steps, and employer engagements."**
>
> Skills and Employment Officer, Brighton and Hove

Other examples of places targeting employment pathways for young people include Cardiff's Flexible Supported Employment Pathway. It supports post-16 students with additional learning needs through 12-week work placements. They also run the Supported Internship Programme which runs throughout the academic year to support higher educational outcomes and better changes of employment through work experience. Also, Liverpool City Region launched a UCAS-style apprenticeship training portal called BeMore. The portal was created due to the Metro Mayor's powers relating to the skills agenda and aims to bring together apprenticeship opportunities from employers across the region so prospective apprentices can easily find all local information in one place.

These examples suggest that inclusive employment support should address the multiple barriers faced by young people, as well as making pathways into work and training more accessible.

Emerging lessons and principles

The research and experiences of our members point to five key principles for places seeking to address unemployment and economic inactivity:

1. No wrong door and designing support around people

Employment support should be a connected offer. Residents should be able to accessibly access employment support that addresses multiple barriers without having to navigate multiple organisations and repeatedly describe their circumstances. Brighton and Hove's Youth Employment Hub and WYCA's Healthy Working Life portfolio show the value of coordinating provision around individual needs. This requires clear pathways between services with accessible points of entry and flexibility to respond to different circumstances.

2. Invest in lasting local infrastructure over short-term programmes

Successfully and sustainably tackling economic inactivity requires an investment into the underlying infrastructure of local places, not just funding individual programmes. The examples we have highlighted demonstrate the importance of building lasting relationships around shared priorities and integrating services. This approach enables places to respond better to local needs and coordinate provision across organisational boundaries. Whereas an over-reliance on funding short term programmes can reinforce fragmentation and siloed working which can restrict local flexibility.

3. Integrating a whole system approach

Economic inactivity is often complex with many overlapping barriers which should not be addressed in isolation. WYCA's Healthy Working Life programme in partnership with its Integrated Care Board, and South Yorkshire's Pathways to Work Commission show the importance of connective employment provision with health, education and skills.

4. Prevention and pathways into work for young people

Employment support needs to begin before people become disconnected from education and employment. This is especially important for young people, including those facing compound disadvantage such as SEND, disabilities, and those with care experience. The West Yorkshire Promise and Brighton and Hove's Youth Employment Hub work across education, employers, and support services to create more accessible routes into work.

5. Establish a shared vision and collective responsibility

The necessary wraparound employment support cannot fall onto a single provider. Effective partnership working depends on organisations across a region agreeing what outcomes they want to achieve and how they are going to do that. WYCA's Fair Work Charter is an example of creating a common understanding between employers and partners.

Policy implications

1. Devolve responsibilities, powers and data

Mayors and local authorities need the power and the information to shape their labour markets. Data on youth unemployment and disengagement is especially important for local governments to diagnose the specific barriers facing their young people and to plan around it. Job centre engagement data, which is currently held at the national level, should be shared locally.

2. Multi-year place-based funding

Additional power must be supported by additional funding if it is to be effective. Funding commitments should span multiple years and be predictable so that local governments are able to deliver long-term, joined-up interventions. Multi-year programmes give local governments the opportunity to implement what they have learned over time, and they build trust with residents.

3. Support under-invested founders

Good employment support includes self-employment and entrepreneurship. Investment aimed at female, ethnic minority and disabled entrepreneurs could generate huge growth for the economy, however these groups often face barriers to starting their own companies. The British Business Bank should set targets to reach founders without inherited wealth and help them access financial support and grow their businesses.

4. Pivot away from the ABC approach to jobs

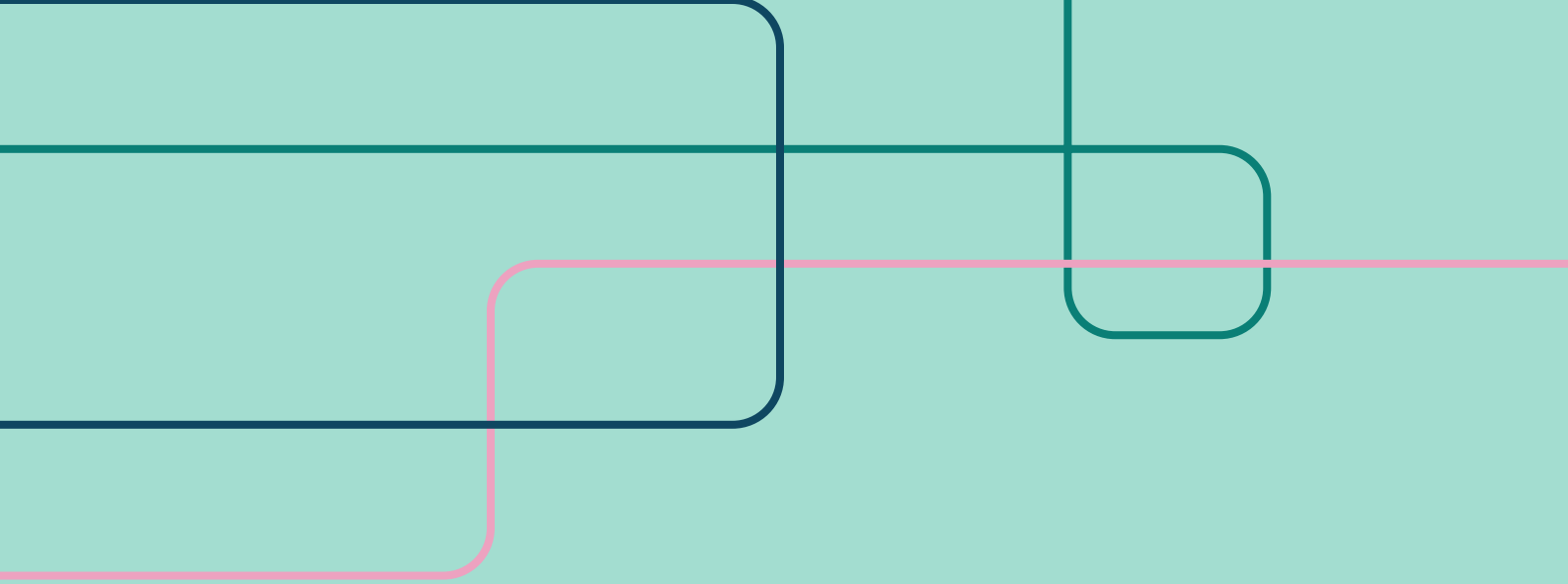
Recognising that “any job” often does not lead to a better job, skills and employment provision should consider the long-term stability, long-term career progression, and personal circumstance of the individual. Strict benefits conditionality pushes people into low-paid, dead- end work, especially in places with few entry-level positions, creating a low-pay/no-pay cycle that can be hard to escape from. More flexibility in the benefits system will allow people on universal credit the chance to find work that suits them, leading to better long-term economic resilience.

Conclusion

As Alan Milburn rightly points out, the NEET crisis is not the story of a generation unwilling to work. It is the story of a system that has not kept pace with young people's needs. The evidence is clear that early disengagement leaves lasting scars well into adulthood, that countries like the Netherlands have done better by holistically joining up support around the individual, and that pushing people into "any job" rarely leads to a better one.

Our GRN members show what an alternative approach looks like. From West Yorkshire's Fair Work Charter and Promise, to Brighton and Hove's Youth Employment Hub and South Yorkshire's Pathways to Work, places are building shared visions, joining up health, skills and employment, and acting before young people disconnect and get lost in the system. Their experience points to the same principles: no wrong door, lasting infrastructure over short-term pilots, and collective responsibility for outcomes, whether good or bad. To achieve this, it requires a system alignment in commissioning at Strategic Authority level, alongside space for innovation and locally tailored responses at neighbourhood level – led by local authorities and the voluntary and community sector.

But places cannot do this alone. Real progress depends on national government devolving powers and data, committing to multi-year place-based funding, and moving beyond the "ABC" approach. With Youth Hubs opening and public procurement now geared towards good British jobs and skills, the government is moving towards this opportunity. The Growth and Reform Network will continue to bring members together to share what works, and to make the case for places to lead the way.



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