

Strengthening VCSE Integration in Work, Health and Skills: Evidence, Models and Recommendations

North East Economic Inactivity Trailblazer:
VCSE Sector System Reform



Strengthening VCSE Integration in Work, Health and Skills: Evidence, Models and Recommendations

Executive Summary

The North East Combined Authority (North East CA) commissioned VONNE to lead the Voluntary, Community and Social Enterprise (VCSE) system reform strand of the Economic Inactivity Trailblazer.

This report draws together extensive mapping, stakeholder engagement and system analysis to set out both the case for reform and a practical route for delivery.

Findings throughout this research demonstrate that the VCSE sector is not a supplementary delivery partner, but a critical part of the region's employment, health and skills system. Its strength lies in reaching those facing the most complex barriers to work through trusted, holistic support.

However, the current system limits this contribution. Short-term funding, fragmented pathways, complex commissioning and structural power imbalances constrain both impact and sustainability.

This report identifies five core systems challenges:

- Short-term and fragmented funding
- Disconnected systems and unclear pathways
- Capacity and collaboration barriers
- Commissioning practices that exclude smaller providers
- Place-based inequalities

In response, it sets out four priorities for system reform:

- A “No Wrong Door” approach to access and navigation
- Reform commissioning and investment to enable inclusive, long-term delivery
- Stronger VCSE infrastructure and capacity
- Outcomes-focused accountability and continuous learning

These are translated into practical, interconnected delivery models and supported by clear mechanisms for ongoing collaboration. An accompanying *Practice Change Toolkit* has been developed alongside this report to support implementation, providing practical tools to apply these approaches in programme design, commissioning and partnership working.

Collectively, these changes provide a deliverable route to:

- Increase economic participation
- Reduce inequalities and child poverty
- Strengthen a more inclusive labour market
- Build a more preventative, place-based system

The next phase is implementation, supported by the accompanying Practice Change Toolkit. By embedding these approaches, the North East CA can move from fragmented provision to a more aligned, effective system, positioning the region as a national leader in place-based, partnership-driven approaches to reducing economic inactivity.

Background

The North East Combined Authority (North East CA) commissioned VONNE to lead the Voluntary, Community and Social Enterprise (VCSE) sector system reform strand of the North East CA Economic Inactivity Trailblazer, recognising the sector's role in:

- Reaching communities furthest from the labour market.
- Delivering holistic, person-centred support.
- Addressing the social determinants of employment.

This final phase focuses on translating gathered insight into practical system change, ensuring that learning from across all stages of VONNE's Economic Inactivity Trailblazer project informs both immediate delivery and long-term reform.

Alongside this report, a *Practice Change Toolkit* has been developed to support implementation. The toolkit translates the findings and priorities set out in this report into practical tools that can be applied across policy, commissioning, partnership development and delivery, enabling system partners to embed these approaches in practice.

Methodology

This report builds on the previous four phases of research and engagement:

Phase one: Provision Mapping Current VCSE Provision

This phase mapped VCSE-led employment support across the region using VONNE data, public registers and engagement with Local Authority leads, identifying over 120 organisations. It highlighted the scale and strategic importance of the sector, with strong provision for young people but more limited support for other groups, and a concentration on pre-employability and skills. It also identified system pressures, including reliance on short-term funding and uncertainty linked to the UK Shared Prosperity Fund.

Phase two: Stakeholder Engagement Summary

A mixed-method approach (workshops, one-to-one interviews, network discussions and a survey) captured qualitative insight from VCSE organisations and partners. This phase highlighted the sector's strengths, its community embeddedness, holistic support and lived experience, alongside key challenges such as funding instability, complex commissioning, fragmented systems and power imbalances. It also identified priorities for reform, including inclusive commissioning and integrated pathways.

Phase three: Challenge Analysis and Emerging Themes

This phase synthesised evidence from earlier stages to provide a system-level analysis. It reaffirmed the VCSE sector as a critical part of the employment and inclusion ecosystem, particularly for those facing multiple barriers, and identified structural challenges that limit impact, many of which reflect national funding and commissioning constraints.

Phase four: Roles and Responsibilities Framework

The previous phase developed a system-level framework to support long-term partnership between the North East CA and the VCSE sector. It clarifies roles, responsibilities and behaviours needed to enable more effective collaboration, commissioning reform and joined-up delivery.

Together, these phases provide a robust evidence base, combining mapping, stakeholder insight and system analysis to inform the recommendations set out in this report.

Why This Matters: The VCSE Strategic Role

The VCSE sector is well positioned to play a more strategic role in delivering the North East CA ambition to be the *Home of Real Opportunity*, particularly in relation to inclusive growth, reducing economic inactivity and supporting a more diverse workforce.

Building on the strengths outlined in the roles and responsibilities framework, there is a clear opportunity to move beyond a primarily delivery-focused relationship towards one where VCSE organisations are more consistently embedded in system design, integration and prevention.

While the North East CA have already taken important steps in this direction, including VCSE representation at Board level and ongoing engagement with the sector, stakeholders identified the need to strengthen this further through more structured and consistent involvement in commissioning design, clearer routes for sector input and greater transparency in decision-making.

In practice, this means to:

- **Support more inclusive access to work and skills:** VCSE organisations community reach and trusted relationships enable engagement with groups underrepresented in the labour market, directly contributing to the North East CA's priorities around economic participation and reducing inequalities.
- **Enable more joined-up, person-centred pathways:** The sector's holistic approach aligns with ambitions for integrated support across employment, health and skills, helping individuals progress at a realistic pace and sustain outcomes.
- **Inform place-based policy and delivery:** VCSE organisations provide granular insight into local needs across rural, coastal and urban areas, supporting more targeted and effective implementation of the North East CA's corporate plan commitments.
- **Strengthen prevention and long-term outcomes:** By addressing wider determinants of employment, such as health, housing and financial resilience, the VCSE sector can help reduce demand on public services while supporting sustained participation in the labour market.

System Challenges

Engagement across all phases identified a consistent set of structural challenges that limit the effectiveness, reach and sustainability of VCSE-led employment, skills and health support. These challenges are interconnected and reflect underlying system design issues rather than isolated problems.

A full analysis of these challenges is set out in the Phase 3 Challenge Analysis and Emerging Themes report. The following five areas represent the most critical barriers to reform.¹

Funding instability and timescales

Short funding cycles, often between six and twelve months create ongoing uncertainty for VCSE organisations. This affects workforce retention, partnership development and service continuity, and limits the ability to test, refine and scale effective approaches. While many of these constraints are shaped by national funding frameworks and timelines, their impact is experienced at a regional and local level.

Within this context, there remains a clear role for the North East CA in improving how funding is aligned, sequenced and implemented locally to provide greater stability wherever possible. Without this, the system cannot sustain capacity or deliver the long-term, relationship-based support required to reduce economic inactivity.

Fragmented system and unclear navigation

Employment, skills, health and wider support operate across multiple programmes and funding streams, with

¹ Several originally identified challenges have been intentionally merged where they represent different aspects of the same underlying system issue. This approach avoids fragmentation and ensures the focus remains on the root causes of system dysfunction, rather than treating symptoms in isolation.

limited alignment between them. Referral pathways are inconsistent and often rely on informal relationships rather than clear system design. VCSE organisations frequently act as system navigators, coordinating support and managing transitions between services, without this role being formally recognised or resourced. For residents, particularly those facing multiple barriers, this results in confusion, duplication and disengagement, with no clear or consistent route through support.

Without clearer pathways and better coordination, the system cannot deliver the integrated, person-centred support required to address the multifaceted issues contributing to economic inactivity.

Capacity and collaboration barriers

While there is strong appetite for partnership working across the VCSE sector, the current system does not consistently provide the conditions to enable it. Competitive commissioning, short-term funding and limited infrastructure reduce the time and resources available for collaboration.

Smaller organisations face capacity challenges in engaging with complex processes and managing financial risk, limiting their ability to participate fully despite being typically well placed to support those furthest from the labour market as frontline service providers.

As a result, the system is unable to fully utilise the strengths of the VCSE sector or deliver the coordinated, place-based responses required to address complex need.

Commissioning, power imbalance and punitive performance management

Processes often create disproportionate administrative burdens ultimately favouring larger organisations, while allowing for limited influence over system design. Performance management is frequently experienced as compliance-driven, with a focus on short-term outputs rather than meaningful outcomes. This constrains innovation, reduces flexibility and limits the system's ability to respond to individual needs.

Without more inclusive and proportionate commissioning approaches, the system will continue to exclude locally trusted providers and prioritise easily measurable, economic activity over longer-term impact.

Place-specific barriers and geographic inequity

Barriers to employment and participation vary significantly across the North East, shaped by geography, infrastructure and local labour markets. Rural and coastal communities face niche challenges, including transport limitations, digital exclusion and limited access to specialist provision. Across all areas, hidden costs such as childcare, travel and equipment continue to prevent sustained engagement.

Reducing economic inactivity requires solutions that reflect local context, as a more place-sensitive approach is critical to addressing inequalities and supporting inclusive growth.

Taken together, these challenges point to a small but critical number of core system issues: a lack of alignment, short-term and fragmented investment, and insufficient integration between partners. While the challenges are complex, they can be addressed through a focused set of system-level changes.

System Change Priorities

This section sets out the priority actions required to translate the learning from the Economic Inactivity Trailblazer into sustained system reform. These priorities represent the core system levers through which the North East CA can enable a more integrated, inclusive and sustainable approach to reducing economic inactivity.

Each priority is intended to be both actionable within current Economic Inactivity Trailblazer activity and foundational for long-term reform.

These priorities are supported by the accompanying Practice Change Toolkit, which provides practical tools to apply these approaches in programme design and delivery.

Implement a “No Wrong Door” system for integrated access and navigation

A consistent message across all phases of this work is that the current system is difficult to navigate, both for residents and for providers. Fragmented pathways, inconsistent referral routes and a lack of clear system ownership for coordination result in duplication, disengagement and missed opportunities for progression.

Implementing a “No Wrong Door” approach would establish a shared system responsibility for access, navigation and progression across employment, health and skills. This means that wherever a resident enters the system, they are supported to access the full range of appropriate services without needing to navigate complexity themselves.

Achieving this requires stronger system-level coordination and recognition that navigation is a core system function, not an informal or unfunded activity, often delivered through VCSE organisations with strong community links.

This approach should be delivered through place-based partnerships and aligned to regional principles, ensuring both consistency and flexibility. Enabling data sharing and improving system connectivity will also be critical to supporting more joined-up delivery.

Embedding this system change would create a more accessible, coherent system, and support more consistent, person-centred progression.

Reform commissioning and investment to enable inclusive, long-term and VCSE-led delivery

Commissioning and investment are primary levers through which the North East CA can drive system change. As noted, short-term funding cycles, complex processes and disproportionate requirements limit the ability of VCSE organisations, particularly smaller and specialist providers, to participate fully and deliver sustained outcomes.

System reform in this area requires a shift towards more inclusive, transparent and proportionate approaches. This includes embedding VCSE involvement at the earliest stages of commissioning design, ensuring that funding opportunities are accessible to a diverse range of organisations, and creating clearer and more consistent routes into delivery. It also requires greater stability and alignment in funding, with increased use of multi-year approaches where possible and improved coordination across employment, health and skills investment.

Alongside this, recalibrating monitoring and performance expectations to reflect the scale and nature of delivery, would support reducing unnecessary administrative burden and enable a stronger focus on impactful outcomes. Clear expectations around fair and equitable partnership working are also critical, particularly where larger organisations act as primes within supply chains.

Taken together, these changes would enable a more diverse and resilient provider landscape, strengthen collaboration and innovation, and support a shift towards longer-term, outcome-focused delivery.

Strengthen VCSE system infrastructure and capacity to enable place-based collaboration

The VCSE sector plays a critical role in reaching communities and delivering holistic, person-centred support, but its ability to contribute at scale is constrained by capacity and infrastructure challenges. Smaller organisations face barriers in engaging with commissioning, forming partnerships and sustaining delivery within a complex system.

Strengthening VCSE system infrastructure is therefore essential to enabling effective collaboration and place-based delivery. This requires clear recognition of the role that infrastructure organisations play as system enablers, supporting coordination, representation and the flow of intelligence between communities, places and regional decision-makers. Their role in convening partnerships and amplifying voice is critical to reducing fragmentation and enabling more joined-up delivery.

There is also a need to support organisations to engage more effectively with system processes. This includes improving access to information and opportunities, providing targeted support where required, and enabling organisations to work together through partnership and consortium models. Creating the conditions for collaboration, including dedicated space for convening and coordination, will be critical.

The recent announcement of the £12 million Community Impact Fund signals a positive shift towards recognising the importance of VCSE capacity. However, the diversity of the sector means that no single funding model will be sufficient. A range of approaches will be required to ensure equitable access and meaningful participation.

Strengthening this infrastructure will enable the system to better utilise the VCSE sector's reach, insight and expertise, particularly in responding to place-specific challenges across the region.

Embed outcomes-focused accountability, continuous learning and employer integration

The current system is often experienced as compliance-driven, with emphasis on short-term outputs and limited space for reflection, learning and adaptation. This constrains innovation and limits the system's ability to improve over time.

A shift towards outcomes-focused accountability is required. This begins with greater clarity about what success looks like for the system as a whole, importantly, including what this means for residents. Alongside individual outcomes such as progression towards employment, wellbeing and sustained participation, there is a need to assess how effectively the system itself is functioning.

This includes developing a shared approach to measuring partnership effectiveness between the North East CA and the VCSE sector, aligned to the Roles and Responsibilities Framework. Assessing the quality of collaboration, the transparency of decision-making and the extent to which VCSE organisations are meaningfully involved in system design provides a more complete picture of performance.

At the same time, stronger conditions for continuous learning are needed. This includes establishing structured feedback loops between strategy, commissioning and delivery, supporting evaluation where appropriate, and ensuring that learning is actively used to inform future decision-making.

Together, these changes support a connected system that is more transparent, adaptive and focused on long-term impact.

Proposed Practical Solutions and Collaboration Models

Building on the challenges identified through engagement and analysis and aligned with the Roles and Responsibilities Framework, the following models establish a focused set of system-level interventions to enable a more integrated, inclusive and sustainable approach to reducing economic inactivity.

These models are not standalone programmes. They represent four interconnected system levers that, when implemented together, strengthen how the system operates for residents, partners and employers across:

1. Access and navigation
2. Commissioning and investment
3. Partnership and accountability
4. System sustainability

They support the North East CA's ambition to become the *Home of Real Opportunity* by enabling more joined-up pathways, inclusive growth and long-term reduction in economic inactivity.

"No Wrong Door" System Model

Problem this model addresses

- Fragmented pathways across employment, health and skills
- Lack of clear system ownership for coordination and navigation
- Over-reliance on informal, unfunded VCSE system navigation
- Drop-off between services for residents with complex needs

How it works

A system-wide “No Wrong Door” approach, where responsibility for access, coordination and progression is shared across all partners, rather than sitting with individuals or single organisations.

Key components:

1. **Shared system responsibility for access and navigation:** Navigation is recognised as a core system function. Any service engaging a resident takes responsibility for connecting them to appropriate support.
2. **Named coordination function:** Residents are supported by a named key worker or coordinating organisation, often VCSE-led, particularly where needs are complex.
3. **Agreed referral pathways and warm handovers:** Clear, shared protocols reduce duplication and minimise disengagement.
4. **Place-based coordination:** Delivery is coordinated locally through partnerships involving VCSE, local authorities, health and employment services, with regional consistency and local flexibility.
5. **Alignment with commissioning:** Commissioning frameworks require and resource coordination as a core system function, not an unfunded add-on.

Key system enablers

- North East CA-led cross-system agreement embedding “No Wrong Doors” principles
- Investment in coordination roles
- Co-produced, shared outcomes and data framework to track progression across services
- Local partnership governance aligned to Roles and Responsibilities Framework

Benefits of this approach

For residents:

- Simpler, more accessible system with no “wrong entry point”
- Reduced need to navigate complex services or repeat circumstances
- More consistent, relationship-based support leading to sustained engagement

For employers:

- Improved pipeline of work-ready candidates
- Better in-work support and retention outcomes

System impact:

- Supports joined-up employment, health and skills pathways
- Enables earlier intervention and prevention
- Strengthens inclusive growth and reduces economic inactivity

Case study: Northumberland “No Wrong Doors for Young Carers” (system-level model)

Evidence from across the North East demonstrates that elements of a “no wrong door” approach already exist, particularly within VCSE-led provision. Many organisations already act as informal system navigators, using trusted relationships and local knowledge to connect individuals to wider support and prevent drop-off between services.

The [Northumberland “No Wrong Door for Young Carers” Memorandum of Understanding \(MoU\)](#) provides a more formalised example of this approach. Through a shared agreement between local authority services, health partners (including NENC ICB) and VCSE organisations, the model establishes a clear expectation that any organisation coming into contact with a young carer takes responsibility for identification, referral and connection to appropriate support.

This demonstrates how coordinated access and shared responsibility can be embedded at a system level, reducing fragmentation and improving continuity of support.

Co-Designed Inclusive Commissioning & Proportionate Monitoring Model

Problem this model addresses

- Complex commissioning processes excluding smaller VCSE organisations
- Power imbalances and limited VCSE influence in system design
- Disproportionate monitoring requirements
- Over-focus on outputs rather than meaningful outcomes

How it works

This model establishes a more inclusive, transparent and proportionate approach to commissioning, embedding VCSE voice throughout the commissioning lifecycle and aligning monitoring with meaningful outcomes.

This model is designed to be applied flexibly across funding streams. While some requirements are determined nationally, there is significant scope for the North East CA to shape how these are implemented locally, particularly through commissioning design, partnership expectations and engagement processes.

1. **Co-design embedded throughout commissioning:** VCSE organisations are engaged, using existing structures, at pre-procurement stage to shape priorities, design and delivery models.
2. **Tiered and accessible commissioning routes:** A mix of micro / small grants for grassroots organisations, simplified grants for trusted providers and larger contracts enables participation from a diverse range of organisations.
3. **Proportionate monitoring frameworks:** Reporting requirements are scaled to funding size and organisational capacity, reducing administrative burden.
4. **Focus on meaningful outcomes:** Greater emphasis on progression, wellbeing and sustained employment outcomes rather than short-term outputs.
5. **Ethical delivery partnerships:** Clear expectations for fair and transparent partnership working, including equitable funding distribution, shared accountability and appropriate governance arrangements.
6. **Transparent decision-making and feedback:** Clear communication of decision-making processes and outcomes.

Key system enablers

- NECA-led commissioning standards aligned to the Roles and Responsibilities Framework
- Pre-application support and longer lead-in times
- Integration of partnership expectations into procurement and contract management
- Ongoing learning and adaptation cycles

Benefits of this approach

For residents:

- Greater access to trusted, community-based support
- Services shaped by lived experience and local need

For employers:

- More diverse and responsive provider landscape
- Improved alignment with labour market needs

System Impact:

- Supports inclusive growth and reduces inequalities
- Strengthens VCSE sector's role as strategic partner
- Improves fairness, transparency and effectiveness of commissioning

Case study: Greater Manchester VCFSE Accord

The [Greater Manchester VCFSE Accord](#) is a formal agreement between the Greater Manchester Combined Authority, public sector partners and the VCSE sector. It is designed to strengthen the role of VCSE organisations as strategic partners in shaping, influencing and delivering public services across Greater Manchester.

The Accord sets out shared principles for collaboration, including early involvement, co-design, transparency, proportionality, and recognition of the VCSE sector's distinct value in supporting communities experiencing the greatest disadvantage. It emphasises the importance of moving beyond transactional relationships towards long-term, trust-based partnership working, while respecting the independence of the sector.

The Accord is supported by sector infrastructure, including [Greater Manchester VCFSE Leadership Group](#), which plays a key role in coordinating sector input, representing diverse VCFSE perspectives, and facilitating ongoing dialogue with system partners.

Overall, the Accord provides a strong example of how formalised agreements and structured engagement can support more inclusive, transparent and collaborative approaches to system leadership and service development.

North East CA-VCSE Partnership Maturity and Accountability Model

Problem this model addresses

- Need for a structured mechanism to embed and monitor the Roles and Responsibilities Framework in practice
- Limited transparency and shared accountability between North East CA and the VCSE sector
- Weak feedback loops between strategy, commissioning and delivery
- Risk that co-design and partnership commitments are not consistently realised over time

How it works

This model establishes a shared system for accountability and continuous improvement between the North East CA and the VCSE sector, rather than a standalone assessment tool.

It introduces a structured approach to embedding, assessing and strengthening partnership working over time through a Partnership Maturity Framework.

Key components:

1. **Framework-aligned assessment areas:** Based on the principles and system functions within the Roles and Responsibilities Framework.
2. **Clear descriptors of effective partnership:** Shared definitions of what good partnership looks like in practice.
3. **Self-assessment and joint reflection:** Regular, structured review of partnership effectiveness between the North East CA and VCSE partners.
4. **Action planning and improvement cycles:** Jointly owned actions to strengthen long-term partnership working.
5. **Integration into governance:** Findings inform system design, commissioning and ongoing reform.

Key system enablers

- Joint ownership by the North East CA and VCSE sector
- Commitment to transparency and acting on findings
- Alignment with existing governance structures and reporting cycles
- Facilitation support where appropriate

Benefits of this approach

For residents:

- More consistent, joined-up and responsive support as partnership working strengthens support

For VCSE:

- Greater involvement, transparency and trust in system relationships
- A clear route to shape and improve how the system operates

System impact:

- Practical mechanism to implement system reform
- Stronger accountability and continuous improvement
- Ability to measure progress towards system reform and partnership maturity

Case study: Integrated Care System (ICS) VCSE Quality Development Tool (national)

The NHS England Quality Development Tool was developed to support the embedding of the VCSE sector within Integrated Care Systems, providing a structured approach to assessing partnership maturity, identifying areas for improvement and strengthening cross-sector collaboration.

The development of the tool included input from a group of VCSE ICS alliance leads from across the country, including the [North East and North Cumbria VCSE Partnership Programme](#), whose lead partner is VONNE. It was piloted with the intention of wider rollout across Integrated Care Boards. While this has not progressed due to changes in the national landscape, the tool remains a useful example of how structured reflection and shared frameworks can support system improvement. There is potential for elements of this approach to inform future national guidance or frameworks, although this is not confirmed at this stage.

This demonstrates how a proportionate, system-wide approach to partnership development can support continuous improvement and strengthen cross-sector working.

Stability and Sustainability Funding Model

Problem this model addresses

- Short-term funding cycles creating instability in delivery
- High workforce turnover and loss of trusted relationships
- Limited ability to test, refine and scale effective approaches
- Reduced long-term impact on economic inactivity

How it works

This model focuses on increasing stability, alignment and continuity within existing funding constraints, recognising that many funding conditions are set nationally. It sets out practical steps that the North East CA and partners can take to strengthen consistency of investment and support long-term outcomes.

The model focuses on areas where the North East CA can increase stability and alignment within existing funding frameworks, while advocating for longer-term national change.

Key components:

1. **Greater use of longer-term funding where possible:** Increasing the use of multi-year funding for locally controlled or influenced programmes, alongside clearer forward planning to provide greater certainty.
2. **Improved alignment of funding streams:** Coordinating investment across employment, health and skills programmes to reduce fragmentation.
3. **Continuity between funding cycles:** Minimising gaps and reducing “stop-start” delivery.
4. **More consistent application of full cost recovery:** Ensuring funding reflects the true cost of delivery.
5. **Built-in learning and adaptation:** Introducing review points to support continuous improvement without disrupting delivery.
6. **Balance of stability and innovation:** Allocating space for piloting as well as dedicated resources for sustained investment in proven models.

Key system enablers

- North East CA leadership in aligning and sequencing locally controlled funding
- Clear commissioning guidance that prioritises stability and continuity
- Integration with co-designed commissioning approaches
- Ongoing advocacy to national government for greater flexibility and longer-term funding arrangements

Benefits of this approach

For residents:

- More consistent, relationship-based support over time
- Improved long-term outcomes

For employers:

- More stable engagement with providers
- Stronger workforce pipelines

System impact:

- Supports sustained reduction in economic inactivity
- Enables more preventative, long-term approach
- Strengthens VCSE capacity and system resilience

Case study: London Borough of Camden, VCS Investment Programme (2024-2031)

The London Borough of Camden has implemented a long-term [Voluntary and Community Sector \(VCS\) Investment Programme](#), committing to a seven-year funding approach (2024–2031) with approximately £4 million per year allocated to the sector.

The programme is aligned to the borough’s long-term “We Make Camden” missions, enabling funding to support strategic, place-based outcomes rather than short-term activity. It includes a mix of multi-year core funding, project funding and organisational development support.

This approach provides greater stability for VCSE organisations and demonstrates how local authorities can design funding systems that support long-term impact while retaining flexibility.

Together, these models are mutually reinforcing and are most effective when implemented collectively. While each can be progressed individually, their combined impact enables a shift from fragmented, short-term provision towards a more coordinated, sustainable and partnership-led system.

This provides a practical route for the North East CA to translate the principles set out in the Roles and Responsibilities Framework into delivery.

Mechanisms for Ongoing Collaboration

Delivering the system change priorities set out in this report requires sustained, structured and transparent collaboration between the North East CA and the VCSE sector.

The following mechanisms provide a practical framework for ongoing collaboration, building on existing structures and introducing new ones where needed. Together, they establish a more coherent and connected system for two-way communication, collective VCSE representation, co-design of policy and commissioning, and ongoing feedback and accountability.

Skills, Inclusion and Employment (SIE) Network

The Skills, Inclusion and Employment (SIE) Network, hosted by VONNE, plays a central role as the primary thematic engagement mechanism for VCSE organisations working across employment, skills and inclusion. It brings together providers from across the region to share insight, identify emerging issues and influence policy and delivery at a regional level. The network has already been utilised extensively throughout the Economic Inactivity Trailblazer to support co-production and gather frontline intelligence.

The SIE network provides a structured route for insight from delivery organisations into the North East CA's decision-making processes. It enables emerging policies, programmes and commissioning approaches to be tested with organisations who are directly supporting residents, ensuring that system design reflects delivery realities.

In practice, North East CA colleagues would continue to engage with the SIE Network at an early stage of policy or programme development, building on their existing involvement in network meetings and its use to support work. This may include sharing emerging proposals and seeking feedback on feasibility, gaps and potential unintended consequences. VCSE organisations would contribute insight based on their experience of delivery, which would be synthesised and fed back into North East CA through VONNE. Through this mechanism, system design becomes more responsive, grounded and effective.

VCSE Leadership Board

A formal advisory function is required to provide a consistent strategic interface between the North East CA and the VCSE sector. This function can be delivered through the existing VCSE Leadership Board, which provides a representative forum bringing together VCSE infrastructure organisations and the two Community Foundations from across the region.

The board brings together collective insight to identify sector priorities, share intelligence on North East CA plans, and inform and influence policy development. It provides a mechanism through which the North East CA can engage with the VCSE sector and access the intelligence and information required in order to best represent the VCSE sector within Cabinet and other forums, networks and partnership.

In practice, the North East CA would bring forward strategic priorities, emerging policy developments and commissioning plans to the group at an early stage, enabling meaningful input before decisions are finalised. This approach is already being demonstrated, including through engagement with the VCSE sector on the development of the Community Impact Fund prior to its formal announcement, allowing for early discussion and input.

The group is well placed to bring together and represent a broad range of sector insight through its existing networks and relationships. Where required, it also acts as a route to engage more widely with the sector, drawing in additional perspectives from thematic groups and frontline organisations.

It would also play a role in reviewing progress against system change priorities, including the effectiveness of partnership working and the extent to which VCSE organisations are being meaningfully engaged. By embedding this function within an existing and recognised structure, the approach builds on current relationships while strengthening the consistency and influence of VCSE engagement at a strategic level.

North East VCSE Policy Forum

The North East VCSE Policy Forum, hosted by VONNE, is proposed as a biannual space for collective engagement between VCSE leaders, policymakers and cross-sector partners. Its purpose is to strengthen the sector's ability to engage with, influence and respond to policy developments at local, regional and national levels.

The forum creates an opportunity for VCSE organisations to come together around shared policy issues, enabling a more coordinated and unified sector voice. It supports both reactive and proactive engagement, allowing the sector to respond to emerging policy and legislative changes, while also contributing to the development of regional strategies and priorities.

In practice, the North East CA and other partners would use the forum to share forthcoming strategies, consultations and policy developments. VCSE organisations would collectively explore the implications of these for communities and delivery, drawing on their experience and insight. Resulting in shared feedback, position statements or recommendations which can inform the North East CA's approach and wider policy discussions. The forum also provides a space for the sector to raise emerging issues and shape future priorities, ensuring that policy development remains connected to community experience.

North East CA VCSE Assembly

The North East CA VCSE Assembly provides a broad and inclusive mechanism for engagement with the wider VCSE sector across the region. It creates a space for organisations of different sizes, specialisms and geographies to come together, share experience and contribute to shaping system priorities, ensuring that engagement reflects the diversity of the sector.

In practice, the Assembly brings together VCSE organisations to discuss collective priorities, emerging challenges and opportunities. North East CA representatives would attend to provide updates on strategy, commissioning and delivery, and to engage directly with the sector. Feedback gathered through the Assembly would be captured and fed into the VCSE Leadership Board and the North East CA, ensuring that insight from across the sector informs decision-making.

This mechanism strengthens the overall system by ensuring that policy and commissioning are informed by a wide and representative evidence base, grounded in the experiences of organisations working directly with communities.

Communication Agreement

A consistent theme across engagement was the need for clearer, more consistent and accessible communication between the North East CA and the VCSE sector. While engagement routes exist, information is not always shared in a timely or accessible way, creating barriers to participation.

A Communication Agreement would establish shared expectations for how information is communicated, accessed and responded to across the system, creating a more consistent and equitable approach.

Through this agreement, the North East CA would commit to sharing key information, including commissioning opportunities, funding updates and policy developments, through agreed VCSE channels such as infrastructure organisations. This would ensure that opportunities reach a broad range of organisations, rather than relying on informal routes, and provide greater forward visibility to support engagement.

The agreement would also establish clearer two-way communication and feedback loops. This would include named points of contact within the North East CA and VCSE infrastructure to support timely responses, coordination and clarity. VCSE organisations would commit to engaging through agreed channels, providing timely feedback where appropriate and supporting the coordination of sector input.

Transparency in decision-making would be strengthened through clearer communication of how decisions are made and, where appropriate, feedback on outcomes. Coordinated messaging between the North East CA and VCSE infrastructure would further improve consistency.

By formalising these expectations, the agreement would address a key barrier identified through the Economic Inactivity Trailblazer, improving access to opportunities, strengthening trust and supporting more effective engagement.

Bringing the Mechanisms Together

Taken together, these mechanisms create a coherent infrastructure for partnership working that operates at multiple levels of the system. They ensure that engagement is not ad hoc, but embedded within how the system functions, from frontline delivery insight through to strategic decision-making.

Collectively, this approach enables the move towards a more transparent, inclusive and partnership-based system, where the VCSE sector is consistently engaged as a strategic partner in both design and delivery.

Conclusion

The Economic Inactivity Trailblazer has provided an opportunity to step back from delivery and consider how the system as a whole can work more effectively for residents, employers and communities.

This report demonstrates that the challenge is not a lack of provision, but a lack of alignment. Across the region, the VCSE sector is already delivering trusted, person-centred support to those facing the most complex barriers to work but its impact is constrained by short-term funding, fragmented pathways and limited involvement in system design.

The priorities and models set out in this report provide a practical route to reform. They do not require wholesale system redesign, but a shift in how existing levers are used, particularly in commissioning, coordination and partnership.

The next phase is implementation. This will require embedding these approaches within commissioning and programme design, piloting and scaling the proposed models, and strengthening mechanisms for ongoing partnership and accountability.

By taking this approach, the North East CA can move towards a more coherent, inclusive and sustainable system, one that supports long-term participation, reduces inequalities and delivers greater public value.

In doing so, the North East is well positioned to lead the way in place-based, partnership-driven approaches to reducing economic inactivity.