

North East Combined Authority

Economic Inactivity Trailblazer call for  
projects

Priority 2.3: employment support to  
individuals within primary care

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 2.3 employment support to individuals within primary care. This should be read in conjunction with the guidance for this call for projects.

## **3. Employment support to individuals within primary care (priority 2.3)**

The purpose of this priority is to test new and innovative approaches to improving employment outcomes for adults of working age, with physical, mental health conditions or disabilities that are accessing primary care services, and who are currently economically inactive in the North East Combined Authority area.

Priority 2.3 will test the theory that employment support projects are more effective when they address health, skills, motivation, and personal circumstances in an integrated and holistic way, using a 'Health First' or 'Health and Work' integrated model.

### **Priority 2.3 aims to test new approaches to:**

- Address health barriers alongside employability barriers for people that have one or more long-term physical or mental health conditions to support increased engagement and retention.
- Increase sustained engagement of target participants in employability activities.
- Improve participants' confidence, wellbeing, and perceived work readiness.
- Provide wrap around employability and personal development support, to increase the number of people with health conditions entering employment support and progressing towards the labour market.

- Supporting employers to employ people with a health condition and gaining a better understanding of the support needed by the employer.
- Test different approaches to delivering integrated models, which could include:
  - Employability advisors with trauma-informed training
  - Using non-stigmatising approaches delivered by trusted organisations to increase engagement
  - Testing one to one and group work models, including peer support options
  - Integrating physiotherapy or occupational health with employability support
  - Piloting projects that blend face-to-face, outreach, and assisted digital access to improve reach for particular cohorts.
- Generate learning about what works to inform future commissioning.

### Summary of priority 2.3:

- The target group is 18 to 64-year-olds, who are economically inactive and have one or more long-term physical or mental health conditions.
- Priority 2.3 is expected to support 100 people in total.
- An indicative allocation of £500,000 is available for this priority.
- The Combined Authority expects to fund up to five projects in this strand of activity.
- The minimum grant request is £100,000, and the maximum request is £250,000. Projects that apply for more or less funding will not be assessed.
- For this priority it is expected that projects will be local or hyper local.
- All delivery must be completed by 31 March 2026.

### Key dates:

- Applications must be received by **noon on Friday 27 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 2.3 includes health-focused interventions delivered in-house or via project partners, that integrated or co-located health and wellbeing support with health-aware employment support. It is anticipated that projects will deliver some of the following activities to achieve the objectives of this priority.

- Integration of employability, health, and wellbeing support, embedding health professionals within employment support teams (for example a shared site or hot desk model).
- Trialing new, strengths-based methods of assessment of needs and individual action planning, co-produced with participants.
- Advisors trained in trauma-informed and inclusive practice.
- Flexible action plans that include non-work health goals and health progression as progress markers (e.g., improved sleep, reduced anxiety, attending social groups).
- Building realistic pathways to work, considering health status and energy levels.
- Support to build soft skills linked to health recovery, e.g. confidence, routines, managing expectations.
- Access to support such as:
  - Lifestyle and wellbeing interventions such as physical activity programmes (e.g., walking groups, yoga for chronic pain, managing lower back pain), nutrition or sleep hygiene workshops, social prescribing referrals.
  - Psychological therapies (e.g., CBT, anxiety management, stress reduction).
  - Condition management support (e.g., chronic pain workshops, fatigue management, managing diabetes at work, managing arthritis at work, managing lower back pain).
  - Occupational health input including workplace adjustments advice.
- Delivery may be in-house or via formal partnerships (e.g., local talking therapy services, primary care networks, wellbeing hubs, or VCSE mental health providers).
- Tailored opportunities including volunteering, training, work tasters etc. with an emphasis on flexibility (e.g., phased return, part-time roles, reasonable adjustments).
- Offering assisted digital support (devices, skills training, face-to-face alternatives) that is accessible and inclusive.
- Delivery in trusted, accessible venues **and/or** hosting drop-in sessions or clinics (mental health, physiotherapy, health checks) within community employability hubs.
- Joint planning meetings with employment and health staff to align support for individual participants.
- Supported work preparation and placements with health adjustments, such as work experience or volunteering with structured health-related support:
  - Phased or low-pressure introductions to working life.
  - On-site job coaches or wellbeing mentors.
  - Partnership with employers open to reasonable adjustments.
- Job carving or tailoring roles around participants' capabilities and health needs.

- Providing or coordinating welfare rights advice, especially relating to ESA, PIP, or UC and permitted work, helping participants understand and navigate benefits and work transitions without fear of sanctions or losing support.

**Please note** that any therapeutic interventions should be delivered by appropriately qualified staff with relevant occupational expertise. This can be funded through the project and delivered by the provider directly, if appropriate, or via a partnership project.

## 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 64
- 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 2.3:

- 100 economically inactive people recruited
- 80 people engaging with keyworker support services
- Positive feedback on the quality of support and candidates from 80% of employers.
- 70 people supported developing skills (life skills, employment skills)
- 40 economically inactive people supported to engage in job searching
- 60 socially excluded people accessing support
- 70 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 2.3:

- 70 people with improved employability skills
- 15 people are progressing into further education or training
- 10 people accessing permanent employment
- 50% of employers reporting improved confidence in recruiting economically inactive people with a disability or health condition.

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 £500,000 for priority 2.3. The Combined Authority expects to invest in up to 5 projects. 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
- 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 and engage with other Trailblazer activities, including integration and system change workstreams.

## **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 interested in projects that trial:

- The use of holistic outcome tools (e.g., Warwick-Edinburgh Mental Wellbeing Scale, Goal Attainment Scaling).
- Tools that recognise “distance travelled” in health, as well as employment.
- Participant-defined success measures /patient reported outcome measures, including increased stability, routines, self-care, or reduced use of crisis services linked to progressing towards the labour market.

The Combined Authority is particularly interested in the following research questions:

- To what extent did the project engage the intended target group? Who participated (demographics, health conditions, length of economic inactivity)?
- What were the most effective referral routes and outreach methods?
- What barriers to engagement were encountered and how were they addressed?
- How was the integration of health and employment support operationalised? How were services coordinated (e.g., co-location, joint case management)?
- What types of health support were provided (in-house or through partners)?
- What were the key enablers and challenges in delivering integrated support? Staff training, data sharing, partnership working, etc.
- To what extent was delivery person-centred and tailored?
- Were participants able to set and revise their own goals?
- To what extent did participants progress towards employment? e.g., increased confidence, work readiness, engagement in volunteering/training.
- What types of work did participants aspire to, and were these aspirations supported?
- Did participants report improvements in physical or mental health and wellbeing?
- To what extent did participants feel more able to manage their health in the context of work or training? Were there reductions in social isolation, stress, or use of crisis services?
- What validated tools were trailed? (e.g., WEMWBS, PHQ-9, GAD-7) or participant-defined outcomes. What was most successful?
- What impact did the project have on local partnerships between employment, health, and VCSE sectors? Did it build new relationships or improve referrals across sectors?
- Did employers report improved confidence in recruiting economically inactive people with a disability or health condition? What methods were used to test this consistently?

- How could employers be better supported in future to recruit economically inactive people with a disability or health condition?
- What lessons can inform the design of future health-employment interventions or commissioning models?