



Economic Inactivity in Cumbria

Health and Wellbeing and the Economic Threat of Inactivity



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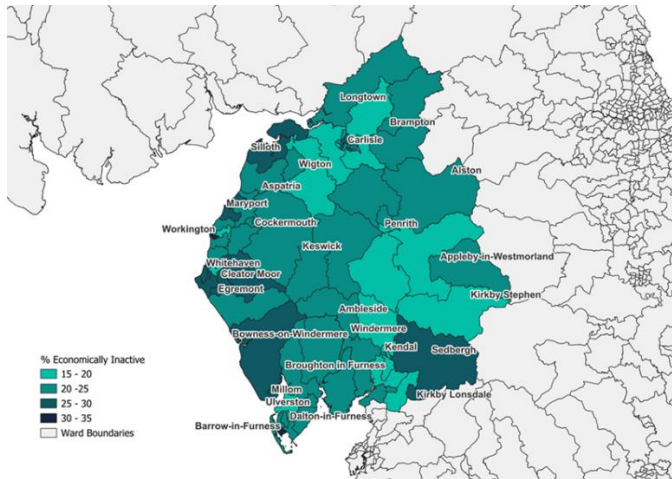
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Executive Summary

Economic inactivity in Cumbria is a persistent and multifaceted issue, primarily driven by health and demographic factors. There are 57,000 economically inactive people in Cumbria, and while the overall rate of economic inactivity is similar to the national average (20% in Cumbria, vs 21% in England), the local context—rurality, areas of deprivation, an ageing population, and health challenges—amplifies its impact. This results in variation across the area.

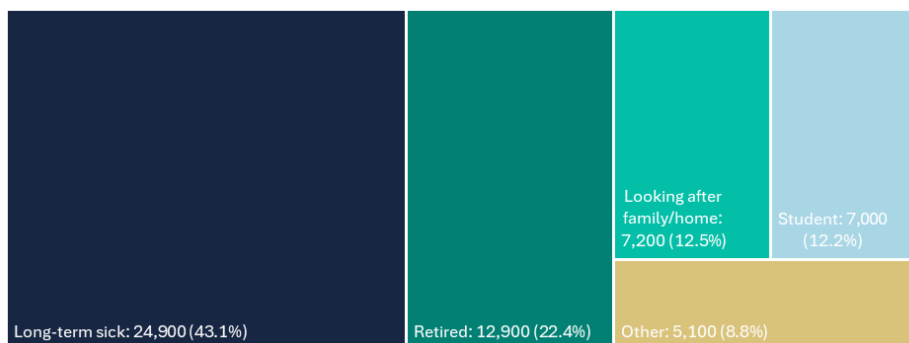
Economic Inactivity Population (%) in Cumbria



Source: Census 2021

Notably, about one in five economically inactive people in Cumbria say they want to work. This represents a substantial pool of potential talent that could be supported into employment with the right interventions.

Economic Inactivity by Reason



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

This report identifies key groups facing specific barriers to employment, including:

- People with disabilities or long-term sickness
- People over 50 (including early retirees and those with age-related barriers)
- Young people (especially those not in education, employment, or training - NEET)
- People with caring responsibilities (with women disproportionately represented)
- Other disadvantaged groups (e.g., survivors of domestic abuse, people with substance dependencies, veterans, and the homeless).

Economic inactivity in Cumbria is driven by a complex mix of social and economic challenges, often with overlapping barriers such as health, caring responsibilities, and transitions between life stages.

- **Long-term sickness and health conditions** is the most common reason for economic inactivity, accounting for 43% of all economically inactive people.
- **Retirement**, including early retirement, is the second most common reason for economic inactivity, responsible for 22% of economically inactive people.
- **Caring responsibilities**, either caring for children or adults with illness/disability is a significant factor. Over 31,800 working-age people in Cumbria provide unpaid care, and about half of those who provide 35+ hours of care per week are economically inactive.
- **Young people not in education, employment or training (NEET)** experience economic inactivity due to a mix of factors.
- **Gender inequalities and structural barriers:** women are disproportionately affected by economic inactivity, largely due to caring responsibilities and lower earning potential. For men, industry shifts and health inequalities are key factors.
- **Ethnicity:** people from ethnic minorities in Cumbria are more likely to be economically inactive compared to White residents, despite being more likely to be higher qualified and less likely to have a disability or unpaid caring responsibilities. This suggests structural barriers to labour market participation.
- **Other challenging life circumstances:** additional groups at risk include veterans, survivors of domestic abuse, people with substance dependencies, the homeless, refugees, asylum seekers, and ex-offenders. Each group faces unique barriers, such as lack of transferable skills, safety concerns, or disrupted employment histories.

The experiences of the economically inactive cohort are wide ranging:

Personal impacts

- Many economically inactive individuals face financial hardship and long-term career impacts. When they do return to work, they are 1.5 times more likely to be in insecure, lower-quality jobs with less pay and stability.
- Most - though not all - participants in the research reported being financially better off when they were in employment. Financial difficulties can lead to food and fuel insecurity and increase the risk of homelessness.
- Economic inactivity is closely linked to mental and physical health. Once someone becomes economically inactive due to ill health, it becomes less likely they will return to work.
- Economically inactive individuals often report feelings of isolation, loss of confidence, depression, and loss of motivation.

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

Barriers to returning to work

- Many people with long-term health conditions or disabilities struggle to access the support they need. Services are often hard to access, inflexible, or have long waiting times, making it difficult to remove barriers to employment.
- A lack of flexible employment opportunities creates particular barriers for carers and those aged over 50.
- Transport and rurality across the area are wider structural challenges that create significant barriers for many residents.

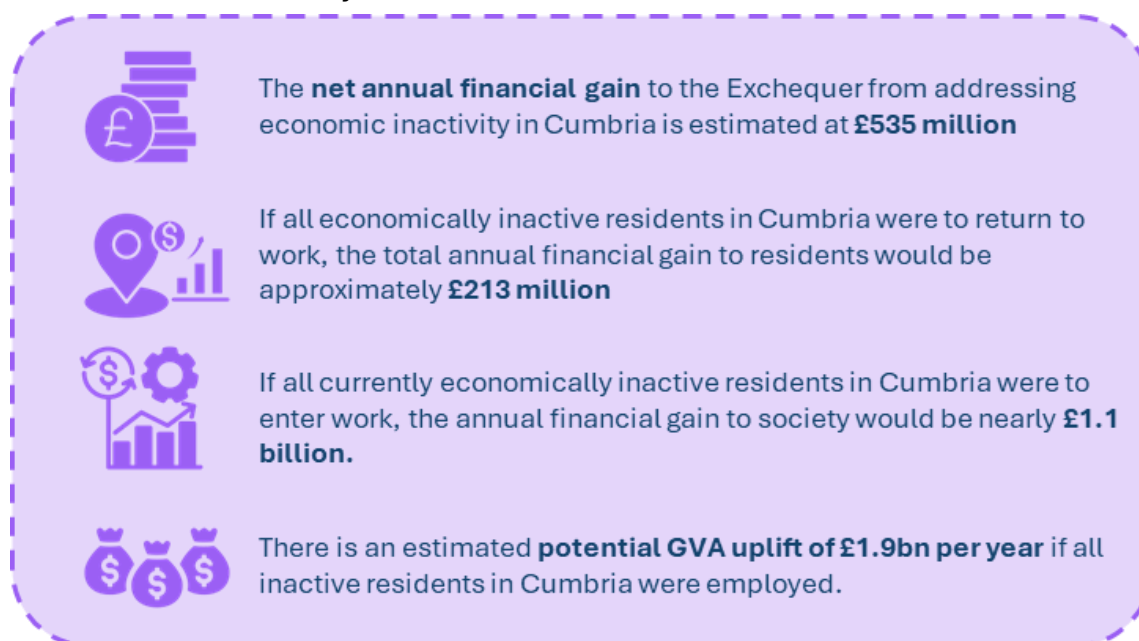
“... there’s hardly any bus service. You can’t get anywhere... even if you have transport - it takes a long time”

Diversity of experience

- The experiences of economic inactivity are not uniform. For example, some older individuals may choose economic inactivity until retirement, while others would prefer to work but cannot find flexible or suitable opportunities.
- Young people who are NEET (not in education, employment, or training) often face a mix of disengagement from education, caring responsibilities, mental health challenges, and limited local job opportunities. Family background and multigenerational unemployment can also play a role.

The consequences of economic inactivity are significant for **individuals** (loss of earnings, career impacts, mental health), **businesses** (skills shortages, productivity issues), and **the wider economy** (public finance pressures).

Costs of Economic Inactivity in Cumbria



Source: GC Insight using PHE's Movement into Employment Tool

Key Findings

- The interplay of health, caring responsibilities, age, gender, and socio-economic status creates multi-faceted barriers and a complex landscape of economic inactivity in Cumbria.
- Experiences of economic inactivity are not uniform. Different circumstances and barriers create different experiences for individuals.
- The research has shown that many economically inactive residents would prefer to work if the right support or opportunities were available.
- The net annual financial gain to the Exchequer from reducing economic inactivity in Cumbria is estimated at £535m.
- Those with skill gaps are more likely to be economically inactive or at risk of being economically inactive.
- Employment challenges in Cumbria include an ageing, slow growing and under-represented working age population, and a large economically inactive population.
- Targeted support and interventions designed to help specific groups can help overcome barriers to participation.

Recommendations

1: Targeted, Person-Centred Support	Develop a targeted focus on the economically inactive that can address labour supply challenges by connecting them to opportunities through tailored support and intervention.
2: Partnership and Collaboration	Embed the key principles of integrated and collaborative working in strategy development and delivery. This should include lived experience as well as cross-sector and service collaboration.
3: Place-based Approaches	Local approaches to economic development should consider the importance of inclusive growth to ensure all residents can access opportunities and live healthy, prosperous and fulfilling lives.
4: Building Trust and Rapport	Recognise the key role the VCFSE sector plays as an equal partner in delivering effective services and solutions. Build trust with services, communities and individuals by leveraging community and third sector networks.
5: Addressing Health-Related Barriers	Reflect approaches to economic inactivity as a result of health-related barriers in health and wellbeing strategies and integrate these with health interventions.
6: Broad and Flexible Support Offer	Embed flexibility in strategic design, delivery and approaches. There must be a holistic offer led by the individual, with an integrated person-centred “no wrong door” to access.
7: Employer Engagement and Support	Engage employers to raise awareness of economic inactivity issues and the support available to them.
8: Skills Development and Retention	Develop ‘skills for all’ strategies to facilitate lifelong learning and pathways to positive destinations, aligned to current and future job opportunities.
9: Continuous Improvement and Feedback	Embed continuous improvement systems and approaches to ensure delivery continues to meet the needs of people who are economically inactive.
10: Strategic Policy	Align recommendations with national and regional policy to coalesce strategic partners around a shared intent, and inform the development of devolved funding.

1 Introduction

Economic inactivity is a major challenge and a key policy priority in the UK, driven by concerns over both labour shortages in key sectors and a rising number of people unable to work due to health and other issues. It is highly complex, involving diverse groups with varied barriers to work, highlighting the need for a more proactive, tailored support approach. The national context for the study is intensifying, with public finance pressures accelerating reform efforts via the **Get Britain Working (GBW) White Paper**, aimed at reducing economic inactivity and reshaping welfare entitlements.

Economic inactivity is a prevalent, persistent and increasing issue in Cumbria, affecting 20% of the working age population (57,700 people), with far-reaching implications for individuals, their life chances and prospects, and the local economy. While long-term sickness remains the main driver, other factors such as early retirement, caring duties, and barriers related to gender, age, skills, or ethnicity also play a role. Importantly, around one in five economically inactive people want to work, representing a significant pool of talent that could be unlocked with the right support.

Research Aims

This study seeks to understand the different dimensions of economic inactivity in Cumbria, the reasons for economic inactivity, the demographics of people who are economically inactive, and the economic cost of this. The study has a particular focus on the 'negative' reasons for economic inactivity (i.e. excluding those in full-time education or who are students) and the root causes behind why people are not working. The study explores the impact of economic inactivity in Cumbria. Key findings and recommendations will be used to inform policy and shape interventions. This includes the development of the Get Cumbria Working Plan, devolution plans, and interventions such as the Cumbria Connect to Work and the Barrow Work and Health Fund.

The report:

- **Explores the incidence and characteristics of persistent and increasing post-pandemic economic inactivity in Cumbria**, including the reasons for economic inactivity, the characteristics of those people who are economically inactive, and the economic cost of this
- **Considers the realities and lived experience of the economically inactive cohort** to provide new insight to inform more tailored solutions, with consideration of the contribution of factors such as health challenges and caring responsibilities
- Builds on existing intelligence to deliver greater insight into the economic inactivity challenge in Cumbria and **the implications arising for policy and intervention**
- **Articulates key findings and recommendations.**

Defining economic inactivity

Economic inactivity is a national accounting measure used to capture individuals who are neither employed nor actively seeking work. The Government and the Department for Work and Pensions (DWP) aim to reduce the number of claimants receiving benefits associated with economic inactivity, including Universal Credit (UC) with no work requirements, Employment Support Allowance (ESA), and Personal Independence Payments (PIP). These groups account for roughly 90% of the economically inactive population¹. A targeted focus on benefit claimants provides a straightforward method for identifying economic inactivity.

For this study, economic inactivity is defined by **claimant groups**, i.e. individuals who are claiming the relevant benefits, which are:

- Universal Credit (UC) with no work requirements
- Employment Support Allowance (ESA)
- Personal Independence Payments (PIP)

However, in addition to these specific claimant groups, the study also highlights specific demographics in Cumbria, such as carers (including those caring for someone with an illness or disability, or those with childcare responsibilities for whom access to childcare can be a barrier to employment), young people (including those transitioning from full-time education) and people over 50 who are economically inactive.

Research Approach

The study applied a mixed method approach through quantitative and qualitative research. The approach included:

- Oversight by a steering group drawn from Westmorland and Furness Council and Cumberland Council, including representatives from Team Barrow
- Desk-based review of literature and policies to explore the drivers and causes of economic inactivity
- Data analysis of published and locally held data to explore the scale and characteristics of economic inactivity in Cumbria relative to benchmarks
- Extensive engagement with strategic and delivery partners, intermediary organisations, employers and economically inactive residents through 1-1 consultations, focus group discussions and surveys
- Development of key findings and implications arising to inform recommendations for the future.

¹ DWP StatXplore April 2025

Report Structure

The remainder of the report is set out as follows:

- **Chapter 2** frames the policy context for the study
- **Chapter 3** explores the scale and characteristics of economic inactivity in Cumbria
- **Chapter 4** considers the presence of key groups experiencing economic inactivity in Cumbria, drawing on evidence of causes and drivers from quantitative and qualitative research
- **Chapter 5** explores the impacts of economic inactivity on individuals, businesses and the wider economy
- **Chapter 6** considers current approaches to tackling economic inactivity and includes examples of effective practice from Cumbria and further afield to guide key principles for informing the design of interventions
- **Chapter 7** sets out key findings from the research
- **Chapter 8** includes a set of recommendations for future activity.

A technical Appendix Report accompanies this report, providing the detailed findings from the research. The report is also accompanied by a Power BI [Cumbria Economic Inactivity Data Dashboard](#).

2 Policy Context

Economic inactivity in the UK is an increasing area of policy focus driven by concerns over the impact this has on productivity, public finances, and individual wellbeing. The current policy context framing the study is summarised below.

	Policy	Study Alignment
National	Get Britain Working White Paper 	- The GBW White Paper sets out the UK government approach to reforming employment, health and skills support to tackle economic inactivity, support people into good work, and meet the ambition to raise the employment rate to 80%. - It seeks to address labour market challenges including exclusion of people with health conditions, caring responsibilities or lower skill levels; low skill levels or access to quality further learning in young people leaving school; persistent low paying and insecure employment, affecting health and wellbeing and weakening the economy; women with caring responsibilities unable to remain in work or progress at work; labour and skill shortages; and disparity in labour market outcomes between different geographies and people.
	Keep Britain Working 	- The DWP /DBT Keep Britain Working final report was published in November 2025. Keep Britain Working aims to address rising economic inactivity driven by ill health and disability and proposes a fundamental shift towards a shared responsibility for workplace health between employers, employees, and the NHS. It recognises that early intervention, inclusive employment practices, and systemic reform are required. - The report outlines a three-year Vanguard Phase to test new models of workplace health provision, with the goal of improving productivity, reducing pressure on public services, and enabling more people to remain in or return to work.
	NHS 10-Year Health Plan 	- The NHS 10-year plan focuses on making three transformational shifts which will have a direct impact on how health and care services are delivered: moving care from hospitals to the community; better use of technology; and preventative care. - The plan seeks to reduce the risk and incidence of economic inactivity through more person-centred and preventative approaches to health and wellbeing.
	UK Modern Industrial Strategy 	The Modern Industrial Strategy establishes a place and sector-based approach to prioritising economic growth through the identification of eight key sectors. Cumbria has key specialisms in these sectors including advanced manufacturing, clean energy and defence. Sector growth will support job creation and require a skilled and talented labour force to realise potential.
Regional	Going for Growth (Cumbria Economic Strategy 2025-2045) 	- The Cumbria Economic Strategy establishes a vision for 2045 which includes a focus on shared prosperity for all people and places. - The CES identifies labour market challenges related to the size of the working age of the population. A significant proportion of residents have low or no skills, experience transport related exclusion, and have poor health and wellbeing. The CES identifies the need for more local jobs and better connectivity to employment centres. - Key areas of focus are transforming services, delivering connectivity improvements, attracting more residents, and increasing productive business growth. These will help to overcome barriers and unlock job opportunities to support increased participation.

	Policy	Study Alignment
	Get Cumbria Working Plan (draft) 	- The Get Cumbria Working Plan identifies local labour market challenges and sets out a plan to tackle these to support realisation of the national target of an 80% employment rate. - Priority cohorts for support are identified including the economically inactive, people with disabilities and health conditions, young people and NEET, older workers, and other disadvantaged groups. - Plan objectives aim to establish the system principle of ‘no wrong door’ to support person-centred and integrated approaches; addressing wider structural challenges, systemic problems and delivering effective programmes; and create a new system of employment support.
	Cumbria Local Skills Improvement Plan (LSIP) 	The LSIP represents a partnership initiative to address Cumbria’s key skills challenges and support growth and productivity. The LSIP identifies labour supply as one of the major challenges facing businesses framed by tight labour market conditions. A key priority of the LSIP is to address significant recruitment problems faced by employers of all sizes to achieve a workforce large enough for current and growing needs. A priority action includes ‘enable more out of work residents to enter and remain in work, boosting labour supply’. A LSIP refresh commenced in October 2025.
Local	Council Plans 	- The Westmorland and Furness Council Plan establishes a vision as a great place to live, work and thrive for people and business. This includes boosting opportunities for jobs, learning, skills and enterprise, and creating a working environment which is supportive, healthy and enables everyone to fulfil their potential. - The Cumberland Council Plan seeks to enable positive outcomes for health and wellbeing, prosperity and the environment. This includes collaborative work with the local population and improving the level of qualifications.
	Joint Strategic Needs Assessments (JSNA) and Health & Wellbeing Strategies 	Cumberland JSNA (2023-2028) sets out how the Council, NHS and other partners will work together to achieve its aim of improving the overall health and wellbeing of residents and reduce health inequalities. The JSNA identifies that socio-economic circumstances are intrinsically linked to health outcomes of individuals. Westmorland and Furness JSNA (2024-2034) sets out a vision for a healthier, happier and more resilient community, where everyone has the opportunity to lead a fulfilling life. The JSNA recognises that access to good and fair employment has positive, long-term benefit for health and wellbeing, and identifies long-term sickness as a contributing cause of high levels of economic inactivity.
	Economic Strategies (draft) 	Cumberland Economic and Inclusive Growth Strategy (draft) establishes a vision where all communities are healthy and thriving and where there is greater opportunity for people and places to fulfil their potential. Strategic objectives under the ‘People’ pillar will reduce the risk and incidence of economic inactivity, including giving the best start in life to children and young people; growing a skilled and talented workforce; collaborating to support early prevention; improving health and wellbeing; and enabling economic and social inclusion. Westmorland and Furness Inclusive and Green Economic Strategy (draft) establishes a vision ‘Thriving Together’ which seeks to ensure everyone benefits from prosperity and opportunity. Strategic objectives under the people pillar include supporting improved health and wellbeing and addressing inequality; attracting and developing skills and talent; and maximising labour market participation through opportunities for all.

This context frames the landscape for influencing policy to address the findings of this report, and the resources and interventions available to implement recommendations.

There are also a range of place-based interventions across Cumbria such as the Plan for Barrow.

Example: The Plan for Barrow

The Plan for Barrow establishes a vision by 2035 where Barrow will be “a thriving, prosperous town where our people flourish and grow”. To achieve this vision, Barrow needs to address current challenges, which include significant pockets of poor health and deprivation, a mismatch in skills versus demand, high levels of worklessness, and a declining working age population. Six strategic objectives support core outcomes.

Of relevance to health and wellbeing and economic inactivity, ‘Flourish’ frames the objective where the people of Barrow can enjoy good health and fulfil their potential. This will be achieved by high quality, easy to access health and care services; children experiencing a great start to life, ready to learn and fulfil their potential; employers will provide job opportunities which support good health and employees feel happy, valued, health and fulfilled; and people who cannot work due to ill health will be supported by a range of opportunities providing access to leisure, education, volunteering, training and employment.

3 The Scale and Characteristics of Economic Inactivity in Cumbria

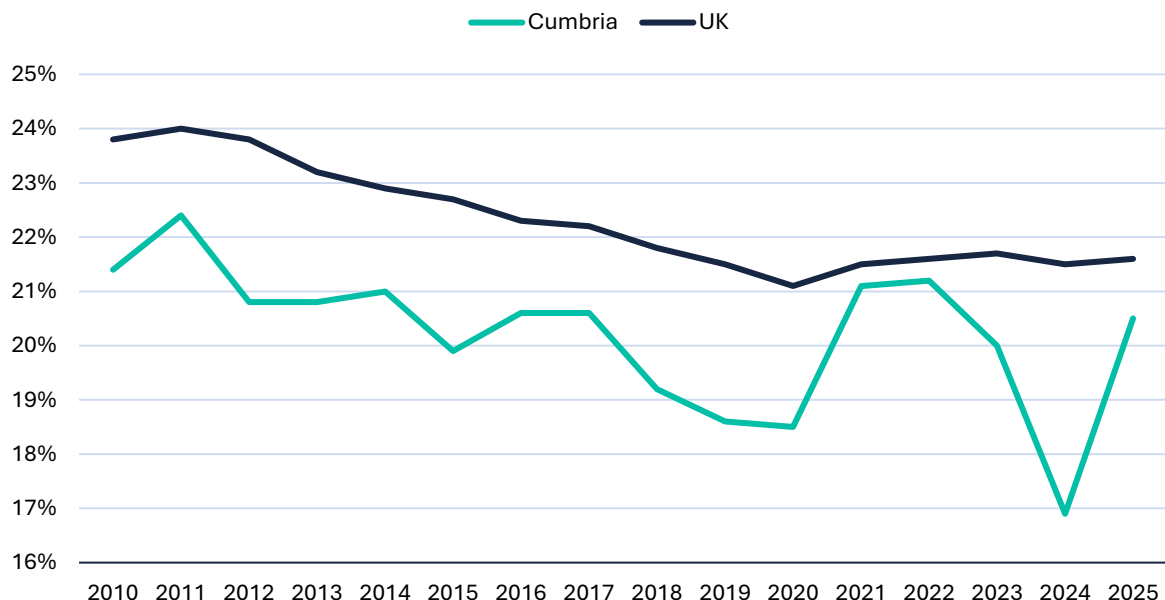
This chapter sets out the detail of economic inactivity in Cumbria, drawn from the [Cumbria Economic Inactivity Data Dashboard](#). The analysis is based on published secondary data² and considers the key population characteristics contributing to economic inactivity, including health, age and other circumstances such as having caring responsibilities. It summarises key findings on the scale and characteristics of economic activity, and further detailed analysis and mapping is provided in Appendix 3 (Baseline Analysis) of the accompanying Appendix report.

Economic inactivity rates in Cumbria and the UK

In recent years, the pandemic has intensified economic inactivity. Since early 2020, across the UK 830,000 more adults are economically inactive and three quarters of these are aged 50+. For those over 65, economic 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 Figure 3.1, in comparison to a more general downward trend in the UK.

Figure 3.1: Economic Inactivity rates from 2010-2025 in Cumbria and the UK



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

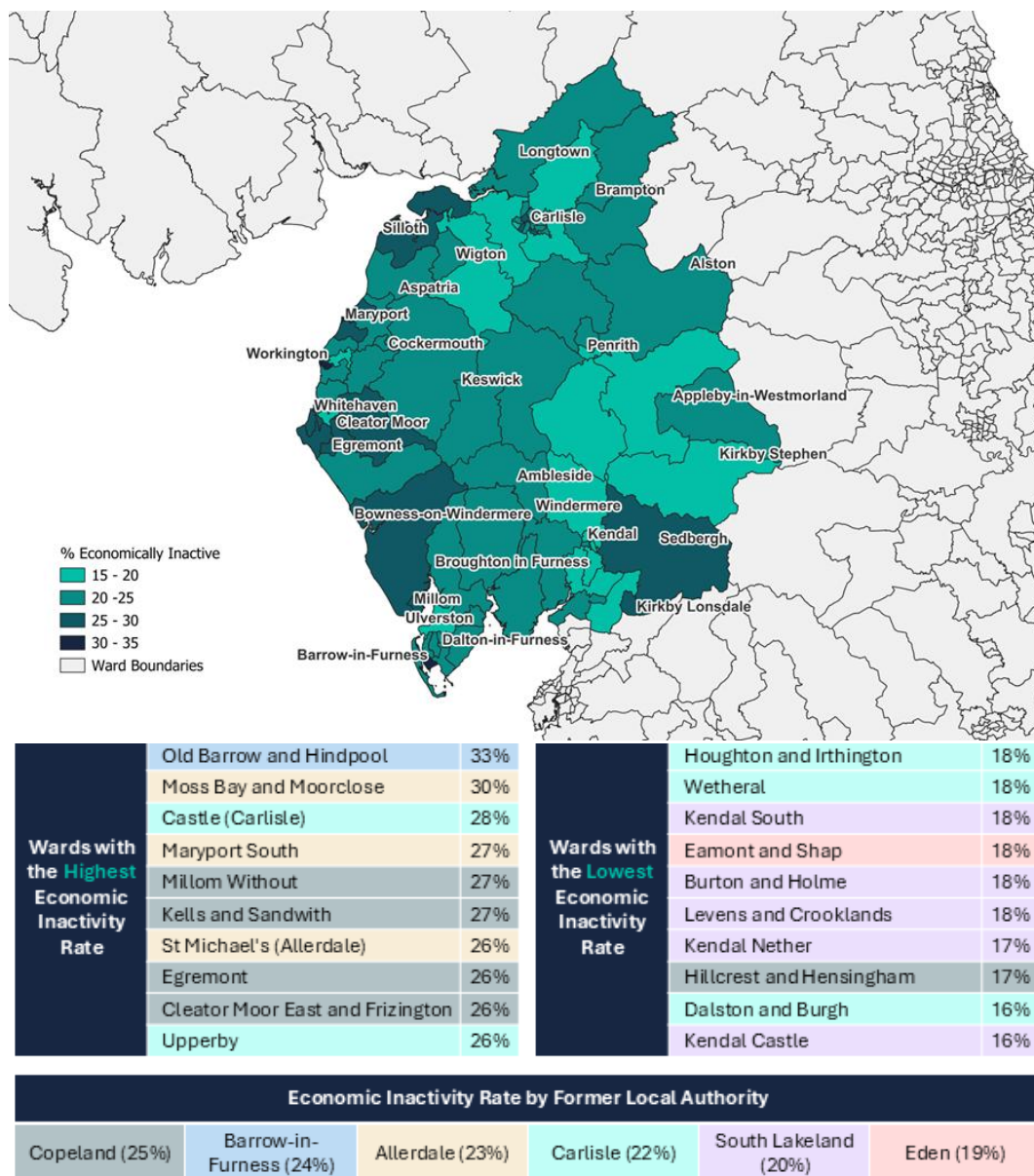
Source: Annual Population Survey, 2025 (April to March)

² Data sources used for the analysis in this section are listed in the Appendix Report

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

While the Annual Population Survey provides recent estimates on the economically inactive population, more detailed information on economic inactivity 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 economic inactivity levels.³ Nevertheless, the data offers useful insights into variations across Cumbria, set out in Figure 3.2 below. Ward-level data can also be further interrogated and reviewed via the [Cumbria Economic Inactivity Data Dashboard](#).

Figure 3.2: Economic Inactivity Rate by Ward, Cumbria 2021



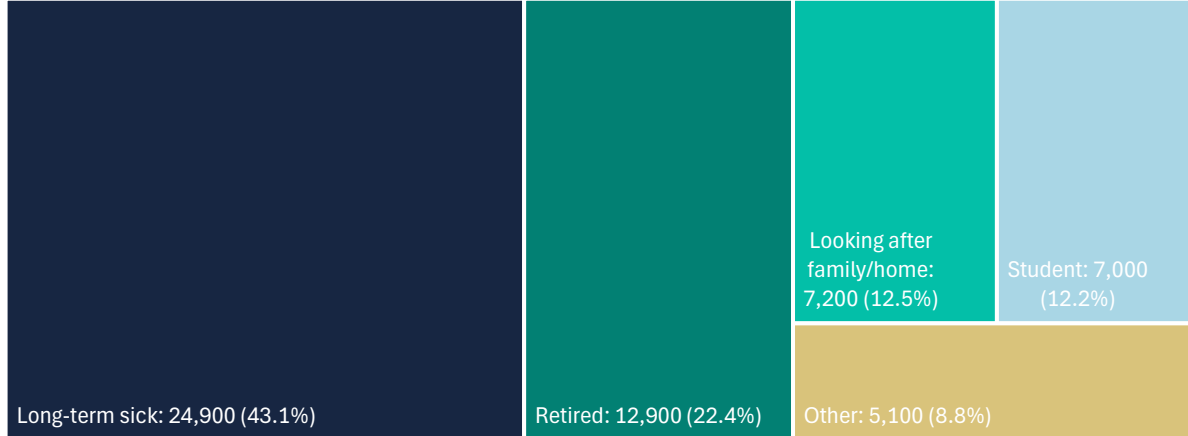
Source: Census 2021 (Working Age Population)

³ 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 in Cumbria

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%.

Figure 3.3: Reasons for Economic Inactivity, Cumbria 2024



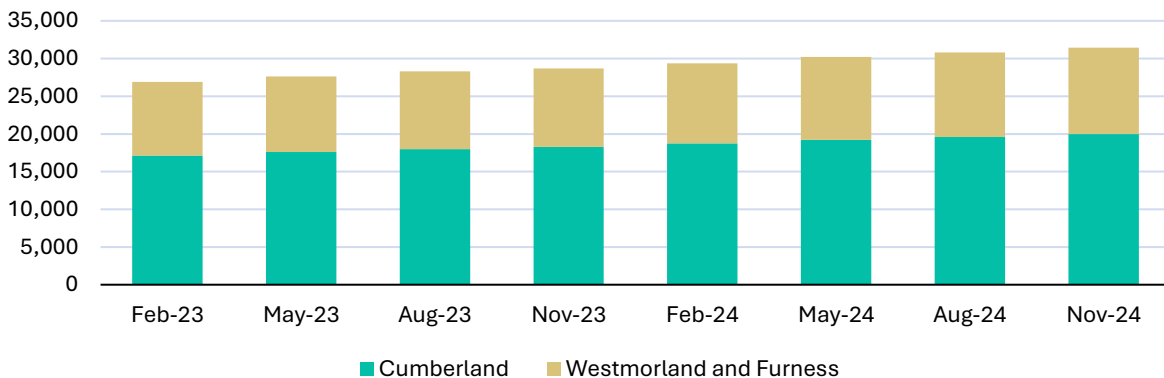
Note: Temporary sick and discouraged estimates are not available due to zero or disclosive sample sizes

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

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) and people claiming Employment and Support Allowance (ESA).

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%.

Figure 3.4: Number of Working Age Claimants in Receipt of DWP Benefits Related to Economic Inactivity in Cumbria



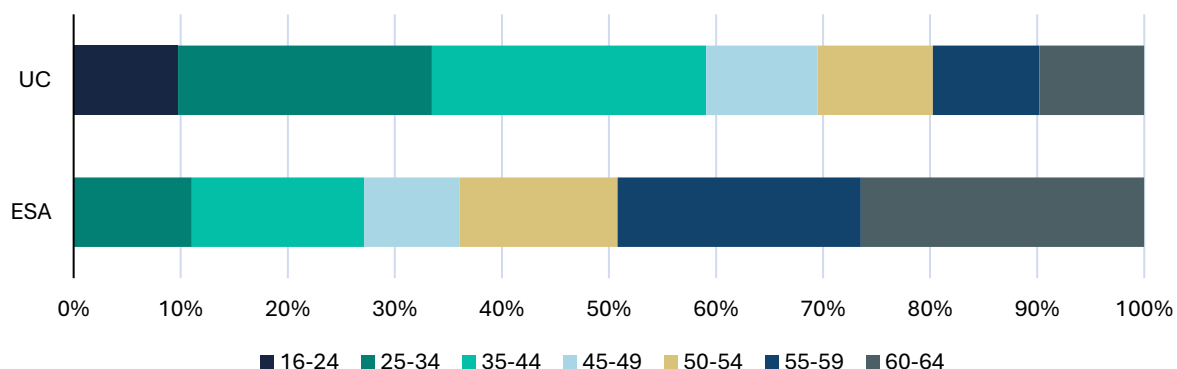
Note: This includes people on Universal Credit in the conditionality groups of no work requirements, planning for work, and preparing for work; and those in the ESA Work-Related Activity Group and Support Group. UC figures are calculated as the average of the three-monthly data points within each quarter (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

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.

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.

Figure 3.5: 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

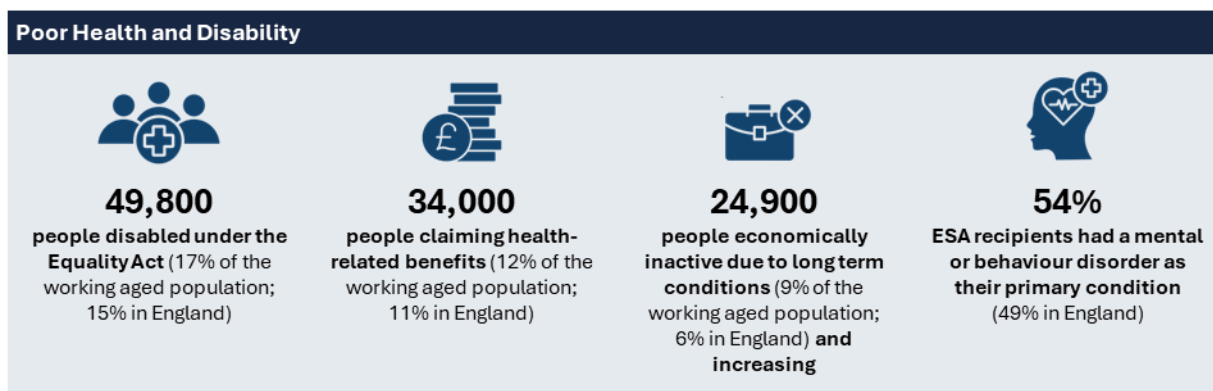
The data informing this section of the report can be accessed via the [Cumbria Economic Inactivity Data Dashboard](#).

4 Specific Groups Experiencing Economic Inactivity or the Threat of Economic Inactivity in Cumbria

This section provides further detail on specific groups identified in the research as experiencing, or being at greatest risk of, economic inactivity. It summarises key findings from engagement and consultation (Appendix 1), literature review (Appendix 2) and data analysis (Appendix 3) detailed in the accompanying Appendix Report.

Poor Health and Disability

Health outcomes play a crucial role in shaping labour market participation, with poorer health and disability often linked to higher rates of economic inactivity.



Source: Census 2021; DWP Stat-Xplore, Benefit Combination, November 2024; Annual Population Survey, 2024; DWP Stat-Xplore, ESA, November 2024

Poor health and disability are principal drivers of economic inactivity both nationally and in Cumbria. Physical health issues remain the predominant cause, though mental health conditions have grown significantly as a factor, particularly among younger workers. This reflects a general increase in ill-health across the population, including an increase in the numbers of people in employment and with a work-limiting health condition.

Generally, the risk of economic inactivity is higher for individuals from lower socio-economic backgrounds, with deprived areas experiencing double the rate of working-age people living with major illnesses compared to less deprived regions. 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.

The wards of Old Barrow and Hindpool, Kells and Sandwith, and Egremont rank among the highest in the county for both metrics. 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 England on the Health Deprivation and Disability domain.

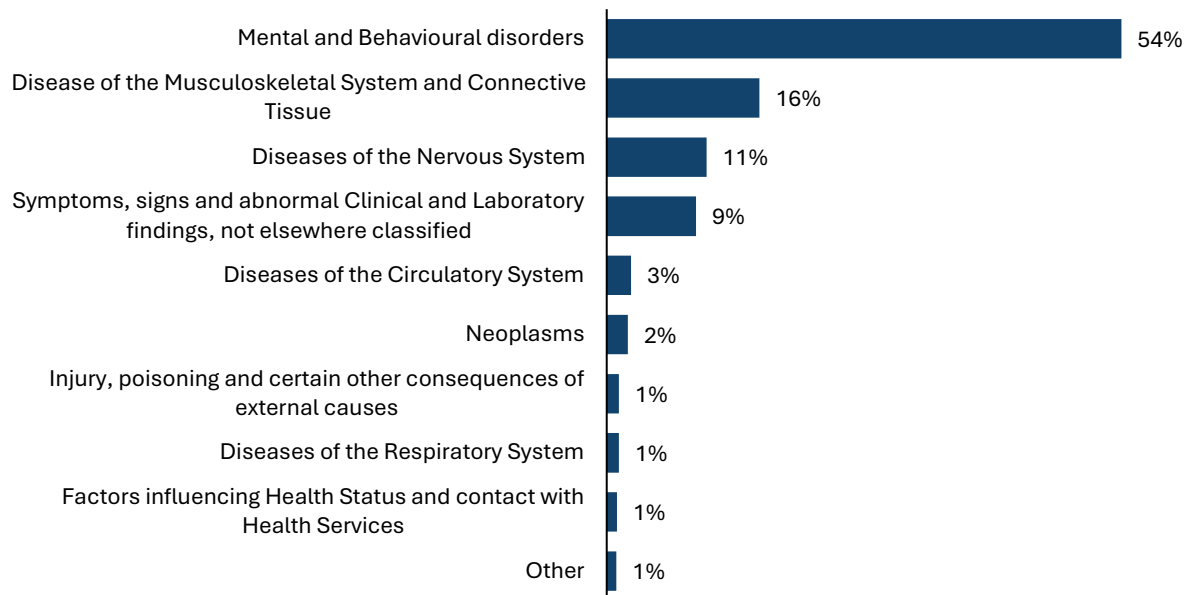
Reflecting these health challenges, approximately 34,000 working-age people in Cumbria claimed health-related benefits in 2024. Wards with the highest health-related benefit claimant rates, such as Old Barrow and Hindpool, and Moss Bay and Moorclose, tend to also experience elevated levels of poor health, disability, and related economic inactivity, highlighting the close link between health challenges and labour market disengagement.

According to the Annual Population Survey, long-term illness is the primary reason for economic inactivity in Cumbria. Economic inactivity is higher among people with a long-term health condition or illness lasting 12 months or more: 56% in Cumbria compared to 48% in England. Physical and mental health conditions were also the main reason for economic inactivity amongst survey respondents in the research. The majority of these 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 reported a health condition as the main barrier to work indicated that their health condition has a significant impact on their everyday life.

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%). These figures highlight that poor health and disability play a significant contribution in the high levels of economic inactivity observed in the area.

Poor mental health dominates as the primary condition among working-age residents claiming ESA, with 54% of ESA claimants affected.

Figure 4.1: Primary Health Conditions Cited in ESA Claims in Cumbria, November 2024



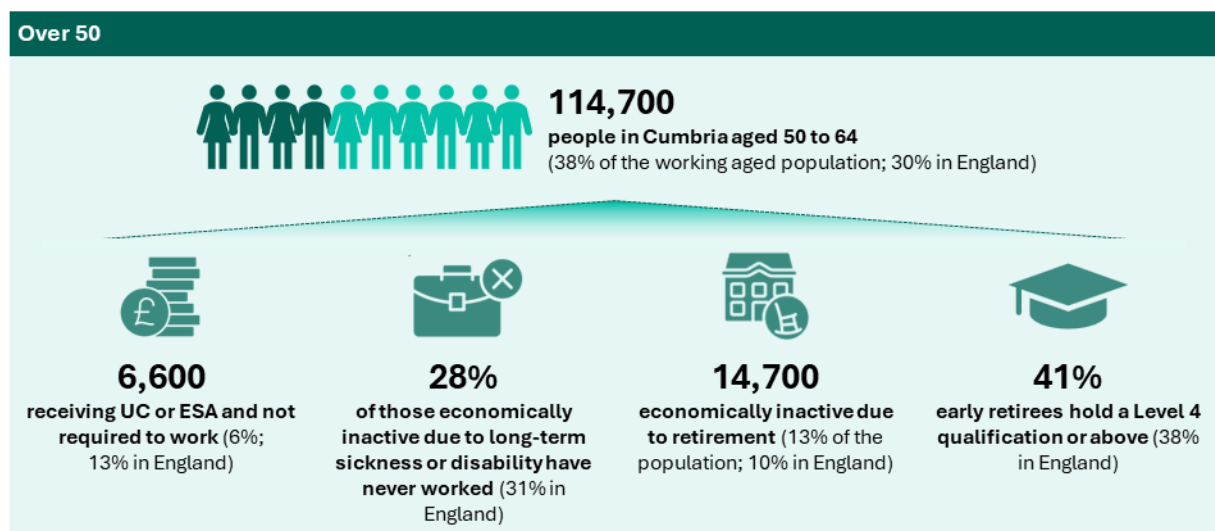
Source: DWP Stat-Xplore

For those with long-term health conditions, the risk of leaving work is strongly influenced by the challenges of managing physical and cognitive fatigue, unpredictable symptoms, and the challenges of insufficient workplace adjustments. Three or more concurrent health conditions multiply the risk of exiting work, and mental health conditions nearly double the likelihood of leaving employment after onset. Despite the need for interventions, robust evidence on the effectiveness of support schemes for people with poor health and disabilities is limited, though improving workplace health and retention is central to policy ambitions.

It is clear from the research 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. Engagement with economically inactive residents showed that people who have a health condition can struggle with accessing the support they need. Respondents expressed frustration with what services are available to them, and the lack of flexibility within these services, which can prevent a holistic approach to barrier removal. Long waiting times for NHS services and appointments are also a challenge.

People aged over 50

People over 50 years of age are often perceived by stakeholders as wealthy and choosing not to work; however, the research indicates a much more complex set of circumstances. Around 114,700 people in Cumbria are aged 50 to 64, making this the largest age group in the county. This cohort represents 38% of the working-age population, ranging from 37% in Cumberland to 39% in Westmorland and Furness, both above the England average of 30%.



Source: Census 2021; DWP Stat-Xplore, People on Universal Credit, March 2025; DWP Stat-Xplore, ESA, November 2024; ONS Population estimates, 2024

The over-50s group in Cumbria is diverse, with varying proximity to the labour market, health status, and caring responsibilities. Those aged 55 and over reflect a cohort that are no-longer prime working age (25-54) and are often perceived in relation to their retirement. However, the ability to retire is dependent on relative wealth and socio-economic position.

According to the 2021 Census, economic inactivity reaches 28% among over 50s, the second-highest rate across all age groups.⁴ The main driver for this 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 the South Lakeland locality area (15%), particularly in wards such as Kent Estuary, Low Furness, and High Furness, where early retirement appears more common.

⁴ The highest economic inactivity rate is among 16–24-year-olds (34%), while it is 13% for those aged 25–49.

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 the South Lakeland locality area. 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 early.

While some older individuals may choose economic inactivity until retirement, others prefer to stay in work, especially if it can be flexible work, with health considerations and adjustments playing a critical role. Engagement with residents indicates that there is a proportion of those over 50s who are not choosing to be economically inactive. It is also clear from the research that age can sometimes be part of the reason for being economically inactive, but it is not the main one, and some older residents who are economically inactive want to keep working. However, a lack of flexible employment opportunities has resulted in some people in this cohort remaining economically inactive. This shows that job quality is a key consideration influencing economic inactivity and that supporting employers to provide such flexibilities and access to meaningful work is a critical element in reducing the risk of economic inactivity.

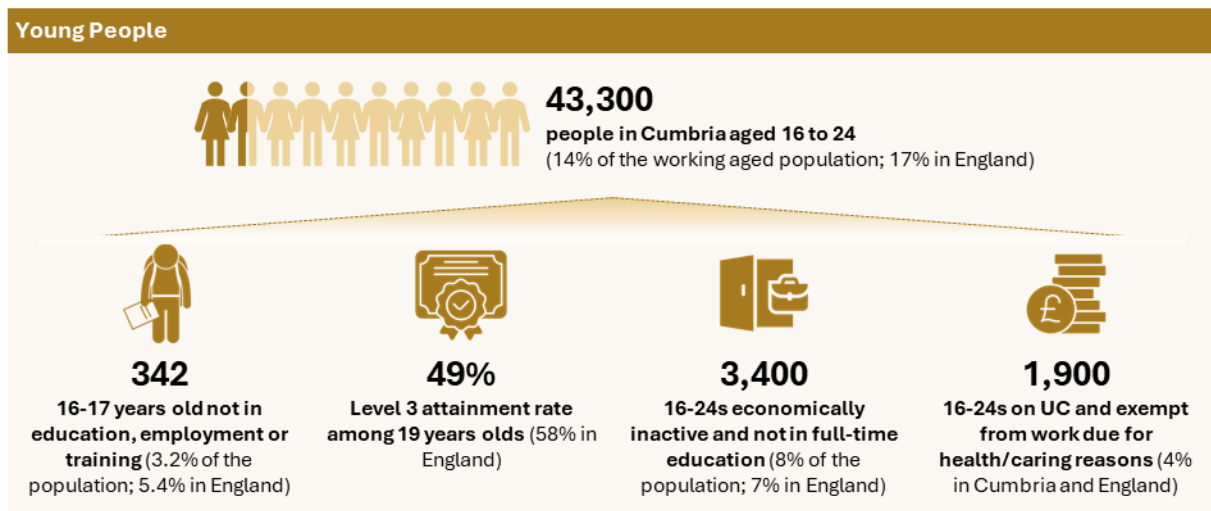
Reasons reported in the survey by this group for not working included “burnout”, and long-term sickness and disability is the second most common reason for economic inactivity among 50-64-year-olds. Data from the DWP shows that 6,600 people (6%) aged 50–64 in Cumbria are receiving Universal Credit (UC) 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 those 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.

Trends indicate that older workers, especially men with illnesses and lower skills in deprived areas, are at particular risk of becoming economically inactive. This tends to reflect a loss of access to roles that can utilise their skills and experiences, with an associated decline in earnings if they return to the workforce following illness.

Policy shifts, such as increases in the retirement age, have not necessarily led to higher re-employment among older workers, with many opting to reduce leisure activities instead of returning to work. However, for those workers about to retire increases in the retirement age do lead to some desire to maintain employment. Effective support for older workers includes tailored advice, skills identification, digital training, and job-seeking assistance.

Young People

The research has shown that young people in Cumbria experience economic inactivity through complex pathways, notably as NEET (Not in Employment, Education or Training). Youth economic inactivity is affected by factors such as educational attainment, caring responsibilities, mental health, and local job availability. Main drivers of youth economic inactivity, specifically for NEET young people include childcare/caring responsibilities among young women, rising mental ill-health, low educational attainment and single-parent backgrounds. However, the main driver remains disengagement from education.



Source: ONS Population estimates, 2024; Inspira/NCCIS, March 2025; Department for Education, 2023/24; Census 2021; DWP Stat-Xplore, People on Universal Credit, March 2025

Economic inactivity levels reflect 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 (NEET) 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.

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

- Multigenerational unemployment:** It has been reported in consultations that some communities within Cumbria experience multigenerational unemployment and that this contributes to a culture of not working. This is thought to limit the understanding of opportunities in the area for young people in these communities; and it also limits the opportunities young people have in their lives due to families living in financial hardship. This in turn impacts on young people's aspiration and how they think about their future.
- Family background and social mobility:** Aligned with multigenerational unemployment, 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.
- 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.
- **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.
- **Graduate retention:** According to ONS estimates, not all graduates remain in or return to the region after completing their studies,⁵ meaning some skilled workers leave the area. Historically, mobility has been a key feature for young people with the appropriate skills and education levels: higher-achieving young people are more likely to leave Cumbria for better prospects, often relocating to more urban areas to access graduate roles.
- **Policy impacts:** of increased minimum wage and tax changes, which have raised employer costs and reduced opportunities for 18–20-year-olds, especially in lower value sectors such as hospitality, wholesale, and retail sectors. Emerging evidence also points to AI reducing entry-level roles for graduates, compounding difficulties for young people navigating the labour market.

However, large employers in the private sector who took part in this research consider young people, especially those at risk of becoming NEET, the principal, and in some cases only, cohort for targeted recruitment activities. Many of these employers work proactively with schools to engage young people at an early stage and promote positive local career pathways through, for example, an Apprenticeship offer or other entry-level opportunities.

Caring Responsibilities

Caring responsibilities, whether caring for a child or caring for someone with an illness or disability, are a significant barrier to employment and can play a key role in someone becoming economically inactive. They are an increasingly complex and significant factor in driving economic inactivity, affecting both adults and young carers. The UK has a large informal care sector, with unpaid carers contributing substantial economic value but facing increased poverty and limited earning potential due to welfare restrictions.



Source: Census 2021, ONS; DWP Stat-Xplore, Carers Allowance – In payment, November 2024

⁵ [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.

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 and fairly consistent across wards. This suggests that, unlike long-term sickness or retirement, caring responsibilities are relatively evenly distributed across the county.

Around 11,390 people in Cumbria 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.

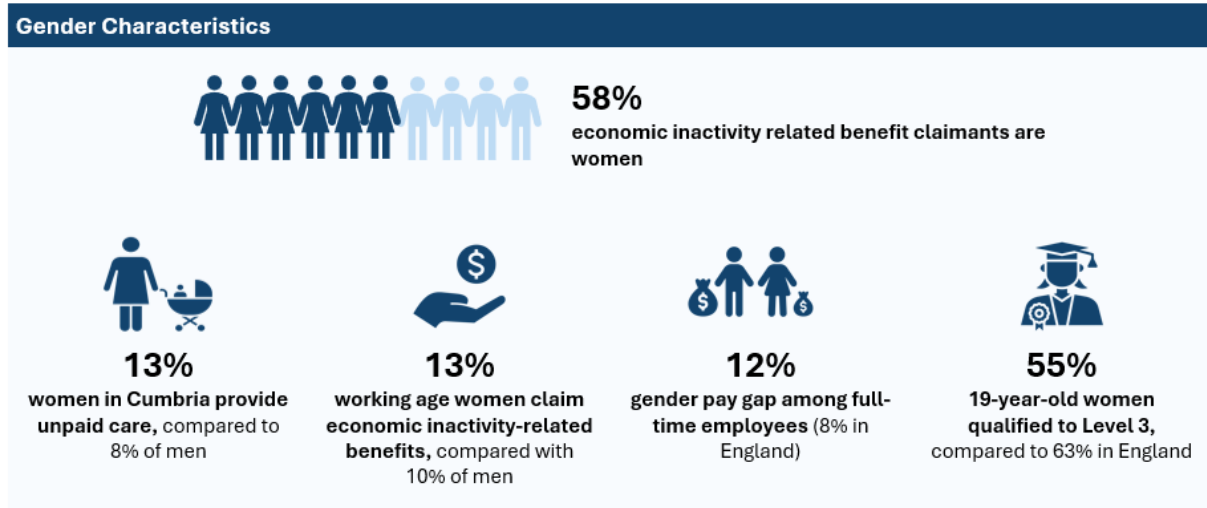
Research highlights that unpaid carers have a poverty rate 50% higher than non-carers, with many unable to take on more paid work due to the Carers Allowance earnings limit. However, the overall impact of caring responsibilities on health, employment, and wellbeing when combined with social determinants (socio-economic status, gender, ethnicity), amplifies negative outcomes even before the overall intensity of care provided is accounted for. Having a long period away from employment due to caring responsibilities also impacts on individuals' workplace skills and knowledge. 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.

A particular challenge for carers is their ability to maintain contact with the people they care for. This creates additional challenges around sudden changes in care needs, monitoring (especially of older relatives) and management of sudden healthcare needs being balanced alongside life and work. For those with caring responsibilities, the research has shown that a key enabler of supporting them into employment is the availability of flexible employment opportunities. Jobs which can easily fit around children, for example, during school hours, are particularly desirable; and there needs to be recognition that these hours can change depending on the age and stage of the child.

Young carers are at particular risk, being less likely to achieve higher educational attainment and more likely to enter vocational roles. Their employment opportunities are further constrained by disrupted education, employer attitudes, and higher rates of poverty and poor health. Support models for carers must balance the need for flexible employment with the realities of long-term disengagement from the labour market.

Gender Characteristics

Although women in Cumbria achieve better results at school and enjoy higher life expectancy than men, economic inactivity remains disproportionately high in this group.



Source: Census 2021; Department for Education, 2023/24; DWP Stat-Xplore, People on Universal Credit, March 2025; DWP Stat-Xplore, ESA, November 2024; Annual Survey of Hours and Earnings, 2024

Gender dynamics in economic inactivity are evident in terms of risk. Historically, declining male labour participation has coincided with rising female participation, yet women remain disproportionately affected by caring responsibilities and are more likely to become economically inactive due to childcare and informal care roles. Rising labour market participation by women has also been associated with increases in service-based, insecure and/or part-time work.

Women

The risk profile for women centres around caring and household responsibilities. Women carers, especially those from disadvantaged backgrounds or minority communities, experience the worst health and employment outcomes.

Around 13% of working-age women claim economic inactivity-related benefits, compared with 10% of men, and despite making up only half of Cumbria's population, women account for 58% of all claimants, highlighting a clear overrepresentation and a prevalent issue.

A relatively high proportion of women in Cumbria provide unpaid care, and women make up a higher share of unpaid carers overall.

Other factors that help explain higher economic inactivity rates among women include the gender pay gap (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. Attainment in women and girls also lags behind the national average at age 19, with 55% of 19-year-olds in Cumbria qualified to Level 3 compared with 63% across England.

Men

The risk profile for men centres around a mixture of factors. Recent industry shifts are partly responsible for younger men leaving the workforce, due to a decline in entry-level manufacturing roles that can be accessed by low qualified men and a shift to service-based economies, which predominantly employs women. This may also explain why older men are retiring earlier, as there are fewer manufacturing jobs available, this reflects a more general trend whereby older men become inactive if they are not able to find an equivalent role, as well as broader factors such as increased dissatisfaction with work or the need for increased flexibility to accommodate health needs.

There is a skills gap between young girls and young boys. Young boys are performing worse in school, despite having more confidence than young girls. Increased confidence in education means young men are less likely to accept a low paid job and hold off for something better.

Inequalities in health also exist. Men in Cumbria are at higher risk of heart disease, lung cancer and HIV, which can contribute to long term sickness. Men are also more likely to experience chronic pain earlier due to lifestyle factors and are also more likely to put off seeking medical help. According to the 2021 Census, 5% of working-age men in Cumbria are economically inactive due to long-term sickness or disability.

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 years in Barrow Central), suggesting that poor health may be limiting labour market participation among men.

Skills may also play a role in Cumbria. While male attainment at Level 2 by age 19 is similar to the national average (78% in Cumbria vs. 80% nationally), the skills gap widens at Level 3, where only 41% of males in Cumbria achieve this level compared to 52% nationally, potentially limiting access to higher-skilled employment.

Ethnic Characteristics

The picture of economic activity for ethnic minority groups in the UK over the past fifty years is, overall, broadly positive, with an increase in ethnic minority advancements, driven largely by second-generation immigrants. However ethnic minority groups can face increased barriers to employment.

According to the 2021 Census, there are 8,000 people aged 16-64 from ethnic minorities in Cumbria, equivalent to 3% of the working age population, compared with 20% in England, indicating a low representation. More recent data from the Annual Population Survey suggest that this proportion remained broadly similar in 2024, although the wide confidence intervals indicate uncertainty around the exact figure. Stakeholder feedback notes that Cumbria's population is becoming more diverse, largely driven by labour market demand.

Analysis of Census data indicates that people from ethnic minorities in Cumbria are more likely than White people to be unemployed (5% compared to 3% White) or economically inactive (26% compared to 22% White), despite being more qualified and less likely to have a disability or unpaid caring responsibilities, highlighting potential structural barriers to labour market participation.

Other Groups

The research has identified a number of other groups in Cumbria who are more likely to be economically inactive, or at risk of becoming so. These include veterans, survivors of domestic abuse, people with drug or alcohol dependency, people who are homeless, refugees and asylum seekers, and offenders or ex-offenders. These groups align with cohort groups for the forthcoming Connect to Work initiative.



Source: Census 2021, ONS; HM Prison & Probation Service; Humankind; Cumbria Constabulary; Cumberland Council

National research has identified domestic abuse survivors as a priority group for economic inactivity support, linking directly to public safety, rehabilitation and inclusive growth. In Cumbria, 10,595 working-age residents were recorded on domestic abuse safeguarding lists in 2023, and this figure does not include those who have not come forward to the police. Experience of domestic abuse presents unique challenges in terms of accessing employment, as personal safety must be balanced with the need to work and provide for any dependents. As a result, the places where a survivor can work are limited. For example, customer-facing roles may not be suitable as they risk encountering the perpetrator, and survivors may have to migrate to other towns/ cities to seek safety, which can mean they have to leave their job and look for a new one in an area where they have few connections. Domestic violence also has significant health outcomes, for example, PTSD is common, and survivors may present with physical injuries.

Many veterans struggle to adapt to civilian life due to, for example, a lack of transferable skills, a widening gap between military and civilian employment, and difficulty navigating the housing market. For example, veterans can struggle with the much less rigid, hierarchical chain of command in civilian employment after the highly structured nature of military work. They may have to undertake new qualifications and training, where military qualifications are not recognised outside the military. Nationally, veterans are less likely to be in full-time work and nearly twice as likely to be unemployed.

One of the biggest challenges around employment support for veterans is a general lack of research and insight into the most effective responses for designing and implementing employment support for them as a target group. What is clear, however, is that the evidence of need and the presence of poor outcomes for veterans is well established.

5 Impact of Economic Inactivity in Cumbria

This section sets out a summary of the impacts of economic inactivity on individuals and businesses and estimates the economic impact that can be achieved by addressing economic inactivity. Fuller details and analysis are included in the Appendix Report.

Impacts on individuals

Financial impacts



Economically inactive people are **1.5 times more likely to be in insecure work** when they re-enter employment



Financial difficulties caused by economic inactivity can lead to **food and fuel insecurity**, and increase the likelihood of **homelessness**

The research has identified that 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 in insecure work with a lower quality job with less pay and stability,

Engagement with economically inactive residents in Cumbria indicated that most people who participated were financially better off when they were in employment. Being economically inactive can have wide-ranging financial impacts and lead to, for example, food or fuel insecurity. It can also make it more difficult to sustain a tenancy and ensure reliable accommodation, increasing the likelihood of homelessness.

However, some participants reported that they were neither better nor worse off financially when out of work. Where improved finances are not a driver, 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



Mental and physical health and economic inactivity can be **closely linked and interdependent**



People who are economically inactive report feelings of **isolation, loss of confidence, depression, and loss of motivation**

Mental and physical wellbeing and economic activity can be closely linked. 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. Being out of work can lead to exacerbate poor mental and physical health, making it much harder to return to work.

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

Impacts on 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.

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. Large employers often address challenges within their own workforce in isolation, for example with in-house commissioned Occupational Health services, or other third-party supports. The public sector demonstrates varied and extensive approaches to supporting people in the workplace.

All of the large employers consulted for this research have a wide range of ways to support people who need it and there are examples of good practice that often go beyond the minimum statutory requirements.

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.

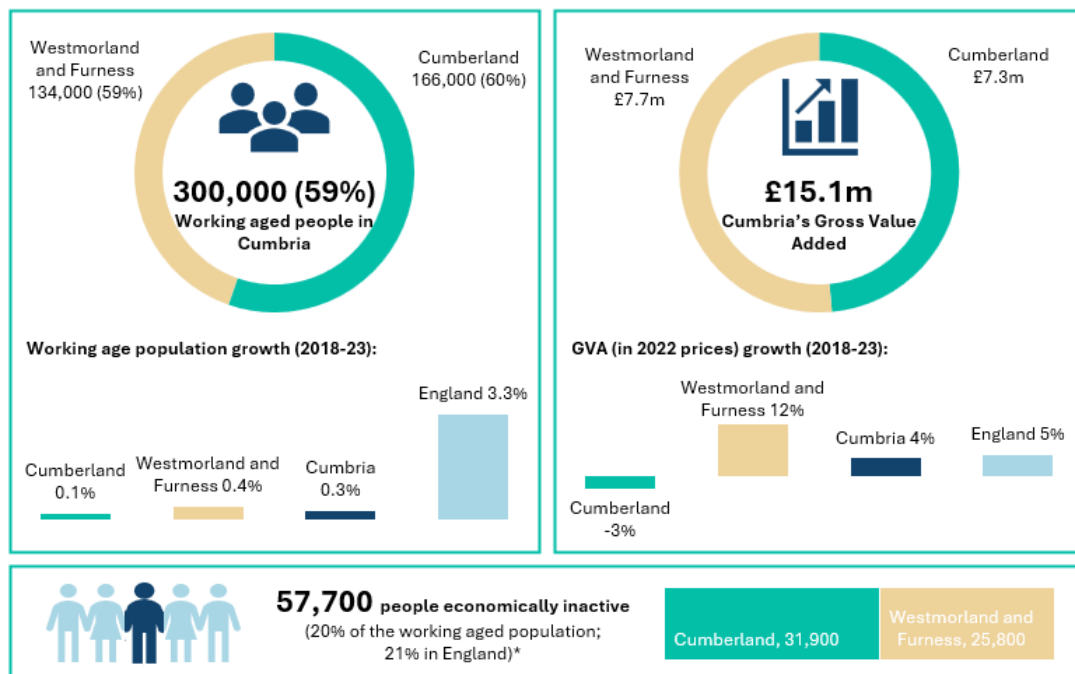
The most common types of additional support offered to people in the workplace are flexibility in hours or working patterns and, where possible, location, to help manage wider life circumstances such as caring responsibilities. It is also clear from the research that some employers do not recognise the extent to which they are currently supporting employees who need additional help to remain in roles.

Impacts on the Economy

A number of major investments are taking place in Cumbria, across a range of sectors and activities, including the planned development of key employment sites and supporting infrastructure. The workforce in Cumbria needs to strengthen and increase, in order to meet the demand caused by investment and growth in key sectors, such as advanced manufacturing, clean energy, defence and creative industries. According to DfE Labour Market and Skills projections, over the next decade, Cumbria will require an estimated additional 122,600 employees to meet demand. Replacement demand due to retirement accounts for 90% of this figure.

With fewer working-age residents and a high older-age dependency ratio⁶, pressures on tax revenues and public spending are also intensified. Alongside slower GVA growth than the national average, Cumbria's economy is under strain. The following infographic highlights these pressures and points to the potential of unlocking the economically inactive labour pool to support future growth opportunities.

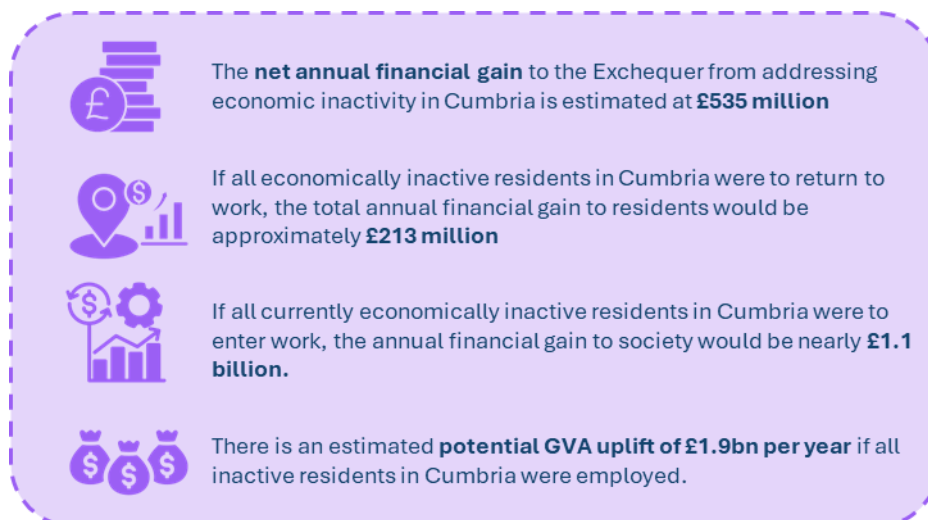
Figure 5.6: Population growth and GVA in Cumbria



Source: ONS Annual Population Survey, Jan 2024-Dec 2024; Population estimates - local authority based by single year of age, 2023; ONS, Regional gross value added (balanced) by industry, 2023

⁶ The Old Age Dependency Ratio is calculated as the number of people aged State Pension age (66) and over for every 1,000 people aged between 16 years and up to the State Pension age. This was 386 in Cumbria in 2023, above the national average (274).

Fuller analysis and details of the likely impacts of unlocking the potential in the economically inactive workforce are included in Appendix 4 (Economic Impact Analysis) of the accompanying Appendix report.



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.

The net annual financial gain to the Exchequer from addressing economic inactivity in Cumbria is estimated at £535 million, of which £365 million relates to residents who are closer to the labour market.

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 would be approximately £213 million**, largely driven by wage income. For those closer to the labour market (that is, people who are more work-ready, due to skills levels, capability, experience, or with fewer barriers to employment), 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 would be nearly £1.1 billion**. This figure reduces to **£741 million** when considering only those closer to the labour market.

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 would drive local spending, support business growth, and create a positive cycle of job creation and economic activity.

There is an estimated **potential GVA uplift of £1.9bn per year if all economically inactive residents in Cumbria were employed**. Focusing only on those 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.

6 Approaches to Tackling Economic Inactivity

The current support offer for economically inactive people and specific target groups for support in Cumbria is inconsistent. Funding timescales are not always aligned and there is the potential for geographical gapping and overlap. New programmes that are planned, for example Connect to Work, provide an opportunity to consider how service provision across Cumbria can be better coordinated and more closely aligned; and the Get Cumbria Working Plan will help to establish the framework and environment in which this can take place.

Examples of Current Interventions

The service examples given below are intended to provide an indication of some of the local provision that currently operates to support people who are economically inactive and those facing specific barriers to employment. This is supported by a range of national provision from DWP. A more comprehensive, though initial, mapping of local service provision is included in the accompanying Appendix Report at Appendix 6.

People Who are Economically Inactive

Programme	Description
Multiply	DfE-funded initiative to improve adult numeracy for those without a GCSE grade C/4 in maths. Delivered through local colleges and employers, Multiply supports adults aged 19+ to build confidence and skills in numeracy. This is funded by UKSPF and due to end in 2026.
Welcome to Work: in the Visitor Economy	Cumbria Tourism initiative to support people to find employment in the visitor economy.
Cumbria Adult Learning	A range of courses for adults over the age of 19 (Maths, English, English Speakers of Other Languages courses etc.) operating in Barrow, Carlisle, Kendal, Penrith, Whitehaven and Workington and surround areas. Courses are a mix of free and paid learning. Of relevance is the ESOL provision, which helps individuals for whom English is a second language to improve their literacy and communication skills. Courses are tutor-led and flexible, with learners sitting exams when ready, leading to a recognised qualification.
Work Well / The NHS Growth & Health Accelerator	Launched on 1 st October 2025, this is a trial backed by £45m in UK Government funding, which builds on the progress made by the WorkWell pilot. ⁷ North East and North Cumbria is one of four areas identified as a part of the country most affected by ill health driven unemployment, and is the location of an NHS Health and Growth Accelerator to provide support for this. This will test ambitious and novel approaches to addressing health challenges impacting unemployment, based around early intervention, and person-centred approaches.

⁷ [NHS England » World leading NHS trial to boost health and support people in work](#)

People with Disabilities and Health Conditions

Programme	Description
WorkWell	Voluntary programme delivered in South Cumbria to support individuals with health conditions to remain in or return to work. Funded through Lancashire & Cumbria ICB, working in partnership with Westmorland and Furness Council and DWP, the service provides access to a work and health coach and a personalised support plan.
Step Forward into Volunteering and Employment	Cumbria wide service funded by the North East & North Cumbria Integrated Care Board via NHS Mental Health Transformation Fund. Step Forward supports individuals with severe mental health experiences to work or volunteer through a person-centred, needs-led service working with individuals over nine months.
People First	Third sector organisation that provides services and support for people with learning difficulties. People First offers advocacy, advice, and training, with a focus on empowering individuals to live the lives they want and to ensure they are heard and have their say.

Young People and NEET Support Offer

Programme	Description
Cumbria Careers Hub	DfE funded and delivered by Enterprising Cumbria, the Careers Hub operates independently from, but in close collaboration with, the National Careers Service and the targeted Cumbria Education Information Advice and Guidance (CEIAG) service. Provides tailored careers advice and support to help young people transition into employment, education, or training.
The Key	Cumbria wide programme provided by Inspira continuing existing established employability support such as collaboration with local employers and offers a range of personalised support to economically inactive adults aged 16-25. Progression coaches for example, can support people to gain key employability skills and develop workplace experience.

Other Disadvantaged Groups Support Offer

Programme	Description
Employment Support for Refugees and Asylum Seekers	Provided through Westmorland and Furness Adult Learning, using UKSPF funding. The project provides learning for refugees and asylum seekers such as English language skills provision which will support employment, with aims to boost community cohesion. Courses are non-regulated, with areas such as understanding cultural differences.

Planned programmes

Connect to Work is a programme which will be delivered across Cumbria by Cumberland Council and Westmorland Furness Council, in collaboration with Enterprising Cumbria, and funded by the Department of Work and Pensions. This will support people into sustained employment through a programme of support including actions such as supporting a joined-up healthcare and employment support offer. The programme is currently being designed by the Enterprising Cumbria and the respective local authorities and will launch in January 2026.⁸

Case Study Insights

Select examples of interventions that support those who are economically inactive, or at risk of becoming economically inactive, alongside examples of support at key transition points in people's lives include:

Sector and Industry-based interventions

Tourism

In 2024, Cumbria Tourism launched their **Welcome to Work in the Visitor Economy** project aimed at raising the profile of careers in Cumbria's visitor economy and to support economically inactive people into employment. Key target groups include care leavers, those who are at risk of becoming NEET, disabled people, ex-offenders, over 50s and people from deprived areas. The project was funded through UKSPF and was formed in partnership with Westmorland and Furness and Cumberland Councils. As well as helping people find suitable employment, the programme has also supported local businesses to become more inclusive by offering free training, events and toolkits. For individuals, they help raise career awareness, provide training, and connect people with employers to help them find suitable employment.

The programme has provided tailored, holistic support that meets a variety of different needs. The support provided equips people with transferable skills and connections with local companies, and participants are better placed to find suitable and sustained employment. The service was shortlisted for the **Diversity & Inclusion Award** at the LGC Awards 2025.

Cumbria Tourism also recently formed a partnership with **Movement to Work**, which is aimed at helping young people in the region who are NEET to access work experience. The partnership focuses on co-creating practical pathways into work for young people by providing high-quality placements, training, mentoring, and access to employment across the visitor economy. This new partnership has the potential to act as an early intervention programme.

Together, Welcome to Work and Movement to Work also have the potential to address skills gaps and lags in tourism and the visitor economy.

⁸ [Breaking down barriers to employment | Cumberland Council](#)

Engineering

BAE Systems invest in a range of STEM education programmes and partner with educators at primary, secondary and college levels of education to carefully plan and deliver complementary support to STEM teaching in classrooms.

In Cumbria, BAE Systems have created a partnership with the University of Cumbria, which includes a Future Talent Scholarship worth up to £8,000 for Mechanical Engineering and Computer Science students. It includes a non-repayable bursary through the full term of their undergraduate degree in either Mechanical Engineering or Computer Science, as well as a 12-week paid placement with BAE Systems in Barrow-in-Furness. The placement allows students to work alongside industry experts and gain hands-on experience in their field. Upon successful completion of the placement, recipients are also guaranteed an interview with BAE Systems. The scholarship offers an exceptional opportunity to kickstart a career in engineering after graduation.

Third and Public sector - Youth work

The **Better Tomorrows Fund** was launched in 2021 by the Cumbria Community Foundation. It is aimed at encouraging people within Cumbria to become accredited in youth work, and to substantially increase the number of young people having access to support from youth workers to help them reach their full potential. During the first two years of the programme, Better Tomorrows supported 24 organisations to fund 38 youth worker roles. They also trained 52 new youth workers and funded nearly 5,000 hours of provision.

The year one evaluation of the fund found some anecdotal evidence that an increase in youth workers and high-quality youth work sessions has led to increased youth participation across Cumbria. 391 people reported that their engagement in education and learning had increased as a result of engagement with the programme, and 31 went into further education or higher education as a direct result of participation.

Place-based interventions

Sellafield, based in West Cumbria, is the UK's largest and most complex nuclear site and is a major employer in Cumbria. The company is dedicated to training the next generation of nuclear experts through intensive apprenticeships, graduate, and lifelong learning programmes. In the 2024/25 academic year, Sellafield established its Education Outreach Team. As part of this, the business has developed a single application process for work experience opportunities, which created a clear and transparent approach for learners. As well as this, they have created wider work experience options and improved the visibility of their programme content on their careers website.

The interventions led by Sellafield are an example of a place-based education initiative. These are designed to improve a specific geographic area by addressing its unique social, economic, and environmental issues through community-led partnerships and integrated solutions. This has allowed for a set of interventions that have addressed economic inactivity and skills gaps by providing a solution specific to the unique challenges (e.g. health, transport, geography) that Cumbria's residents face.

Hello Future, hosted by the University of Cumbria, supports young people, parents, advisors and teachers in Cumbria through tailored advice, events and resources. They aim to raise aspirations and support young people in making informed decisions about their education and career pathways. Hello Future have Outreach Officers based in West Cumbria, Barrow-in-Furness and Carlisle who work with schools and colleges to provide advice about higher education and deliver free workshops, e-courses and events focused on skills, progression routes, and career development.

As of 2021, Hello Future had engaged with over 15,000 learners and provided support to 31 schools and colleges in Cumbria. The interventions had seen an increase in pupils remaining in education and an increase in pupils applying to higher education. Focusing on upskilling has allowed young people in Cumbria to have access to a wider range of employment opportunities post-graduation, thus helping to prevent them from becoming economically inactive once they leave education.

Learning from elsewhere

The UKSPF fund has also helped support interventions to support economically inactive people in Cumbria, such as Welcome to Work in the Visitor Economy, listed above. In addition, analysis of **UKSPF activity** done by GC Insight in **Greater Manchester** showed that for interventions focused on getting people back into work to be successful, they must implement flexible programme delivery models that can accommodate learners' diverse needs and changing circumstances, such as offering childcare or scheduling training sessions at convenient times, as well as providing clear and comprehensive information to learners and staff about financial entitlements, eligibility criteria, and implications of different education and employment opportunities.

MCR Pathways is a school-based mentoring programme that supports care-experienced young people with a volunteer mentor. Its aim is to improve attainment and engagement in the education of young people who are at increased risk of becoming NEET. A series of Pathways Coordinators work directly with schools across Scotland to identify and support young people, and one school period a week is given over to a meeting with their mentor. MCR Pathways currently delivers the Scottish Government's Mentoring and Leadership Programme to young people, with the leadership strand delivered by Columba 1400 Young People's Leadership Academies.

Principles of Effective Practice

Analysis of past interventions aimed at tackling economic inactivity provide insight into effective practice to guide future activity. These have been considered against consultation findings to identify key themes for consideration to support design and delivery of current and future interventions:



Tailored, Person-Centred Support

Programmes such as Individual Placement and Support (IPS), Restart, and Work Choice demonstrate that personalised interventions – matching support to individual needs and barriers – lead to better employment outcomes, especially for those with health conditions or complex challenges. Providing segmentation of delivery – considering the multiple barriers individuals can face – can enable more effective, person-centred support.



Partnership and Multi Agency Working

Strategic cross-sector partnerships involving government agencies, employers, and support services are critical for tackling complex labour market challenges. This requires multi-agency collaboration and effective information sharing among partners, referral agencies, and support services to enable holistic, wrap-around support. This integrated working across partners, supported by shared resources and systems, help to reduce fragmentation and duplication, providing seamless support for the individual. Training for shared advisors can support effective referral.



Building Trust and Rapport

Strong, trusting relationships between individuals and support staff are critical. Trust enables early identification of barriers and supports sustained engagement. Selecting delivery partners with expertise in engaging hard to reach groups can enhance trust and effectiveness. Leveraging community networks and partnerships is essential for reaching and supporting individuals facing multiple barriers. The VCFSE sector can play an important role in this regard, supporting local outreach and effective referral pathways.



Addressing Health-Related Barriers

Interventions that integrate health and employment support are key to addressing health-related barriers. This requires investment in NHS provision, recruitment of health professionals, and reforms to support people with long term health conditions. Interventions need to provide or facilitate access to appropriate health and wellbeing support before focusing on employer outcomes.



A Broad Support Offer

All successful interventions provide a broad offer including careers education information advice and guidance (CEIAG) services, advocacy, referrals, awareness-raising, training, support tools for employers, work placements for individuals.



Tailored Support for Diverse Groups

Programmes should be designed with the specific needs of target groups in mind. Delivery should be responsive to changing circumstances. For example, specific groups such as NEETs and older workers need support that targets key transition points (e.g. school to work or return from economic inactivity) and provides intensive one-to-one support.



Accommodating Delivery Models

Successful programmes also adapt to beneficiary circumstances. For example, support sessions scheduled alongside childcare services can enable parents to participate without barriers. In Manchester, the Care Leavers Social Impact Bond (SIB) is noted for its flexible, comprehensive support, adapting to changing needs over time.

Collaborative delivery mechanisms developed through local approaches such as place-based partnerships can help reach hard-to-engage groups through hyper-local outreach.

Whilst hybrid and remote delivery can widen reach of a programme, in-person engagement remains crucial for harder-to-reach groups or those with higher support needs.



Building Confidence and Self-Efficacy

Programmes that focus on confidence-building, motivation and self-efficacy, i.e. through careers advice, intervention preparation, and mental health support, can help participants overcome barriers.

Employer Engagement and Support



Engaging employers to understand and respond to the workforce issues they face ensures that support is relevant and timely. This includes raising employer awareness of economic inactivity issues, providing toolkits to support people in the workplace, offering access to affordable workplace support, training managers to support workers in the workplace, provide training on mental health and neurodiversity, or offering guidance on inclusive workplace policies, can help to build capacity and knowledge amongst employers, supporting recruitment efforts and retention in work. The deployment of practical support for workers such as assistive technology or flexible working practices can play a role in meeting the needs of specific groups such those with disabilities and health conditions, older workers or carers. Wage subsidy programmes and employer support programmes can play a role in facilitating employer involvement in supporting individuals into work.



Continuous Improvement and Feedback

Interventions must adapt to changing contexts, be resilient and adaptable, and learn from feedback to support ongoing improvement. Ongoing evaluation and adjustment of delivery models ensures continued relevance and effectiveness.

7 Key Findings and recommendations

This section of the report summarises the key findings and provides recommendations aimed at alleviating economic inactivity, supporting policy development, and informing future interventions.

Key Findings

- The interplay of health, caring responsibilities, age, gender, and socio-economic status creates multi-faceted barriers and a complex landscape of economic inactivity in Cumbria.
- Experiences of economic inactivity are not uniform. Different circumstances and barriers create different experiences for individuals.
- The research has shown that many economically inactive residents would prefer to work if the right support or opportunities were available.
- The net annual financial gain to the Exchequer from reducing economic inactivity in Cumbria is estimated at £535m.
- Those with skill gaps are more likely to be economically inactive or at risk of being economically inactive.
- Employment challenges in Cumbria include an ageing, slow growing and under-represented working age population, and a large economically inactive population.
- Targeted support and interventions designed to help specific groups can help overcome barriers to participation.

Recommendations

These recommendations are structured to address the complex, overlapping barriers faced by different groups and to unlock Cumbria's economic potential.

These recommendations are set within the context of key opportunities emerging in Cumbria. Devolution and the establishment of the Combined Authority in 2026 will enable Cumbria to take on new powers, functions and funding which can improve economic growth, infrastructure, and local development. The key findings from this research have highlighted the multiplicity of different and interlinked barriers to work, reinforcing the role that devolution powers can play in supporting the economically inactive back into work, for example through infrastructure improvements, skills and employment support and economic development and regeneration.

Aligned with this, the new Get Cumbria Working governance structure and Work and Health Board provides an opportunity to develop and embed partnership and place-based approaches. Local interventions such as the £200m Barrow Transformation Fund and associated £5m Work and Health Fund provide opportunities to target and tailor interventions to address specific challenges facing areas where economic inactivity is more prevalent.

Recommendation 1: Targeted, Person-Centred Support

Develop a targeted focus on economically inactive people that can address labour supply challenges by connecting them to opportunities through tailored support and intervention.

- **Tailor interventions** to the specific needs of different groups (e.g. people with health conditions or disabilities, carers, older workers, young people, and other disadvantaged groups) and develop these in a person-centred way, ideally reflecting lived experience.
- **Segment delivery** to address multiple and overlapping barriers, ensuring support is holistic and responsive to individual circumstances.

Recommendation 2: Partnership and Collaboration

Embed the key principles of integrated and collaborative working in strategy development and delivery to support joined up interventions that address the multi-faceted challenges that face people who are economically inactive. This should include lived experience as well as cross-sector and service collaboration.

- **Strengthen cross-sector partnerships** involving government agencies, employers, health services, and support organisations.
- **Promote integrated working** and effective information sharing to reduce fragmentation and duplication, providing seamless support for individuals.
- **Engage lived experience** as a core element of partnerships working, and at an early stage of planning to ensure service provision reflects and is shaped by this.

Recommendation 3: Place-based Approaches

Local approaches to providing support and economic development should consider the importance of inclusive growth to ensure all residents can access opportunities and live healthy, prosperous and fulfilling lives. This should also be reflected in the partnership and collaboration approaches outlined above, and specific local interventions and needs can be informed by working collaboratively.

- **Develop and implement place-based interventions** (e.g., Plan for Barrow, Better Tomorrows Fund) to address local challenges and support those furthest from the labour market.
- **Use Anchor Organisations' social value commitments** to target interventions and support residents and SMEs with targeted funds to help connect people to good quality sustained employment.

Recommendation 4: Building Trust and Rapport

Recognise the key role the VCFSE sector plays as an equal partner in delivering effective services and solutions. Build trust with services, communities and individuals by leveraging community and third sector networks.

- **Prioritise strong, trusting relationships** between communities, service users, and support staff to enable early identification of barriers and encourage and enable sustained engagement.

- **Proactively engage communities** through outreach with a particular focus on engaging traditionally hard-to-reach groups, including those who may be more marginalised and isolated due to circumstances, location, or a combination of both.
- **Develop effective referral pathways** through community networks and the VCFSE sector.

Recommendation 5: Addressing Health-Related Barriers

Reflect approaches to economic inactivity as a result of health-related barriers in health and wellbeing strategies and integrate these with health interventions.

- **Integrate health and employment support**, investing in NHS provision and recruiting health professionals to support people with long-term health conditions to enable them overcome barriers to employment and be active in the labour market. This may involve co-production and co-location of services across health and employment.
- **Facilitate access to appropriate health and wellbeing support** as a precursor to employment outcomes.

Recommendation 6: Broad and Flexible Support Offer

Embed flexibility in strategic design, delivery and approaches. No single approach can address the range of challenges, barriers and circumstances that impact people who are economically inactive across Cumbria. It must be a holistic offer led by the individual, with “no wrong door” to access.

- **Provide a comprehensive offer** including careers education, advice and guidance, advocacy, referrals, training, employer support tools, health and wellbeing, and work placements.
- **Deliver early intervention and responsive supports** that engage people at risk of becoming economically inactive and people who have recently become economically inactive to help them maintain work and quickly return to work; and to support people who have recently joined the workforce and who are moving off benefits.
- **Adapt delivery models** to accommodate beneficiary circumstances (e.g. scheduling support alongside childcare, hybrid/in-person engagement for harder-to-reach groups) and locations. Community hubs and community empowerment approaches present opportunities to ensure everyone who needs support can access it in a way and at a place that is appropriate for them.

Recommendation 7: Employer Engagement and Support

Engage employers to raise awareness of economic inactivity issues and the support available to help them recruit and employ people who have been economically inactive.

- **Address the perceptions** that some employers may have about the costs and challenges of employing people from different groups that are economically inactive.
- **Create and provide employer resources**, including toolkits, training, and guidance on inclusive workplace policies. This should be developed collaboratively, working with a group of employers.
- **Support employers promote flexible and meaningful work** as means to help older workers, carers, and those with health conditions stay in or return to employment.

- **Support employers** with a wage subsidy scheme and employer support programmes to develop the confidence, knowledge and skills that will facilitate recruitment and retention of economically inactive individuals. This could also include support for employers to invest in updating the skills of staff who have been economically inactive.

Recommendation 8: Skills Development and Retention

Develop 'skills for all' strategies to facilitate lifelong learning and pathways to positive destinations, including a responsive skills and employability support system that is aligned to current and future job opportunities.

- **Develop a whole system skills response** for skills planning and resourcing, in order to provide economically inactive residents with the skills that are in demand to support and grow the local economy. The LSIP is key lever to achieve this.
- **Invest in upskilling and reskilling** economically inactive residents, especially in sectors with high demand (advanced manufacturing, clean energy, defence).
- **Support digital and numeracy skills** through targeted programs like Multiply and local skills improvement plans.

Recommendation 9: Continuous Improvement and Feedback

Embed continuous improvement systems and approaches to ensure delivery continues to meet the needs of people who are economically inactive.

- **Adapt interventions** to changing contexts, learning from feedback and ongoing evaluation to ensure continued relevance and effectiveness.

Recommendation 10: Strategic Policy

- **Align recommendations with national and regional policy** (e.g. Get Cumbria Working, Cumbria Economic Strategy, LSIP etc) to coalesce strategic partners around a shared intent.
- **Inform the development of devolved funding** to support tailored, locally led interventions and address specific challenges in Cumbria.

