

The North East Economic Inactivity Trailblazer update

1. Introduction

In December 2024 the Mayor secured the North East CA as an Economic Inactivity Trailblazer, bringing together health, employment, and skills services to improve the support available to those who are inactive due to ill health and help them return to work. Removing barriers to employment is a key component of our ambition to make the North East the home of real opportunity and delivering the draft Local Growth Plan.

This £10m investment will provide us with the opportunity to develop and test new and innovative ways to address the persistent challenges of economic inactivity. The aim of this activity is to harness untapped human potential to help grow our economy, raise living standards, reduce child poverty and create opportunities from which everyone can benefit.

The Trailblazer investment will deliver three key objectives:

- Maximise the reach, effectiveness and impact of the range of existing services that could support people who are economically inactive to participate in the labour market, by transforming how partners and services work together locally.
- Test new and innovative approaches to: Identifying and engaging people who are economically inactive and supporting people who are economically inactive to participate in the labour market; and
- Provide a platform for longer-term systems reform, to deliver a coherent, joined-up local work, health and skills offer.

This document provides a brief update for potential providers on priorities, funding allocations and indicative timescales for the activities that will be funded to support forward planning and enable potential providers to develop project proposals and partnerships.

2. Priorities

The Trailblazer is centred around the following 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 skills and employability.

Details of how we deliver this activity are subject to further discussions.

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 models which provide learning and the opportunity for future scale-up. Priority two has six strands of activity, as follows:

2.1 Supported placements for young people – This theme will offer subsidised work placement opportunities to young people, aged 18 to 24, complemented by wrap-around employment support.

This strand has an indicative allocation of £950,000 and is likely to fund up to three projects.

2.2 Supported placements for neurodiverse residents – This theme will offer subsidised work placement opportunities to neurodiverse residents of working age, complemented by wrap-around employment support.

This strand has an indicative allocation of £875,000 and is likely to fund one or two projects.

2.3 Support to individuals within primary care – This theme will involve Employment Specialists working with primary care to support residents who have a disability, mental health condition or a physical health barrier to work.

This strand has an indicative allocation of £500,000 and is likely to fund up to five projects.

2.4 Social housing tenants – This theme will engage with economically inactive social housing tenants, especially those social housing tenants over the age of 50, and develop new, and effective ways of supporting them to enter employment and maintain tenancies through an integrated approach to support.

This strand has an indicative allocation of £875,000 and is likely to fund three or four projects.

2.5 Women - This theme will involve innovative activities for women who are experiencing health issues and are economically inactive or at risk of becoming economically inactive. Activities will include engagement, integrated support and developing evidence of ‘what works’ in a woman’s employment journey.

This strand has an indicative allocation of £925,000 and is likely to fund between five and eight projects.

2.6 Employers – This theme will support activities that aim to understand, influence, and improve employers’ recruitment and retention practices, specifically with regard to employing people facing barriers to employment.

This strand has an indicative allocation of £875,000 and is likely to fund up to five projects.

In addition to the activity outline above, the Combined Authority will also invest just under £1,000,000 in a **VCSE Small Grant Programme**, with grants available of up to £100,000 for community-based projects. This will support activity to engage residents furthest from the labour market who are economically inactive, especially those with health conditions. The small grants programme will fund projects that engage and support economically inactive residents, to remove barriers and support residents towards and into mainstream employment support services.

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:

3.1 System redesign – pilot projects to create a ‘single front door’, triage and referral system to create a seamless service to support residents and employers. This may include identifying relevant touch points with patients, improving co-ordination, integration, and data sharing.

Details of how we deliver this activity are subject to further discussions.

3.2 Carers and VCSE - building capacity in carers organisations, and the VCSE sector, to scope their role in service integration and tackling economic inactivity and to better understand the remit, expertise and existing activities within these sectors can be re-designed to improve outcomes for residents.

This strand has an indicative allocation of £200,000 and is likely to fund up to five projects.

3.3 Labour market intelligence (LMI) Hub - the creation of a shared regional resource for labour market intelligence (LMI) that supports providers and commissioners to design and shape provision based on local labour market needs.

This strand has an indicative allocation of £350,000 and is likely to fund one project.

3. Next steps

The first stage of the Trailblazer will be three separate open calls for the strands of activity within priority two. Indicative timescales for priority two are as follows:

| | | |
|------------|---|--|
| Call one | Supported placement programmes - Young Adults 18 to 24 | Launched week commencing 2 nd June |
| | Supported placement programmes - Neurodiverse residents | |
| Call two | Support to individuals within primary care | Launched week commencing 10 th June |
| | Support for social housing tenants | |
| Call three | Support for women | Launched week commencing 20 th June |
| | Support for employers from key sectors | |

Potential providers are encouraged to begin planning activity and partnerships now.

The table below summarises the Trailblazer programme activity, amounts and indicative timescales. Further information on open calls and procurement rounds will be released in due course.

| Priority | Total budget | Minimum grant amount | Maximum grant amount | Indicative number of projects | Indicative timeframes |
|---|--------------|----------------------|----------------------|-------------------------------|---|
| Priority 2: New ways of working | | | | | |
| 2.1 Supported placement programmes - young adults 18 to 24 | £950,000 | £300,000 | £950,000 | Up to 3 | Open call week commencing 2 nd June |
| 2.2 Supported placement programmes - neurodiverse residents | £875,000 | £450,000 | £875,000 | 1 or 2 | Open call week commencing 2 nd June |
| 2.3 Support to individuals within Primary Care | £500,000 | £100,000 | £250,000 | 2 to 5 | Open call week commencing 10 th June |
| 2.4 Social Housing Tenants | £875,000 | £200,000 | £300,000 | 3 to 4 | Open call week commencing 10 th June |
| 2.5 Women | £925,000 | £100,000 | £175,000 | 5 to 8 | Open call week commencing 20 th June |
| 2.6 Employers from key sectors | £875,000 | £100,000 | £300,000 | Up to 5 | Open call week commencing 20 th June |