

North East Combined Authority

Economic Inactivity Trailblazer call for projects

Priority 2.1: youth employment support
and work placements for young people

Reference xxx

1. About the North East Combined Authority

The North East Combined Authority covers the seven local authority areas of County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland. The North East faces some deep-rooted challenges including skills, productivity and GVA which fall behind national averages, poor indicators of health, including healthy life expectancy, and some of the highest levels of economic inactivity across the country.

The North East Combined Authority has successfully secured funding to deliver the DWP Economic Inactivity Trailblazer, which is designed to:

- Align with DWP priorities on tackling economic inactivity
- Maximise the impact of existing local and national resources.
- Focus on groups facing the most significant barriers to employment.
- Be bold and ambitious in its design and delivery.
- Pilot new, integrated models of support
- Drive long-term system reform across sectors.

2. The Economic Inactivity Trailblazer

The DWP Economic Inactivity Trailblazer is a flagship initiative under the UK Government's wider strategy to reduce economic inactivity and support more people into work. Funded by DWP for the 2025/26 financial year, the programme is being piloted across eight areas in England through a one-year, test-and-learn model.

This place-based pilot is closely aligned with the ambitions of the Get Britain Working White Paper, aiming to bring together local health, skills, and employment systems to better support working-age residents who are economically inactive due to long-term health conditions, caring responsibilities, or other complex barriers.

In the North East, the Trailblazer will test innovative, locally tailored approaches to improve employment outcomes. It will strengthen collaboration between public health, employment support, and skills providers, and drive system change and unlock new ways of working.

The Trailblazer offers us the opportunity to develop and test new and innovative ways to address the persistent challenge of economic inactivity – with the aim of harnessing untapped human potential to help grow our economy, raise living standards, reduce child poverty and create opportunities from which everyone can benefit.

2.1 Trailblazer evidence base

In order to target this work on the areas of strongest opportunity and need we will be informed by our Interim Local Growth Plan – [Local Growth Plan](#) which outlines our target sectors; [North East Evidence Hub](#) and our forthcoming employment and skills strategy, A New Deal for North East Workers, which outlines target populations, currently excluded or under-represented in the labour market, and our future skills and employment needs.

The North East Combined Authority have undertaken a robust review of the evidence base to inform the development of the Trailblazer and this call for projects. Applicants should reflect on the evidence base and good practice and set out how they can be embedded into project delivery.

Applicants are not required to submit evidence for their application but are requested to develop proposals that develop and build on the existing evidence base to bring new learning and understanding to employment support in the North East.

2.2 The objectives of the Trailblazer

The North East Economic Inactivity Trailblazer is centered around three priority areas:

Priority one: Better pathways into employment

This priority will develop approaches to provide an enabling environment and resources to bring together, coordinate and maximise existing service provision to enhance the coherence and impact of existing and emerging employment support interventions.

This approach will bring together organisations delivering employment support services in their area and will shape and direct the local infrastructure to better support mainstream services. This will ensure that both residents and employers benefit from high quality, comprehensive and reliable employment support services, and remove barriers to improving the skills and employability journey.

Priority two: New ways of working

We will invest in new employment provision addressing identified needs, to move residents into employment, education or training, or closer to the labour market. This priority aims to stimulate innovation and explore new models of delivery, which provide learning and the opportunity for future scale-up. Priority two has six strands of activity:

- Supported placements for young people

- Supported placements for neurodiverse residents
- Support to individuals within primary care
- Support for social housing tenants
- Support for women
- Support for employers

In addition to the activity outlined above, the Combined Authority will also invest £950,000 in a VCSE Small Grant Programme, with grants available of up to £100,000 for community-based projects.

Priority three: Systems reform – an integrated approach to health and employment

We want to break down barriers and redesign processes to create best in-class services for residents across employment, skills and health. We will fund three strands of activity:

- System redesign
- Carers and VCSE capacity building
- Labour market intelligence (LMI) Hub

The remainder of this document sets out the details for priority 2.1 supported placements for young people. This should be read in conjunction with the guidance for this call for projects.

3. Supported placements for young people (priority 2.1)

The purpose of this priority is to improve employment outcomes for young people aged 18–24 who are currently economically inactive in the North East Combined Authority area. Priority 2.1 will offer employment support and a variety of work-based experiences, including subsidised work placements to develop young people's skills, experience, and confidence in the workplace.

Priority 2.1 aims to:

- Address barriers to employment through a **range of work tasters and placement opportunities** for young people.
- Provide **wrap around employability and personal development support**, to complement the work placements.
- Increase the number of **young people entering employment** or further education, training or employment support.

- **Support employers** to take on young people with a financial subsidy and wrap around support to the employer.
- **Learn** from the different types of placement opportunities, to inform the North East evidence base.

Summary of priority 2.1:

- The target group is inclusive of 18 to 24-year-olds, not in education, employment or training (NEET) and economically inactive.
- Priority 2.1 is expected to support 220 young people in total.
- The majority of young people will have some work-based placement activity. A subsidy will be available for longer placements. More details are outlined below.
- The placement sectors should be varied and include growth sectors, foundational sectors and employers offering permanent roles and progression opportunities.
- Placements can be in public, private and VCSE sectors. Subsidies are only available to private and VCSE sectors.
- An indicative allocation of £950,000 is available for this priority.
- The Combined Authority expects to fund up to 3 projects in this strand of activity.
- The minimum grant request is £300,000, and the maximum request is £950,000. Projects that apply for more or less funding will not be assessed.
- For this priority it is expected that projects will cover the whole of the North East region.
- All delivery must be completed by 31 March 2026.

Key dates:

- Applications must be received by **noon on Friday 20 June**. Any application not fully completed and submitted by this date and time will not be assessed.
- Interviews will be held with the assessment panel between **9 and 11 July**, if required. Applicants are requested to hold this date in diaries and alternative dates will not be available.
- Successful applicants will be expected to enter into contracts and mobilise projects in August 2025.
- The projects must be mobilised by **end of July** and ready to take referrals from 1 September 2025.
- All activity and spending must be complete, and outputs and outcomes achieved by the **31 March 2026**.

Eligible activity for priority 2.1 includes:

It is anticipated that projects will deliver the following activities to achieve the objectives of this priority.

Participant recruitment and onboarding, including:

- Outreach through local youth services, job centres, colleges, and community networks.
- Assessment of eligibility and needs.

- Triage to assess the best placement options for the young person.
- IAG and individual action plans for each participant.

Wrap around support and placements for young people:

- Pre-placement support (e.g. workplace behaviour, CV writing, interview skills, personal development and support for multiple/complex needs).
- On-placement support (e.g. job coaching, mentoring, pastoral care).
- Post-placement transition support (e.g. progression planning, exit interview, referrals to opportunities).

Employer engagement:

- Recruit and support employers to offer quality placements.
- Provide employers with clear expectations, training on inclusive employment, and ongoing liaison.
- Ensure compliance with wage subsidy conditions.

Subsidy management:

- Manage employer subsidy payments transparently and in line with Combined Authority guidance.
- Monitor wage subsidy usage and ensure alignment with outputs.

The Combined Authority are keen to test different placement options that are available, and to understand both what is most appealing and useful to employers and what has the most impact for young people. This may include opportunities such as:

For young people further from the labour market - initial exposure, exploration, and awareness raising, such as:

- Workplace site visits
- Job shadowing
- Virtual placements
- Short work tasters
- Supported placements
- Supported volunteering

For young people closer to the labour market - work based experiences to build CVs and support transition to work, such as:

- Shorter placements
- Longer placements
- Work trials
- Internships

- **Work tasters** are short, one-off experiences to give a brief insight into a particular job or industry, lasting between a few hours to a couple of days.

- **Work trials** are short periods of work offered by an employer to assess a candidate's suitability for a job. Usually lasting a few days to a couple of weeks.
- **Supported placements:** Structured work experiences with tailored support, which may include a support worker on-site and could be in small groups or individually.
- **Supported volunteering:** Volunteering opportunities where additional support is given to help individuals participate and thrive. This may include a support worker on-site and could be in small groups.
- Opportunities may also include **job shadowing** and **virtual or remote opportunities**.
- **Subsidised work placements** There is provision in the budget for subsidised work placements. These could be short placements (2 to 3 months) or longer placements (up to 6 months) and may be part-time or full-time, for a minimum 16 hours/week.

The Combined Authority suggests that employers will be able to receive a wage subsidy of up to £6,000 per participant, paid directly to the employer, for a 6-month full-time placement. This is equivalent to £1,000 per month. This should be pro-rata for part-time placements or shorter placement opportunities. However, we welcome alternative suggestions.

There is an expectation that subsidised placements may lead to a permanent position.

Young people can benefit from more than one placement opportunity, in their journey towards work, however each young person can only be counted as one output.

4. Eligible participants

Residents in the North East area will be eligible for support under this priority if they are:

- Economically inactive - excluding students
- Are resident within the north east area,
- Are aged between 18 and 24 inclusively
- Have the 'right to work' in the UK.

Eligible participants must meet the following **definition of economic inactivity**:

Economically inactive individuals are those not in work and not actively seeking work (unlike unemployed individuals who are actively seeking work).

Not all economically inactive individuals claim benefits. For those that do, this would include those claiming either “legacy” benefits or those within specific conditionality regimes in Universal Credit (UC). The former includes Employment Support Allowance (ESA), Incapacity Benefit (IB) and Income Support (IS). The latter includes claimants within the Preparation Requirement or Work Focused Interview Requirement conditionality regimes (or equivalent).

There is no minimum time period of economic inactivity.

5. Outputs and outcomes

It is for providers to demonstrate that the provision they propose will deliver the eligible activities, outputs and outcomes we are seeking. Applicants are expected to submit proposals which demonstrate impact and additionality. In addition to the output and outcomes listed, we are particularly interested in learning what works well or less well, for young people and employers in the North East.

All activities should contribute to the following outputs and outcomes:

Outputs:

The following outputs are expected from priority 2.1:

- 250 economically inactive young people recruited
- 225 young people engaging with keyworker support services
- 200 young people accessing a work-based experience
 - At least 80% of young people complete their placements.
- Positive feedback on the quality of support and candidates from 80% of employers.
 - 200 young people supported developing skills (life skills, employment skills)
 - 120 economically inactive young people supported to engage in job searching
 - 170 socially excluded young people accessing support
 - 190 employers accessing support and offering placements (assumes employers offer one placement each).
- 200 young people are making progress towards or into the labour market.

We will require applicants to demonstrate how they intend to progress participants towards and / or into work, including progression into training or other support to address a specific need, and what tool(s) will be used to monitor the individual's progress.

Outcomes:

The following outcomes are expected from priority 2.1:

- 200 young people with improved employability skills
- 35 young people are progressing into further education or training
- 25 young people accessing permanent employment
- 50% of employers reporting reduced recruitment issues.
- 50% of employers reporting improved confidence in recruiting economically inactive young people.

Young people can benefit from more than one placement opportunity, in their journey towards work, however each young person can only be counted as one output.

Please refer to the project application guidance document for additional information regarding outputs and outcomes definitions and evidence requirements.

6. Budget

There is a budget allocation of £950,000 for priority 2.1. The Combined Authority expects to invest in upto 3. All funding must be spent by 31 March 2026.

Eligible costs include:

- Provider staffing costs
- Training and development costs for participants
- Participant travel costs
- Provider overheads
- Wage subsidies for employers
- Costs for project level data collection, learning and evaluation

7. Applications and assessment process

Applications

Providers should submit a completed application using the standard template. Each question has a word limit and any text over this word limit will not be assessed. Additional documents or appendices will not be assessed.

Applications from partnerships are acceptable, it is the lead partner responsibility to complete all required documentation.

Providers are expected to be able to demonstrate in their application:

- Experience in delivering employment or youth employment programmes.
- Strong links exist with local employers.
- The ability to mobilise and begin delivery by 1 September 2025
- The capacity to manage wage subsidies and placements, including health and safety and safeguarding requirements.
- A commitment to Equality, Diversity, and Inclusion (EDI).
- Systems for safeguarding, risk management, and data protection.

All applications will be scored in line with the North East Combined Authority award criteria set out in the project application guidance document.

Assessment

The North East Combined Authority will hold an assessment panel with applicant interviews, if required, between 9 and 11 July 2025. Applicants are advised to hold these dates in diaries, as alternatives will not be available.

8. Quarterly claims and payments

The North East Combined Authority's claim process operates quarterly in arrears with projects able to claim for actual expenditure on project activities, on a quarterly basis, after the money has been spent. Applicant organisations are required to cashflow project activity.

Claims are due one month following the quarter end. The North East Combined Authority will pay claims when:

- A fully completed claim form has been approved by the Combined Authority together with supporting information, including a detailed transaction list and evidence of defrayment
- Any project specific funding conditions have been complied with
- Financial, output, milestone, risk and progress information has been uploaded correctly onto the portal

The Combined Authority will withhold 10% of the project value until all necessary checks have been undertaken and the project can be satisfactorily closed.

9. Alignment with other projects and programmes

We expect that applications will demonstrate how they align with, and not duplicate, existing projects and programmes. This includes UKSPF People and Skills funded projects as well as other projects funded by the Economic Inactivity Trailblazer and Connect to Work.

Providers will be expected to attend quarterly provider forum meetings.

10. Monitoring, evaluation and learning

The monitoring information for each participant will be collected via the Participant Registration Form. It will be the responsibility of each provider to ensure every participant has completed this information.

Monitoring returns, along with claims, will be submitted on a quarterly basis, and sample checks will be completed by the Combined Authority.

The evaluation of the Trailblazer is vital to inform future direction. All participating organisations must commit to participating in the Combined Authority programme level evaluation by collecting and providing data, taking part in qualitative interviews, completing surveys and allowing their data to be processed and analysed for this purpose.

Providers have a critical role in learning and evaluation for the Trailblazer. Applicants are encouraged to include research, learning and evaluation in their applications. The Combined Authority is particularly interested in the following research questions:

Young people:

- What are the most common **barriers** preventing economically inactive young people from accessing employment, and how do they vary by demographic (e.g., education level, socio-economic background, disability status, geography)?
- What **interventions** are most effective at improving workplace readiness for young adults facing multiple challenges, such as mental health concerns or lack of prior work experience? Why are these interventions effective?

- What strategies are most effective in building confidence and resilience among economically inactive young people to prepare them for work?
 - How do alternative work arrangements (such as flexible hours or remote work) support young adults to overcome employment barriers?
 - How does access to transport, childcare, or financial support influence young people's ability to engage in work placements or employment?
 - What is the optimum wrap around support to young people (orientation, coaching, mentoring) to reinforce workplace readiness?
- What are the **benefits** of on-the-job experience for economically inactive young people (e.g. skills development, confidence building, CV enhancement, job market understanding?)
 - Do work tasters, work placements, and work trials bring particular benefits for particular cohorts of economically inactive young people? Why is this?
 - What is the ideal length and intensity of placement for different cohorts of young people?
- How do young people perceive workplace culture, and what factors make them feel included or excluded?
- How does mentorship or peer support influence the transition from inactivity to employment for young people?
- What can be done to improve awareness and uptake of work and career development opportunities among economically inactive young adults?

Employers:

- What are the most appealing placement types for employers? Does this differ by sector, size etc.?
- What is the optimum wrap around support for employers? Does this differ by sector, size etc.?

- What role does employer perception play in hiring economically inactive young people, and how can any misconceptions be addressed?
- How important is the wage subsidy to employers? Does this differ by sector, size etc.?