

Title: Economic Inactivity Trailblazer Programme Priority 2_Open Calls 1 and 2

Report of: Charlotte Carpenter, Director of Education, Inclusion and Public Service Reform

Portfolio: Home of Real Opportunity

Report Summary

In December 2024 the North East Combined Authority (North East CA) was identified 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. The North East CA will receive up to £10m for delivery in 2025/26.

The content of the Economic Inactivity Trailblazer Delivery Plan, proposed approach—and associated outputs and outcomes were agreed by Finance and Investment Board on May 2025 and approved via Delegated Decision in July 2025.

Work has been taking place to mobilise Priority 2 – New Ways of Working. This has been progressed through three phased open calls, each with two strands of activity. The purpose of this report is to provide the outcome of the first two Open Calls. The report was considered by North East CA's Technical Officers Group at its meeting held on 21st July 2025 where it was recommended for approval.

Recommendations

As agreed in the Economic Inactivity Trailblazer Delivery Plan, the Chief Executive is asked to:

- I. Approve the award of funding to providers identified through the first two Open Calls detailed in Appendix 1.

1. Background

- 1.1 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. 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 content of the Economic Inactivity Trailblazer Delivery Plan, proposed approach, scope of activity, call process and associated outputs/outcomes were agreed by Finance and Investment Board in May 2025.

2. Priority 2: New ways of working through market innovation

- 2.1 This priority is focused on driving innovation in how support for economically inactive residents is designed and delivered. It recognises that while the North East has a broad landscape of employment related services, the pace and complexity of individuals' needs require new thinking and not just reconfiguration of existing provision. Priority 2 aims to unlock untapped potential by testing innovative and personalised models of support that challenge delivery and funding formulas.

3. Commissioning Approach

- 3.1 Following approval of the Economic Inactivity Trailblazer Delivery Plan, commissioning for activity under Priority 2 was undertaken through a phased Open Call Framework. The framework included three Open Calls each with two thematic strands of activity. The first of the Open Calls launched on the 2nd June 2025 and the last closed on 14th July 2025.
- 3.2 The assessment process was underpinned by a structured scoring framework, with weightings attributed to quality criteria such as project design, delivery capability, partnership strength, social value, and mobilisation planning. In addition to the quality criteria, non-scored questions, including

those relating to financial stability, eligibility and compliance were reviewed to ensure minimum standards were met. Value for money was assessed through a detailed review of project budgets, outputs and delivery plans, with consideration given to cost- effectiveness, proportionality and alignment with programme objectives.

- 3.3 A separate assessment panel was held for each of the thematic strands, with panel members including internal programme leads, subject-matter experts, an external consultant, representatives from the Performance Assurance Team, and an independent moderator.
- 3.4 The first two Open Calls, which have now been assessed via the panel include:
- Employment Support and Work Placements for Young People 18-24;
 - Employment support and work placements for people who are neurodivergent;
 - Support to Individuals within Primary Care; and
 - Support for Social Housing Tenants.
- 3.5 As a result a total of nine projects are being recommended for approval across eight organisations, for a value of £3,003,724. These projects represent a diverse portfolio of activity testing new and innovative approaches to support people who are economically inactive.
- 3.6 Details of the nine projects recommended for approval, alongside the individual funding values are included in Appendix 1.

4. Outputs and Outcomes

- 4.1 Expected outputs and outcomes for the each of the four strands of activity were included within the specification and project application guidance documents. Potential providers were asked to detail their contributions to these outputs and outcomes in their business case. In addition, potential providers were also encouraged to submit additional outputs and outcomes that added value to those set out in the specification and contributed to the objectives of Priority 2 and local identified needs.
- 4.2 The outputs and outcomes set out within the specifications and applications were intended to be indicative, recognising that commissioning was undertaken through an open call process. Given the unique nature of each project and the Trailblazer programme's explicit test-and-learn approach, variances between proposed and anticipated figures are to be expected. These variances reflect both the innovative character of the programme and the flexibility required to trial and refine new models of support.
- 4.3 Table 1 below shows the total expected outputs and outcomes detailed within the specifications for each strand of activity.

Table 1 – Outputs and Outcomes

Outputs	Proposed	Anticipated
Number of economically inactive people recruited	800	937
Number of people engaging with keyworker support services	570	774
Number of people taking part in work experience	380	731
Number of people supported developing skills (life skills, employment skills)	590	662
Number of economically inactive people supported to engage in job searching	350	497
Number of socially excluded accessing support	550	100
Number of people are making progress towards or into the labour market	527	70
Number of employers engaged	370	450
Outcomes	Expected total	

Number of people in employment	85	127
Number of people with improved employability skills	600	741
Number of people into education and training	100	176

5. Timetable for Implementation

- 5.1 Project level milestones have been captured as part of each business case, and a review of milestones was included within the assessment process. These will be included in Grant Fund Agreements and form the basis of ongoing performance management arrangements in line with DWP requirements. It is proposed that the eligible expenditure date for activity under all these Open Calls is 21st July 2025, to confirm expenditure from this date will be at the applicant's risk until the project is formally contracted.

6. Evaluation

- 6.1 Evaluation of this activity will fit within and contribute to the overall programme evaluation. Providers have been encouraged to develop and implement local evaluation within their activity, with proposed topics and research questions included as guidance within the specification. However, an external evaluator will be commissioned to undertake a comprehensive programme evaluation.

7. Recommended Conditions of Funding

There are no recommended conditions of funding.

A. Potential Impact on North East Combined Authority Objectives

All activity will contribute to progressing the Mayor and Cabinet's priorities, with specific emphasis on the Home of Real Opportunity Portfolio and the Public Service Innovation Programme. The Programme aligns to regional and Mayoral economic objectives and underpins North East CA Local Growth Plan priorities to improve skills and employment, tackle child poverty, and specifically increase diversity of employment.

The Economic Inactivity Trailblazer Programme is a key element of the Government's Get Britain Working strategy, which aims to reduce hidden unemployment and support individuals with disabilities, health conditions, and complex employment barriers in securing sustainable jobs.

B. Key risks

A joint strategic risk register has been developed for the Economic Inactivity Trailblazer Programme and the Connect to Work Programme. This strategic risk register is monitored by the Implementation Group that has been created to oversee the management of both programmes.

C. Financial and other resources implications

The total indicative budget for Open Calls 1 and 2 and related strands of activity is £3,200,000. The table below summarises the recommended allocations across project strands with a proposed allocation of £3,003,724.

Priority Area	Projects Recommended	Total Funding
Employment support and work placements for young people (18–24)	2	£1,223,464
Employment support and work placements for neurodivergent people	1	£874,787
Support to individuals within primary care	4	£483,909

Support for social housing tenants	2	£421,564
Total	9	£3,003,724

A full review of proposed allocations will be undertaken following the completion of the final Open Call, with particular attention to delivery feasibility, value for money, and alignment with Trailblazer objectives. Any budget adjustments required will be made to ensure resources are deployed effectively and reflect the strategic intent of the programme. This includes refining investment to ensure that the total allocation for Priority 2 investment is utilised.

D. Legal implications

The comments of the Monitoring Officer have been included in this report.

E. Equalities implications

The programme's commissioning approach has been designed to increase opportunities for residents most at risk of poor social and economic outcomes including women and girls, young people, people with health conditions and disabilities. The programme's delivery model has been designed to support the North East CA's equality objective to work with partners and other funders to ensure our funding opportunities are accessible to organisations working with some of our most under-represented residents.

F. Consultation and engagement

Extensive consultation to support the design and development of this new programme has taken place with a range of key stakeholders including DWP, North East and North Cumbria ICB, members of the North East Regional Labour Market Partnership (including VONNE and employer representatives), Mayoral Combined Authorities and the seven constituent local authorities.

This consultation included two Tackling Economic Inactivity workshops held with representatives from DWP, ICB and Health, Housing and the Voluntary Sector to consider how to support the design and implementation of a cohesive and co-ordinated approach to tackle economic inactivity across the region. A provider engagement event was held on 2 June 2025 to share details of the programme and the upcoming calls process. The event was well received with approximately 150 attendees.

G. Appendices

Appendix 1 – Recommendations for Project Approvals

H. Background papers

None

I. Contact officers

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J. Glossary

DWP
North East CA
North East and North Cumbria ICB

Department of Work and Pensions
North East Combined Authority
North East and North Cumbria Integrated Care Board

K. Consultee

Cabinet Member: Yes	Director/Head of Service: Yes	Director of Finance and Investment: Yes	Monitoring Officer: Yes
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Recommendations for Project Approval

Priority 2.2

Employment support and work placements for young people aged 18-24

Total Applications Received: 11

Projects Recommended: 2

Provider	Project Name	Funding	Project brief
Groundwork	Northern Futures	£930,897	A region-wide youth-centred programme offering personalised employability support and meaningful work placements to help 18–24-year-olds build skills, confidence, and move into work or training. Delivered through strong employer partnerships and inclusive wraparound support.
Newcastle United Foundation	North East Connected	£292,567	A collaborative regional initiative engaging 100 inactive young people through football club-led placements, career coaching, and employer networks, with tailored support from Smart Works and Society Matters.

Priority 2.2

Employment support and work placements for people who are neurodivergent

Total Applications Received: 4

Projects Recommended: 1

Provider	Project Name	Funding	Project brief
North east Autism Society	Neurodiversity Employment Service NE	£874,787	A specialist employment programme for neurodivergent individuals providing structured 1:1 support, tailored work placements, and neuroinclusive development pathways through bespoke Individual Action Plans.

Priority 2.3

Support to Individuals within Primary Care

Total Applications Received: 9

Projects Recommended: 4

Provider	Project Name	Funding	Project brief
Edberts House	Work for Health	£100,352	Holistic employment-focused support for Gateshead patients with long-term conditions, delivered via embedded social prescribing and practical wraparound help
First Contact Clinical	First Contact to Purpose	£106,871	Intensive, trauma-informed coaching for economically inactive adults in South Tyneside, supported by system partners and population health management.
Recovery Connections	Lift Off !	£174,467	Community-rooted project in East Sunderland supporting residents in recovery, co-delivered with Sunderland GP Alliance to build employment pathways.
Ways to Wellness	Psychosocial Employment	£102,219	Person-centred service integrating health and employment support for individuals with

	Support		chronic conditions across multiple North East locations.
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Priority 2.4
Support for Social Housing Tenants

Total Applications Received: 9

Projects Recommended: 2

Provider	Project Name	Funding	Project brief
Citizens Advice Gateshead	Hyperlocal Support	£213,138	Targeted engagement and confidence-building for high-rise social housing tenants in Gateshead, delivered with Gateshead Council to promote re-entry into work
First Contact Clinical	First Contact to Progress	£208,426	Intensive one-to-one support for disadvantaged tenants in South Tyneside, focused on wellbeing, employability, and progression through cross-sector collaboration