

North East Combined Authority

Economic Inactivity Trailblazer call for projects

Priority 2.6: support for employers

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 tis call for projects.

3. Support for employers (priority 2.6)

Introduction

The North East Combined Authority's Local Growth Plan identifies a range of sectoral economic opportunities where the region has unique assets and opportunities, including:

- Offshore wind and energy transition
- Advanced manufacturing including electric vehicles
- Creative industries and content
- Life sciences, pharmaceuticals and process industries
- Tech, digital and AI
- Defence, security and space

To support the delivery of the Local Growth Plan we want to establish new ways of engaging and working with employers across the region to **increase employer capacity, commitment and capability to support residents with health conditions and disabilities to access and sustain**

employment. We also specifically want to invest in the Foundational Economy, in entry level jobs and local services.

We know that small and medium-sized enterprises (SMEs) play a critical role in the economy. However, many SMEs face barriers to inclusive recruitment and retention, particularly when it comes to employing individuals who are economically inactive and living with health conditions or are disabled, or with protected characteristics under the Equality Act 2010.

Despite strong evidence that inclusive employment practices benefit individuals, employers, and communities, SMEs often lack the resources, confidence, or support needed to realise these opportunities. Without intervention, this can contribute to entrenched inequalities in the labour market and the under representation of diverse talent across key sectors.

This call for projects seeks to address these challenges by supporting employers, including VCSE organisations, in particular smaller organisations and SMEs, to become more inclusive employers, removing practical and attitudinal barriers, building confidence, and creating sustainable pathways into employment for those residents who are furthest from the labour market.

Aim of priority 2.6

The overarching aim of priority 2.6 is to understand, influence and address employers' recruitment and retention activity, especially for people who have barriers to employment.

The Combined Authority strategic intent is to support a more diverse workforce in which we unlock our region's full potential, to do this we must tap into the diverse talents, skills, and perspectives of all our people. This means creating an economy that works for everyone—one that ensures no one is left behind and every person, regardless of where they come from, can contribute to and benefit from our region's prosperity. Strong growth sectors – drawing on talent from diverse backgrounds combined with a thriving foundational economy that is built on inclusivity - will be key to this success. By ensuring our businesses can recruit and retain a diverse, healthy, and highly skilled workforce, we will create the conditions for long-term growth.

The Combined Authority want to test new ways in which employers can address the issues associated with the recruitment and retention of staff with health conditions and disabilities.

Objectives of priority 2.6

Priority 2.6 seeks to:

- Support employers, in particular SMEs, to confidently recruit and retain individuals who face disadvantage in the labour market.
- Increase employer understanding of inclusive employment practices and legal obligations.
- Reduce practical, financial, and knowledge barriers to inclusive recruitment and workforce development.
- Build a pipeline of good quality employment opportunities for individuals who are unemployed, economically inactive, or disadvantaged. This should be linked to other Trailblazer funded projects, and more broadly, to UKSPF projects and Connect to Work.
- Test and pilot innovative approaches to understand what works, for whom, and in what contexts.

A central principle of this work is learning and generating data, evidence and insight into effective practice and working in partnership with the wider system to inform future project design, commissioning, and investment.

Target group

Projects funded through priority 2.6 must focus on:

- Operating in growth sectors as identified in the Regional Growth Plan including
 - Offshore wind and energy transition – capitalising on the region’s strengths in renewable energy and net zero technologies.
 - Advanced manufacturing, including electric vehicles – building on the North East’s strong automotive and engineering base.
 - Creative industries and content – supporting growth in media, design, and cultural production.
 - Life sciences, pharmaceuticals and process industries – leveraging existing clusters and research strengths.
 - Tech, digital and AI – fostering innovation and digital transformation across sectors.
 - Defence, security and space – tapping into national strategic priorities and local capabilities.
- We also specifically want to invest in the Foundation Economy, in entry levels jobs and local services.
- Supporting employers with recruitment challenges or hard to fill vacancies.
- Support employers who are interested in employing people from disadvantaged communities or priority local areas, linked to the Trailblazer, UKSPF and Connect to Work activity.
- Employers that are new to inclusive recruitment or are lacking a formal HR or occupational health infrastructure.

Priority 2.6 will support employers to create opportunities for people who are economically inactive, and have disabilities, long-term health conditions including mental health conditions who face labour market disadvantage.

Eligible activities

The Combined Authority hope to fund projects that deliver some of the following eligible activities:

Training and awareness raising including:

- Delivery of tailored group training to managers and teams on disability confidence, mental health, inclusive leadership, and EDI.
- One-to-one coaching or peer learning opportunities to build employer confidence.
- Raise awareness amongst employers, particularly SME's, of the additional skills and training opportunities for employees that can be accessed through programmes such as the Adult Skills Fund and Skills Bootcamps - [Adult skills](#)

To build inclusive workplace cultures, employers may benefit from training and development activities for managers and teams. This could include tailored training on disability confidence, mental health awareness, inclusive leadership, and equality, diversity and inclusion. The Combined Authority expect a strong link to the Shine employer accreditation scheme (previously the Good Work Pledge). [Shine homepage](#)

Some employers may also value one-to-one coaching and / or access to peer learning opportunities to support CPD and increase their confidence in employing and supporting individuals from diverse backgrounds.

Practical guidance and support, including:

- Advice on available external wage subsidies, grants, or financial incentives.
- Support to access funding for workplace adaptations or reasonable adjustments.
- HR guidance and support on risk management and employment responsibilities.
- Occupational health guidance and support.
- Assistance with inclusive job design, role carving, and alternative recruitment methods.
- Support to develop accessible job adverts and outreach to diverse talent pools.

Employers may require clear and accessible advice on the financial support available to them when employing individuals who are economically inactive with a disability or health condition. This could include information about wage subsidies, grants, or other financial incentives designed to offset the initial costs of recruitment and employment. Employers may also benefit from support in accessing funding for workplace adaptations or reasonable adjustments, such as assistive technology, physical modifications to the work environment, or support workers (e.g. Access to Work).

In addition, practical HR and occupational health guidance and support can help employers understand their responsibilities around recruitment, employment law, risk management, and the implementation of inclusive workplace policies.

SMEs in particular may benefit from help to make their recruitment processes more inclusive and accessible. This could include support with inclusive job design and role carving to ensure opportunities are flexible and tailored to the skills and strengths of a diverse range of candidates.

In-work and retention support, including:

- Onboarding support, including coaching or mentoring for both employees and managers.
- Troubleshooting support during early employment to promote retention.
- Advice on flexible working arrangements and long-term progression planning.

To support successful transitions into the workplace, employers may need structured onboarding and induction support. This could include coaching or mentoring for both the new employee and their manager to build understanding, confidence, and communication.

Early stage troubleshooting or problem-solving support can also help address issues quickly and promote job retention. Employers may also require advice on designing flexible working arrangements that meet both business needs and individual circumstances, as well as support with longer-term career progression planning for employees who may need additional support.

Policy and strategic development support, including:

- Provision of simple, practical tools (e.g. template policies, checklists).
- Guidance on compliance with the Equality Act and good practice approaches.
- Support for employers to join recognised schemes (e.g. Disability Confident, Shine).

Employers may require tools, resources and support in the development of inclusive policies and practices. This could include template policies, guidance documents, and checklists that help them embed inclusive approaches into everyday practice. This could include guidance on compliance with the Equality Act, what constitutes good practice in inclusive employment, and encouragement and support to join recognised schemes that demonstrate a commitment to inclusion, such as the Disability Confident programme.

Key dates:

- Applications must be received by **noon on Friday 14 July**. Any application not fully completed and submitted by this date and time will not be assessed.
- Interviews will be held with the assessment panel on 31st 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 August** 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**.

4. 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:

The following **outputs** are expected from priority 2.6:

- 200 employers recruited and supported

The following **outcomes** are expected from priority 2.6:

- 150 employers supported to adopt inclusive recruitment practices, such as accessible job adverts, alternative interview formats, or role carving.
- At least 80% of participating employers report increased confidence and understanding of how to support diverse employees.
- At least 80% of employers rate the support as useful or very useful.

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

5. Budget

There is a budget allocation of £875,000 for priority 2.6. 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 and overheads
- Training and development costs for employers
- Costs to back fill time in the employers' organisation to attend training is an eligible cost for SMEs and VCSE organisations with less than 250 staff
- Costs for project level data collection, learning and evaluation

6. 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:

- Strong links exist with local employers.
- The ability to mobilise and begin delivery by 1 September 2025
- 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, on 31st July 2025. Applicants are advised to hold this date in diaries, as alternatives will not be available.

7. 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.

8. 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.

9. Learning

Providers have a critical role in data collection, 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:

Employers:

- To what extent did employers engage with the support offered (e.g. guidance, recruitment support, training)? What types of support were accessed most frequently, and by whom (e.g. size of employer, sector)?
 - Were the resources and tools provided seen as relevant, clear, and easy to use?
- To what extent has employer understanding of inclusive employment practices improved?
 - Has there been an increase in confidence among employers to recruit and support individuals from under represented groups?
 - How have employer attitudes towards disability, health conditions, or other protected characteristics changed?
- What changes have been made to recruitment processes, workplace policies, or day-to-day practices as a result of the support? Have employers introduced or improved flexible working arrangements, reasonable adjustments, or inclusive job design?
- Has training or awareness raising led to observable changes in workplace culture or management practices?

- Have employers recruited more people from target groups (e.g. people who are economically inactive, disabled, or from under represented backgrounds)?
- Are inclusive practices embedded in organisational policies and systems, or dependent on short-term external support?
- Have any employers progressed in external recognition schemes (e.g. moved from Disability Confident Committed to Disability Confident Employer or Disability Confident Leader)?
- How do employers plan to continue or build on inclusive employment efforts beyond the life of the project? Have any additional support requirements been identified?

System level improvements:

- Has the support offer contributed to a wider shift in inclusive employment practices within local or sectoral ecosystems?
 - Are inclusive employment principles being adopted across networks, employer groups, or supply chains beyond those directly supported?
 - Is there evidence of a cultural change among employers, such as a growing norm around inclusive hiring or retention practices?
 - Have employers begun to advocate for or promote inclusive employment within their industries, peer groups, or business forums?
- Have new or improved partnerships emerged between employers, employment support providers, disability organisations, or local authorities as a result of the support? Or has the project strengthened partnerships or networks that support inclusive employment?
- Are there stronger referral pathways or more co-ordinated approaches to supporting individuals with barriers to work?
- To what extent has the support contributed to systems or infrastructure that enable inclusive employment at scale? Are tools, templates, or approaches developed through the support being adopted or endorsed by wider organisations, networks, or policy makers?
- Are there measurable improvements in inclusive employment outcomes at a local or regional level that suggest broader system impact?