

The VCSE Sector: A strategic Asset for the Home of Real Opportunity



The Scale and Reach of the VCSE Sector

Across the North East, the VCSE sector:

- **Employs 30,040 people** and mobilises a significant **volunteer workforce of 120,039**.
- **Operates in every locality** - rural, coastal and urban.
- Delivers foundational economy services including employment, skills, health, advice and family support.
- Provides early help, prevention and long-term wraparound support.

The sector represents a **significant component of the region's social and economic infrastructure** and brings capabilities to the regional system that are difficult to replicate within statutory services.

Unique System Strengths

VCSE organisations bring capabilities to the regional system that are difficult to replicate within statutory services, each of which is further explored in the Roles and Responsibilities Framework:

- Community embeddedness and reach
- Trusted relationships that tackle inequality
- Place-specific insight across diverse geographies
- Lived experience and specialist expertise
- Prevention and systems change

Strategic Contribution to the Home of Real Opportunity

Through this, the VCSE sector directly supports the delivery of the North East CA's Corporate Plan commitments. The sector's contributions are essential to delivering:

- A better skilled and more diverse workforce
- Increased economic participation
- Reduced child poverty
- Inclusive growth across the region

Embedding VCSE partnership strengthens the North East CA's ability to deliver its missions by combining community insight, foundational support and inclusive delivery models to drive long-term system reform.

Theory of Change Summary

If the North East CA and VCSE sector:

- Align commissioning, funding and system design around shared outcomes
- Invest in coordination, infrastructure and long-term capacity
- Embed VCSE organisations as strategic partners in design and delivery

Then the system will:

- Become more integrated, navigable and inclusive
- Deliver more consistent, person-centred pathways
- Better reach those facing the most complex barriers

Leading to:

- Increased economic participation
- Reduced inequalities and child poverty
- A more preventative, place-based system



NE North East
Combined
Authority



Aim:

A strengthened, insight-led regional system in which the North East Combined Authority (NECA) and VCSE sector work in partnership to prevent and reduce economic inactivity, improving health and employment outcomes.



Inputs

Evidence and learning from the Economic Inactivity Trailblazer VCSE sector reform research project

North East Combined Authority strategic leadership, commissioning and convening power

VCSE sector capacity, infrastructure (regional and local) and community reach

Lived experience and place-based insight

Existing partnerships across skills, health and employment partnerships



Activities

System Reform Design and Governance

- Implement Roles & Responsibilities Framework
- Establish NECA-VCSE governance and engagement structures
- Design and implement transparent decision-making processes
- Align strategy, commissioning and delivery through cross-partner planning

“No Wrong Door” System

- Co-design and implement shared access and coordination approaches
- Map, test and refine referral pathways and warm handovers
- Commission and embed VCSE-led navigation
- Facilitate place-based coordination across partners

Inclusive Commissioning and Investment

- Co-design commissioning processes with VCSE partners
- Develop and pilot accessible, tiered funding models
- Review monitoring approaches to focus on outcomes
- Align funding streams and test longer-term investment models

VCSE Infrastructure and Capacity

- Resource and strengthen local and regional VCSE infrastructure
- Facilitate partnership and consortia development
- Improve access to opportunities and system engagement
- Convene partners and coordinate system engagement

Accountability, Outcomes & Learning

- Implement Partnership Maturity Framework
- Establish continuous feedback and learning loops
- Use learning to adapt commissioning and system design



Outputs

- Roles & Responsibilities Framework embedded in commissioning and governance
- Formal NECA-VCSE governance structures established
- Co-designed, inclusive commissioning processes implemented
- Multi-year and aligned funding approaches piloted
- Integrated, place-based pathways operational (“No Wrong Door”)
- Strengthened VCSE infrastructure and partnership mechanisms
- Functioning system for continuous learning and improvement



Outcomes

Short Term (0-12 months)

- Shared language and clarity of roles across partners
- Increased and earlier VCSE involvement in commissioning and policy design
- Improved intelligence flow from communities into decision-making
- Increased reach into underserved and underrepresented groups
- More transparent, proportionate and accessible processes

Medium Term (1-3 years)

- Stronger, trust-based cross-sector partnerships and collaboration
- More stable, diverse and representative VCSE provider landscape
- Increased engagement and progression of economically inactive residents
- Reduced fragmentation and clearer pathways across services
- Improved employment entry, retention and progression outcomes
- Greater employer engagement in inclusive recruitment

Long Term (3+ years)

- A coordinated, integrated and preventative regional system
- Sustained reduction in economic inactivity
- Narrowed inequalities for structurally disadvantaged groups
- Increased inclusive growth and regional productivity
- A larger, more diverse and better-skilled workforce
- Reduced child poverty and improved long-term wellbeing

Assumptions:

- Continued commitment from NECA and partners to partnership-led system reform
- Willingness to rebalance power, increase transparency and embed co-design
- Data-sharing barriers can be addressed through system leadership and agreement
- VCSE organisations are supported to build capacity and engage in system processes
- Evaluation and learning are actively used to inform commissioning and policy

External factors/context

- NECA missions and corporate plan priorities
- Changes to national funding (e.g. UK Shared Prosperity Fund)
- Legislative and policy changes (e.g. procurement reform)
- National policy direction and government priorities
- Labour market conditions and economic trends
- Wider political and fiscal environment



Risks and Mitigation

Risk	Why It Matters	Mitigation
Reform does not shift real power or behaviour	If VCSE involvement remains advisory rather than influential, trust erodes and reform lacks credibility.	• Embed the Roles & Responsibilities Framework in governance • Require documented evidence of how VCSE insight informs commissioning • Conduct annual partnership health reviews.
Commissioning complexity continues to exclude smaller providers	Loss of specialist and community-rooted organisations weakens reach into priority groups and undermines inclusive growth ambitions.	• Pilot proportional monitoring • Light-touch routes for trusted providers • Review compliance burden annually
Funding instability prevents market resilience	Short-term cycles limit workforce stability, innovation and collaboration, reducing system effectiveness.	• Pilot multi-year funding models • Improve forward visibility of investment plans • Align reform principles to mainstream commissioning
System fragmentation persists across health, skills and employment	Duplication, inefficiency and unclear pathways limit progress on economic inactivity and productivity.	• Develop “no wrong door” pathways • Appoint named integration leads • Formalise data-sharing and referral agreements
Reform remains pilot-based and not embedded	If reform is not integrated into core processes, impact will diminish once Trailblazer funding ends.	• Integrate reform indicators within NECA’s core performance and reporting frameworks • Embed principles into governance structures • Undertake annual framework review and refresh



Example Scenario: How System Reform Improves Outcomes for Residents

