



Economic inactivity in Cumbria

Health and Wellbeing and the Economic Threat of Inactivity

Appendix Report



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Introduction

This report forms a technical appendix to the report ***Economic inactivity in Cumbria: Health and Wellbeing and the Economic Threat of Inactivity***

It provides comprehensive set of data analysis, literature review and findings from engagement with residents, businesses and other stakeholders that have informed the development of the main report.

Appendices

A.1 Engagement report

Findings from engagement with employers, stakeholders, and economically inactive residents.

A.2 Literature review

A review of available literature that sets out the policy drivers for economic inactivity and the policy context in which interventions to address economic inactivity take place.

A.3 Baseline analysis

Sets out the detail of economic inactivity in Cumbria, drawn from the [Cumbria Economic inactivity Data Dashboard](#). The analysis is based on published secondary data and considers the key population characteristics contributing to economic inactivity.

A.4 Economic Impact Analysis

An estimate of the current cost of economic inactivity in Cumbria the economic uplift that could result from increased employment within people who are economically inactive.

A.5 Service mapping

An overview of services across Cumbria that provide support to people who are economically active and / or in target groups identified in this research.

A.6 Stakeholders engaged

A list of stakeholders engaged in this research by organisation or business.

A.7 Data Sources

A note of data sources used in the research, and informing the Baseline Analysis.

A.8 Bibliography

Literature reviewed for the research

A.1 Engagement Report

This appendix reflects findings from the engagement work for this study with employers, stakeholders, and economically inactive residents. It also includes relevant reflections and findings from further stakeholder consultations that have been undertaken to support the development of the Get Cumbria Working Plan, which this report will inform, and Cumbria's Connect to Work Delivery Plan, which will be the first programme of activity delivered under Get Cumbria Working.

Engagement approach

Engagement with businesses, business intermediary organisations and services supporting people who are economically inactive was undertaken using a mixed method approach, including an anonymous survey and individual or small group interviews. A total of 25 organisations, employers and services were engaged in the research for this study. Cohorts and topics are detailed in the table below.

Overview of research participant cohorts and topics

Interview cohort	Interview purpose and topics discussed
Strategic Partners Partners from a range of services within the local authorities and more widely were interviewed. This engagement obtained the views of a wide range of public sector stakeholders from local authorities, DWP and ICBs.	<p>Scoping consultations provided an opportunity to explore stakeholder aspirations and priorities for this study, obtain their views on the key issues/challenges that the research sought seek to respond to, and the characteristics of inactivity in Cumbria.</p> <p>Scoping helped to shape the study as it progressed to the next stage of activity and has also informed the approach to developing Cumbria's Get Britain Working Plan.</p> <p>Scoping discussions covered:</p> <ul style="list-style-type: none"> • Experience of economic inactivity and how this impacts service planning and delivery • Causes of economic inactivity including structural and local challenges • Priority areas of the research • Priority stakeholders and consultees for the research • Barriers and challenges to engaging consultees • Role of the research in informing policy • Desired outcomes for the research and the development of Cumbria's Get Britain Working plan
Employers Large employers from the public and private sector were interviewed and an employer survey was disseminated through intermediaries.	<p>In addition to completing a short online survey we completed a small number of 1-1 consultations with major employers and representatives of significant sectors in Cumbria to look in more detail at some of the challenges, approaches and good practice in the area that can provide learning and insight for this study and more widely.</p> <p>These discussions covered the following topics:</p> <ul style="list-style-type: none"> • Perceptions of economic inactivity • Approaches to recruiting people with additional needs

Interview cohort	Interview purpose and topics discussed
	<ul style="list-style-type: none"> Approaches to supporting people with additional needs in the workplace Awareness of and engagement with employment and employability support services
<p>Business intermediaries and support services</p> <p>We engaged the views of businesses and employers in key sectors such as Tourism, Energy, Defence, and Agriculture through intermediary organisations. This was supplemented by engagement with employment support services.</p>	<p>Business membership or support bodies have been a critical group to engage in this study with extensive expertise to share</p> <p>These interviews focussed on the following topics:</p> <ul style="list-style-type: none"> Understanding of economic inactivity in Cumbria Awareness and / or provision of employability supports Barriers to employment Impact on employers of economic inactivity <p>The VCFSE sector was represented by Cumbria CVS, as well as employability support services and provided views on:</p> <ul style="list-style-type: none"> Specific target groups for support Employability support offered and any delivery challenges Value of employment to service users Barriers to employment How services coordinate Understanding of Cumbria-wide provision and any gaps or duplication

Engagement with Cumbria residents was undertaken in variety of ways that included an anonymous survey, 1-2-1 interviews and a focus group. The survey was the principal recruitment tool for interviews. GC Insight and the Steering Group developed a dissemination plan to cascade the survey through intermediary organisations who work with and have contact with economically inactive residents.

GC Insight provided information and drafted communication materials for these intermediaries to use to encourage and support economically inactive residents to complete the survey. The questionnaire was designed to be easy to complete, with plain language and routing.

A total of 35 intermediary organisations were contacted directly and asked to distribute the survey to potential respondents, and some of these cascaded the survey within their own networks. Reminders were sent to the intermediaries along with an offer of assistance to help recruit survey respondents.

Research limitations

There were specific challenges in engaging residents in Cumbria with all aspects of the research, both the survey and 1-2-1s. The original aim was to engage with a cohort of 200 economically inactive residents in a survey and around 40-50 in qualitative research, including 30 individual interviews and five focus groups. However, this proved very challenging within the scope and timescale of the work.

There was insufficient time available to conduct the required preparatory and warm-up engagement with the key intermediaries who were being asked to support the dissemination of communications and materials. It was further proposed that, where resources allowed, intermediary organisation staff could work through the questionnaire with the resident. This, however, was challenging due to pressure on staff

time. A further time pressure was created by a hard external reporting deadline. The reasons for this deadline were, however, clear and understood.

The survey received 37 responses and of the nine who indicated in the survey that they would be happy to participate in a follow up interview, only three finally agreed to take part and were available. In addition, three economically inactive residents took part in a focus group.

Whilst the numbers were below what was originally anticipated, the combination of the survey, and qualitative findings have provided useful information and insights that have added value to the study.

Learning from experience

The challenges with engaging residents for this study has highlighted some learning for any future engagement of economically inactive residents as follows:

- There must be sufficient timescale in the workplan to achieve engagement, and this is likely to be longer than for other potential target groups.
- There must be adequate staff time and resources to allow for staff to work directly with potential respondents to complete the survey, for example as part of service delivery activities. This should be costed for.
- Consideration for qualitative research such as 1-2-1 interviews and focus groups being conducted on site (e.g. where the target cohort goes to access services) and where possible, be built in to planned sessions.
- Careful planning and risk management of how compensation can be paid to people who agree to participate and ensure eligibility.

Drivers and Causes of economic inactivity

Findings from engagement with residents

There are specific considerations for some of the key priority groups identified in the research. A number of cross-cutting themes affecting economically inactive residents more widely have also been identified.

Challenges for priority groups

People with a health condition

The survey of economically inactive Cumbria residents asked respondents to indicate the main reason preventing them from working, and the findings support the evidence that health issues are a primary barrier. Of the sample of 37, when combined, physical (11 respondents) and mental (4 respondents) health conditions were the main reason for economic inactivity amongst the sample. The majority of these (12 respondents) have been out of work for at least 18 months, suggesting long-term sickness is a key cause of economic inactivity within the sample. The majority of those who suggested a health condition as the main barrier to work (9 respondents) indicated that a health condition has a significant impact on their everyday life, with none responding that it had no impact whatsoever.

The survey shows that people who have a health condition can struggle with accessing the support they need, with 10 of the 15 respondents for whom a health condition was the main barrier indicating that they often struggle to access support. When asked to describe what the challenges to accessing support were, respondents expressed frustration with available services and the lack of flexibility in these supports. For example, one respondent suggested that the service they require is:

“Unable to offer support [with the condition].”

Another survey respondent stated that due to them being housebound:

“Any support [they] receive is from patient support groups online.”

Compounding this, respondents reported that they often do not find health professionals to be helpful, and that without the right healthcare support, they are unable to take up employment. One respondent commented that:

“Local doctors don’t appear to be very interested in offering a long-term solution other than giving me painkillers.”

Another had been told by a doctor that:

“There is a ‘black hole’ with mental health provision locally.”

This resulted in the person having to wait over six months to receive treatment, which made thinking about employment impossible.

It is clear that residents who need support with their health do not feel this support is available to them, either because it does not exist or because it is very difficult to access.

People over 50

Being aged over 50 was the second most frequently reported main reason for survey respondents being economically inactive, with 11 out of 37 respondents stating this. There has been a perception from stakeholders that this cohort largely comprises people who are wealthy and have chosen to retire from work. However the research indicates that a proportion of this group are not choosing to be economically inactive and reasons reported in the survey by this group for not working included “burnout”.

Seven survey respondents suggested that their age was part of the reason for being economically inactive, but not their main one. Two respondents confirmed that they had retired, with one saying that they were looking for a “part-time, work from home” job.

Some residents who are economically inactive due to being over 50 want to keep working. For example, one respondent continued to work ‘part-time for another two years’ following their retirement from full-time work, and another stated that they are:

“Still capable of working from home.”

However, respondents have identified that the lack of flexible employment opportunities has resulted in some people in this cohort remaining economically inactive.

People with caring responsibilities

Caring for a child or adult was the main barrier to working for 6 of the 37 survey respondents, with a further 2 stating that this was a barrier to them working, but not the main barrier.

Respondents who stated that caring for a child or adult was the main reason for their economic inactivity were asked what one thing would help them get into work. The findings show that a key enabler would be more flexible employment opportunities. This can help people with caring responsibilities to balance work and home life. Respondents want jobs which can easily fit around children, for example, during

school hours. It should be noted that the hours that suit a parent/carer of a pre-school age child may change once the child starts school, and so a range of childcare options and choices are needed.

The importance of contacts, networks, and up-to-date knowledge was also raised as an issue that can work against an individual returning to, or entering, the labour market. As one survey respondent notes:

“I have lost all the contacts I had in the field. After 20 years, I am out of touch with recent developments in my field. There is always someone more up-to-date or with more recent work experience than me. I have no one to ask for a reference because I have been away from the workplace for so long.”

Crosscutting drivers identified

Transport and supporting infrastructure

The perceived lack of flexibility in available employment is further compounded by the lack of transport, often making it difficult for people to get to where the jobs are based. Three respondents aged over 50 reported that they do not have their own transport and so rely on public transport, and another two stated that public transport is inadequate, illustrated by the following comments:

“There is only one bus per week, and it’s in Penrith...the nearest daily bus service is a six-mile walk.”

“I live quite rural and there’s hardly any bus service. You can’t get anywhere; it’s a big job. And the distance between places you have to go, even if you have transport - it takes a long time.”

The survey responses show that unaffordability, or a complete lack of, childcare and transport are common challenges which prevent people with caring responsibilities from working, and families and individuals are sometimes dealing with both of these challenges. Three of the 6 respondents who selected caring for a child or adult as the main reason for their economic inactivity also indicated lack of transport as a challenge, with 2 of these also indicating that they cannot afford childcare or transport, illustrating the intersection of barriers to economic activity.

Insufficient flexibility of employment opportunities

As noted above, two of the priority groups identified clearly perceive there is lack of flexibility in employment opportunities and this prevents them from working, those who are over 50 and those with caring responsibilities have each reported that more flexible working is a key enabler to help them into employment. Currently the inability to work flexible or part hours from home, in a way that supports childcare needs, is a significant barrier to economic inactivity to these groups.

Deskilled and under skilled workforce

Being out of work, for any reason, can impact negatively on an individual’s skills, and on their confidence levels. This makes it more likely that economic inactivity will be sustained for longer and moving into or back into employment becomes much more challenging. A key driver contributing to this is the lack of appropriate funding for upskilling and retraining opportunities, aligned with job opportunities, as well as wider systemic and structural factors.

In one case, a resident described being trapped in economic inactivity by a lack of funding for retraining opportunities, as noted below:

“It’s really expensive to get an HGV licence [...] and there is no funding for this. You can get funding if you have a job that needs it, but you can’t get the job offer without the licence.”

This can be further exacerbated by the triggers required for some types of support to be provided, which mean that individuals sometimes have to wait for support that could benefit them much earlier on. This was described by residents as follows:

“After six months of not working, your confidence is down, you are less motivated, and you have a big gap on your CV. You need that support straight away.”

“I was applying and applying and applying for jobs. Earlier help would have been a lot better.”

Compounding this, some residents expressed concerns about the role of AI and how this is impacting a job market in which they are not currently engaged, placing them at a further disadvantage. One interviewee described this as follows:

“I worry about AI. What will that do to jobs? What will the opportunities really be in ten years’ time?”

Findings from engagement with businesses, business intermediaries and services

Employers and economic inactivity

There is evidence of some understanding of the significance of economic inactivity as a business concern. Intermediary organisation who support SMEs, the third sector and the public sector demonstrated the greatest understanding of this in the research. Large employers in the private sector who participated in the research do not share the same level of concern, or possibly awareness, of the economic inactivity challenge. One consultee reported that:

“[employers] don’t talk about it. They talk about recruitment, having to invest more in work readiness for young people coming through, and consider young people’s skills and expectations, which have changed.”

However, although not necessarily described the language of economic inactivity, engagement with businesses and business intermediaries has highlighted a number of challenges contributing to economic inactivity in Cumbria. These are detailed below.

Multigenerational unemployment is a key challenge

It has been reported in consultations with key strategic stakeholders, sector groups, and services working in communities and in schools that some communities within Cumbria experience multigenerational unemployment and that this contributes to a culture of not working. It is thought to limit the understanding of opportunities in the area for young people in these communities; and this also limits the opportunities young people have in their lives due to families living in financial hardship. Stakeholders reported:

“Lots of the young people we work with have not had any opportunity to see beyond their own immediate area and can’t conceive of working somewhere they don’t already know. There might be lots of factors impacting this - multigenerational worklessness, for example; they have maybe never left the area they grew up in, even for a holiday or day trip. They therefore have no life experience.”

“People need to understand that they have a choice. It’s difficult to get the message across if they don’t hear this at home.”

Other consultees described the effect of multigenerational worklessness, and the family pressures this can bring as follows:

“The expectation is that you don’t work.”

“There is a culture of not working in some areas - and this impacts on skills. People don’t know they have choices.”

“We have heard that some parents discourage their children from, for example, taking up an apprenticeship, because they don’t want it to impact their own benefits.”

There is a perception amongst consultees that young people’s aspiration is shaped by the opportunities they have or do not have. A key activity for several services has been to broaden the horizons of all young people, including those with a disability, those who are care-experienced, and those living within the most deprived wards, to raise aspiration and support young people to think positively about their futures.

Employers experience difficulties engaging with service provision

There is a general view amongst businesses, intermediaries and service providers that employers in particular are unaware of what services exist to support them. Whilst there are lots of effective services available, these can be fragmented, and employers do not know what they have to offer, or, in some cases they are not tailored to employer needs. One consultee explained:

“There is good provision and good providers, but it needs joined up, and what’s on offer doesn’t always work for the employer.”

SMEs and micro businesses, in particular, lack the capacity to engage with these services. A number of activities take place to support smaller and micro businesses, facilitated by intermediary organisations such as Cumbria Tourism and the Federation of Small Businesses. Intermediaries report that it is difficult for SMEs and micro businesses to remain abreast of developments and activities; intermediary organisations therefore have a key role to distil relevant information down to the businesses they work with.

“[We try] to be the link, working with other organisations. Small businesses need support all the time [...]. They don’t have time to learn - they need organisations like us to tell them the facts they need to know - how will this impact me, what will it cost me?”

Major employers play a key role in shaping local economies

Cumbria is an area with a few very significant employers, notably Sellafield on the coast in West Cumbria and BAE Systems in Barrow-in-Furness. There is a belief amongst stakeholders that this shapes economic prospects for the communities in which these businesses are based, with employment only being viewed through the lens of these employers and their supply chains. One stakeholder described it as follows:

“If you are not in Sellafield, you are not in work.”

There is a view expressed amongst some stakeholders that these employers attract all of the talent in an area and that other businesses suffer in consequence, in terms of availability of both labour and skills, as well as being unable to compete with the salaries offered. There is a further issue in that these industries employ a large commuting workforce and therefore local communities do not experience the economic benefits of wealth being spent and circulated locally. Amenities and local cultural attractions are also perceived to suffer in consequence.

Perceptions of locations of jobs relative to people

There is a widespread perception amongst many stakeholders that jobs in Cumbria are often located far away from people. This is particularly the case when considering people who may benefit from additional support to move into or remain in employment, for example those living in more rural or remote areas, with specific challenges that can make them particularly difficult to engage. One consultee reported that:

“The people who need our support aren’t where the jobs are.”

Whilst this is the case in some key sectors such as tourism, where jobs are typically centred around attractions, places of interest or specific towns, it was reported in consultations that this is not common to all sectors. One consultee expressed concerns about the prevalence of this perception as follows:

“There is a perception that there aren’t jobs for people where they live but this isn’t true of all sectors. Particularly in West Cumbria, there are lots of opportunities including in the nuclear supply chain. Perception is a challenge.”

There is clearly work to be done to understand the location of jobs relative to people and the connecting infrastructure between these, not only with residents but with stakeholders and services more widely. It is possible that enduring perceptions of the separation of jobs and people may unintentionally impact the information and support a person receives. Opportunities across all sectors need to be better understood and communicated to individuals and services.

Farming and the rural economy

Farming is a critical sector in Cumbria, providing direct employment for over 12,000 people¹ and supporting a significant local supply chain. It faces particular challenges associated with both the wider policy environment and the specific characteristics of the region.

In recent years, there has been a policy shift from the traditional focus on food production for farming to include an equal focus on conservation and climate change. It was reported in the research that many farmers, especially older farmers, are finding it difficult to adapt their thinking to this new focus. Although food is recognised as a foundational sector in the UK Government Food Strategy for England², farmers report feeling in competition with renewable energy plans for the first time, and point to the existence of climate change targets with no corresponding targets for food production. There is a belief expressed that there is a balance to be struck that is currently lacking.

It was reported in consultations that, in Cumbria, around half of farming is carried out by tenant farmers who do not own the land they farm. This means decisions on land use that are made by owners, such as corporations, can be detached from farming activity. It has further been reported that, of those farmers who do own the land, some are now choosing to sell portions of the land for other uses. This is appealing because it gives local landowners a regular income and can address common concerns about succession arrangements. This is a particular area of concern as the current farming generation ages, and there is an apparently limited appetite in successive generations to enter the sector.

The research identified that the decision to sell land, or the farming business, is in some cases precipitated by the proposed introduction of inheritance tax on farms, which, it is perceived, would ultimately result in the farming family being unable to sustain the business. Skills shortages are also a factor, which is further compounded by the impacts of Brexit on labour supply. Additionally, insufficient numbers of young people are expressing interest in careers in farming. This is seen in part to be due to the specific types of farming in Cumbria, such as hill farming, which are often reliant on grant funding and less profitable than other types of farming, making them generally unappealing to new entrants to the sector; and in part due to a perceived lack of appropriate and sufficient local skills and training provision to create a pipeline of skills.

¹Annual Survey of Agriculture and Horticulture April 2025 <https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june>

² <https://www.gov.uk/government/publications/a-uk-government-food-strategy-for-england/a-uk-government-food-strategy-for-england-considering-the-wider-uk-food-system#priority-outcomes>

This combination of external pressures on farmers is resulting in a reported increase in mental health issues, and these issues in turn are seen to be affecting productivity and individuals' ability to continue farming. It was reported in consultation that:

“There has been a shift in the last 4 years...Due to their current circumstances, farmers are struggling with mental health.”

“Employer needs are shifting away from simply growing a business and moving towards emotional support and mental health intervention. This is largely driven by rising anxiety and uncertainty caused by government policy and economic pressures.”

This is not to suggest that farmers in Cumbria are at a greater risk of economic inactivity than other workers. However, it serves to highlight that there is a very specific set of circumstances impacting farmers' wellbeing that is contributing not only to economic activity in the agriculture sector but also to a perceived increasing mental health crisis amongst Cumbrian farmers.

Impacts of economic inactivity

Findings from engagement with residents

Impacts on residents and economically inactive people

To provide some context to the impact and experience of economic inactivity, the survey sought to establish how long people had been inactive. Of the 37 respondents, 20 had been out of work for at least two years and of these, 11 had not worked for over five years, and one had not worked for over 20 years. Seven reported having been economically inactive within the last 12 months.

Table 5.4: Length of time since last in work (n=37)

Length of time since respondents were last in work	Total
Less than six months (0-6 months)	6
Up to a year (7-12 months)	1
A year to eighteen months (12-18 months)	4
Up to two years (19 months - 2 years)	4
Two to five years (2-5 years)	9
More than five years	11
Other	2

The research sought to explore the impact of economic inactivity on individuals and found that the key areas of impact are financial and wellbeing.

Financial impacts

In the survey, 29 of the 37 respondents stated that they were financially better off when they were in employment. Being economically inactive has made it harder for some of these people to pay for essentials and can for example lead to fuel and food insecurity. It can also make it more difficult to sustain a tenancy and ensure reliable accommodation, increasing the likelihood of homelessness.

Twelve of the 29 stated that they did not have enough money to pay for essentials. Illustrating the prevalence of in-work poverty, 6 also reported that when they were working, they did not have enough money for essentials. Adding to this picture, 5 people reported that they were neither better nor worse off financially. This demonstrates the importance of good quality, reliable employment to be available to people in the region as a means of encouraging and supporting economically inactive people back to work.

Wellbeing impacts

As well as financial insecurity, once an individual becomes economically inactive due to mental or physical ill health, it is less likely that they will return to work, and the longer they are out of work, the harder it becomes. As one resident reported:

“It’s harder to get a job the longer it goes on.”

In the research, residents reported feelings of isolation, loss of confidence, depression, and loss of motivation. One person indicated that they now find it difficult to leave the house. There is also evidence that confidence can be eroded by economic inactivity, and this flows through to a lack of motivation and ability to take part in community-based activities. Some also indicated that they now feel less positive about the future.

Workplaces and working practices can change quickly, for example through the application of technology. It was reported by some residents that time out of work has meant that they have lost some skills, or that their skills are now out of date. They also indicated that the gap in their work history makes it harder to demonstrate relevant and recent experience, and all of this compounds the issue of a lack of confidence.

In the research, there were some very positive examples of economically inactive residents wanting to work but the challenges were very difficult to overcome. One person who was interviewed stated that they are planning to set up an online retail business because paid employment has proven too hard to find.

Findings from engagement with businesses, business intermediaries and services

Impacts on Employers and Businesses

The challenges experienced by employers when considering economic inactivity vary depending on the size of the business and, to an extent, the sector in which it operates. Attitudes to economic inactivity can also vary depending on the employer and the sector.

“People exiting naturally are not being replaced and owners end up working in the business instead of on developing the business. So businesses are stagnating, there is no growth.”

There were also reported feelings of fear and reluctance to employ people with a health condition, and it was reported by business intermediaries that:

“Businesses are scared of getting it wrong; for example, if they have to discipline someone with a health condition.”

“Employers genuinely want to create opportunities for people - it’s finding the right way to do this.”

Businesses need support and information that will build knowledge and confidence to enable them to think about how they can support and manage people with additional needs in the workplace. This need is further exacerbated by a lack of employer awareness of what supports and service exist to help them.

Services and support

There is limited knowledge, awareness, and understanding of the services that exist to support employers to recruit, support and retain people who face barriers to employment and are at risk of becoming economically inactive. This is particularly the case for SMEs and micro businesses who do not have large corporate infrastructures, budgets or other resources to develop in-house supports. One consultee reported that

“... lots of employers don’t know what support is there. Communication and capacity are two big issues.”

Large employers, who have adequate resources and capacity, often address challenges within their own workforce in isolation. They may commission an external Occupational Health service, for example, or provide other third-party supports. Even in large public sector organisations, it has been recognised that not every manager or team is aware of support such as Access to Work, and there is a significant internal promotion and awareness-raising role to be undertaken.

Some large employers have greater awareness of support available as a result of membership of organisations such as the Chamber of Commerce, for example; and approaches such as the Armed Forces Covenant also encourage employers to seek more bespoke support for key groups.

Providing support in the workplace

All of the large employers consulted for this research have a wide range of ways to support people who need it. Several examples of good practice often go beyond the minimum statutory requirements, such as for reasonable adjustments. For example, one employer operates a “Reasonable Adjustments Passport” that individuals take with them if and when they move roles within the business, which enables managers to ensure the correct supports are in place for that person. The same employer has a series of Equality Diversity, and Inclusion (EDI) networks within the workforce. Another provides a chaplaincy service to staff, recognising that sometimes work can be the cause of issues a person is facing, and giving them an independent source of support. More generally, large employers offer occupational health services, including a range of mental health supports.

Mental health is perceived as an increasing challenge in the workplace generally, and it is clear from the research that small and micro businesses do not have the capacity or resources to be able to provide consistent and sustained support with this. This not only increases the risk that the businesses may be negatively impacted by the barriers and challenges employees face but also increases the likelihood of someone leaving employment and becoming economically inactive.

Many employers report that they support hybrid working to help sustain people in employment; however again, there are specific challenges in tourism where many roles are less well-suited to hybrid working and are public-facing. There can also be significant impacts on wider business performance across all sectors, but perceived to be especially relevant to tourism, if, for example, someone’s time keeping, communication or resilience is affected by poor mental health. This can mean, for example, delays in tours starting, or an inability to interact confidently with members of the public.

As has been noted, tourism also experiences a significant challenge in the location of jobs relative to people. The well-documented transport issues in the area create very specific challenges for employers in this sector. Some larger employers can provide transport for staff, and an example was given in consultations of Centre Parcs, who provide a suite of coaches to transport cleaning staff to and from their site twice a week. This creates additional cost for the employer and is impossible for small and micro businesses to replicate, as they have neither the resources nor the capacity to provide a private transport service for staff. It was further reported that many people employed in these cleaning roles would simply not be able to do the job without this transport support.

The public sector demonstrates varied and extensive approaches to supporting people in the workplace. For example, Westmorland and Furness Council have a dedicated EDI lead and it is currently exploring innovations such as a re-use and recycle scheme for workplace adaptations, so that these can be shared across services, to minimise costs and facilitate easier access to them. As a diverse organisation, they also recognise the need for flexibility. Individuals’ needs are determined by a combination of their

circumstances and the role they are doing: two people with the same health condition will need different adaptations depending on whether they are desk-based or, for instance, providing care in a care home.

The most common types of additional support offered to people in the workplace are flexibility in hours or working patterns and, where possible, location, to help manage wider life circumstances such as caring responsibilities. Some employers offer different types of leave to support different circumstances, for example, gardening leave is offered by one employer to staff who may need some time out to deal with stress in their lives.

It is also clear from the research that some employers do not recognise the extent to which they are currently supporting employees who need additional help to remain in roles. For example, one business stated:

“If someone can't do the job, they can't do it - that sounds harsh but there hasn't been a situation where we've had to address this.”

However, they went on to describe the extensive support that staff are offered in post, including a buddy / mentor system, mental health support, and recognition of the specific support veterans within their workforce need. This employer has adapted roles and moved staff to different departments to retain them. In recent years, they have introduced school hours for parents and also supported older employees to reduce their hours when they are considering retirement, in order to support a smooth transition and ensure their learning and experience can be embedded in the wider workforce.

This suggests that for some employers, supporting people in ways that prevent them from becoming economically inactive is an integral aspect of being a good employer. This is further strengthened by the view expressed by a consultee that:

“We feel a responsibility to ensure people feel safe and happy at work.”

Supporting people with additional needs in the workplace is often seen as a fundamental employer responsibility, and not necessarily one that is thought of in terms of addressing economic inactivity.

Recruitment challenges

There is a core group of large employers in Cumbria operating in sectors such as defence, energy and manufacturing. These businesses offer competitive rates of pay and generally report that job openings are significantly oversubscribed with applicants or that staff turnover is low. Apprenticeships are a particular area of interest for larger employers, and there is a good understanding that young people are at risk of becoming NEET.

The need to support a range of people facing barriers to work was, however, recognised in consultations. One employer described an approach which links unsuccessful apprenticeship candidates to their supply chain, helping to introduce them to opportunities that might be available and more suited to their skills and abilities. Another described supporting people facing barriers to work in the following way:

“We have an ‘ease into retirement’ programme - maybe we need [an] ‘ease into work’ [programme].”

It is, however, clear from the research that large employers in Cumbria do not identify a business need to target recruitment activities at priority groups other than NEETs.

There is a more targeted approach to recruiting people facing barriers to employment from organisations in the public sector. This may include guaranteed interview schemes for the armed forces, people who are care-experienced, or those with a disability. Organisations give consideration to how specific jobs

can be targeted to particular cohorts in recruitment stages, for example, by working with the Careers Transition Partnership (CTP), a government-funded recruitment service to support the resettlement of veterans and help them find employment in civilian life. This enables available roles to be matched to the skills of people leaving the armed forces. Disability support organisations or other specialist agencies also support the identification and recruitment of staff. Westmorland and Furness Council is also currently considering alternatives to traditional interview panels to be more inclusive, representative and flexible in how people are assessed for roles.

Some employers acknowledge that, in some circumstances, requirements for specific support in the workplace can be an added consideration in the recruitment process. However, those who reported this also state it is not critical to the decision-making process and is not a deterrent to employing someone. It requires, instead, a pragmatic and adaptive approach to securing the right person, and it is generally recognised by employers that with the right support, anyone can “grow and be brilliant” as one employer described it.

More generally, employers report that competition in recruitment can be a challenge across all job levels, from entry level to senior and highly skilled. Smaller businesses are unable to compete with the wages offered by some larger employers, and larger employers have to compete nationally for a limited supply of skills for senior and highly skilled roles.

Key sector focus: Tourism

The tourism sector in Cumbria is characterised by SMEs and micro businesses, which lack the equivalent resources and infrastructure of large businesses. Across the sector, employers experience significant challenges in recruitment of staff due to the availability of labour, and these challenges are exacerbated by levels of economic inactivity. The sector has historically relied on imported labour to fulfil many roles, but recent years have seen increased difficulties in doing so. This is partly as a result of the impacts of Brexit, which have become more marked since the Covid-19 pandemic. One consultee reported:

“We lost a lot of overseas workers after Brexit, and then with Covid, a lot of people who had remained - most left when they got furloughed.”

Recruitment can be costly and time-consuming, and it is not always successful. This means business owners are spending more operational time and are unable to plan for the future or access the support that is available to them, and ultimately, these businesses are not experiencing growth. It was reported that some businesses are now altering their model and reducing their operational hours as a means to address skills and workforce gaps. This also has wider implications on how visitors perceive the area and what it has to offer.

More recent policy changes are also creating challenges for the tourism sector, notably, the increase in the minimum required earning threshold for a skilled worker visa. One example given was the widespread shortage of chefs. It was reported that until recently, a lot of people were attracted to the UK to these roles from India. However, visa salary requirements have made this increasingly challenging for businesses in the sector, and it is no longer possible for most to meet these. Economic inactivity in the indigenous workforce is further amplifying the recruitment challenges experienced in the sector, and the skills pipeline has not yet caught up with the skills shortfall, meaning there are insufficient numbers of young people ready to enter the sector in key roles. It was reported that, to address this, tourism and hospitality businesses in particular are increasing their use of technology to fill some of the gaps they have in their workforce. This might mean, for example, using customer service chat bots, online booking systems or accommodation access codes replacing a staffed reception.

Key sector focus: Agriculture

The section on Farming and the Rural Economy above outlines the unique combination of challenges facing the farming industry in Cumbria, which contribute to economic inactivity in the agriculture sector. Economic inactivity impacts farming in two key ways. Firstly, as has previously been noted, farming in Cumbria is not successfully attracting new people into the industry, and there is a limited local skills pipeline to support the industry. Secondly, farmers themselves are at risk of economic inactivity as a result of increasing mental health needs.

The impacts of economic inactivity on farming in Cumbria have potentially wide-reaching consequences, ranging from support for the wider rural supply chain business base to food production for the country as a whole. One consultee observed:

“A [large] farm in [...] Cumbria spends 80% of its annual input with nearby businesses – the impacts on the supply chain and wider economy would be enormous if this were lost. One farm has 40 suppliers within 20 minutes. The whole rural economy depends on farming.”

Availability of skills

Whilst not explicitly an impact of economic inactivity, the availability of necessary skills has been highlighted as a recurring challenge in recruiting staff. In farming, there is a perception that the required skills do not exist and also that they are not provided locally, meaning a local skills pipeline cannot be established. In tourism, there is a lag in the development of some key skills that creates a gap that is currently further destabilising an already fragile sector. High-value sectors such as defence and clean energy are competing for skills on a national level. This extends beyond the specialised skills for, for example, nuclear, and includes ancillary professional skills needed to support the industry more widely, such as finance and HR.

A.2 Stakeholders Engaged

Organisations and employers engaged in the research
BAE Systems
Britain's Energy Coast Business Cluster
Citizens Advice Allerdale
Cumberland Council
Cumbria Chamber of Commerce
Cumbria CVS
Cumbria Tourism
Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Enterprising Cumbria
Farmer Network
Federation of Small Businesses
iCan Wellbeing Group CIO
Inspira
Intro PR and Social Media Ltd
Lancashire and South Cumbria NHS Foundation Trust
Messrs Webster
North Cumbria Integrated Care NHS Foundation Trust
PFK Estate Agency
Pirelli
Sellafield
Step Forward into Volunteering and Employment
Team Barrow
Thomas Graham
University Hospitals of Morecambe Bay-Westmorland General Hospital
Westmorland and Furness Council

A.3 Literature Review

This chapter sets out the policy drivers for economic inactivity and the policy context in which interventions to address economic inactivity take place.

Economic inactivity is a persistent challenge across the UK. Whilst areas like Cumbria have rates which are lower than the national average, the unique interaction of economic inactivity with specific local characteristics, such as a rural and dispersed population, present specific challenges in addressing the challenges of economic inactivity.

A note on process and method

Initially a review was conducted of the lead researcher Zotero which has a personally curated database of 1,702 academic and research reports. Of these 181 were identified as related to economic inactivity. These papers were systematically reviewed and utilised in the production of the following sections. GCI researchers also undertook a desk-based review and identified a further set of reports which have been included in the review. In total over 200 reports were reviewed. In addition, further desk-based research was undertaken using the following process:

- Google Scholar research into terms that linked economic inactivity with other terms e.g. return to work, access to jobs, young people, over 50's, carers, women with caring responsibilities, mental health, physical health, musculoskeletal conditions.
- Further desk-based research through the proactive review of organisations and think tanks including Phoenix Insights / Standard Life Centre for the Future of Retirement, Institute for Future Work, Institute for Fiscal Studies, The Resolution Foundation and the Work Foundation at Lancaster University.

All reports were reviewed based on their contribution to the strategic context setting outlined below. Reports shared and feedback by the client were also incorporated, including where these had already been previously shown.

A full bibliography of the literature reviewed is included at the end of this Appendix report (Appendix 8). Note: not every document included has been cited in the research, and in some cases the literature reviewed provided more contextual information for the wider analysis across this report and the ideas developed for the development of thinking around the Get Cumbria Working Plan.

Contributors to the rising incidence of economic inactivity

Broad analysis around economic inactivity shows that despite recent increases, economic participation was lower between 1950 and 1975 at around 70 to 75%.³ The changes in participation trends reflect both a decline in male labour participation as well as an increase in female participation alongside a general shift in the employment structure and welfare system.

However, the changing composition of economic inactivity with increases in long-term sickness has meant that a focus on getting people back into work must increasingly be balanced with preventative measures to stop people from leaving the workplace in the first place.⁴ This has led to discussions around

³ Gregg, Professor Paul. *Employment, Economic inactivity and Incapacity: Past Lessons and Implications for Future Policy*. Commission for Healthier Working Lives. The Health Foundation, 2024.

⁴ *Turning the Tide on Economic inactivity: Retaining Talent and Skills in the Workforce*. PWC, 2025. <https://www.pwc.co.uk/economic-services/assets/turning-the-tide-on-economic-inactivity.pdf>.

the creation of healthier workplaces, the need for faster intervention and support and a wider look at economic participation.

The need to address both the factors pushing people out of work, as well as the requirements for enabling them to return to work, are key elements to be reviewed in the following section. The first part focuses on health-related drivers and considerations, alongside the development of the skills and labour market drivers and challenges. The second part focuses on specific research related to young people, older workers, and carers as key groups.

Causes of Economic inactivity

The principal drivers of economic inactivity and lower labour participation are health and wellbeing related. Although mental health has increased as a factor in economic inactivity, physical health is still the main driver of inactivity and limited labour participation. However, the presence of good jobs and the ability of people to access them is also a key factor in wellbeing. Increased levels of insecure work, as well as more general challenges in occupations at the lower end of the pay scale, are also significant drivers of economic inactivity.

Health-related inactivity

Ill-health, both physical and mental, are well documented drivers of economic inactivity. The linking of health with economic participation extends the original framework around inequalities and health developed initially by Black, Townsend and updated by Marmott.⁵ Recent research by the Health Foundation has projected that more working-age people will be living with major illnesses, but the rate will be double in deprived areas compared to the least deprived areas.⁶ Accordingly, health related inactivity should be viewed as an extension of the wider health inequalities challenge. Although any individual is at risk of developing health conditions, and becoming economically inactive, this risk is higher for those from lower socio-economic backgrounds.

Overall, research by the Health Foundation suggests that there are nearly as many people with a 'work-limiting' conditions (3.7m) in work as there are people economically inactive in the UK. Linked to this there is research the rate of growth is highest in younger workers.⁷ This increase among younger workers is driven mostly by mental health challenges; however cardiovascular and musculoskeletal conditions are still the most common forms of work limiting condition.

This information is important as it sets the context for how we think about health as driver of inactivity. At a conceptual level, the rates of people becoming economically inactive due to long-term health

⁵ Marmot, M G, M Kogevinas, and M A Elston. 'Socioeconomic Status and Disease'. *World Health Organization Regional Publications - European Series* 8, no. 37 (1991): 113–46. Townsend, Peter Brereton, Margaret Whitehead, and Nick Davidson. *Inequalities in Health: The Black Report & the Health Divide (New Third Edition)*. Penguin Books Ltd, 1992. Review, The Marmot. *Fair Society, Healthy Lives: The Marmot Review Executive Summary*. Strategic Review of Health Inequalities. 2010.

⁶ Ann Raymond, Toby Watt, Hannah Rose Douglas, Anna Head, Chris Kypridemos, and Laurie Rachet-Jacquet. *Health Inequalities in 2040: Current and Projected Patterns of Illness by Deprivation in England*. Insight Report. The Health Foundation, 2024.

<https://www.health.org.uk/sites/default/files/upload/publications/2024/Health%20inequalities%20in%202040.pdf>.

⁷ Sam Atwell, Myriam Vriend, Christopher Rocks, David Finch, and Joe Farrington-Douglas. 'What We Know about the UK's Working-Age Health Challenge - The Health Foundation'. 2023.

<https://www.health.org.uk/reports-and-analysis/analysis/what-we-know-about-the-uk-s-working-age-health-challenge>.

conditions are a 'flow' of people from a larger stock of the working age population that either develop health conditions or already have them.

There has been a significant increase in the role played by mental health as a health-related driver of economic inactivity. Research by PWC suggested that mental health concerns is second after unfulfilling work as a reason for all people leaving work. Yet for 18–24-year-olds it was the top reason at 42% with unfulfilling work (38%) and financial difficulties (37%) as the top factors driving people out of work.⁸

This is mirrored by additional research from the Work Foundation which found that around 9% of employees who experienced a health issue between 2017–2019 had become unemployed or inactive by 2021–22.⁹ The report highlights that around half of those employees (4.2 %) had left work within the first year following a decline in health. Furthermore, the Work Foundation also highlights that three or more conditions increases the chance of leaving work by x5.6 and mental health is nearly twice as likely to leave work following the onset of illness.

Part of the challenge is the effect which work can have on someone with a health condition. There is a higher risk that someone with a health condition will become economically inactive, as outlined above, generally linked to issues around physical and cognitive fatigue, fluctuations (often unpredictable) in symptoms and increased risks associated with pushing through physical factors to complete tasks. For many this is a set of physical barriers or realities at work that can exacerbate health problems. Additionally, for many with physical health problems, there is an associated concern over their capacity to undertake work, the need for reasonable adjustments at work and a lack of understanding among employers.¹⁰

Linked with this are the beliefs of workers themselves about their own health and returning to work. Overall, there can be significant variation among workers in terms of their assessment of their own work abilities, as well as a shared concern around their health, the risk of unemployment, age discrimination, finances and perceived skills gaps.¹¹

Despite the obvious need to address these challenges, our understanding of the effect of interventions on people with poor health and disabilities (as well as older workers) is limited, and assessment of the effectiveness of these interventions is often not as extensive or methodologically robust as is required to develop policy solutions.¹² However, as the Work Foundation has argued, the need to improve workforce health, improve retention, and reduce pressure on the welfare system, as well as rebalancing the burdens between employers and the state, will be central to reaching the 80% employment target.¹³

⁸ *Turning the Tide on Economic inactivity* pg. 8

⁹ Asil Atay, Rebecca Forisson, Alice Martin, George D. Williams, and Stavroula Leka. *Stemming the Tide: Healthier Jobs to Tackle Economic inactivity*. The Work Foundation at Lancaster University, 2024.

¹⁰ Hale, Catherine, Katy Francis, and Pippa Stacey. *Making Employment Work for People with Long-Term Conditions: Evidence from the Frontline*. Astriid Consultancy, 2023. <https://astriid.org/wp-content/uploads/2023/10/Astriid-Making-Employment-Work-FINAL-2023.pdf>.

¹¹ Näsi, Ella, Mikko Perkiö, and Lauri Kokkinen. 'The Complexity of Decreased Work Ability: Individuals' Perceptions of Factors That Affect Returning to Work after Sickness Absence'. *International Journal of Environmental Research and Public Health* 19, no. 1 (2021): 113. <https://doi.org/10.3390/ijerph19010113>.

¹² Bangpan, Mukdarut, Rosa Mendizabal-Espinosa, Zhumingyang Li, Diyang Lin, Dylan Kneale, and Carol Vigurs. *Understanding the Impact of Economic inactivity Interventions for People with Poor Health and Disability and the Nature of Interventions for Older Workers: A Rapid Evidence Review*. UCL Social Research Institute, UCL Institute of Education, University College London, 2024. https://eppi.ioe.ac.uk/cms/Default.aspx?tabid=3942&utm_source=chatgpt.com.

¹³ Asil Atay et al., *Stemming the Tide: Healthier Jobs to Tackle Economic inactivity*. pg. 5

Job Quality

The idea of job quality (or ‘good work’) has increased in policy discussions around the idea of labour participation, and also more generally around issues of improving productivity and supporting economic growth.¹⁴ A systematic review of the evidence has found that job quality is not only an important factor when dealing with issues of economic inactivity but it is also part of the approach to preventing the development of health conditions, or at least offsetting the impact of these driving people out of work.¹⁵

For many people the mixture of specific circumstances and the nature of their work can also act as a key factor in their choices about labour participation. As referred to above, PWC research found that unfulfilling work was a principal driver in people’s economic inactivity. The challenge is that for certain groups of people, regardless of shifts in the wider economy, their labour participation has continued to decline. One principal group are older men, with an illness, and lower skills, in economically deprived areas.¹⁶ However, more generally, older people in the UK have much more negative views of work and have the means available to not work until they can formally retire.¹⁷

Linked to this there is considerable evidence that lower earners are not only at increased risk of working in insecure work, but they are likely to have lower levels of job satisfaction despite increases in the minimum wages.¹⁸ The idea that job quality is as important as health for the variation in well-being among employed people is known and established in research.¹⁹ Alongside this, there is also evidence about how career satisfaction among professionals and managers is ‘U-shaped’ reflecting a mid-career challenge that suggests that work related factors can disproportionately affect skilled workers.²⁰ Whilst there is limited evidence that this is driving economic inactivity, it should be noted that, as managerial occupations expand, related job satisfaction may become more prevalent in labour participation decisions of workers.

This means that whilst other factors identified do matter, overall health and job-quality matter more for people in work, and so the idea that poor health or poor job-quality will have an impact on labour participation should be part of our models and approaches.

¹⁴ Rodrik, Dani, and Stefanie Stantcheva. ‘Fixing Capitalism’s Good Jobs Problem’. *Oxford Review of Economic Policy* 37, no. 4 (2021): 824–37. <https://doi.org/10.1093/oxrep/grab024>. Gail Irvine, Douglas White, and Mark Diffley. *Measuring Good Work: The Final Report of the Measuring Job Quality Working Group*. Carnegie UK Trust, 2018.

¹⁵ Erickson, Emily, Gaby Atfield, Rebeka Balogh, Jamelia Harris, and Chris Warhurst. *Building a Business Case for Good Jobs: The Links between Good Work and Innovation, Productivity and Employee Health/Wellbeing*. ReWAGE Evidence Paper, 2024.

¹⁶ Machin, Stephen, and Jonathan Wadsworth. *The Trouble with Inactivity*. No. 59. Occasional Paper. Centre for Economic Performance, LSE, 2023.

¹⁷ *What Is Driving the Great Retirement?* Phoenix Insights, 2022. <https://www.thephoenixgroup.com/media/fxsnkbil/phoenix-insights-what-is-driving-the-great-retirement.pdf>.

¹⁸ Cominetti, Nye, Charlie McCurdy, Gregory Thwaites, and Rui Vieira-Marques. *Low Pay Britain 2023 Improving Low-Paid Work through Higher Minimum Standards*. The Economy 2030 Inquiry. The Resolution Foundation, 2023. <https://economy2030.resolutionfoundation.org/wp-content/uploads/2023/04/LPB-2023.pdf>.

¹⁹ Green, Francis, Sangwoo Lee, Min Zou, and Ying Zhou. ‘Work and Life: The Relative Importance of Job Quality for General Well-Being, and Implications for Social Surveys’. *Socio-Economic Review* 22, no. 2 (2024): 835–57. <https://doi.org/10.1093/ser/mwae002>.

²⁰ Zhou, Ying, Min Zou, and Mark Williams. ‘Is There a Mid-Career Crisis? An Investigation of the Relationship between Age and Job Satisfaction across Occupations Based on Four Large UK Datasets’. *Socio-Economic Review*, 19 December 2024, mwae072. <https://doi.org/10.1093/ser/mwae072>.

There is a risk that those who occupy ‘better’ jobs, with the advantages that come with these roles, will presume too much about the nature of work for everyone else. A key element of our approach to economic inactivity and labour participation is to recognise that for many people their jobs are not necessarily good, and the jobs we expect people to do to become active may not be either.

The idea of negative views of work or a sense of unfulfilling work may challenge some of our wider conception of work as helping the individual. To a certain extent it is true that working is ‘better’ for us than not working, but these issues in addition to the wider cohort effects identified across this research as well as the high prevalence of insecure work for many, need to be considered. Whilst the trend in people not working due to ill-health has increased, we should not assume that this is the main or only driving factor around inactivity or reduced labour participation.

Skills and the Labour Market

This section is concerned with two interconnected elements: the development of the labour market; and the associated changes in the demand for skills from employers.

In 1970 there were 7.7 million jobs in manufacturing in the UK, accounting for 29 per cent of the total. By 2021 that number had fallen to 2.5 million jobs, 8 per cent of the total. Over the same period, the number of jobs in professional services, education and health rose from 3.7 million (14 per cent of the total) to 10.6 million (31 per cent of the total). Other service sectors which have seen significant jobs growth are hospitality and administrative services.²¹ Some of this change can be linked with improvements in technology (reducing demand for labour), and some of it reflects the rebalancing of manufacturing with the economic rise of countries like China.

There has also been an overall rise in the utilisation and intensification of production and management techniques which increase the use of ‘just-in-time’ processes, such as Zero Hours contracts. A perceived increasingly sanction-based unemployment system has also arguably led to an increase reliance upon incapacity benefits.²²

Changes in the labour market, including the expansion of service industries which tend to have more insecure forms of work, can have a major impact on workers and their risk of ill-health and, in the long run, the risk of either reduced labour participation or economic inactivity.²³

One of the complexities is how the movement of workers between jobs is understood and analysed. Overall worker mobility (defined as workers moving between sectors) has slowed, in tandem with a slowdown in structural changes in the economy.²⁴ Whilst this is not a direct cause of economic inactivity and labour participation, the wider changes in the labour market are key to understanding the creation of opportunities for people to access work and sustain household income.

The changes in sectors that grow or shrink are broadly changed by job moves: the entry and exit of workers in the middle of their working lives, the balance of entry of young workers joining and older workers retiring. The effect is that, overall, younger workers move jobs more often and this has an

²¹ Cominetti, Nye, Rui Costa, Andrew Eyles, Tzvetan Moev, and Guglielmo Ventura. *Changing Jobs?: Change in the UK Labour Market and the Role of Worker Mobility*. The Economy 2030 Inquiry, May 2021.

²² Gregg, *Employment, Economic inactivity and Incapacity: Past Lessons and Implications for Future Policy*. Pg7

²³ Olivia Gable and Rebecca Florisson. *Limiting Choices: Why People Risk Insecure Work*. The Work Foundation at Lancaster University, 2023.

²⁴ Cominetti et al., *Changing Jobs?: Change in the UK Labour Market and the Role of Worker Mobility*. Pg 8

incremental impact on their incomes and progression. For older workers moving jobs is often less frequent with a greater effect either to increase or decrease income.

It is worth noting that people with involuntary exits from work tend to see a reduction in the complexity of the tasks they will do in their next role. A key factor is the availability of similar jobs and opportunities that offer the same level of wages and task complexity. If those jobs are not available, the types of jobs on offer tend to have a lower level of complexity. This means labour mobility is a critical issue.

Turning more to skills, the traditional model linking skills and economic inactivity has been to review the generally lower level of skills among people who are economically inactive and to assume that additional qualifications (or an increased level of skill measured by level of qualification) will resolve matters. Part of the problem with this narrative is that it does not necessarily reflect the labour market and the experience of people's work.

Workers gain a set of experiences related to the specific jobs and tasks they do, which they develop over time. This tends to mean that workers often will look for roles which allow them to replicate as many of these tasks as possible.²⁵ This is likely to mean that for those workers in declining sectors, there is a risk of becoming economically inactive due to a lack of jobs that can utilise tasks.

One counter to this is that the decline of routine manufacturing jobs over time, means that the remaining working population is relatively more highly skilled (or experienced) and there is some evidence that such workers can transition into new sectors, especially where these are emerging from declining industries.²⁶ The accumulation of experience around tasks is a key factor in the decisions people make about their working choices. This, in conjunction with the availability of jobs in the area, means that there must be a model that works with workers to aid their selection of training including qualifications, as part of a wider approach to supporting workers over the life-course.

Crucially, the experience of workers taking part in the labour market needs to be separated from the increasing demand for higher levels of skills and qualifications in the UK economy. We know that across multiple sectors the demand for higher technical skills, qualifications and competencies is rising, as is the need to replace the accumulated skills and experiences of workers in key industries. The risk of a mismatch between the workers available, their skills sets, and the need of industry is well established.²⁷

Part of the challenge is understanding the needs of industry for skills. This can be understood as a mixture of broad skills, and technical skills. In general, all sectors are likely to see their demand for broad skills (such as communication) increase and the expectation that key occupations such as Managers, Professional, Caring and Sales are expected to increase even as administration and skilled trades decline.²⁸ Research by Skills England provides an overview of the key themes around skills which are contextual to economic inactivity.²⁹ Overall they conclude that:

²⁵ Mealy, Penny, R Maria Del Rio-Chanona, and J. Doayne Farmer. 'What You Do at Work Matters: New Lenses on Labour'. *SSRN Electronic Journal*, ahead of print, 2018. <https://doi.org/10.2139/ssrn.3143064>.

²⁶ Valero, Anna, Jiaqi Li, Sabrina Muller, Riom Capucine, Viet Nquyen-Tien, and Mirko Draca. *Are 'green' Jobs Good Jobs? How Lessons from the Experience to-Date Can Inform Labour Market Transitions of the Future*. Grantham Research Institute on Climate Change and the Environment and Centre for Economic Performance, 2021. www.lse.ac.uk/grantham/.

²⁷ Council, Industrial Strategy. *UK Skills Mismatch in 2030*. no. October. 2019. Costa, Rui, Zhaolu Liu, Sandra McNally, et al. *Learning to Grow: How to Situate a Skills Strategy in an Economic Strategy*. The Economy 2030 Inquiry. The Resolution Foundation, 2023.

²⁸ Dickerson, Andy, Gennaro Rossi, Luke Bocock, Jude Hillary, and David Simcock. *An Analysis of the Demand for Skills in the Labour Market in 2035*. Working Paper 3. The Skills Imperative 2035. NFER, 2023.

²⁹ *Skills England: Sector Evidence on the Growth and Skills Offer*. Department for Education, 2025.

- Technological change is a major driver of changing skills needs across sectors, indicating a substantial and growing demand for digital and wider technology skills.
- Long-standing skills shortages in non-technical areas continue to affect multiple priority sectors and will continue to be a key driver of skills needs over coming years.
- There are areas of gender inequality in multiple priority sectors. These point to opportunities to fill skills gaps by building a more diverse workforce.
- Demand for degree level training and above, particular in STEM and related subjects, will continue to dominate some priority sectors.
- There is a pressing need for technical skills at levels 4 and 5 in some priority sectors, which can be addressed through Higher Technical Qualifications (HTQs).
- There is also demand for L2 and 3 in critical sectors such as construction.
- All training routes will need to meet the need for cross-cutting, essential skills for employment and facilitate required upskilling/reskilling throughout workers careers.
- Excellent careers advice, linked to education and training choices, will be vital for both younger people and those in work to match individuals to opportunities.

Whilst these points are generally concentrated around key sectors linked to the National Industrial Strategy, they reflect a general set of requirements which local approaches through local skills improvement plans will look to address. However, linking back to economic inactivity, part of the challenge is how to support individuals to gain the skills they need to be able to take part in the labour market.

A critical part of this is the need for a broad set of skills which give people the maximum flexibility to work, and the necessary skills to take on more advanced learning. This will be primarily in basic areas of literacy, numeracy, soft/social skills (e.g. communication) as well as basic analytical and technical skills to be able work in most workplaces.³⁰ There is also a need to recognise that manual and routine tasks are declining in demand whilst abstract reasoning and social skills are increasing.³¹ Although there will always be a demand for routine and manual tasks, the numbers are likely to diminish quicker than people will adjust their own expectations and learning. For workers with a lower overall level of skills and experience, there is likely to be a higher return to soft skills in terms of both wage progression and the ability to access other jobs.³²

There is also a need to ensure that businesses are utilising labour effectively. Improvements in leadership & management are a part of not only improving conditions overall in workplaces, but also as a means of better utilising the skills people have, and improving productivity and business profitability.

Ensuring that people who have been or are economically inactive are able to work relies upon a set of broad skills and on workplaces that are able to utilise these skills effectively. However, it should be noted that the future value of broad skills in some sectors is likely to change. Evidence has shown a rapid decline in demand among employers for digital and technical skills considered to be core, whereas the demand for more technical and complex skills has increased. Examples of new skills in demand include DevOps, CI/CD (both methodologies used in software development), Cybersecurity and Machine

³⁰ McNally, Sandra, Richard Blundell, Julian Birkinshaw, Sarah Cowan, and Alfie Denness. *A Joined-up Approach to UK Skills Policy*. British Academy Policy Programme on Economic Strategy: Skills Working Group, June 2025. <https://doi.org/10.5871/skills/9780856727023/>.

³¹ Cominetti, Nye, Rui Costa, Andrew Eyles, Kathleen Henehan, and Sandra McNally. *Skills, Tasks, and Training in the UK Labour Market*. The Economy 2030 Inquiry. The Resolution Foundation, 2022.

³² Aghion, Philippe, Antonin Bergeaud, Richard Blundell, and Rachel Griffith. 'Social Skills and the Individual Wage Growth of Less Educated Workers'. *IFS Working Papers*, Working Paper, vol. 24, no. 08 (2024).

Learning. Examples of IT skills that were mentioned less often in 2022 include Microsoft SQL servers, PHP (scripting language) and HTML5 - all of which remain widely used.³³

Overall, these shifts are examples of constant challenges. For the economically inactive, it could mean that initial focus on broad skills for work is more useful for developing access to work. However it could also suggest that there is an upper limit on how far those skills can take them in certain sectors. For providers, the need to link the development of qualifications with an overall plan for progression may be useful to avoid people investing in skills bases that are losing value or where the expected level of competence at an entry level is likely to be significant.

Young people

Youth inactivity is a complicated area reflecting changes in the how groups of young people are categorised between key groups such as those considered Not in Employment, Education or Training (covering the 16-17, but also those up to age 19) as well as those leaving care and other groups. Overall, young people tend to be affected significantly by changes in their first economic conditions, with long-term scarring on their career earnings increased by them entering a weak labour market.³⁴

Effects of changes in taxation and minimum wages can reduce opportunities for young people in the labour market generally. Evidence from earlier in 2025 estimated that changes to minimum wages increased the costs of hiring 18- to 20-year-olds by around 12.7% in real terms with effects on employer costs in the Hospitality, Wholesale and Retail sectors, which tend to have higher proportions of 18-20 workers³⁵ rising between 3 to 3.8%.

Whilst previous research has found that minimum wage increases generally benefit lower- to middle-income households without an extensive effect on employment, this has often been focused on the income of households rather than the effect on firms or specific cohorts of individuals, and the effect of other changes such as increases in payroll taxes.³⁶

When combined with other effects, including anecdotal evidence around the impact of Artificial Intelligence on entry-level occupations, there remains a series of structural headwinds which are likely to increase the difficulties young people face in navigating and accessing the labour market.³⁷ One factor

³³ Costa, Rui, Zhaolu Liu, Christopher Pissarides, and Bertha Rohenkohl. *Old Skills, New Skills: What Is Changing in the UK Labour Market?* Institute for the Future of Work, Zenodo, 28 February 2024. <https://doi.org/10.5281/ZENODO.10400598>.

³⁴ Cribb, Jonathan, Andrew Hood, and Robert Joyce. *Entering the Labour Market in a Weak Economy: Scarring and Insurance*. W17/27. IFS Working Paper. 2017. https://ifs.org.uk/sites/default/files/output_url_files/WP201727.pdf. Ralston, Kevin, Dawn Everington, Zhiqiang Feng, and Chris Dibben. 'Economic inactivity, Not in Employment, Education or Training (NEET) and Scarring: The Importance of NEET as a Marker of Long-Term Disadvantage'. *Work, Employment and Society* 36, no. 1 (2022): 59–79. <https://doi.org/10.1177/0950017020973882>.

³⁵ Ray-Chaudhuri, Sam, and Xiaowei Xu. 'Combined Impact of Minimum Wage and Tax Increases May Reduce Opportunities for Young people'. Institute for Fiscal Studies, 1 April 2025. <https://ifs.org.uk/articles/combined-impact-minimum-wage-and-tax-increases-may-reduce-opportunities-young-people>.

³⁶ Giupponi, Giulia, Robert Joyce, Attila Lindner, Tom Waters, Thomas Wernham, and Xiaowei Xu. 'The Employment and Distributional Impacts of Nationwide Minimum Wage Changes'. *Journal of Labor Economics* 42, no. S1 (2024): S293–333. <https://doi.org/10.1086/728471>.

³⁷ Initial evidence from the US suggests that AI may be reducing graduate entry level roles. Brynjolfsson, Erik, Bharat Chandar, and Ruyu Chen. *Canaries in the Coal Mine? Six Facts about the Recent Employment Effects of Artificial Intelligence*. August 2025. Handa, Kunal, Alex Tamkin, Miles McCain, et al. 'Which Economic Tasks Are Performed with AI? Evidence from Millions of Claude Conversations'. arXiv:2503.04761. Preprint, arXiv, 11 February 2025. <https://doi.org/10.48550/arXiv.2503.04761>.

which may compound this is the availability of jobs that young people can access in their immediate area. There is significant evidence to suggest that, nationally, nearly half of young people with higher levels of academic achievement from GCSE onwards are more likely to leave their travel to work area by age 27, with around one third moving to London.³⁸ The effect of this is to suggest that younger workers are much more mobile and are prepared to live in areas with both higher costs, but also faster wage progression.

Linked to this is the overall changing nature of local labour markets. Research by the Institute for Fiscal Studies has found that in ex-industrial regions fewer than half of graduates are in roles which require a degree, whereas in inner London 65% of graduates are in graduate roles.³⁹ The lack of graduate roles impacts on graduates' ability to earn, and also means they are occupying jobs which others with lower levels of qualification cannot access.

Overall, the context for young people is one in which, regardless of background, they are subject to a set of factors which greatly shape their opportunities.

Factors affecting young people before age 19.

The category of Not in Employment, Education or Training (NEET) is often used to categorise economically inactive young people. The trend in the causes of economic inactivity among young people leading to be classified as NEET has changed considerably matching a general downward trend in the total number of young people who end up as economically inactive. However, the main drivers remain childcare / caring responsibilities and an increase in the incidence of mental ill-health.⁴⁰

Lower levels of educational attainment, having a child and a lower-socio economic background are also contributory factors. In addition, coming from a single-parent family, having poor attendance/attitude to school or engaging in higher risk behaviours can all be associated with a higher likelihood of becoming NEET. Finally, the average amount of time spent being NEET can be between 15-31 months.⁴¹

A common factor across the NEETs category is an early disengagement from education and learning, which is sometimes addressed by preventing 'early leaving'. This policy approach is focused ultimately on the lack of opportunities for young people as they make their transitions into adulthood and the long-term consequences of young people not being able to achieve their potential.⁴² Whilst this research doesn't suggest that this is a better approach, the concept is perhaps useful in the context of recent evidence since the Covid-19 pandemic, for example, the long-run effects of the pandemic and associated rules affecting attendance at school. There is compelling evidence to suggest that ongoing absence issues and lower levels of attainment and achievement can be linked to shifting attitudes of both parents and pupils to attendance since the pandemic required restrictions to limit the spread of infections.⁴³

³⁸ Xu, Xiaowei. *On the Move: How Young people's Mobility Responds to and Reinforces Geographical Inequalities*. IFS Report. Institute for Fiscal Studies, 2025. <https://doi.org/10.1920/re.ifs.2025.0022>.

³⁹ Xu, Xiaowei. *The Changing Geography of Jobs*. IFS Report R286. Institute for Fiscal Studies, 2023. <https://doi.org/10.1920/re.ifs.2023.0286>.

⁴⁰ Holmes, Craig, Emily Murphy, and Ken Mayhew. 'What Accounts for Changes in the Chances of Being NEET in the UK?' *Journal of Education and Work* 34, no. 4 (2021): 389–413. <https://doi.org/10.1080/13639080.2021.1943330>.

⁴¹ Holmes, C., Wright, L., Murphy, E., Mayhew, K., Keep, E., & Maguire, S. (2022). NEETs in England. In *The Dynamics of Marginalized Youth* (pp. 125-155). Routledge.

⁴² Maguire, Sue. 'Early Leaving and the NEET Agenda across the UK'. *Journal of Education and Work* 34, no 7–8 (2021): 826–38. <https://doi.org/10.1080/13639080.2021.1983525>.

⁴³ Gibbons, Stephen, Sandra McNally, and Piero Monteburno. *Absence and Attainment: Evidence from Pandemic Policy*. Centre for Economic Performance, LSE, 2024. <https://cep.lse.ac.uk/pubs/download/special/cepsp47.pdf>.

This represents a difference from the experience following the 2008- 2009 recession and post-recession recovery period (2009-2013), which had the effect of encouraging an increase in education participation, delayed entry to the labour market and an increase uptake of vocational courses.⁴⁴ This suggests that part of the challenge around young people and the risk of economic inactivity will likely stem from the ‘working through’ of the effects of the pandemic, meaning at least in the short-term a higher rate of risk due to a lack of prior achievement.

The risk of not achieving the required level of education is a major factor in the risks which young people face in terms of their future. Research (based on the olde A-E scale) suggests that failing to achieve a grade C (grade 4) in GCSE English is highly correlated with a lack of educational engagement by age 18, for example out of a sample of students who secured a grade D around 16% have dropped out of education by age 18, whereas for those who just secure a grade C the figure is 12%.⁴⁵

A final area is around the occupational aspirations and educational expectations. This can be linked both to disengagement and to responses to attainment at GCSEs with evidence to suggest that young people from lower socio-economic backgrounds would benefit from more support around determining their pathways.⁴⁶ Part of the challenge is the motivations, anxieties and drivers which are impacting on young people. With the rapid levels of technical change currently underway, there has been increased interest in understanding the prominent role of motivation in shaping young people’s appreciation of their opportunities and reframing of challenges. This has been especially developed through the idea of “intrinsic motivation” which is defined as doing something because it is enjoyable and satisfying, and not because it offers an external reward. The concept concerns the drivers young people have and how these can be linked with education or work, focusing on the need to create intrinsic motivation and values which link with young people and their aspirations.⁴⁷

Early retirement and older workers

Changes in the labour participation of older workers has seen a shift away from the one-off ‘point of retirement’ where a worker retires and permanently leaves the workforce. The drivers of this are varied and linked in part to increases in the retirement age, as well as changes in personal circumstances. However, evidence shows that the effect of increases in the retirement age of women in the UK, despite the loss of income among earlier retirees, is that they do not necessarily return to work. Instead, evidence suggests that they reduce leisure activities in order to preserve consumption of goods.⁴⁸ This insight is useful for showing that one challenge is the difference between those pre-and post-retirement and that the overall focus is likely to be around aiming to maintain labour participation and preventing economic inactivity among those who are at a pre-retirement stage.

⁴⁴ Cavaglia, Chiara, and Sandra McNally. *Young people, Human Capital Investment and the Great Recession*. Centre for Vocational Education Research, LSE, 2025. <https://cver.lse.ac.uk/textonly/cver/pubs/cverdp042.pdf>.

⁴⁵ Machin, Stephen, Sandra McNally, and Jenifer Ruiz-Valenzuela. ‘Entry through the Narrow Door: The Costs of Just Failing High Stakes Exams’. *Journal of Public Economics* 190 (October 2020): 104224. <https://doi.org/10.1016/j.jpubeco.2020.104224>.

⁴⁶ Yates, Scott, Angel Harris, Ricardo Sabates, and Jeremy Staff. ‘Early Occupational Aspirations and Fractured Transitions: A Study of Entry into “NEET” Status in the UK’. *Journal of Social Policy* 40, no. 3 (2011): 513–34. <https://doi.org/10.1017/S0047279410000656>.

⁴⁷ Halstead, Joshua, Oliver Nash, Joana Geisler, and Kester Brewin. *Motivating Futures: Channelling Intrinsic and Internalised Motivation for Young people from Low-Income Backgrounds to Thrive in a Rapidly Changing World of Work*. Institute for the Future of Work, 2025.

⁴⁸ Cribb, Jonathan, Anna Henry, and Heidi Karjalainen. *The Effect of Increasing the Female State Pension Age and the Interactions with Labour Market Histories*. 2025.

One starting point is that older workers value meaningful work as much as other workers. However, they expect their health to be considered more and value flexibility, adjustments at work and the availability of part-time work as part of the overall determination of how meaningful that work is.⁴⁹

The evidence indicates that a range of support covering advice and guidance, identification of skills, helping with CVs and support for job seeking, including areas like digital skills, could be useful ways of supporting older workers.⁵⁰

Caring responsibilities

The impact of caring on the chances of becoming economically inactive is complex. Although traditionally, the caring category reflected a more traditional model of care giving to children, the trend towards a much larger informal caring system by family members adds significant complexity to the factors which link caring responsibilities with economic inactivity. To give an idea of this disparity, in 2021 it was estimated that the work provided by unpaid carers had an economic value of £162bn.⁵¹

At a fundamental level, 1.2million carers live in poverty and unpaid carers have a poverty rate 50% higher than other who do not provide care. The financial impacts and stresses of being an unpaid carer are extensive covering those that are working as well as those that are not. A significant factor in this is the effects of the earning limits of the Carers Allowance with 62% of carers suggesting that they had been unable to take on more paid work or higher wages because of the earnings limit.⁵²

The reality of a welfare system that is perceived as punitive in the UK is a key factor in the limits and challenges facing carers, despite the obvious situation that carers are offsetting a huge cost to the state in terms of the value of their caring responsibilities.

People who have caring responsibilities are likely to see it impact on their own health, employment and wellbeing.⁵³ However, more recent evidence has shown that within carers as a group there is also significant variation in the experience and impact of being a carer which tends to reflect social determinants such as socio-economic status, gender, and ethnicity. This means that the impacts are enhanced by these social determinants, as well as the overall intensity of the level of care which needs to be provided; being poor, a woman and from a minority community is likely to have the worst health and wellbeing outcomes.⁵⁴

The needs of carers, and particularly those carers that want to work, also present a unique set of challenges in the development of employment support models. Because of the complex realities around

⁴⁹ Marvell, Rosa, and Annette Cox. *What Do Older Workers Value about Work and Why?* Centre for Ageing Better, 2017.

⁵⁰ Rutter, Jill, Catherine Marren, and Helen Gray. *Evaluation of Elevate Pilot - Final Report*. Learning & Work Institute, 2024.

⁵¹ Maria Petrillo and Matt Bennett. *Valuing Carers*. CarersUK, 2021.
<https://www.carersuk.org/media/2d5le03c/valuing-carers-report.pdf>.

⁵² *The Impact of Caring on: Finances*. State of Caring 2024. CarersUK, 2024.
<https://www.carersuk.org/media/umaifzpq/cuk-state-of-caring-2024-finances-web.pdf>.

⁵³ Brimblecombe, Nicola, Jose-Luis Fernandez, Martin Knapp, Amritpal Rehill, and Raphael Wittenberg. *Review of the International Evidence on Support for Unpaid Carers* | *Journal of Long-Term Care*. 26 November 2018. <https://doi.org/10.31389/jltc.3>. Kaschowitz, Judith, and Martina Brandt. 'Health Effects of Informal Caregiving across Europe: A Longitudinal Approach'. *Social Science & Medicine* 173 (January 2017): 72–80. <https://doi.org/10.1016/j.socscimed.2016.11.036>.

⁵⁴ Brimblecombe, Nicola, and Javiera Cartagena Farias. 'Inequalities in Unpaid Carer's Health, Employment Status and Social Isolation'. *Health & Social Care in the Community* 30, no. 6 (2022).
<https://doi.org/10.1111/hsc.14104>.

providing care, they are likely to remain on support programmes for longer and still have a higher chance of not sustaining employment. This is particularly the case for women.⁵⁵

Young Carers

A similar impact is found for young people who are carers. Young carers are 60% less likely to reach 3 A-Levels (or equivalent) and if they do take such exams, they secure 19% fewer A-level passes. Similarly, they are 64% more likely to take a vocational role despite the lower overall attainment level.⁵⁶

The experience of young adult carers of work is of a series of barriers. Aside from the practical considerations which carers face around their employment because of their caring responsibilities (which also affects progression), they carry the challenge of disrupted education and lower attainment, perceived or real experiences of employer attitudes to them as carers. They are also more likely to be living in poverty and so have worse health and wellbeing than their peers.⁵⁷

Balancing care and work

Whilst increasing the earning potential of carers (within the confines of the earnings limits on the Carers Allowance) is likely to improve household wealth, the challenges of supporting carers back into work is a complex balancing act between those caring responsibilities and the length of time since they last worked.

Veterans

Veterans often face specific barriers to engagement with the labour market, and there are a range of skills and labour market considerations for employers. For example, many veterans struggle to adapt to civilian life due to factors such as lack of transferable skills, a widening gap between military and civilian employment, and difficulty navigating the housing market. Veterans can struggle to adapt to the much less rigid, hierarchical chain of command in civilian employment after the highly structured nature of military work. They will often have to undertake new qualifications and training, where military qualifications are not recognised outside the military. Other challenges can include persistent mental health challenges, which can be attached to military experience.

One of the biggest challenges around employment support for veterans is that there is a general lack of research and insights into the most effective responses for designing and implementing employment support for them as a target group.⁵⁸

Most studies have tended to focus on cases from the USA which has a significant military system, and although evidence shows some positive outcomes for the effectiveness of Employment Support and Health programmes for veterans, the application to the UK, as well as the ability to isolate why the support was effective, was lacking.

⁵⁵ Arundhati Dave, Emily Kramers, Dom Hewitt, et al. *Working Carers: Helping Carers Gets into Work, and Stay in Work*. ReAct Partnership, 2025. https://www.employment-studies.co.uk/system/files/resources/files/Working%20Carers%20Report_3.pdf.

⁵⁶ Lacey, Rebecca, Anne McMunn, Alejandra Letelier, Andy McGowan, and Krista Cartlidge. *Young Carers Post-16 Academic Attainment in England*. Carers Trust, 2024.

⁵⁷ Aylward, Nicola, Hazel Klenk, Charlotte Robey, and Rebekah Wolkind. *Barriers to Employment for Young Adult Carers*. Learning & Work Institute, 2018.

⁵⁸ Hutcheon, D., Rendall, J., McMillan, C., Dall, P., Morrison Glancy, S., & Steiner, A. (2025). The Health and Wellbeing Outcomes of Employment and Vocational-Based Interventions for Veterans: A Scoping Review. *Journal of Veterans Studies*, 11(1), pp. 95–111. DOI

What is clear is that the evidence of need and the presence of poor outcomes for veterans is well established through reports and studies.

Survivors of domestic violence

Survivors of domestic violence face unique challenges. The ability to access good and well-paid employment to support both themselves and dependent children has to be balanced with ensuring personal safety. It must also take into account the potential risks associated with some roles and jobs to ensure they are not exposed to vulnerable situations. For example, working in a local supermarket may be exposing and unsuitable for someone who has been previously subject to stalking or domestic violence by someone else who lives in the same community.

Developing adaptive programmes that take account of the mixture of risk mitigation, required flexibility, and offer enhanced emotional, mental and social support, creates particular challenges for addressing the needs of this group. Workplace culture is also a vital factor in supporting this group, as this must be supportive and open, ensuring staff are comfortable speaking about their experiences with domestic violence.⁵⁹

Consequences of inactivity

Individuals face substantial earnings losses and long-term career impacts when out of work, especially after prolonged unemployment. Upon re-employment, economically inactive people are 1.5 times more likely to be insecure work with lower quality job with less pay and stability.⁶⁰ This reflects a general increase in insecure employment in most labour markets, but also the overall capacity of people who are economically inactive to access good jobs due to their personal requirements and needs.

According to the Work Foundation, around 44% of insecure workers earning less than £18,000 per year said they were in the job they had due to limited job opportunities, poor transport or availability of childcare.⁶¹ Linked to this insecure work is correlated with claiming Universal Credit, with around 55% of workers on Universal Credit in what is considered severely insecure work.⁶² Mental health challenges, such as increased rates of depression and anxiety, are also more common among the economically inactive, particularly young people.

Linked to this, the Health Foundation have estimated that there is a 'health-pay gap' between workers and workers with work-limiting conditions meaning they can earn on average 15% less per hour.⁶³

Responses to Economic inactivity: Evaluation Summary

This section summarises the evaluation of interventions aimed at addressing previously identified challenges.

⁵⁹ [Workplace support for victims of domestic abuse: review report \(accessible webpage\) - GOV.UK](#)

⁶⁰ Florisson, Rebecca. *The UK Insecure Work Index 2024*. The Work Foundation at Lancaster University, 2024.

⁶¹ Olivia Gable and Rebecca Florisson. *Limiting Choices: Why People Risk Insecure Work*. The Work Foundation at Lancaster University, 2023.

⁶² Florisson, Rebecca. *The UK Insecure Work Index 2024*. The Work Foundation at Lancaster University, 2024.

⁶³ Sam Atwell et al., 'What We Know about the UK's Working-Age Health Challenge - The Health Foundation'.

Evaluation of Employment Programmes

Tailored employment support programmes and strategic cross-sector partnerships have appeared as critical components in addressing complex labour market challenges, particularly for individuals facing significant barriers to economic participation. Evidence from UK initiatives such as Individual Placement and Support (IPS), the Restart Scheme, and localised partnership models proves that personalised interventions and collaborative delivery mechanisms can substantially improve employment outcomes.

Personal Support Package

An earlier model, the Personal Support Package, focused on work coaches plus a set of additional initiatives. The principal focus was on the value of the Health & Work Conversation, and participants reflected a broad set of categories that would be expected to be economically inactive: a mental health condition (83% of 1,808 participants), and more than one health condition (93%); 60% of participants said that they could work if their health improved.⁶⁴ The majority of participants (65%) were offered general advice and guidance and 42% took one of those options. More intensive support was offered to around 14% including the Work & Health Programme with 7% taking a place.

The PSP process found that participants lack of engagement with the programmes was often linked back to health conditions and challenges, as well as the desire to prioritise treatment (often of mental health) over engagement. However, where support was accessed, 75% found it helpful and 59% it was suitable for their individual needs; 46% had increased motivation to find work and 44% had taken part in work-related activities, with 13% finding work.

A specific tranche within PSP, called the Health & Work Conversation (1,006 participants on ESA and UC) was focused on health, personal and work goals to develop realistic plans. Around 41% could not recall any of the specific techniques in the programme, but they did feel it created a more positive relationship with their work coaches.

The development of PSP shows the challenges associated with delivery for employment schemes; however, the further development of these schemes has shown some improvement in progress and standardisation. For instance, IPS programmes achieve employment rates of 44% for participants with severe mental health conditions, generating £9.22 in societal benefits for every £1 invested.⁶⁵

Implementation challenges such as inaccurate demand forecasting and overall cost-effectiveness of the programmes underscore the need for feedback and continuous improvement in the design and implementation of programmes.

Restart

The Restart Scheme is the UK Government's most significant recent investment in employment support. It was launched in June 2021 as part of the £2.9 billion Plan for Jobs response to expected Covid-19-related unemployment. The scheme was designed to provide up to 12 months of personalised support to participants, with DWP commissioning 8 prime contractors across 12 contract package areas covering

⁶⁴ *Evaluation of the Personal Support Package*. Department for Work and Pensions, 2021.

⁶⁵ *Evidence Review: Employment Support for People with Disabilities and Health Conditions*. Learning & Work Institute, 2019. <https://learningandwork.org.uk/wp-content/uploads/2020/04/WWU-Evidence-review-Employment-support-for-people-with-disabilities-and-health-conditions.pdf>.

Mental Health and Employment Partnership Evaluation - GOV.UK
<https://www.gov.uk/government/publications/mental-health-and-employment-partnership-evaluation-life-chances-fund/mental-health-and-employment-partnership-evaluation-life-chances-fund-summary-report>

England and Wales. The programme uses hybrid 'payment by results' contracts, combining fixed delivery fees with payments dependent on participants moving into sustained work.

Evaluation evidence from a longitudinal cohort study shows the scheme's effectiveness in achieving positive outcomes across multiple dimensions.⁶⁶ At wave 2 of the evaluation, nearly 38% of follow-up participants were in work, a 21% increase from wave 1. The research found that support enabled participants to achieve intermediate outcomes, including increased confidence and motivation, enhanced job-search self-efficacy, improved skills, and reduced job selectivity. Key enabling factors included individual interactions with Employment Advisors, holistic, tailored programmes of support, and effective partnerships between providers and broader stakeholders.

However, implementation faced significant challenges due to lower-than-anticipated unemployment rates following the pandemic. Designed initially to support 1.43 million people, the scheme is now expected to have aided 692,000 participants. This reduced demand caused broadening eligibility criteria multiple times, with initial focus on Universal Credit claimants in the Intensive Work Search regime for 12-18 months, expanding to include all customers on Universal Credit for over nine months. The National Audit Office noted that while the scheme is helping people into work, it will cost more per person than expected, with estimated social benefits falling from £3.80 to £2.44 per pound spent.⁶⁷

The scheme's adaptation to changing external contexts demonstrates flexibility and limitations in programme design. The evaluation found that providers successfully adapted to support a broader range of participants than anticipated, though this came at increased unit costs.

JETS - Job Entry Targeted Support

JETS was part of a suite of interventions developed in response to Covid-19. The scheme ran between October 2020 and September 2022 and offered 6 months of employment support services to help individuals early on their benefit claim return to work and prevent short spells of unemployment leading into increased risk of labour market detachment. The programme provides support in three areas:

Table A3.1 – Overview of JETS support

Category	Services/Support
Employability assistance	CV writing
	Job search and application guidance
	Interview preparation
	Careers advice
Material aid	Digital devices for job searching
	Transport cost coverage
	Clothing and uniforms for interviews and employment
	Training and qualifications
	Vouchers
Referrals to additional services	Mental health and wellbeing resources
	Confidence-building courses
	Money management courses

Source: JETS (Job Entry Targeted Support Impact Evaluation). Department for Work & Pensions, 2025.

There were 320,000 programme starts and based on a sample of 203,000 the following estimated impacts have been found. Over two years, individuals supported by JETS spent an average of 53 more days in payrolled employment and 11 fewer days on out-of-work or low-income benefits compared to a

⁶⁶ *Research Report 1052 The Evaluation of the Restart Scheme*. Department for Work & Pensions, 2024.

⁶⁷ Christopher Barrett, James Ball, Kyra Medcalf, et al. *The Restart Scheme for Long-term Unemployed People*. HC 936. National Audit Office, 2022.

comparison group. This did not always lead to an equal reduction in benefits due to Universal Credit design, which allows recipients to earn lower incomes while still receiving support. JETS also reduced time on other non-job search-related benefits and time out of the labour market by 2.9 percentage points.

By the end of the period, JETS participants had gained an average of £2,549 in extra earnings and were 10.2 percentage points less likely to remain jobless. For early participants (October–November 2020), the averages over three years were 95 more days in employment, 26 fewer days on benefits, and £5,335 additional earnings.⁶⁸

Work Choice

Work Choice was a replacement for previous employment support (WORKSTEP) for disabled people following the ‘No one written off’ welfare reforms of 2008. Work Choice was intended to bring together successful elements of previous programmes. It also continued a trend away from wage subsidies to employers towards ‘in-kind support’. Work Choice support was structured into three distinct stages, although from April 2017 modules two and three were merged into a single programme:

- **Module One (Work Entry Support):** Participants were provided with assistance in developing personal and professional skills, vocational guidance, job search and application support, labour market information (including Better Off In Work calculations and help with tax credit applications), employer-participant brokerage, Access to Work support, and guidance for those pursuing self-employment. The standard duration for Module One was six months; however, providers could recommend an extension up to twelve months if further support was deemed beneficial. Participation in Work Choice concluded if individuals did not secure employment during Module One or transitioned directly into unsupported employment. Those who entered supported employment or self-employment of 16 hours or more per week proceeded to Module Two or Three, based on their specific support needs.
- **Module Two (Short/Medium-Term In-Work Support):** For those in supported employment, Work Choice providers maintained regular contact with participants and employers, reviewed development plans, and ensured that necessary support measures were established to facilitate ongoing progression. Activities totalling at least eight hours per month were required to promote advancement toward unsupported employment within a two-year timeframe. Support was tailored to the individual and included mentoring, job coaching, assistance with Access to Work applications, advice on workplace adjustments, problem-solving, and sourcing relevant training (Purvis et al., 2013). Module Two had a maximum duration of two years, after which participation ended if the individual transitioned to unsupported employment.
- **Module Three (Longer-Term In-Work Support):** Providers continued to support participants by engaging them in activities, for a minimum of four hours per month, aimed at promoting full potential within their roles. There was no maximum duration for Module Three, and participants could transition between Modules Two and Three as needed. Work Choice participation ended upon entry into unsupported employment during Module Three.⁶⁹

In terms of impact, Work Choice did increase payrolled employment for participants. Early cohort participants were 11.8% more likely to be employed compared to similar candidates that had been referred to the programme after 52 weeks (Referred users had an employment rate of 25.4% and Work Choice participants 37.2%). Crucially this figure declined over time but was still 10.9% higher than non-participants. For later cohort was 13.7% (39.3% v 25.6%) and again this declined to 11.4% after 208

⁶⁸ JETs (Job Entry Targeted Support Impact Evaluation). No. 111. DWP Ad Hoc Research Report. Department for Work & Pensions, 2025.

⁶⁹ Work Choice Impact Evaluation. Department for Work & Pensions, 2025.

weeks. There were also noticeable differences on how participants received different benefits including Disability Living Allowance.

Summary of Employment Support Programmes

With the development of the Connect to Work, the development of these formal support programmes will likely build on Restart and IPS schemes. Whilst these are proven to have some effect on economic inactivity and labour participation challenges, these are programmes that are reliant upon people already engaged with the welfare system and there may be a need to utilise other approaches to reach hard to reach groups or provide more nuanced support for other groups. For example, place-based partnerships like Connecting Communities in the West Midlands have proven effective in engaging hard-to-reach groups through hyper-local outreach strategies.⁷⁰

Supporting Older Workers

The Centre for Ageing Better's research identifies several key principles for adequate employment support for people over 50. The evidence suggests that effectiveness in return-to-work support involves customisation and complexity of needs recognition, acknowledging that over 50s are a diverse group requiring local-level responses with integrated and cross-agency working to enable person-centred, flexible support.

Segmentation of delivery emerges as a crucial factor, with evidence suggesting that the over 50s should be considered based on factors such as closeness to the labour market, personal circumstances including health and care responsibilities, and skills levels. The research emphasises the need for support to take more account of an individual's 'nearness' to the labour market and currency of skills and experience.

There is also a role for improving the consideration of older people in the development of policy interventions. The Centre for Ageing Better partnered with the Institute of Employability Professionals and Ingeus/APM to pilot training for employability workers, specifically targeting key workers on the Work and Health Programme in Greater Manchester. The evaluation by SQW found that key workers improved their knowledge of standard barriers, prejudices and biases faced by older people, reporting greater confidence and being better able to support participants with these barriers and counter age discrimination. The training was particularly impactful for those who felt less equipped to help people in their fifties and sixties beforehand and for newer and younger frontline staff.⁷¹

Evidence-Based NEET Prevention

Extensive research demonstrates the effectiveness of early intervention approaches in preventing and addressing NEET status. Career Connect research shows that targeted early intervention model based in Sefton reduces both NEET rates and the time spent NEET among those most at risk, with reductions of between 1% and 16.8% in the percentage of at-risk young people who are NEET upon leaving school and between 53-78 days reduction in the average number of days spent NEET.⁷²

The model takes account of the increased risk of someone becoming NEET through disengaging from education and learning and provides intensive one-to-one support alongside school-based provision. The

⁷⁰ <https://www.employment-studies.co.uk/resource/connecting-communities>

⁷¹ Evaluation of the Centre for Ageing Better's Upskilling Employability ... <https://www.sqw.co.uk/insights-and-publications/evaluation-ageing-employability-workers>

⁷² *Investing in the Future: Evaluating the Effectiveness of an Early Intervention Programme for Young people at Risk of Becoming NEET*. Career Connect, 2024.

research from Career Connect also finds the following as good practice in supporting those at risk of NEET:

- The expansion of the post-16 service to those most vulnerable in Years 9-11.
- A collaborative and co-ordinated approach between local authorities, schools and Local Authority agencies, supporting those most at risk, including SEND, care experienced, and those engaged with youth justice.
- Flexible and bespoke provision, based on the changing needs of each young person.
- Clear pathways for young people that are not ready for education, employment or training (EET) provision at 16.
- Placing a trusting relationship between the young person and their Careers Adviser at the centre.
- Access to specialist advisers to deliver intensive support – e.g., with an understanding of Special Educational Needs, Youth Justice, Care Experience, Social Care.
- A ‘no wrong door’ approach and co-location of support services wherever possible.
- A whole family approach including signposting to family members/carers.
- Regular consultation with young people and carers to shape the service.
- Continued support for those on the programme as they make the transition from school to post-16 Employment, Education or Training provision.⁷³

The Learning and Work Institute's evidence review finds similar approaches naming flexible and tailored support which are proven to be particularly effective in acting as a mechanism for positive outcomes across attainment and employment, progress and engagement for at-risk young people. Targeting specific transition points, such as Key Stage 4, at-16 and at-18, can support diversion from NEET and improve attainment. Those interventions that developed personal skills and aspirations were most effective for these groups, with supported work experience and vocational training working particularly well for more vulnerable young people.⁷⁴

The Youth Employment Initiative (YEI) impact evaluation by Ecorys demonstrates effectiveness in targeting participants, delivery models, and provision implementation. Key factors supporting effectiveness include effective use of local data and intelligence, use of delivery partners' existing networks, extensive outreach activity, developing partnerships with Jobcentre Plus to encourage referrals, and co-location with other services. The evaluation found that the use of key worker roles to provide consistency and an overview of individuals' support needs, developing partnerships and referral routes to offer wide-ranging support, and setting up effective governance procedures, were particularly effective delivery models.⁷⁵

Evidence-Based Interventions for Carer Employment Support

The Carers in Employment (CiE) project, evaluated by the Institute for Employment Studies, provides evidence of effective interventions to support carers staying in or returning to employment. The government-funded project ran from 2015 to 2017 across nine local authorities in England and aimed to examine 'what works' in supporting carers. Activities included information, advice and guidance to carers,

⁷³ [Learnings and recommendations from the Sefton NEET Reduction and Early Intervention Service - Career Connect](#)

⁷⁴ *Evidence Review: What Works to Support 15 to 24 Year Olds at Risk of Becoming NEET?* Learning & Work Institute, 2020. <https://learningandwork.org.uk/wp-content/uploads/2020/04/Evidence-Review-What-works-to-support-15-to-24-year-olds-at-risk-of-becoming-NEET.pdf>.

⁷⁵ Youth Employment Initiative – Impact Evaluation <https://www.youthemployment.org.uk/youth-employment-initiative-impact-evaluation/>

advice on assistive technology to support contact with the person receiving care, and employer measures such as raising awareness of opportunities and challenges in supporting employed carers.⁷⁶

The evaluation found that the CiE project contributed to more supportive workplace cultures and reduced conflict between staff over work adjustments for carers. For some employers, particularly smaller ones, interaction with the project enabled the introduction of career-friendly HR policies and practices, such as considering requests for flexible working. The project also highlighted the importance of finding 'hidden' carers and conducting proper carer assessments.

The Centre for Social Justice recommends four key policy interventions to support working-age carers: delivering 10 hours of free home care to those they are looking after, providing £2000 in free home adaptations, raising the earnings threshold for Carer's Allowance from £139 to £250 per week, and requiring employers to grant carers five days paid leave. Research shows that 40% of carers not in paid employment would return to work with such support measures.⁷⁷

Challenges for Employers

A strongly linked factor in the success of employment programmes is the role played by employers. Across all the evidence and evaluations, the role played by employers in both providing employment and supporting workers is still a key element in the delivery of programmes.

To a certain extent, businesses want to do the right thing and are keen to support their local communities. Yet a balance needs to be struck between the level of engagement which different sized businesses can play in the delivery of these services, and the extent to which their own challenges are also addressed.

Recent research by the British Chamber of Commerce has summarised this challenge. It highlights that a lot of firms are already working to deal with the health challenges in the workforce, but barriers for employers remain. They propose models which include improved information and guidance for employers (especially SMEs), the development of a Health at Work Standard, access to affordable workplace health support (on PAYG/Bulk purchase arrangement for SMEs), training on mental health and neurodiversity for managers, as well as proposals around wage subsidies.⁷⁸

Alongside these challenges, there is a need to ensure that employment support is not separated from the challenges which micro, small, and medium-sized enterprises already face in terms of their workforce and skills challenges. There is a need to avoid the assumption that workers easily substitute for each other regardless of the skills and experiences required by employers.

Micro firms and SMEs face significant barriers to addressing and increasing their workplace training, which will limit not only their ability to engage in the training needed to provide employment support, but also their ability to utilise effectively people returning to the labour market. These barriers include cost-effectiveness of training versus meeting orders, cash and liquidity constraints, the risks of training staff that leave, lack of capacity and managerial ability and lack of time to implement training.⁷⁹

⁷⁶ Evaluation of the Carers in Employment (CiE) Project: Final report <https://www.employment-studies.co.uk/resource/evaluation-carers-employment-cie-project-final-report>

⁷⁷ *Creating a Britain That Works and Cares*. The Centre for Social Justice, 2024.

⁷⁸ *Growth through People: Making Health Work*. Future of Work. British Chambers of Commerce, 2025. <https://egrefgdiiicq.exactdn.com/wp-content/uploads/2025/09/BCC-Growth-Through-People-Making-Health-Work-Report.pdf>.

⁷⁹ European Centre for the Development of Vocational Training. *Beyond Subsidising Training Costs: Policies to Increase Training Provision in Micro, Small and Medium Sized Enterprises*. Publications Office, 2024. <https://data.europa.eu/doi/10.2801/027705>.

Common features and factors around support for Economic inactivity

Aside from the specifics of specialist schemes, broadly speaking all schemes have elements that focus on support for the individual and those for employers:

- Provide the economically inactive with concise IAG services, including employment-focused assessments, health, career, and financial guidance, advocacy with employers, referrals to specialist providers, and arranging work placements or training.
- For employers, raise awareness of economically inactive issues through roadshows and marketing, promote support toolkits for the economically inactive, train managers on supporting economically inactive workers, and supply templates for workplace policies.
- For Carers there is also the added role played by advice on assistive technology (AT), free trials and home installation of equipment to help maintain contact with the cared for person and to alert carers to emergencies, and time to develop bespoke AT solutions.

The main challenges are still around how participants can engage with programmes. A clear factor is the sequencing of treatment, with participants on waiting lists, and their attendance on programmes being a consideration in the design of programmes. There are also elements which can be shared across programmes.

A.4 Baseline Analysis

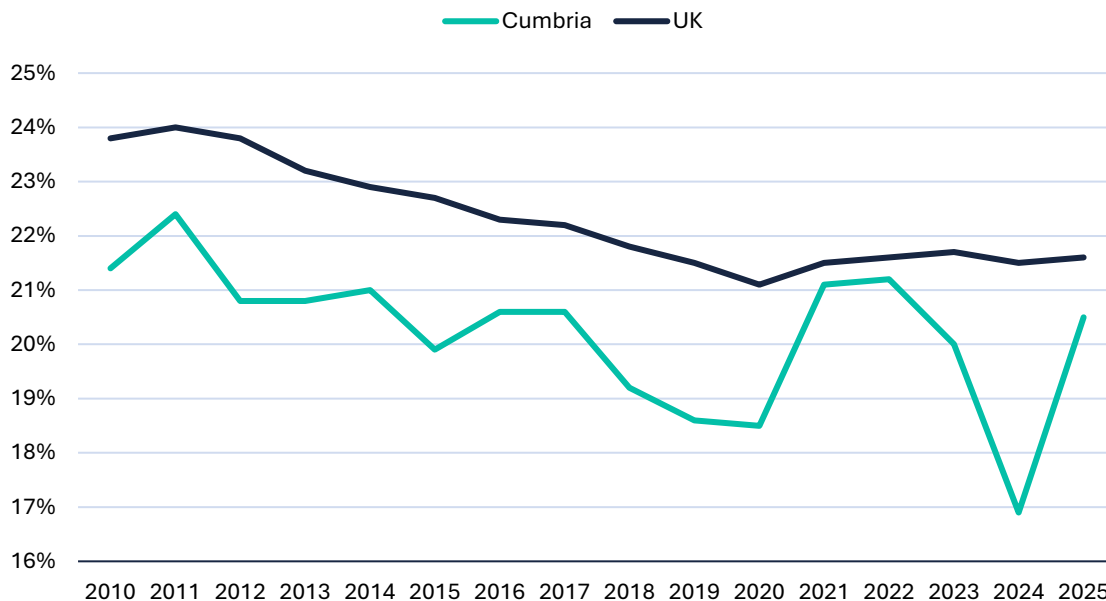
This baseline analysis sets out the detail of economic inactivity in Cumbria, drawn from the [Cumbria Economic inactivity Data Dashboard](#). The analysis is based on published secondary data⁸⁰ and considers the key population characteristics contributing to economic inactivity, including health, age and other circumstances such as having caring responsibilities.

Economic inactivity Rates

In recent years, the pandemic has intensified economic inactivity. Since early 2020, across the UK 830,000 more adults are economically inactive, three-quarters of these are aged 50+. For those over 65, inactivity is largely due to population changes, but for working-age groups, increased retirement rates and a rise in long-term sickness have been key drivers. This has the effect of reducing not only the available working population but also increasing the replacement demand within the labour market for the roles which have been exited. In addition to this, over the long-term, the shift from industry to services, automation, and digitalisation has transformed skill requirements.

In Cumbria, economic inactivity rates fluctuated considerably between 2010 and 2025, as illustrated in the figure below, in comparison to a more general downward trend in the UK.

Economic inactivity rates from 2010-2025 in Cumbria and the UK



Note: Margin of errors are relatively high in Cumbria due to small samples sizes. Comparisons between areas and changes over time should be treated with caution.

Source: Annual Population Survey, 2025 (April to March)

This has been shaped by economic cycles, policy reforms, and demographic shifts, making it a persistent policy concern.

⁸⁰ Data sources used for the analysis in this section are listed in Appendix 7

According to the Annual Population Survey, in 2024, there were 57,700 economically inactive people in Cumbria, equivalent to 20% of the working age population, broadly in line with the England average of 21%. Cumberland had 31,900 economically inactive people, while Westmorland and Furness had 25,800, with both areas recording similar inactivity rates (20%). The economically inactive rate in Cumbria increased from 16% in 2023, but the confidence intervals (± 2.9 in 2023 and ± 3.0 in 2024) suggest this change may not be statistically significant and should be interpreted with caution.

While many in these groups may face barriers to returning to work or may not be seeking to do so, around one in five (19%) of all economically inactive people say they want to work. This suggests a potential pool of people who could be supported into employment. The proportion of economically inactive people in Cumbria who want to work appears to have increased sharply over the past year, from 9% in 2023, although again, the wide confidence intervals mean this change should be treated cautiously.

While the Annual Population Survey provides recent estimates, more detailed information on economic inactivity among 16-64-years olds is available from the Census 2021 at local area level. It is important to note that the census figures reflect conditions during the coronavirus pandemic, when restrictions and furlough schemes were in place, which may have influenced inactivity levels.⁸¹ Nevertheless, the data offers useful insights into variations across Cumbria. Inactivity rates range from as low as 16% in Kendal Castle to as high as 33% in Old Barrow and Hindpool. There are also marked differences within districts: in Carlisle, for example, inactivity is 28% in Castle ward compared with just 16% in Dalston and Burgh. This suggests that while the county's overall inactivity rate is close to the national average, some communities such as Old Barrow and Hindpool and Moss Bay and Moorclose face much greater challenges in connecting residents to the labour market.

Economic inactivity Rate by Ward (% people aged 16-64), Cumbria 2021

Wards with the Highest Economic Inactivity Rate	Old Barrow and Hindpool	33%	Wards with the Lowest Economic Inactivity Rate	Houghton and Irthington	18%
	Moss Bay and Moorclose	30%		Wetheral	18%
	Castle (Carlisle)	28%		Kendal South	18%
	Maryport South	27%		Eamont and Shap	18%
	Millom Without	27%		Burton and Holme	18%
	Kells and Sandwith	27%		Levens and Crooklands	18%
	St Michael's (Allerdale)	26%		Kendal Nether	17%
	Egremont	26%		Hillcrest and Hensingham	17%
	Cleator Moor East and Frizington	26%		Dalston and Burgh	16%
	Upperby	26%		Kendal Castle	16%

Economic Inactivity Rate by Former Local Authority

Copeland (25%)	Barrow-in-Furness (24%)	Allerdale (23%)	Carlisle (22%)	South Lakeland (20%)	Eden (19%)
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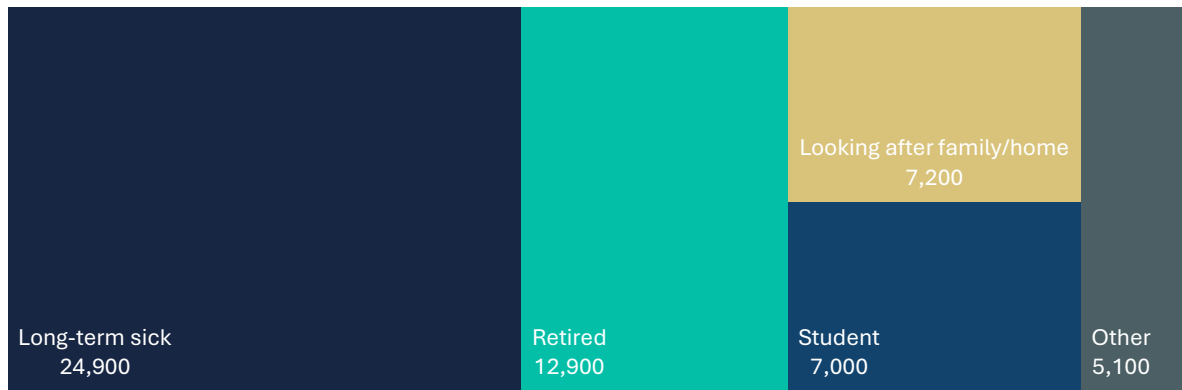
Source: Census 2021

Reasons for Economic inactivity

The most common reason for economic inactivity in Cumbria is **long-term sickness**, accounting for 43% of all economically inactive people, followed by retirement at 22%.

⁸¹ For example, the ONS notes that some furloughed people may have reported being out of work rather than employed when completing the census.

Reasons for Economic inactivity, Cumbria 2024



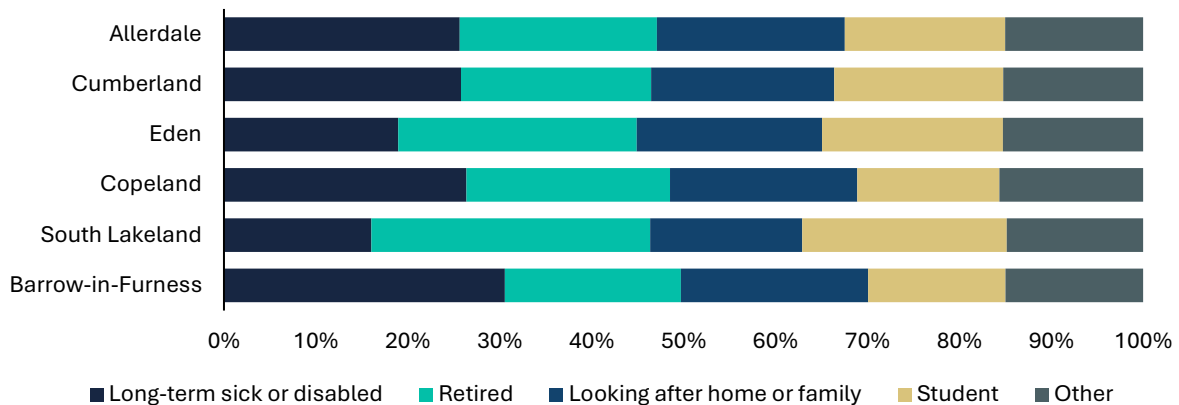
Note: Temporary sick and discouraged estimates are not available due to zero or disclosive sample sizes

Source: ONS Annual Population Survey, Jan 2024-Dec 2024

The Census 2021 also provides information on reasons for inactivity by smaller geographies, which highlights important local differences. For example, in Westmorland and Furness, retirement is the leading reason for inactivity among working age residents (25%), with long-term sickness or disability accounting for a smaller share (22%). This pattern is especially pronounced in South Lakeland, where 30% of the inactive working-age population are retired compared with just 16% due to long-term sickness or disability. Some wards record particularly high levels of retirement, such as Low Furness (42%) and Grange and Cartmel (40%). A similar trend is seen in Eden, where 26% of inactive residents are retired compared with 19% due to long-term sickness. In both former local authorities, other reasons such as being a student or looking after home or family also play a larger role than long-term sickness or disability.

In the rest of Cumbria's former local authorities, long-term sickness or disability is the main reason for inactivity. In areas with high inactivity, such as Old Barrow and Hindpool, the share of economically inactive residents citing long-term sickness or disability rises significantly, reaching 41%, the highest rate in Cumbria. A similar pattern is seen in Moss Bay and Moorclose, where 37% of the inactive population are long-term sick or disabled.

Reasons for Economic inactivity by Former Local Authority, Cumbria 2021



Source: Census 2021

While economic inactivity is typically measured through population surveys, some economically inactive individuals can also be identified through administrative data, such as Department for Work and Pensions (DWP) benefit statistics, providing additional insight into the characteristics and circumstances of this group. This includes:

- **People claiming Universal Credit (UC):** UC is a payment to support households with living costs. Several conditionality regimes apply to claimants not currently expected to work, including:
 - **No work requirements**, for those with health conditions or caring responsibilities that prevent them from working or preparing for work.
 - **Preparing for work**, for those expected to work in the future, including people with limited capability for work or a child aged 2, and required to take reasonable steps to prepare for work.
 - **Planning for work**, for lone parent or lead carer of one year old child who are expected to work in the future as well as required to attend periodic interviews to plan for their return to work.

As of March 2025, 23,392 working-aged people in Cumbria were in one of these groups.

- **People claiming Employment and Support Allowance (ESA):** ESA provides financial support for people with limited capability for work due to ill health. Claimants are assigned to either the Work-Related Activity Group (expected to prepare for work in the future), or the Support Group (not expected to work). Although now largely a legacy benefit, as of November 2024, 10,327 working-aged people in Cumbria were claiming ESA under these groups. This figure reflects the ongoing transition of claimants from ESA to UC.

In total, around 33,720 working-age Cumbria residents were claiming one of these key benefits linked to economic inactivity, the majority under the UC 'no work requirements' group. This is equivalent to 11% of the working-age population, broadly in line with the national average, but rising to 13% in Cumberland, which ranks 83rd highest out of 296 local authorities in England on this measure.

Number of Working Age Claimants in Receipt of DWP Benefits Related to Economic inactivity

Local Authority	UC No Work Requirements	UC Planning for Work	UC Preparing for Work	ESA Work Related Activity Group	ESA Support Group	Total Claimants	% Working Age Pop.	Rank (of 296)
Cumberland	13,552	336	1,306	393	5,756	21,346	13%	83 rd
Westmorland and Furness	7,274	196	723	317	3,861	12,371	9%	187 th
Cumbria	20,825	534	2,029	708	9,617	33,719	11%	

Note: Some individuals can claim both ESA and UC. Totals in this table do not adjust for this overlap

Source: DWP Stat-Xplore, People on Universal Credit, March 2025; DWP Stat-Xplore, ESA, November 2024;

Population estimates - local authority based by single year of age, 2023

It is important to highlight that, as claimants can receive multiple benefits, there is an overlap between the number of people claiming UC and ESA. This is estimated to be 1,270 individuals, with the majority (1,228) claiming both ESA Support Group and the UC 'no work requirements' regime.

Wards with the highest number and proportion of working aged people receiving these benefits include Old Barrow and Hindpool, Moss Bay and Moorclose, Maryport South, and Kells and Sandwith, where this represents over a third of the working-age population.⁸² These wards broadly align with those recording the highest economic inactivity rates in the Census 2021, highlighting persistent concentrations of economic inactivity in Barrow-in-Furness, Copeland and Allerdale.

Working Age Claimants in Receipt of DWP Benefits Related to Economic inactivity by Ward in Cumbria

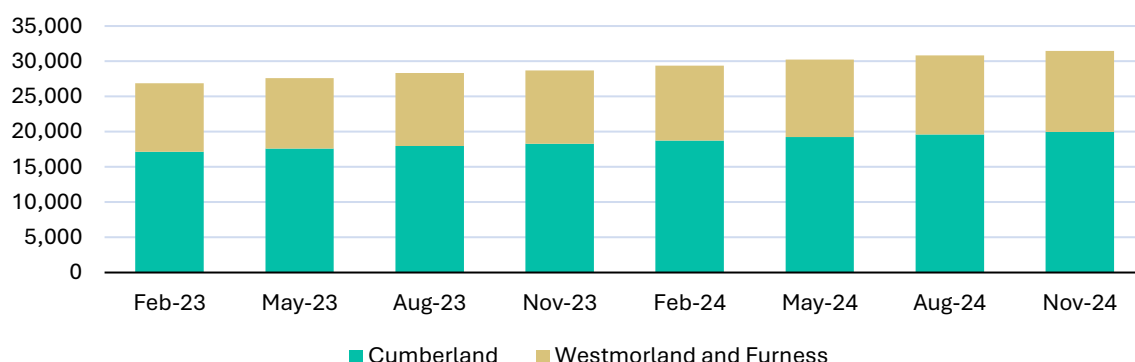
Wards with the Highest Proportion of Working Age People Claiming UC (No Work Requirements)	Moss Bay and Moorclose	38%	Wards with the Highest Proportion of Working Age People Claiming ESA (Support Group)	Old Barrow and Hindpool	8%
	Old Barrow and Hindpool	36%		Morton (Carlisle)	6%
	Maryport South	34%		Moss Bay and Moorclose	5%
	Kells and Sandwith	32%		Maryport South	5%
	St Michael's (Allerdale)	27%		Harraby North	4%
	Mirehouse	25%		Maryport North	4%
	Upperby	24%		St Michael's (Allerdale)	4%
	Morton (Carlisle)	24%		Upperby	4%
	Egremont	24%		Harraby South	4%
	Cleator Moor West	23%		Kells and Sandwith	4%

Proportion of Working Age People Claiming UC (NWR) and ESA (SG)					
Barrow-in-Furness (22%)	Copeland (22%)	Allerdale (20%)	Carlisle (18%)	Eden (10%)	South Lakeland (10%)

Source: DWP Stat-Xplore, People on Universal Credit, March 2025; DWP Stat-Xplore, ESA, November 2024; Population estimates by single year of age, 2022

The number of people receiving these benefits has followed a consistent upward trend across Cumbria between the quarters ending February 2023 and November 2024, with increases recorded in both Cumberland and Westmorland and Furness. Over this period, the claimant count grew by 17%, a slower rate than the national average of 23%.

Number of Working Age Claimants in Receipt of DWP Benefits Related to Economic inactivity in Cumbria



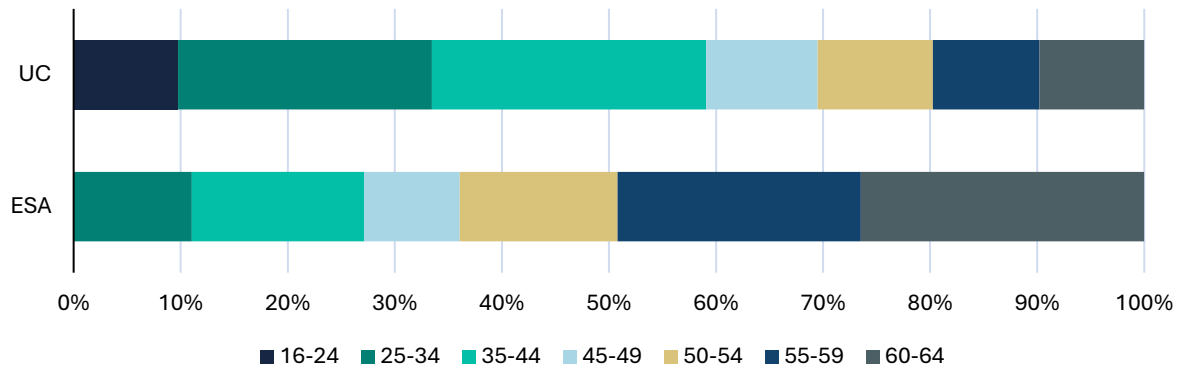
Note: This includes people on Universal Credit in the conditionality groups of no work requirements, planning for work, and preparing for work; and those in the ESA Work-Related Activity Group and Support Group. UC figures are calculated as the average of the three-monthly data points within each quarter (e.g. December, January, and February for the February quarter) in order to ensure comparability with ESA data, which is reported quarterly

Source: DWP Stat-Xplore, People on Universal Credit, November 2024; DWP Stat-Xplore, ESA, November 2024

⁸² This analysis focuses on Universal Credit - No Work Requirements and Employment and Support Allowance - Support Group, as these are the categories with the largest number of claimants and therefore represent the most significant groups within the working age population.

When looking at the age profile of claimants, one in three UC recipients in Cumbria are aged under 34. This includes 1,886 young people aged 16–24 who are in the UC ‘no work requirements’ group, meaning they are exempt from work-related activity due to health conditions or caring responsibilities. An additional 946 under-34s in Cumbria are claiming Employment and Support Allowance (ESA) in either the Support Group or the Work-Related Activity Group.

Working Age Claimants by Age in Cumbria



Note: This includes people on Universal Credit in the conditionality groups of no work requirements, planning for work, and preparing for work; and those in the ESA Work-Related Activity Group and Support Group
Source: DWP Stat-Xplore, People on Universal Credit, March 2025; DWP Stat-Xplore, ESA, November 2024

Poor Health and Disability

While Cumbria’s overall health levels broadly align with national averages (such as life expectancy at birth, standardised mortality rates, wellbeing scores, and disability rates) there are significant variations within the county that influence local labour market dynamics. In particular, the former districts of Copeland and Barrow-in-Furness exhibit higher proportions of people reporting bad or very bad health, alongside elevated disability rates. Within these areas, the wards of Old Barrow and Hindpool, Kells and Sandwith, and Egremont rank among the highest in the county for both metrics, alongside some wards in Allerdale and Carlisle. Consistent with these health disparities, the 2019 English Index of Multiple Deprivation (IMD) ranks the former borough of Barrow-in-Furness as the fourth most deprived local authority in the Health Deprivation and Disability domain.

Health Metrics in Cumbria, 2021

Wards with the Highest Proportion of Working Age People Disabled Under the Equality Act	Old Barrow and Hindpool	28%	Wards with the Highest Proportion of Working Age People in Bad Health	Old Barrow and Hindpool	10%
	Moss Bay and Moorclose	25%		Moss Bay and Moorclose	9%
	Maryport South	22%		Morton (Carlisle)	8%
	St Michael's (Allerdale)	22%		Maryport South	7%
	Kells and Sandwith	22%		Kells and Sandwith	7%
	Castle (Carlisle)	21%		Upperby	7%
	Morton (Carlisle)	21%		Egremont	7%
	Upperby	21%		Mirehouse	7%
	Harraby North	20%		Harraby North	7%
	Egremont	20%		Millom	7%

Proportion of Working Age People Disabled Under the Equality Act					
Barrow-in-Furness (19%)	Copeland (18%)	Allerdale (17%)	Carlisle (17%)	South Lakeland (14%)	Eden (14%)

Proportion of Working Age People in Bad Health					
Barrow-in-Furness (6%)	Copeland (6%)	Carlisle (5%)	Allerdale (5%)	Eden (3%)	South Lakeland (3%)

Source: Census 2021

Reflecting these health challenges, a total of 33,991 working-age people in Cumbria claimed health-related benefits in 2024, including Personal Independence Payment (PIP), Disability Living Allowance (DLA), Employment and Support Allowance (ESA), Incapacity Benefit, Severe Disablement Allowance, Income Support due to incapacity, and Universal Credit under the Health Journey. This represents 12% of the working-age population, with notably higher rates in specific wards such as Old Barrow and Hindpool and Moss Bay and Moorclose. Wards with the highest health-related benefit claimant rates tend to also experience elevated levels of poor health, disability, and related economic inactivity, highlighting the close link between health challenges and labour market disengagement.

In contrast, wards such as Dalston and Burgh have a small proportion of residents claiming health-related benefits (6%). This is reflected in the area's relatively strong health indicators, including emergency hospital admissions, Year 6 obesity prevalence, and mortality under the age of 75. Notably, this ward also has the lowest rate of economic inactivity in Cumbria (16%).

Working-Age People Claiming Health-Related Benefits in Cumbria, November 2024

Wards with the Highest Proportion of Working Age People Claiming Health Related Benefits	Old Barrow and Hindpool	27%	Morton (Carlisle)	20%
	Moss Bay and Moorclose	26%	Maryport North	17%
	Maryport South	21%	Mirehouse	17%
	Kells and Sandwith	21%	Currock	17%
	St Michael's (Allerdale)	20%	Cleator Moor West	17%

Proportion of Working Age People Claiming Health Related Benefits					
Barrow-in-Furness (15%)	Copeland (14%)	Allerdale (14%)	Carlisle (13%)	South Lakeland (8%)	Eden (7%)

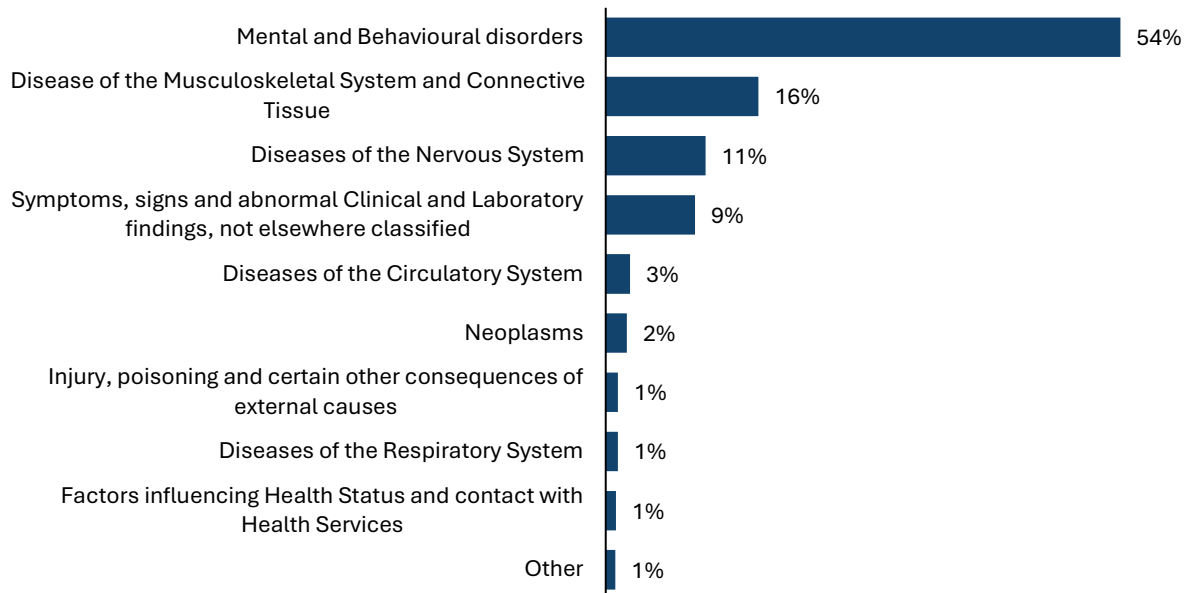
Source: DWP Stat-Xplore; Population estimates by single year of age, 2022

According to the Annual Population Survey, long-term illness is the primary reason for economic inactivity in Cumbria. Around 24,900 people are economically inactive due to long-term illness, representing 9% of the working-age population, higher than the national average of 6%. The number of people inactive for this reason has increased notably over the past year, rising by over 9,300 people or 60%. While the survey has relatively wide confidence intervals, the range has shifted upwards year-on-year, suggesting a genuine increase even if the exact size of the change should be interpreted with caution.

The proportion of economically inactive people who are classified as disabled under the Equality Act (EA), including those limited in their work capability, is significantly higher than for those without disabilities (41% vs. 11%). Economic inactivity is also higher among people with a long-term health condition or illness lasting 12 months or more: 56% in Cumbria compared to 48% in England. These figures highlight that poor health plays a significant contribution in the high levels of economic inactivity observed in the area.

To better understand the health-related causes of economic inactivity, available data on ESA claimants by health condition provide valuable insights.⁸³ Poor mental health dominates as the primary condition among working-age residents claiming ESA, with 54% of ESA claimants affected.

Primary Health Conditions Cited in ESA Claims in Cumbria, November 2024



Source: DWP Stat-Xplore

This trend aligns with NHS data showing that 5,035 people aged over 25 accessed Community Mental Health services for adults and older adults with various mental illnesses in 2024/25. Additionally, NHS records for fit notes⁸⁴ issued across Cumbria (North Cumbria and Morecambe Bay) indicate that 18,285 were for mental and behavioural disorders, accounting for 30% of all fit notes issued.

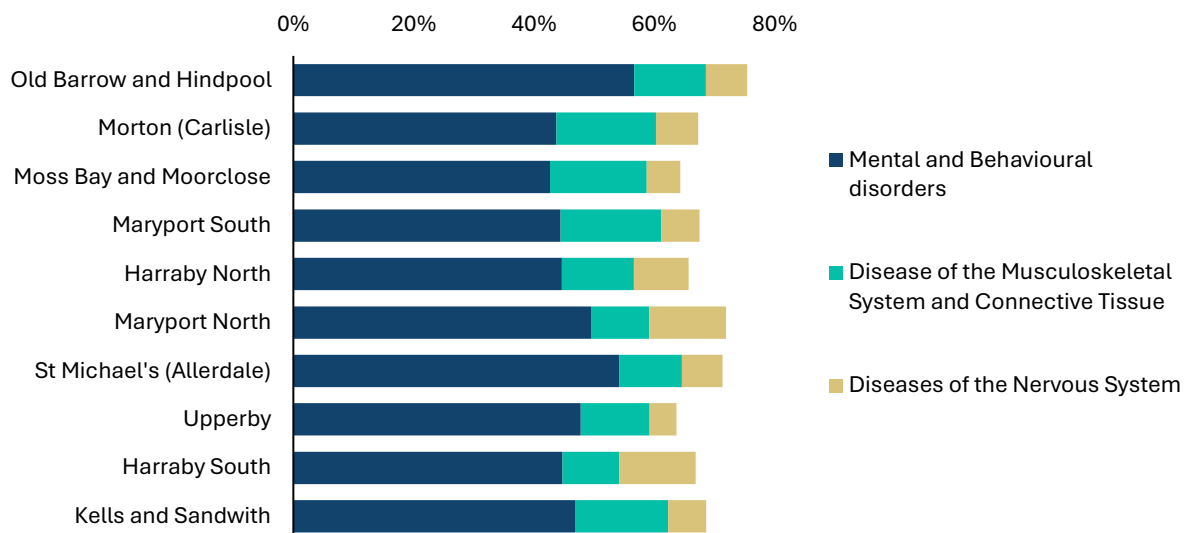
⁸³ It should be noted that ESA data only relates to a sub-group of health claimants, who are typically older than other claimants. However, local sources suggest that the broad distribution of health conditions is similar across other benefits as well.

⁸⁴ Fit notes are used to provide medical evidence for employers or to support a claim to health-related benefits from the DWP. Fit notes are issued to patients after the first seven days of sickness absence (when patients can self-certify) if the healthcare professional assesses that the patient's health affects their fitness for work.

At the local level, mental and behavioural disorders are the most common condition across Cumberland, Westmorland and Furness, all former local authorities, and nearly all wards (76 out of 79 wards), though the scale varies. In Old Barrow and Hindpool, the share rises to 57%. This aligns with evidence of poor mental health outcomes locally: Barrow-in-Furness records the highest anxiety score in Cumbria and above the national average. All LSOAs within the ward are among the 20% most deprived nationally, and around 43% of children live in relative low-income households, more than twice the Cumbria and England averages. These factors are likely to exacerbate mental health problems and contribute to higher ESA claims for mental and behavioural disorders.

In contrast, in areas such as Morton (Carlisle) and Maryport South, the share of ESA claimants citing mental and behavioural disorders falls to 44%, with diseases of the musculoskeletal system and connective tissue becoming more significant than in other wards (17%). Diseases of the nervous system also gain prominence in Maryport North and Harraby South, where they account for around 13% of ESA claimants.

Primary Health Conditions Cited in ESA Claims by Ward in Cumbria, November 2024



Source: DWP Stat-Xplore

Over 50s

Around 114,700 people in Cumbria are aged 50 to 64, making this the largest age group in the county. They represent 38% of the working-age population, ranging from 37% in Cumberland to 39% in Westmorland and Furness, both above the England average of 30%.

According to the 2021 Census, economic inactivity peaks among this group, reaching 28%, the second-highest rate across all age groups. The main driver is early retirement, with over 14,700 residents retired before the state pension age, equivalent to 13% of the population aged 50-64, above the national average of 10%. The proportion rises further in South Lakeland (15%), particularly in wards such as Kent Estuary, Low Furness, and High Furness, where early retirement appears more common.

Notably, these early retirees tend to be more qualified: 41% hold a Level 4 qualification or above, compared to 28% among other economically inactive people in the same age group and to 33% among those in employment. The share is even higher in Westmorland and Furness (47%) and peaks at 55% in South Lakeland. This suggests that a proportion of the older population has the skills to contribute further to the economy but are choosing to exit the labour market earlier.

Long-term sickness and disability is the second most common reason for economic inactivity among 50-64-year-olds. Data from the DWP shows that 6,600 people aged 50–64 in Cumbria are receiving Universal Credit (UC) or Employment and Support Allowance (ESA) and are not required to work. The share rises sharply to 15% in Barrow-in-Furness. Notably, data from the Census indicates that among 50-64 year olds who were economically inactive in 2021 due to long-term sickness and disability, 28% have never worked (2,300 people), a figure rising to 32% in Barrow-in-Furness, underlying the importance of integrating health and employability interventions.

Over-50s Retired and Receiving Benefits by Ward in Cumbria

Wards with the Highest Proportion of People Aged 50-64 Retired	Kent Estuary	20%	Wards with the Highest Proportion of People Aged 50-64 Claiming UC (NWR) and ESA (SG)	Old Barrow and Hindpool	31%
	Low Furness	18%		Moss Bay and Moorclose	27%
	Gosforth (Copeland)	18%		Maryport South	25%
	Cockermouth South	18%		Morton (Carlisle)	22%
	Hawcoat and Newbarns	18%		Kells and Sandwith	22%
	High Furness	17%		Harraby North	21%
	Corby and Hayton	17%		St Michael's (Allerdale)	20%
	Grange and Cartmel	17%		Castle (Carlisle)	19%
	Bothel and Wharrels	17%		Egremont	18%
	Wetheral	17%		Mirehouse	18%

Proportion of People Aged 50-64 Retired					
South Lakeland (15%)	Copeland (14%)	Barrow-in-Furness (13%)	Allerdale (12%)	Eden (12%)	Carlisle (12%)

Proportion of People Aged 50-64 Claiming UC (NWR) and ESA (SG)					
Barrow-in-Furness (15%)	Copeland (13%)	Allerdale (12%)	Carlisle (12%)	South Lakeland (6%)	Eden (6%)

Source: Census 2021; DWP Stat-Xplore, People on Universal Credit, March 2025; DWP Stat-Xplore, ESA, November 2024; Population estimates by single year of age, 2022

Young people

Economic inactivity includes a proportion of students who, while currently not working, are more likely to enter and actively participate in the workforce as they graduate and progress in their education.

As of March 2025, a total of 342 16–17-year-olds were not in education, employment or training (NET) in Cumbria. The proportion of NEETs is relatively low in both Cumberland (3.5%) and Westmorland and Furness (2.4%) compared to the England average (5.4%), highlighting strong participation in education or early entry into the labour market. The NEET rate in Cumbria has also decreased from 3.6% in March 2024 to 3.2% in March 2025, indicating further improvement in both Cumberland and Westmorland and Furness. NEET rates have consistently remained below the national average throughout the past year, underlining the area's positive youth engagement and transition outcomes.

Among 16–17 year olds in education or training, 15% in Cumbria are on apprenticeships, the same as in Cumberland and Westmorland and Furness and three times the national average of 5%, while 81% are in full-time education, compared to 93% in England.

Data from the 2021 Census shows that 34% of 16–24-year-olds in Cumbria are economically inactive, mainly due to studying. Notably, Cumbria's full-time students are more likely to be employed while studying than the national average, with 24% working (ranging from 22% in Cumberland to 27% in Westmorland and Furness), compared to 18% nationally.

The latest Further Education Outcomes dataset published by DfE (2021/22) highlights how young people transition into employment or training after completing their Further Education (FE) studies. A total of 128 FE leavers aged 16-24 in Cumbria did not achieve sustained positive destinations and were in receipt of benefits, equivalent to 2%⁸⁵, which is below the national rate of 5%. In contrast, Cumbria has a higher proportion of FE leavers aged 16-24 with sustained positive destinations compared to England (92% vs. 90%), including greater rates of sustained employment (67% vs. 55%) and apprenticeships (11% vs. 5%). The sustained positive destination rate is broadly consistent across Westmorland and Furness (91%) and Cumberland (92%), though it falls to 89% in Barrow-in-Furness and rises to 93% in Allerdale, Eden and Copeland.

Graduates from the University of Cumbria have a lower unemployment rate 15 months after completing their studies (2.6%) compared to the national average for other HE providers (5.4%). Those who are traveling, caring for someone, or retired (6%) are on par with the national average. It is important to note that most of these graduates are not originally from the area. HESA data shows that only 24% of students at the University of Cumbria are from Cumbria, so these figures should not be taken as representative of local graduates.

While Cumbria records relatively low NEET rates and strong, positive destinations for FE and HE leavers, this coexists with structural challenges:

- **Family background and social mobility:** The Social Mobility Index 2024 shows Cumbria performing near the UK average on key measures such as promising prospects and labour market opportunities for young people. However, family background factors such as parental qualifications and occupational status, are a challenge. Between 2014 and 2022, only 27% of adults in families with dependent children in Cumbria held a degree or higher qualification, compared to 36% nationally; and 12% were in higher professional occupations, compared to 17% in the UK. According to the Opportunity Index 2025, Westmorland and Lonsdale was the strongest-performing area in access to opportunity for disadvantaged young people, ranking 143rd out of 543 constituencies nationally (top third), while opportunities were weakest in Morecambe and Lunesdale (514th).
- **Educational attainment:** Level 2 and 3 attainment rates are consistently lower in Cumbria than nationally for all ages from 16 to 19. In 2023/24, 48% of 19 year olds were qualified to Level 3, compared with 58% nationally. Attainment gaps are particularly evident among disadvantaged groups, including those with special educational needs support (27% vs. 35% nationally) and those eligible for free school meals (23% vs. 37% nationally).
- **Health and wellbeing:** Approximately 10,565 children and young people under 18 in Cumbria accessed NHS-funded community support services in 2024/25, marking an 11% increase from the previous year and indicating rising demand for health and wellbeing support. Among young adults, over 1,880 people aged 16–24 were in the Universal Credit ‘no work requirements’ group, meaning they are exempt from work-related activity due to health conditions or caring responsibilities.
- **Transport and access to opportunities:** Travel times by public transport or walking to the nearest Further Education college are longer in Cumbria (31 minutes) than nationally (22 minutes), rising to 53 minutes in Eden. Access to employment centres with 100–499 jobs is also limited. Average travel times are 34 minutes in Eden and 24 minutes in South Lakeland, compared with 9 minutes nationally. In 14 small areas (LSOAs), travel exceeds one hour, rising to over two hours in Coniston and Hawkshead.

⁸⁵ This percentage excludes those with an unknown destination.

- **Graduate retention:** According to ONS estimates, not all graduates remain in or return to the region after completing their studies.⁸⁶ In Cumbria, the share of graduates moving outside the North West ranges from 19% in Workington to 33% in Cockermouth. Only two of twelve towns (Workington and Barrow-in-Furness) performed better than the national retention rate of 24%. These figures show that some skilled individuals move away.

Together, these factors illustrate the complex landscape facing young people in Cumbria.

Caring Responsibilities

Caring responsibilities are likely to be a significant contributor to economic inactivity in Cumbria. According to the 2021 Census, over 31,800 people of working age provided unpaid care, equivalent to 11% of the working age population, slightly above the national average of 10%. The share is broadly similar across the two unitary authorities (11% in Cumberland and 10% in Westmorland and Furness) and fairly consistent across wards, ranging from 8% to 13%. This suggests that, unlike long-term sickness or retirement, caring responsibilities are relatively evenly distributed across the county.

Around 11,390 people provided 35 or more hours of unpaid care per week, meeting the threshold to qualify for Carer's Allowance. Around half of this group were economically inactive, compared to just 21% among non-carers. This reinforces the central role that unpaid care plays in shaping labour market participation across the county. At the ward level, inactivity among full-time carers ranges from 29% in Dalston and Burgh to 66% in Aspatria. This variation may reflect differences in local labour market opportunities, such as the availability of flexible working, or access to support networks that enable carers to combine employment with intensive caregiving.

Economic inactivity Rates of Unpaid Care Providers by Ward in Cumbria, 2021

Wards with the Highest Economic Inactivity Rates Among Unpaid Care Providers (+35 hours)	Aspatria	66%	Howgate	60%
	Millom	64%	Upperby	59%
	Moss Bay and Moorclose	63%	Maryport South	59%
	Kells and Sandwith	62%	Belah	56%
	Old Barrow and Hindpool	61%	Cleator Moor West	56%
Economic Inactivity Rate Among Unpaid Care Providers (+35 hours)				
Copeland (54%)	Allerdale (53%)	Barrow-in-Furness (52%)	Carlisle (49%)	South Lakeland (43%)
				Eden (42%)

Source: Census 2021

Data from the Annual Population Survey shows that 7,200 economically inactive residents in Cumbria (around 2.5% of the working age population) gave "looking after family or home" as their main reason for inactivity. While this is lower than the previous year's figure, the estimate for Cumbria has wide confidence intervals, so changes over time may not indicate a statistically significant shift.

Corresponding data from the Department for Work and Pensions suggest a modest increase in working-age residents claiming Carer's Allowance over the past year in Cumbria (1%, from 6,156 to 6,240), below the England-wide growth of 7%.

⁸⁶ [Which towns attract people with advanced education? - Office for National Statistics](#). Note that this data relates to pupils who took their GCSEs between the 2007/08 and 2010/11 school years in Cumbria and reflects their place of residence in 2018/19.

Women

Although women in Cumbria achieve better results at school and enjoy higher life expectancy than men, economic inactivity remains disproportionately high in this group. Around 13% of working-age women claim economic inactivity-related benefits, compared with 10% of men, and rising further to 16% in Copeland and Barrow-in-Furness. Women account for 58% of all claimants despite making up only half of Cumbria's population, highlighting a clear overrepresentation and prevalent issue. This proportion is similar in Cumberland and Westmorland and Furness, but rises to 61% in Eden and 59% in South Lakeland.

One contributing factor is that a relatively high proportion of women in Cumbria provide unpaid care (13%, compared with 12% nationally and 8% among men in Cumbria). This ranges between 12% and 14% across the former local authorities but rises to around 16% in some wards in Allerdale (Harrington and Maryport South), Copeland (Egremont and Millom Without), and South Lakeland (Kent Estuary). Women also make up a higher share of unpaid carers overall, accounting for 62% of all unpaid care providers in Cumbria (compared with 61% nationally), with the proportion increasing to 63% in South Lakeland.

Proportion of Women Providing Unpaid Care by Ward in Cumbria, 2021

Wards with the Highest Proportion of Women Providing Unpaid Care	Harrington	16%	Wards with the Highest Proportion of Unpaid Care Providers who are Women	Cockermouth South	67%
	Egremont	16%		Kent Estuary	67%
	Kent Estuary	16%		Coniston and Hawkshead	66%
	Millom Without	16%		Bowness and Lyth	66%
	Maryport South	16%		Stanwix Urban	66%
	Mirehouse	16%		Maryport South	66%
	Bothel and Wharrels	16%		Bothel and Wharrels	65%
	Moss Bay and Moorclose	15%		Keswick	65%
	Aspatia	15%		Hesket and Lazonby	65%
	Howgate	15%		Levens and Crooklands	65%

Proportion of Women Providing Unpaid Care					
Copeland (14%)	Allerdale (14%)	Barrow-in-Furness (14%)	Eden (13%)	South Lakeland (13%)	Carlisle (12%)

Note: Census 2021

Other factors that help explain higher economic inactivity rates among women include the gender pay (12% in Cumbria compared to 8% in England among full-time employees), and the fact that women are also less likely to receive overtime pay, indicating lower earning potential, which can in turn contribute to limited labour market engagement. In addition, under-18 conception rates are higher in areas like Copeland (19 per 1,000 females under 18) and Carlisle (18) compared to the national average (13), which can contribute to reduced education continuation and delayed workforce. Female attainment also lags behind the national average, with 55% of 19 year olds in Cumbria qualified to Level 3 compared with 63% across England.

Men

According to the 2021 Census, 5% of working-age men in Cumbria are economically inactive due to long-term sickness or disability. This share rises with age, from 2% among those under 24 (when study is the main reason for inactivity), to 5% among those aged 25-49 (when health becomes the leading factor), and 7% among those over 50 (alongside 12% who are early retirees).

Around 10% of working-age men claim economic inactivity-related benefits, compared with 9% in England. Barrow-in-Furness has the highest proportion in the county (13%), rising to 25% in Old Barrow and Hindpool. Although overall employment and manufacturing jobs have grown in the ward from 2019 to 2023, economic inactivity among men remains high, suggesting that individual factors are likely more important drivers than a lack of local jobs. This ward, for example, records the lowest life expectancy among men in Cumbria (72.5 years in Ormsgill & Hindpool and 70.5 in Barrow Central), suggesting that poor health may be limiting labour market participation among men.

Proportion of Men Claiming Economic Related DWP Benefits by Ward in Cumbria

Wards with the Highest Proportion of Working Age Men Claiming Economic Inactivity Related Benefits	Old Barrow and Hindpool	25%	Morton	18%
	Moss Bay and Moorclose	24%	Maryport North	16%
	Kells and Sandwith	21%	Mirehouse	15%
	St Michael's (Allerdale)	20%	Cleator Moor West	15%
	Maryport South	20%	Currock	15%

Proportion of Working Age Men Claiming Economic Inactivity Related Benefits

Barrow-in-Furness (13%)	Copeland (12%)	Allerdale (11%)	Carlisle (10%)	South Lakeland (6%)	Eden (5%)
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Source: DWP Stat-Xplore, People on Universal Credit, March 2025; DWP Stat-Xplore, ESA, November 2024; Population estimates by single year of age, 2022

Skills may also play a role in Cumbria: while male attainment at Level 2 by age 19 is similar to the national average (78% vs. 80%), the gap widens at Level 3 (41% vs. 52%), potentially limiting access to higher-skilled employment.

A.5 Economic Impact Analysis

This section estimates the current cost of economic inactivity in Cumbria by valuing the potential benefits that could arise if all economically inactive residents returned to work, and it examines the economic uplift that could result from increased employment within this group.

According to DWP Stat-Xplore data, around 32,450 working-age residents in Cumbria receive worklessness benefits (ESA and JSA)⁸⁷. Although the potential benefits are estimated assuming all these residents gain employment, it is unrealistic to expect full re-entry into the labour market. To generate more realistic estimates, we follow an approach similar to Lancashire Skills & Employment Hub⁸⁸, which segments the economically inactive population based on how close they are to the labour market:

- **Those closer to the labour market** include UC claimants in the ‘preparing for work’, ‘planning for work’, and ‘no work requirements’ conditionality regimes. Although people in the latter group are not currently required to engage in job-seeking activity, they tend to be younger⁸⁹, have spent less time on benefits than ESA recipients⁹⁰, and may be more open to re-engagement. Some also move more frequently between inactivity, unemployment, and work.
- **Those further from the labour market** include ESA Support Group claimants and those in the ESA Work-Related Activity Group, who face more complex or long-term barriers to employment. This group includes those who are claiming both UC and ESA.

Of the total group, around 22,120 residents in Cumbria are estimated to be closer to the labour market, while 10,330 are considered further away.

Financial benefits of reducing economic inactivity

This section uses the Public Health England (PHE) model to estimate the benefits of moving an individual from worklessness into employment.⁹¹ While this tool provides a structured and recognised approach to assessing the benefits of moving into employment and supports the case for greater investment in health and work interventions,⁹² it presents some limitations:

- **Health benefits:** The model focuses mainly on the link between worklessness and mental health. The authors highlight that evidence on physical health outcomes is limited, so potential improvements and associated cost savings are not included. The tool also excludes any additional health gains from taking part in interventions that support the transition into work.

⁸⁷ This includes people on Universal Credit in the conditionality groups of no work requirements, planning for work, and preparing for work; and those in the ESA Work-Related Activity Group and Support Group. The figure excludes 1,270 people claiming any combination of these benefits simultaneously.

⁸⁸ Lancashire Skills & Employment Hub (2023), Economic inactivity Insight Report

⁸⁹ 64% of individuals in the ESA Support Group and Work-Related Activity Group are aged between 50 and 64, compared to 30% of those in the UC no work requirements, planning for work, and preparing for work groups.

⁹⁰ 93% of people in the ESA Support Group and Work-Related Activity Group have been claiming benefits for over five years, whereas only 25% of those in the UC No Work Requirements group have done so.

⁹¹ PHE, Movement Into Employment: Return on Investment Tool. Estimation of benefits from moving an individual from unemployment into sustainable employment, 2017.

⁹² [Health economics: a guide for public health teams - GOV.UK](https://www.gov.uk/government/publications/health-economics-a-guide-for-public-health-teams)

- **Use of averages:** The tool assumes that all individuals experience the average increase in earnings or health following entry into work. In practice, outcomes can vary: people with poor mental health may earn less than the average, while health improvements depend on an individual's starting point.
- **Treatment of UC benefits:** The model is based on the benefit and tax system from Budget 2016 and does not explicitly account for UC. Instead, UC claimants are treated as if they were on Jobseeker's Allowance (JSA). As this simplification overlooks key features of UC, the model may underestimate the fiscal savings from moving into employment.
- **UC for in-work claimants:** UC can continue to be paid when someone enters work. This means that if an inactive claimant moves into employment, the benefit to the exchequer may only be partial. This feature is not included in the model.
- **Underlying assumptions:** The tool was published in 2017. As part of our adjustments, values in 2017 prices have been uplifted to 2025 prices, and changes in the proportion of people with common mental health conditions and local demographics in Cumbria have been incorporated. However, there have been important policy changes (for example, the protection of free school meal eligibility since 2018) that are not reflected in the model and could affect the underlying cost assumptions.

These limitations mean the results should be viewed as indicative rather than precise estimates.

Financial benefits to the exchequer

Economic inactivity imposes significant costs on the Exchequer through welfare payments and increased demand for healthcare and other services. At the same time, it represents a missed opportunity to generate tax revenue from residents who could otherwise be in employment. While some individuals may receive in-work benefits, the overall effect of moving people into work is a net financial gain to the public purse.

Using the PHE model, the net **annual financial gain to the Exchequer from reducing economic inactivity in Cumbria is estimated at £535 million**, of which £365 million relates to residents who are closer to the labour market. This figure reflects:

- National government: increased tax revenue (income tax and national insurance contributions) and reduced out-of-work benefit payments and operational costs, partially offset by in-work support.
- NHS: reduced healthcare expenditure, as people in work tend to have better health outcomes.
- Local authorities: savings on council tax support, free school meals, and local authority-funded health and social care.

The following table shows that the National Government bears the largest share of the financial burden caused by current levels of economic inactivity in Cumbria.

Table 5.1 Annual Financial Benefit of Reducing Economic inactivity in Cumbria to the Taxpayer

Public Agency	Benefit per Person in 2025 Prices	Total Annual Benefit	Benefits from Those Closer to the Labour Market
National Government	£15,700	£508m	£346m
Local Authority	£700	£23m	£16m
National Health Insurance	£125	£4m	£3m
Total	£16,525	£535m	£365m

Source: GC Insight modelling using PHE's Movement Into Employment tool

Financial Benefits to Individuals

Individuals returning to work benefit from increased income through wages and in-work benefits, offset by the loss of certain out-of-work benefits and the need to pay income tax and National Insurance. On average, the net financial benefit per person moving from economic inactivity into work is estimated at £6,600 in 2025 prices.

If all economically inactive residents in Cumbria were to return to work, the total **annual financial gain to residents could be approximately £213 million**, largely driven by wage income. For those closer to the labour market, the estimated gain is £145 million per year.

Financial benefits to society

The overall net gain to society includes all the financial benefits described above (excluding transfers between individuals and government), with the additional assumption that increased earnings and healthcare cost savings will generate further local economic activity through the ‘multiplier effect’ as these funds are spent. The estimated financial benefit per person in Cumbria is £33,500 in 2025 prices.

If all currently economically inactive residents in Cumbria were to enter work, the **annual financial gain to society could be nearly £1.1 billion**. This figure reduces to £741 million when considering only those closer to the labour market.

The following table presents the estimated financial impacts of economic inactivity in Cumbria, broken down by beneficiary groups and geography, both in total and specifically for those closer to the labour market. These estimates should be interpreted with the caveats outlined in Appendix 5.

Table 5.2 Annual Financial Benefits of Reducing Economic inactivity in Cumbria

Beneficiary	Cumberland	Westmorland and Furness	Total Annual Benefit	Benefits from Those Closer to the Labour Market
Exchequer	£338m	£197m	£535m	£365m
Individuals	£135m	£78m	£213m	£145m
Society	£687m	£400m	£1,087m	£741m

Source: GC Insight modelling using PHE's Movement Into Employment tool

Estimated GVA uplift from reducing economic inactivity

Reducing reliance on worklessness benefits by increasing employment could deliver a significant boost to Cumbria's economy. Higher employment could drive local spending, support business growth, and create a positive cycle of job creation and economic activity.

According to ONS data⁹³, each employee in Cumbria contributes between £52,800 (Cumberland) and £66,300 (Westmorland and Furness) in economic output per year. While part of this is paid as wages, captured in the PHE model's estimate of financial benefits to individuals and society, most workers generate more economic output than their wages.

By applying these GVA per job filled figures to the number of economically inactive residents, we estimate a potential GVA uplift of £1.9bn per year if all inactive residents were employed. Focusing only on those

⁹³ ONS, Subregional productivity: labour productivity indices by local authority district, 2023. Upated to 2025 prices.

closer to the labour market, **the uplift is estimated at £1.3bn, which would represent an approximate 8% increase in Cumbria's economic output.** The higher potential gain in Cumberland reflects its larger number of residents claiming worklessness benefits.

These estimates assume that newly employed residents could generate the current average GVA per job. In practice, many may enter lower-value roles or fill existing positions, meaning the actual uplift would be lower.

Table 5.3 GVA Uplift from Residents Closer to the Labour Market Getting into Work

Area	GVA Uplift	Increase in GVA
Cumberland	£758m	10%
Westmorland and Furness	£515m	6%
Cumbria	£1,305m	8%

Source: ONS; Stat-DWP Xplore

A.6 Service mapping

Service Name	Geography	Target group
Access to Work	National: covers JCP offices throughout Cumbria (includes Cumberland)	People with a disability or health condition
Access to Work: Assessments	National	People with a disability
Access to Work: Mental Health Support Service	National	People with a disability
Active Cumbria	Cumbria	Unhealthy unemployed and economically inactive adults
Age UK	Cumbria / National	Older people
Alltogether Cumbria	Cumbria	Residents and businesses
Apprenticeships	National	individuals aged 16 and over
AutonoMe	National	People who are neurodiverse and disabled who are in work, young adults with EHCPs and/or SEND
Barrow Rising	Barrow	People out of the workforce
Blind Veterans UK	Cumbria	Veterans
Brathay Trust - Aspiring leaders programme	Cumbria	Young people
Careers and Employability Service	Cumbria	Graduates for up to 3 years post-study
Careers and Enterprise Company	National	Young people
Carer Support Cumbria	Cumbria	Unpaid Carers
Comissioned Rehabilitative Service	National	those on community or suspended sentence orders and for those on licence and post-sentence supervision (some for pre-prison release)
Cumbria Community Foundation	Cumbria	The unemployment, they provide grants to organisations from their Programme and Project Partners Social Impact Fund
Cumbria Council Careers Service (provided by Inspira)	Cumbria	Young people
Cumbria Health	Cumbria	Anyone aged over 18 with a health condition who needs support to remain in work, needs support managing a health condition to return to work from sickness, and needs support to start/restart work and has been unemployed due to a health condition
Cumbria Youth Alliance	Cumbria	Young people aged 14-24 who are NEET or at risk of becoming NEET
Earlybird	Cumbria	Frontline staff who engage with jobseekers
Employment Advisers in NHS Talking Therapies.	North Cumbria	patients in NHS TT irrespective of their employment or benefit status
English for Speakers of Other Languages [ESOL]	Cumbria	Non-English speakers
Flexible support fund	National: covers JCP offices throughout Cumbria (includes Cumberland)	Unemployed people across multiple groups and specific areas including training and skills. Eg, digital upskilling. ESOL, economic inactivity, sector routeways.

Service Name	Geography	Target group
Greenwich Leisure Ltd	Carlisle, Eden, South Lakeland, Copeland and Allerdale	Residents
Groundwork Nort East and Cumbria	Cumberland and Westmorland and Furness area	People facing complex barriers such as poverty, long-term health conditions, low skills and confidence, and those lacking access to support
Hello Future	West Cumbria, Barrow-in-Furness, and Carlisle	Learners, teachers, advisors
iCan Wellbeing Group CIO	Carlisle	People who have been unemployed after illness or mental health
ICONO Software		Providers of service to help reduce admin
Individual Placement and Support for People with Severe Mental Health (SMI)	National	People with Severe Mental Illness
Ingeus UK Ltd	Carlisle, Workington, Whitehaven, Millo, Penrith, Kendal, Barrow and Appleby	long-term unemployed, people with disabilities and health conditions, people in custody, ex-offenders, NEETs, young people, and 50+
Inspira	Cumberland, Westmorland and Furness	Unemployed and economically inactive adults
IPS – Alcohol and drug dependency	Cumbria	People with substance dependency
IPS - Mental Health	National	People with severe mental illness
IPS in Primary Care (IPSPC)	National	People with disabilities and health conditions
JC Plus Disability Advisors	National	People between the ages of 13 and 19 and with a learning disability
Jobs on wheels	National	Jobseekers, individuals claiming benefits and those seeking work
Lakeland Wellbeing	Cumbria	Unemployed women
Local Supported Employment (LSE)	Cumbria	Adults who are disabled and/or autistic and out of work
MIND in Furness - Choices programme	Furness	People furthest away from the labour market and facing multiple barriers.
Mobius Loop CIC	Eden, Penrith, Carlisle, Westmorland	Open to all
Multiply	National	Graduates for up to three years post study
National Career Service	National	Adults. This will be placed by a Jobs and Careers Service October 2025 (when the contract runs out)
NHS Growth & Health Accelerator	North Cumbria	People with health conditions preventing them from working
Oaklea Trust	North of England	Supporting people with learning and physical disabilities
One Vision Uniformed Services	South Lakes and North Lancashire	Blue light personnel, military personnel, reservists and veterans
PHX Training Ltd	Cumbria and Lancashire	Unemployed/ economically inactive individuals
People First	North of England	People with learning disabilities
Recovery Steps IPS services	Cumbria	People engaging in drug and alcohol treatments
Restart.	National	Long-term unemployed
Right2Work	Cumbria	16-24 year olds who have an Education Health Care Plan (EHCP) and want to move into employment, but need support
Rough Sleeping Initiative	National	Rough Sleepers

Service Name	Geography	Target group
Sector-based Work Academy Programme (SWAP)	National	Jobseekers who are 16 and over, and claiming benefits (UC, JSA and ESA)
Skills bootcamps – Enterprising Cumbria	Cumbria	Aged 19+ In work and unemployed with sector focus
Skills Support for Unemployed	Cumbria	Unemployed people
SSAFA Cumbria	Cumbria	Personnel, veterans and their families
Step Forward (Cumbria CVS)	Cumbria	People with Severe Mental Health Experiences
Step Forward into Volunteering and Employment	Cumbria	People looking to get back into work
STEP Ukraine	National	Ukrainians from all backgrounds who are over the age of 18 living in the UK on qualifying Ukraine Scheme visas
Supporting Families Programme	National	Vulnerable families
Susan's farm	Cumbria	School-aged individuals
Talking Therapies	Cumbria	People with depression, specific phobias, health anxiety, chronic worry, panic disorder, social anxiety, body dysmorphic disorder, OCD, PTSD
The Wise Group	Cumbria	Supporting people who are out of the labour market due to various barriers they are facing
Triple A Project (All About Autism)	Cumbria	Autistic adults
Veterans Community Working Party	Nationwide	Veterans
Volunteering for health	South Cumbria and Lancashire	Volunteers within in the NHS
WorkWell (South Cumbria)	South Cumbria	Disabled people and people with health conditions

A.7 Data Sources

- Population estimates available at nomis: [Nomis - Official Census and Labour Market Statistics](#)
- Gross value added: [Regional gross value added \(balanced\) by industry: local authorities by ITL1 region - Office for National Statistics](#)
- Economic inactivity: [Annual Population Survey - Nomis - Official Census and Labour Market Statistics](#)
- DWP Benefits: [Stat-Xplore](#)
- Population by characteristics: [Census 2021 - Office for National Statistics](#)
- Wellbeing: [Personal well-being estimates by local authority - Office for National Statistics](#)
- Health and life expectancy: [Fingertips | Department of Health and Social Care](#)
- Mental health support: [NHS England » NHS mental health dashboard](#)
- Fit notes issued: [Fit Notes Issued by GP Practices - NHS England Digital](#)
- Multiple deprivation: [English indices of deprivation 2019 - GOV.UK](#)
- Social mobility: [Social mobility in the UK - Social Mobility Commission State of the Nation - GOV.UK](#)
- Travel time to key services: [Journey time statistics: data tables \(JTS\) - GOV.UK](#)
- Young people participation in education and training: [Participation in education, training and NEET age 16 to 17 by local authority, Explore education statistics - GOV.UK](#)
- Young people attainment: [Level 2 and 3 attainment age 16 to 25, Explore education statistics - GOV.UK](#)
- Further Education learners destinations: [Further education outcomes, Explore education statistics - GOV.UK](#)
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