



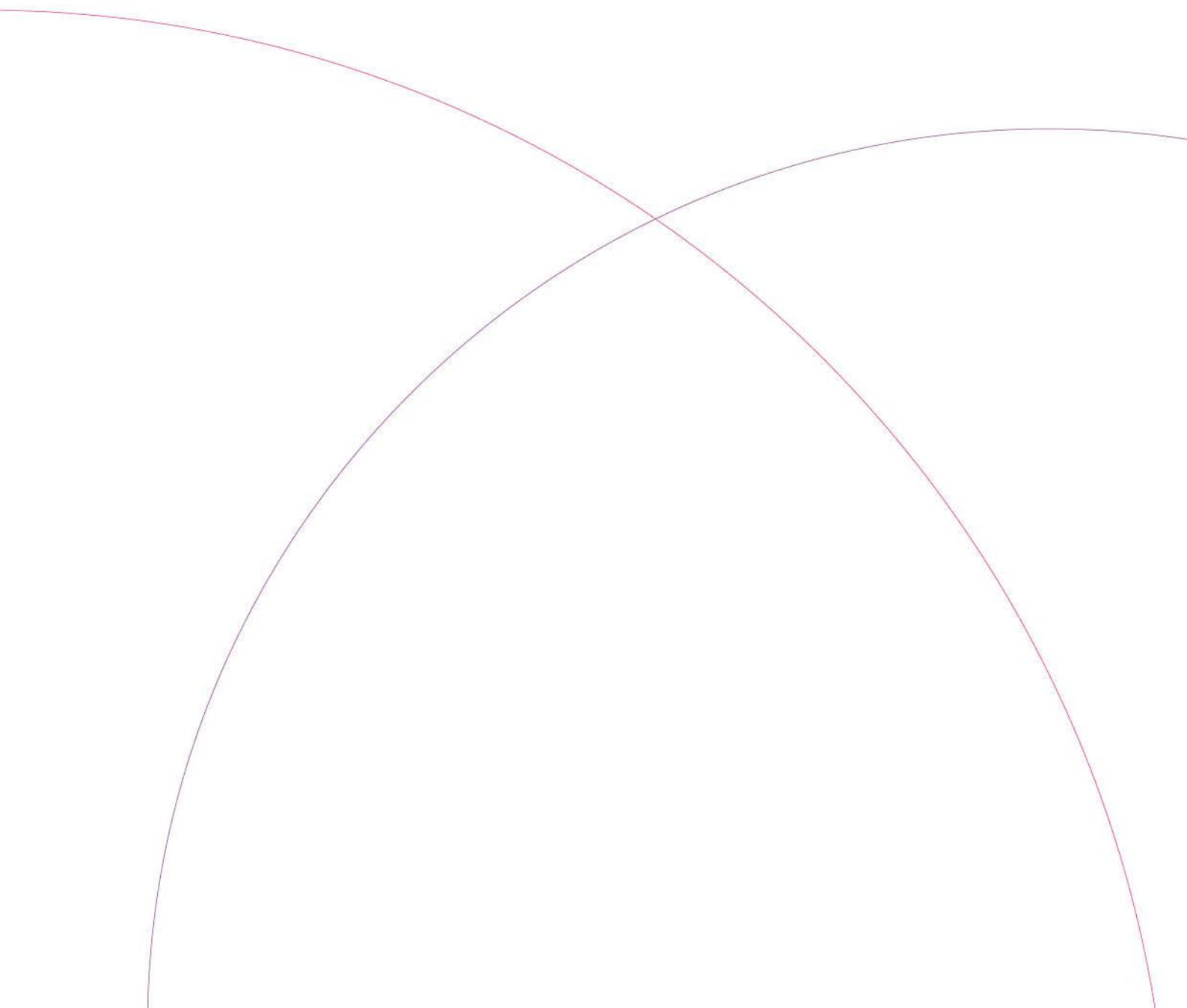
**METRO MAYOR**  
LIVERPOOL CITY REGION

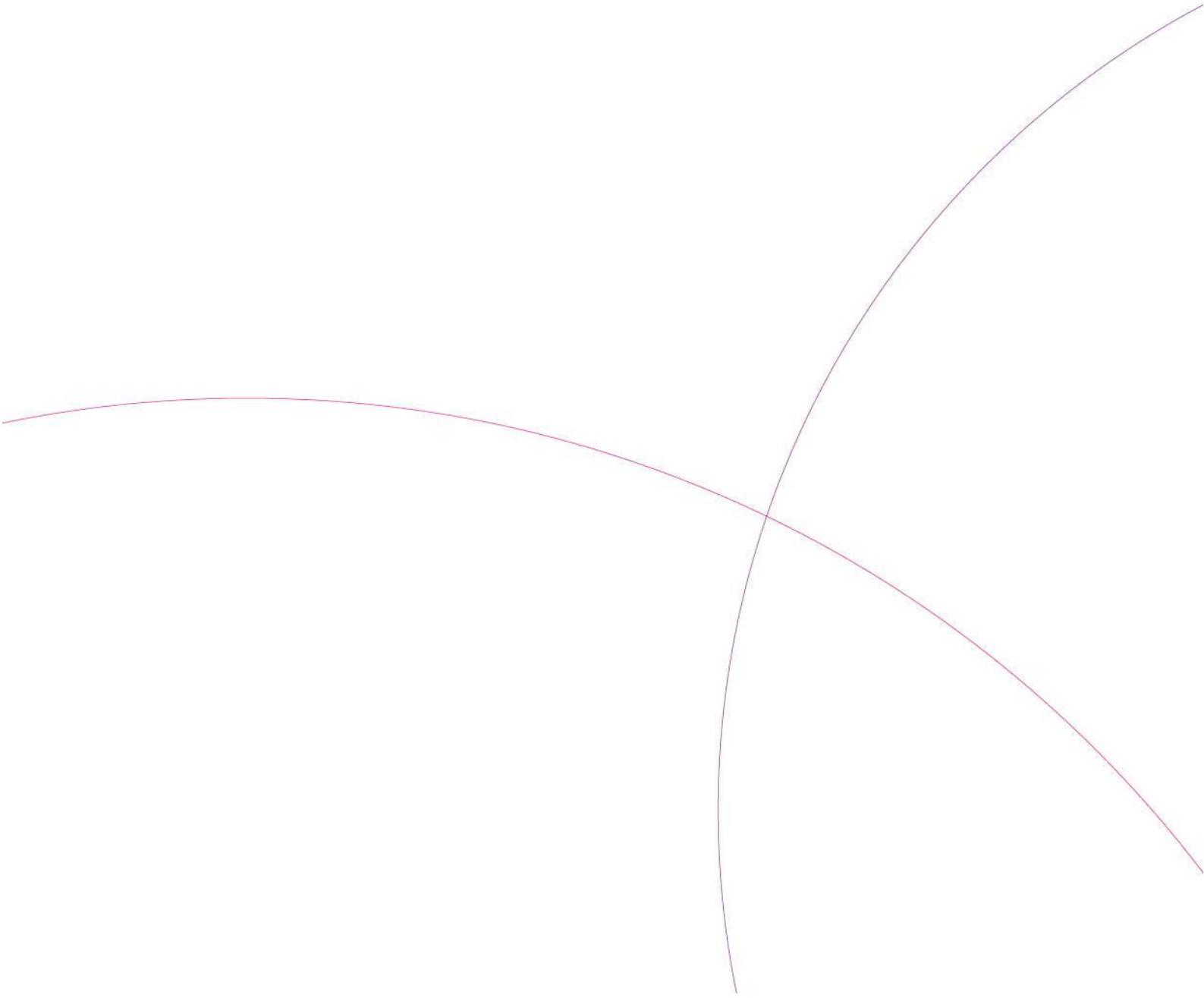
# Get Liverpool City Region Working Plan

September 2025



With thanks to our partners:





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## Foreword from Mayor Rotheram

The Liverpool City Region's greatest strength has always been its people. From our creativity and graft to the resilience and generosity of our communities, there is talent and potential in every town and borough of our area.

But while talent is everywhere, opportunity is not. Too many people are still being held back – not through any fault of their own – but by barriers like poor health, a lack of training, or simply not being given a fair crack of the whip.

I've never believed in writing people off. I know, from my own experience, that with the right support and the right chances, people can achieve incredible things. That's what this 'Get Liverpool City Region Working Plan' is all about: breaking down those barriers and making sure that everyone who wants to work can get the help they need to do it.

By bringing together employment, skills and health support, this plan will help more of our residents into decent, secure jobs – and, just as importantly, make sure that work is a route to a healthier, happier life.

We're building on strong foundations. Our Ways to Work and Households into Work programmes have already helped thousands of people back on their feet. Through the Adult Skills Fund, more than 30,000 residents are gaining new qualifications every year. And our Fair Employment Charter is driving up standards in workplaces across the region.

But we know there's more to do. Too often, support is fragmented, short-term and doesn't reflect the reality of people's lives. This plan changes that – with a joined-up approach that puts our residents at the heart of everything we do.

My ambition is simple: to make the Liverpool City Region the best place to grow up, grow a business and grow a family. That's the prize this plan is aiming for – and it's one I believe our region is more than capable of achieving.



**Steve Rotheram**

Mayor of the Liverpool City Region

## Endorsement from NHS Cheshire and Merseyside

Fair employment and good work are key determinants of health and wellbeing. Being in good quality employment protects physical and mental health, providing not just income but also purpose, social connections, and opportunities for personal development.

This Plan outlines a clear, shared commitment to create an integrated employment, skills and health offer across the Liverpool City Region, ensuring that more people can access meaningful, sustainable employment that supports their health and wellbeing.

Working as part of a whole-system approach, partners across the City Region have come together to turn shared ambition into action. NHS Cheshire and Merseyside is already providing support that complements the Plan's ambitions, funding employment advisors in NHS Talking Therapies and Individual Placement and Support for people with severe mental illness.

But we know we must go further, together, to ensure all residents receive the right support at the right time – reducing barriers to work and improving long-term outcomes.

This Get Liverpool City Region Working Plan strongly supports and aligns with NHS Cheshire and Merseyside's 'All Together in Health and Work' strategy and the Marmot indicator on employment, by focusing on good work as a key lever to tackle health inequalities. Both plans share a common aim: to act upstream on the drivers of poor health through co-ordinated action on employment, skills and the wider determinants that shape life chances.

The Plan is the product of strong, practical partnership working across the Liverpool City Region; a collaborative approach that reflects how ambitious, sustainable change is achieved in practice - by designing shared goals, pooling expertise, and creating pathways that link health and employment systems in everyday delivery.

I look forward to working closely with partners across the City Region to operationalise the priority actions in the Plan and support more people to move into and thrive in good work.

### **Professor Ian Ashworth**

Director of Population Health,  
NHS Cheshire and Merseyside

## Endorsement from Department for Work and Pensions

The Department for Work and Pensions welcomes and endorses the Get Liverpool City Region Working Plan and its locally driven approach to reducing economic inactivity and improving outcomes for residents across the Liverpool City Region.

This plan represents a practical, partnership-led blueprint to support people across Liverpool City Region into sustained, meaningful work and to ensure local employers can access the skills and talent they need.

Collaboration is at the heart of this plan, shaping an approach that is locally rooted, evidence-informed, and responsive to the specific strengths and barriers found across the Liverpool City Region. It builds on strong foundations, with programmes such as the Department for Work and Pensions' Restart Scheme providing tailored support and coaching to long-term unemployed residents, alongside NHS-funded employment advisors in Talking Therapies.

But we know we must go further to overcome significant challenges.

Together, we will build a more integrated and responsive system - Jobcentre Plus plays a vital role in that ambition, working as part of a whole-system approach to support more people into good quality work, and improved routes to training and progression.

DWP's commitment is to make our services accessible, flexible, and person-centred. We will combine our national programmes and resources with local expertise to tailor support for people facing the greatest barriers to work, including those with health conditions, caring responsibilities, or gaps in skills and experience. We will work closely with employers to design pathways that meet local labour market demand, supporting recruitment, retention, and workforce development.

The Department for Work and Pensions is proud to be a co-developer and co-deliverer of the Get Liverpool City Region Working Plan. I look forward to seeing the plan translated into tangible outcomes.

**Peter Jamieson**

Director, North West Group,  
Department for Work and Pensions

## Executive Summary

The Liverpool City Region (LCR) is committed to supporting the national ambition of achieving an 80% employment rate by 2035.

This challenge demands a coordinated whole system response including the Liverpool City Region Combined Authority (LCRCA), Local Authorities, the Department for Work and Pensions (DWP), the NHS, education and training providers, the Voluntary, Community Faith and Social Enterprise sector (VCFSE), employers and individuals with lived experience.

The Get Liverpool City Working Plan (GLCRWP) serves as a high-level strategic framework that draws on evidence and partnership engagement. It builds on existing strengths that have been established within LCR's employment and skills eco-system anchored over a number of years by programmes such as Ways to Work and Households into Work while recognising the urgent need to address deep rooted spatial inequalities, overlapping deprivation and persistent barriers to employment.

### Labour market: Key challenges.

- **Employment rate:** At 71%, the LCR employment rate lags significantly behind the national average and the Get Britain Working Plan aspiration. Economic inactivity stands at 25%, well above the UK average, driven by a range of factors including long-term sickness, skills gaps, caring responsibilities and spatial disadvantage.
- **Disproportionate impact:** Women, young people, ethnic minorities, disabled residents and those without qualifications are more likely to experience worklessness and insecure employment. Childcare barriers and health related inactivity are particularly acute, with high levels of benefits dependency and persistent income deprivation in many parts of the City Region.
- **Systemic inequalities:** All local districts face elevated deprivation, low pay and uneven job density. Lower self-employment rates and business density, slower job growth and sectoral skills shortages intensify these issues.

### Collaboration and system change.

The GLCRWP is grounded in partnership aligning with overarching local strategies including the Plan for Prosperity and the Liverpool City Region Growth Plan 2025-2035. It emphasises the integration of health, employment and skills systems taking inspiration from All Together Fairer and All Together in Health and Work, which focus on reducing inequalities through prevention, integrated services and targeted employment support interventions for disadvantaged groups.

The plan advocates for sustained multi-agency action through a Collaboration Agreement enabling information sharing, policy innovation and the testing of coordinated service delivery. Key future actions include targeted skills provision, improved data sharing via the LCR Office for Public Service Innovation (OPSI) and leveraging devolution opportunities to drive inclusive growth.

## Immediate priorities and action strands.

Four strands underpin the GLCRWP's approach:

- **System change:** Developing integrated governance and partnership arrangements, commissioning a review of employment support and testing community facing hub models.
- **Work:** Promoting workplace health and wellbeing, incentivising inclusive employer practices and supporting groups with structural barriers to work. Promoting “fair employment” and supporting local economic development in ways that advance social value and opportunities for all.
- **Skills:** Refreshing the Local Skills Improvement Plan, deepening the local talent pool and launching flexible local programmes to boost skills among economically inactive residents, influenced by best practice models of delivery.
- **Health:** Embedding the “Health in All Policies” duty, whilst expanding health and growth accelerators, further testing of prevention demonstrator projects and developing innovative mental health support in collaboration with partners.

## Building for the future.

With the scheduled conclusion of the UK Shared Prosperity Fund (UKSPF) in March 2026, the plan stresses the need for replacement funding and additional resources, system simplification and stable long-term investment to support inclusive employment.

This plan is the starting point for a strengthened, coherent approach; it will be iteratively updated, guided by a Partnership Board, with input from others including the LCRCA Equality Panels, to ensure delivery remains responsive to local spatial need and grounded in lived experience.

Political oversight of the plan will be undertaken through the existing Education, Employment and Skills Cabinet Board. In addition, LCRCA will draw on existing governance and assurance processes including the Overview and Scrutiny Committee.

## Chapter 1: Overview

The Liverpool City Region (LCR) is committed to supporting the government's ambition of an 80% employment rate by 2035. Currently, the Liverpool City Region's employment rate is 70.9%, therefore achieving this stretching target requires supporting an additional 90,000 working age people into work over the next 10 years. This will only be possible through enhanced partnership working locally and stronger engagement with central government – developing a shared understanding of our local priorities and challenges which in turn drive collective action.

This Get Liverpool City Region Working Plan (GLCRWP) provides a high-level, strategic overview of the local labour market challenges, alongside a summary of the existing interventions in place to tackle them. The Plan builds upon our City Region's existing plans, strategies, assets, and good practice to place additional and urgent emphasis on increasing the volume of our residents who can take advantage of the opportunities our local economy affords.

Our GLCRWP takes a whole-system approach and has been co-developed with stakeholders recognising and valuing their experience, contribution, and input. The Plan brings together a range of partners - the Liverpool City Region Combined Authority, Local Authorities, NHS Cheshire and Merseyside Integrated Care Board, Department for Work and Pensions, employers and business representatives, skills and training providers, the VCFSE sector and anchor institutions - on a shared mission to support our residents into good quality work, reduce barriers to employment and strengthen the local system, making it work better together.

The Plan sets out the immediate priority actions that we will take over the next 12-24 months, which will act as a catalyst to enhanced partnership working and further long-term systemic change. The GLCRWP will evolve over time through an iterative process and will be underpinned by the development of a Collaboration Agreement between LCRCA including our constituent authorities, DWP and the NHS to work collectively to prevent and address the multi-dimensional issues leading to worklessness and economic inactivity, demonstrating a shared intent for this to be the start of a more targeted and longer-term approach.

The City Region has a well-developed employment and skills eco-system including the delivery of locally focussed employment support through the established Ways to Work programme delivered through local authorities and targeted community-based support funded through Households into Work, alongside a range of other initiatives delivered by the local VCFSE sector.

However, the City Region faces persistent challenges regarding unemployment and economic inactivity, driven by deep rooted spatial inequalities and overlapping deprivation in many neighbourhoods, highlighting the need for sustained and highly targeted / concentrated interventions to support a cohort of individuals facing significant challenges into the workforce.

The challenge of moving towards an 80% employment rate across the Liverpool City Region is a significant ask given our baseline, current skill levels, employment and

economic inactivity rates and our current economy, it can only be delivered in partnership and through the additional national focus placed upon these issues by the national Get Britain Working Plan.

With the UK Shared Prosperity Fund (UKSPF) scheduled to conclude in its current form at the end of March 2026 there is considerable uncertainty within the City Region regarding funding for local employment support services, outside of mainstream DWP support and the new Connect to Work programme.

It must be stressed that additional resources will be required to address our significant spatial issues, and we will, as a City Region, continue to press government regarding replacement funding for UKSPF alongside access to and inclusion in associated national initiatives and programmes such as:

- Economic Inactivity Trailblazers.
- Health and Growth Accelerators.
- Jobs and Careers Pathfinders.

The advent of the English Devolution and Community Empowerment Bill and the confirmation of LCRCA as an Established Mayoral Strategic Authority provides an opportunity for the LCR to drive forward the integration of the work, skills and health agenda through enhanced partnership working, increased collaboration and improved data sharing to maximise the opportunities afforded through greater devolution.

There is an overarching need for system change, alongside simplification, stability and the strengthening of operational partnerships to address the key challenges and barriers identified:

- Improving the availability of accessible, relevant and long-term funded education, skills and employment support services targeted at communities and individuals with the greatest needs.
- Enhancing health prevention interventions, in particular mental health and wellbeing support.
- Raising awareness, availability and access to good employment opportunities for residents and employers.

## Chapter 2: Introduction

The Get Britain Working White Paper (November 2024) outlines the government's approach to reforming employment, health and skills support to tackle economic inactivity and support people into good work. It seeks to address significant challenges in the UK labour market, including:

- High levels of economic inactivity, with over 2.8 million people out of work due to long-term sickness or a disability and nearly 1 million young people not in employment, education or training (NEET).
- Employment rates in the UK have not returned to pre-pandemic levels, and the country lags other G7 nations in this regard.
- Millions of people are in low-paid, insecure jobs, while many employers report unfilled vacancies and skills shortages.

The White Paper is seen as essential for economic growth, reducing benefit expenditure, improving public finances, raising living standards, and offering everyone the opportunity to participate in and benefit from work. The White Paper aims to raise the national employment rate to 80%, which would mean over two million more people in work bringing social, economic, and fiscal benefits.

The Government challenged local areas to publish their own strategies, and this GLCRWP is our local response; convened by the LCRCA, this plan has been developed through the work of a task and finish group featuring a wide range of stakeholders and partner organisations.

### Existing plans and strategies

This GLCRWP has been developed within the context of a wide range of existing interconnected plans and strategies published by both LCRCA and other local partners including the Cheshire and Merseyside Health and Care Partnership. Care has been taken to ensure alignment and complementarity across LCRCA and partner plans, recognising their importance in guiding respective and collective action.

**The Plan for Prosperity** remains the overarching, first principles strategy. In the “No-one Left Behind” thread of the plan it is recognised that the strategy for “Levelling Up People” fails if significant numbers of residents cannot participate in an improved economy.

The **Liverpool City Region Growth Plan 2025-2035** provides a bold, ambitious roadmap to unlock the City Region's potential, drive up productivity, and build an economy that works for everyone. As part of the Growth Plan's development, designated high level Shared Priority Challenges were agreed with HMG in several areas including:

- **Employment, skills and health** where we will work together in developing a fully integrated approach which works for our residents, supports inclusive growth and increases productivity.

The Growth Plan highlights a number “people” focused outcomes, including:

- Attraction, development and retention of talent.
- Enhanced performance across the skills spectrum.
- Increased labour market participation.
- Improving health equity and wellbeing.

The **LCR Long Term Skills Plan** sets out the strategic vision for transforming and better integrating post-16 employment and skills provision across the region. Developed collaboratively by the Combined Authority alongside local authorities and stakeholders, the plan responds to persistent skills issues.

The City Region’s Chambers of Commerce (co-ordinated by Liverpool Chamber of Commerce) are working together to give businesses across the region a voice and strengthen the relationship between employers and training providers through the **Local Skills Improvement Plan (LSIP)**. The plan identifies and aims to address the skills need of the City Region, bridging the gap between employers, education providers and key stakeholders by driving collaboration to prioritise and implement actionable strategies tailored to local skills demands.

LCRCA’s Corporate Plan 2024-2028, **Innovating for Growth**, reiterates the commitment to address long-term structural challenges and inequalities that impact too many of our residents and communities. Talent is widespread, but opportunity is not yet available to all, and too many people have horizons that are affected by inequalities linked to the postcode in which they live.

The **LCR Social Value Policy and Framework** highlights the importance of “continued delivery of effective services that support the most vulnerable and disadvantaged residents across the Liverpool City Region: and ensuring that services are designed to consider and support those residents located in the most disadvantaged areas (based on Indices of Deprivation) who may need tailored support to overcome barriers to social, digital and economic inclusion”.

### **Statutory health improvement and health inequalities duty**

The English Devolution and Community Empowerment Bill includes a provision for a new statutory health improvement and health inequalities duty to be conferred on Mayoral Strategic Authorities in England. This new duty will require Strategic Authorities to have regard to improving population health and reducing health inequalities when exercising any of their functions.

Specifically, they must consider how their policies and actions impact the health of people in their area and work to minimise negative health effects and reduce inequalities. Health inequalities are broadly defined, covering differences in life expectancy and general health that result from factors such as housing, employment, transport, access to services, and personal behaviours.

This responsibility applies across all strategic authority functions, not just in traditional health or care roles, promoting a “health in all policies” approach. The duty is intended to formalise and strengthen the leadership role of mayors and Strategic Authorities in improving health outcomes, shifting focus towards prevention and health equity.

In practice, this means Strategic Authorities must actively design their work, investments, and partnerships to support healthier, fairer communities and report on their impact. As an Established Mayoral Strategic Authority there is huge potential for going further with broader and deeper powers to allow the City Region to maximise its opportunities.

With the right powers and investment, the City Region can become one of the most dynamic, forward-looking economies in the country, over the next decade adding billions to economic output, creating tens of thousands of new jobs and closing long-standing productivity gaps by scaling and promoting our strengths and investing in our people.

This isn't something any one organisation can deliver on its own, and we need to continue to collaborate and follow a shared mission forged in genuine partnership.

### **All Together Fairer**

“All Together Fairer” the Cheshire and Merseyside’s Health and Care Partnership (HCP) Plan was published in 2024 and focusses on four core strategic objectives:

1. Tackling health inequalities in outcomes, experiences and access. (Eight Marmot principles).
2. Improving outcomes in population health and healthcare.
3. Enhancing productivity and value for money.
4. Helping to support broader social and economic development.

The strategy emphasises working together to shift investment towards prevention and equity, tackle poverty, ensure fair employment, and embed health equity into services and policies.

The eight Marmot principles include:

- Giving every child the best start in life.
- Enabling all children, young people, and adults to maximise their capabilities and have control over their lives.
- Creating fair employment and good work for all.
- Ensuring a healthy standard of living for all.
- Creating and developing healthy and sustainable places and communities.
- Strengthening the role and impact of ill health prevention.
- Tackling racism, discrimination, and their outcomes.

- Pursuing environmental sustainability and health equity together.

Population health emphasises the many factors that influence health outcomes, including social, economic, environmental, and behavioural factors not just health care or biological aspects. The goal is to improve health for entire populations and to reduce health inequalities by addressing these wider determinants through partnerships, data-driven interventions, and policy change.

In practice, population health strategies seek to:

- Improve overall health outcomes for defined groups (e.g., by age, location, or risk factor)
- Identify and reduce health disparities and inequalities between groups
- Address the root social, economic, and environmental causes of poor health
- Engage various sectors (health, local government, industry, community organizations) to improve conditions that impact health.

This approach is central to current NHS and public health initiatives, helping to guide decisions that promote fairer, healthier communities.

### **All Together in Health and Work**

The 'All Together in Health and Work' strategy, published in September 2025 by the Cheshire and Merseyside Health and Care Partnership, aims to initiate and support service integration on work and health to increase workforce participation for disabled people and those with health conditions who face health and social barriers to work, adopting the following principles:

- Prevention focused – early intervention to reduce health-related job loss and job-related health conditions.
- Equity in access and outcomes – target support to the groups that are in most need of support.
- Integration – deliver seamless, person centred services across sectors.

The strategy is underpinned by four key pillars:

- **Preparation** to support people with the holistic health, wellbeing and skills support to enter employment.
- **Prevention** to ensure those in employment can sustain employment.
- **Early intervention** to ensure those who are signed off on temporary sickness absence can re-integrate into the workforce effectively.
- **Longer term change** to support those unemployed and economically inactive due to health barriers to live independent and fulfilled lives.

The strategy highlights that whilst there is a broad range of services available some cohorts are still too often falling through gaps in employment and skills provision.

- Children and young people with mental health conditions.
- Carers who are economically inactive.
- Young people with experience of the care system.
- People with experience of the criminal justice system.
- Refugees and asylum seekers.
- Over 50's with skills gaps.
- Adults experiencing social isolation.
- Women facing barriers to employment.

## Chapter 3: Labour market analysis.

This GLCRWP has been informed by an extensive evidence base produced by the LCRCA Evidence, Research and Intelligence team.

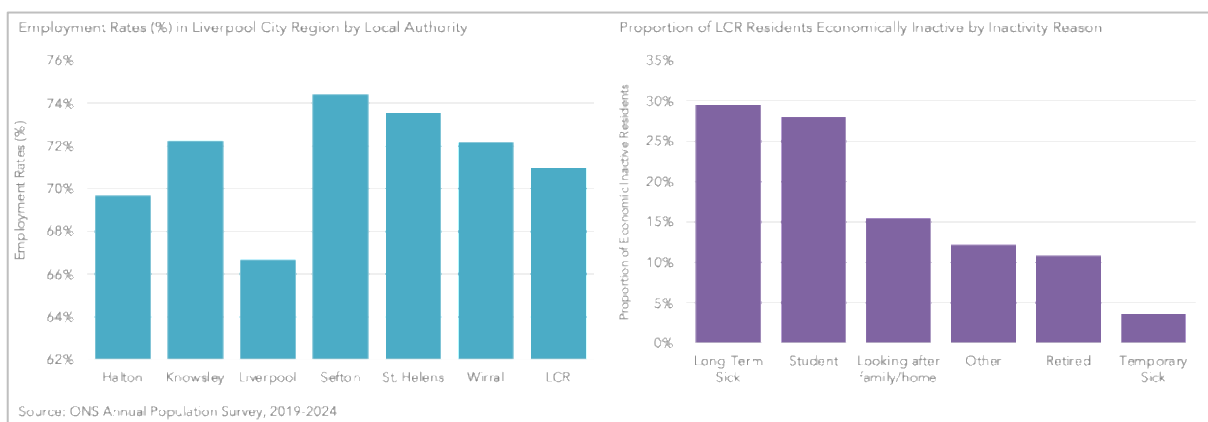
### Overview

The Liverpool City Region labour market is characterised by strong recent growth in jobs, improving skills levels and dynamic key sectors, but faces significant challenges including persistently high economic inactivity, health related barriers to work, and a lower employment rate than regional and national averages.

Addressing these challenges, particularly health, skills and economic inactivity can unlock substantial local economic growth and help LCR close output gaps with the rest of the UK.

The LCR has a 71% employment rate, compared to the national average of 76% and the government aspiration of 80%. To achieve this 80% target, we will need an additional 90,000 residents to move into employment. This equates to 9.4% of the current working age population in comparison to national rates requiring 4.4% of working age residents to move into work to reach aspirations.

### **Figure 1: To reach the employment rate target for Get Britain Working, the City Region has significantly further to go than nationally.**



Economic inactivity presents an ongoing and complex challenge for the Liverpool City Region (LCR), which comprises the six local authorities of Halton, Knowsley, Liverpool, Sefton, St Helens and the Wirral.

Despite recent improvements, the region continues to exhibit higher rates of economic inactivity (25%) compared to both national (21%) and regional averages (23%). High inactivity rates depress regional economic output and reduce the tax base, increasing pressure on public services. There is a strong correlation between economic inactivity and broader social issues such as health inequalities, intergenerational disadvantage and reduced social mobility.

All six districts have lower than average employment rates and higher rates of economic inactivity, with long term sickness (30%), studying (28%) and looking after family / home (16%) the biggest recorded contributing factors to this inactivity.

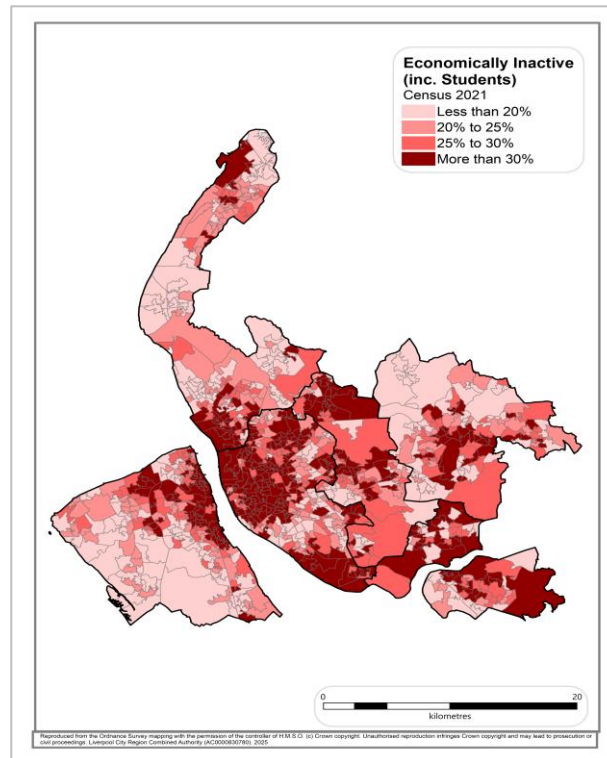
Disproportionately affected groups in LCR include women, young people, ethnic minorities, and disabled residents, compounding the regions inclusive growth challenges.

### **Key Issues.**

The causes of inactivity and its causes are many and complex, encompassing a wide range of socio-economic factors.

- **Economic Inactivity and Low Employment Rate:** LCR has one of the highest inactivity rates (24%) and lowest employment rates (71%) in the UK, with progress in reverse since the pandemic.
- **Health Related Barriers:** Poor health and high prevalence of health deprivation in many neighbourhoods contribute to large numbers of workless households and health related inactivity.
- **Skills Gaps:** Despite improvements, educational attainment and formal qualifications remain below regional and national levels, with a higher proportion of residents lacking any qualifications and fewer holding higher-level qualifications.
- **Spatial and Social Inequalities:** Deep-rooted deprivation is widespread and persists in many areas across the City Region, leading to concentrated disadvantages and high claimant rates for out of work benefits. All six boroughs across the City Region are affected by elevated deprivation compared to wider national trends, with Knowsley and Liverpool consistently rated within the top three most deprived local authorities nationally.
- The legacy of the **COVID-19 pandemic** has deepened structural inequalities across the LCR particularly for those already furthest from the labour market.
- Unemployment rates across the six boroughs remain consistently above the UK average, highlighting pronounced spatial labour market inequalities and specific hotspot areas. As of September 2025, the LCR model-based unemployment rate is 5.3%, notably higher than the latest UK average of 4.7%. Liverpool itself registers the highest local unemployment at 7.0% with marked increases year-on-year and persistent concentrations in deprived central wards and north of the city districts.
- LCR is categorised by stark employment disparities, with some neighbourhoods recording some of the highest employment rates in the North West, whilst others experience severe and persistent unemployment and economic inactivity.

**Figure 2: Economic inactivity across the LCR is widespread and significantly above national average.**



This fragmented landscape means that large pockets of disadvantage and worklessness exist alongside areas with strong labour market performance and relative economic prosperity, making the overall employment profile highly disparate and uneven across the City Region.

Addressing this challenge is a central aim of this GLCRWP, alongside the need to tackle localised barriers ensuring inclusivity.

### **Contributing factors.**

Opportunities to participate in the labour market, alongside worklessness and economic inactivity are influenced by a wide range of individual, familial, social, demographic and economic factors including but not limited to:

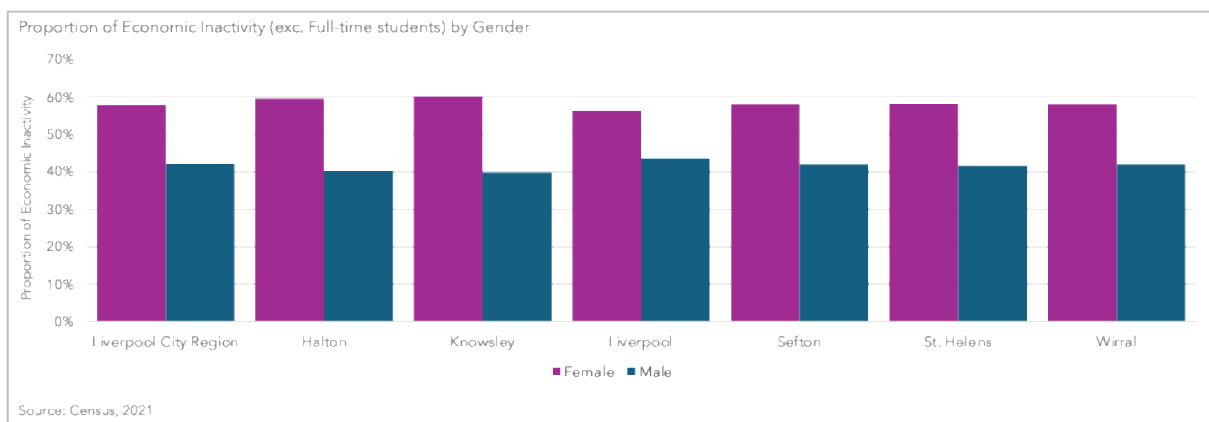
- Gender.
- Sex.
- Age.
- Ethnicity.
- Education / qualifications / skills.
- Health and wellbeing.
- Disability.

- Deprivation / place.
- Background and life experiences. (Including those with experience of the care or criminal justice systems).

### Higher levels of female economic inactivity

Across all local authorities in the City Region, economic inactivity is higher for working age females (excluding full-time students) than for the same population of males. Knowsley (60.1%) has the highest proportion of female economic inactivity in the City Region, over 13,000 female residents in Knowsley are economically inactive accounting for 13.3% of the working age population, opposed to 8.8% for males.

**Figure 3: There is a slightly higher proportion of females in Liverpool City Region, and a higher rate of female economic inactivity.**



Women are 1.8 times more likely than men to be in severely insecure work, this includes temporary, part-time, low-paid and contractually uncertain jobs, leading to underemployment or fluctuating status between employment and inactivity.

The COVID-19 pandemic worsened labour market outcomes for women, reversing progress in employment rate parity and increasing the prevalence of inactivity linked to caring roles, health, or mental health challenges.

Difficulties with childcare are a major driver of economic inactivity, with women disproportionately affected due to caring roles. Nationally, 1.5 million mothers would work more hours if better childcare were available, this is especially acute in LCR due to high levels of deprivation and limited childcare infrastructure in some geographic areas. Childcare barriers exacerbate existing inequalities, locking families in cycles of poverty and reducing the pool of available labour, impacting employers, productivity and local economic prosperity.

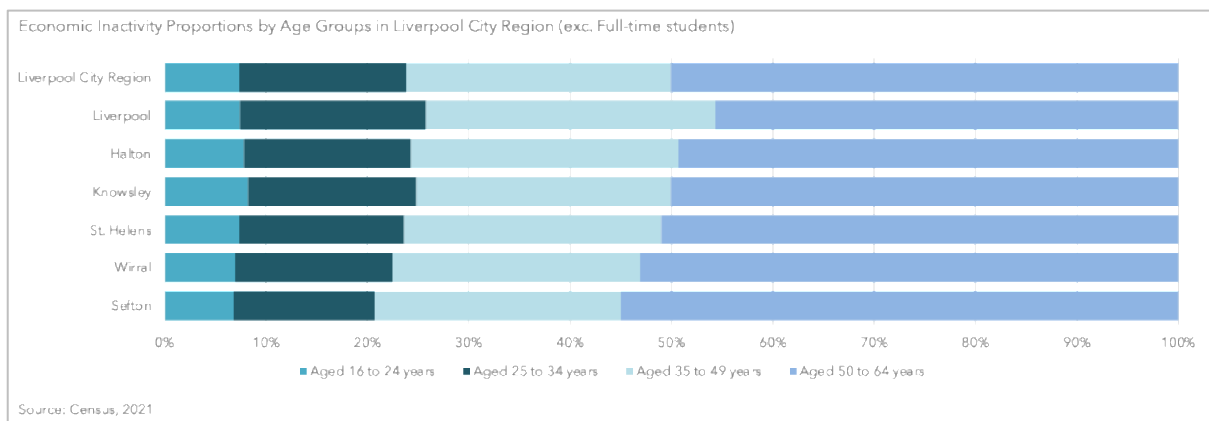
### 50-64-year-olds are most likely to be economically inactivity

In LCR there are nearly 980,000 residents who are “working age”, aged 16-64 years old, accounting for 76.7% of the population (aged 16 and over). Within the working

age population in the City Region, 50-64 is the largest age group accounting for 32.2%, a pattern that can also be observed across the local authorities.

For the working age population in the City Region (excluding Full-time students), over 202,000 residents are economically inactive, the age group with the highest proportion of economic inactivity in the City Region is 50–64-year-olds. Inactivity within this age group is due to long-term sickness, caring responsibilities and early retirement. This pattern is observed across all local authorities; however, Sefton has the highest proportion of economic inactivity for 50–64-year-olds (54.9%), accounting for over half of economic inactivity within the local working age population.

**Figure 4: Those aged 50-to-64-years-old are the working-age band most likely to be economically inactive in Liverpool City Region.**

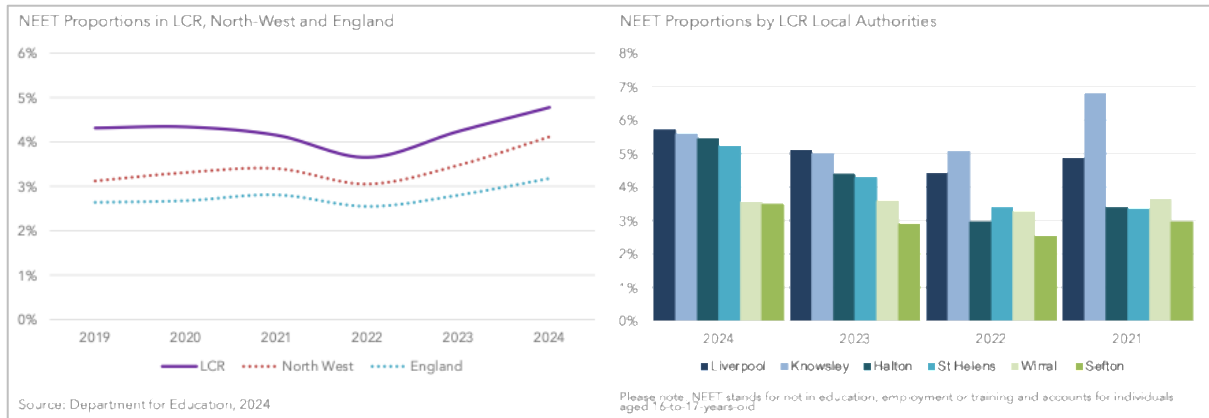


### Young people are more likely to be NEET

The level of youth economic inactivity is increasing across LCR, as illustrated by above average levels of young people Not in Education, Employment or Training (NEET). Since 2022 proportions of NEET in LCR have increased (+1.13 percentage points) and at 4.79% are significantly higher than regional (4.12%) and national rates (3.19%).

Liverpool has the highest proportion of NEET of the six local authorities in LCR at 5.72%, whilst Sefton at 3.50% has the lowest rate, which however is still above the national average.

**Figure 5: Youth economic inactivity is increasing in LCR as illustrated by above average NEET rates in the City Region.**



## Black, Asian Minority Ethnic residents more likely to be economically inactive

Liverpool City Region is less ethnically diverse than regional and national levels, however over the last 10 years the city region has become more diverse at a faster rate than the national average.

Across LCR 1.4 million residents (84%) identify as white (2021) compared to 95% in 2011. With 124,000 residents identifying as Black, Asian and Minority Ethnic (16%), there has been an 154% increase in the population identifying as Black between 2011 and 2021.

**The LCRCA – Race Equality Declaration of Intent** highlights that the City Region’s population is increasingly diverse and multicultural, yet institutional racism is affecting the outcomes for Black, Asian and Minority Ethnic residents. Amongst other indicators, Black, Asian and Minority Ethnic residents are

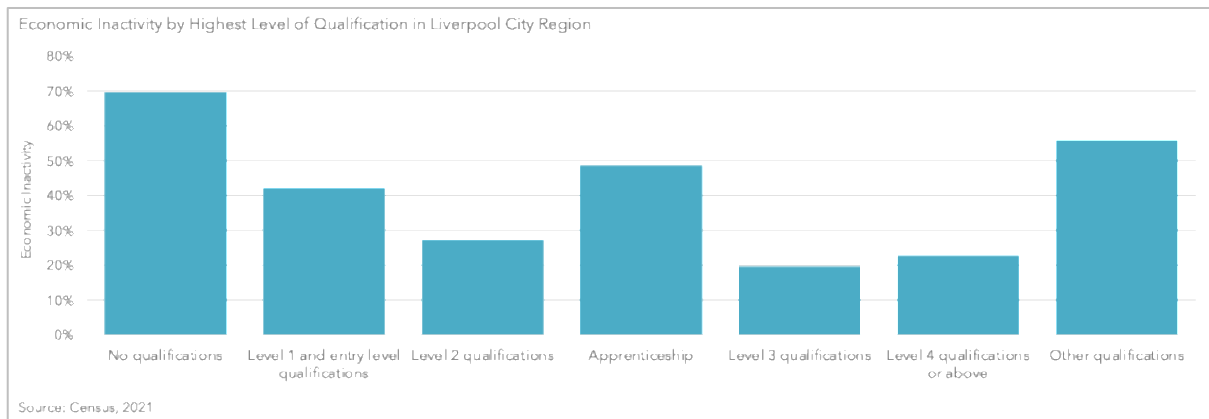
- Facing higher employment gaps.
- More likely to be economically inactive.
- Paid less on average than white residents.
- 1.3 times more likely to experience severely insecure work compared to white workers locally.
- More likely to live in poverty.
- Less likely to own their own home.

Analysis shows that women, disabled people and younger workers from ethnic minority backgrounds are more likely to experience insecure work and periods of economic inactivity.

## High levels of inactivity amongst those with “no qualifications”.

In LCR 21.1% of residents have “no qualifications” of which 69.7% are economically inactive (excluding full-time students) compared to only 22.9% of economic inactivity amongst those whose highest level of qualification is “Level 4 or above”. Across LCR the group with lowest level of inactivity are those with qualifications at Level 3.

**Figure 6: Liverpool City Region residents with no qualifications are more likely to be economically inactive.**

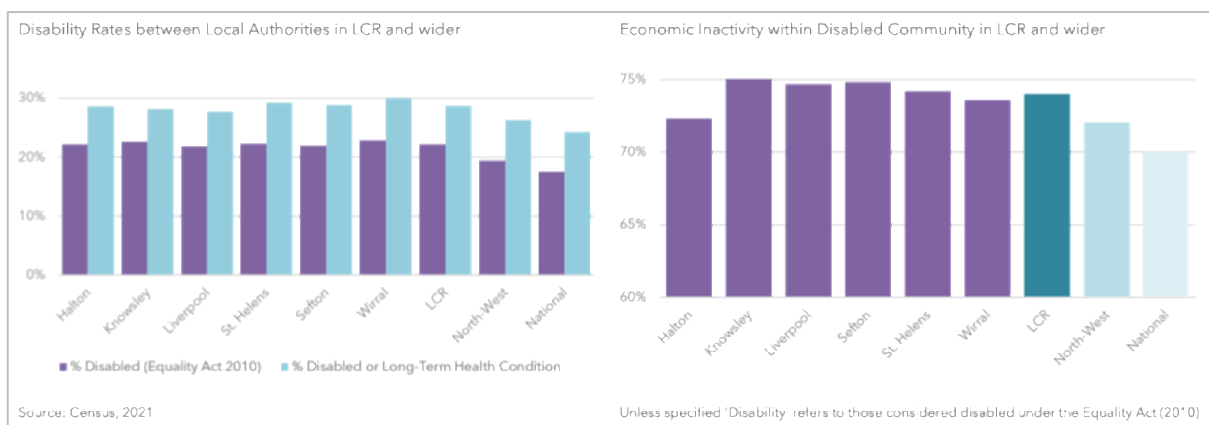


**The City Region has a high proportion of residents with a disability.**

The LCR has a higher proportion of residents with a disability, 22.2% of LCR residents are considered disabled under the Equality Act (2010) compared to 19.4% regionally and 17.5% nationally.

A greater proportion of residents with a disability in LCR report that their disability is limiting day to day activities. Within LCR those with disabilities face above average rates of economic inactivity (74% compared to 72% regionally and 70% nationally).

**Figure 7: Above average rates of disability limiting residents with day-to-day activities contributes to increased economic inactivity in LCR**



**Many neighbourhoods face significant levels of deprivation**

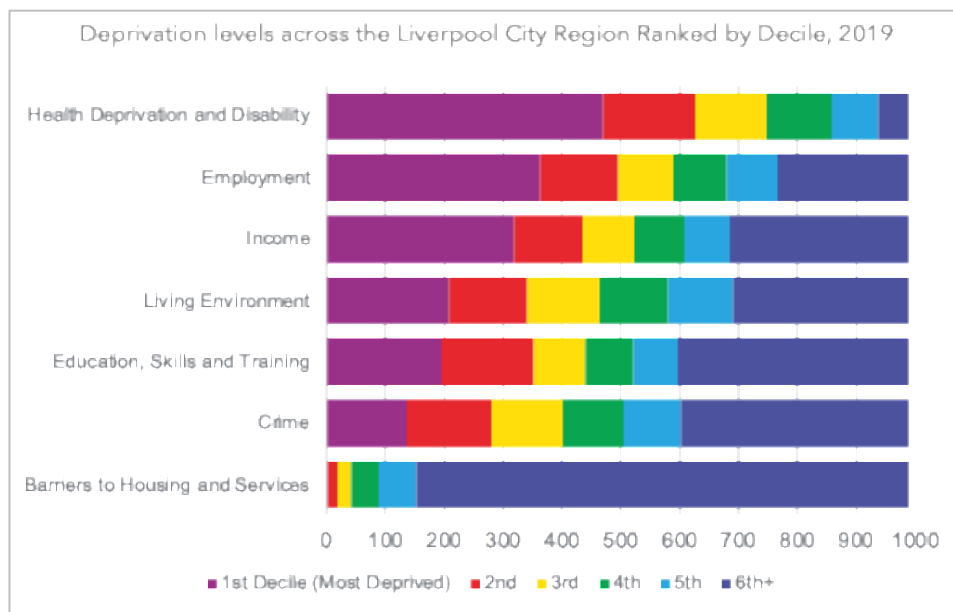
There are pronounced economic differences across the LCR, with each local authority area displaying unique strengths and persistent challenges. The economy is both diverse and uneven, containing pockets of wealth and high productivity alongside areas facing deep deprivation.

Many neighbourhoods across the LCR are characterised by significant levels of multiple deprivation with one third of all lower super output areas in the most deprived decile in the UK.

The City Region has a greater prevalence of deprivation than the national average across a wide range of domains, which act to reduce opportunities for LCR residents to fulfil their potential and present barriers which others outside of the region may not face.

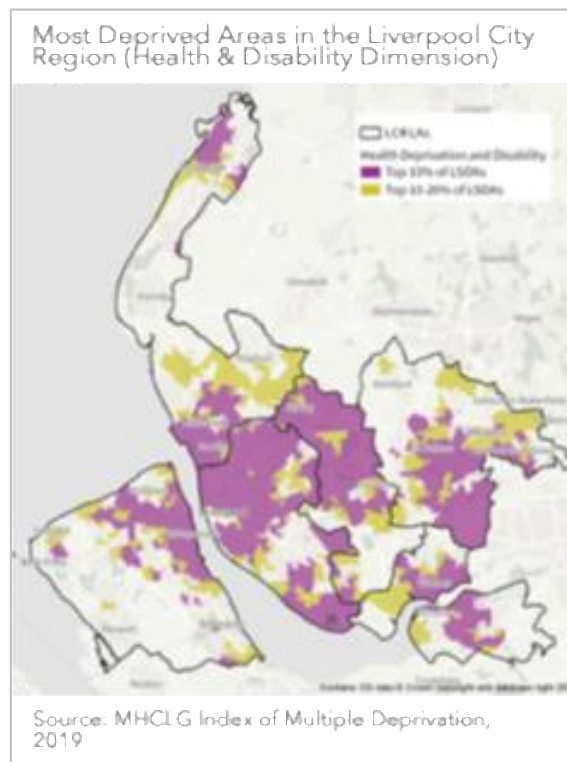
It should be recognised that COVID-19 has intensified pre-existing economic challenges the City Region saw a larger increase in Universal Credit claims. Local authorities faced increased service demands and additional financial pressures exacerbating the existing socioeconomic disadvantages of the area with recovery from these challenges notably slower than in less deprived areas.

**Figure 8: Liverpool City Region has a greater prevalence of deprivation across most domains than the national average.**



There are particularly high levels of deprivation in terms of health / disability and employment and income deprivation which underpin the overall index of multiple deprivation scores. The local authorities of Knowsley and Liverpool have particularly high rates of deprivation across many of the domains.

**Figure 9: Health Deprivation is particularly widespread across the City Region.**

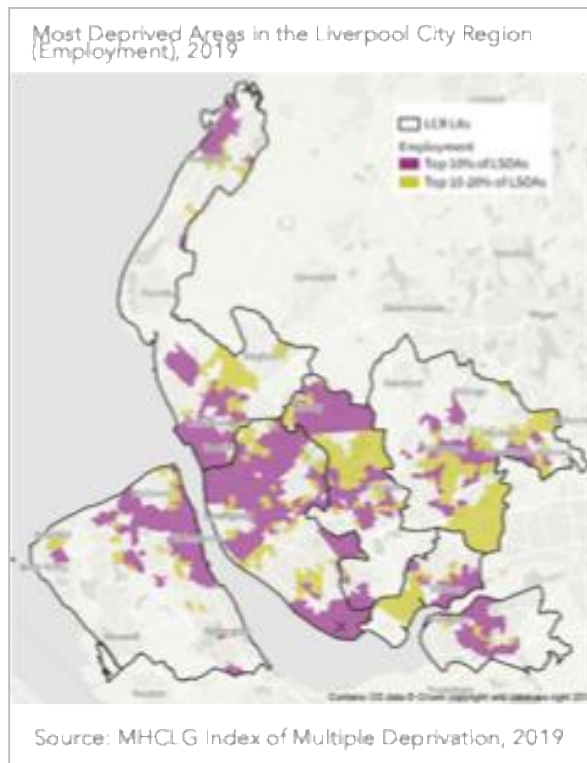


**Higher than average unemployment and lower than average pay.**

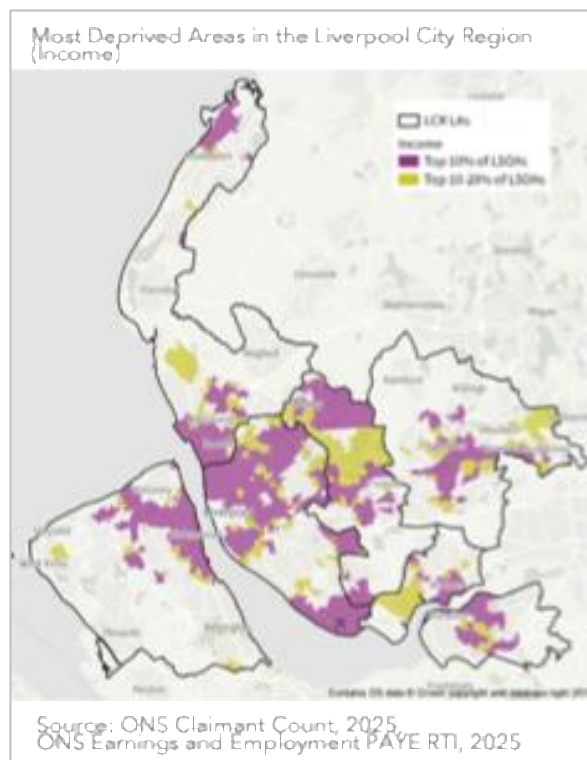
There are high levels of unemployment and income deprivation amongst residents in the City Region, reflected in the high prevalence of worklessness and people requiring benefits support. Around one third of LSOAs are in the 10% most deprived nationally in terms of both employment and income.

Despite remaining above both regional and national levels, the number of City Region residents claiming unemployment benefits has stabilised in recent years. In December 2024, 4.7% of the working age population claimed unemployment benefits compared to regional (4.5%) and national rate (4.3%) meaning the gap is closing slightly.

**Figure 10: Many communities in the City Region face challenges around employment.**



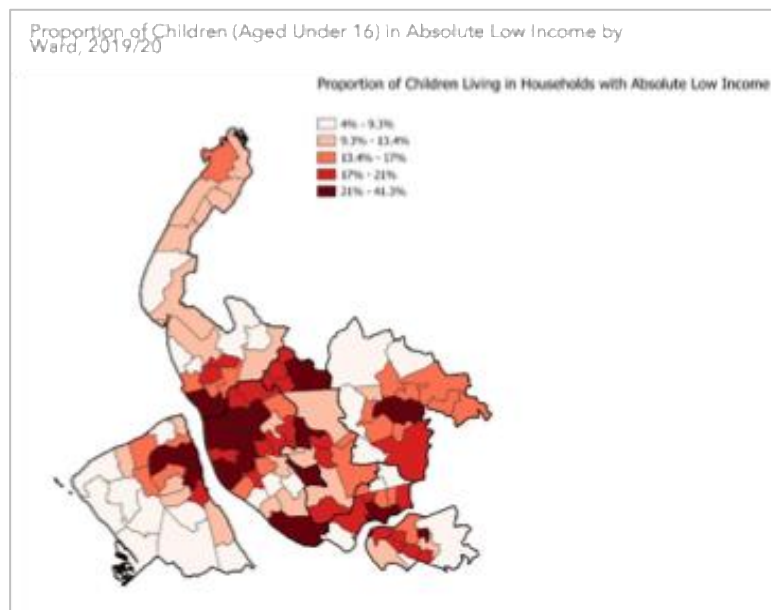
**Figure 11: Many communities in the City Region face challenges around income.**



The City Region faces persistent challenges regarding unemployment and economic inactivity, driven by deep rooted spatial inequalities and overlapping deprivation in many neighbourhoods, highlighting the need for sustained highly targeted / concentrated interventions.

Children living in the City Region are more likely to be negatively impacted by income deprivation. Within some wards in LCR, four in 10 children live in households with absolute low income with area of prevalence including north Liverpool, south Sefton and east Wirral, mirroring the general picture of deprivation across the city.

**Figure 12: Children living in the City Region are more likely to be negatively impacted by income deprivation than nationally.**



Wage rates in the City Region remain below national averages but are showing steady improvement. The median annual Real Time Pay in LCR is £26,500, which is 6% below the national average of £28,100.

One in five jobs in the area (compared to one in six nationally) are paid below the National Living Wage (set at £12.21 per hour for employees over the age of 21 from April 2025) highlighting the ongoing challenge of low pay and persistent pay gaps within and between districts and demographic groups

### **LCR has relatively low business density**

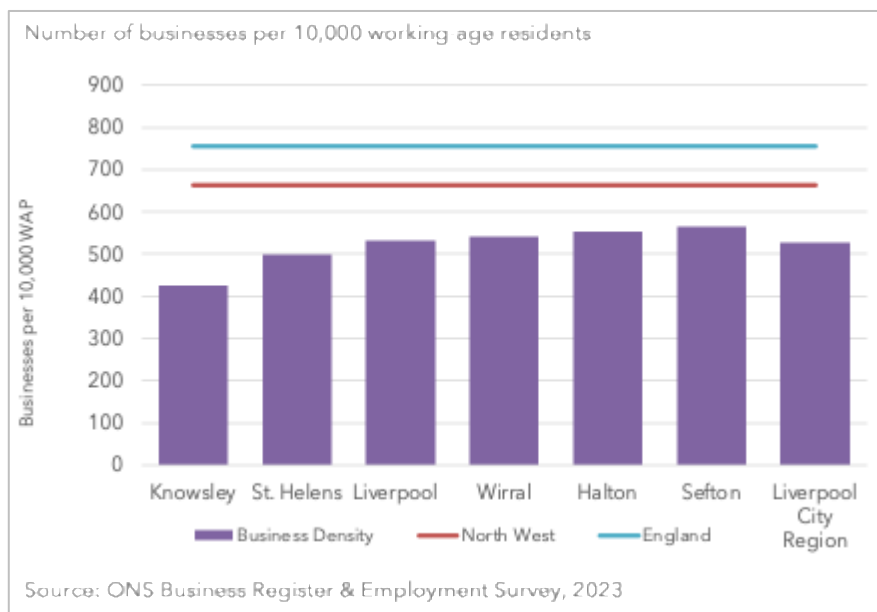
The LCR has a positive record of creating new businesses, since 2017 the business birth rate has consistently exceeded both regional and national rates. In 2023, LCR had the third highest business birth rate of all England MCA areas, above Greater Manchester, South Yorkshire and East Midlands.

However, in the City Region we see much worse business survival rates than in many other regions. 91% of businesses in the city region survive their first year, which is marginally below the national average (92%) indicating that newly established

businesses in the region are competing relatively effectively. However, when the three-year survival rate is considered, the LCR has the lowest business survival rate of all MCA areas at 47% compared to the national average of 53%. Similarly, the five-year survival rate at 35% is below the national rate of 39%.

LCR has much lower than average rates of self-employment at 6.95% compared to the regional (7.74%) and national (9.52%). The LCR has the fourth lowest proportion of self-employment of all MCAs below comparators such as Greater Manchester, West Yorkshire and West Midlands.

**Figure 13: Relatively low business density.**



The City Region experiences relatively low business density, at 526 per 10,000 working age residents the business density of the area ranks the fourth lowest of the MCA areas, and significantly lower than the England average of 755 per 10,000. Business density directly influences productivity and inhibits the benefits such as knowledge sharing and scale benefits arising from firms operating in more concentrated markets.

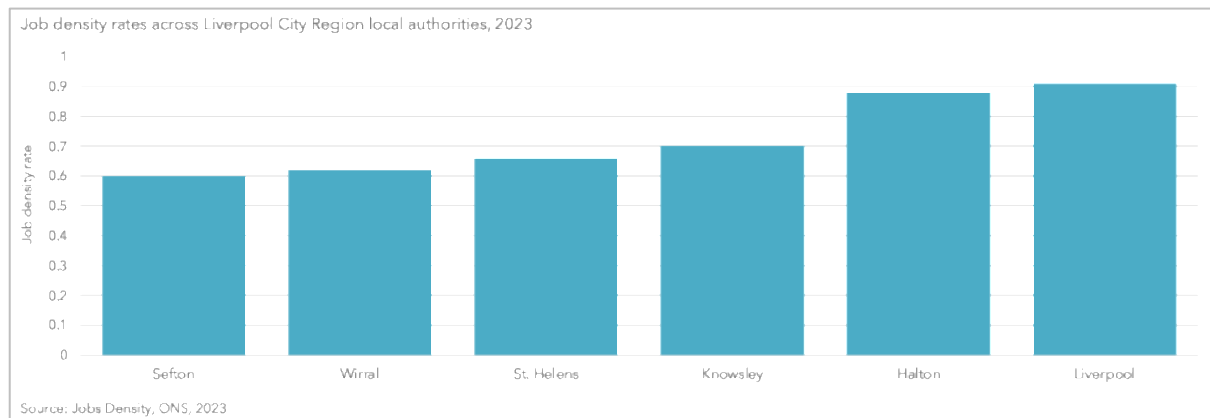
Micro and small enterprises (fewer than 50 employees) make up 97.7% of the LCR business base, medium businesses with 50-249 employees making up 1.7% and large businesses (250+ employees) at 0.4%.

The predominance of SMEs makes the City Region economy more sensitive to local and national challenges, such as low wages, skills gaps, reduced access to training and barriers to scaling and growth. Small businesses require clearer signposting to support, more tailored interventions and proactive outreach from support agencies.

## LCR has lower than average job density

Job density is a measure of the number jobs per resident aged 16-64, providing an indicator of labour market demand in the City Region. The overall job density for LCR is 0.75 which is significantly below the UK average of 0.87.

### **Figure 14: LCR has below average job density.**



District variation is notable, Liverpool has a job density of 0.91, whilst Sefton (0.60), Wirral (0.62) and St Helens (0.66) have significantly lower than average densities. This pattern highlights the spatial challenge across LCR, with jobs most readily available in Liverpool, whilst other districts face lower resident to job levels. The City Region overall lags the majority of MCA's, most notably the West of England, Cambridgeshire and Peterborough and Greater Manchester.

This gap has significant implications for the local labour market, alongside economic development and local prosperity. Lower than average job density means fewer employment opportunities relative to the working age population. This can lead to:

- Increased competition for available roles, contributing to higher unemployment, greater economic inactivity and underemployment, particularly for those lacking higher level skills or experience.
- Reduced career progression and wage growth due to a limited number of job openings and constriction at entry and intermediate levels, forcing more residents into insecure or lower paid work.
- Stagnant local growth, slower economic expansion, reduced productivity and less innovation.
- Out commuting pressure, whereby residents may be forced to travel further or relocate for suitable work, weakening local communities and potentially draining skills from the area.
- Reduced living standards, as a deficit of local jobs exacerbates inequalities with disadvantaged cohorts at heightened risk of long-term unemployment or labour market exclusion.

To move towards the 80% employment aspiration, it is critical to address the City Region's low job density to:

- Drive investment: Proactive efforts to attract and retain employers, alongside infrastructure and skills investment, helping to generate higher quality roles and economic activity locally.
- Targeted job creation, and business support programmes to boost vacancies in the area.
- Foster inclusive growth, ensuring activity benefits all segments of the population, particularly communities that have missed previous waves of economic expansion.

## Chapter 4: Drivers and causes of labour market issues.

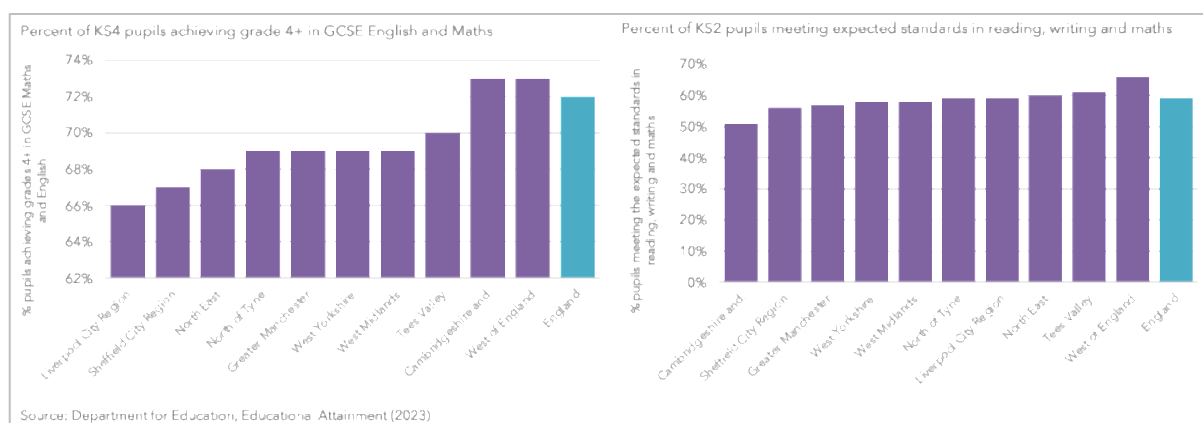
### Supply side drivers

#### Education and skills

Skill levels are improving in the City Region. Over the past 20 years there has been a sustained increase, and the skills gap is beginning to close. The city region has however relatively low levels of educational attainment beginning whilst at school.

- At Key Stage 2 (KS2) educational attainment is in line with national levels, with 59% of pupils classified as meeting the expected standards in reading, writing and mathematics. This rate is slightly above other MCA areas such as West Midlands, Greater Manchester and Sheffield City Region.
- However, by Key Stage 4, achievement (66%) is significantly lower than the England average of 72% and is lowest of all 10 MCAs. This impacts upon young people's opportunities and ability to access further education or employment. Many young people spend time "catching up" rather than developing technical skills valued by employers, impeding workforce readiness.
- 21.1% of LCR residents (16+) have no qualifications, of which 69.7% are economically inactive, compared to 22.9% economic inactivity for those whose highest qualification is Level 4.

**Figure 15: Educational achievement in KS2 pupils in the City Region is in line with national trends, however this decreases below national levels for KS4 pupils.**



Across the City Region 6.1% of 16- and 17-year-olds are not participating in education, employment or training (NEET) which is above regional (5.6%) and national (5.8%) rates, with only Sefton and Wirral with rates below the national level.

- Being NEET has a significant adverse impact upon an individual's life chances. Evidence shows that both short and especially long-term periods as NEET are strongly linked to poorer outcomes across multiples domains of life.

- NEET experiences have long lasting consequences, with former NEETs much more likely to remain disadvantaged, unemployed or in precarious work.

The most recent UK Employers Skills Survey data shows that LCR has a slightly higher proportion of businesses with at least one skill gap in their workforce, but the City Region is in line with both regional and national averages for hard to fill and skills shortage vacancy levels.

- Analysis of specific skills shortages points to LCR employers having specific challenges securing basic computer literacy and IT skills. With projections expecting to see the workforce moving towards a growth in digital, creativity and AI.

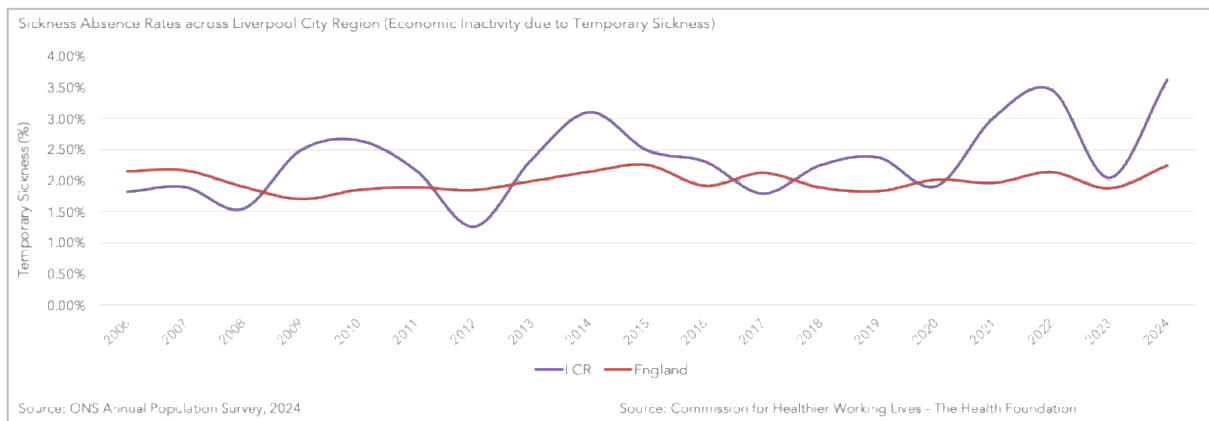
Graduate retention in the city region sees higher level skills and qualifications move away from the area. LCR retains 41% of its graduates, ranking ninth out of all English NUTS 2 regions for graduate retention, behind areas such as Greater Manchester, West Yorkshire and West Midlands.

- 71% of graduates leaving LCR entered high-skilled occupations, whilst less than half of graduates remaining in the LCR entered high skilled occupations.
- Evidence shows that many students are staying in the city – and settling for non-graduate level jobs with the number working in non-graduate roles almost doubling between 2021 and 2022.
- Projections prepared for the City Region suggest that there is likely to be a shift towards an increase in roles demanding tertiary and higher-level qualifications (Level 4+). These projections place further emphasis on the importance for LCR to support the progression of its population through tertiary and higher-level education, but they also point to a broader focus on the development of skills and qualifications across the economy.



Sickness absence rates are higher than average, and currently at their highest ever level. In December 2024, over 9,000 residents were absent from work due to temporary sickness which has doubled since 2008. Mental and behaviour disorders make up 20% and musculoskeletal conditions account for 8% nearly of all recorded fit notes.

**Figure 14: Short-term sickness rates in the City Region are above national rates, but this could be an area for targeted intervention to avoid economic inactivity due to long-term sickness.**



Additionally, the area suffers from lower-than-average rates of physically active adults 63.5% to national average of 67.4%, and those with a healthy diet make up only 25.4% of our population compared to 31.3% nationally.

**Figure 15: Liverpool City Region is also behind the national averages on a wide range of health-related indicators.**

Indicator	LCR	England	LCR Rating
Under 75 mortality from all causes (per 100k residents)	435.0	336.5	<b>Worse than national average</b>
Under 75 mortality from preventable causes (per 100k residents)	195.2	104.5	<b>Worse than national average</b>
% of physically active adults	24.5%	22.0%	<b>Worse than national average</b>
% of adults classed as overweight or obese	67.7%	64.5%	<b>Worse than national average</b>
Smoking prevalence in adults (aged 18+)	11.6%	11.6%	<b>Same as national average</b>
Hospital admissions for alcohol related conditions (per 100k residents)	566 per 100,000	504 per 100,000	<b>Worse than national average</b>
Infant mortality rate (per 1,000 live births)	4.2	3.9	<b>Worse than national average</b>
% of Year 6 pupils classed as overweight or obese	38.7%	35.8%	<b>Worse than national average</b>
Prevalence of long-term mental health	13.0%	9.9%	<b>Worse than national average</b>

Health inequalities are stark, persistent and set to worsen without joined up action. Addressing wider determinants including poverty, unemployment, housing and early childhood disadvantage alongside investment in prevention and health equity is central to improving outcomes for all communities.

Good work is good for health, providing a sense of purpose, financial security and social connection. Yet poor health is increasingly a major barrier to people finding work. The government's 10 Year Health Plan for England recognises that employment is one of the most important determinants of physical and mental health.

Poor health outcomes and low productivity are strongly correlated. Addressing health inequalities through innovation in public services will be critical to our wider growth ambitions, with a long-term approach ensuring that more people are active within the labour market and more talent being enabled.

## Demographics and population change

The Liverpool City Region has a total population of around 1.6 million, with a working age population of nearly 1 million. The city region has seen modest population growth over recent years, but forecasts indicate that growth is expected to slow, with possible contraction post 2033 with an aging population leading to a rising dependency ratio and shrinking working age population placing constraints on labour supply.

**Workforce Challenges:** Declining working-age numbers could limit economic growth unless offset by improved participation and inclusion from underrepresented groups (older workers, disabled people, ethnic minorities, young people not in education, employment, or training).

**Ethnic Breakdown:** 84% of residents identify as white, 5.7% as Asian / Asian British, 3.5% as Black/Black British, and 3.5% as Mixed or multiple ethnic groups. The area is becoming more diverse, though still less ethnically mixed than the national average.

**Recent Migration:** Shifts in migration patterns have contributed to local population growth and greater diversity, with new communities settling in the Liverpool City Region.

**Language Barriers:** Demand for language support has surged in LCR, reflecting increased linguistic diversity. The number of residents whose main language is not English doubled from 2011 to 2021, when nearly 17,600 LCR reported limited or no English proficiency. Language barriers can inhibit job applications, workplace integration and career progression.

**Disparities:** Economic outcomes - including employment and economic inactivity - vary by ethnicity, with ethnic minority communities facing persistent barriers and higher rates of inactivity.

**Disability:** Almost 29% of residents are disabled, over 10% higher than the national average – impacting upon labour market participation and driving specific workforce support needs.

## Caring responsibilities

Caring responsibilities are a major factor driving economic inactivity in LCR with thousands of residents providing unpaid care for children, relatives and other dependents. The complex interplay between carers' availability for work, health challenges and the sufficiency and affordability of support services means caring is both a personal and economic concern for the city region.

Census and local survey data consistently evidence that caring responsibilities disproportionately affect women, older residents and those from disadvantaged communities.

The lack of reliable, affordable child and eldercare services means carers are often not available to the labour market or are under employed due to a lack of flexible working arrangements.

## Digital exclusion

Is a persistent barrier for many. Lack of access to devices, affordable broadband and digital literacy skills mean many residents particularly in low-income households or deprived neighbourhoods are unable to benefit from online job searches, remote work opportunities, digital services or upskilling programmes.

## Demand side drivers

The demand side of the labour market in LCR is driven by the needs, behaviour and investment decisions of employers. Understanding these factors is essential for tailoring policies that support job creation, workforce inclusion and “good” economic growth.

## Sectoral and economic growth patterns

The LCR Growth Plan 2025-2035 focuses upon growing the most productive areas of the economy fastest, whilst ensuring this supports growth and stimulates demand elsewhere. Priority growth sectors include.

- Health and life sciences.
- Advanced manufacturing.
- Creative Industries.
- Digital and technologies.

Other key supporting and emerging sectors.

- Clean energy industries.
- Maritime.
- Visitor economy.

The foundational economy – encompassing a range of essential sectors such as construction, logistics, retail and social care play a critical role in the LCR social and economic fabric, directly employing a large proportion of residents and underpinning the resilience of individuals and communities. Its stability and growth are central to the inclusive ambitions of this GLCRWP, which seeks to tackle economic inactivity and promote good work through strengthening everyday services. By encouraging investment and improvement in the foundational economy, the region is better able to advance its wider goals of equitable growth, labour market participation and community well-being.

The pace of business growth and market confidence directly affects employers’ willingness to recruit, train and retain staff.

Sectoral challenges are described in documents such as Cluster Action Plans, alongside the development of Sector Skills Plans – which will set a template for

collaboration between employers, HEI / FE and the public sector for making good growth happen.

### **Job quality and employment practices**

Job quality and employment practices are central to raising living standards and creating sustainable, inclusive growth in Liverpool City Region (LCR). Workers in the city region face challenges around pay, job security, contract types and access to progression opportunities.

The average weekly wage for LCR workers is £571, which is £59 or 9% less than the English average, nearly one in five workers (18.8%) are in severely insecure work. Insecure work and low pay are more concentrated in sectors such as retail, hospitality, care and parts of the service industry.

Low wages, second jobs, temporary contracts and zero hours are more common than in other combined authority areas, particularly among women, disabled, younger, and ethnic minority workers.

Employers' recruitment and retention strategies are shaped by the quality of jobs offered, locally we see persistent job vacancies in care, hospitality and key technical roles reflecting concerns over pay, shift patterns and job security.

### **Technological change and innovation**

Growing demand for digital skills and new technologies, such as artificial intelligence and automation is creating new roles while transforming or eliminating others.

The transition to a net zero economy is driving demand for green skills, particularly in construction, energy and transport.

### **Spatial distribution and transport**

The spatial distribution of residents, employers and infrastructure across the city region shapes economic opportunity and labour market participation. Transport connectivity is a key determinant of access to jobs, education and essential services, influencing the inclusivity and productivity of the region's workforce.

Major employment hubs, such as the Port of Liverpool, health and science campuses, retail centres and logistics corridors, attract workers from across LCR and beyond. However, travel to work times can be long or complex for people living in outlying area, especially where transport links are limited or poorly integrated.

Barriers persist including high travel costs, inadequate bus frequencies in some districts, congested routes and gaps in services for shift workers and those with disabilities.

Deprived neighbourhoods in North Liverpool, East Wirral and South Sefton experience spatial "lock out" from high-quality jobs and major growth sites, even where physical

distance is not that great. Poor connectivity compounds other disadvantages (skills, childcare, health) limiting social mobility.

### **Skills gaps and employer expectations**

Skills gaps remain a persistent challenge, with many employers reporting difficulties filling roles requiring higher level technical or digital capabilities, alongside reporting gaps in basic skills and work readiness.

Businesses often seek candidates with both qualifications and relevant experience, but pathways for in-work progression or training are sometimes lacking or limited.

Risk aversion in recruitment and slow adoption of inclusive employment practices can prevent employers from tapping into the full range of local talent, including those returning from economic inactivity.

The independent Keep Britain Working review, led by Sir Charlie Mayfield, is due to report in Autumn 2025, aimed at reducing economic inactivity by strengthening the role of employers and the public sector in supporting people with ill health and disabilities to access and sustain employment.

The review is expected to identify the key barriers and practical employer led interventions including improvements in workplace health, recruitment practices and retention strategies with particular emphasis on those furthest from the labour market.

The findings and recommendations of this review will be of importance moving forward in shaping further local actions to drive inclusive employment by ensuring employers are equipped, supported and incentivised to unlock opportunities for disadvantaged groups, while linking public health and employment support for lasting inclusion and helping to maximise social value.

## **Chapter 5: Current system and offer.**

The City Region has a comprehensive, multi-agency employment support offer aimed at helping residents overcome barriers, build skills, and secure or sustain employment. The system is collaborative, involving longstanding locally focused local authority programmes, national partners, community and voluntary sector support, specialist organisations, and employer engagement initiatives.

Support is delivered through a mixture of devolved Adult Skills Funds, UK Shared Prosperity Fund, Department for Work & Pensions (DWP), and local / community sources.

### **LCR Combined Authority**

The LCRCA is made up of the six constituent authorities, who together use the devolved powers and funding we receive to create an environment that allows the local economy to thrive for the good of everyone who lives and works in the Liverpool

City Region. The Strategic Authority works with partners to advance economic growth through convening and connecting stakeholders, enabling partners to deliver and thrive, investing to help business growth and job creation and advocating for the City Region. We also directly deliver and commission projects and programmes.

The Strategic Authority has devolved responsibility for the **Adult Skills Fund** and **Skills Boot Camp** funding, procuring provision from a wide range of partners including further education colleges, local authorities, independent training providers and voluntary sector organisations supporting over 30,000 adult learners per year, with a particular focus on those from disadvantaged backgrounds.

**Households into Work (HiW)** aims to tackle long-term and entrenched worklessness by supporting entire households in which more than one adult is unemployed and receiving benefits rather than focussing on individuals. Focussed on households with complex, multiple barriers to employment such as mental health, debt, addiction, domestic abuse, housing issues and low self-confidence. Each eligible household is assigned a dedicated Employment Advocate for up to 12 months, providing one-one tailored support including specialist referrals.

**Youth Guarantee / Mayoral Young Person's Guarantee** aims to support young people into jobs and training opportunities through an enhanced service offer that will be delivered by partners across the City Region. Youth Guarantee funding has been passed from Government to LCRCA for the 2025/26 and 2026/27 financial years, utilising the programmes to test and learn to develop and inform national policy.

**Be More** is the City Region's comprehensive skills and careers electronic portal, bringing information on jobs, apprenticeships, training opportunities and careers support for all residents and businesses across the six local authority areas. Be More is continuously updated to reflect new funding streams, sectoral needs and labour market trends and is a unique asset.

The LCRCA's **Employer Skills Brokerage Service** is a free and impartial service that connects local businesses with training providers and funding opportunities to upskill employees and recruit apprenticeships. The service aims to match employer needs to talent, including support for diversity and inclusion, recognising the disconnect between the skills that employers require from their employees and the skills that jobseekers possess.

**Fair Employment Charter:** Promotes and celebrates, fair, just, inclusive, and healthy employment practices across all sectors. It is core funded by the CA as part of its economic development and social value agenda and is a key Mayoral manifesto commitment to ensure

- It aims to drive up employment standards by recognising organisations that provide fair pay (including the Real Living Wage), safe working conditions, employee engagement and opportunities for development.
- The Charter is a key tool for the vision of an equitable regional labour market, helping to stamp out poverty pay, exploitative contracts and poor workplace practices. It has four key themes.

- Fair pay and secure work.
- Inclusive and just.
- Healthy workplaces.
- Social value.
- Over 140+ employers have achieved Aspiring status covering over 100,000+ employees.

**LCR Careers Hub:** supports secondary schools, special schools and colleges to ensure every young person receives outstanding, relevant careers education aligned to the world of work.

- It facilitates collaboration between schools, colleges, with a focus on fulfilling the eight Gatsby Benchmarks for good careers guidance and enabling real-world exposure through enterprise adviser networks and employer engagement.
- Connecting schools and students with a diverse network of employers and enterprise advisers for meaningful work experience, curriculum-linked learning and careers inspiration.
- Funding comes from the Careers and Enterprise Company (CEC), with additional funding and resourcing through the Growth Platform (the LCR growth company) which provides strategic alignment with skills and economic growth priorities.

### **LCR Local Authorities**

Local Authorities in the LCR play a strategic, multi-faceted role in driving economic development, regeneration, employment and employer support, with particular focus upon supporting disadvantaged cohorts leveraging powers over business growth, inward investment and infrastructure planning.

Through a wide range of activities and initiatives local authorities support residents in gaining skills, qualifications and sustainable employment especially for those facing barriers to accessing work, including NEET young people and those leaving care. They partner closely with local employers, skills and education providers and stakeholders to better align workforce supply and demand to boost local economic participation.

Local authorities leverage their strong working relationships with both local employers and contractors, utilising opportunities to maximise social value, encourage good employment and leverage opportunities for LCR residents including employment, supported internships and apprenticeships.

Local Authorities deliver the **Ways to Work** programme. Currently funded through UKSPF and supplemented in some areas (such as Knowsley) though additional local authority funding. The programme is longstanding and well established, having been previously funded through the European Social Fund (ESF).

The programme is a flagship employment and skills initiative aimed at supporting residents, particularly those facing barriers to employment into work, training or further

education. The programme is a core element of the City Regions approach to reducing worklessness, supporting personal development and individuals in accessing new job and skills opportunities. Notable features include:

- **Integrated Services:** The programme takes a holistic approach, offering practical employment support alongside services addressing personal and social challenges that affect job readiness.
- **Partnerships:** Collaboration between local authorities, Jobcentre Plus, third sector partners and employers to match jobseekers with vacancies and appropriate training.
- **Employer Engagement:** The programme supports local businesses with recruitment services by matching and screening candidates, providing a bridge between employers and local job candidates.

Whilst maintaining a defined core model, the programme is delivered flexibly, with variations between local authorities to meet resident and employer needs.

The discontinuation of UKSPF funding from end of March 2026 creates uncertainty around the future of the employment support landscape. Alternative programmes such as the nationally designed Connect to Work will commence and be delivered locally by Local Authorities. The traditional short-term funding of such programmes has created instability and affected longer term planning for commissioners and delivery partners. A commission to look at the future of employment support in the City Region will provide potential long-term solutions to this issue.

## **DWP / Jobcentre Plus**

Jobcentre Plus (JCP) delivers a wide range of employment support programmes across LCR with a strong regional presence through 15 permanent offices and youth hubs, providing standard and enhanced employment support to help jobseekers and economically inactive residents move into work, training or education.

JCP services include personalised job search support from Work Coaches, access to training, pre-employment and sector-based training, job matching and coordination with local employers.

A range of DWP funded programmes support LCR residents:

- **Flexible Support Fund:** Funds locally procured provision and pays for upfront childcare.
- **Work and Health Programme, Restart, Youth Hubs:** Nationally commissioned specialist support for people with health conditions, long term unemployment and young job seekers. Delivered locally through JCP and partners, with job coaching and wraparound support integrated into LCR's wider skills system.
- **Connect to Work:** A major new programme supporting people in hidden unemployment, especially the long-term sick, disabled or disadvantaged into work introduced as part of the national Get Britain Working plan.

- **JCP employer engagement:** – Employment Advisors support employers and residents to find and retain work.
- **SWAPs:** Sector Work Academy Programme. Skills / employment support / guaranteed interviews.
- Specialist roles.
  - Disability Employment Advisors.
  - Prison based Work Coaches.
  - Family based Work Coaches.
  - Youth Hub offer.
  - Schools Advisors.

Additionally, the City Region has two proofs of concept “**Jobs Plus**” pilots. These are postcode based (focussed upon Toxteth and Bidston Rise) and led by local Housing Associations alongside a range of partners. The pilot model offers:

- Onsite employment services and community led employment support, including community champions and neighbour to neighbour support.
- Financial incentives, including In Work Credit, Back to Work Bonus and credit against rent arrears.

## **Voluntary and community sector**

The social economy is vital to addressing inequity by supporting vulnerable communities, encouraging innovation, and promoting inclusive growth. LCR’s social economy is diverse and serves those communities that need it most. By supporting the social economy and engaging underrepresented groups, LCR can unlock untapped potential, improve labour market outcomes, and drive inclusive productivity growth.

The VCFSE sector is a vibrant and essential partner in delivering a wide range of services, including employment support, targeting those most at risk of social and labour market exclusion. The sector partners with both CA and LAs on programmes funded through UKSPF and other place-based initiatives acting as both a deliver and bridge to reaching and supporting often vulnerable groups.

**The Progress Partnership** is a UKSPF programme which started in March 2024 and is now in its second and final year, delivered by the voluntary and community sector and managed by the Voluntary Organisations Learning Alliance Consortium (VOLA) providing intensive employment support to those who are economically inactive.

- **VOLA Consortium** has a membership of 68 local VCFSE organisations, 14 of which formed The Progress Partnership, with several delivery partners selected for their specialisms.

- Engages participants through a grass roots, community development approach and to sustain engagement through a welcoming programme of Key Worker support facilitating onward progression.
- Proactive referral to other activities and services to support personal and social development.
- The programme is delivered at a hyper local level with community-based delivery through its 14 participating organisations distributed throughout the city region.

Additionally, there are a number of other employment support programme delivered by the sector including:

- **LCR Talent Match**, delivered by the Merseyside Youth Association (MYA) providing intensive mentoring and transition workshops for young people who have been out of work, training or education for an extended period.
- **Employment Plus**, specialist employment support for adults facing multiple barriers to work, including training, job search assistance and personal guidance led by The Salvation Army.
- **The Women's Organisation**, leads a programme of employment support for women, focusing on confidence building, skills development and tailored support for women to enter work or further training.

## Health Related Provision

The ICB operates across the footprint of Cheshire and Merseyside (including LCRCA constituent Local Authorities), working closely with local stakeholders to integrate health and employment support and encourage stable, and sustainable outcomes.

Each of the nine places within the ICB footprint is required to have a Health and Wellbeing Board. The job of each board is to improve the health and wellbeing of the local population, as a partnership committee, producing a joint assessment of health needs and a joint health and wellbeing strategy. An ICB review of each of the nine Places' Health and Wellbeing strategies indicates alignment in prioritising employment as a key social determinant of health and wellbeing across the region

Programmes across the Liverpool City Region include:

- **Employment Advisors in NHS Talking Therapies** working alongside therapists to address the emotional challenges related to work through integrated psychological treatment and employment support.
- **Child and Adolescent Mental Health provision**, delivered through the NHS supporting young people that are NEET to ensure opportunities into education and training and or paid employment.
- **Individual Placement Support in drug and alcohol services** supporting people who want to move into paid employment. The program provides advice about health and wellbeing, regular sessions with a personal keyworker,

support groups, and guidance on next steps, including education, training and employment support.

- **Supporting young people with their mental health needs** through two ICB funded pilots ensuring that they can maintain their engagement with education and training.

Additionally, the ICB has worked with Local Authorities on development of its Work and Health Strategy, aligning primary care, housing, and employment support to address long-term sickness and the main drivers of inactivity including musculoskeletal conditions and mental health conditions.

### **Neighbourhood Health Implementation**

From September 2025, the government is rolling out the Neighbourhood Health Service in 43 places across England, targeting communities with the lowest life expectancy and highest deprivation. Within the Liverpool City Region, St Helens and Sefton have been selected as two of the pioneering places where people will benefit from improved end-to-end care and tailored support closer to home, looking beyond conditions to the wider causes of health issues.

There is opportunity to test this in St Helens and Sefton, as they pioneer this joined-up neighbourhood approach, ahead of scaling out more widely across the Liverpool City Region.

## Chapter 6: Systemic issues and challenges.

### Feedback – from stakeholders.

As part of the production of this plan, semi structured interviews were undertaken with a wide range of stakeholders, and despite concerted effort and good practice, a number of issues and challenges were articulated including:

- Agreement that the employment support landscape is complex, with multiple sometimes competing programmes.
- Frustrations exist over short term funding mechanisms from multiple sources, (employment support has tended to be delivered through “initiative funding” such as ESF or UKSPF). This creates a fragmented service landscape with gaps caused by rigid eligibility criteria. A push for more integrated, flexible funding that enables a universal service model and a “no wrong door” approach.
- Short term funding mechanisms can lead to exclusion, and lack of integration with the VCFSE whose support is crucial in this agenda.
- The key barriers to entering the workplace are complex, individual and often spatial. They cut across a range of public services and broader social issues and often challenges need to be addressed / minimised before individuals are ready to even work.
- Social barriers make the move into work challenging for employment support organisations, and present risks to the individual and potential employers, highlighting a need to consider incentives (for employers to engage with cohorts who require additional support) alongside encouraging and supporting employers to add social value.
- There are gaps in tailored support for people with experience of the criminal justice system and care leavers, who face unique challenges.
- Educational transitions are increasingly interrupted, made more challenging due to reductions in school attendance, increasing school refusal and increasing levels of elective home schooling this is impacting upon NEET volumes and longer term will potentially impact upon worklessness and increased support needs.
- There is a lack of accessible post 16 technical provision, and benefits traps impact upon individual and parental choices.
- Opportunities exist to better integrate employment support services, with health services ensuring follow up mechanisms between services to ensure individuals do not fall out of the system.
- There is a lack of strategic cohesion between employment and skills programmes overlapping and, in some cases, excluding cohorts through strict eligibility criteria.

## Chapter 7: Our collective ambition.

This plan provides partners within LCR with an opportunity to work collectively to address systemic challenges holding back the potential of LCR residents. The following actions will support our collective ambition.

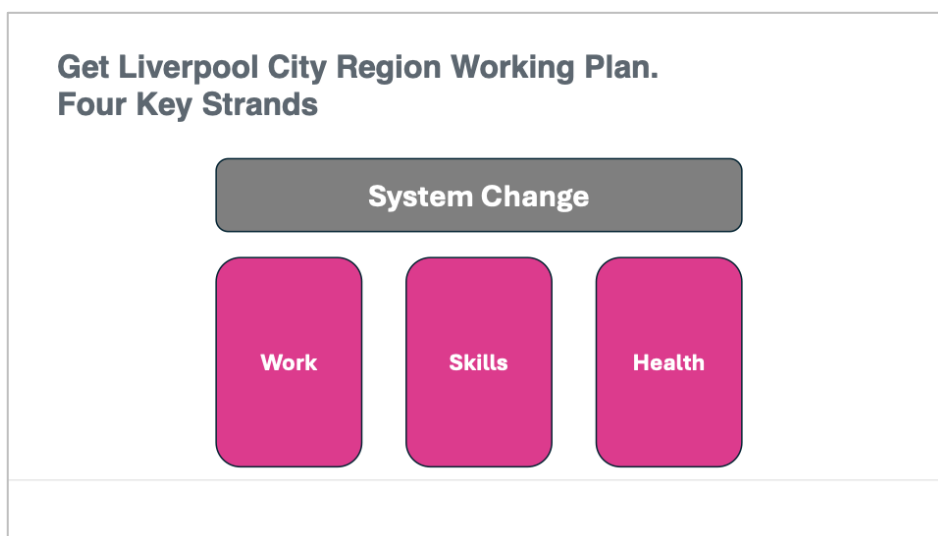
1. **Ensuring employer and community engagement.** Employers are integral to this partnership / whole system approach as are the views of those with lived experience and from disadvantaged groups. The VCFSE sector is a key enabler utilising its unique ability to engage with underserved communities.
2. **Enhanced data sharing.** Subject to legal and Data Sharing Agreements we will utilise the LCR Office for Public Service Innovation (OPSI) to develop enhanced data sharing protocols and analysis mechanisms bringing information together from partners including DWP, NHS and local authorities to target interventions to address spatial and cohort inequalities alongside providing intelligence for future iterations of this plan.
3. **Increased oversight of 16-19 skills provision.** The Mayor of the Liverpool City Region and the Combined Authority are committed to increased local oversight of 16-19 skills provision, with this plan acting as a catalyst for stronger strategic partnership with the Department for Education, creating clearer routes to greater local influence over post-16 education and skills. We will utilise the Right to Request – a mechanism under the English Devolution and Community Empowerment Bill – to pursue enhanced oversight of 16-19 provision, initially focused on technical education – with a view to further skills funding devolution over time, while ensuring opportunities such as Foundation Apprenticeships are maximised across the City Region.
4. **Utilise our distinctive health and life sciences assets.** Leverage our local leading health and life sciences capabilities to support better health and wellbeing outcomes for our residents. Utilising our strengths in personalised therapeutics, infection control and highly distinctive data science capabilities.

Considering the policy context, evidence base and stakeholder feedback there are four key emerging strands identified as areas for focus.

## Chapter 8: Priority Actions.

We will continue to improve the integration of skills, health and employment through an enhanced “whole system” approach to enable talent and ensure a co-ordinated approach that better addresses the city regions critical challenges.

**Figure 15: GLCRWP Four Key Strands**



### System change

1. **Collaboration Agreement.** We will develop a Collaboration Agreement between LCRCA including our constituent authorities, DWP, the NHS to work collectively together to address the multi-dimensional issues leading to worklessness and economic inactivity through leadership, data sharing and systems change.
2. **Review of employment support.** We will commission a comprehensive review of the current employment support eco-system informing the design and implementation of a transformational blueprint for the long-term approach to employment support throughout LCR post March 2027.
3. **Geographic alignment.** We will develop a proposal to Government to explore greater geographic alignment across public services and explore ‘total place funding’, to pool local public budgets to ensure better service delivery around the needs of communities.
4. **Careers and employment support functions.** We are committed to working closely and in partnership with DWP nationally to inform the shape, design and function of the anticipated Jobs and Careers Service in the short term, with a view to exploring the future devolution of careers and employment support functions within the integrated settlement.
5. **Test multi-disciplinary support hub models.** Through the OPSI framework we will adopt a test, learn and grow approach to test a range of community

focussed multi-disciplinary hubs building upon and amplifying existing good practice / models targeted at supporting residents at a local level improving access to a range of services to address the multi-dimensional challenges of worklessness and economic inactivity.

## Work

1. **Workplace health and wellbeing.** We will improve awareness of the importance of employer policy and practice upon employee health and wellbeing and explore early interventions to prevent people falling out of work due to ill health.
2. **Use employer facing assets to drive outcomes and social value.** To provide a seamless service to support employers, we will utilise the range of local employer focussed assets such as employment charters and other resources e.g. DWP work coaches in FE/HE and health settings to provide a seamless service to support employers and emphasise good and inclusive employment practices.
3. **Provide the right information.** We will utilise local careers and guidance assets including Be More to emphasise the benefits of learning, work experience and job opportunities.
4. **Specialist support specific barriers to work.** We will engage with government to secure resource to test flexible employment support targeting groups that face significant structural barriers to employment.
5. **Employer incentives.** We will explore the use of incentives to encourage employers to hire, train and retain individuals facing barriers to employment, learning from both previous initiatives and the new Youth Guarantee to de-risk inclusive recruitment increasing opportunities for local people.
6. **Economic growth.** We will continue to create the right economic conditions to increase job density across the LCR by aligning employment and skills initiatives with sector priorities and the foundational economy as outlined in the Local Growth Plan.

## Skills

1. **LSIP 2.0.** We will refresh LSIP to strengthen and improve skills alignment, addressing skills shortages and making the skills system more responsive to employer demand and meeting the needs of local residents.
2. **Deepen talent pool.** As stated in the local growth plan, we will mainstream the LCR Access to Opportunities Framework as a systemic way to deepen the talent pool in key sectors.
3. **Targeted flexible local skills programme.** We will utilise local skills funding to develop tailored and flexible support programmes targeted at those with significant barriers to work. We will take learning from the Youth Guarantee Trailblazer to inform this provision.
4. **The LCR Pathway.** In the longer term, we are ambitious about having the highest quality technical education that meets demand, utilising learning from the current LSIP . A bespoke 'LCR Pathway' programme will focus on providing

this for 16-19-year-olds, matched to the skills needs of employers and businesses and ensuring young people, no matter their circumstances, can realise their potential.

5. **Targeted levy funding.** We will continue to influence Government thinking relating to the new Growth and Skills Levy, to provide employers with great flexibility to invest in workforce development exploring opportunities to target priority cohorts, alongside support for priority sectors.

## Health

1. **Working together.** We will deepen collaboration with ICB, DWP, Local Authorities and health system partners to develop a fully integrated health, employment and skills system and address the complex and intersecting challenges that stop people from finding and staying in work.
2. **Health in All Policies.** We will improve population health and tackle health inequalities by formalising LCRCA's role through the adoption of the statutory health duty and advancing and embedding Health in All Policies to scale up action across the wider determinants of health.
3. **Health and Growth Accelerators.** We will work with central government to explore the rollout of Health and Growth Accelerators, following evaluation of this novel trailblazer approach where local NHS systems are supported to increase the impact they have on people's work status.
4. **Prevention Demonstrators.** We will explore options to expand 'prevention demonstrators', as outlined in the NHS 10 Year Health Plan for England, to test innovative approaches.
5. **Mental health.** We will work with health system partners to support the development of new and innovative treatments to improve mental health and wellbeing.

The high-level priority actions – across the pillars of system change, skills, work and health – reflect the core areas where coordinated effort will unlock sustainable employment opportunities for LCR residents. We will continue to support and refine actions throughout the implementation of this plan, maintaining an iterative approach and ensure that emerging needs and stakeholder feedback shape all stages of our work.

Throughout implementation, we will place particular emphasis on cohorts facing complex and multifaceted barriers – including care leavers, people with disabilities, ex-offenders, people with long-term health conditions, residents with caring responsibilities, and long-term unemployed residents.

Working as part of a whole-system approach across the Liverpool City Region, our aim is to ensure everyone who wants to work can access clear progression pathways backed by bespoke solutions that respond directly to individual barriers. In doing so, we are committed to an inclusive labour market where no one is left behind.

## **Chapter 9: Governance, local engagement, and future iterations.**

This plan has been developed through a Partnership Board which it is proposed continues to work collaboratively to drive implementation of the plan, further develop whole-system partnership working, and contribute to the development of future iterations. In taking forward high-level priorities and longer-term ambitions, a wide range of stakeholders across the Liverpool City Region will continue to be engaged.

Political oversight of the plan will be undertaken through the LCR Employment, Education and Skills Cabinet Board. In addition, LCRCA will draw on its existing governance and assurance processes.

LCR Equality Panels – comprising residents with lived experience across disability, gender, race, sexuality and their intersections – will be engaged to ensure interventions are both informed by their experience and grounded in the principles of diversity and inclusion, supporting our ambition of a fairer City Region where no one is left behind.



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