DESIGNING BETTER FUTURES

LESSONS FROM FORTY YEARS OF YOUTH EMPLOYMENT INTERVENTIONS IN ENGLAND

Employment Related Services Association

Published by the Employment Related Services Association

June 2025

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FOREWORD
FROM ELIZABETH TAYLOR

Chief Executive,
Employment Related Services Association (ERSA)

As the head of ERSA, and someone personally invested in many of the initiatives covered in this report, I welcome our government's renewed commitment to the Youth Guarantee. I believe every young person should be given the support and opportunity to thrive in good work or training and have spent much of my career working towards that.

After graduating in the early 80's, I secured my first job as an advisor in Leicester. By 1986 I was at the World Conference for Youth on Employment Strategies in Vancouver; one of just two UK delegates. I have worked continuously in the employment support sector for more than four decades and have experience of delivering and managing most of the provisions considered in the coming pages.

Inevitably I am frustrated that the thorny issue of youth employment never goes away. There have been periods when it was not big news, but it has not been mastered, and it comes back in waves.

Ambition and innovation are required to deliver the Youth Guarantee and to combat a rising tide of economically inactive young people. We must learn from past programmes and act on the recommendations in this report to give today's, and tomorrow's, young people a working future. The employment support sector which ERSA represents plays a vital role in this, working with and for young people, and engaging employers to successfully fill vacancies.

ERSA has researched and written this report to demonstrate what has gone before, the sector's expertise, and its hopes for renewed programmes. Thank you to the many experts that gave their time to its formation, and all credit goes to ERSA's young policy team, in particular to Jack Farnhill-Bain and Alicia Blackham, for researching and writing it.

ERSA CEO Elizabeth Taylor at the World Conference for Youth on Employment Strategies, 1986

EXECUTIVE SUMMARY

This report considers 11 youth employment programmes, spanning four decades of delivery. Its purpose is to gain a deeper understanding of the implementation of these interventions, their strengths and weaknesses, to show what works best in their design and delivery.

Undertaken in 2025 by the Employment Related Services Association, the membership body of the employment and skills sector, the research and recommendations are supported by evidence from 17 semi-structured interviews with industry experts and four online roundtables, engaging 63 people in total.

This work was made possible due to Youth Employment Infrastructure Funding from Youth Futures Foundation (YFF). It funds this work in England only. ERSA may expand the remit of this research UK-wide in the future.

Based on ERSA's findings, the report makes a series of commissioning and government policy recommendations. These aim to reduce the number of young people, aged between 16 and 24, not in education, employment or training (NEET), and to make high quality employment support accessible to all.

KEY FINDINGS:

1. There is no one-size-fits-all approach to supporting young people.
2. Contrasting approaches are needed to engage with young people inside and outside the benefits system.
3. Consistent, trusting relationships between young people and advisors are key to programme success.
4. Not all barriers are related to employment.
5. Inflexible eligibility criteria and programme structure have been barriers to organisations engaging and supporting young people.
6. Long-term programme impact requires sufficient and stable funding.
7. Local and national provision play distinct but complementary roles in supporting young people.
8. Careful and patient stakeholder engagement in commissioning led to more effective programmes.
9. Listening to young people improves programme design, delivery and outcomes.
10. Engaging with employers is essential to delivering effective programmes.
11. Learning from past programmes and the experience of providers and participants is often underused in programme design.

COMMISSIONING RECOMMENDATIONS:

1. Ensure all funding for future youth employment interventions span at least three years, ensuring organisations can deliver programmes without the pressure of short-term funding on their operations and staff.
2. Commissioning should properly engage with stakeholders and allow sufficient lead-in time to avoid teething issues.
3. Make high quality relationship-based support from an advisor a key aspect of youth employment interventions, ensuring young people are guided throughout accessing support, gaining, and sustaining employment.
4. Collaborate with and support a network of youth-focused employment support providers who have knowledge and experience delivering programmes for young people.
5. Integrate youth employability support with local health, housing, and welfare services to effectively support young people facing complex barriers.
6. Work with employers to create high-quality opportunities for disadvantaged young people in growth sectors, utilising wage subsidies to encourage engagement.
7. Ensure that youth voice is embedded in designing and delivering youth employment interventions.
8. Ensure that evaluation is embedded in the design of programmes to ensure that lessons learnt from delivery and outcomes can be effectively tracked for impact analysis.

Dorcas, Smart Works Greater Manchester

POLICY RECOMMENDATIONS:

1. Create a nationally available, permanent guarantee of employment support for young people, backed by investing in a range of high-quality support options.
2. Empower local communities with dedicated people and skills funding, allowing them to fund tailored support for those furthest from the labour market, facing considerable barriers to education, employment or training, whilst meeting local priorities as outlined in their Get Britain Working Plans.
3. Review the Youth Employment Hub model of supporting young people to ensure it has support from national government where it is being used and to explore its potential lessons for the new Jobs and Careers Service.

RESEARCH METHOD

In 2024, the new government reinforced a commitment to the Youth Guarantee, stating that every young person should have access to a learning or earning pathway. The Youth Guarantee aims to provide all 18 to 21 year-olds with access to training, apprenticeships, or support to find work, to reduce the number of young people not in education or employment. The Guarantee is part of a broader strategy to tackle economic inactivity and boost youth employment opportunities.

ERSA has researched and written this history of youth employment with input from its members, who have worked on youth employment initiatives since the 1980s. This report combines our network's first-hand experience with desk-based research to identify best practice and lessons learnt.

The following employment interventions, supporting young people in England over the last 40 years, have been analysed:

- Youth Training Scheme
- The New Deal for Young People
- Future Jobs Fund
- European Social Fund
- Building Better Opportunities
- The Youth Contract
- Talent Match
- The Work Programme (18–24 Payment Group 1)
- The Kickstart Scheme
- Youth Employment Hubs / DWP Youth Offer
- UK Shared Prosperity Fund NEET Provision

To synthesise evidence across the programmes, ERSA conducted an extensive process of desk-based research, using publicly accessible evaluations, academic articles and other accounts. This information was used to create programme profiles, including practical details like eligibility criteria and support offered, their impact, and relative strengths and weaknesses.

ERSA also conducted a series of semi-structured interviews with a range of sector professionals experienced in delivering these programmes. Interviewees were provided with a list of questions in advance to structure and stimulate discussion. ERSA conducted seventeen interviews with eighteen people, held three online roundtables focused on programmes, and one online roundtable with key policy stakeholders, engaging 63 people in total.

This research focuses on interventions in England only, although many of the programmes were delivered across the UK. ERSA hopes its insights will hold equal relevance and will inform devolved commissioning in Scotland, Wales, and Northern Ireland, as well as future commissioning through strategic authorities in England.

CONTRIBUTORS

ERSA would like to thank the following organisations for their invaluable input:

- Angus Knight Group
- Barnados
- Blackpool City Council
- Bury City Council
- Catch-22
- Circle Collective
- Citizens Advice
- Community First
- Conwy County Council
- CXK
- Durham City Council
- Education Development Trust
- EFL in The Community
- Expanding Horizons
- EY Foundation
- Fedcap
- Futures Advice
- Game Academy
- Get Set UK
- Gower College Swansea
- Greater Manchester Combined Authority
- Groundwork UK
- IMO Charity
- Ingeus
- Institute for Employment Studies
- ITEC Skills
- Learning and Work Institute
- Merseyside Youth Association
- Momentic
- Network for Europe
- NYBEP
- Pembrokeshire County Council
- People in Their Brilliance
- Placer
- Plymouth City Council
- Positive Steps
- Real Ideas
- Recro Consulting
- Reed in Partnership
- Routes to Work
- Shaw Trust
- Spark
- Sports 4 Life
- The Kings Trust
- The National Lottery Community Fund
- The Phoenix Group
- Transform Lives Company
- Triage
- Twin Group
- Unity Works
- Voluntary Action North Lanarkshire
- Youth Futures Foundation

THE NEET CHALLENGE

At the time of writing, the UK is approaching one million young people not in education, employment, or training (NEET). This equates to approximately one in every eight young people (12.5%).[1]

Research has shown being NEET to be 'sticky', 75% of those who experience three months of being NEET will go on to be NEET for 12 months.[2] Periods of being NEET have a significant impact on the future prospects of young people; repeated periods of early unemployment have been shown to reduce earnings by 12-13% at age 42.[3]

This presents a significant drain on the economic potential of the UK. Reducing the UK's NEET rate to that of the Netherlands (which has the lowest NEET rate in the Organisation for Economic Cooperation and Development countries of 4.4%), could provide a Gross Domestic Product boost of £69 billion.[4] There is a clear cost to the continuation of the status quo, and substantial opportunities for the government in moving the dial on the NEET challenge.

Economic inactivity rates among young people have been steadily increasing in the UK since 1992, partly due to increased participation in higher education during that period. However, since 2023, the number of economically inactive young people not in full-time education has sharply increased, reaching an all-time high in 2025.[5]

Following the pandemic, there was a significant increase in the number of young people who were economically inactive due to health-related causes, predominantly mental health conditions: a group which increased by 24% between 2019 and 2022.[6]

Unemployment among young people peaked in 2020, at 15.3% following the pandemic, and then declined to a historic low in 2022. However, since then, the rate has been steadily increasing, and by 2025, had exceeded the pre-pandemic rate by 81,000 young people.[7] Concerningly, the most recent Office for National Statistics data indicates that one in four unemployed young people have been out of work for more than a year.[8]

National level analysis doesn't fully capture the extent of the NEET challenge. Research shows that NEET levels are not distributed evenly across the country, with rates varying across Local Authority areas. Low levels of qualification and accessing free school meals are key risk factors for spending time NEET in the future. Coming from an ethnic minority background, having special educational needs or a disability (SEND), or being care-experienced makes it more likely a young person will spend time NEET.[9]

1. Office for National Statistics, Labour Market Overview, (ONS, May 2025), available online: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/may2025 (accessed: 26.05.25)
2. Gadsby, B., Research Briefing 6: The Long-Term NEET Population, (Impetus, 2019), available online: https://impetus-org.files.svdcdn.com/production/assets/publications/Youth-Jobs-Gap-The-Long-Term-NEET-Population.pdf
3. Gregg, P. & Tominey, E., 'The wage scar from male youth unemployment', Labour Economics, (Elsevier, 2005)
4. Youth Futures Foundation, Tackling youth unemployment could generate £69bn for UK economy, (September 2023), available online: https://youthfuturesfoundation.org/news/tackling-youth-unemployment-could-generate-69bn-for-uk-economy/
5. Francis-Devine, B., Research Briefing: Youth unemployment statistics, (House of Commons Library, 2025), available online: https://researchbriefings.files.parliament.uk/documents/SN05871/SN05871.pdf
6. Ibid.
7. Ibid.
8. Op. Cit., Office for National Statistics, (May 2025)
9. Baloch, A., Youth Jobs Gap: Exploring Compound Disadvantage, (Impetus, 2025), available online: https://impetus-org.files.svdcdn.com/production/assets/publications/Report/Impetus_YouthJobsGap_ExploringCompoundDisadvantage.pdf?dm=1747140359

PROGRAMME FOCUS

New Deal ETF Training East Lancashire

THE YOUTH TRAINING SCHEME (1983–1990)

The Youth Training Scheme (YTS) was announced in a 1981 white paper entitled A New Training Initiative: A Programme for Action.[10] The white paper was the response of the Manpower Services Commission to a consultation launched the previous year, entitled A New Training Initiative.

It focused on the need to:

Develop skills training to provide routes for all young people to acquire skills for the jobs available and provide a basis for further learning

Ensure all young people under the age of 18 have the opportunity to continue in full-time education or enter a period of planned work experience combined with work-related training

Open opportunities for adults to increase or update their skills during their working lives

The rationale for the programme outlined the extent to which Britain had fallen behind close European neighbours in the early 1980s in terms of the number of young people receiving further education or training of some kind until the age of 18. It was noted that the British skills system primarily focused on traditional trade and craft apprenticeships and that the skills training landscape was complex, with numerous organisations sharing responsibility for training young people.

The scheme became operational in 1983 and ended in 1990.[11] It offered a one-year work experience placement, with on-the-job training from an employer or multiple employers. It also provided off-the-job training to young people delivered through local colleges or company training schools. The on-the-job and off-the-job training were intended to be occupationally relevant, with the off-the-job training required to represent at least three months of the year-long placement.[12] The one-year duration of the placements was extended to two years in 1986.

The scheme was funded by £1 billion in annual investment.[13] Targeted at 16-18 year-olds who had left school, the scheme was initially voluntary but later linked with conditionality and sanctioning in the benefits system. The scheme's payments to employers marked the first time the UK government subsidised employers to create placements for young people entering the labour market.

There were three modes of YTS provision:[14]

Mode A: Employer-led schemes

Mode B1: Training workshops, community projects and information technology centres – led largely by Local Authorities or voluntary bodies

Mode B2: College-based

10 Department of Employment, A New Training Initiative: A Programme for Action, (UK Government, 1981), available online: https://www.education-uk.org/documents/official-papers/1981-wp-new-training-initiative.html

11 Maguire, S., A Difficult Nut to Crack? How the UK has tackled the youth employment challenge, (EDGE Foundation, 2022), available online: https://www.edge.co.uk/documents/301/Youth_unemployment_report_final2.pdf

12 Op.Cit.,Department of Employment (1981)

13 Ibid.

14 Tusting, K. & Barton, D., Programmes for unemployed people since the 1970s: the changing place of literacy, language and numeracy, (Lancaster University, 2007)

The organisation of the on-the-job and off-the-job training was undertaken by the managing agents, either public or private sector organisations, who acted as umbrella organisations, drawing together a number of employers and training providers or in a minority of cases providing work placements internally.[15] Managing agents were paid an administrative cost, including a payment to vacated places, the trainee's allowance, which was higher than the previous Youth Opportunities Programme (YOP) allowance, but fell significantly relative to the average earnings of the wider age group over the course of the scheme.[16] Employers were, as on YOP, able to place trainees at no cost on YTS.

The Youth Training Scheme presented a wide-ranging offer to young people, offering support regardless of their labour market status or background. At times, up to 45% of school leavers were entering the scheme. Different analyses have produced diverse and even contradictory estimates of impact.[17] One analysis showed a 14-19% increase in the probability of a young person being in employment three years after leaving school.[18] The evaluations conducted in the 1980s and 1990s unanimously concluded that the scheme had at least a positive effect on the probability of employment for young people who had participated in it and likewise on the wage they received following participation in it.

In the minds of many, YTS was a positive force; individuals ERSA spoke to about other programmes had their own careers started by YTS. This sentiment is easily found on social media[19] and demonstrated in a 2012 Guardian Letter, Setting the Record Straight on YTS,[20] which argues that if YTS had been an appropriately supported model, it could have been the face of vocational education in the UK today and have prevented the youth unemployment crisis.

The evaluation of YTS as having positive effects on both the employment rate and the wage level of participants is subject to strong caveats regarding the data used, the methods used, and the level of control for external factors. There has not been a Cost-Benefit Analysis of YTS, and the evaluation of the scheme was limited, particularly in light of the extent of government spending on the programme.

There is a consensus in the analysis of YTS that the scheme 'failed to operate as a high-quality training programme'.[21] The support offered was segmented, with a high variation in the level and quality of training provided. There was a view throughout the scheme's operation that many of its participants were working, and not developing skills, as outlined by the MP for Motherwell South, James Hamilton, in a 1986 debate in the House of Commons:

> *'Will the Minister recognise that many of the young people who have been contracted to YTS schemes are not being taught any skills? Many of them are carrying out labouring-type jobs and, as a result, many of them are disillusioned. I sent a letter yesterday to the Paymaster General setting out the case of a young person who had been contracted to a YTS scheme and who had done a labourer's job from start to finish.'*[22]

15 Jones, I., 'An Evaluation of YTS', Oxford Review of Economic Policy, (Oxford University Press, 1988)

16 Bradley, S., 'The Youth Training Scheme: a critical review of the evaluation literature', International Journal of Manpower, (MCB University Press, 1995)

17 Droy, L. T., Goodwin, J. D. & O'Connor, H., 'The Impact of Youth Training Schemes (YTS) on Occupational Mobility in BCS 1970: An approach considering methodological uncertainty', Occasional Papers, (University of Leicester, 2019)

18 Main, B. G. M., 'The effect of the Youth Training Scheme on employment probability', Applied Economics, (Routledge, 1991)

19 Comments on YTS ad

20 Levy, M., Setting the record straight on YTS, (The Guardian, 19 February 2012), available online: https://www.theguardian.com/society/2012/feb/19/setting-record-straight-on-yts

21 Op. Cit., Maguire, S., (2022)

22 https://hansard.parliament.uk/Commons/1986-07-22/debates/4106d454-6dc0-49fd-a86e-2fcbd0df87e0/YouthTrainingScheme

Another significant criticism of the Youth Training Scheme was the level at which young people were paid for their one, or subsequently two-year placements. In 1983, the average weekly allowance of a YTS participant was under 10% less than the average earnings of 16-18 year-olds. By 1990, when the scheme closed, this had increased to 26% for 16-year-olds and 49.71% for 17-year-olds.[23]

The points above illustrate a serious reputational challenge faced by YTS. Its opponents saw the scheme as nothing more than a way for employers to take advantage of school leavers for cheap labour. In fact, in 1985, many young people participated in school strikes against the government's plan to make YTS compulsory for unemployed school leavers.[24] This policy change was delayed but ultimately implemented in 1988.

Overall, the Youth Training Scheme was a significant investment by the government to open up opportunities for young people, which evidence shows improved their prospects of later employment and wage potential. However, the scheme became marred with controversy due to low wages and poor-quality placements and training.

23 Op. Cit. Bradley 1995

24 Liverpool School Strike 1985 exhibition at The Bluecoat, (BBC News, 5 October 2011), available online: https://www.bbc.co.uk/news/uk-england-merseyside-15153305

New Deal ETF East Lancashire

Resurgo, Spear Programme Camden

NEW DEAL FOR YOUNG PEOPLE

(1998-2010)

In 1998 the new Labour government led by Tony Blair introduced the New Deals.

New Deal for Young People (NDYP) was initially launched in January 1998 through 12 pathfinder areas before expanding to full national delivery in April 1998. NDYP was the largest of a package of policies making up the New Deal; other programmes included New Deal 25+, New Deal for Lone Parents, New Deal for the Disabled, New Deal 50+ and New Deal for Musicians.[25]

NDYP was a government response to high levels of youth unemployment and the importance of this issue to the electorate during the 1997 election. Polling at the time showed that unemployment was the joint top answer (18%) when respondents were asked what the most important issue was facing Britain.[26] The programme was funded by a one-off windfall tax on privatised utilities, raising £5.2 billion.[27]

NDYP was managed by the Employment Service until 2002, when it merged with the Benefits Agency to form Jobcentre Plus,[28] which then oversaw it. The programme was split into 142 Units of Delivery across Britain; it was expected this would allow local specialisation and effective partnership working through the integration of labour market knowledge and employer connections. Evaluations of the New Deal have shown that the extent to which this was achieved varied greatly between areas and was shaped extensively by previous local partnerships, administrative networks, and labour market conditions.[29]

To qualify for NDYP, a participant had to be six months or more unemployed and claiming Job Seekers Allowance (JSA), unless they were one of eleven specified groups who could enter early. These included individuals with disabilities, ex-offenders, lone parents and people with limited literacy and numeracy. New Deal was mandatory for young people unemployed for six months or more.

The programme's first stage was the Gateway, a period of intensive job search and employability support delivered by a New Deal Personal Advisor (NDPA), lasting four months. The Gateway stage was delivered through various commissioning models: joint venture partnerships, consortia, private sector-led, and Employment Service-led. The combination of advice, support and 'pressure' was a key innovation of the programme.[30] Two-thirds of participants moved into work at this stage, showing that the combination of tailored support and increased motivation, as well as the threat of benefit sanctions or entering the options phase,

25 National Audit Office, The New Deal for Young People, (NAO, 2002), available online: https://webarchive.nationalarchives.gov.uk/ukgwa/20170207052351/https://www.nao.org.uk/wp-content/uploads/2002/02/0102639.pdf

26 MORI Political Monitor, Political Attitudes in Great Britain, January 1997, (IPSOS MORI, 31 January 1997), available online: https://www.ipsos.com/en-uk/political-attitudes-great-britain-january-1997

27 Seely, A., The Windfall Tax, (House of Commons https://commonslibrary.parliament.uk/research-briefings/sn00338/#:~:text=Legislation%20to%20this%20effect%20was,1997%20and%201%20December%201998.

28 Riley, R., et. al., The Introduction of Jobcentre Plus: An evaluation of labour market impacts, (Department for Work and Pensions, 2011), available online: https://assets.publishing.service.gov.uk/media/5a7cd46b40f0b6629523c11a/rrep781.pdf

29 Hasluck, C., The New Deal for Young People Two Years On, (Institute for Employment Research, 2000), available online: https://warwick.ac.uk/fac/soc/ier/publications/2000/hasluck_2000_esr41rep.pdf

30 Millar, J., 'New Deal for Young People: Participants' Perspectives', Policy Studies, (Taylor & Francis, 2000)

was an effective process for moving long-term unemployed young people into work.[31] National surveys of participants show that young people found the support they received from the NDPA to be transformative. Likewise, NDPAs felt they could build tailored plans to help young people overcome their barriers to employment.[32]

If a young person failed to move into work during the Gateway stage, they moved onto the Options phase of the programme. These participants largely fell into three distinct groups:

Few qualifications, no skills and no work experience: People far from the labour market, needing either work experience or skills. Many didn't have formal qualifications including Maths and English

The hardest to help: Had significant barriers to work, such as homelessness, care leavers, debt, or child-support issues. This group also included those with learning and/or behavioural problems. Reflecting on this today, it is likely this group included neurodiverse young people and those with mental health conditions. As one interviewee put it: 'just because we didn't talk about it, doesn't mean it didn't exist'. This group also experienced a lack of skills and work experience

Those perceived as the hardcore group: Often already working cash in hand or involved in illicit activities. NDYP meant they were on a 30 hour a week provision that challenged some of their other activities. Often these young people were from complex backgrounds where unemployment and scepticism of job schemes was generational [33]

The four options on NDYP included:

Employment: A six-month work placement with an employer. The employer received a £60 a week subsidy for the participant's wages and a one-off £750 payment to support the compulsory (minimum) one day of training a week, which had to be provided

Fulltime education and training (FTET): Targeted at young people lacking basic skills or training. Participation in a full-time education or training course at a college or with another provider. Young people received a benefit equivalent to Jobseeker's Allowance (JSA) while participating in this option

Voluntary sector option (VSO): A job with a voluntary sector organisation. Participants were paid at least the same rate as JSA, with an additional £400 spread over the six-month duration of the option. Some voluntary sector providers sourced additional monies, usually through the European Social Fund, to pay a waged option

Environmental task force (ETF): Perceived by some to be the last possible option, but in reality quality environmental projects were developed, usually by the third sector, to deliver this option through placements working on environmental projects. Participants were paid the same as on the voluntary sector option. Again some providers sourced additional monies, usually through the European Social Fund, to pay a waged option

A phrase frequently used was 'no fifth option'. Young People had to undertake one of the four options after Gateway.

31 Finn, D., 'The "Employment-First" Welfare State: Lessons from the New Deal for Young People', Social Policy & Administration, (Wiley, 2003)
32 Ibid.
33 Ibid.

To some extent, there was a perception of hierarchy to the different options, with the employment option seen as the best. It attracted those closest to being ready for work, and putting the participant in a real work environment provided the skills and experience to enable them to secure unsubsidised employment.

Some evidence shows that young people from ethnic minorities and those with health conditions were less likely to choose the employment option.[34] However, 2000 data from the Employment Service showed that ethnic minority participants were equally represented in those put forward for the employment option, suggesting the lower level of take-up was due to employer recruitment practices.[35]

Long-term tracking of participants showed the employment option to be the most effective, with participants spending on average 7% more time in work over four years than a matched group of full time education and training participants, and 9% more than voluntary option and environmental taskforce participants.[36]

If, after completing one of the options, a young person had not achieved a job outcome, they entered the follow-through phase, involving another period of intensive job search. If this was unsuccessful, young people were able to re-enter the options phase or, in some cases, return to the Gateway.[37]

The New Deal for Young People marked a significant investment in the future of young unemployed people. Through this investment, New Labour created a positive environment surrounding the programme, invoking Roosevelt's New Deal to draw contrast between this programme and the reputationally challenged Youth Training Scheme. The positive atmosphere created by the New Deal was reflected in the views of participants, employers and staff working on the programme, such as the New Deal Personal Advisors.[38] The success of New Deal made a significant impact on the labour market, reaching the government's target of 250,000 young people into work by September 2000.[39]

The New Deal Gateway phase was the first time an advisor-driven model had been used in combination with a work-first approach for young people in the UK. NDPAs worked closely with young people to help them overcome their barriers and move into work, effectively filtering out those needing tailored support to move out of unemployment. Surveys of participants in the programme's first two years clearly showed the extent to which young people valued their NDPA as a central point of contact, providing support throughout their time on the programme.[40] New Deal data shows that two-thirds of participants on NDYP left the programme at the Gateway stage,[41] suggesting that a period of sustained job search with support from an allocated personal job search coach was an effective approach to moving young people out of long-term unemployment if they were ready for work.

For those less ready for work, the range of options available empowered advisors to discuss options with participants and to make the right referral decisions.

The predominant strength of the NDYP was the range of options available to the third of participants who didn't move into work in during the Gateway.

The employment option was the most popular and effective, with one survey of employers showing 60% of participants were retained following their placement.[42]

Those who lacked qualifications, numeracy, and literacy could be placed in the full time education and training option.

34 Op. Cit., Hasluck, C., (2000)

35 Ibid.

36 Beale, I., Boss, C. Thomas, A., The longer-term impact of the New Deal for Young People, (Department for Work and Pensions, 2008), available online: https://dera.ioe.ac.uk/id/eprint/7485/1/WP23.pdf

37 Olle, H., The New Deal for Young People (NDYP), (EDGE Foundation, 2022), available online: https://www.edge.co.uk/documents/319/LFP13final.pdf

38 Op. Cit., Millar, J., (2000)

39 Op. Cit., National Audit Office, (2002)

40 Ibid.

41 Op. Cit., Finn, (2003)

42 Hales, J., et. al., New Deals for Young People and for Long-Term Unemployed: Survey of Employers, (Employment Service, 2000)

Those who lacked work experience could be placed in the employment, voluntary, or environmental task force. Whilst on voluntary or environmental options, participants could access skills qualifications and training alongside work experience. Most left New Deal understanding the world of work, with relevant vocational qualifications, literacy and numeracy, and for some, driving lessons and licences.

Every young person had a choice of work experience based on their existing experience, future possibilities, and aspirations. All participants had an individual action plan tailored to their needs and reviewed in the job search sessions. The individual action plan was a live working document and if a participant did not secure employment, it would be provided to the Jobcentre at the end of the placement so that it could be continued.

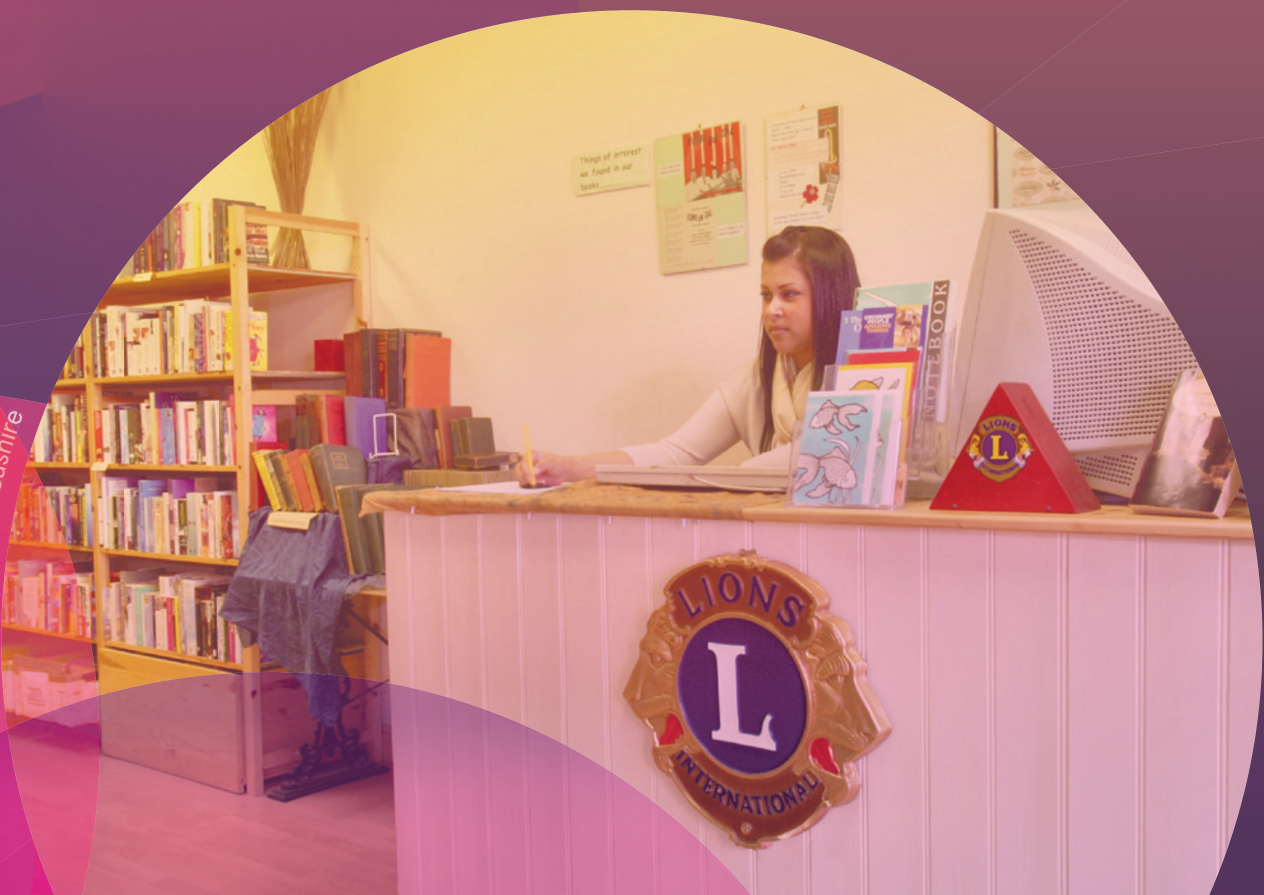
New Deal was OFSTED inspected, and the use of individual action plans was a key focus of New Deal delivery.

The 30 hours weekly participation on New Deal ETF and VSO meant supervisors and employment advisors could really get to know participants, thereby enhancing job matching and applications.

NDYP has been shown to have a higher impact on white participants than on those from ethnic minorities. Male participants also benefited more from the programme than their female counterparts. There is also evidence of geographical disparity in which economically deprived areas benefited less from NDYP, due to the lack of existing opportunities in those communities. However, many New Deal providers were innovative and created opportunities for young people linked to local labour markets.

Overall, NDYP had a significant impact on the youth labour market, sustaining investment over several years. Provision was varied, combining intensive job search with options of support for those who did not move into work during the Gateway stage.

The main strength of NDYP was that the Employment Service/Jobcentre advisor worked with the New Deal provider focussing on the young person's progression and any difficulties they were encountering. It was a partnership between the public employment service and commissioned providers.



New Deal VSO East Lancashire

THE EUROPEAN SOCIAL FUND

(2000–2023)

The European Social Fund (ESF) is the oldest of the European Union's Structural Investment Funds, having existed since the Treaty of Rome in 1957. The UK gained access to the ESF when it joined the EU in 1973.

For this report, ERSA has focused on ESF since 2000 as this period most closely aligns with the experience of our network.

2000–2006 ESF

In this period, ESF funding was available to support under Objective 1 and Objective 3 set by the European Union. Objective 3 provided support nationally, and Objective 1 in areas of high need:

Objective 1 promotes the development and structural adjustment of regions whose development is lagging behind. These are regions whose per capita GDP is less than 75% of the EU average. (75% of funding provided by ESF)

Objective 3 supports the adaptation and modernisation of policies and systems of education, training and employment. (50% of funding provided by ESF).

During this period, the ESF aimed to tackle labour market participation through five main policy fields:

- Active labour market
- Equal opportunities for all
- Lifelong learning
- Adaptability and entrepreneurship
- Improving the participation of women in the labour market

Under the active labour market policy field, ESF was used to enhance existing NDYP provision, through adding value to existing provision at a local level.[43]

2007–2013 ESF

England received funding from the European Social Fund under two objectives:

1. Convergence objective

Available in Cornwall and the Isle of Scilly only

Aimed to accelerate the economic development of regions lagging behind EU average

2. Regional competitiveness and employment objective

Available in all of England and Gibraltar except Cornwall and the Isles of Scilly

Aimed to strengthen the economic competitiveness of regions whilst promoting employment

The DWP organised the ESF programme with six priorities, three for each objective. Priority One and Priority Four were targeted at unemployed or economically inactive people, including NEET young people or young people at risk of becoming NEET.

Priority 1: Extending employment opportunities. (1,794 million euros)

All of England and Gibraltar, except for Cornwall and Isles of Scilly

Priority 4: Tackling barriers to employment. (75 million euros)

Cornwall and the Isles of Scilly

43 Work and Pensions Committee, European Social Fund, (House of Commons, 2003), available online: https://publications.parliament.uk/pa/cm200203/cmselect/cmworpen/680/680.pdf

EU funds provided 50% of the total investment in Priority 1 and 75% of Priority 4.[44] In Priority 1, approximately 21% of participants engaged were NEET young people, meaning total investment in supporting this cohort was 376 million euros over the period.

2014-2020 ESF

The last investment cycle of ESF available in the UK was 2014-2020; however, this was extended to 2023.[55] Funding to support young people NEET or at risk of becoming NEET was available through Priority Axis 1.

Priority Axis 1: Inclusive Labour Markets[45]

Access to employment for jobseekers and inactive people (1.1): to help those who are disadvantaged but still relatively close to the labour market to tackle their barriers to work, and enter and sustain employment

Sustainable integration of young people (1.2): to focus on helping young people, particularly those who are NEET or at risk of becoming NEET, to participate in the labour market and in learning activities

Youth Employment Initiative (YEI) (1.3): to focus on helping young people, who are NEET, to participate in the labour market and learning in areas eligible for the YEI

Active inclusion (1.4): to help people who are more distant from the labour market and may face multiple disadvantages to tackle their multiple, complex and profound barriers to work and to move towards or into employment, or to sustain employment

Community Led Local Development (1.5): to support activities initiated by local action groups

The DWP evaluation of the ESF investment cycle showed the positive impact of ESF-funded provision on participants. The average participant spent around 39.7 more days in employment in the three years after starting. For the economically inactive participants who access ESF provision, this figure is boosted to 76 more days in employment over the three-year period. This cycle of ESF investment returned £0.69 for every pound spent, a net loss. However, this analysis focused only on DWP outcomes and did not consider savings in other departments, such as Education or Justice. ESF made a return of £1.50 for every pound spent in society at large, including through increases in economic output.[46]

44 Ministry of Housing Communities and Local Government & Department for Work and Pensions, European Social Fund 2014 to 2020 programme: 2023 booklet, (UK Government, 2023), available online: https://www.gov.uk/government/publications/european-social-fund-case-studies/european-social-fund-2014-to-2020-programme-2023-booklet

45 Department for Work & Pensions, European Social Fund England Operational Programme 2014-2020, (UK Government, 2014), available online: https://www.gov.uk/government/publications/european-social-fund-operational-programme-2014-to-2020/european-social-fund-england-operational-programme-2014-2020#section-2-priority-axes

46 Department for Work and Pensions & Government Social Research Profession, Summary: Impact evaluation of the European Social Fund 2014-2020 programme in England, (UK Government, 2025), available online: https://www.gov.uk/government/publications/impact-evaluation-of-the-european-social-fund-2014-2020-programme-in-england/summary-impact-evaluation-of-the-european-social-fund-2014-2020-programme-in-england#main-findings

YOUTH EMPLOYMENT INITIATIVE

The Youth Employment Initiative (YEI) was part of the EU Commission's response to high levels of youth unemployment in the wake of the 2008 financial crisis. Geographically targeted at areas where youth unemployment had been higher than 25% in 2012 or where there had been significant increases in youth unemployment in 2012. In England, 24 projects were funded and led by a mixture of public, private and VCS organisations. **Projects delivered on one or more of the following objectives:**[47]

To support the rise in the participation age by providing additional traineeship and apprenticeship opportunities for 15-29 year-old NEETs in YEI areas, with a particular focus on 15-19 year-old NEETs

To engage marginalised 15-29 year-old NEETs in YEI areas and support them to re-engage with education or training, with a particular focus on 15-19 year-olds

To address the basic skills needs of 15-29 year-old NEETs in YEI areas so that they can compete effectively in the labour market

To provide additional work experience and pre-employment training opportunities to 15-29 year-old NEETs in YEI areas, with a particular focus on those aged over 18

To support 15-29 year-old lone parents who are NEET in YEI areas in overcoming the barriers they face in participating in the labour market (including childcare)

Evaluation of the YEI shows that it was generally effective in meeting its objectives and particularly at working with those most disengaged from mainstream services, the 'hidden NEETs'[48]

Matched funding was a key element of ESF funding; there were two delivery models:

Co-financing: Match funding is provided by a national Co-Financing Organisation (CFO), such as DWP.

Direct delivery: Delivery organisations source their own match funding and directly bid for funding.

The UK enjoyed roughly £2 billion of structural investment a year before funding ended due to Brexit, in 2023. In the most recent cycle, 2014-2020, over 7 million people were supported by ESF-funded provision.[49] ESF represented a significant and sustained source of funding for many organisations working to support young people into employment, education and training, allowing for tailored support at a local level.[50]

However, the audit and evidence requirements placed on organisations that received funding from the ESF were extensive. European audit requirements were criticised for focusing too heavily on an organisation's ability to provide evidence of what proportion of funding was spent on minor overheads such as stationery, rather than on factors related directly to value for money and quality of service.[51]

47 https://www.gov.uk/government/publications/youth-employment-initiative-impact-evaluation/youth-employment-initiative-impact-evaluation#introduction-1

48 Ibid.

49 Morton, A., Taylor, E. & Dell, A., 'Employment and Support' in Bonner, A. (eds.), COVID-19 and Social Determinants of Health: Wicked Issues and Relationalism, (Policy Press, 2023)

50 Payne, J., Butler, P. & Rose, J., Shouting into the Void? The introduction of the UK Shared Prosperity Fund and its impact on third-sector organisations delivering employment support in England, (De Montfort University, 2024)

51 ERSA & NCVO, Future Employment & Skills Training for Disadvantaged Groups: A Successor to the ESF, (ERSA, 2022), available online: https://ersa.org.uk/wp-content/uploads/2022/03/Future-employment-skills-training-for-disadvantaged-groups-a-successor-to-the-ESF_0.pdf

FUTURE JOBS FUND (2009-2011)

The Future Jobs Fund (FJF) was one element of the Brown government's response to the 2008 financial crisis' effect on long-term unemployment rates among young people in the UK. Several measures were brought together on the pledge, announced in the 2009 budget, known as the Young Person's Guarantee:

> *"A guaranteed job, training or work placement for all 18-24 year-olds who reach 12 months unemployed to ensure no young people are left behind due to long-term unemployment."* [52]

FJF was launched in September 2009 to support the creation of subsidised jobs for unemployed young people facing disadvantage in the labour market. The programme aimed to offset the long-term negative impact of the recession on young people's skills and work experience and ensure that, following the programme, they were in a better position to secure unsubsidised employment.

The Department for Work and Pensions (DWP) managed the programme with input from the Department for Communities and Local Government, Jobcentre Plus and devolved administrations. Organisations, including Local Authorities, voluntary and community sector organisations and private companies bid to create jobs through FJF. **The proposed jobs had to meet the following conditions:**

- Each job was at least 25 hours a week and the jobs were paid at least at the minimum wage
- The Government's contribution was a maximum of £6,500 for each job
- The jobs were required to be additional posts i.e. posts that would not exist without the FJF funding and that would not otherwise be filled by the employer as part of their core business
- The jobs were required to last at least six months
- The work must benefit local communities
- Providers were required to provide support for employees to move them into long-term, sustained employment [53]

Organisations were initially able to bid to create opportunities from May-June 2009, with successful applicants being notified in July and the work placement delivery starting in September. Bidding to create opportunities with the Future Jobs Fund then continued on a rolling basis. By March 2010, 27,920 opportunities had been created through the fund, 481 organisations received funding, with the largest bid creating 8,000 jobs and the smallest 30.[54]

52 HM Treasury, Budget 2009: Building Britain's Future, (UK Government, 2009), available online: https://www.gov.uk/government/publications/budget-2009-building-britains-future

53 Work and Pensions Committee, Youth Unemployment and the Future Jobs Fund, (House of Commons, 2010) available online: https://publications.parliament.uk/pa/cm201011/cmselect/cmworpen/472/47202.htm

54 Fishwick, T., Lane, P. & Gardiner, L., Future Jobs Fund: An independent national evaluation, (Centre for Economic & Social Inclusion, 2011), available online: https://learningandwork.org.uk/wp-content/uploads/2020/06/Future-Jobs-Fund.pdf

Originally, £1 billion was pledged to the scheme to run from October 2009 to March 2011; this was later extended in the March 2010 budget, funding the programme to March 2012 and bringing the total funding to £1.3 billion. The Coalition Government announced in May 2010 that it would save £320 million by ending the further provision of temporary jobs through FJF.[55] The maximum cost paid for a job placement was £6,5000; 40% was in advance to cover set-up costs, and the remaining 60% was based on weeks worked by FJF employees.

FJF, despite its short duration as a programme, had a significant impact. 105,220 people entered FJF vacancies between October 2009 and March 2011, with 85% of them being young people aged 18-24 claiming benefits, and over half having NQF Level 2 or below qualifications.[56] FJF had an estimated job outcome rate of 43%, with 66% of those in work following the programme being in work with their FJF employer. Participants in FJF spent on average 70 days less on benefits in the two years following participation in the programme than those who did not participate.[57]

The cost of FJF was high, at £9,176 per post-FJF job, compared to approximately £7,000 per additional unsubsidised job on NDYP. However, the analysis of the NDYP cost included indirect benefits of the programme, such as indirect tax benefits from increased household income. This kind of analysis was not possible for FJF, and this would have likely reduced the net cost per job.

Participants in FJF appreciated a real job with real wages – particularly in a time, following the 2008 recession, where work was hard to secure. Participants were paid at the national minimum wage, given a six-month contract of employment with a job description, and, whilst on the programme, treated no differently from a regular employee. 84% of participants on FJF in Greater Manchester reported being very positive about their placement.[58] Employers were effectively engaged in the programme through an extensive subsidy offer, where additional jobs were created with funded wages – ultimately, this allowed employers to take a risk on a young person they may not have considered otherwise.[59]

Conditions met by successful bids to FJF meant that the jobs created benefited local communities, not only benefiting those communities but also giving participants a sense of purpose and pride in their local area. DWP's encouragement of organisations to come together and bid for jobs through sub-regional partnerships meant that effective relationships were built between organisations working in these partnerships, leading to increased potential for collaboration in the future.[60]

FJF was mobilised at pace, and this is something that has been criticised since the end of the programme, with consensus that a longer lead time between a bid being approved and a go-live date would have allowed more time for organisations to put procedures and support in place. Evidence given to the Work and Pensions Select Committee at the time, linked the speed of implementation to some young people not being adequately prepared for the application and interview process. [61]

FJF did not formalise any outcomes around job progression. This, in combination with clear requirements for placements to be additional and exhibit community benefit, meant that it was harder for employers to sustain young people in work created by FJF.

Overall, FJF was an effective intervention. Young people who participated in the programme valued a paid job, especially one that allowed them to feel pride in their local community. The creation of partnership bids, led by Local Authorities or voluntary sector bodies, meant that organisations working in an area came together effectively to create placements. Despite this, FJF could have gone further in incentivising progression into jobs following the placement. The programme suffered due to an abrupt end of funding, following the election of a new government.

55 Department for Work and Pensions, Impact and Costs and Benefits of the Future Jobs Fund, (UK Government, 2012), available online: https://assets.publishing.service.gov.uk/media/5a7c00bde5274a7318b906f1/impacts_costs_benefits_fjf.pdf
56 Department for Work and Pensions, Young Person's Guarantee Official Statistics, (UK Government, 2011), available online: https://assets.publishing.service.gov.uk/media/5a7c71abe5274a5255bceaf3/ypg_apr2011.pdf
57 Op. Cit., Fishwick, T., (2011)
58 Ibid.
59 Ibid.
60 Ibid.
61 Work and Pensions Committee, Youth Unemployment and the Future Jobs Fund: Government Response to the Committee's First Report of Session 2010–11, (House of Commons, 2011) available online: https://publications.parliament.uk/pa/cm201011/cmselect/cmworpen/844/844.pdf

Soyeda, Restart Programme, Get Set UK

THE WORK PROGRAMME

(2011-2017)

The Work Programme, running between 2011 and 2017, aimed to support unemployed people on benefits into sustained work. At the time, the DWP emphasised the problem of long-term worklessness. The Work Programme therefore targeted the long-term unemployed, or those most at risk of becoming so, as part of the Coalition Government's ambitious welfare reform, which expected benefit claimants to actively look for work. The programme explicitly aimed to address the weaknesses of previous programmes; a document outlining the programme stated that:

> *"These programmes suffered from several problems: they were fragmented; interventions were over-specified; and incentives were poor, allowing providers to stay in business without delivering strong results."* [62]

In order to change this, the Work Programme aimed to offer clear incentives to deliver results, provide freedom and flexibility for service providers, and offer a long term commitment through five year contracts for providers.[63]

Whilst youth unemployment was highlighted as a particular concern[64], it was a broad programme targeting a wide range of groups; nine cohorts were eligible, one of which was young people aged 18-24 in receipt of Jobseekers' Allowance. For this group, participation was mandatory, and they were referred to the programme by Jobcentre Plus from nine months into their claim. Given the wide range of participants, a level of flexibility in the support offered was necessary:

> *"Flexibility is required given that, unlike the various group-specific New Deals, Work Programme has to cater for the needs of all different types of largely long-term unemployed claimants within a single employment scheme."* [65]

However, the support provided was broadly similar, with individuals receiving support for two years from a designated provider regardless of changes in employment. There was also a consistent work-first approach which predominantly focused on job search, CV writing and interviews rather than emphasising human-capital approaches such as training programmes or addressing specific barriers.

62 Department for Work and Pensions, The Work Programme, (UK Government, 2012), available online: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/49884/the-work-programme.pdf

63 Ibid.

64 Ibid.

65 Rees, J., Whitworth, A. & Carter, E., 'Support for All in the UK Work Programme? Differential Payments, Same Old Problem', Social Policy & Administration, (Wiley, 2014)

The level of pre-employment support varied, with nearly all participants attending an initial assessment, most receiving contact with a personal advisor fortnightly on average, and some creating action plans.[66]

The Work Programme was delivered by providers from public, private and third sector organisations, but 35 of the 40 contracts were won by private sector primes. The providers were selected based on detailed bids and the commissioning model relied on partnerships between the primes who held the government contracts and their local supply chains. In total, 18 prime providers delivered 40 contracts across 18 areas throughout Britain. There were two prime providers per contract area and three for large urban areas, and each had supply chains that involved smaller, specialist and local organisations.[67] In total, 785 organisations were involved in the Work Programme's supply chain.[68]

The payment model was payment-by-results, defined as a sustained job outcome. Only a small start fee was available in the early years of the programme, which would be eliminated after three years. In order to mitigate providers focusing on individuals closer to the labour market and encourage the long-term unemployed to be supported into work, payment amounts were differentiated for different claimant groups. A total of £3,800 was paid for a young person who found work, compared with £13,700 for someone with a limited capability to work who had been claiming benefits for several years. For young people, the initial payment was made after six months in employment and higher payments could be claimed every four weeks they remained in work. Further incentives to deliver were put in place, with the market share being shifted to the highest performing providers and additional incentive payments being made available from the fourth year of the contract.[69] This model makes it clear that the success of the programme was to be measured almost entirely by job outcomes, with minimal emphasis on softer outcomes such as improved wellbeing or readiness to move into work in the future.

Overall, the Work Programme supported a total of two million people. Participants had 46 additional days in employment and 70 fewer days receiving out of work benefits over the two years of the programme.[70] In the first four years of the programme, between June 2011 and December 2015, 1.81 million people had been referred, with 770,000 spending some time in employment over the two years, including 503,160 participants for whom job outcome payments were made.[71] According to a participant experience survey published in December 2014, around half of participants who had found work thought the work programme had played a role in helping them find it. The survey also suggests that the programme was viewed as slightly more successful by young people as 75.5% of 18-24 year-olds surveyed stated that the support matched their needs very or fairly well compared with 64.4% of 25-49 year-olds and 63.5% of people aged 50 and over.[72] This is supported by official statistics up to 2015 which show that a higher percentage of the 18-24 cohort had achieved a job outcome after 12 months.[73]

Thus, despite government criticism of the weaknesses of previous programmes and the work first approach, the Work Programme had a relatively similar job outcome rate to earlier programmes. For example, Future Jobs Fund had an estimated job outcome rate of 43%[74] compared to the 44% who had been at work at some point over the two years on the Work Programme.[75] Also, whilst the Work Programme emphasised flexibility for providers to individualise the support offered, there was little evidence of targeted approaches to address barriers to work. In reality, limited specialist help was offered and most support was instead delivered through generalist in-house staff; only 30% of participants received support related

66 Op. Cit., Department for Work and Pensions, (2012)

67 Hill, G. J., 'The Marketization of Employment Services and the British Work Programme', Competition and Change, (SAGE, 2013)

68 Op. Cit., Department for Work and Pensions, (2012)

69 Department for Work and Pensions, The Work Programme Evaluation 2020, (UK Government, 2020), available online: https://www.gov.uk/government/publications/the-work-programme-impact-assessment

70 Dar, A., Work Programme: background and statistics, (House of Commons Library, 2016), available online: https://researchbriefings.files.parliament.uk/documents/SN06340/SN06340.pdf

71 Op. Cit., Department for Work and Pensions, (2014)

72 Op. Cit., Dar, A., (2016)

73 Tracy Fishwick et al. Future Jobs Fund

74 Op. Cit., Department for Work and Pensions, (2014)

75 Op. Cit., Department for Work and Pensions, (2014)

to their health conditions or disabilities.[76] It is therefore unsurprising that disabled people and other groups with complex barriers, such as lone parents, achieved lower job outcomes.[77] One report notes:

> *"Despite having the flexibility to tailor delivery by engaging specialist or spot contractors, the report found that use of specialists varied widely and that this variation reflected attempts to control cost."* [78]

This is highly relevant when considering how to successfully support young people into work today, as rising levels of young people reporting mental health conditions make specialist support to address additional barriers essential to implementing effective employment support programmes.

However, the Work Programme did have some strengths to be taken into consideration. Firstly, the long term support offered through providing five year contracts and offering two years of support to participants regardless of employment status contrasts with the short-termism that negatively impacts some employment support programmes. Moreover, whilst substantive specialist support was lacking, providers did personalise support by creating strong relationships with participants and the majority stated that the support matched their needs either very or fairly well. This was achieved through consistent advisor contact, with two-thirds of participants reporting that they always saw the same advisor, which produced higher rated of satisfaction.[79]

Overall, positive lessons can be taken from Work Programme, particularly in terms of offering long term support and providing stability for providers through long term contracts. On the other hand, the payment-by-results model and limited use of specialist support for those with multiple and complex barriers may not be conducive to supporting individuals who have been long-term unemployed or are further from the labour market. Whilst young people achieved relatively high job outcomes compared to other cohorts, in order to support young people furthest from the labour market or those with additional barriers, providing specialist support should be central when designing a programme.

76 Ibid.
77 Op. Cit., Rees, J., (2014)
78 Op. Cit., Hill, J. G., (2013)
79 Op. Cit., Department for Work and Pensions, (2014)

New Deal ETF White Goods Recycling Blackburn Churches Action

THE YOUTH CONTRACT (2012–2016)

In November 2011, the government announced £1 billion of funding for a new Youth Contract to support 16–24-year-olds into education, training or work. Launching in April 2012 across Britain, the Youth Contract aimed to respond to the high youth unemployment during the recession.[80] The funding included apprenticeship incentives, subsidised jobs and work experience placements for 18–24 year-olds in receipt of benefits, as well as a programme of intensive support targeted at disengaged 16–17 year-olds.

Building on support already available to young unemployed people (such as through Jobcentre Plus, the apprenticeship offer, Get Britain Working Measures and the Work Programme), the Youth Contract set out the following measures:

- An Apprenticeship Grant of £1,500 for employers with less than fifty employees to take on 16-24 year-olds
- Work experience placements for 16–24 year-olds who had been claiming Jobseeker's Allowance (JSA) for at least 13 weeks
- Payments of £2,200 to providers who take on NEET 16-17 year-olds with low or no qualifications or who are from disadvantaged backgrounds
- Sector-based work academies for 18–24 year-old JSA claimants, offering them a mixture of training, work experience, and a job interview at a local business through Jobcentre Plus
- Weekly, rather than fortnightly, contact with Jobcentre Plus for 18–24 year-old JSA claimants
- Funding for localised Youth Contracts in Leeds City Region, Liverpool, and Newcastle
- Wage incentives of up to £2,275 for employers who took on young people aged 18–24) who had been claiming JSA for more than six months[81]

The Youth Contract represented a shift to a more flexible model at a local level, with local authorities playing a role in determining delivery, rather than it being mandated at a national level. The main mandated requirement was weekly contact with advisors, but they were able to use their discretion to adapt the form of support to the participant and select the most appropriate opportunities for individuals from a wide range of providers. In this way, it took a bottom-up approach in which staff at all levels were involved in implementation.[82] Many Jobcentre Plus offices created dedicated Youth Contract teams in order to manage the extra caseload, supported by the additional funding provided by the government to Jobcentre Plus offices.

Meanwhile, the support for disengaged 16–17 year-olds was funded by the Education Funding Agency (EFA) and delivered by provider organisations. The national model implemented a payment-by-results model, allowing providers to claim the full payment of £2,200 per participant only if they

80 Department for Work and Pensions, Youth Contract Official Statistics: April 2012 to November 2014, (UK Government, 2015), available online: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/417182/youth-contract-statistics-to-nov-2014.pdf

81 Mirza-Davies, J., Youth Contract, (House of Commons Library, 2015), available online: https://commonslibrary.parliament.uk/research-briefings/sn06387/

82 Jordan, L. & Thomas, A., The Youth Contract: Findings from research with Jobcentre Plus staff in five case study districts, (Department for Work and Pensions, 2013), available online: https://assets.publishing.service.gov.uk/media/5a7ce61240f0b6629523c795/rrep833.pdf

re-engaged in education or work for a minimum of five months. Additionally, there were elements of devolved funding whereby the programme was run by the local authorities in core city areas (Leeds, Bradford and Wakefield, Newcastle-Gateshead, and Liverpool).[83] These areas also designed their own localised Youth Contracts using national funding.[84]

Available data suggests that the Youth Contract had a mixed impact in terms of hard outcomes. The Youth Contract supported 198,080 people into work experience and 83,530 into Skills Based Work Academy pre-employment training in the period from April 2012 to November 2014.[85] However, the work experience placements were short, lasting between two and eight weeks, and did not necessarily translate into sustained work. A DWP customer experience report released in 2014 revealed that 47% of respondents interviewed were still receiving JSA, while 37% were in work. Only 16% of these said that they had got the job through Jobcentre Plus, however 43% believed that the support they received helped them to succeed.[86]

Another 2014 DWP report focused specifically on the impact of wage incentives on employers. 55% of employers surveyed said that wage incentives had influenced their behaviour in some way. However, less reported an impact on long-term employment, with 34% saying that incentives made them more likely to keep the participant on for more than six months. Moreover, the impact on vacancies was limited, with only 19% reporting that they created an extra position because of wage incentives.[87]

Nevertheless, some key strengths of the Youth Contract have been identified, particularly in relation to the provision of advisors. By having a named advisor for each claimant, they were able to establish better working relationships, develop a good understanding of their needs, and build trust. The extra provision for advisors enabled them to take better advantage of available support and to effectively refer claimants to appropriate opportunities. The flexibility of the approach was also effective, as it allowed advisors to tailor interventions to individuals' needs. The fact that little about the delivery approach was mandated on a national level was beneficial as each region and Jobcentre Plus office faced different labour market challenges.[88]

From the perspective of participants, the Youth Contract had an overall positive impact on confidence and motivation. A DWP survey found that the majority of respondents believed that Jobcentre Plus support had helped them by increasing their motivation to find work (65%), increasing their chances of finding work (62%) and helping them to build their confidence in finding a job (56%). This suggests that the increased Jobcentre Plus provision was a strength of the Youth Contract.[89]

On the other hand, the mandate of weekly contact was challenging due to advisor caseloads. Additionally, at times there was a lack of awareness amongst advisors about available courses and opportunities due to the broad range of choice, rendering it difficult to communicate the full range to claimants.[90] Some also argue that Jobcentre Plus staff were not in the position to act as effective work coaches; relations between advisor and claimant could reportedly be tense because they were juggling multiple roles, including acting as benefit-enforcers, and were offered little training to step into the role of careers' advisor.[91]

Overall, the Youth Contract achieved mixed results. The shift towards greater local flexibility was mostly perceived positively and the increased contact with advisors generally improved young people's readiness for work. However, it could have benefited from a greater focus on sustained work as placements were short and wage incentives seemingly did not have a significant impact on long-term employment or the number of vacancies.

83 Newton, B. et al., The Youth Contract for 16–17 year olds not in education, employment or training evaluation (Department for Education, 2014), available online: https://www.gov.uk/government/publications/youth-contract-report

84 Cagliesi, G. & Hawkins, D., 'Mind the gap between the policy announcements and implementation: The Youth Contract and Jobcentre Plus advisers' role as careers educators for 18–24-year-olds', London Review of Education, (UCL Press, 2015)

85 Op. Cit. Department for Work and Pensions, (2015)

86 Department for Work and Pensions, Customers' experiences of the Youth Contract (UK Government, 2014), available online: https://assets.publishing.service.gov.uk/media/5a7c61e4ed915d696ccfc67a/rr865-youth-contract-customer-experiences.pdf

87 Department for Work and Pensions, Evaluations of the Youth Contract Wage Incentive (UK Government, 2014), available online: https://assets.publishing.service.gov.uk/media/5a7c5b5f40f0b660183b6d1d/rr864-youth-contract-wage-incentives-2.pdf

88 Jordan, L. & Thomas, A., The Youth Contract: Findings from research with Jobcentre Plus staff in five case study districts, (Department for Work and Pensions, 2013)

89 Op. Cit., Department for Work and Pensions, (2014)

90 Ibid.

91 Op. Cit., Cagliesi, G., (2015)

TALENT MATCH

(2014–2018)

Talent Match, launched in 2012 and implemented between 2014 and 2018, was an £108 million programme funded by the National Lottery Community Fund. Aimed at 18–24 year-olds furthest from the labour market, Talent Match targeted geographical locations with high concentrations of unemployed young people and focused on specific sub-groups with additional barriers which varied by area. It was innovative in that it differed from other mainstream programmes at the time, which were generally mandatory and based on payment by results. Instead, Talent Match was voluntary, focused on co-design and delivery with young people and offered localised and individualised support.

The programme followed a subcontracting model which was based around partnership working at a local level. The grant funding provided by the National Lottery Community Fund was geographically targeted and distributed to 21 Local Enterprise Partnership (LEP) areas, chosen based on the number of young people who had been unemployed for more than a year. Local authorities in those areas then helped to identify a suitable voluntary organisation which would be the lead delivery partner. Following this, partnership leads were required to submit a bid outlining their partnership and delivery. As such, the commissioning process was lengthy, lasting over a year from October 2012 to the end of 2013.[92]

The key elements of delivery were coordination at a local level, involving young people in programme design and delivery, voluntary sector leadership, and voluntary participation.[93] There was an emphasis on developing holistic and bespoke support and improving wellbeing and local capacity as well as achieving employment outcomes.[94]

The National Lottery Community Fund emphasise that Talent Match recognised that different people needed different levels of support to gain employment.[95] As such, the Programme Guide did not set out strict delivery guidelines, but instead emphasised the following key principles:

Structured opportunities: Bringing together the public, private, voluntary and community sectors to create effective partnerships and coordination at a local level

Supporting local solutions: matching the supply of talented young people to local demand for employment and enterprise

Asset based: a belief in people powered change and the ability of young people to improve their own circumstances and life chances with the right support. Young people should be engaged and involved in all aspects of the activities we fund

Strong and positive communications: promoting positive images of young people and changing hearts and minds

92 Damm, C., Green, A. & Wells, P., Talent Match Evaluation: Comparative Report (Sheffield Hallam University, 2020), available online: https://shura.shu.ac.uk/26572/

93 Ibid.

94 Damm, C. et al., Talent Match Evaluation: A Final Assessment (Sheffield Hallam University, 2020), available online: https://shura.shu.ac.uk/26573/

95 The National Lottery Community Fund, Talent Match, available online: https://www.tnlcommunityfund.org.uk/funding/strategic-investments/talent-match#section-1

The support offered was therefore quite varied. However, all 21 partnerships either providing the following services or offered referral routes:

- Therapeutic and specialist support
- Peer mentoring
- Initial assessment and development of an individualised plan
- Information, advice and guidance (IAG)
- Basic skills, soft skills and employability skills
- Support with job search

In addition, whilst the nature of pre-employment training varied, most partnerships offered pre-employment mentoring, short term work experience and work placements, structured volunteering, and internships.[96]

By the end of December 2018, the 21 partnerships had spent a total of £96.144 million, but this was not split evenly between partnerships.[97] Overall, 46% of participants (11,940 people) were supported into employment at an average cost of £8,052. Of these, 17% (4,479 young people) were supported into sustained employment but this was considerably more costly, averaging £21,468 per participant.[98] It is estimated that 28% of participants who gained a job would not have done so without the programme.[99]

A cost benefit analysis shows that £3.08 public value was generated for every £1 spent, described as 'testament to the emphasis placed by Talent Match partnerships on developing holistic support'.[100]

In addition to job outcomes, Talent Match also had some success from a wellbeing perspective through its person-centred approach, use of key workers, and holistic support. 70% of those who secured a job and 60% of those who did not reported improved life satisfaction.[101] Whilst the majority on the programme did not secure sustained employment, most were able to take steps towards employment by improving their job readiness such as through writing CVs or attending interviews.[102] The long time period of the programme was a strength as it provided an extended period of stability in the context of ongoing public austerity.[103]

However, some weaknesses are apparent. Despite some successful partnership working, there was some inconsistent engagement with LEPs and employers. Job creation activities also varied in some areas as only half of partnerships directly provided employment opportunities.[104] The commissioning process was complex and lengthy, leading to high staff turnover and start-up costs. Ultimately, evaluations did not identify a positive fiscal benefit from the programme. The main reasons for this are two-fold: firstly, the programme was resource heavy as substantial investment is required to support young people furthest from the labour market and, secondly, the types of available jobs for young people were often low paid, meaning that even amongst those who found employment, many were still eligible for benefits and had low levels of taxation.[105]

To summarise, evaluations identify some positive impacts, particularly if we focus on wellbeing outcomes and improving job readiness, even for young people who did not find employment on the programme. On the other hand, success was somewhat slowed down by the long commissioning process and fiscal benefits were not evident, which could discourage commissioning authorities from implementing similar programmes regardless of other benefits.

Overall, Talent Match could have benefited from working with employers to increase jobs in weaker labour markets and improve the quality of jobs available in order to both secure good work for young people and increase the fiscal benefits. However, this would likely require larger scale interventions than Talent Match.[106] Despite this, Talent Match did incorporate several good practices that could positively influence other employment support programmes such as holistic and bespoke support, partnership working, and the involvement of young people in design and delivery.

96 Op. Cit., Damm, C., (2020)

97 - 105 Ibid.

106 Department for Work and Pensions, The Work Programme, (UK Government, 2012), available online: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/49884/the-work-programme.pdf

BUILDING BETTER OPPORTUNITIES PROGRAMME

(2016–2023)

The Building Better Opportunities Programme (BBO) was a seven-year, £605 million programme funded by the National Lottery Community Fund (TNL CF) with match funding from the European Social Fund 2014-2020 programme.[107]

The ESF Managing Authority at DWP oversaw the programme but it was greatly informed by a decentralised approach, in which 39 Local Enterprise Partnerships (LEPs) produced project outlines to inform the development and delivery of the programme at local levels.[108]

The project outlines informed the allocation of funding to 132 BBO projects to deliver interventions that address the priorities outlined in their LEP's project outline. The initial funding agreement was for three years; however, in 2019, 121 projects received extensions until 2023, through either extended delivery timelines or additional funding.[109]

The 132 Partnerships were headed by a lead organisation, which held the grant and assumed legal responsibility for all funding within their partnership. In total, 1,731 organisations participated in the BBO programme across the seven years of delivery. Partnerships were formalised through partnership agreements and a collective approach to delivery.[110]

Nationally, participants had to meet two key elements of eligibility criteria:

1. Be legally resident in the UK and able to take paid employment in European Union member states
2. Be unemployed or economically inactive when joining the programme

Projects were encouraged to target those with multiple and complex barriers to employment, such as those with health issues or disabilities or people from ethnic minorities. The programme overall was not targeted specifically towards young people, but individual LEPs chose to target activity in their area to specific groups, such as young people or carers, based on local labour market challenges.[111]

BBO projects pursued a one-on-one coaching model of support, in which an advisor built a trusted relationship with a participant.[112]

The Building Better Opportunities programme engaged with 181,522 people between 2016 and 2023, 81% of whom came from disadvantaged backgrounds. Roughly half were economically inactive, and the other half unemployed. 73% of

107 Ecroys, Building Better Opportunities Evaluation: Final Evaluation Report, (The National Lottery Community Fund, 2023), available online: https://www.tnlcommunityfund.org.uk/media/documents/building-better-opportunities/resources/Building-Better-Opportunities-Final-Evaluation-2023.pdf?mtime=20240125085939&focal=none

108 - 112 Ibid.

BBO programme participants achieved one of three key outcomes: employment (including self-employment), starting education or training, or moving from economic inactivity to job search.

Outcome statistics show that the BBO programme was particularly effective at supporting those who were economically inactive when joining the programme, into one of the three key outcomes, demonstrating the strength of this type of intervention for economically inactive participants who are furthest from the labour market.

The LEP-led approach allowed the BBO programme to effectively fill gaps in local provision, supported by the integration of partnerships at a regional level. Non-restrictive eligibility requirements meant the programme could successfully target the most disadvantaged based on local priorities.

The model of 1-1 flexible support, which centred on the role of an employability coach with whom a young person could build a supportive relationship, was an effective element of the BBO programme, particularly for those facing complex barriers to progression.

PROGRESS BBO

The Progress BBO Project is an example of how this programme was used to support NEET or at-risk of NEET young people. Delivered by Groundwork, Progress supported young people in Coventry and Warwickshire between 2016 and 2021.

Young people, typically aged 15-19, received support from a dedicated coach but also benefited from additional support provided by a specialist partner. Additional support provided by partner organisations included mental health, functional skills, and volunteer placements.

Forecast figures estimated that up to June 2019, the Progress project would have a financial benefit of £2.9 million through public sector cost savings and growth in the local economy.

The programme excelled in its bespoke approach, focusing on the participants' needs and using specialist partners to support them in overcoming barriers to progression. This approach was supported by a flexible support model, which avoided a rigid programme of delivery and instead allowed the programme to flex to the needs of participants. The coaching model of the programme meant that young people had someone to support them through the process.

Feedback from young people emphasised that they would have liked more time with their coach, and to complete programme activities on a more regular basis. Like many BBO projects, Progress struggled to meet the administrative and evidence requirements of the European Social Fund – this was both a limit on coach time and also the number of outcome results Progress could claim.[113]

113 New Skills Consulting, Progress BBO Evaluation, (Groundwork, 2019), available online: https://www.groundwork.org.uk/wp-content/uploads/2020/01/BBO-Progress-Evaluation-Summary.pdf

KICKSTART

(2020-2022)

Launched in September 2020, the Kickstart Scheme was a key element of the government's response to the impact of the COVID-19 pandemic on youth employment levels. Office for National Statistics data shows that at the beginning of the pandemic, younger workers, aged 18-24 had experienced the most significant drop in employment rates and corresponding rise in unemployment of any age cohort as a result of the pandemic.[114]

Funded by a government investment of £2 billion, the scheme created six-month paid work placements for 16-24 year-olds claiming Universal Credit and at risk of long-term unemployment. Funding paid for 100% of the age-relevant National Minimum Wage, National Insurance and pension contributions for 25 hours a week; this could be topped up by employers, who were also provided with £1,500 to help set up support and training for young people on a Kickstart placement.[115]

Larger employers could apply directly to DWP to create Kickstart placements, while smaller organisations initially had to apply through a Kickstart Gateway.[116] Gateways were intermediary organisations that bid for jobs on behalf of several employers who were unable to create a significant number of placements. They were also in a prime position to provide young people with wrap-around support in the form of skills and/or employability training.[117] When the scheme was announced, initial guidance stated that any employer creating less than 30 placements had to apply for the scheme through a Gateway.[118]

The profile of employers on the Kickstart Scheme varied. 80% of employers who participated in the scheme had less than 50 employees, with almost half (46%) having less than 10 employees. 75% of the employers involved in the scheme came from the private sector, with 20% from the third sector and 4% from the public sector. The Kickstart Scheme loosened the criteria around the jobs which could be created under the scheme. In comparison to the Future Jobs Fund (FJF), there was a requirement for Kickstart placements to be new roles, but this did not match the requirements for additionality and community benefit seen on FJF. This change likely attracted more private sector employers than FJF.

Commissioned in the midst of a pandemic, Kickstart undeniably experienced a great deal of teething issues in which guidance was changed or unclear. Gateways that had approached the scheme with a great deal of optimism submitted themselves to strict due diligence and financial checks, and were disappointed when guidance changed in January 2021 to mean they were no longer a mandatory element of the scheme.[119] Criticism of the scheme's operationalisation, raised by Gateways, was echoed by both the National Audit Office (NAO) and the Public Accounts Committee (PAC) in reports which argued the DWP had 'limited assurance that the scheme was working as intended'[120] and 'with the Department neglecting to put in place basic management information that would be expected for a multi-billion-pound grant programme.'[121]

114 Office for National Statistics, Labour market economic analysis, quarterly, (ONS, September 2020), available online: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/labourmarketeconomicanalysisquarterly/september2020

115 HM Treasury, Landmark Kickstart scheme opens, (UK Government, 2 September 2020), available online: https://www.gov.uk/government/news/landmark-kickstart-scheme-opens

116 ERSA Policy Team, Kickstart: Extend, Expand and Empower! The case from the Employment Support Sector, (ERSA, 2021), available online: https://ersa.org.uk/wp-content/uploads/2021/11/ERSA-Kickstart-Report-November-2021-Extend-Expand-Empower.pdf

117 - 119 Ibid.

120 National Audit Office, Employment Support: The Kickstart Scheme, (NAO, 2021), available online: https://www.nao.org.uk/wp-content/uploads/2021/11/Employment-support-the-Kickstart-Scheme.pdf

121 Committee of Public Accounts, DWP Employment Support: Kickstart Scheme, (House of Commons, 2022), available online: https://committees.parliament.uk/publications/8955/documents/152476/default/

The scheme fell short of the government's initial target of filling 250,000 jobs but did support over 163,000 young people into a placement. The DWP's process evaluation, published in 2023, found that 75% of young people were in EET ten months after entering the scheme, with 60% in work. The evaluation also showed higher than 70% satisfaction rates with the scheme from both young people and employers. Qualitative impact data showed that young people could access on-the-job training during their Kickstart placement (94%) and that almost all found this helpful training.[122]

Cost-benefit analysis of the Kickstart Scheme, published by DWP in 2024, showed a return to government of £0.49 for every pound spent at five years. However, this is limited by the narrow focus on benefits, which does not consider all potential benefits to the exchequer. The same analysis shows a benefit of £3.15 for every pound spent to society at five years.[123]

122 Department for Work and Pensions, Kickstart Scheme – process evaluation, (UK Government, 2023), available online: https://www.gov.uk/government/publications/kickstart-scheme-process-evaluation/kickstart-scheme-process-evaluation

123 Department for Work and Pensions & Government Social Research, Kickstart Scheme: A Quantitative Impact Assessment, (UK Government, 2024), available online: https://assets.publishing.service.gov.uk/media/66fab285a31f45a9c765eeba/kickstart-scheme-quantitative-impact-assessment.pdf

Aisha, Skills Bootcamp, Get Set UK

YOUTH EMPLOYMENT HUBS (2022-PRESENT)

Youth Employment Hubs are one element of the DWP's response to the Covid-19 pandemic and its effect on the labour market prospects of young people in the UK, known as the Youth Offer, launched in 2022. The Youth Offer was targeted at young people receiving Universal Credit aged 16-24 and consisted of:

YOUTH EMPLOYMENT PROGRAMME

Intensive support for young people in the first 13 weeks of their universal credit claim, provided by a work coach in a Jobcentre.

YOUTH HUBS

Separate venues to Jobcentre Plus where young people can access six months of support from a Youth Hub Work Coach and specialist support from other organisations co-located in the hub. Targeted at young people with moderate support needs.

YOUTH EMPLOYABILITY COACHES

Specialist Jobcentre Plus work coaches support young people with multiple barriers to work and complex needs to develop their skills and find sustainable work.

Youth Employment Hubs are delivered in partnership between DWP and other local organisations. Typically, a lead organisation from the local area, such as a Further Education college, Local Authority, or charity, will enter a partnership with Jobcentre Plus (JCP) at a regional level. The partner organisation will employ a Youth-Hub Manager to support day-to-day operations, marketing, staffing, location, and connections with other services. JCP staff will be seconded to the Youth Employment Hub to work as Youth Hub Work Coaches, with their wages being covered by the DWP. Additional funding is available through the JCP Flexible Support Fund to cover other costs. Additionally, partner organisations have utilised other available pots of funding to support delivery, including the UK Shared Prosperity Fund and Town Plans.

The central idea of the Hub-based model of Youth Employment Support is co-location, where young people can access JCP support in a friendlier environment where they are exposed to support from the lead organisations, their programmes, and other local services that may be involved in the hub. Whilst some Youth Employment Hubs only offer support to young people referred by DWP, others have open access, allowing them to access support via self-referral or by another organisation.

Impetus and Resurgo worked in partnership with key stakeholders to design a blueprint for the Library of Birmingham Youth Employment Hub, published in 2021. The co-creation process was funded by the West Midlands Combined Authority (WMCA), with involvement from DWP (central and regional), Birmingham City Council and the Prince's Trust (now the King's Trust). The project also engaged with a group of young people to inform them about the process.

Youth Employment Hubs have been shown to increase the chance that a participant is able to access high-quality personalised support from advisors, as opposed to young people accessing support in JCP. This was a key finding of the DWP's Process Evaluation of the Youth Offer, where surveyed participants praised Youth Employment Hubs for personalised support.[124] Previously, think tank Demos referred to this element of an employment support programme as 'relation practice' arguing that strong relationships between practitioners and participants are a key determinant of outcomes. Its report into Youth Hubs stressed the strength of relational practice in Youth Employment Hubs.

Participant comments:

'[At the Youth Hub, staff] actually take the time to understand your skills and needs and try to find something a bit more relevant. I found here took into account more than the Jobcentre, which was kind of a 10 minute interview and just asking if you found work, but they're not really helping because they don't really have time to help.'

'At the Jobcentre you have different people you have to go and meet with. I don't know who I'm going to see. I had a person for one second, and then I got another one... so confusing. Can I just have one person who I could speak with?'

Youth Employment Hubs have permitted stronger partnerships between DWP, employment support providers, employers, and other local support organisations.[125]

The operation of Youth Employment Hubs since 2022 has lacked transparency, with DWP not publicising the location of the Youth Employment Hubs it supports. As of January 2025, 111 DWP-supported hubs were in operation with a further three in development.[126] ERSA mapped a range of Youth Employment Hubs in 2024; this exercise indicated an extremely fragmented offer to young people, in which a Youth Employment Hub did not cover large swathes of the country.[127]

Whilst Youth Employment Hubs have driven local partnerships and tailored support to local needs, there has not been a nationally consistent offer. Youth Employment Hubs have lacked financial support and marketing at a national level, limiting knowledge of them for both young people and employers. Minister for Employment, Alison McGovern, stated in January 2025, 'Local DWP teams and external partners delivering Youth Hubs jointly discuss the ongoing need for the hubs in particular areas' and went on to highlight the government's plans for a Youth Guarantee under the Get Britain Working white paper. However, it was not clear what role, if any, Youth Hubs are to have in the delivery of the Youth Guarantee.

This problem has been compounded by both the lack and short-term nature of funding for Youth Employment Hubs. Evidence from our interviews highlighted the uncertainty Hubs face over the continuation of DWP support for their programmes, both through its Flexible Support Fund and work coach time. Complex funding environments have limited the operation of Youth Hubs. Capacity is limited due to low levels of funding and the time taken to work on acquiring the continuation of funding.[128]

124 Department for Work and Pensions & Government Social Research, Youth Offer Process Evaluation, (UK Government, 2024), available online: https://assets.publishing.service.gov.uk/media/66fa7f8fc71e42688b65ee84/youth-offer-report-1073.pdf

125 Phillips, A., Malik, N., Launch Pads: The Future of Youth Employment Hubs, (Demos, 2024), available online: https://demos.co.uk/research/launch-pads-the-future-of-youth-employment-hubs/

126 Hansard, UIN 21655, (10 January 2025), available online: https://questions-statements.parliament.uk/written-questions/detail/2025-01-03/21655/

127 ERSA Youth Employment Hubs Map, (ERSA, 2024), available online: https://ersa.org.uk/youth-hubs/

128 Op. Cit., Phillips, A., (2024)

UK SHARED PROSPERITY FUND (2022–PRESENT)

The UK Shared Prosperity Fund is the successor to the EU structural funds, which invests across three pillars in all areas of the UK. The three pillars are:

- **Communities and Place**
- **Support for Local Business**
- **People and Skills**[129]

The fund promised an initial £2.6 billion in funding for local investment by March 2025. In March 2025, the new government extended this with a further £900 million in investment until March 2026.[130] As part of their levelling up agenda, the government emphasised the ability for local areas to identify their own needs and aimed to give them the flexibility to invest in activities according to their priorities.[131] In total, over 250 Lead Local Authorities (LLAs) were identified as having received UKSPF funding.[132]

The people and skills element of UKSPF aimed to reduce barriers to employment and support NEET people to move towards employment or education.

The main objectives were to:

- Boost core skills and support progression into work by targeting adults with low qualifications and skills
- Reduce levels of economic inactivity through investment in bespoke employment support tailored to local needs
- Support people furthest from the labour market to overcome barriers to employment
- Support local areas to fund gaps in local skills provision to support people into work[133]

Through UKSPF, investment in employment support would be available for economically inactive people, including both benefit and non-benefit claimants. The skills provision element included programmes such as Multiply, which invested £270 million into adult numeracy 'to help people progress and secure great jobs'.[134]

The investment of UKSPF funding varied depending on the priorities and needs of local areas. For example, London specifically established young people as a priority for people and skills activity. Thus, evidence from the London area can provide some examples of best practice for UKSPF funded programmes for young people. The Greater

129 Department for Levelling Up, Housing and Communities, UK Shared Prosperity Fund: prospectus, (UK Government, 2022), available online: https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus#ministerial-foreword

130 Ministry of Housing, Communities & Local Government, UK Shared Prosperity Fund 2025-26: Technical note, (UK Government, 2025), available online: https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-2025-26-technical-note

131 Op. Cit., Department for Levelling Up, Housing and Communities, (2022)

132 Ministry of Housing, Communities & Local Government, UKSPF place-level evaluation: methodology report, (UK Government, 2025), available online: https://www.gov.uk/government/publications/uk-shared-prosperity-fund-ukspf-place-level-methodology-report/ukspf-place-level-evaluation-methodology-report

133 Op. Cit., Department for Levelling Up, Housing and Communities, (2022)

134 Department for Education & Burghart, A., MP, Multiplying maths skills for adults, (UK Government, 13 April 2022), available online: https://www.gov.uk/government/news/multiplying-maths-skills-for-adults

London Authority (GLA) acted as the lead authority managing UKSPF in London, but projects were delivered by local authorities. The total people and skills allocation was £38.1 million for 2024-25 and a further £5.7 million for 2025-26.[135]

Since 2024, the Mayor of London has invested £16 million into employment and skills projects for young people. This investment supported over 9,300 NEET young people in 2024 and will support a further 3,000 in 2025-26 through 13 different projects. The available support is varied, including universal programmes to increase employment and interpersonal skills, targeted support for those furthest from the labour market and experiencing multiple disadvantages, and work experience.[136] Key strengths of this approach include providing bespoke and tailored support specific to local needs, offering specialist support for those with complex barriers, and investment in multiple projects to suit a wide variety of people. Identifying young people as a key priority enables the design of programmes that specifically focus on young people's needs.

However, given the localised nature of UKSPF, support varied across the country and in some cases funding was given to local authorities with limited commissioning experience. Responding to a freedom of information request, the Department for Levelling Up, Housing and Communities (DLUHC) stated that 24 Local Authorities did not allocate any funding to People and Skills whatsoever.[137] – demonstrating the range of approaches taken by LAs and the effect this had on the support available to participants.

In partnership with De Montfort University, ERSA surveyed the employment support sector to collect their views on UKSPF. The report based on these findings notes that there were issues with some cash-strapped local authorities not releasing funds to third-sector organisations. One respondent stated that consequently local government and devolution 'has resulted in havoc on quality provision' and that service design produced poor results, particularly for those with additional barriers as interventions were at times homogenised and 'conveyor belt'.[138]

Short-term funding is also a significant issue. In September 2024, the Local Government Association highlighted the issues with single year funding, explaining that this restricts the type of provision that can be commissioned, thus reducing the number of interventions that addresses longer term inequalities.[139] The short-term funding package and relatively small pots of money available, combined with inefficient, fragmented commissioning fails to meet the needs of those who need long-term support.[140] The report by De Montfort University and ERSA also emphasises the major funding concerns raised by respondents who commonly asserted that the short-term nature of funding made future planning and supporting those further from the labour market difficult.[141]

135 Greater London Authority, UK Shared Prosperity Fund (UKSPF), available online: https://www.london.gov.uk/programmes-strategies/funding-and-innovation/uk-shared-prosperity-fund-ukspf

136 Greater London Authority, UK Shared Prosperity Fund - support for Young Londoners, available online: https://www.london.gov.uk/programmes-strategies/funding-and-innovation/uk-shared-prosperity-fund-ukspf

137 Department for Levelling Up, Housing and Communities, Freedom of Information Act 2000 – 28860157, (25 September 2023), available online: https://www.whatdotheyknow.com/request/local_authorities_who_have_not_i/response/2428412/attach/2/Response.pdf

138 Op. Cit. Payne, J., (2024)

139 Local Government Association, Adjournment debate: UK Shared Prosperity Fund, 9 September 2024, (10 September 2024), available online: https://www.local.gov.uk/parliament/briefings-and-responses/adjournment-debate-uk-shared-prosperity-fund-9-september-2024

140 ERSA & The Salvation Army, Sharing Prosperity: Building Better Employment Support for the UK, (ERSA, 2019), available online: https://ersa.org.uk/sharingprosperityuk/

141 Op. Cit. Payne, J., (2024)

These concerns were echoed in parliamentary debates; for instance, MP for Rochester and Strood Lauren Edwards stated that:

> *"We also need to reflect on the impact of single-year funding. The annual funding allocation of the UKSPF often led to Local Authorities commissioning services for just 12 months in order to manage the financial risk. For some projects, that is perfectly appropriate, but for those local areas using the UKSPF for business or skills support, for example, it made it more difficult to address some of the longer-term issues and inequalities in our communities."* [142]

Prior to the government's autumn budget announcement of a further allocation of UKSPF funding up to March 2026[143] , there were major concerns surrounding the emerging cliff edge due to funding ending in March 2025.[144] Whilst calls for an additional year of funding were heeded, 2025-26 has been labelled a transition year with a new, future funding framework expected after March 2026.[145] However, there are uncertainties around what this will look like, thus risking another cliff-edge which would further limit capacity to effectively support those with complex barriers who require long-term support. Lessons can be taken from UKSPF around the necessity of long-term funding packages and clear announcements of future provision to give providers the stability required to offer effective employment support.

142 Hansard, Vol. 753, (12 September 2024), available online: https://hansard.parliament.uk/Commons/2024-09-12/debates/4DB733A5-288D-4DF9-8EF9-E33D96261386/UKSharedProsperityFund?highlight=ukspf#contribution-E32B3A57-759D-4BAF-998C-6C9BDE3F154E

143 Op. Cit., Ministry of Housing, Communities & Local Government, (2025)

144 Op. Cit., Local Government Association, (2024)

145 Op. Cit., Ministry of Housing, Communities & Local Government, (2025)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ersa
Employment Related Services Association

KEY FINDINGS

This section draws on evidence from desk-based research, interviews, and roundtables.

1. There is no one-size-fits-all approach to supporting young people.

Findings from our engagement with frontline workers clearly outlined the benefit of varied provision for different cohorts of young people. A method that works well for one young person may not be the right approach for another and vice versa.

> *"One size does not fit all. It's probably our main learning from these things; you need a bit of pick and mix to build a package. That could involve wage subsidies, more flexible training and learning styles, or lots of one-to-one work."*

Programmes varied in the support they provided, from structured job search to tailored one-to-one provision designed to overcome complex barriers, and a number of interventions in between. The range of young people they supported into EET are just as varied in their backgrounds, barriers to employment and support needs.

Structured programmes with regular attendance have supported young people in building routines and moving closer to work.

A key insight of those ERSA surveyed was that interventions which took a work-first approach requiring regular attendance, helped young people develop routine, build confidence, and progress towards employment.

> *"New Deal for Young People was a 30-hour programme, participants in all day, every day. One of the things that really worked was they developed that routine. They told themselves that they could get up every morning and get in for 9:00 and stay somewhere till 4:00. So really, they may as well go to work, because then they're getting paid for doing it. For me, it was just that routine of having to switch from being up all night and asleep all day, to being asleep all night and up all day."*

By mandating attendance and significant work-search activity, young people were encouraged to focus on finding work and moving into employment.

> *"The focus on activity and intensity were really key – this idea that you'd get people to come in a lot and talk about work a lot. It was quite intensive from the beginning."*

Whilst not the right fit for every young person, for some unemployed young people, a period of high-quality job-search support was precisely what they needed to move into work.

The Youth Contract included increased attendance at Jobcentre Plus, where participants were required to attend weekly rather than fortnightly. Evaluation evidence shows that young people benefited from this increased routine.

Tailored, barrier-focused support has supported young people with complex barriers to make measurable progress.

Through focusing first on non-employment-related barriers before turning attention to achieving hard outcomes, interventions have made progress with the hardest-to-help participants.

> *"Take a holistic approach to all of the person's barriers and deal with them all in one project. Not pass them on to others but try and deal with them as much as possible and be flexible with that."*

Interviewees noted that for some young people engaged through programmes like Building Better Opportunities or UKSPF-funded provision, anxiety, mental health, and confidence are among the most common and serious barriers. In the most extreme cases, levels of anxiety or mental health struggles are so significant that moving a young person into work is far from the first consideration and can only be achieved through persistent, tailored support.

"If you look at people who are furthest from the labour market... you've got a young person who has got so much social anxiety that they won't even leave their bedroom. So an advisor goes round and literally sits outside the bedroom door talking to them through the door for a couple of weeks and then manages to get them downstairs into the living room to talk to them there. Then after a few more weeks, manages for them to go for a walk down to the end of the road. This is really intensive support, and it's got nothing to do with getting a job. It's literally getting somebody to have the confidence to come out of their room, to come out of their house, and eventually, maybe to join in on a programme. Eventually over the course of a year or two, they end up getting a job."

Complex barriers are not limited to mental health and anxiety challenges. Young people from disadvantaged backgrounds may face a range of destabilising issues in their lives, which make achieving an employment, education or training outcome difficult. Transport, digital access and housing were reported as common issues in which organisations had to work with other agencies in order to stabilise the young person's life and allow them to focus on progression into work, education or training. One Youth Employment Hub respondent told us about their food hub:

"(They can) go in our kitchen with a carry bag, fill up what they need and take it home because nobody learns or focuses when they're hungry."

The BBO programme engaged almost 200,000 young people, and 81% of them were from disadvantaged backgrounds. Overall, the programme had a 73% progression rate, through providing tailored support focused on overcoming the barriers young people faced.

Wage subsidy programmes (like YTS, NDYP Employment Option, the Kickstart Scheme and FJF) have allowed young people to access employers and industries otherwise out of reach and gain valuable work experience of real work.

This approach has not always worked perfectly, but it is clear when it is set-up correctly it can be a valuable intervention.

A full or partial wage subsidy has encouraged employers to open up opportunities to young people by reducing risk. This was valuable experience, even if that job start was not sustained, they gained first-hand knowledge of the world of work.

"(FJF) was a good programme. It gave younger adults a real opportunity to understand the world of work. For some of our groups, it was the first time they'd ever worked."

"We are teaching them soft skills, teamwork, how to overcome challenges. It's not just 'What's your technical skill?' We use those environments to develop those important soft skills."

The work placements created must be perceived by young people as real work. If employers are seen to be taking advantage, young people will disengage.

"The Youth Training Scheme which came in under Thatcher had quite a lot of negative connotations. The idea that people would have to work for free... people felt quite negative about it."

This is echoed by evaluations of FJF, which show that young people appreciated having a real job with real wages and that employers were able to take risks on young people they may not otherwise have considered.

Where wage-subsidy programmes have worked best, work placements have been accompanied by wrap-around support for both employers and participants.

2. Contrasting approaches are needed to engage with young people inside and outside the benefits system.

Mandating attendance on programmes has been a practical feature of some interventions. This approach has worked effectively with young people claiming benefits but only when backed by investment in support.

For young people who are inside the benefits system, particularly if they are long-term unemployed, mandatory participation on threat of benefit sanction has been a feature of several of the interventions ERSA studied.

Generally, interviewees expressed a positive view of the responsibilities this placed on participants and the effect this had on engagement.

> *"I think mandation worked well. It was very cut and dry. They were told at the beginning: this is the number of days you're allowed off. If you go over that, I've got no choice, and the doubts were upheld."*

However, there was a consensus that this approach had to be mirrored by investment in support. For example, through the NDYP, there were many avenues of support backed by a high level of investment, sending the message to young people that they had a responsibility to engage but that the support was there. Even if job search was unsuccessful, there were further avenues.

> *"What we did learn is that there's a point at which you have to do something else. The options were really good at doing something else – getting people experience, getting them to see different things, getting them into subsidised work because they didn't have work experience or people didn't want to employ them."*

Two-thirds of participants on NDYP, who had been unemployed, left the programme at the Gateway stage, suggesting that regular mandated attendance was effective at moving long-term unemployed young people into work.

Young people outside of EET, but not claiming benefits, are harder to engage and require increased engagement efforts.

Engaging with young people who are not within the benefits system is a completely different challenge. Organisations have to find them as they cannot be compelled to attend the provision. This also applies to economically inactive young people who may be claiming benefits but have no work-search requirement. Many of the organisations and people ERSA spoke to expressed the view that this group of young people is increasing, and that interventions today need to be equipped to engage with this group.

> *"Lots more young people need the support but aren't claiming benefits."*

Organisations need adequate funding and flexible eligibility criteria to successfully engage with this group. They must also be able to reach out into communities and find young people who need help.

The YEI, part of the 2014-2020 ESF Programme in England, was praised for its impact on hidden NEETs who were disengaged from the system and the extent to which it re-engaged them with employment or education.

3. Consistent, trusting relationships between young people and advisors are key to programme success.

A key success factor in youth employment interventions is a consistent, trusting relationship with an advisor.

Young people value relationship-based support from advisors.

Respondents consistently emphasized the impact that consistent, person-centred relationships with advisors had on the interventions they worked on. By allowing young people to develop strong relationships with advisors, they built trust, sustained engagement, and improved outcomes. This type of relationship is essential, particularly for young people facing complex barriers to employment.

> *"We were almost like social workers and still are. It's getting to know them, building that trust and rapport."*

Others noted the importance of sustaining relationships, ensuring that trust is kept, particularly when working with vulnerable young people.

> *"We don't hand young people over. Even if they need to spend a bit of time accessing mental health support. We keep in touch with them during that time or the risk is too great of them dropping out."*

Survey evidence from NDYP makes clear the extent to which young people appreciated their relationship with their NDPA, who provided a central point of contact throughout their time on the programme.

Advisors can help a young person navigate a support system, acting as a single point of contact while they undertake work experience, build their skills, or even start their first job.

Our research clearly shows the value of interventions in which the participant has a one-on-one relationship with an advisor who can guide them through other parts of the provision and can continue to support them when they move into work.

New Deal Personal Advisers were praised as a key success of the NDYP, especially in the early years of the intervention, both from the perspective of participants and staff. Later, the impact of NDPAs was limited by high caseloads and the inflexibility of the programme. Those ERSA spoke to felt that interventions could be improved by placing more trust in advisors to make decisions about the support a young person could access.

> *"You'd look at some people and think, 'Yeah, if I could get them on a plumbing course or a woodwork course or something…' But they had to sign off benefits at that point to go to college."*

More recently, on programmes like BBO, Talent Match and UKSPF, advisors have helped young people facing complex barriers to access available support, be it housing, health issues or caring responsibilities. The advisor has been the centre point in what is a complex process to get a young person ready for work.

> *"It depends on what each young person is bringing to it. Working almost with Maslow's hierarchy of needs – the training or job goal is here, but first it's about money management, mental health, getting to the dentist. Not fixing everything but being that cog."*

Those ERSA spoke to also expressed the benefit of continuing relationships with participants once they had moved into work, and that through allowing trusted relationships to continue, sustainment was improved.

"They were offered ongoing support. For some, they get a job, but then they stall, struggling with that routine of work, getting up in the morning, and dealing with difficult people at work. So to have that support, to say to them, 'keep going' and help them through that."

The BBO Progress project employed a coaching model of support where a 1-1 relationship with an advisor was a key element of the programme.

4. Not all barriers are related to employment.

There is a well-established link between social disadvantage and disparity in the labour market. It is therefore not surprising that our research consistently shows that participants faced many non-employment-related barriers.

Young people may face complex barriers, including housing insecurity, health or mental health challenges, caring responsibilities, transport access and childcare.

Participants are often dealing with a range of non-employment barriers that interventions and those delivering them have to navigate.

Financial and practical barriers like housing insecurity, transport, and food insecurity have intersected with most of the interventions ERSA has considered. These barriers affect the extent to which young people are in a position to engage with programmes or work more widely. One interviewee outlined the practical implications of transport for coordinating the Environmental Task Force Option of NDYP.

> *"If you lived in Kirkby, you wouldn't go down to anything in Huyton because it's only seven miles away, but it's very difficult to get there. The bus would take an hour so you had to have things people could walk to."*

Young people have also faced several barriers related to lifestyle, which may include struggles with drugs and alcohol, or criminal behaviour. One interviewee recalled supporting young people who were jeopardising their work placement with a local council through lifestyle choices:

> *"I'd have staff coming to me saying 'there's a young girl in the toilet rolling up a joint'. Normally if you did that you'd be sacked...*
>
> *"We would plead (with the council) to say if we don't do something different then we're just going to get the same. They're going to be in the same place. (If we can) create even just a couple of degrees of change and this person doesn't go down that path, they go down this slightly different path, then they might just get somewhere very different in the end."*

Neurodivergence and mental health issues, including anxiety, are perceived broadly as barriers that have increased over the period we studied. However, interestingly, some of those we spoke to felt that these barriers existed previously, and what has changed is the language we use to refer to them.

> *"Then, we didn't talk about mental health, wellbeing. You barely ever talked about having a diagnosis of ADHD or autism or anything like that. No one spoke about it. I think looking back, what we got was a lot of young people who would have had those needs."*

Young people have also experienced a range of barriers related to their background. Whether they are a care-leaver, or from an ethnic minority background, or have grown up in an environment of drugs, alcohol, or domestic violence. Interventions and the professionals working on them have had to navigate and deal with these barriers, before attention is given to employment, education, or training.

5. Inflexible eligibility criteria and programme structure have been barriers to organisations engaging and supporting young people.

In some interventions, inflexibility of eligibility criteria and programme structure have prevented organisations from offering support to young people or have limited the type of support they could offer.

Requirements to claim benefits have sometimes limited the number of young people front-line delivery staff can engage with, or delayed engagement until they begin claiming benefits.

Eligibility requirements are frequently perceived by those working on the frontline of interventions as barriers to engaging young people who need support. In particular, requirements for young people to be claiming benefits are a frequent barrier.

> *"We could only work with young people claiming benefit. A massive number just aren't claiming for one reason or another. We ended up finding a way to continue working with them off project but it's costly and not ideal."*

Others told us that in some cases, young people had to be told to sign on to benefits before accessing any provision. This was largely the case when young people had attended centres delivering provision having heard about it from their friends or seen it advertised. Other eligibility criteria, such as requirements to show identification, proof of address and a national insurance number, are viewed by frontline staff as a barrier to engagement.

There is, of course, a place for eligibility criteria in publicly funded programmes. However, in light of rising economic inactivity amongst young people, engagement is more important than ever. By removing eligibility barriers, organisations can engage with young people they may otherwise have not been able to support. This approach has been a feature of some Youth Employment Hubs, which have been open access as well as providing support with DWP work coaches.

> *"We have been open to anybody, whether you're claiming, or not. What we recognise is that so many funding contracts ask you to tick XYZ before you support people. If you don't support everybody in the first place, you'll likely have more people moving into that space anyway. The prevention work we've done has always been acknowledged."*

The BBO programme had non-restrictive eligibility criteria, with legal residency and unemployment or economic inactivity being the only national criteria. Local areas could therefore develop their own criteria to suit their needs.

Rigid programme structure has meant that advisors cannot always allow young people to access the support they need from the beginning.

Stricter mandatory programmes have faced issues due to their rigid structure, which did not allow advisors to decide on the support a young person could receive.

Such frustrations have repeatedly been linked to the availability of skills provision as part of an intervention and the extent to which employment support and skills provision have been joined up. Advisors would like the flexibility to quickly refer a young person to the skills provision they need, particularly if it's related to basic skills like maths and English, but also labour market-related skills.

According to the NDYP model access to basic skills provision was only available following the four month Gateway stage, as the FTET Option, despite the potential for basic skills, like Maths or English to increase a participants employment prospects. However, agile providers found ways to offer this on ETF and VSO.

> *"On NDYP VSO and ETF in East Lancs we developed ways to access training courses, usually using additional funding through the European Social Fund, but this wasn't the national model, it depended on availability of funding. Those who were successful secured money for Maths, English at level 1 and 2, and for vocational skills, but these had to be embedded in the work experience or job search hours. OFSTED praised this provision, and it should have been the national delivery model."*

Other programmes, which have been much more flexible with the support provided, have allowed advisors more autonomy to decide what support is right for a young person and when they should access it.

> *"It's really working quite intensively, very flexibly with them to determine what their needs are, what their barriers are to employment and to work around those, to get them into a job as quickly as possible."*

6. Long-term programme impact requires sufficient and stable funding.

Our research shows the benefit of long-term, stable funding settlements, which allow organisations to deliver interventions over a number of years, achieving long-term impact.

There are significant dangers to short-term funding which do not support continuous improvement, place organisations and their staff under considerable pressure, and lead to inefficiencies in how public money is spent.

Short-term funding means that organisations delivering programmes do not have time to build and improve the support on offer.

There is some frustration at the churn of programme funding and the limitations this places on continuous improvement and learning. Many ERSA members have delivered multiple, major interventions, yet many have not lasted for more than five years and some for significantly less.

> *"How can you achieve continuous improvement when you're constantly starting something, delivering hard, then it starts performing and it ends? You're constantly in trouble with staffing and security of tenure."*

In the case of FJF, funding for the work placements created had to be used at pace, meaning in some cases young people weren't adequately prepared for interviews for example.

Regular re-application for funding diverts resources from frontline delivery and supporting young people.

In recent years, several interventions, including Youth Employment Hubs and UKSPF programmes, have experienced short, sometimes only year-long funding settlements. This means that organisations must constantly focus on funding applications, diverting resources away from delivery.

When asked about the impact longer-term funding would have on their operation, one youth-hub lead said:

> *"It would be a total game-changer."*

Short-term funding settlements significantly limit the impact that an intervention can have, and their impact on resources undermines the value for money that comes from investment.

Experienced staff have to work under the threat of redundancy due to uncertainty about the future of programmes.

Short-term and insecure funding means that staff working on youth employment interventions regularly face the threat of redundancy.

> *"It means you're paying staff to not focus on delivering because they've switched off, not because they don't want to work, but because self-preservation means they have to go and get themselves another job."*

Understandably, uncertainty around funding distracts staff from delivering for young people and, in many cases, may encourage them to move positions, potentially out of the sector entirely. Decisions by funders are often taken at the last minute and a shorter timeframe means that the entire process is condensed, sometimes into a year from grant approval, to delivery, to application, and back to approval within 12 months.

> *"You've given them notice that you're not going to extend the fixed term contract and then within the last working week, we pulled off a miracle somewhere else and this person still has a job, but they were out interviewing, they'd gone through the emotional upset of it."*

Colleagues delivering interventions are committed, experienced professionals who provide impactful support for young people. Short-term funding cycles and the impact this has on their job security make it more likely they will leave the sector altogether.

Funding has not always covered some elements of operations that are essential to delivery, such as renting a venue or providing a marketing budget.

Funding is not always sufficient for the expectations of the intervention. For example, it may not cover marketing or operational costs like rent. Yet without these investments, interventions cannot run effectively.

> *"It is really naive to think that you don't need to put things like marketing budgets into it, just like relying on people to come straight from the Jobcentre to you."*

This issue has been particularly pronounced in the delivery of Youth Employment Hubs, where the core funding relates only to DWP work-coach time. Funding for the rest of the Hub must come from other sources to be decided by the Youth Hub convener. Core-funding does not always intersect with requirements for the extension of funding, such as the creation of youth-friendly spaces.

7. Local and national provision play distinct but complementary roles in supporting young people.

National offers to young people can significantly affect the youth labour market, due to the ease of communicating a consistent offer of support to young people and employers.

National interventions accompanied by significant investment from the government have made a considerable impact on the youth labour market. This is due to the ease with which a national offer can be communicated to young people and employers. A key example of this type of intervention is NDYP, but it is also true of YTS, FJF and the Kickstart Scheme.

> *"New Deal had quite a big profile. It really introduced this idea of work first into the lexicon – this real focus on the fact that anybody who was coming into the programme could get a job."*

Investment combined with marketing and public appetite for change meant that NDYP created a national conversation and allowed the intervention to quickly support large numbers of young people, exceeding government targets ahead of time.

> *"When they asked people like what's determining how you vote (1997 Election), unemployment was either number one or number two. It was a really big salient issue. New Deal was a really big thing and got all of this money. Lots of people knew about the New Deal, even if they weren't involved with it. There were adverts on TV for employers to take on young people, there was this big push around how people could work together."**

**The Unemployment Rate for 18-24 year-olds was 13.4% in Q1 1997, in Q1 2025 it is 12.8% (ONS, LFS)*

Adopting a national approach can make young people and employers more aware of the support available.

Programmes commissioned nationally have been successfully tailored to local needs.

Nationally commissioned interventions have been successfully tailored to local areas and are not always in opposition to the benefits of localism or devolution. Innovations in delivery have been achieved at a local level, for example the creation of youth friendly environments in private sector-led NDYP.

> *"In the private sector-led New Deals we delivered the Gateways. We had a building, called the New Deal campus. It had a café; it was somewhere people would want to come."*

This evidence is supported by evaluations of the NDYP, which show that performance varied between Units of Delivery, depending on existing local networks and their integration into the programme.

Another example of a national intervention delivered locally was FJF. Local Authority areas created FJF placements across the country, working in partnership with local government services, housing associations, or VCSOs at a local level to build partnerships and bid for the DWP to create placements.

Dedicated funding for people and skills can be used to fund innovative, locally tailored programmes, which are particularly effective for supporting those furthest from the labour market.

Funding for people and skills, which is available through grant applications at a local level, is successful in creating locally tailored projects to support young people furthest from the labour market.

> *"Putting together your own partnership and designing the programme together to meet very, very local need enabled us to sit around the table and recognise that maybe what's needed in Burnley was different to what's needed in Blackpool. We had real control over what was designed to make sure it was tailored to each locality."*

Funding for local areas allows smaller organisations, who lack a national footprint, to engage with the people they know best. Whether this is achieved through working in partnership or from receiving their own funding, those ERSA spoke to expressed the benefit of working with local organisations, often from the voluntary sector, who have valuable local knowledge and reach into communities.

> "They're on the ground."

For the remit of this report, funding organisations at a local level to deliver employment support was as a result of the European Social Fund. In recent years, this funding environment has become more fractious due to the uncertainty surrounding UKSPF and the significant reductions in funding that have accompanied this.

> "There needs to be a pot of money for people and skills that's consistently there."

The consistent availability of funding through the ESF allowed local areas to maintain the capacity to support those with complex needs who are furthest from the labour market.

8. Careful and patient stakeholder engagement in commissioning led to more effective programmes.

Engaging with key stakeholders in the commissioning process can avoid teething issues with delivery and ensure interventions learn from best practice.

Our research clearly showed that careful and patient stakeholder engagement led to more effective programmes, less likely to experience teething issues.

Collaborating with stakeholders to properly understand the need for provision in an area or nationally ensures that potential issues with early delivery are avoided, as the organisations likely to deliver that programme have been adequately consulted.

The Kickstart Scheme had several issues in early delivery, due to the pace at which it was commissioned and a lack of proper consultation with Gateway organisations.

> *"It was a really tough experience for us. We placed 315 people but the amount of effort and energy and stress it took was way more than it should have been. The lack of clarity and ability to trust and predict what was going to happen meant there was a lot of wasted energy and cost."*

"The rules changed along the way. Gateways ran the programme and the funding quite differently depending on their interpretation and I don't think anyone was ever held to account on it."

> *"For me, it was the not listening to our track record and what we knew worked, like pre-recruitment pathways."*

A key example of how this can work in practice is the BBO Programme's LEP-led approach to commissioning, where 39 LEPs each wrote project outlines based on local knowledge, for local delivery.

Commissioning has sometimes been rushed, with short timelines between winning contracts and commencing delivery. Providers stress the benefits of a year-zero where time is allowed to plan and set up operations before starting delivery.

> *"It was not for long enough and there was no proper time for planning and development. It takes a long time... We hear something new and it's got to be done by three months' time. There's no time to develop something, it's never as successful."*

By not rushing from commissioning to delivery, organisations can ensure that all necessary processes are in place and delivery will be more effective as a result.

Talent Match shows the potential benefits of patient delivery. The National Lottery Community Fund held a year-long commissioning process for the programme, where 21 partnerships led by VCSOs, with support from local authorities, designed holistic and bespoke support for each area.

Partnerships working at a regional/local level support better outcomes for young people and avoid duplication of provision.

Careful stakeholder engagement in the commissioning process can help to build effective partnership working to support better outcomes for young people.

The Talent Match programme is an example of how this can work well. Through taking a LEP-led approach to commissioning, Talent Match only funded one partnership for each of the 21 areas involved in the intervention. Therefore, effective partnership working under the lead VSCO was essential for organisations to be involved in the programme

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9. Listening to young people improves programme design, delivery, and outcomes.

Co-designing programmes with young people improves their relevance to participants, making engaging and retaining young people easier.

This approach shifts an intervention from being something that is done to young people to something that is done with them.

> *"Involve the young people in the design and delivery of it, because if you're doing something to somebody without their involvement, it's never going to be as successful."*

Through co-designing with young people, interventions can become more appealing to engage with and more effective.

> *"Talent Match was co-produced and co-designed with young people. That really helped because Talent Match had a really high job outcome success rate. That must count."*

Evaluations of Talent Match show that youth co-design impacted the extent to which the programme engaged with the real needs of its participants.

Youth participation has improved legitimacy and accountability, where young people have been given a visible stake in programme delivery, they have participated more meaningfully.

> *"Rather than laugh at someone when they come up with an idea, we listen, then come up with a pathway with the individual to support their ambition rather than support them down a route that gives you a tick in a box. Since our formation, we've had 1,500 young people come through and we're currently at a 58% success rate from NEET to EET, and I think that's the catalyst for that."*

Tune in Programme, Enable Works

10. Engaging with employers is essential to delivering effective programmes.

Programmes that collaborated closely with employers achieved better outcomes for participants by aligning their provision with the needs of local employers and placing young people in the right job.

Strong employer engagement is a hallmark of effective intervention. It has allowed organisations delivering interventions to work hand in hand with employers to remove barriers to employment for the young people they are supporting.

For example, one Youth Employment Hub told us how, through engagement with a local business which typically would not shortlist any candidate without a Maths and English GCSE, they had created opportunities for anyone over the age of 18 with a full driving licence.

One key element of Talent Match was matching the supply of talented young people to local demand for employment and enterprise, ensuring that support was tailored to local employer demand for skills and experience.

Wage subsidies opened doors to participants in industries they would otherwise not have been able to access. However, wrap-around support for participants and support for employers were essential to making this work.

Wage subsidies are a highly effective way of incentivising employers to engage with interventions.

> *"We managed the wages for six months and that opened a lot of doors for young people."*

The consensus is that, if targeted at the right young people and designed based on best practice, wage subsidy programmes are an effective way to support young people. One key factor in making them work is to provide wrap around support for both employers and employees.

> *"Young people with additional barriers move into a job and then might have a manager who doesn't understand their issues and needs that kind of key worker support to be there to help them mediate that and deal with those challenges."*

On the Kickstart Scheme, the government provided an additional £1,500 per placement to open up support and training opportunities for participants, ensuring that, alongside their placement, young people were able to access skills training or support.

Due to fewer internal resources around HR and supervision, smaller employers often needed extra support to work with participants, particularly if they faced complex barriers.

In the design of the Kickstart Scheme, although guidance later changed, employers with fewer than 30 employees had to go through a Gateway organisation to recruit eligible employees. This was a recognition of the HR challenges and the lack of experience in employing disadvantaged young people faced by SMEs.

Some organisations have built a reputation locally with employers over time, through continued engagement. Employers trust the young people that organisation puts forward for work, reducing barriers and boosting employment opportunities.

Mutual trust can be built between employment support organisations and employers, meaning employers trust that those organisations will attract appropriate young people.

> *"Some organisations, over years of continued engagement, have built that reputation with employers meaning they trust the young people put forward for work."*

ersa
Employment Related Services Association

11. Learning from past programmes and the experience of providers and participants is often underused in programme design.

Evaluations of programmes varied in quality and scope, and did not have access to enough evidence to make determinations of the true cost-benefit of programmes.

Publicly available evaluations of programmes vary in their existence and quality. Frequently, evaluation is an afterthought to programme design with proper processes not being present to fully understand the benefits of interventions.

Evaluations have focused on savings in terms of time spent on benefits but often state that these calculations are made on limited data and only capture savings within DWP rather than wider savings to the exchequer like in Justice or Education.

One interviewee, who had delivered several wage-subsidy programmes, outlined how frustrating it was that the Kickstart Scheme did not monitor job progressions, only starts:

> *"It's just measuring outputs rather than outcomes… We actively tracked outcomes because we were focusing on ensuring progression of all our learners and tracked our performance. We were on about 76%."*

To a certain extent, this situation has improved. The earliest point of focus, YTS, has never had a cost-benefit analysis conducted on it, despite considerable government investment for many years.

Data collected at the time (on delivery and outcomes) is generally not publicly available to support learning from past programmes.

Access to data on programme performance is limited to headline figures, and evaluations generally rely on survey data conducted with a small group of participants. If data was released to researchers where it is held by government departments then it could be used to inform programme design.

Delivery organisations hold valuable knowledge from their experience delivering programmes, but they are rarely involved in designing new programmes, leading to missed opportunities to build on what works.

ERSA member organisations have a wealth of knowledge about what works when delivering interventions for young people, but feel they are not always consulted or listened to when new interventions are designed.

> *"It feels like they come along as if it is some amazing new initiative to provide wage subsidies. Yet we're starting again, we've been doing this for 20, 25 odd years and they never talk to us. There's never any why this is good practice around helping more vulnerable young people to get a foothold in the labour market, why wage subsidy is a good idea and why it's worth that additional investment. It's just let's get on with it."*

Programmes like the Work Programme or Kickstart have been designed centrally, with little input from delivery organisations or other stakeholders. These organisations have only been brought in when opportunities to tender or, in Kickstart's case, become a Gateway have become available.

Talent Match is an example of what is possible when programmes are designed with delivery organisations, in this case, VSCO partnership leads and how this can lead to better programme design.

FUTURE COMMISSIONING: RECOMMENDATIONS

1. Ensure all funding settlements for future youth employment interventions cover at least three years, ensuring organisations can deliver programmes without the pressure of short-term funding on their operations and staff.

Short-term funding is an inefficient way to invest in the future of young people. Organisations are not able to fully capitalise on the investment commissioners make in their intervention, as significant proportions of time are spent operationalising the programme or applying for the next cycle of funding rather than delivering.

It places significant pressure on the committed and hard working staff supporting young people, who face redundancy or short-term.

2. Commissioning should properly engage with stakeholders and allow sufficient lead-in time to avoid early teething issues.

Through patient commissioning, potential issues can be avoided in early delivery. Proper engagement between commissioners and stakeholders can positively influence the quality of programme design.

Additionally, allowing delivery organisations to have lead-in time before a programme starts will positively influence the support they can offer, particularly early in the programme, as they are able to take time to build local partnerships.

3.Make high-quality relationship-based support from an advisor a key aspect of all future youth employment interventions, ensuring young people can be guided through accessing support, gaining and sustaining employment.

Young people value having a relationship with a trusted advisor who can help support them to overcome their barriers and access other support that may be available as part of the intervention.

Where possible, this relationship should continue after a young person moves into an outcome, particularly if this is employment.

4. Collaborate with and support a network of youth-focused employment support providers who have knowledge and experience delivering programmes for young people.

Numerous organisations that ERSA engaged with for this research project have extensive experience delivering interventions to support young people.

They are willing to share their knowledge and should be engaged with and supported by future commissioning.

5. Integrate youth employability support with health, housing, and welfare services locally to effectively support young people facing complex barriers.

Young people may face a multitude of complex barriers which are not related to employment. Advisors work closely with young people and other services to support them to overcome these barriers, before they move into work.

Future commissioning should facilitate greater engagement between employment support and other services at a local level to ensure a joined-up approach.

6. Work with employers to create high-quality opportunities for disadvantaged young people in growth sectors, utilising wage subsidies to encourage engagement.

Wage subsidy is an effective way to encourage engagement from employers. Future interventions of this type should be sufficiently targeted at the most disadvantaged young people and be accompanied by wrap-around support both for employers and young people.

7. Ensure that youth voice is embedded in designing and delivering youth employment interventions.

Consulting young people in the design of interventions leads to better programmes that are more responsive to young people's needs. By giving young people a visible stake in delivery, interventions can gain legitimacy and accountability to their participants.

8. Ensure that evaluation is embedded in the design of programmes to ensure that lessons learnt from delivery and outcomes can be effectively tracked for impact analysis.

Evaluation should not be an afterthought of programmes but rather a key part of their design, ensuring that outcomes and progression can be tracked in the long term and what works can be understood for future programmes.

GOVERNMENT POLICY: RECOMMENDATIONS

There is a considerable challenge surrounding youth participation in the labour market in England, but there is also an opportunity to positively change the lives of young people and the wider economy.

This section builds on the evidence presented to make three key recommendations to government about how to combat this challenge, with a particular focus on making high-quality employment support available to every young person.

Following the release of the Get Britain Working white paper and the promises made in the Labour Party's 2024 Manifesto[146], ERSA have aimed to align our recommendations with existing government policy.

The recommendations below relate to the current policy environment. Any reforms to the youth employment support system should be informed by the recommendations above, in particular those relating to longer funding settlements and proper stakeholder engagement.

1. Create a nationally available, permanent guarantee of employment support for young people, backed by investing in a range of high-quality support options.

The 2024 Labour Party Manifesto promised to `Establish a youth guarantee of access to training, an apprenticeship, or support to find work for all young people aged 18-21'[147]. Since then, the government has announced eight Youth Guarantee Trailblazer areas in the Get Britain Working white paper.[148]

These areas will be designed locally, but focus on:

- 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

Trailblazers are funded with a share of a £45 million investment which will enable delivery until March 2026. This is a welcome development and learning from the trailblazers will be valuable.

However, ERSA calls on the government to go further and to meet the challenge of youth unemployment and inactivity with significant investment in a nationally available offer of employment support for young people, available on a permanent basis. ERSA members urge the government to revise the age range of this support, ensuring the full NEET population can access it.

This would have the potential of a similar impact to the last Labour government's New Deal for Young People, illustrated by participant:

> *"I think it really showed that you can have a big impact on youth unemployment or youth employment levels. It showed that you can change something. I felt there was a real sense that something was being done and that was a real achievement; to feel that you were part of something bigger."*

146 Labour Party, Change: Labour Party Manifesto 2024, (2024), available online: https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf

147 Labour Party, Change: Labour Party Manifesto 2024, (2024), available online: https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf

148 Op. Cit., Department for Work & Pensions, HM Treasury & Department for Education, (2024)

2. Empower local communities with dedicated people and skills funding, allowing them to fund tailored support for those furthest from the labour market, facing considerable barriers to education, employment or training whilst meeting local priorities as outlined in their Get Britain Working Plans.

In the Get Britain Working white paper, strategic authorities and local authorities were instructed to begin writing Local Get Britain Working Plans. These plans aim to develop a whole-system approach to tackling the supply and demand-side challenges within local labour markets. This is a welcome step and will give local areas a greater understanding of the challenges in their area.

Alongside this, Strategic Authorities are gaining increased responsibility for employment and skills through the design of test and learn trailblazers to support NEETs and the economically inactive, and through the design and commissioning of the Connect to Work programme.

As we move towards a more devolved system of employment support, it is essential to reflect on the loss of ESF and its impact on the delivery of innovative local programmes to support those furthest from the labour market. ESF's replacement, UKSPF, has been fraught with uncertainty, short funding cycles, and reduced levels of investment. It has not operated as a dedicated funding pot for people and skills in the fashion that ESF functioned; rather, it has attempted to replace all of the European structural investment monies through one fund.

Therefore, ERSA calls on the government to adequately replace ESF with a dedicated, long-term pot of employment and skills funding to empower local communities to support young people into education, employment or training in line with local priorities as discovered in the writing of local Get Britain Working Plans.

Funding should be available to strategic authorities and groups of local authorities in areas where there is not yet a strategic authority.

3. Review the Youth Employment Hub model of supporting young people, to ensure it has support from the national government where it is being used and to explore its potential lessons for the new Jobs and Careers Service.

In the Get Britain Working white paper, the government announced its intention to make significant reforms, merging Jobcentre Plus and the National Careers Service to create a new Jobs and Careers Service.

The new universal service will be flexible, operating in different areas to reflect local need. It will run differently in Scotland and Wales, where employment support is devolved. **A new universal service 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

Youth Employment Hubs are a great example of taking an innovative approach to providing young people with Jobcentre Plus support. Through co-locating services, providing open access to those not claiming benefits and building effective relationships with local employers, youth employment hubs are an example of what the new Jobs and Careers Service could look like for young people. ERSA recommends the government review Youth Employment Hubs as they continue to formulate reforms to Jobcentre Plus.

Youth Employment Hubs are currently facing severe uncertainty around funding and their future as part of a wider employment support system. The government should reaffirm its commitment to them and their extensive impact on young people in communities across the country.

Employment Related Services Association

INDEX OF ACRONYMS

BBO	Building Better Opportunities
CFO	Co-Financing Organisation
DLUHC	Department for Levelling Up, Housing and Communities
DWP	Department for Work and Pensions
EET	Employment, Education or Training
EFA	Education Funding Agency
ERSA	Employment Related Services Association
ESF	European Social Fund
ETF	Environmental taskforce: an option on New Deal for Young People
EU	European Union
FJF	Future Jobs Fund
FSF	Flexible Support Fund
FTET	Fulltime education and training: an option on New Deal for Young People
GDP	Gross Domestic Product
GLA	Greater London Authority
JCP	Jobcentre Plus
JSA	Jobseeker's Allowance
LA	Local Authority
LLA	Lead Local Authority
LEP	Local Enterprise Partnership
NAO	National Audit Office
NDPA	New Deal Personal Advisor
NDYP	New Deal for Young People
NEET	Not in Education, Employment or Training
ONS	Office for National Statistics
PAC	Public Accounts Committee
TNL CF	The National Lottery Community Fund
VCSO	Voluntary, Community Sector Organisation
VSO	Voluntary sector option: an option on New Deal for Young People
WMCA	West Midlands Combined Authority
YEI	Youth Employment Initiative
YFF	Youth Futures Foundation
YOP	Youth Opportunities Programme
YTS	Youth Training Scheme

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