Before laying out the widgets, click the form to deselect everything and then select all the widgets you want to be laid out with Shift+click. Once all the widgets are selected, click Layout Manager on the toolbar. The widgets will be laid out in the selected layout, and the layout will be indicated by a red line around the widgets that is not visible at runtime

To break the layout, select Form, Break Layout meaning removing the red line, you must select the widgets within the red line you want to break out of the red line and select the Break Layout icon from the toolbars.

The red line just means that all these widgets go together and you can break out of it.