

The Youth Guarantee and the benefits system

Challenges, opportunities, and changes needed







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Executive summary

Around 837,000 young people in England are not in education, employment or training (NEET), up nearly 20% since the pandemic, risking harm to their career prospects and the economic prosperity of the country. Around 250,000 young people who claim Universal Credit (UC) are looking for work but need better support. However, nearly 200,000 are claiming benefits but assessed as too ill to work. These young people have little or no contact with Jobcentre Plus or wider help and should be offered extended support if they want it. There are around 400,000 NEET young people who are not claiming benefits and risk missing out on support altogether. They need dedicated outreach to help them move closer to employment. Where young people live matters. Over 15% of young people in Blackpool and Hartlepool claim UC and are in the claimant categories required to search for work or assessed as too ill to work. Simplifying and improving the benefits system and support available will be central to the success of the Youth Guarantee.

The Youth Guarantee in England, announced by the Government in 2024, aims to provide this support to 18- to 21-year-olds and reduce the number of young people who are NEET. The Youth Guarantee, which is being trialled in eight trailblazer Mayoral Combined Authority areas of England, is a commitment to support young people to find a job or learning opportunity. It aims to bring together existing support for young people including free further education provision, apprenticeships, and work-related training such as Skills Bootcamps.

As a social safety net, the benefits system provides financial support for young people who are not currently in work, or not able to work, are on a low income, or meet other criteria that mean they need extra support. The system can also act as a gateway to help people find work and training opportunities. There are concerns over how the benefits system will fit into the Youth Guarantee. If the two support offers are well integrated, the benefits system could be integral to the success of the Guarantee. However, for this to happen, there are a number of challenges to overcome.

This report, commissioned by Youth Futures Foundation and delivered by Learning and Work Institute, explores these challenges and opportunities. The research took a mixed-methods approach, using a combination of data analysis, desk-based research, and consultation with young people, stakeholders from places that have previously implemented youth guarantees, policymakers, and practitioners.



Young people and the benefits system

Over 880,000 16-24-year-olds in England (14%) claim benefits, with UC being the most commonly claimed. Benefits claimants may be employed, provided they earn under a certain amount, unemployed, unable to work, or participating in education or training. In fact, about half of young benefits claimants are in work. The benefits system can be an important financial lifeline and source of employment support for those who are not currently in work or training. However, this research finds that just over half of young people who are NEET do not claim benefits, and so may be missing out on support to improve their employment outcomes.

Just over 250,000 young people in England are required to search for work as a condition of claiming UC. The challenge for this group is to improve support where possible so they achieve better long-term career outcomes. However, 230,000 young UC claimants are not required to look for work. They have relatively little contact with Jobcentre Plus work coaches or wider offers of support, even where they would be interested in work or learning.

There is an additional allowance in UC for young people who have health conditions that limit their capability for work, which is claimed by nearly 200,000 young people in England. The proportion of young people on UC and deemed too ill to look for work, while still relatively low, has tripled to 3% since the pandemic. This group have relatively little contact with Jobcentre Plus work coaches or wider offers of support, even where they would be interested in work or learning. More than half of young people who receive Disability Living Allowance or Personal Independence Payment to help them with the extra costs of having a disability or health problem aren't on any other benefits. This means they are not offered any support to help them find work if they are not already employed.

Where young people live matters. One in five young people claim UC in Blackpool, Hartlepool, Thanet, North East Lincolnshire and Great Yarmouth. These rates are seven times higher than the local authorities with the lowest UC claimant rates among young people. Many of these areas also have a higher proportion of young people deemed too ill to work. Our analysis shows that there is a strong correlation between the

¹ Universal Credit supports claimants with living costs by providing a monthly income. Recipients may be employed, provided they are deemed to be on a low enough income, unemployed, or unable to work. If the claimant has an income, typically through employment, the amount of UC they receive will decrease proportionate to their income. The benefit is discussed in more detail in 'The benefits system' chapter.



proportion of young people claiming UC and poverty, with areas with high levels of poverty also having higher rates of young UC claimants.

The rise in the proportion of young people claiming benefits since the pandemic has been driven by rises, that are sharp in some places, in the numbers claiming the health element of UC. UC health claim rates have doubled in areas that already had the highest claim rates. As a result, almost one in ten young people in Hartlepool now claim the health element of UC. In 67 of 295 local areas analysed, one in ten young people claim UC and are in the claimant categories either required to search for work or assessed as too ill to work. This is more than five times the rate in the lowest areas like Cambridge, Guildford and Oxford.

Challenges and opportunities

The benefits system will play an important role in the success of the Youth Guarantee. However, the current system presents challenges for effective implementation and does not always effectively support young people. Young people can have negative experiences and perceptions of claiming benefits and support from Jobcentre Plus work coaches. Jobcentre Plus faces challenges of high staff turnover meaning young benefits claimants do not always have consistency in who provides them with support, and trust that has been built is lost when a new work coach is assigned. High caseloads can mean that work coaches do not have the time they need to provide tailored, personcentred support to young benefits claimants. There is not always effective cross-departmental working between the Department for Work and Pensions (DWP), who are responsible for the benefits system, and other central government departments, local governments, and the voluntary and community sector posing challenges around accountability and efficiency within the system. If these challenges are not addressed, they will hold back the effectiveness of the Youth Guarantee.

Young people under the age of 18 have very limited access to benefits and under-25s receive £83 less a month than people aged 25 and over through UC. The Government has also proposed delaying access to the health element of UC until a young person reaches the age of 22 on the basis that the Youth Guarantee will provide support for younger people (once it is implemented across England in the future).² Evidence from this research shows that young people can also be deterred from claiming benefits

² DWP, <u>Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper</u>, May 2025.



because of the stigma associated, the challenging application process, and the perception of a system focused more on compliance than support.

The benefits system also presents opportunities to strengthen the delivery of the Youth Guarantee. Jobcentre Plus could build on the existing expertise of work coaches, offering expanded training for some to allow them to develop greater specialism in helping young benefits claimants. A joined-up and consistent approach to partnership working, including referral routes and sharing information about local opportunities, could strengthen the support available to young people. The Youth Guarantee also offers the opportunity to change perceptions about the benefits system by marketing support directly to young people.

Summary of recommendations

Implementing a number of actions will help to ensure that that the benefits system is effectively integrated with the Youth Guarantee and that it works for young people:

- Change the way that the performance of Jobcentre Plus work coaches is measured to focus on sustained job outcomes rather than entering a job which may not be sustainable. Performance indicators should also be expanded to measure efforts to improve employability and skills through education and training, and to recognise that the journey into employment can be a lengthy process for young people.
- Have a specialist designated lead and ensure work coaches who support young claimants in every Jobcentre Plus are specially trained to help young people navigate the system, with dedicated Youth Employment Coaches where appropriate. Increased contact time, alongside meeting with work coaches who understand them, will also help to build young people's trust in the system. We estimate that giving all young UC claimants with work search requirements an extra hour of contact time with a work coach each month would cost £80 million a year.
- Review the journey for young people through the benefits system and key points of engagement. This process should be done collaboratively with young people with experience of the benefits system, to identify pain-points and recommend improvements to make processes more youth-friendly.
- Positively promote the Youth Guarantee as an opportunity to help shift perceptions
 of the benefits system among young people by running a marketing campaign
 targeted at young people, that focuses on the strengths and potential of young
 people.



- Ensure that young people can access good support through the benefits system
 regardless of their age, health conditions, or where they live. Consistency of provision
 for young people across the country could be supported by Jobcentre Plus
 improving integration with external partners or by opening Youth Hubs or similar
 approaches in areas that currently are not being served by one.
- Scrap the proposal to delay access to the health element of UC until someone is aged 22, as proposed in the Government's Pathways to Work green paper, to help ensure equity in support provided to young people and adults with health conditions. This would cost £345 million compared to the Government's plans. The Government could also review the lower rate of the standard allowance of UC for people under-25, to assess the impact the lower rate has on the financial security and wellbeing for this age group and how it reflects costs of living. If removed, this could increase spend on UC by up to £720 million per year.
- Raise awareness of existing support available through the benefits system. This could include the Flexible Support Fund to cover costs like work clothes or transport for young people starting a job and benefits calculators that allow young people to understand the impact of starting work on their benefits or of others within their household. Young people may also benefit from better understanding of the existing right to return to UC after trialling work and of the new 'right to try' that will allow people who claim disability benefits to try work without being reassessed for their benefits.
- Improve how the benefits system supports skills and progression. There would be benefit to trialling enabling young people on UC to take part in longer-term learning up to Level 3 while also receiving UC, and recognising their participation as meeting their work search obligations. It would be important to design flexible training and allow continued participation if the young person finds a job. We estimate that piloting this approach would cost around £40 million.



Introduction

Latest estimates show that 837,000 young people are not in education, employment or training (NEET) in England.³ The proportion of 16-24-year-olds who are NEET has also been rising steadily for the last three years, from 11% in 2021 to 14% in 2024.⁴ Recent data analysis from Learning and Work Institute (L&W) highlighted that 58% of young people in the UK who are NEET have never had a paid job and that 48% are still not in education, employment or training a year after they first become NEET.⁵ Without the right support, there is a real risk that young people become detached from the labour market and lack the skills needed for a successful career, impacting their life prospects as well as the long-term growth of the UK economy.

Support to access work, apprenticeships, or other education or training opportunities comes in many forms: from the voluntary and community sector, schools, colleges, and other training providers, as well as from employment support providers. Underpinning much of the other support available is the benefits system which provides financial support and help to find work for hundreds of thousands of young people who are out of work or are low earners. For many young people the benefits system is a useful and necessary safety net while they transition into work or learning. However, others will require more support to move back into work, and for some, work simply is not a possibility. However, as it stands, the benefits system is not always effective in supporting young people into good, sustainable work, education, or training.

A youth guarantee is a commitment to provide all young people with a job or training opportunity with the ultimate goal of reducing the number of young people who are NEET. Youth guarantees for young people aged 16-25 have been in place across Europe since 2013 and were reinforced in 2020 with eligibility extended up to the age of 30. Some places in the UK also have an existing youth guarantee or have had one in the past including Scotland, Wales, Greater Manchester, and the West Midlands. These existing youth guarantees differ in design but commonly bring together existing support under an umbrella with the aim of making it easier for young people to access this support and for them to be guided to the option that suits them best. Local authorities in England are also required to provide young people under the age of 18 with an

³ Department for Education, <u>NEET age 16 to 24, Calendar Year 2024</u>, March 2025.

⁴ Department for Education, NEET age 16 to 24, Calendar Year 2024, March 2025.

⁵ Learning and Work Institute, <u>Young people who are not in education, employment, or</u> training – what does the data tell us?, April 2025.



appropriate offer of education, employment, or training through the September Guarantee.

In 2024, the Government committed to introducing a Youth Guarantee in England, something L&W has been calling for since 2020,6 and announced eight trailblazer areas which are leading the way on implementing the Guarantee. The trailblazers are in Liverpool City Region, West Midlands, Tees Valley, East Midlands, West of England, Cambridgeshire & Peterborough and two across London, each of which will work in cooperation with central government. The Government intends to take forward learning from the trailblazer pilots to develop a Youth Guarantee more widely. The Youth Guarantee trailblazers will be implemented through Mayoral Combined Authorities working with relevant partners, including training providers, Jobcentre Plus, the National Careers Service, and local employers. The Government's Youth Guarantee commits to providing support for 18- to 21-year-olds in England to find a job or access education or training.⁷

While the introduction of the Youth Guarantee is a step in the right direction, L&W have called for the Government to be more ambitious in their plans.8 L&W proposes an ambition that fewer than 10% of young people should be NEET and no young person who is able to engage with work or training should be NEET for more than a year. Youth Futures Foundation similarly set north star goals for NEET rates for England to fall to match the best in the OECD and for the gaps in earning or learning outcomes for specific groups of marginalised young people to be removed by 2050. Reaching these goal will require extra investment in employment support, apprenticeships, and education places. They also rely on the Government's Youth Guarantee being effectively implemented, which would require extending the eligibility to a wider age group of 16-24-year-olds, engaging young people in a variety of ways and co-locating services, and reducing disparities in the availability of support across the country.

L&W has led a series of work focused on how to make the Youth Guarantee effective including a <u>data analysis briefing</u>, an update of its flagship <u>Youth Opportunity Index</u>, and a vision for an ambitious Youth Guarantee in England.^{9,10,11} Building on this, L&W were

⁶ Learning and Work Institute, <u>Unleashing Talent: Levelling up opportunity for young people:</u> <u>youth commission final report</u>, December 2020.

⁷ DWP, <u>Get Britain Working White Paper</u>, November 2024.

⁸ Learning and Work Institute, <u>Transforming opportunity: Learning and Work Institute's vision</u> for a Youth Guarantee, May 2025.

⁹ Learning and Work Institute, <u>Young people who are not in education, employment, or training – what does the data tell us?</u>, April 2025.

¹⁰ Learning and Work Institute, Youth Opportunity Index 2025, April 2025.

¹¹ Learning and Work Institute, <u>Transforming opportunity: Learning and Work Institute's vision</u> <u>for a Youth Guarantee</u>, May 2025.



commissioned by Youth Futures Foundation to explore the challenges and opportunities the benefits system raises for the Youth Guarantee, and what changes might need to be made to ensure that the benefits system effectively interacts with the Youth Guarantee to support young people. The research explores the interaction of the Youth Guarantee and the benefits system but also how well the benefits system functions to support young people. Some of the discussion and recommendations focus on improving the benefits system, with the implicit understanding that if the benefits system works better for young people, it will also support the success of the Youth Guarantee by reducing the number of young people who are NEET.

The report begins by describing the benefits system and the routes young people might take through it. It then goes on to explore who and how many young people are claiming benefits and how this has changed over time. This leads into a section exploring young people's experiences of the benefits system, why not all eligible young people claim benefits, and the challenges and opportunities the system raises for the Youth Guarantee. Finally, it outlines what needs to be changed to make the benefits system work for young people and for the Youth Guarantee, before making a series of recommendations for policy and practice.



Methods

Research questions

The research focused on answering the following questions:

- How many young people claim benefits and who are these young people?
- How does the current benefits system work and what challenges and opportunities does it bring for the Youth Guarantee?
- What are the key issues that need to be overcome to make the Youth Guarantee successful?

Methodology

To address these questions the research adopted a mixed-methods approach involving:

- Data analysis of Department for Work and Pensions (DWP) benefits data from Stat Xplore and the Annual Population Survey (APS). Analysis of DWP data explored the number of young people claiming Universal Credit (UC), and how this differs across England, the different work search conditions young benefits claimants are subject to, and how claiming differs between young men and women. The analysis also looked at the numbers of young people claiming benefits other than UC including Personal Independence Payments (PIP), Disability Living Allowance (DLA), and Carer's Allowance. Finally, we analysed the flows on and off of benefits for young people and compared the rate of young people claiming UC with the English indices of deprivation 2019. The APS was used to tease out benefits claiming trends among NEET young people. For the purpose of the analysis, young people were defined as aged 16-24 except where otherwise stated.
- Desk based research including a literature review and research into existing youth guarantees both within the UK and abroad. The desk based research included reviewing academic and grey literature as well as evaluations of existing youth guarantees and interventions for young people. The literature review informed the approach to the rest of the research and focused on existing literature on the benefits system including issues it may raise, barriers to employment faced by young people, risk factors for becoming NEET, and wider considerations for the Youth Guarantee.



• Qualitative fieldwork including interviews with ten stakeholders from places where a youth guarantee has been implemented previously. Stakeholders were from Europewide organisations, OECD, Wales, West Midlands Combined Authority, Scotland, Finland, and Estonia. The interviews sought to understand why these guarantees were introduced, how they were designed, the support they include, how they interact with the benefits system, and overall successes and challenges. Stakeholders were government officials with responsibility for the design and implementation of a youth guarantee and experts from within European Union organisations focused on young people.

Focus groups were also conducted with young people with experience of being NEET to understand their experiences of the benefits system and wider support to find work or training, barriers to work and training, and their thoughts on the Youth Guarantee. A focus group was chosen to allow for a deeper understanding of young people's experiences and views, and the ways in which they agree and disagree with each other on certain topics. Young people were recruited using convenience sampling by engaging relevant youth organisations including those that work with groups that are over-represented among NEET young people, such as carers. Appropriate safeguarding procedures were upheld when engaging young people in the research. Finally, two expert roundtables were run, one with policymakers and one with practitioners, to further understand the challenges and opportunities the benefits system brings for young people and the Youth Guarantee.¹²

Limitations

• APS analysis was conducted using data from the 3 year pooled APS January 2021 to December 2023. The APS is based on data from the Labour Force Survey (LFS). There are ongoing challenges with the response rate to the LFS which were exacerbated by the COVID-19 pandemic and the switch to phone interviews rather than face to face. Using the 3 year pooled APS mitigates some of the issues with the low response rate, and our analysis is based on a sample of 1,639 NEET young people in the data. When breaking down by certain characteristics, however, the sample is still small so estimates based on APS data should be treated with caution.

¹² We use the term 'experts' in this report to refer to the professionals and practitioners we consulted with as part of this research. These are people with experience and knowledge of the UK benefits system and its impact on young people.

¹³ House of Commons Library, Has labour market data become less reliable?, October 2023.



- DWP benefits data does not include information on the ethnicity of claimants, meaning it was not possible to explore benefits claiming among NEET young people from different ethnic backgrounds.
- The research set out to engage a small sample of young people, with an aim for 20 young people to participate in the focus groups. Because of lower than expected attendance at the focus groups, a questionnaire was distributed to young people who could not attend to ensure a substantial youth voice in the research. The questionnaire covered the same questions as the focus group, however, taking this approach reduced the depth of insight collected from those that completed the questionnaire rather than attending a focus group session. A total of 23 young people participated in the research and therefore findings from the qualitative research cannot be generalised to the wider population.



The benefits system

Main benefits that young people claim and eligibility requirements

The four types of benefits that are most likely to be claimed by young people are summarised briefly in the table below, before being discussed in more detail in this section.

Table 1: Summary of the main benefits claimed by young people

BENEFIT	PURPOSE	ELIGIBILITY	PAYMENT AMOUNT
Universal Credit (UC)	Monthly support for living costs	Low-income individuals (employed, unemployed, or unable to work) Must meet residency criteria and have savings of less than £16,000	Standard allowance for under 25s: £316.98/month Under-25 living with under-25 partner: £497.55/month Under 25 living with over-25 partner: £628.10 Additional payments available for housing, childcare, caring, and disability
Personal Independence Payment (PIP)	Support for extra living costs due to disability or long- term health condition, assessed via a points system	Aged 16 or over. Health condition must last 12 months or more	Daily Living: £73.90 (lower) or £110.40 (higher) per week Mobility: £29.20 (lower) or £77.05 (higher) per week



Disability Living Allowance (DLA)	Support for care and mobility needs (legacy benefit, largely replaced by PIP for people who are over 16)	Children under 16 with care or mobility needs	Care: £29.20, £73.90, or £110.40/week; Mobility: £22.90 or £77.05/week
Carer's Allowance	Support for people with caring responsibilities of 35 or more hours a week	Aged 16+, not in full-time education, and earning less than £196 a week after tax	£83.80/week

Universal Credit

UC supports claimants with living costs by providing a monthly income. Recipients may be employed, provided they are deemed to be on a low enough income, unemployed, or unable to work. ¹⁴ If the claimant has an income, typically through employment, the amount of UC they receive will decrease proportionate to their income. The UC system has largely superseded a number of other benefits, including: Jobseekers Allowance, Housing Benefit, and Child Tax Credits. It was first introduced in 2013 and has been available in all parts of the UK since the end of 2018. The benefits that UC replaced can no longer be applied for by new claimants, and the migration of claimants from legacy benefits to UC will be complete by March 2026. ¹⁵

While most benefits cannot be claimed by people aged under 18, there are some exceptions which mean that a 16- or 17-year-old can claim UC if any of the following conditions are met:

• They have a health condition or disability and have medical evidence for it, such as a fit note.

¹⁴ Although the terminology of 'in work' and 'out of work' benefits is often used, we have chosen not to use it in this report. This is because UC claimants on any conditionality regime may be either in work or out of work.

¹⁵ UK Parliament, <u>Managed migration: Completing Universal Credit rollout</u>, 2024; DWP, <u>Completing the move to Universal Credit: Statistics related to the move of households</u> <u>claiming Tax Credits and DWP Benefits to Universal Credit: data to end of December 2024.</u>



- They are caring for someone who receives a health or disability-related benefit.
- They are responsible for a child.
- They live with a partner, have responsibility for a child, and their partner is eligible for UC.
- They are pregnant and expecting their baby in the next 11 weeks.
- They have had a baby in the last 15 weeks.
- They do not have parental support.

Over 18s looking to claim UC must still meet certain eligibility criteria, meaning not all NEET young people will be eligible. Some are ineligible based on their household circumstances, such as having over £16,000 in savings, investments, or assets, or living with a partner who earns a high income. Those who are EU citizens living in the UK will need settled or pre-settled status to be eligible. There are also restrictions about studying or participating in training which, while not applicable to NEET young people, will restrict many young people's ability to claim, or affect their decision to undertake training. Most people in full-time education are ineligible for UC. There is an exception to this for under 21s studying up to A level or equivalent who do not have any parental support, those living with a partner who is eligible for UC, or parents.

The standard claimable allowance by people aged under 25 is currently £316.98 a month, \$16\$ which is £83.16 lower than the rate for people aged 25 and over. A claimant aged under 25 and living with a partner also aged under 25 can claim £497.55 a month to cover both the claimant and their partner, which is £130.55 less than if either partner is over 25. Additional income is available if criteria are met under the categories of: housing costs, childcare or childcare costs, caring responsibilities, and disability or ill-health. \$17\$ UC also includes a system of re-claims, which provides a simpler route back into claiming after a short break in entitlement of six months or less. This is intended to counter disincentives to increasing earnings by ensuring claimants can return to the same level of UC payment they were claiming prior to working. \$18\$

UC claimants are placed into one of six conditionality groups: searching for work, working with requirements, working with no requirements, planning for work, preparing

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¹⁶ Rates will be increased by £7 per week in 2025/26, following the government's <u>Pathways to</u> Work green paper.

¹⁷ UK Parliament, Managed migration: Completing Universal Credit rollout, 2024.

¹⁸ UK Parliament papers, Re-Claims.



for work, or no work requirements. Claimants with no earnings, or earnings below the Administrative Earnings Threshold¹⁹ will be placed into the 'searching for work' regime.' The definition of each of the regimes are outlined in Table 2.

Table 2: DWP definitions of Universal Credit claimant commitment regimes

REGIME	DEPARTMENT FOR WORK AND PENSIONS DEFINITION
SEARCHING FOR WORK	Not working, or with very low earnings. Claimant is required to take action to secure work - or more / better paid work. The work coach supports them to plan their work search and preparation activity.
WORKING – WITH REQUIREMENTS	In work but could earn more or not working but has a partner with low earnings. Requirements typically include the claimant demonstrating that they are looking for more work or higher-paid work.
WORKING – NO REQUIREMENTS	Individual or household earnings over the level at which conditionality applies. Required to inform DWP of changes of circumstances, particularly if at risk of decreasing earnings or losing job.
PLANNING FOR WORK	Expected to work in the future. Lone parent / lead carer of child aged 1. Claimant required to attend periodic interviews to plan for their return to work.
PREPARING FOR WORK	Expected to start preparing for future even with limited capability for work at the present time or a child aged 2, the claimant is expected to take reasonable steps to prepare for work including Work Focused Interview.

¹⁹ The Administrative Earnings Threshold of Universal Credit is used to determine whether a claimant is subject to the work-related requirements to increase their earnings. The threshold is currently set at £952 per month. See: DWP, <u>Guidance Universal Credit and earnings</u>, May 2025; DWP, <u>Press Release: New rules require 180,000 on Universal Credit to increase working hours</u>, May 2025.



NO WORK REQUIREMENTS

Not expected to work at present. Health or caring responsibility prevents claimant from working or preparing for work.

Source: DWP, Stat Xplore; People on Universal Credit.

Recipients of UC who are deemed to be capable of work are required to agree to a claimant commitment. Claimants are typically required to keep a record of measures to prepare for work and search for work. The recipient may be asked to attend regular appointments, typically at a Jobcentre Plus, in which a work coach will provide advice on job vacancies, training opportunities, and job searching. Requirements of claimants with children vary depending on the age of the child. A claimant whose youngest child is aged under one is not expected to look for work. If the youngest child is one or two years old, the claimant will be expected to attend appointments to discuss a future move into work and to begin work preparation. If the youngest child is aged three, the claimant will be expected to work or spend up to 30 hours a week on work-related activities such as applying for jobs. If the youngest child is aged 13 or over, the claimant will be expected to spend up to 35 hours a week on this.

Sanctions are a reduction in the payment a UC claimant receives and can be applied if the requirements of a claimant commitment are not met. DWP data demonstrates that young people are sanctioned at a higher rate than other age groups. 7.6% of 16- to 19-year-olds and 9.6% of 20- to 24-year-olds received sanctions in November 2024, compared to an average across the other age groups of 2.7% (see Figure 1).

Analyses have proposed potential reasons why young people are sanctioned at higher rates than other claimants. Young people are more likely to have unpredictable lives which are not always as easily structured to meet the requirements of conditionality, and are less experienced at navigating the conditionality requirements of UC.²⁰ Groups that are over-represented among young people who are NEET, such as care leavers, are also more likely to face difficulty with ensuring their claimant commitment is met.²¹ Some research has suggested that young people who have a parental or family safety net

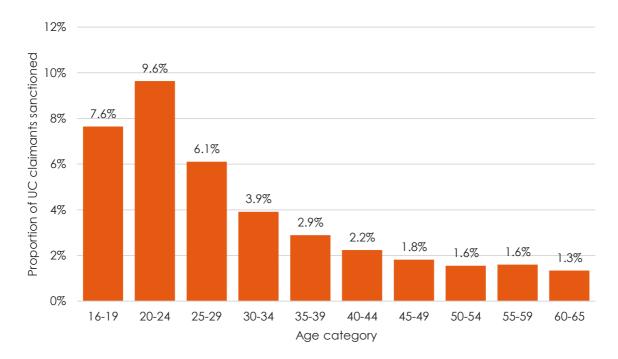
²⁰ Zeb Jenkins-Hall et al, <u>Benefits Sanctions: Exploring the physical, mental, and emotional impact of conduct conditionality in state welfare</u>, August 2024; Beth Watts et al, <u>Welfare sanctions and conditionality in the UK</u>, Joseph Rowntree Foundation, September 2014.

²¹ See, for example: Liam Wrigley, <u>"With the Pandemic Everything Changes!": Examining Welfare Reform and Conditionality Prior to and During the COVID-19 Pandemic Amongst NEET Experienced Young People, Journal of Applied Youth Studies, January 2025.</u>



they can rely on are less concerned by the impact of sanctions.²² However, structural issues with UC can also result in young people being more likely to be in breach of their claimant commitment. In particular, young people are more likely to be earning below the UC Administrative Earnings Threshold and therefore expected to demonstrate efforts to search for more work or increase their earnings.

Figure 1: Young people are more likely to be sanctioned than older people Proportion of Universal Credit claimants in sanctionable regimes by age category in Great Britain who received sanctions in November 2024.



Source: DWP, Stat Xplore; UC Sanction Rates by Conditionality Regime and age.

Health element of Universal Credit

New or existing UC claimants who declare a health condition or disability that limits their ability to work for longer than 28 days will be asked to undergo a Work Capability Assessment (WCA).²³ The assessment is intended to determine the capability of the claimant for work, with three potential outcomes: deemed fit for work; deemed as having limited capability for work and expected to prepare for work in future; being

²² On the perception that young people are less concerned by sanctions due to family financial support, see: Mark Peters and Lucy Joyce, <u>Research Report No. 313</u>, <u>A review of the JSA sanctions regime: Summary research findings</u>, DWP, 2006.

²³ DWP, <u>Universal Credit: Health conditions and disability guide</u>, January 2025.



deemed as having limited capability for work and work related activity (LCWRA). The latter will receive an additional top-up to the UC rate of £423.27 per month. While awaiting the outcome of the assessment, the claimant is expected to continue to provide fit notes to continue to receive the standard allowance.²⁴

The Government's Pathways to Work green paper proposes to end the WCA, arguing it creates a 'binary' choice of declaring someone either capable or not capable of work. Under the plans, claimants who are disabled or have a long-term health condition will still be eligible for additional support, but this will no longer be contingent on an individual's capacity for work. The Government's goal is to ensure that claimants are not penalised for, or deterred from, work due to fear of losing their additional allowance. The Government plans to replace the WCA with the Personal Independence Payment (PIP) assessment to assess eligibility for the health element of UC. The green paper also announced consultation on proposed changes in support for young people, which would mean that access to the health element of UC would only be open to people aged 22 or over. Under the proposed plans, young people aged 18-21 would be supported by the Youth Guarantee (once it is implemented across England) to engage in work or training, including those who are currently claiming the health element of UC. Savings made by delaying access to the health element of UC would be invested into employment support and training opportunities for young people with the goal of improving their learning and career opportunities.²⁵

Personal Independence Payment and Disability Living Allowance

PIP provides support with extra living costs faced by people with a disability, long-term health condition, or mobility issues. People aged 16 or over who have a long-term physical or mental health condition that affects their ability to carry out daily tasks and/or affects their mobility, and whose disability is expected to last at least 12 months are eligible to apply. The Government is currently consulting on raising the age of eligibility to 18.26

²⁴ DWP, <u>Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper</u>, May 2025. A fit note is the term used as shorthand for a 'Statement of Fitness for Work'. It provides advice on the fitness for work of the claimant in relation to their health condition. It can be provided by a qualified medical professional. See: DWP, <u>Guidance: The fit note:</u> guidance for patients and employees, October 2023.

²⁵ DWP, Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper, May 2025.

²⁶ DWP, <u>Pathways to Work: Reforming Benefits and Support to Get Britain Working Green</u> <u>Paper</u>, May 2025.



There are two elements of PIP, each of which are available at a higher and lower rate of support:

- The daily living element is intended to provide support to people who face barriers with self-care such as preparing food, managing their medicine or treatments, talking to other people, and reading. The lower weekly rate is £73.90, and the higher is £110.40. People who are terminally ill will automatically qualify for the daily living allowance at the enhanced rate.²⁷
- **The mobility element** is intended to support people who face limitations with moving around or leaving their home. The lower weekly rate is £29.20, and the higher rate is £77.05.

Eligibility for the higher or lower rate in both of these elements is determined by the PIP assessment, which scores an applicant on several criteria in terms of need in each category, with people with higher scores being placed on the higher rate. There are ten activities considered under this element including: preparing meals; eating and drinking; managing a health condition; washing and bathing; speaking, hearing, and understanding; and reading and understanding. Each activity is scored on a scale of 0 to either 8, 10, or 12, depending on the activity, with a higher number indicating greater difficulty. Currently an applicant will require a total score of 8 or more to qualify for support with the daily living element. The Government is currently leading a review, collaboratively with deaf and disabled people's organisations, into PIP eligibility criteria which may change the current criteria.

The Disability Living Allowance (DLA) is considered a legacy benefit, and is being replaced with PIP for adult claimants, but children aged under 16 remain eligible for DLA. The benefit consists of two elements, the care component and the mobility component. For adults who remain on DLA, the amount of financial support they receive depends on how much of an impact their condition is deemed to have on their life.²⁸ There are three weekly rates available in the care element, of £29.20, £73.90, and £110.40, depending on how severe the claimant's challenges with caring for themselves are. The mobility element has two rates of £22.90 and £77.05, depending on the extent of the claimant's mobility challenges. While adult claimants of DLA are being moved onto PIP, the DLA is not being phased out for people aged under 16. As such, parents or guardians of a child aged under 16 may claim DLA for a child with a disability or health

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²⁷ Turn2Us, <u>Personal Independence Payment - PIP - How much Personal Independence</u> Payment (PIP) will I get?, 2025.

²⁸ UK Government, <u>Disability Living Allowance (DLA) for adults</u>.



condition that means they need care or if they have difficulties with walking, with rates of support being the same as for adults.²⁹

Carer's Allowance

Carer's Allowance is intended to support people, aged 16 or over, with caring responsibilities of 35 or more hours a week, and whose income is less than £196 a week after tax. It provides £83.80 a week, which can be paid either weekly or every four weeks. To receive Carer's Allowance, the recipient must not be in full-time education (studying for more than 21 hours a week), meaning many young people are ineligible. For NEET young people claiming Carer's Allowance, the limitations on eligibility related to earnings and education may be a disincentive to enter training or work.

The benefits system and support for work and training

The benefits system, particularly Jobcentre Plus, provides support for claimants to progress into work. As of March 2025, around 40% of all UC claimants were required to search for work as part of their claim.³⁰ Support is primarily provided from a Jobcentre Plus work coach, who assists with work preparation tasks such as CV writing, accessing training, and looking for work.³¹ Work coaches can also refer young people to youth employment programmes or a Youth Hub (in the areas that have them). At Youth Hubs, trained work coaches can support young people and co-locate with relevant partner organisations, such as colleges, charities, and training providers.³² The Sector-based Work Academy Programme (SWAP) is an example of a youth employment programme delivered in partnership with businesses, and includes pre-employment training, a work placement, and a guaranteed interview after the completion of the scheme.³³ Young people who have barriers stopping them finding a job will be partnered with a Youth Employability Coach. These are work coaches with a specialism in helping young

²⁹ DWP, <u>Disability Living Allowance for a child under 16: Information Booklet</u>.

³⁰ From DWP, Stat Xplore, Dataset: People on Universal Credit, Table: UC People 1 – Conditionality. Total derived from people on conditionality regimes of: searching for work, working – with requirements, planning for work, and preparing for work.

³¹ DWP, Universal Credit and your claimant commitment.

³² DWP, Press Release: Over 110 new Youth Hubs offer job help, June 2021.

³³ Department for Education, <u>Sector-based work academy programme</u>. SWAP programmes last up to six weeks and can be full-time or part-time. The programmes are intended to allow the participant to skills for work, and particularly for work in that sector. See: UK Parliament, <u>Sector-based Work Academy Programme</u>: <u>Guidance</u>.



people, who provide support for up to six months to help young people move into work, and for six weeks once they find a job.³⁴

UC provides some support for claimants to access training if it will improve the likelihood of them obtaining work. Claimants can apply to undertake a training course of up to 16 weeks while still claiming UC, with their work search requirements waived during this period. If a young person aged 16 or over starts an apprenticeship, their household will no longer be eligible to claim Child Benefit, or the child element of UC.³⁵

The Flexible Support Fund is a budget available to Jobcentre Plus sites that can be used on a discretionary basis to provide tailored support that will help a UC claimant in obtaining employment. The type of support that can be provided depends on which UC work support regime the claimant is in. Examples of what the Flexible Support Fund can be used for include training for claimants to apply for a promotion or other job opportunities, clothing or equipment necessary for work, travel costs for interviews, or upfront childcare costs when this allows the claimant to work more hours.³⁶

Claimants can also be referred to additional support schemes through the benefits system, although most of these schemes are not aimed specifically at young people. The Restart scheme can provide intensive support to unemployed people in locations where the scheme is active. The recently introduced Connect to Work programme provides support to enter or remain in employment for particular target groups, such as: people with a disability or long-term health condition; carers and former carers, homeless people, former members of the armed forces, and young people involved or at risk of being involved in serious violence.³⁷ This scheme replaced the Work and Health Programme, which provided support to similar groups.³⁸

Routes into the benefits system

Young people's referral routes into the benefits system vary. According to the experiences of the young people we consulted, their most common routes into the system were through self-referral, commonly through applying for UC; being referred or supported to apply by another organisation, such as a voluntary and community sector

³⁴ DWP, <u>Help to find work for Universal Credit claimants aged 16 to 24</u>.

³⁵ Matt Padley, <u>Apprenticeships, Child Benefit and Universal Credit: exploring the impact of eligibility criteria on living standards and income adequacy</u>, Youth Futures Foundation, November 2024.

³⁶ DWP, Flexible Support Fund.

³⁷ DWP, Connect to Work: Grant Guidance for England.

³⁸ DWP, Work and Health Programme statistics: background information and methodology.



organisation; or being recommended to apply by family or friends. Young people who have faced specific barriers, such as being in care, may be referred as part of their pathway plan upon leaving care. Figure 2 provides a summary of the key stages in a young person's journey when applying for UC and potential barriers they may face, which will be explored in more detail later in the report.



Figure 2: A young person's journey through the benefits system

Summary of steps for a young person claiming Universal Credit, and potential barriers and outcomes

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Barriers to engaging	 Negative perception of benefits system. Previous negative experiences. Conditionality of support off-putting. 	
1. Initial engagement Barriers after initial	Routes to engagement: Self-referral. Referral from voluntary organisation or similar. Negative first engagement. Conditionality of support – job-search requirement.	
engagement	Negative perception of Jobcentre Plus.	
2. Universal Credit support provided	Support provided:Claimant commitments set.Possible sanctions for not meeting requirements.	
Barriers to effectiveness of support	 Conditionality of support – job-search requirement. Potential sanctions. UC's focus on entering a job, rather than training. A lack of suitable local training or jobs. 	
3. Transition to work or training	 Outcomes of support: Young person enters training or work. If in a low-paid job, may continue to receive UC. Young person does not enter training or work. 	



Young benefits claimants

Benefits can provide financial support for young people who are not currently able to work or access training and can also act as a gateway to help to find work. Just over 880,000, or 14%, of 16-24-year-olds in England claim some sort of state benefit. The most common benefit claimed by young people is Universal Credit (UC), followed by different types of sickness or disability benefits such as Personal Independence Payment (PIP) and Disability Living Allowance (DLA). A small number of young people claim Carer's Allowance and other benefits. The proposed changes in the Government's recent Pathways to Work green paper may have a considerable impact on young benefits claimants. In particular, the proposal to delay access to the health element of UC until age 22 and tightening eligibility criteria for the daily living component of PIP, as well as increasing the minimum age for new PIP claims from 16 to 18, may significantly affect support for young people with health conditions or disabilities.³⁹

Types of benefits claimed by young people

Universal Credit

One in ten young people aged 16-24 in England receive UC, equating to just over 621,000 young UC claimants. The proportion of young people on UC rose during the COVID-19 pandemic in 2020 to 2021, peaking at 14% of 16-24-year-olds, but then dropped after 2021 and levelled off at around 10% from 2023 to 2024.

Conditionality regime

In England, just over 250,000 young people (4% of 16-24-year-olds) are required to search for work as a condition of claiming UC. The challenge for this group is to improve support where possible so they achieve better long-term career outcomes. Figure 3 shows that most young UC claimants in England fall into one of two conditionality regimes: 'searching for work' (40%) or 'no work requirements' (36%). The 230,000 young UC claimants who are not required to look for work have relatively little contact with Jobcentre Plus work coaches or wider offers of support, even where they would be interested in work or learning. These young people may require more tailored support to move closer to the labour market. A minority are on other conditionality regimes including 'working with no requirements' (9%), 'working with requirements' (6%),

³⁹ DWP, <u>Pathways to Work: Reforming Benefits and Support to Get Britain Working Green</u> <u>Paper</u>, May 2025.



'preparing for work' (6%) or 'planning for work' (3%).⁴⁰ Young people in any of these conditionality regimes might be in work.

A higher proportion of young UC claimants in Wales and Scotland have no work requirements (45% and 44% respectively) than in England. This is coupled with a lower percentage (32%) of young claimants being on the work search regime. The higher proportion with no work requirements may be in part linked to the higher proportion of young people who are not in education, employment or training (NEET) in Wales and Scotland reporting sickness or disability as their primary reason for not working than in England; nearly 1 in 3 young people who are NEET in Wales (31%) and Scotland (33%) report sickness or disability as their primary reason for not working compared to just over 1 in 4 in England (26%). Mental health may play a particularly large role in this; 30% of young people in the UK who report mental health conditions as their main health condition are NEET.⁴¹ As health-related reasons for being NEET reduce the proportion of young people subject to work search requirements, and with the reported prevalence of mental ill health rising across the working-age population,⁴² this trend could lead to more young claimants in England being exempt from work-search conditions under current rules. The Youth Guarantee needs to provide tailored support to address barriers faced by young people with health conditions, ensuring they are not left behind in efforts to connect them with employment, education or training. They can of course be offered support without a requirement to take this up, but this does not routinely happen currently.

The proportion on each of the two most common UC regimes varies between regions within England. The regions in England where there is a higher proportion of young claimants who are required to search for work than those with no work requirements are London (50% and 29% respectively), the West Midlands (45% and 33%), Yorkshire and the Humber (40% and 38%), and the North West (39% and 38%). Notably, London has the highest proportion of young UC claimants on the work search regime, which is likely due to it being the region with the highest unemployment rate (6.4%)⁴³ and having a highly competitive labour market.

⁴⁰ The details of these regimes are explained in Table 2.

⁴¹ Learning and Work Institute, <u>Young people who are not in education, employment, or training – what does the data tell us?</u>, April 2025.

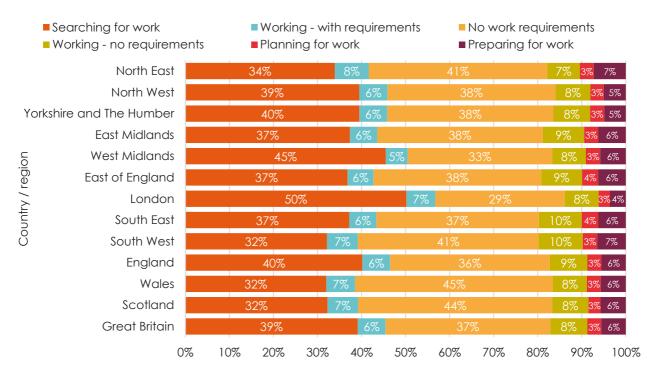
⁴² Latimer et al., <u>The role of changing health in rising health-related benefit claims</u>, Institute for Fiscal Studies, March 2025.

⁴³ ONS, <u>Labour market in the regions of the UK</u>, June 2025.



Figure 3: The proportion of young UC claimants on each conditionality regime varies by the region and country they live in

Percentage of people aged 16-24 on Universal Credit, by Conditionality Regime, October 2024



Source: DWP, Stat Xplore; People on Universal Credit.

Figure 4 shows that the North East, West Midlands and Yorkshire and the Humber have the highest proportions of young people claiming UC. In the North East and Wales, 5% of young people are claiming UC and assessed as unable to work, the same or greater than the proportion required to search for work.⁴⁴

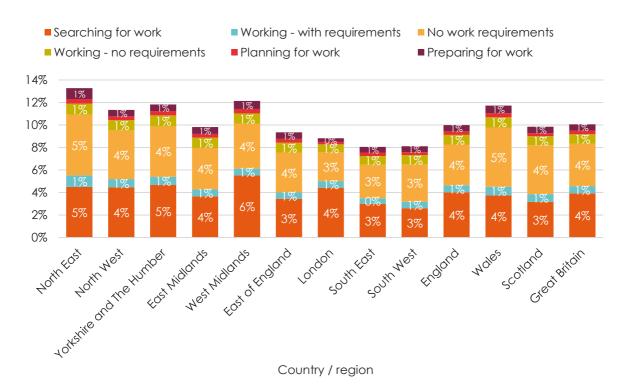
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⁴⁴ These proportions are based on 2018 ONS population projections, with each nation and region scaled up to match the latest UK population projections. Exact figures should therefore be treated with caution.



Figure 4: The North East, West Midlands, and Yorkshire and the Humber have the highest proportions of young people claiming UC

Proportion of 16–24-year-olds claiming UC by conditionality regime, October 2024



Source: DWP, Stat Xplore; People on Universal Credit.

Health element

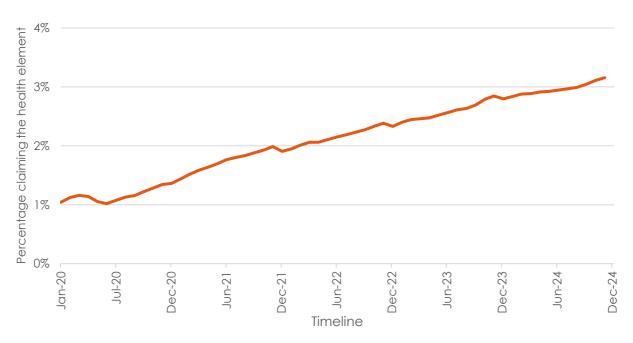
In 2024, nearly 200,000 young people in England (3.2% of 16-24-year-olds) received a health top-up for UC. Over two thirds (68%) of young UC claimants who claim the health element were identified as having limited capability for work and work-related activity; 14% have only limited capability for work and 18% have a live fit note issued prior to undergoing a work capability assessment. Since 2020, the proportion of young people receiving the health element has been steadily increasing from 1% in January 2020 to more than 3% in 2024 (Figure 5). The UC health caseload is now at a much higher level than prior to the pandemic; 13% of young UC claimants in England received the health element in 2019 compared to 30% in 2024. 45

 $^{^{45}}$ Some of this increase is likely due to the migration of claimants off Employment and Support Allowance over this period.



Figure 5: The proportion of young people claiming the health element of UC has increased by two percentage points from 2020 to 2024

Proportion of 16-24-year-olds claiming the health element of UC, January 2020-December 2024, England



Source: DWP, Stat Xplore; UC Health Caseload.

There are differences between regions within England; the South West and North East have the highest proportions of young UC claimants receiving the health element at 39% and 36% respectively, while London has the lowest proportion at 22%. This likely corresponds to the South West and North East having the highest proportion of young UC claimants without work requirements (both 41%) while London has the lowest proportion, with less than one third of young UC claimants (29%) without work requirements (Figure 3). If taken forward, the proposal to delay access to the health element of UC until a claimant is 22 years old will have a significant impact on the young people who currently claim it, particularly those who are considered to have limited capacity to work.

Disability and sickness benefits

Over 370,000 young people in England claim PIP or DLA and of these, nearly 230,000 do not claim any other benefit besides PIP/DLA. Just over 150,000 young people claim a combination of benefits that includes both UC and PIP/DLA.



Disability Living Allowance

Fewer than 1% of 16-24-year-olds in England claim DLA. This figure nearly halved between May 2018 and May 2024, from 54,000 to 29,000, due to DLA being phased out for new applicants who are over the age of 16. Many young people with health conditions claim the health element of UC or PIP rather than DLA.

Young people that claim DLA mainly have neurodevelopmental conditions as their primary health condition. The most common health condition among young people aged 16-24 claiming DLA is a learning difficulty (47%), followed by hyperkinetic syndrome (ADHD) (16%) and behavioural disorders (15%). A small minority of young DLA claimants have diabetes (4%), psychoneurosis (4%) or a neurological disease (3%), with the remaining 11% of young DLA claimants reporting 32 other conditions. Mental health conditions are not reflected in DLA claims, possibly due to young people with mental health conditions not seeking to claim benefits for their condition or claiming PIP or the UC health element instead. However, many young people who are NEET report having a mental health condition. Previous work by L&W found that 30% of young people in the UK who report mental health conditions as their main health condition are NEET, suggesting that many young people with mental health conditions could be eligible to claim benefits despite not claiming health-related benefits like DLA at the moment.46

Personal Independence Payment

PIP is the most common type of disability and sickness benefit claimed by young people in England, with over 340,000 claiming PIP. The number of 16-24-year-olds newly registering to claim PIP increased from 9,000 in May 2018 to nearly 14,000 in May 2024 as PIP increasingly replaced DLA for young people.⁴⁷ The gender split of new young PIP claimants is fairly even; 51% of new PIP claimants are young women.

Carer's Allowance

Fewer than 1% of 18-24-year-olds in England claim Carer's Allowance.⁴⁸ However, the number of claimants increased from around 34,000 in 2018 to over 42,000 in 2024, driven by a steady increase in claims since late 2021. Young women made up 55% of young

⁴⁶ Learning and Work Institute, <u>Young people who are not in education, employment, or training – what does the data tell us?</u>, April 2025.

⁴⁷ Lindsay Judge and Louise Murphy, <u>Under strain: Investigating trends in working-age disability and incapacity benefits</u>, Resolution Foundation, June 2024.

⁴⁸ The age range of 18-24 has been used as the majority of 16–18-year-olds are not eligible to claim Carer's Allowance due to being in full-time education and therefore the numbers are very small.



claimants in May 2024, down from 60% in May 2018. Despite the small number of young people claiming Carer's Allowance, 14% of people aged 16-24 in England who are NEET say that looking after family is their primary reason for being NEET.⁴⁹ While some of this discrepancy will be because young people have child care responsibilities, which falls outside of Carer's Allowance eligibility, there may also be some NEET young people who claim UC instead of Carer's Allowance, or do not claim any benefits at all for their caring responsibilities.

Benefit combinations

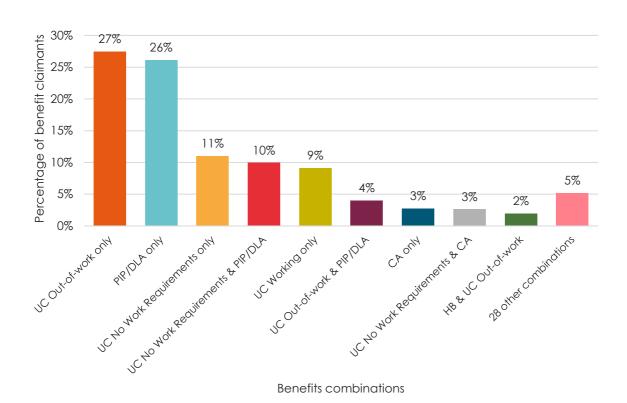
Most young benefits claimants (77%) in England claim only one benefit. Figure 6 shows that around one in four young benefits claimants (27%) receive only out-of-work UC and a further one in four young benefits claimants (26%) only claim a sickness or disability benefit (PIP or DLA). For young people that claim a combination of benefits, the most common combinations are UC with different work search regimes and PIP or DLA, with 14% of young claimants receiving these combinations. About one in ten young benefits claimants receive any other combination of benefits. While young people claiming only out-of-work UC may be more easily targeted through employment-focused interventions, the Youth Guarantee must be tailored to meet the distinct needs of young people receiving sickness or disability benefits and those claiming multiple benefits, who may require a broader range or specialised support.

⁴⁹ Learning and Work Institute, <u>Young people who are not in education, employment, or training – what does the data tell us?</u>, April 2025.



Figure 6: Around half of young benefits claimants receive either out-of-work UC or PIP/DLA, rather than a combination of benefits

Benefit combinations, proportion of benefits claimants aged 16-24, England, August 2024



Source: DWP, Stat Xplore; Benefit Combinations for England and Wales – Data from May 2019.

Profile of young benefits claimants

Gender

More young women claim UC than young men; 52% of UC claimants aged 16-24 in England are female. This is also fairly consistent across regions within England, with London being the only region that has slightly fewer young women claiming UC (49% of claimants) than young men (51%). The South East and South West have the highest proportion of young female claimants; in each region 55% of young UC claimants are women. Fewer young men claim UC, despite young men having slightly higher NEET rates than young women; 15% of young men in England are NEET compared to 13% of



young women.⁵⁰ This may be due to young women being more likely to have child care responsibilities compared to young men; one in four young women who are NEET (26%) are NEET primarily because they are looking after family or are homemakers compared to only 2% of NEET young men. These responsibilities may make them more likely to claim UC as they are often exempt from work search requirements. On the other hand, NEET young men are more likely to be unemployed (and therefore actively looking for work) than young women; over half of NEET young men in England are unemployed (52%) compared to under a third of NEET young women (32%).⁵¹ Even though this group is actively seeking work, the intensive work search conditions applied to most unemployed benefits claimants may act as a deterrent to unemployed young men claiming UC, particularly if they perceive the support as insufficient or difficult to access.

Where young people live

There are large disparities in the rate of young people who claim UC between local authority areas in England. The local authorities with the highest rates of young people claiming UC are spread across different regions, with one in five young people claiming UC in the local authorities with the highest rates: Blackpool (22%), Hartlepool (20%), Thanet (20%), North East Lincolnshire (19%) and Great Yarmouth (19%). These rates are seven times higher than the local authorities with the lowest UC claimant rates among young people, which are City of London (2%), Cambridge (3%), Oxford (3%), Isles of Scilly (3%) and Bath and North East Somerset (3%). Many of the local authorities with the highest rates of young people claiming UC are in coastal areas, which may be linked to higher rates of deprivation and fewer education and employment opportunities in these areas. ONS data finds that 71% of coastal towns had both slower population and employment growth compared with the England and Wales average from 2009 to 2018.⁵²

Our analysis also shows that there is a strong correlation between UC claimant rate and deprivation as measured by the Index of Multiple Deprivation.⁵³ Figure 7 shows a relationship between higher levels of overall deprivation and increased UC claimant rates among young people in England. This relationship is especially pronounced in the

⁵⁰ Department for Education, NEET age 16 to 24, Calendar Year 2024, March 2025.

⁵¹ Learning and Work Institute, <u>Young people who are not in education, employment, or training – what does the data tell us?</u>, April 2025.

⁵² Richard Prothero and Rafal Sikorski, <u>Coastal towns in England and Wales: October 2020</u>, ONS, October 2020.

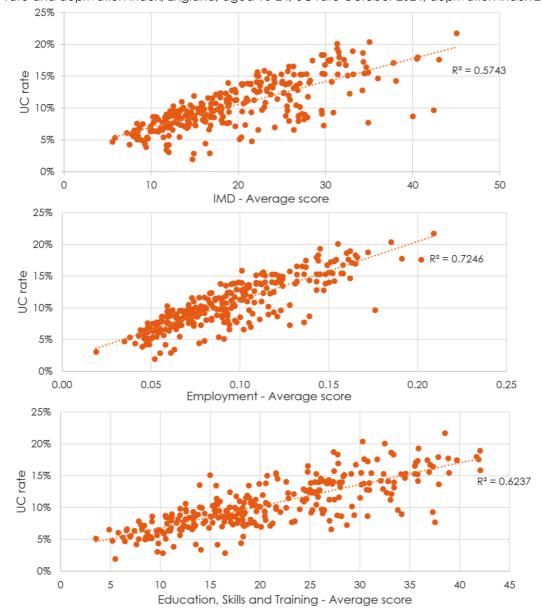
⁵³ The Index of Multiple Deprivation includes measures like income, employment, education, health, crime, barriers to housing and services and the living environment to generate an overall picture of poverty.



employment domain, where higher levels of employment-related deprivation correlate with higher UC claimant rates, and similarly with higher levels of education-related deprivation in the education domain.

Figure 7: There is a strong correlation between the proportion of young people in a local authority claiming UC and deprivation

UC rate and deprivation index, England, aged 16-24, UC rate October 2024, deprivation index 2019



Source: DWP, Stat Xplore; People on Universal Credit. Mid-year population estimates; ONS, English Indices of Deprivation 2019; Ministry of Housing, Communities & Local Government (MHCLG). Note: R² is a number between 0 and 1 that shows how well a model's predictions match the actual data—1 means perfect fit, 0 means no fit.



The link between high UC claimant rates and limited employment and education opportunities was also reflected in L&W's 2025 Youth Opportunity Index, which gives a relative measure of education and employment opportunities for young people across England's 151 local authorities.⁵⁴ Some of the local authorities with the highest UC claimant rate for young people also rank low for youth opportunities in the Index. For example, in Knowsley, the lowest ranking local authority, and Middlesbrough, ranked 148th, 18% of young people claim UC (compared to 10% in England as a whole). Regional differences in UC rates and availability of opportunities means that there needs to be a tailored local approach to support young people that complements any national support initiatives as part of the Youth Guarantee. Employer engagement can play an important role in creating sustainable local job opportunities that align with broader economic development objectives, such as coordinating Jobcentre Plus objectives with local skills improvement plans to help match young people with relevant opportunities.⁵⁵

The left side of Figure 8 shows that the local authorities with the highest proportion of young UC claimants on a work search regime are largely concentrated in and around London, Birmingham, and Bradford. Seventeen of the 20 local authorities with the highest proportion of young UC claimants on a work search regime are found in London, with Tower Hamlets having the highest proportion of young UC claimants searching for work (58%). However, when looking at the proportion of all 16-24-year-olds with work search requirements (Figure 8, right side) we see a slightly different picture. Areas in and around Bradford and Birmingham still have some of the highest rates, but London does not feature so prominently. This suggests that while a high proportion of young UC claimants in London are searching for work, they represent a smaller portion of all young people in the area compared to in other parts of the country. As with overall UC rates, Bath and North East Somerset, Cambridge, and Oxford are the local authorities with the smallest proportion of young people claiming UC with work search requirements. There has also been very little change in this since 2020, while many of the areas with the highest proportion of 16-24-year-olds claiming UC with work search requirements have seen an increase in the same period.

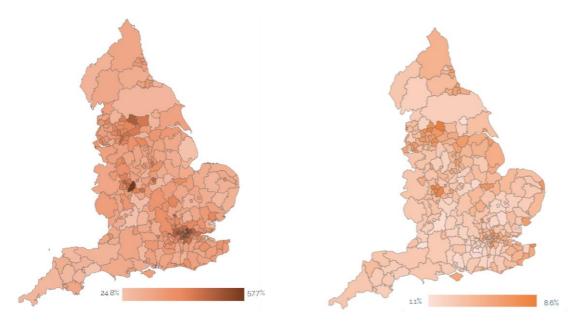
⁵⁴ Learning and Work Institute, <u>Youth Opportunity Index</u>, April 2025.

⁵⁵ Department for Education, <u>Local Skills Improvement Plans</u>, October 2022.



Figure 8: The proportion of young people claiming UC and those with work search requirements varies across England

Proportion of Universal Credit claimants aged 16-24 (left) and proportion of all 16-24-year-olds (right) with work search requirements, 2024



Source: DWP, Stat Xplore; People on Universal Credit. ONS mid-year population estimates.

Figures 9 and 10 show that areas with the highest proportion of young people claiming UC with work search requirements also tend to have the highest proportion of young people claiming the health element of UC. For example, in Blackpool, Hartlepool and Burnley, one in seven young people (15%) is claiming either UC with work search requirements or the health element. In 67 of 295 local areas analysed, one in ten young people claim one of these benefits, five times the rate in the lowest areas like Cambridge, Guildford and Oxford.

Since the pandemic the proportion of people claiming both the health element and UC with work search requirements have gone up in most areas. However, the proportion of young people claiming UC with work search requirements has generally risen only slightly and rises are fairly evenly spread across areas (Figure 9). By contrast, the proportion of young people claiming the health element of UC has gone up by more, and the areas that had the highest pre-pandemic claim rates have seen the largest rises (Figure 10). Claim rates for the health element of UC have more than doubled since the pandemic in the areas that had the highest claim rates in 2020.



Figure 9: The proportion of young people claiming UC with work search requirements has generally risen only slightly since 2020 and rises are fairly evenly spread across areas

Proportion of 16–24-year-olds on UC with work search requirements in local authorities in England, January 2020 compared with the percentage point change in rates to December 2024

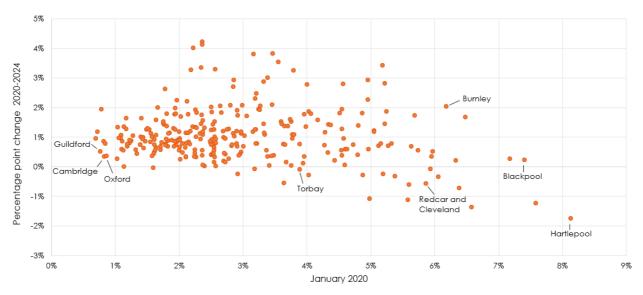
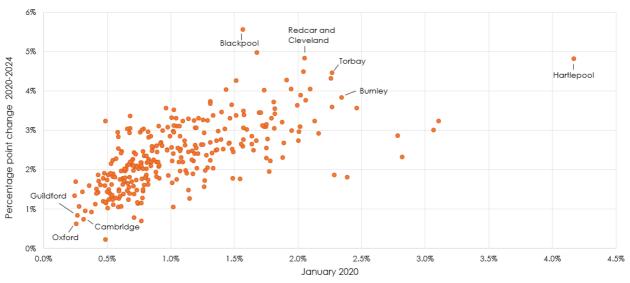


Figure 10: The proportion of young people claiming the UC health element has gone up since the pandemic and areas that had the highest pre-pandemic claim rates have seen the largest rises

Proportion of 16–24-year-olds claiming the health element of UC in local authorities in England, January 2020 compared with the percentage point change in rates to December 2024



Source for Figure 9 and 10: DWP, Stat Xplore; People on Universal Credit and UC Health caseload. ONS local authority population estimates.



The rises in the proportion of young people claiming the health element of UC are driving the increase in the proportion of young people across both the UC searching for work and health element groups. The areas with the highest proportion of young people claiming the health element are Hartlepool, with 9% of 16-24-year-olds deemed to have limited capacity for work and work related activities, followed by Blackpool, Redcar and Cleveland, and Torbay (7%). The proportion of young people claiming the health element of UC in the areas with the highest rates has also been increasing more sharply than for the areas with the lowest rates. Areas with the lowest claimant rates for the UC health element have only seen a one percentage point increase in uptake since 2020 compared to increases of up to 5.5 percentage points for the areas with the highest rates. Targeted support is important to enable these young people to overcome challenges and make employment a possibility for them.⁵⁶

The 10 areas with the highest UC health element claim rates in 2020 had a 4.5 percentage point rise in health element claim rates by 2025 and 0.2 percentage point rise in the searching for work rate. By contrast, the 10 areas with the lowest UC health element claim rates in 2020 had a 0.8 percentage point rise in both the health element and searching for work claim rate. This means that the gap between the highest and lowest claim rates for the those claiming UC with work search requirements remained broadly the same (at 7.5 percentage points). Whereas the range for those claiming the health element of UC doubled (from 4 percentage points to 8.3 percentage points). Rising claim rates for the health element of UC are therefore driving the overall increase in the proportion of young people claiming benefits since the pandemic.

Off and on flows

The difference between the number of new young people who claim UC with work search requirements and those moving off of UC remained fairly balanced from 2018 to 2020. There was a sharp increase in the number of new young people claiming UC during the COVID-19 pandemic, with nearly 150,000 new claimants at its peak (Figure 11). This was due to the increase in unemployment as a result of lockdown measures; young people accounted for nearly half of the total fall in employment during the pandemic despite making up only one in nine of the total workforce.⁵⁷ As the pandemic subsided and economic activities resumed, more young people began to find work, leading to an increase in UC off-flows. However, in August 2022, the number of new

⁵⁶ DWP, <u>Pathways to Work: Reforming Benefits and Support to Get Britain Working Green</u> Paper, May 2025.

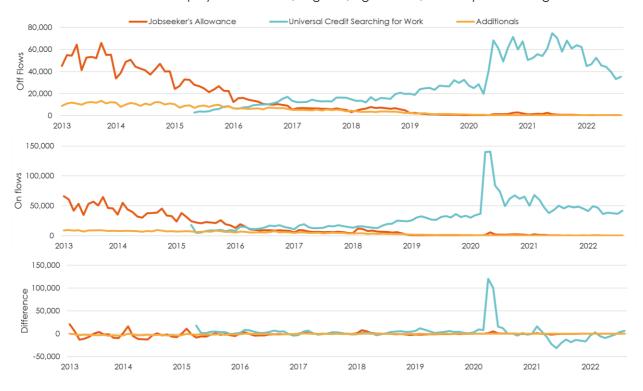
⁵⁷ Tony Wilson and Dafni Papoutsaki, <u>An Unequal Crisis: The impact of the pandemic on the youth labour market</u>, Institute for Employment Studies, January 2021.



young people claiming UC with work search requirements exceeded the number of young people moving off it. While the difference between new people claiming UC and people moving off UC rebalanced in subsequent months, latest estimates show that there are once again more new young UC claimants with work search requirements than there are young people moving off the benefit.

Figure 11: The number of new young people claiming UC far outweighed those moving off UC in 2020, but has since evened out





Source: DWP, Stat Xplore; Alternative Claimant Count. Additionally, estimates of those additional claimants who would have been in the Searching for Work regime of UC had it existed over the entire time period from 2013.

Some people moving off UC claimants with work search requirements stop claiming UC altogether, while others will move to a different conditionality regime. Both those that stop claiming UC and those that move to a new conditionality regime may be in work. It

⁵⁸ On-flows are defined as the number of people claiming unemployment related benefits in a given month, who were not claiming them in the previous month. Off-flows are defined as the number of people no longer claiming unemployment related benefits in a given month, who were claiming them in the previous month.



is important not to overinterpret these figures; off-flow rates do not necessarily represent people who are out of work finding work and moving off benefits.

Higher UC on-flows typically indicate either, or both, higher levels of economic inactivity and higher levels of unemployment, which can lead to lower income tax revenues and strain public finances. Greater UC on-flows may also be indicative of broader issues in the labour market, such as skills mismatches or lack of job opportunities at the right level, and in the right location. The increase in uptake of the health element of UC is also a cause for concern as it might indicate worsening health among young people or the impact of benefit rules and incentives or other wider issues.⁵⁹ It is therefore crucial to address the rise in new UC claims among young people through support, investment in skills development and training for young people, and health and wellbeing assistance.

NEET benefits claimants

Fourteen per cent of all 16–24-year-olds in England are NEET, equating to 837,000 young people who are not currently learning or earning,⁶⁰ just over one half of whom claim benefits (53%). Most NEET benefits claimants receive UC (75%) with the rest claiming other benefits such as PIP or DLA, Child Benefit and Carer's Allowance. Some of these claimants will be claiming a combination of benefits.

The proportion of young people who are NEET who claim benefits differs based on the main reason they report being NEET. Figure 12 shows that a much higher proportion of young people who are not working or studying primarily because of a health condition or disability (57%) or because they are looking after their family or home (63%) claim UC than those who are unemployed (33%). Nearly two thirds of unemployed NEET young people (61%) do not claim any type of state benefit and most (67%) do not claim UC.

Young people who are NEET may not claim benefits either by choice or because they are ineligible. For those who chose not to claim, this may be because of the stricter work-search requirements that unemployed people who are considered able to work need to adhere. This can disincentivise benefit uptake compared to people who are deemed less able to work and therefore have less intense work-search requirements.⁶¹ Unemployed young people may also choose not to claim benefits if they expect to find

⁵⁹ Latimer et al., <u>The role of changing health in rising health-related benefit claims</u>, Institute for Fiscal Studies, March 2025.

⁶⁰ Department for Education, <u>NEET age 16 to 24, Calendar Year 2024</u>, March 2025.

⁶¹ Sharon Wright et al., <u>Punitive benefit sanctions</u>, <u>welfare conditionality</u>, <u>and the social abuse of unemployed people in Britain: Transforming claimants into offenders?</u>, Social Policy & Administration, March 2020.



a job soon. NEET young people may also choose not to claim benefits they are entitled to due to the stigma associated with this, negative experiences or perceptions of Jobcentre Plus, and the influence of family and friends.⁶²

It is unclear how young people who don't claim the benefits they are entitled to support themselves financially. Some NEET young people might choose not to claim because they have financial support from their parents or guardians, earn informal income through irregular or undeclared work, or are pursuing entrepreneurial aspirations that they hope will turn into a sustainable source of income. It is also likely that many of those who are NEET and not claiming benefits may know they will only be NEET for short time, while they wait to start a new course or job for example, and do not require financial or employment support. Previous research by L&W found that one in three NEET young people were in education or work six months later.⁶³ However, some who do not claim some or all of the benefits they are eligible for could face financial hardship as a result.

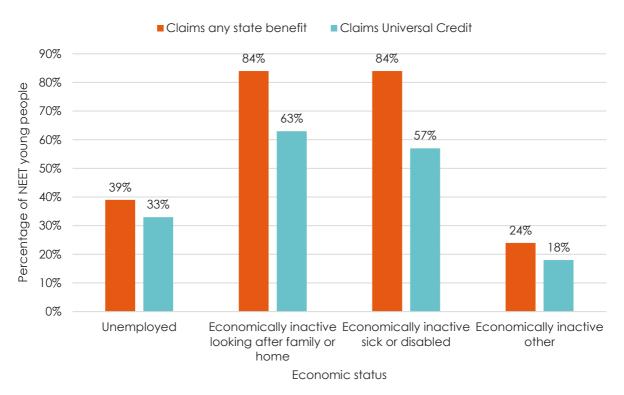
⁶² Katy Jones et al., <u>Hidden Young People in Salford</u>, October 2018.

⁶³ Learning and Work Institute, <u>Young people who are not in education, employment, or training – what does the data tell us?</u>, April 2025.



Figure 12: A much higher proportion of young people who are not working or studying primarily because of a health condition or disability or because they are looking after their family or home claim UC than those who are unemployed

Proportion of NEET young people claiming benefits by economic status who are aged 16-24 in England, January 2021 to December 2023



Source: Annual Population Survey 3 year pooled, January 2021-December 2023.

Note: "Economically Inactive other" includes a small number of unknowns.



Experiences, challenges, and opportunities with the current system

Just over half of young people in England who are not in education, employment or training (NEET) do not claim any form of benefits (57%). Some young people are ineligible to claim benefits and others don't need to. But other young people face barriers to accessing benefits and, despite the availability of financial support, may choose not to claim. By not claiming benefits, young people who are NEET can also miss out on the other types of non-financial support that is available through the benefits system to help find work or training opportunities. This is not a trend unique to young people; Policy in Practice estimates that more than two million potential benefits claimants do not claim the financial support they are entitled to.⁶⁴ However, the impact of not accessing the benefits system can be particularly significant for young people and leave them without access to financial support and missing out on opportunities to be referred to relevant support for issues such as physical or mental health.

The Government's plans for the Youth Guarantee in England were outlined in the Get Britain Working white paper released in late 2024. It aims to bring together existing support for young people aged 18 to 21, including: free further education provision, apprenticeships, and work-related training such as Skills Bootcamps. ⁶⁵ The Guarantee is being trialled in eight trailblazer Mayoral Combined Authority areas of England. ⁶⁶ Three of the trailblazer areas will also have access to funding from a shared £45 million fund to link with their local NHS Integrated Care System. ⁶⁷ The Guarantee will be linked with the benefits system in a few ways: through the employment support that is provided by the DWP, through Youth Employability Coaches, and through Youth Hubs in areas that have them. The benefits system is an important route for reaching young people and subsequently referring them to relevant support. For example, it is estimated that around 80% of young people accessing Youth Hubs are referred to them via a Jobcentre Plus

⁶⁴ Deven Ghelani and Rachael Walker, <u>Missing out 2024: £23 billion of support is unclaimed</u> <u>each year</u>, April 2024.

⁶⁵ DWP, Policy paper: Get Britain Working White Paper, November 2024.

⁶⁶ The trailblazer areas are: Liverpool, West Midlands, Tees Valey, East Midlands, West of England, Cambridgeshire & Peterborough, and two across London. See: DWP, <u>Press Release: Thousands of young people set to benefit from new support into work and training</u>, May 2025.

⁶⁷ DWP, Policy paper: Get Britain Working White Paper, November 2024.



work coach.⁶⁸ The benefits system will play a key role in signposting and referring young people to support that is available through the Guarantee.

This section of the report outlines the challenges, as well as opportunities, in the benefits system for young people, and the implications this will have for the delivery of the Youth Guarantee. Based on existing evidence, our consultations with young people and with experts in the benefits system, a picture of the difficulties that young people face with the benefits system becomes evident.

Young people's perceptions of the benefits system

Perceptions and stigma

Young people's interaction with the benefits system can be hampered by negative perception of it—their own, that of their friends and family, and societal perceptions. This often begins prior to the point of initial contact, and can deter young people from making an application for benefits. Previous research has identified the significance of stigma in deterring some young people from claiming benefits and this plays a role in the reliance of some young people on support from voluntary and community sector organisations. Some of the young people we consulted reported previous negative experiences with the system, both their own and those of friends or family members as well as fear of judgement if they claimed. Some explained that this made them reluctant to seek help through the benefits system.

"What I have heard from young people who have sought out Jobcentre Plus is that it can be an unwelcoming environment and sometimes hostile, with a one fit model for everyone regardless of needs. Often individuals are pushed into unsuitable employment

⁶⁸ Andrew Philips and Naema Mailk, <u>Launch Pads: The Future of Youth Employment Hubs</u>, Demos, July 2024.

⁶⁹ On the impact of benefits stigma, see for example: Ben Baumber, The stigma of claiming benefits: a quantitative study. Journal of Social Policy, April 2016 and Lauren Roberts-Turner, Redesigning the Benefits System with Young People in Mind, Citizen Network, July 2021. A study in Salford of the barriers faced by young people with claiming benefits also found that stigma was a limiting factor, see: Katy Jones et al., Hidden Young People in Salford, October 2018.



or are penalised for not taking something available that they are not equipped to do." (Young person consultee)

Some stakeholders claimed that there is a hostile environment around claiming benefits, so shifting public opinion and media discourse around benefits claimants would be important to encourage young people to access the benefits system for support. This is particularly important as research finds that the influence of media and political rhetoric in the UK can make some people less likely to claim benefits.⁷⁰

Application process

Young people can be put off from applying for benefits because they think that the process will be difficult, involve navigating bureaucratic barriers, and not be accessible. The process can be particularly challenging for young people with mental health issues or language needs. Young people do not always receive the information, guidance, or support they need to navigate the application process and the benefits system more widely. Stakeholders said that young people are not adequately informed about Jobcentre Plus in schools and colleges, and websites are difficult to navigate.

"I think the irony is that the application system for benefits is much like a job application, and so if one were to struggle with those, it makes sense that they'd struggle with benefits applications also. Long forms, confusing terminology, and the need for extensive documentation can deter them from seeking help." (Young person consultee)

Difficulties completing an application can lead to delays in receiving support. Existing research, including a three-year ethnographic study of 24 young people who are NEET in the UK, found that bureaucratic issues and complications during the benefits application process sometimes took months to resolve. As eligibility for programmes is often limited to young people claiming benefits, delays can prevent some young people from undertaking education, training or paid work in the meantime and leaving them

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⁷⁰ Ben Baumberg, <u>The stigma of claiming benefits: a quantitative study</u>, Journal of Social Policy, April 2016.



susceptible to debt.⁷¹ The young people we consulted echoed the findings from previous research, recounting experiences of delays and frustrations with the application processes.

"I feel like the first initial outreach... is just so difficult and uncertain, and it takes such a long time to even get a decision... I think it takes a lot of persistence." (Young person consultee)

Inflexibility

Many of the young people and experts in the benefits system we consulted perceive aspects of the benefits system to be inflexible and impersonal. They report mixed experiences with Jobcentre Plus work coaches, with some finding their work coach helpful, while others struggle to build a relationship. This can lead to feeling uncertain about if the work coach understands their circumstances, needs, and job preferences. Among the young people we consulted, it was commonly felt that the support they received did not always take into account the difficulties they may face and the other calls on their time due to commitments such as childcare. Some also feel that there are not always adequate allowances made for barriers they face in being able to consistently meet their claimant commitment. Some young people expressed their frustration that they had not always been able to contact their Jobcentre Plus work coach when they had missed an appointment and had therefore been at risk of sanctions.

Young people who have children can face particular barriers in the benefits system. These include feeling uncertain about the impact that entering employment will have on child-related benefits, particularly Child Benefit and the child and childcare elements of Universal Credit (UC). Childcare is expensive and can be difficult to organise at short notice, especially if the young person cannot rely on family for assistance. This can pose difficulty with meeting the conditionality obligations of UC if these don't reflect childcare needs and can pose barriers to work, with concerns that additional childcare costs may leave them worse off in work. DWP data demonstrate that the number of young people affected by childcare barriers is sizeable. As of 2023-24, there were over 154,000 households headed by a young person aged 16-24 where children are present in the

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⁷¹ Lisa Russell, <u>The realities of being young, unemployed and poor in post-industrial Britain</u>, June 2016.



household. Of these, over 87% (134,000) claimed some form of state benefits and 55% were claiming $UC.^{72}$

Perceptions of the inflexibility of the benefits system can be a particular barrier for young people with complex and multiple needs, such as care-experienced young people. Research demonstrates that the likelihood of a young person being NEET is increased by several complex and linked demographic factors, including their ethnicity, level of qualifications, and the region they live in. Likewise, the experiences of young people through the benefits system are likely to reflect their personal circumstances, and the complex web of disadvantage faced by some young people requires a more tailored and flexible approach that can take into account the distance they need to travel to reach employment, and the barriers that they need support to overcome.⁷³

Uncertainty about the financial implications of work

Some young people we consulted with felt uncertain about the implications of accepting work while claiming benefits, and the impact this would have on their own or their household's finances. This is a particularly acute fear for young people who lack alternative forms of financial support from their family or a partner, have costs relating to caring or childcare, or who face complex circumstances such as care leavers. Some young people who had been receiving support from alternative sources, such as care leavers who receive financial support for rent from their local authority, feel uncertain about whether taking on work or stopping claiming benefits would lead to them losing their additional support. This suggests that young people at the highest risk of poverty and hardship may see benefits as more stable than taking a chance on employment, despite this limiting their financial wellbeing.

Attempting to understand the financial implications of work on benefit entitlement can be particularly challenging for young people who claim more than one type of benefit. Young people who are claiming UC while working uncertain or changeable hours can face further complications. Young people are more likely to work zero-hours contracts than other age groups, with 12% of people aged 16-24 working zero-hours contracts, which is the highest proportion of any age group by 7 percentage points.⁷⁴ For some young people, this uncertainty about the financial implications of taking on work deters

⁷² DWP, Family Resources Survey, Household Dataset, receiving state benefits, England Age 16-24; DWP, Receiving Universal Credit, England age 16-24.

⁷³ On compound disadvantage among young people, see: Ayesha Baloch, <u>Youth Jobs Gap: Exploring compound disadvantage</u>, Research briefing paper 10, May 2025. See also, on factors that increase the likelihood of a young person becoming NEET: Joe Crowley et al., <u>Risk Factors for Becoming NEET Among Young People</u>, National Centre for Social Research.

⁷⁴ ONS, EMP17: <u>People in employment on zero hours contracts</u>, February 2025.



them from doing so. This suggests that there is not enough awareness among young people that their benefits will be reduced only in proportion to their increased earnings, and that they can return to their previous level of benefits without starting a new application under the UC re-claim procedure within 6 months of starting work.⁷⁵ Tools are available to calculate the financial impact of benefits, but young people may lack awareness of these, or face barriers in accessing or using them.⁷⁶

Outcomes of engaging with the benefits system

The success of the Youth Guarantee relies on the benefits system supporting young people into sustainable work that accommodates their needs. The young people we consulted with often feel that this is not currently the case. For example, some felt the types of jobs they had been guided to via Jobcentre Plus were not appropriate for their interests or skills, or did not consider practical barriers. These barriers include travel, with young people expressing concern that, when expected to take a job that is not local to them, after having factored in the cost of train or bus tickets, they would risk being financially worse-off. This risks young people returning to the benefits system after a short period in an unsustainable job or becoming trapped in low paid work that requires them to continue claiming UC while working.

"It was the expectation [that] I should be applying to and doing full time work. I should take anything. But then I was like, "but I can't necessarily do XYZ because of mobility issues. I can't stand for eight or more hours a day" ... And it was a case of, "well, either you do or you will not be able to access Universal Credit." And well, I wasn't able to get a letter from my GP saying I'm unfit to work as ... I'm not unfit to work, I just need accommodations put in place, which people aren't willing to do." (Young person consultee).

⁷⁵ UK Parliament, Papers: Re-Claims.

⁷⁶ See, for example: <u>Government Benefits calculators</u>, <u>Better Off Calculator - Policy in Practice</u>.



Additionally, many young people in our consultation perceived that the benefits system underemphasises education and training. This poses challenges to a Youth Guarantee that will seek to provide greater opportunities for young people to train and develop. Not having the opportunity to develop skills and qualifications can hinder a young person's longer-term career prospects. In our research, young people who are NEET highlighted the limitations of job search conditionality on their ability to pursue education or training.

"We want to be able to get an education, do training or go to college. But then if we do, we're limited in the support and the benefits that we receive." (NEET young person)

Support from outside the benefits system

Cooperation with alternative forms of support, such as voluntary and community sector groups, is important for implementing a Youth Guarantee. Some young people we spoke to found that support offered by other organisations is more understanding of their needs and therefore more effective at supporting them to find suitable work. This may be due, in part, to voluntary organisations being able to approach support with greater flexibility than Jobcentre Plus. They are able to place greater emphasis on providing tailored support as they do not play the same dual role as Jobcentre Plus of supporting progression into work while also enforcing the conditionality and requirements of the benefits system. Some of the young people we consulted praised job or training support schemes that are outside of the benefits system and felt particularly positive about schemes which were tailored to the needs of the groups they served. For example, some of the young people we consulted shared their positive experience of DFN Project SEARCH, a charity that offers employment support to young people with a learning disability or autistic spectrum disorder by offering tailored internships that are designed to develop employability skills.⁷⁷

The benefits system already links with local partners to refer young people to support, and Partnership Managers work to create these connections. However, the support available can vary significantly by location, and links are not always as well-formed as they could be. There are opportunities to ensure that there is consistent knowledge of referral options among work coaches and community organisations. Experts in the benefits system who we consulted also identified a preference among work coaches to

⁷⁷ See: DFN Project SEARCH website.



refer to schemes led by the DWP, potentially overlooking schemes run by other departments. This means that young people sometimes miss out on the most appropriate type of support for them.

The availability of support outside of the benefits system varies across the country. Some young people voiced disappointment in geographical differences in the availability of additional support or organisations that they could be referred to. Some noted that they felt access was better in more populous cities. Seeking to maximise local opportunities and referral routes that can meet the needs of young people could help overcome some of the negative perception and experiences that young people face when claiming benefits.

Challenges and opportunities the benefits system raises for the Youth Guarantee

Challenges

Some young people we consulted reported that they have not sought out support from the benefits system partly due to hearing negative experiences or perceptions from friends or family, such as support that did not meet their needs or feeling pushed towards unsuitable work. The perception among some young people that the benefits system is ill-equipped to support them presents an initial challenge for the Youth Guarantee. It leads to missed opportunities to signpost to helpful support and inconsistency in whether a young person who would benefit from that support is referred to it.

Young people value building a positive relationship with one dedicated work coach who they believe understands them and their needs, which helps them to engage more consistently. However, this is not always possible due to turnover of Jobcentre Plus staff. Young people can feel frustrated when a relationship and understanding they had built with their work coach ends abruptly and they are then supported by someone new. In general, the support that young people receive through the benefits system, particularly UC claimants, is not a service that is seen as sufficiently flexible and tailored to their circumstances and needs.

Currently, the ability of the benefits system to refer young people to additional support is limited by variations in the level of awareness of local options among work coaches and by geographical variation in support. For example, although there are around 120 Youth Hub sites throughout the UK, and although many stakeholders perceive their impact



positively, the spread of their locations leave large areas of the country unserved, especially less populous areas.⁷⁸

The DWP and the Department for Education are working together on the delivery of the Youth Guarantee. This has the potential to be positive if it delivers a truly joined-up approach. If not done correctly, cross-departmental working can pose challenges around accountability and efficiency, and care will need to be taken to ensure that any departmental targets and approaches are complementary. Stakeholders from places that have previously implemented a youth guarantee emphasise the importance of policy consistency to allow for stability and long-term planning. This can help ensure that there is long-term funding for support programmes.

The way the benefits system operates currently can create financial barriers for young people. The waiting period of five weeks to receive their first payment can be challenging for young people, and some are unaware or unwilling to apply for an advance on their payment, particularly since doing so will mean future payments are reduced. Experts in the benefits system identify that young people, especially those who lack financial support from family, will sometimes take on debt or use overdrafts prior to their first payment. This can cause ongoing financial issues for them and make it harder for work coaches to provide support. Experts also noted that, while some young people may be able to get financial support from their local authority while they wait for their first benefits payment, this support varies by area.

"It's really difficult to support young people with debt when they're at a deficit from day one, like at that point, it's not debt really. It's just they're just being set up to fail. And I think that's how a lot of young people feel." (Expert in the benefits system)

Some young people also face challenges with payments being made monthly, particularly if they have unpredictable personal circumstances or a lack of experience of budgeting. Although payments can be made more frequently through an Alternative Payment Arrangement, doing so can be an additional bureaucratic barrier for young people, and Jobcentre Plus staff may not always be aware of the process to offer this to young people.

⁷⁸ ERSA, <u>Youth Hubs - Working for better work</u>; Andrew Philips and Naema Malik, <u>Launch Pads: The Future of Employment Hubs</u>, July 2024.



The amount of financial support benefits claimants receive is not always adequate to support their lives. While some young people will be able to supplement their benefits payment with parental support, others cannot. Previous research found that young people living independently find it difficult to live on benefit payments, and that this can lead to severe consequences, such as eviction, homelessness, debt, or crime.⁷⁹

Opportunities

The expertise of voluntary and community organisations can be better used as partners in supporting young benefits claimants. A joined-up approach to partnership working, including consistent referral routes and sharing information about local opportunities, could significantly strengthen the support available to young people. This could also increase the chance of them being referred to support that is the most suitable for them and ultimately the likelihood of them being able to access sustainable employment. This link can operate alongside changes to how success is measured in the benefits system to shift the focus towards the number who successfully achieve sustained and high-quality employment.

The Youth Guarantee trailblazer areas provide an opportunity to share learning about effective delivery of the Guarantee, its relationship with the benefits system, and the role of cooperation with local support and groups. However, the disparity in the types of local support available in different areas, and their limited funding and capacity, underscores the need for existing government-funded provision under the Youth Guarantee to have scope to be tailored to young people's individual needs, and the importance of the funding pot available for trailblazers to link with their local NHS Integrated Care System.⁸⁰

Jobcentre Plus can build on the existing expertise of work coaches, offering expanded training for some to allow them to develop greater skill in helping young benefits claimants. This could include developing specialism in the needs of particular groups of young people who face additional barriers, such as care leavers.⁸¹ The DWP has already implemented some measures aimed specifically at supporting young people engaged in the benefits system including the integration of Youth Employability coaches at Jobcentre Plus sites and Youth Hubs. However, although the Government's stated goal to have a Youth Hub in 'every Jobcentre Plus district in the country', research by the

⁷⁹ Social Security Advisory Committee, <u>Young People Living Independently</u>, Occasional Paper No. 20, May 2018.

⁸⁰ See: £45 million of funding for trailblazer areas, as outlined in DWP, <u>Policy paper: Get Britain</u> Working White Paper, November 2024.

⁸¹ Learning and Work Institute, <u>Care leavers' experiences of the welfare system</u>, June 2022.



Employment Related Services Association identified that Youth Hubs are unevenly spread and leave large areas of the UK without local access.⁸²

The benefits system in England is extensive and well-established, and as a result, collects and holds large amounts of data. Our research into the implementation of other youth guarantees has emphasised the importance of effective data-sharing between agencies involved in delivering aspects of the guarantee. Effective sharing and use of data held by the benefits system can help local authorities and other partners to understand the demographics and needs of young people in their area. This data sharing can form part of a broader cooperation between the benefits system, local government, and local partners such as third-sector organisations, to ensure effective referral routes and knowledge-exchange.

The existing conditionality regime could also be tweaked to augment delivery of the Guarantee. Almost two fifths (36%) of young people claiming UC do not have any work search requirements, and there is an opportunity for greater support to help them consider work.⁸³ They could be required to attend a meeting with a work coach to determine whether any support may be needed as a first step to help support them towards greater readiness for work or training.

Jobcentre Plus already contains some flexibility to support the additional needs of claimants in the form of the Flexible Support Fund. This can be used on a discretionary basis to provide tailored support that is deemed to help a UC claimant in obtaining employment, for purposes such as training if appropriate. The Fund could be better used to more flexibly meet the needs of young people to help them with costs that relate to moving towards employment.

⁸² DWP, <u>Press Release: Over 110 new Youth Hubs offer job help</u>, June 2021; ERSA, <u>Youth Hubs-Working for better work</u>; Andrew Philips and Naema Malik, <u>Launch Pads: The Future of Employment Hubs</u>, July 2024.

⁸³ People aged 16-24 on Universal Credit, by Conditionality Regime, October 2024, DWP, Stat Xplore.



Change needed for the system to support the Youth Guarantee

Although the benefits system poses challenges for young people, changes can be made to improve experiences of the system and help to strengthen the implementation of the Youth Guarantee. Overall, there is a need for greater flexibility to meet the needs of young people and the challenges they face, and to allow work coaches to better support their individual needs.

Perceptions of the benefits system

Experts and young people alike raised the issue of stigma as a barrier to engaging. The general negative societal perception of the benefits system, and the act of claiming benefits, is a barrier that deters some young people from doing so. Consideration should be given to how branding and communication can help to change perceptions of Jobcentre Plus and the benefits system more widely. Promotion of the Youth Guarantee in Wales has focused on positivity, particularly in terms of promoting the Guarantee as opening up options for young people to achieve their potential. Experts emphasised the importance of seeking to frame benefits, and particularly UC, as a way to help young people achieve their goals, rather than a safety net, to begin to alter perceptions and encourage positive engagement.

Benefits application process

The application process for benefits was raised by both young people and experts as an initial barrier to engagement that deters them. The application process should be reviewed with young people in mind, with a view to ensuring it is as simple and accessible as possible. In particular, the application process needs to be less complex and intimidating for young people, especially young people with health conditions, neurodivergence, or communication or language issues.

Jobcentre Plus work coaches and young people

Young people face challenges in their interactions with Jobcentre Plus work coaches when their coach is unable to build an understanding of their circumstances and needs. Work coaches having expertise in helping young people will ensure they reach



appropriate support. This would involve looking at all areas of the country to ensure they have an adequate number of local coaches with the training to support young people, such as Youth Employability Coaches. Additionally, young people find it helpful when they can develop a relationship with their work coach, and so, wherever possible, looking at ways to reduce the turnover of work coaches will help young people to develop the stable, consistent, and cooperative relationships that can help them to engage and succeed.

Greater integration of training and work preparation support

Currently, the benefits system does not emphasise training and development opportunities enough, and instead too often seeks to quickly move young people into potentially unsustainable work. The balance is the need to avoid delaying young people finding work, and ensure that support is focused on sustainable employment. To fix this, measurements of success within Jobcentre Plus need to shift to focus on longer term employment and career outcomes, as well as moving into work quickly. It is important to ensure that work coaches have enough knowledge of schemes such as Sector-Based Work Academies and Train and Progress, and that these schemes are consistently presented as options to young claimants and are seen as a valuable route for progression to the goal of employment.

The system needs to be more effective at assessing the needs and current level of readiness of each young person when they first access the benefits system to signpost them to the right support. Where barriers to work are identified, the system needs to consistently refer young people to support that is appropriate for the current point of their development. Evidence suggests that tailored support is particularly beneficial for young people who are furthest from the labour market.⁸⁴ Providing tailored support may take the form of a more consistent approach to assessing young people's work readiness and ensuring that work coaches who are helping young people are able to assess this. For some young people this might mean support to lay the groundwork for future career success by developing practical skills for life and work, such as budgeting and timekeeping. The system needs to provide routes for young people who lack work experience to obtain it if they are unable to find work quickly. This will help them build skills and a track record of employment that is valued by employers, while receiving

⁸⁴ See: European Court of Auditors, <u>Youth unemployment – have EU policies made a difference? An assessment of the Youth Guarantee and the Youth Employment Initiative</u>, 2017; Paul Jeffrey et al., <u>Study for the Evaluation of ESF Support to Youth Employment</u>, European Commission, 2020.



continued support from the benefits system. To support this, the system may need to allow young people to undertake training for longer periods of time while continuing their benefits payments.

Additionally, there are some situations where the benefits system provides a disincentive to training. For example, a household claiming either Child Benefit or the child element of UC is no longer eligible to claim this if a young person in the household aged over 16 takes up an apprenticeship. The household will need to weigh the loss of this payment against the wages earned through the apprenticeship, as well as how that compares to other education options.⁸⁵

Better support for young people with health needs

For young people facing health problems, either mental or physical, the system does not always refer them to the support they need. Our research has demonstrated the impact health issues have on young people's ability to participate in work and training. Checkins for young people who had been deemed unable to work due to health issues, and the 'right to try' are positive developments.86 To engage with the Youth Guarantee and succeed, young people with health issues need a holistic approach that includes the support they need for their health while receiving financial support and help to move into work. This means consistent signposting to the right types of support with physical or mental health with as few bureaucratic barriers as possible, and the flexibility to take into account the barriers and needs of young people in the benefits system. Young people with health conditions also require predictable and consistent financial support, and so restricting access to the health element of UC to people above age 22 could hinder young people in receiving the support they need.⁸⁷ Given that the number of suitable jobs for young people with health conditions could be limited, there may need to be a greater role for Jobcentre Plus in job brokerage to help young people with health conditions find suitable work, and to work with local employers to help refine job requirements to ensure that roles with flexibility can be made available.

⁸⁵ See: Matt Padley, <u>Apprenticeships, Child Benefit and Universal Credit: exploring the impact of eligibility criteria on living standards and income adequacy</u>, Youth Futures Foundation, November 2024.

⁸⁶ The 'right to try' guarantee will formalise an approach of benefits claimants being able to try work for a period without this automatically leading to a reassessment of their entitlement to benefits. This is intended to remove one of the potential barriers to moving into work.
⁸⁷ DWP, Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper, May 2025.



Provide better clarity for young people about the financial implications of benefits

Some young benefits claimants currently feel unclear about the impact that taking on work will have on their finances. Support services need to do more to help young people understand this and ensure they are aware of the financial implications of work on their benefits, particularly for young people whose situation may be more complex, such as care leavers. There are existing calculator tools to help recipients ensure they understand the impact of work on their benefits, but our research suggests that some young people may not be aware of them or that they find them difficult to use. An approach to help address this would involve testing whether existing tools are as simple as possible and accessible for young people, and that there is a consistent approach to directing young people to them.

Payments and sanctions

Universal Credit claimants aged under 25 are currently eligible for less money per month than claimants aged over 25. Lower benefits payment rates for under-25s have been in place since the late 1980s, and the rationale for this is that the majority of young people have lower living costs including due to living with family, and that young people have lower earnings expectations.⁸⁸ Altering this difference in the payment would require revisiting this rationale. Although a substantial proportion of young people do live with family, an average of 40% of young people aged 18-24 live away from home, with this rising to 50% of 23-year-olds and 52% of 24-year-olds.⁸⁹ Young people not living with family are likely to face greater living costs, and some young people face financial difficulties and barriers because of the challenges of living on this lower amount, particularly young people with more complex circumstances.

⁸⁸ Joseph Rowntree Foundation, <u>UK Poverty: Causes, Costs and Solutions</u>, September 2016.

⁸⁹ ONS, Dataset: <u>Young adults aged 15 to 34 years living with their parents by age and sex,</u> UK, 2023.



Whether the current lower rate is justified by differences in living costs and earnings expectations should be considered by the Government, noting that increasing the payment received by under-25s in Great Britain to the amount received by over-25s would cost up to £720 million a year. 90 Similarly, the Flexible Support Fund could be more consistently and effectively used to support young people to overcome financial barriers and help prevent them from disengaging.

UC claimants in the 16-19 and 20-24 age categories are the groups most likely to receive sanctions. Our research suggests that sanctions alone should not be relied on to ensure that young people engage, remain engaged, and ultimately reach employment. Sanctions for failing to attend an appointment, for example, can be off-putting and frustrating for a young person who faces obstacles to attending. Young people claiming UC would benefit from clearer guidance on the requirements of their claimant commitment; a conversation about potential barriers they may face in meeting the commitment and how to overcome these barriers; and a clear understanding of what they should do if problems arise in meeting the commitment.

Local partnerships and cooperative working

The benefits system can link more effectively with other local organisations, training opportunities, and local support, such as voluntary and community sector organisations. Existing Jobcentre Plus partnership managers should be supported to build more links with organisations that can help support the delivery of the Youth Guarantee by providing the variety of support that young people need. Jobcentre Plus sites that have less well-established connections with other organisations should be supported to develop these. Ensuring effective data-sharing and knowledge-sharing between the benefits system, local or regional government, and relevant voluntary and community sector organisations, can help to make the most effective and cooperative use of local expertise to support young people.

More cooperation with employers is needed to help ensure work coaches are aware of skills gaps and training needs in the local economy. Similarly, efforts are needed to improve employer perceptions of young people claiming benefits. Stakeholders in the benefits system have identified employer scepticism about the skills and employability of young people coming through the benefits system. This can pose a barrier to young

⁹⁰ Expected UC expenditure 2025/26 of circa £76 billion from: UK Government, <u>Outturn and forecast tables: Spring Statement 2025</u>, Table 2A. Cost of equalising the UC allowance to the 25 and over rate has been calculated on the basis of 721,000 young people claiming UC in Great Britain.



people gaining long-term and suitable employment at the final hurdle on their journey through the system. Ensuring that employers are more aware of the skills and competence of young people could help to reduce this barrier, and, for young people who have accessed training while claiming benefits, an emphasis of this and the skills it developed could help to reassure employers.

The disparity in support that is available in different geographical locations means that in some places there are more limited options for support referrals. One route by which the benefits system could begin to address this is through seeking a more even distribution of Youth Hubs, or Youth Hub-type locations, which bring together local support, education, and training organisations into one-stop locations. Where this is not possible, Jobcentre Plus sites could consider ways to bring partners and providers on-site. Consideration should also be given to routes for online engagement with these partners, especially in areas where physical presence is not practical.

Avoiding siloed delivery is also important to ensure that Jobcentre Plus is referring young people to the right support and is not incentivised or encouraged to refer young people to other DWP schemes over other alternatives. Experts in the benefits system noted there was potential competition between the National Careers Service and Jobcentre Plus, which the Government now seeks to harmonise by merging the services. Any internal incentives or performance indicators should avoid prioritising DWP schemes over others, to help ensure that young people reach the right support for them.



Summary of recommendations

Latest data shows that 837,000 young people are not in education, employment or training (NEET) in England. These young people can be described as falling into three main groups:

- Around 250,000 young people need better support. These young people are currently claiming Universal Credit (UC) and are already required to actively seek work. To enable them to successfully bridge the gap to sustainable employment as quickly as possible it's important that they have opportunities to build their skills, experience and long-term careers prospects and are offered tailored support by specialists with the skills and understanding to support young claimants.
- Around 200,000 young people need extended support. These young people are
 claiming UC but have been deemed too ill to work. They have no or relatively little
 contact with Jobcentre Plus or wider offers of support, even where they would be
 interested in working or learning. These young people should be offered job and
 education opportunities and supported to take them up wherever they're able but
 without being required to do so.
- Around 400,000 young people who are NEET risk missing out on support. These young
 people are currently not claiming any benefits and are therefore not receiving any
 support from Jobcentre Plus to move closer to employment. They should be able to
 access support, including from Jobcentre Plus where appropriate, and proactively
 engaged in help.⁹¹

This report has identified areas where action is needed to make the benefits system work more effectively for young people. Below are a series of recommendations for how this could be achieved. While the main focus is on improving support for the first two groups, these recommendations will also help to ensure that the benefits system and the Youth Guarantee provide an engaging offer to young people who are currently missing out on support. For recommendations where we expect there to be a significant cost associated, our estimate for this is included. All other recommendations are considered to be of fairly low cost to the Government or within existing budgets.

⁹¹ These numbers do not directly add up to the total number of young people who are NEET because of rounding and the use of different data sources. Some young benefits claimants may also be in work while claiming benefits.



Measuring success

Jobcentre Plus should aim to move young people towards the opportunities that are best suited to their needs, aspirations, and capabilities. The priorities and measurements of success for Jobcentre Plus and work coaches need to shift from moving people off benefits as quickly as possible to focusing on long-term job outcomes.

- Change how Jobcentre Plus and work coaches measure success to focus on outcomes being maintained over time, so that sustainable employment that matches a young person's aspirations is prioritised instead of moving people off benefits as quickly as possible. This can be achieved by adding to the existing performance indicators for Jobcentre Plus and work coaches to measure sustained job and earnings outcomes of benefits claimants over time. In addition, require each Jobcentre Plus district to publish this outcome data for transparency.
- Jobcentre Plus should recognise that for many young people, progression into employment is a lengthy and intensive process. Performance measures should also recognise increases in employability, such as increased confidence, motivation, and career aspirations, as a positive short-term outcome. This is particularly needed for those who have no prior experience of work as well as focusing on improvements in skills and qualifications. Analysing the success of this over time will build the evidence base on what works to shift Jobcentre Plus culture, and work coach incentives, to focus on helping young people to overcome barriers to employment and bridge the gap to high-quality, sustainable jobs, rather than simply moving them into 'any job'. This has been recommended previously, for example in 'The future of Jobcentre Plus' report in 2017, but has not been taken forward by the previous or current Government. This is on the basis of distance-travelled being challenging to reliably measure and work coaches informally tracking intermediary steps towards employment rather than this being a formalised measure of success.⁹²
- In late 2024, the Government released their Get Britain Working white paper, which outlined a plan to reform Jobcentre Plus. The recommendations above will both support the Government's aims, and lay the foundation for an effective Youth Guarantee.

⁹² UK Parliament, The future of Jobcentre Plus, November 2016.



Simplifying the benefits system to improve accessibility, transparency, and trust

Young people do not always view the benefits system in a positive light and there is stigma associated with claiming benefits. Many young people report that they find engaging with the benefits system confusing and there are barriers to accessing the support they are entitled.

- Youth Guarantee Trailblazer combined authorities and the Government should positively promote the Youth Guarantee as an opportunity to help shift perceptions of the benefits system among young people. This could be done by running a marketing campaign targeted at young people, that focuses on their strengths and potential (rather than on deficits).
- Provide specialist training for at least one person within each Jobcentre Plus site to ensure work coaches have the skills and understanding to support young claimants. In areas with significant numbers of young claimants, couple this with embedding Youth Employability Coaches or youth specialists in every Jobcentre Plus location. These staff should have the training, networks and knowledge of employment and training support to work with a diverse range of young people and provide them with tailored support. If young people meet with work coaches who understand them and can foster strong engagement, this will help to build trust in the system.
- As part of the Get Britain Working reforms to Jobcentre Plus, DWP should review the
 customer journey for young people in the benefits system and key points of
 engagement. This process should be done collaboratively with young people with
 experience of the benefits system to identify pain-points and recommend
 improvements. This could consider how to make the process of applying for benefits
 as simple as possible, how to develop simple and youth-friendly guidance material,
 and where flexibility or alternative formats could improve engagement.
- Jobcentre Plus should provide clear information to young claimants so that they fully understand the requirements of their claimant commitment and what to do if problems arise. This could include information written in plain English and available in a range of formats including online and printed, longer meetings with work coaches to ensure that young claimants understand their commitment and build trust with their work coach, regular points of contact and the ability to contact work coaches outside of a scheduled meeting to talk about concerns or questions. We estimate that giving all young UC claimants with work search requirements an extra hour of contact time with a work coach each month would cost £80 million a year.



Sanctions should be the last resort, with multiple options to avoid the circumstances that could lead to a potential sanction. Some young people can feel overwhelmed and confused when they first access the benefits system. They may not always be clear what is expected of them. Work coaches should prioritise understanding potential reasons for breach of a claimant commitment and, where possible, provide appropriate support.

Improving support and equity

Young people deserve to have access to the same level of support through the benefits system as adults do, no matter whether they have health conditions or where they live.

- Ensure DWP and wider employment support and training programmes are funded for the long-term to allow them time to work and ensure that work coaches will be confident referring young people into them. The Youth Guarantee makes a commitment to young people that they can access the support they need. A successful Guarantee depends on support being available at the quantity to meet demand, and designed to address the varied barriers young people face to ensure support can be accessed by all young people, no matter the barriers they face, or where they live. The Government has already committed an additional investment of £1 billion into employment support by 2029-30 in the Get Britain Working white paper, some of which should be invested in making sure all young people have access to high quality employment support that meets their needs. In particular, support should be targeted at the groups of young people that may have their benefits reduced or removed (UC health element and PIP) by the proposed benefit reforms.
- Improve consistency and integration with the benefits system and external partners, across the country. Ensure that each Jobcentre Plus has strong links with other local organisations, including local authorities, colleges, training providers, health services, housing associations, and the voluntary and community sector. This could be done at a strategic level through improving the consistency of engagement between partners through the implementation of local Get Britain Working plans. Integration will empower work coaches to refer young people to the support that best suits their needs, rather than support that is delivered or commissioned by DWP or Jobcentre Plus. This can be strengthened at the operational level by establishing a 'no wrong door' approach. This should also include better data sharing between Jobcentre Plus and local agencies to coordinate support.
- DWP should review the lower rate of the standard allowance of UC for people under-25, to assess the impact the lower rate has on the financial security and wellbeing for this age group, whether it is justified by differences in living costs and likely earnings,



and whether either a full-scale change or limited exceptions for certain groups should be introduced. Increasing the payment received by under-25s in Great Britain to the amount received by over-25s would cost up to £720 million a year.

- Scrap the proposal to delay access to the health element of UC until someone is aged 22, set out in the Pathways to Work green paper. While the Government hasn't yet published the estimated savings they expect from this policy change, we estimate it would be in the region of £345 million a year based on current take-up.
- The Government should consider funding new Youth Hubs or similar co-location of services in areas that currently are not being served by one, to provide a consistent level of support to all young people in the UK, regardless of where they live. Youth Hubs and other similar approaches provide a range of support at a single location, bringing together different organisations to meet the diverse needs of young people. Youth Hubs should ideally be available to all young people regardless of whether they are claiming benefits or not, recognising that not all young people who need support will engage with the benefits system.

Improve how the benefits system supports skills and progression

The benefits system can do more to help young people build the skills they need for local jobs and long-term careers. The Youth Guarantee can be used to support the benefits system by providing training opportunities for young people, and the benefits system should not place barriers in the way of work coaches referring young people into training opportunities.

- Increase emphasis on training within the benefits system and ensure that work coaches have strong awareness and understanding of the full range of local opportunities available to young people, offered by a range of providers. Training should have a particular focus on essential skills like literacy, numeracy and digital qualifications up to Level 3, career related skills and experiences linked to local labour market needs, and each young person's interests and career aspirations. It should be offered flexibly to meet the diverse needs of young people, and could be part of the wider Youth Guarantee offer. For example, through online, self-guided, or part-time learning.
- Pilot enabling young people on UC to take part in longer-term training while also receiving UC and recognise their participation as meeting their work search obligations. Currently, UC claimants can take part in full-time training for up to 16



weeks. We recommend that the pilot extends the 'Train and Progress' offer for 16–24-year-olds, allowing them to undertake work-related learning up to Level 3 for up to 12 months. This should be part of a personalised career plan agreed with their work coach. The training would need to be delivered flexibly, allow young people to continue participating if they found work while in training, and link clearly to local labour market and employer need. The pilot should track the long-term job and pay outcomes of participants to see if this boosts career outcomes. We estimate that piloting this approach for 5,000 young benefits claimants would cost around £40 million.

Raise awareness of existing provision

There is already lots of support available through the benefits system but there could be better awareness and use of this support among work coaches and young people.

- Jobcentre Plus should increase awareness and use of the Flexible Support Fund to address specific barriers. This could be done by providing refresher training for work coaches and including information about the fund to young claimants and wider organisations that support young people. For example, providing examples of costs the fund can be used to cover like work clothes or transport for young people starting a job in the form of short case studies.
- Ensure that young people have access to clear information, advice and guidance that will help them to understand the impact of starting work or training on the benefits they, or someone in their household, receives. While such tools and calculators are available for this purpose, young people are not always aware of them, or, if they are, they are not always considered accessible to young people. Such tools should be tailored to young people and promoted by work coaches, as part of wider information on the Youth Guarantee, and through community organisations that work with young people to improve accessibility. Marketing of such tools and other support should be attractive and appealing to young people, drawing on lessons learned from the successful marketing strategy used for the Welsh Young Person's Guarantee.
- Jobcentre Plus should raise awareness of the existing right to return to UC at the same level within six months of starting work and the new 'right to try' laid out in the Pathways to Work green paper. The 'right to try' will ensure that trying work will not lead to someone who claims disability benefits being called for a reassessment or award review.



About the authors

Youth Futures Foundation is the national What Works Centre for youth employment, with a specific focus on marginalised young people. It aims to create a society where every young person can achieve good work, by finding out What Works and driving change in policy and practice.

Learning and Work Institute is an independent policy and research organisation focused on lifelong learning and better work. Our vision is for a fair and prosperous society where learning and work enable everyone to realise their potential. We research what works, influence policy and develop new ideas to improve practice.