Stay Nimble

A NOTE ON THE IPPR NEET REPORT

The fourth pillar

What IPPR's "A better deal" gets right, and what it would take to make its proposals last.

In brief

IPPR's A better deal: Tackling the NEET crisis, published on 16 September, proposes three connected reforms.

WorkStart would create paid placements in places where the labour market produces too few entry-level opportunities. Apprenticeship reform would prioritise young people, help small employers offer places and remove barriers to participation. A specialist youth employment service would give young people a named adviser, alongside an enhanced youth allowance within universal credit. Together, these form A New Youth Contract.

Much of the diagnosis matches what we see in delivery. The report takes local opportunity seriously, recognises that transitions rarely run in a straight line, and argues for relationships that survive setbacks.

It arrives with an estimated 981,000 young people aged 16 to 24 outside education, employment or training in April to June 2026: 13% of the age group. That was 30,000 more than a year earlier and 30,000 fewer than the previous quarter. ONS, August 2026.

We would add a fourth pillar: sustained funding for the local people, organisations and relationships through which all three proposals would work.

The report describes that support well. What remains unresolved is how to pay for it over time, and how to stop successive programmes consuming resources as they start, stop and rebuild. Every new scheme brings mobilisation, recruitment and reporting requirements. Every ending brings closure work and uncertainty. Where relationships and capacity are lost, the next programme pays to establish them again.

Those costs belong in the account of what employment support costs. They also belong in the argument about how it should be organised.

What the report gets right

IPPR's analysis makes the importance of place clear. Suitable vacancies range from around 50 per 1,000 young people who are NEET in the North East to around 160 in the South West. The regions with fewer suitable opportunities also have higher NEET rates. Helping people compete more effectively cannot, by itself, resolve a shortage of jobs.

The wider labour market reinforces that concern. ONS estimates put vacancies at 702,000 in June to August 2026, the lowest since spring 2021, with 2.5 unemployed people per vacancy in May to July. A young person with little experience can compete for only part of that market. ONS, September 2026.

The report also recognises that access cannot depend on benefit receipt. Around half of young people who are NEET are not receiving universal credit. IPPR proposes access through colleges, libraries, youth hubs, community organisations and self-referral, as well as existing employment services. That gives local relationships a central role in reaching people.

Its approach to continuity is equally important. Young people should be able to leave and return without starting again. Responsibility should survive a referral to a specialist. Someone who joins before 25 should be able to complete an agreed period of support afterwards.

That principle is close to how we have designed our own access. Coaching hours sit in a wallet and do not expire, and members retain access to our platform and Nim for life. Returning for help should be an ordinary part of navigating work.

IPPR is careful about conditionality, proposing agreed activities shaped around individual circumstances and sanctions as a last resort. It also addresses practical barriers: integrating English and maths into vocational learning, removing the household benefit penalty associated with apprenticeships, and allowing independently living young people to retain financial support during agreed education or training.

These proposals recognise that participation depends on whether people can afford, access and sustain the next step.

Where we would hold back

The enhanced youth allowance needs closer scrutiny.

For new claimants, IPPR proposes a common personal rate regardless of work capability status, designed to be broadly cost neutral across that group. It acknowledges that some disabled young people could receive less than they would under current rules. Protections would be developed with disabled young people and disabled people's organisations, but their detailed design remains open.

We support removing the financial risk people face when trying work, training or other activities. We also support the report's proposed protections for existing claimants and flexibility for independently living young people in education.

We cannot endorse the common rate before its distributional effects and protections are clear. The test should be whether the resulting income provides the security needed to participate, particularly for people with substantial needs or little family support. Publishing the losses would make the trade-off visible; it would not, by itself, make those losses acceptable.

What the fourth pillar would fund

IPPR does describe who would carry responsibility. Named youth advisers would coordinate support. Specialist voluntary, community and private providers would contribute expertise. Local and mayoral authorities would commission and coordinate services within national entitlements and standards.

It also proposes extra funding for apprenticeship intermediaries working with small employers and discusses financing through a wider rebalancing of taxation and spending.

What it does not provide is a costed plan for the workforce and the capacity surrounding it.

WorkStart's illustrative costing assumes six months at 16 hours a week, paid at the real living wage, at approximately £6,000 per placement. Providing one to around 350,000 under-25s out of work and claiming universal credit for a year gives an illustrative upper bound of £2.1 billion. That is not a fixed allocation of places or a proposal that everyone who is NEET needs a placement.

Alongside that figure, government needs to know how many advisers, employer-facing staff and specialists are required; what caseloads they can sustain; and what recruitment, supervision and retention will cost.

It also needs a funding settlement that allows that capacity to survive changes in programmes. A local service should be able to incorporate new placements, training offers and employer incentives without repeatedly rebuilding the relationships through which people reach them.

The cost of starting again

JobsPlus shows why this matters.

The pilot brought employment support into ten social housing neighbourhoods. Teams used door-knocking, community events, referrals and a regular local presence. Its evaluation describes the work needed to gain trust, the growth of word-of-mouth referrals, and the advantage of established relationships with community organisations and Jobcentres.

By the end of December 2025, 1,038 people had registered on JobsPlus. Public funding announcements identify commitments totalling £6.9 million: £3.2 million from HM Treasury's Labour Market Evaluation and Pilots funding, via DWP, for the ten sites and evaluation; £1.9 million from Youth Futures Foundation for delivery and evaluation; and £1.8 million approved by DWP for a second year. Learning and Work Institute, July 2025, slide 9.

The evaluation does not set out that envelope or provide an expenditure breakdown connecting the investment to outreach, casework, programme management and evaluation. That leaves an important question unanswered for anyone trying to commission the model elsewhere: what does it cost to establish this capacity, and what would it cost to sustain it?

The evaluation records sites preparing to close while continuation funding was uncertain, then increasing activity once funding was confirmed. Its authors recommend longer funding certainty so relationships and local presence have time to mature.

This is the cost of churn in practice. Recruitment, mobilisation, reporting and closure all use money and staff time. Where the next programme requires organisations to repeat that work, resources are consumed rebuilding capacity that continued provision could have retained.

Evaluation and accountability are necessary. Their costs should remain visible in the full cost of provision, alongside the costs of starting and winding down. Describing expenditure as “setup” or “evaluation” does not make it disappear from the public investment, and repeated setup is a consequence of how provision is commissioned.

JobsPlus does not quantify the share attributable to avoidable churn. It gives us evidence of the disruption and a clear recommendation for multi-year funding to support planning, partnerships and staff retention. That is enough to make the commissioning question unavoidable. JobsPlus evaluation, pp.148 and 155.

The fourth pillar would make continuity a funded responsibility. Commissioning decisions would account for the cost of losing established capacity, as well as the price of the next contract.

The people who hold the relationships

There is already evidence of pressure on the workforce. The National Audit Office found that DWP employed, on average, 2,100 fewer work coaches than it estimated it needed in the first half of 2024/25. Between September 2023 and November 2024, 57% of jobcentres reduced support when caseloads were too high. NAO, March 2025.

That does not tell us the staffing requirement for IPPR’s proposed service. It does show why a promise of personalised support needs an explicit capacity plan.

There are several kinds of work to account for. A trusted person may open the first conversation. A named adviser may provide sustained assessment and coordination. Qualified practitioners may then provide careers guidance, health support, welfare advice or other specialist help. Employers need people who can develop opportunities and support recruitment.

Career conversations already happen through volunteer mentors, social prescribers, housing officers, librarians and colleagues helping with applications or interviews. People ask about work when someone they trust is available to listen. Those conversations deserve preparation and clear boundaries.

That is the part we have been working on. Foundations in Career Conversations is a four-hour microcredential leading to the Career Ally mark. It is built against the Career Conversations Competency Framework, which we publish under a Creative Commons licence so other organisations can develop training against it. Around 30 organisations have taken it up and more than a hundred people have enrolled.

The approach draws on the principle behind Mental Health First Aid: preparing people whose main role is something else to respond appropriately and recognise when specialist help is needed.

A short credential cannot create intensive casework capacity. IPPR describes young people facing overlapping difficulties involving health, disability, housing, caring responsibilities, transport and money. First-contact support needs supervision and dependable routes into qualified help. Those routes require funded capacity too.

Relationships are part of the service

In Kingston, most people reach us through referrals. Nim is available to any resident who wants it, and we have also delivered coaching in the Jobcentre, libraries and family hubs.

Figures supplied by Royal Borough of Kingston upon Thames record around 1,300 residents supported in a year with 1.25 full-time equivalent council staff. That staffing figure excludes our coaches, partner organisations and the community settings involved. It is not a total delivery cost.

What the experience illustrates is the value of established referral relationships. People working across local services know where to turn, and residents can encounter support through places they already use.

JobsPlus reached people through a combination of active outreach and growing local recognition. Kingston draws on an existing network. Both point to the need to fund the relationships through which support becomes accessible.

A service should build on those relationships where they exist and allow time to establish them where they do not. Contracts should make clear who maintains access, who holds responsibility for participants and what happens when a provider changes.

Keeping the same adviser is valuable where practical and wanted. When staff leave, continuity means a supported handover and an organisation that remains responsible. The young person should not have to reconstruct the service around themselves.

What happens after the placement

Six months is the length of a placement. The transition it supports may take much longer.

Some young people will need help before a placement becomes appropriate. Some will not secure one. Others will complete one without moving into another job. Each needs a funded route forward.

A large employer's early careers team told us that, of around 100 people in a recent set of placements, about 20 secured roles. That is one employer's experience, rather than an estimate for WorkStart. It still raises a practical question about responsibility for those who leave without a job.

We would ask employers to give useful feedback from an address someone can reply to, offer a connection to continued support and agree appropriate follow-up. These commitments take staff time and should be planned into the placement.

IPPR already says support should continue after entry into work or education. The next step is to specify its duration, capacity and funding, including what happens when a placement ends or an employment relationship breaks down.

The same question applies to the government's Jobs Guarantee. Its launch announcement describes funded support during placements, without setting out a continuing entitlement afterwards. That detail matters to the young person deciding what comes next. DWP, August 2026.

Employers have a part to deliver

IPPR proposes accessible recruitment, more flexible roles, support through onboarding and help with workplace adjustments. WorkStart would require genuinely additional placements, meaningful work, supervision and training.

Those expectations should become clear commitments for participating employers.

Entry requirements should describe what someone needs on day one and what the employer will teach. Selection should give applicants an accessible way to demonstrate ability. Supervisors need time to support learning. Feedback should explain the decision and, where possible, identify a useful next step without implying a future vacancy that may never exist.

Employer investment in development matters after recruitment too. Learning and Work Institute's analysis of the 2024 Employer Skills Survey found real training expenditure per employee was 36% below its 2005 level and 13% below 2022. Learning and Work Institute, December 2025.

Preparing young people for work can only achieve so much if employers do not make space for them to learn. Becoming capable at work depends on being given work and supported to do it.

What the money should be judged on

WorkStart creates paid jobs, so starting a placement and entering subsequent employment must be reported separately.

Immediate entry into an unsubsidised job should not be the sole measure on which funding turns. Services working in the weakest labour markets, or with people facing greater barriers, risk being penalised for the circumstances they were commissioned to address.

Sustained employment, education and training still matter. So do security, the quality of work and participants' experience. A move to fewer hours or a different role can be progress if it makes work sustainable.

Evaluation should follow people over time and assess the difference support makes relative to what might otherwise have happened. Low absolute employment rates do not necessarily mean low impact, just as a high number of job starts does not establish that a programme caused them.

Alongside outcomes, measure whether the promised service exists: manageable caseloads, continuity of responsibility, access to specialists, support after placements and a reliable route back.

JobsPlus also demonstrates the need to distinguish early findings from longer-term conclusions. Its impact analysis did not find early effects on employment or receipt of out-of-work benefits, and the analysis sample appeared to earn less than expected towards the end of a five-month observation window. The evaluators explain why later follow-up is needed. Time is necessary to test whether benefits emerge; it is not a guarantee that they will.

The financial account should be equally complete. Commissioners should publish total expenditure and distinguish direct support, outreach, management, reporting, evaluation, mobilisation and closure. That would let us examine how much investment reaches participants, what supports effective delivery and what repeated programme changes consume.

What we would add

Fund local capacity across programme cycles. Establish multi-year funding for the people, partnerships and services through which new initiatives are delivered. Assess the cost of losing that capacity when commissioning changes.

Publish the full delivery cost. Set out workforce numbers, caseload assumptions, supervision and specialist provision alongside placement costs. Include mobilisation, reporting, evaluation and closure in the account.

Make continuity an obligation. Specify who remains responsible when a placement ends, an adviser leaves or a provider changes. Fund handovers and a route back into support.

Support first conversations and specialist help together. Recognise an openly licensed standard for people already having career conversations, with clear boundaries, supervision and funded referral routes.

Make employer commitments explicit. Require realistic entry criteria, accessible selection, time for supervision and learning, useful feedback and planned follow-up.

Judge delivery and results over time. Track sustained participation and the quality of transitions alongside caseloads, continuity and access. Evaluate results against local conditions and participants' needs.

Resolve the allowance trade-off before adoption. Publish the distributional effects and demonstrate how the design protects financial security for disabled young people.

A contract that lasts

A New Youth Contract is an ambitious name. Its value will depend on what remains when the first funding period ends.

A new programme can create opportunities. It can also bring another round of mobilisation, reporting and uncertainty to organisations already working in the same communities. The choice is in how it is funded and commissioned.

IPPR has described much of the service young people need. The fourth pillar would give the people delivering it a basis on which to stay, improve and build on what already exists.

For the young person who is 17 today, the practical question is whether there will still be somewhere to turn in 2034, and whether the investment made along the way has built a service that knows how to help.