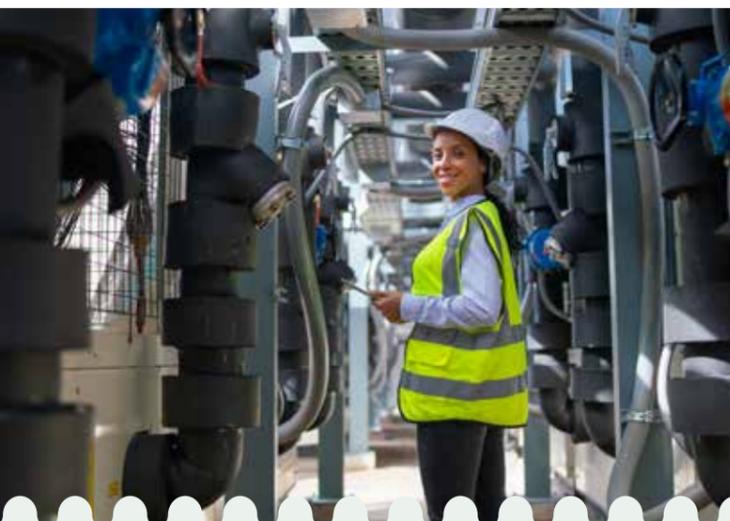


# EMPLOYABILITY PLAN



Strengthening our Labour Market

**NORTH  
OF TYNE**  
~~~~~  
**COMBINED  
AUTHORITY**

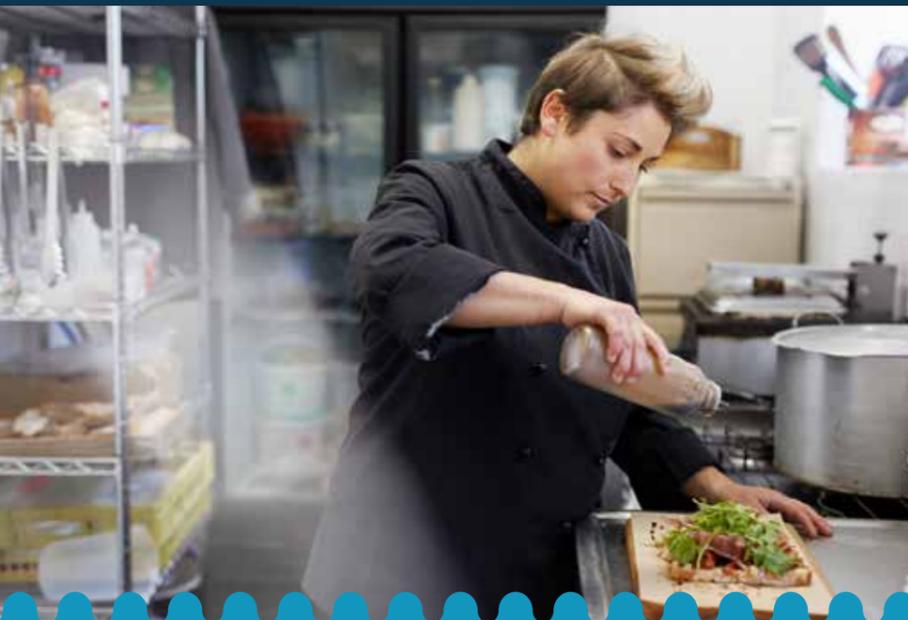


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## FOREWORD



**“OUR VISION IS OF A DYNAMIC AND MORE INCLUSIVE ECONOMY, ONE THAT BRINGS TOGETHER PEOPLE AND OPPORTUNITIES TO CREATE VIBRANT COMMUNITIES AND A HIGH QUALITY OF LIFE, NARROWING INEQUALITIES AND ENSURING THAT ALL RESIDENTS HAVE A STAKE IN OUR REGION’S FUTURE.”**



**The North of Tyne Combined Authority (NTCA) Employability Plan sets out our ambitions for a thriving economy which provides opportunities for all of our residents to achieve their aspirations. The Plan has been developed with the input of partners and outlines how we will work together to co-design solutions that underpin productivity, innovation, entrepreneurialism and pride within our workforce and economy.**

This plan provides a clear framework for how we ensure that across the North of Tyne the barriers to employment and the challenges employers are currently facing are addressed to support economic recovery and growth. Partner and delivery organisations across the North of Tyne will be encouraged to refer to the plan and reflect it in their own plans knowing that collectively we will be working towards the same strategic aims.

A North of Tyne approach to employment support provides key stakeholders with a common platform against which to align their own strategies, strengthen justification and evidence for securing future funding and provides a dynamic overview of the high-level intervention required to support the economy and residents across the North of Tyne.

We acknowledge that the impact of COVID-19 has been felt unevenly across the North of Tyne and there is a risk that it will deepen existing inequalities. Job losses across our area have disproportionately affected young people, women and the lowest paid. Therefore, the need for collective leadership to address the barriers that our residents face is essential, and we will strengthen our partnerships to develop and implement this Plan. The COVID-19 pandemic has brought unprecedented economic upheaval and understanding the nature of the impact on our local economy and labour market is vital. We recognise the importance of getting the employment and skills offer right across the North of Tyne and this needs to be at the heart of recovery from the pandemic.

As the economy recovers from a period of great instability because of COVID-19 and other factors, there are notable issues emerging that are constraining the shape and the pace of the recovery. Several industries and sectors across our areas are facing widespread recruitment shortages, including but not limited to the hospitality, culture, tourism, and retail industries. We will all need to learn to adapt to a fast-changing world which is being confronted with radical social, economic, technological, and demographical challenges.

Over the next 2 years we will, along with our partners, focus our efforts on the following priorities:

- Provide employment support for the most disadvantaged
- Develop local community-led and place-based approaches
- Support people with long-term health conditions, through the development of integrated employment programmes
- Provide good quality jobs

By delivering these priorities we believe that our residents will be able to access the most appropriate, timely support and we will encourage our employers to create good, sustainable work opportunities.

**COUNCILLOR KAREN KILGOUR**  
NTCA Cabinet Member for Education, Inclusion and Skills

## BACKGROUND

The North of Tyne Devolution Deal was published on 8th of November 2018 and built the foundations for tackling employment, skills, and opportunities in our region collaboratively.

Devolution has given us the chance to make our own decisions about our own future. We are targeting investment where we know we need it most, making a strong connection between economic growth and providing people with the skills, education and confidence to benefit from the opportunities that follow.

Our Corporate Plan outlines the things we are doing and will do in the future, using the powers and resources from our Devolution Deal and the rapid progress we have made to drive jobs, build new homes, promote inclusive growth and create positive economic change in our region. This also includes our ambition to 'deliver targeted, bespoke interventions to help young and vulnerable people into work'.

Some of our communities and people face barriers to opportunities for good health, good jobs and financial security. That is why actions to address inequality, poverty and poor educational attainment are at the centre of our work; this work is delivered via our Inclusive Economy Statement 'Working Together for You: A More Inclusive North of Tyne'.

We are proud of our achievements and in particular our joint Employment Framework Agreement with the Department of Work and Pensions (DWP). The Framework Agreement, supported by a delivery plan, demonstrates how NTCA, DWP and our constituent local authorities will work together to align and complement

local employment support programmes with activities delivered by DWP, including national programmes such as Restart. The Framework Agreement is a conduit to develop closer working relationships with DWP and Jobcentre Plus to drive forward local growth and sustained recovery.

The Employability Plan builds upon the joint Framework Agreement and in addition provides NTCA and our partners the opportunity to develop a cohesive approach to employment support across the North of Tyne. The Plan provides an overview of the priorities and employability interventions required to support our inclusive economy, and which are likely to have the greatest impact in terms of addressing the barriers to employment residents face and supporting growth. The Plan includes several specific local objectives and actions which NTCA and partners will deliver locally.

The purpose of the NTCA Employability Plan is to:

- Drive greater collaboration, innovation, and co-ordination across the totality of services and investment to support employability in the area
- Influence the future design and delivery of employment support services across the North of Tyne, including through NTCA's Framework Agreement with DWP
- Provide the basis for prioritisation of future resources including UK Shared Prosperity and Levelling Up Funds
- Increase the prevalence of good work and improve employment conditions through adoption of the NTCA Good Work Pledge.

## OUR AMBITION

**Our ambition is to provide sustainable opportunities to create resilient individuals who have the skills, enthusiasm, drive and creativity to fulfil their potential irrespective of ability, background, gender, disability, or ethnicity.**

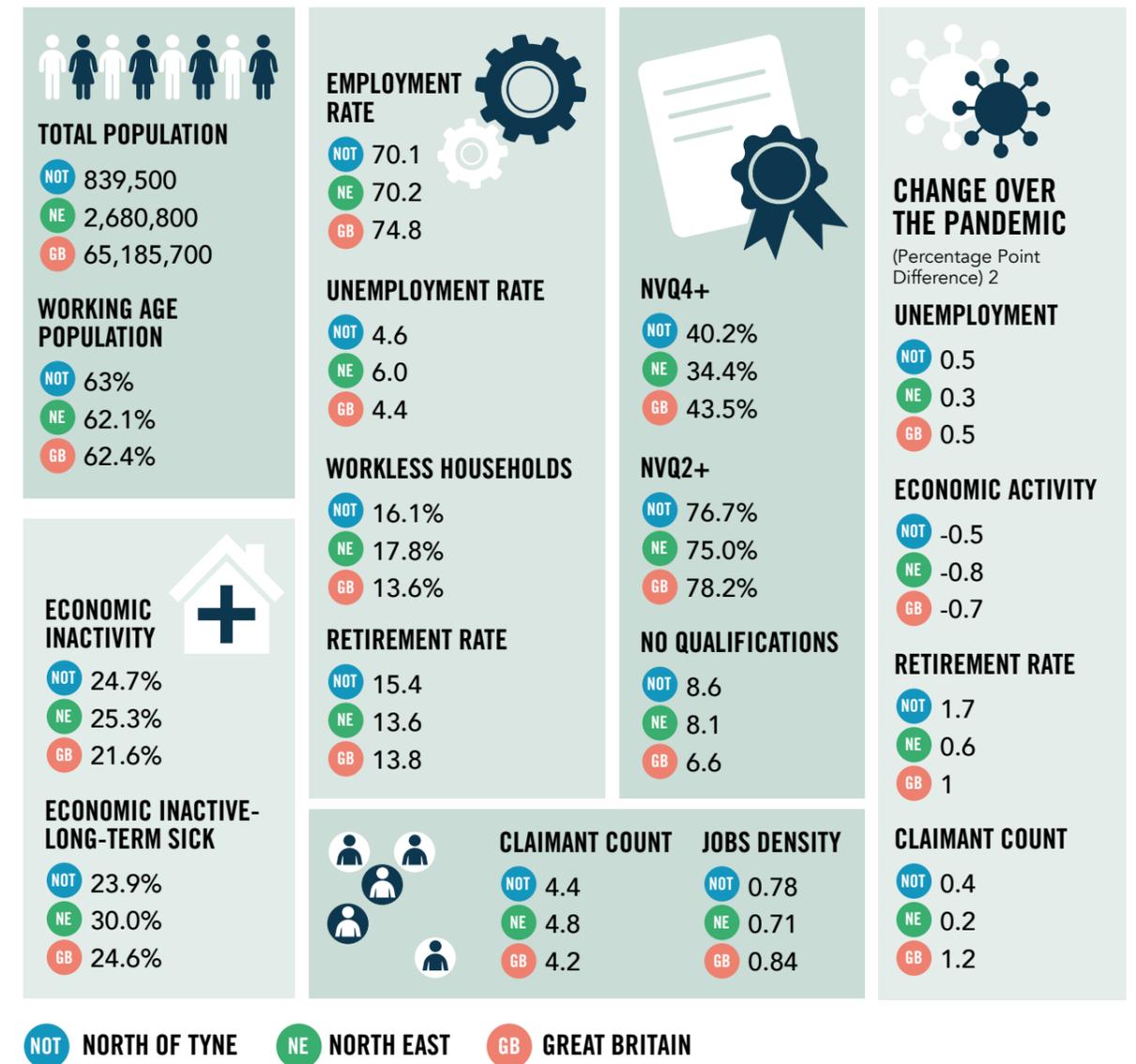
Working with our partners we will upskill, train and prepare people for the world of work, and remove barriers which prevent people from accessing work so that they can make a contribution to society.

In this increasingly complex world, we also need to provide employers with enthusiastic, capable and flexible people who can adapt to a fast-changing world. We will encourage employers to invest in the workforce and to plan for the long-term future of their companies and the future of their staff.

## OUR AREA ECONOMIC CONTEXT

Table 1 suggests that the NTCA labour market is stronger overall than the wider North East region with lower rates of economic inactivity, workless households, claimant count, and a higher level of education and jobs density. Qualification levels are also higher than the rest of the region while the proportion with no qualifications is lower. Despite this, the NTCA compares poorly to the rest of Great Britain on the metrics listed above and compared to the North East the unemployment rate is also slightly higher.

TABLE 1: LABOUR MARKET SNAPSHOT: LATEST DATA (NOMIS)



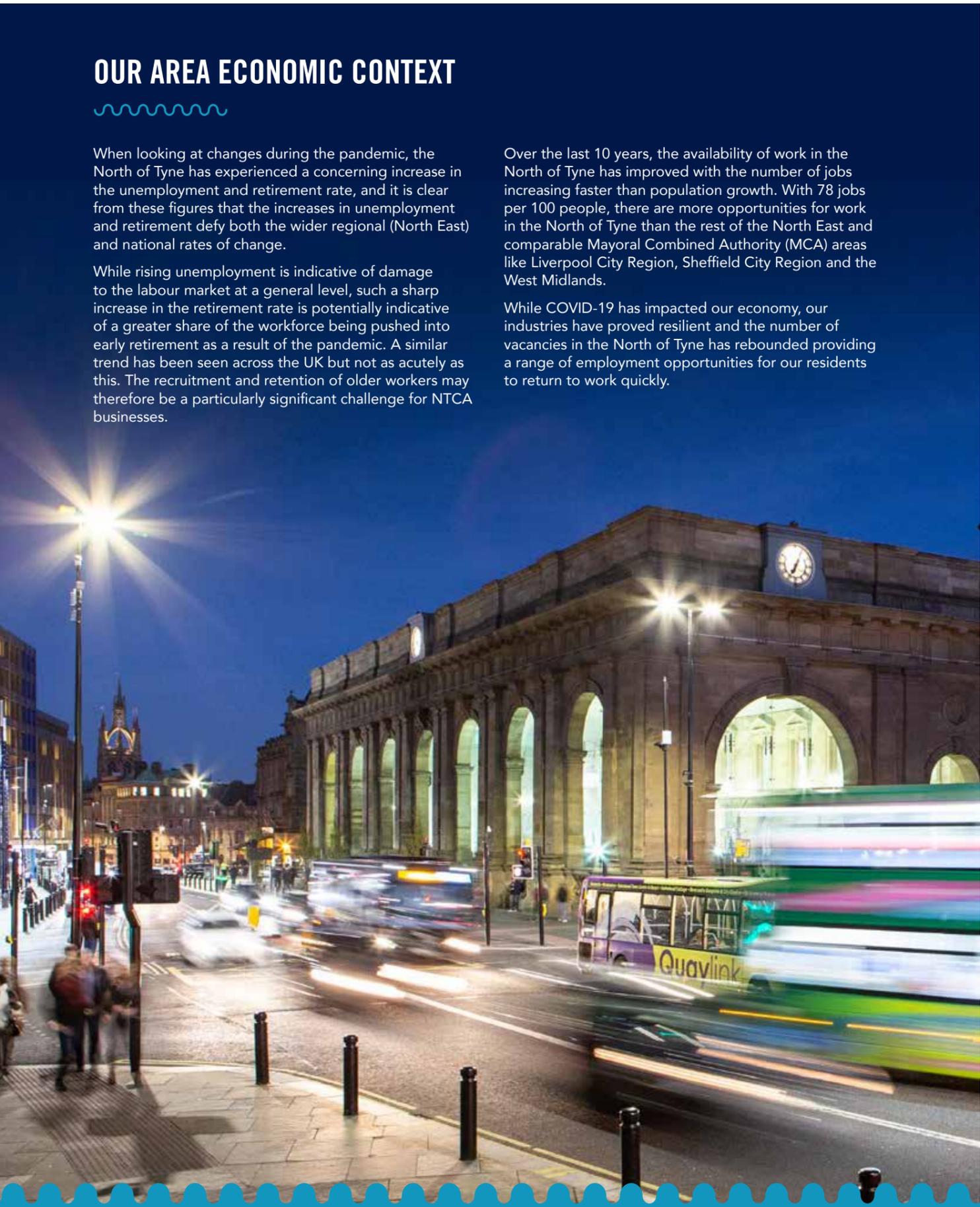
## OUR AREA ECONOMIC CONTEXT

When looking at changes during the pandemic, the North of Tyne has experienced a concerning increase in the unemployment and retirement rate, and it is clear from these figures that the increases in unemployment and retirement defy both the wider regional (North East) and national rates of change.

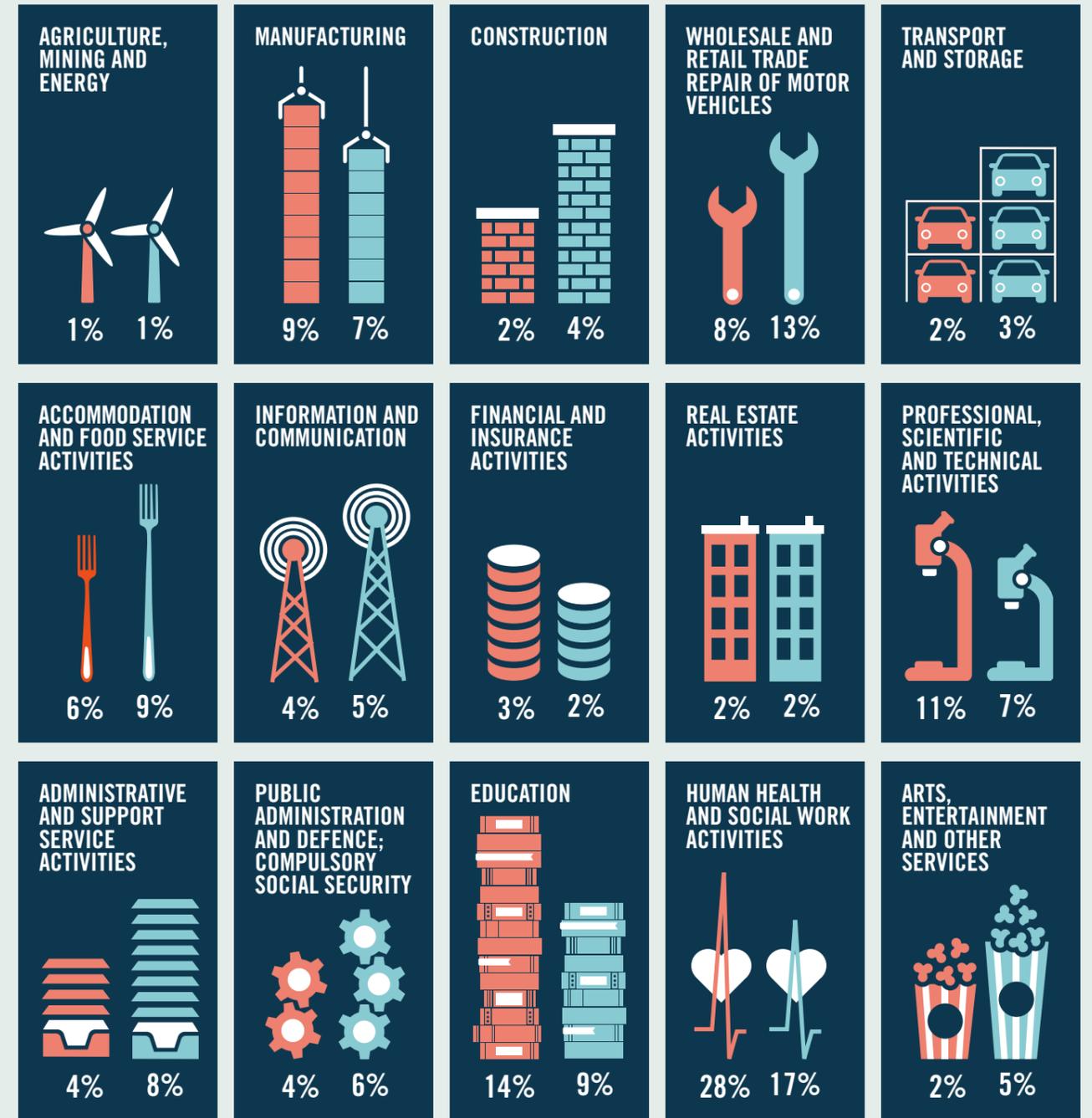
While rising unemployment is indicative of damage to the labour market at a general level, such a sharp increase in the retirement rate is potentially indicative of a greater share of the workforce being pushed into early retirement as a result of the pandemic. A similar trend has been seen across the UK but not as acutely as this. The recruitment and retention of older workers may therefore be a particularly significant challenge for NTCA businesses.

Over the last 10 years, the availability of work in the North of Tyne has improved with the number of jobs increasing faster than population growth. With 78 jobs per 100 people, there are more opportunities for work in the North of Tyne than the rest of the North East and comparable Mayoral Combined Authority (MCA) areas like Liverpool City Region, Sheffield City Region and the West Midlands.

While COVID-19 has impacted our economy, our industries have proved resilient and the number of vacancies in the North of Tyne has rebounded providing a range of employment opportunities for our residents to return to work quickly.



### PROPORTION OF JOBS AND VACANCIES IN THE NORTH OF TYNE BY INDUSTRY



● % OF VACANCIES JULY-DECEMBER 2021    ● % OF TOTAL JOBS

## OUR AREA ECONOMIC CONTEXT



The current composition of vacancies reflects our existing economy, with a weighting towards careers in health and social care, retail and hospitality, and leisure. At the same time COVID-19 has accelerated trends towards digital services and we have seen an increase in IT related roles.

Wider economic trends will continue to influence the types of jobs available in the North of Tyne. With assets such as the National Innovation Centre for Data, the Off-shore Renewable Energy Catapult, and Centre for Aging and Vitality located in the North of Tyne, our economy is at the forefront of evolving industrial opportunities that have the potential to deliver jobs for our residents.

Alongside the NTCA Skills Plan, this Employability Plan will ensure our stakeholders and residents have a shared understanding of the types of jobs on offer.

### Our Labour Market

The North of Tyne has long suffered from levels of unemployment higher than the national average and consistently high numbers of residents claiming in-work and out-of-work benefits. Despite high levels of vacancies, approximately 24,000 people find themselves looking for work.

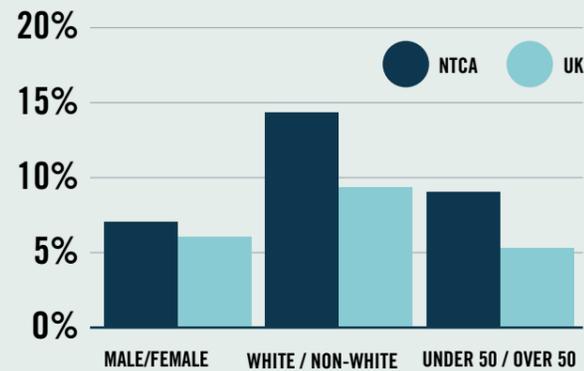
The pattern of unemployment is not equally distributed across the North of Tyne; rates of employment differ between and within Local Authority boundaries. Throughout the pandemic, wards with existing high proportions of benefits claimants saw some of the greatest rises in new Universal Credit applications, and these areas are taking longer to recover. The unique characteristics of communities must be considered in the design and implementation of any local responses. However, there are some cross-cutting themes that impact residents across the North of Tyne.

### Multiple barriers to employment

Unfortunately, this issue is exacerbated for certain residents that are more likely to be out of work than their neighbours. Women, ethnic minority groups and residents over the age of 50 are more likely to find themselves unemployed or economically inactive anywhere in the UK, but the differences for residents in the North of Tyne are more pronounced. These issues are visible in economic inactivity too; 10,000 more women than men look after family and home in the North of Tyne.

Inequality in employment between genders and ethnicities appear entrenched, but inequality from the perspective of age is more fluid. The North East has long suffered from one of the highest rates of youth unemployment but is recently experiencing a rise in the number of residents retiring before turning 65. The causes of earlier retirement will be as diverse as the individuals affected and our provision should reflect this to ensure residents who could benefit from staying in work, do so. Supporting residents to access and maintain employment over the age of 50 can support better quality of life as well as sustaining regional productivity.

### DIFFERENCE IN EMPLOYMENT RATES



## OUR AREA ECONOMIC CONTEXT



### Health and employment

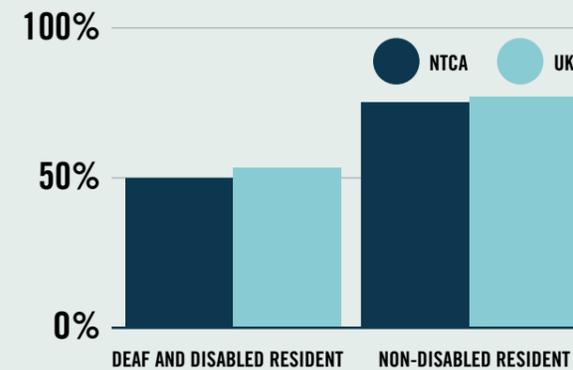
By far the single, biggest inequality in employment statistics is the status of health. Only half of Deaf and disabled residents, and those with long-lasting health issues are in employment compared to 4 in 5 for residents without health needs.

Of those who are unemployed and have a health condition, two thirds cite mental ill-health or a condition related to the nervous system, which is approximately 15% higher than the national average.

The issue of health inequality is not confined to those looking for work. Research shows disabled residents and those with health conditions are more likely to retire early, resulting in lost earnings and productivity.

Supporting residents to overcome challenges related to health and disability and to access and stay in employment has the potential to provide significant social and economic benefits, and tackle inequality in the North of Tyne.

### EMPLOYMENT RATE BY HEALTH STATUS



### Availability of Good Work

Opportunities for work must be appealing to residents, and the terms and conditions of employment must support our aspirations for inclusive growth and shared prosperity.

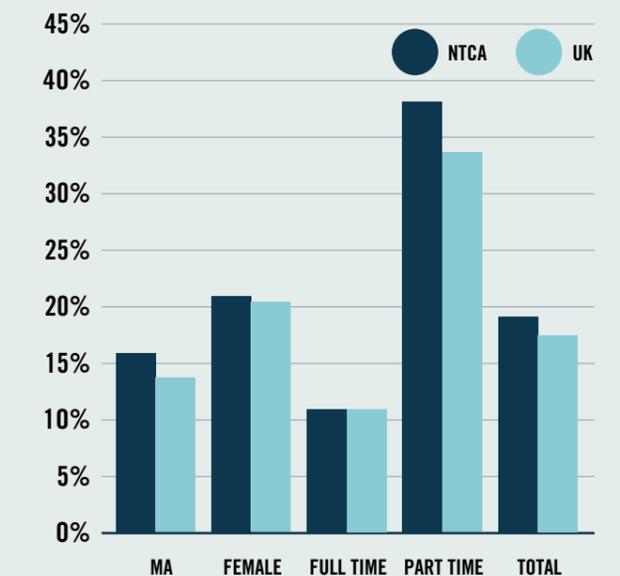
The North of Tyne's key employment industries are based around consumption or service roles and can be seasonal in nature. This has resulted in high levels of insecure and low paid roles.

Almost 1 in 5 jobs in the North of Tyne are paid below the Real Living Wage, and the rates double for those in part-time work. At the same time, the North of Tyne has one of the highest rates of zero hour and temporary contracts in the country.

The cycle between low pay and unemployment is proven to have long-term scarring effects on employment prospects and earnings as well as increasing the number of people reliant on in-work benefits to be able to afford to live.

By embedding good work in the Employability Plan, we aim to enable our residents to access more sustainable employment which reduces the need to access employment support again in the future.

### DIFFERENCE IN EMPLOYMENT RATES



**ALMOST 1 IN 5 JOBS IN THE NORTH OF TYNE ARE PAID BELOW THE REAL LIVING WAGE, AND THE RATES DOUBLE FOR THOSE IN PART-TIME WORK.**



## OUR BUSINESS COMMUNITY



To support the development of the NTCA Employability Plan, CBI Economics was commissioned by the Inclusive Growth Network (a network established to equip those organisations who want to lead inclusive growth in their places with the practical 'know how' through evidence, knowledge, and shared expertise) to interview businesses in the region on labour market challenges. A total of 17 businesses across the North of Tyne were interviewed between April-May 2022, across the retail/hospitality, digital/technology, health/social care, green economy and professional services sectors.

The interviews uncovered a range of labour market challenges facing businesses in the region including:

- A high churn of employees, exacerbated by the rise of remote/hybrid working.
- Businesses having to pay higher salaries to attract and retain workers, as well as having to widen their offer to employees to include more flexibility and progression.
- More older workers retiring or seeking flexible work, in part due to changing preferences driven by the COVID-19 pandemic.
- A lack of essential work skills in younger workers, including softer skills, vocational skills, and awareness of what roles in the working world entail.
- Low salaries in the North of Tyne area making it difficult for businesses to compete with other regions when it comes to hiring and retaining workers.

- A lack of external training and development opportunities in the North of Tyne area, with those that exist concentrated in Newcastle.

A range of solutions were highlighted by these businesses, such as: more collaboration between businesses and the education sector to ensure young people are 'work-ready' and have awareness of job roles; more training and development assistance for SMEs and ensuring greater availability of external training opportunities outside of Newcastle; and workers being supported to easily move between sectors when they have transferable skills.

The full report is attached as Appendix 2.



**THE INTERVIEWS UNCOVERED  
A RANGE OF LABOUR MARKET  
CHALLENGES FACING  
BUSINESSES IN THE REGION**

## CURRENT EMPLOYMENT SUPPORT PROVISION



Current employment support across the North of Tyne includes a wide and diverse range of activity with a specific focus on those economically excluded from the labour market, for example:

1. National Building Better Opportunity Programmes, supporting the most disadvantaged individuals.
2. Tailored programmes supporting young people and those with caring responsibilities.
3. Employment support programmes with a place-based focus delivering activities within our most deprived areas.

However, we recognise that the current employability support eco-system across the North of Tyne is complex with multiple time bound programmes, operating alongside mainstream provision provided by DWP.

We want to provide a more coherent and integrated employability and skills system to reduce confusion for our residents, streamline recruitment and engagement activity with our employers and enhance collaboration.

## OUR PRIORITIES 2022 - 2024



Our priorities within this plan have been informed by data. Our analysis has found that COVID-19 has had a disproportionate impact on many of our residents, often those with the most complex needs and who require a range of tailored support. We also want to learn and act upon lessons learned from previous and current programmes, enabling NTCA and our partners to improve on support.



### PRIORITY 1

#### PROVIDE EMPLOYMENT SUPPORT FOR THE MOST DISADVANTAGED

The needs of groups differ and vary over time, and we will develop provision that addresses any gaps that are identified. This might include targeted provision for young people, for older workers, for ethnic minority groups, ex-offenders or other priority groups. We want to increase employment rates of groups who are proportionally under-represented in the labour market, such as: women, people aged over 50, those from ethnic minority groups, ex-offenders and those who face multiple barriers to employment such as financial, health or housing related challenges.



### PRIORITY 2

#### DEVELOP LOCAL COMMUNITY-LED AND PLACE-BASED APPROACHES

Develop locally driven place-based actions to join up regeneration, investment and employment and skills support. We will seek to work with local communities and the organisations that work with them to develop and implement holistic, targeted solutions that address specific local needs and opportunities. This will build on approaches such as LEADER and Community Led Local Development (CLLD) the Chirton and Riverside and Howden and Wallsend partnerships in North Tyneside and the Lifting Neighbourhoods Together approach being delivered by Community Renewal and Building Futures East in Walker.



### PRIORITY 3

#### SUPPORT PEOPLE WITH LONG-TERM HEALTH CONDITIONS, THROUGH THE DEVELOPMENT OF INTEGRATED EMPLOYMENT PROGRAMMES

We know that poor health, physical or mental, is one of the main barriers to employment, and that securing good employment for those without it is one of the best ways to improve public health. We will work with partner organisations to better integrate health and employment services such as joint approaches with NHS and Public Health teams to fully integrate employment advice and support into primary health and secondary care services, and to fully align employment support with health services.

We want to invest in 'test and learn' initiatives that will build on the evidence base on what works to increase employment for disabled people. For UK employment purposes disability is defined as a physical or mental impairment which has a substantial and long-term adverse effect on a person's ability to carry out normal day-to-day activities. It covers physical and mental conditions and through our approach we want to ensure everyone has fair access and opportunity to gain work and progress in work.



### PRIORITY 4

#### CREATE GOOD QUALITY JOBS

We will work with employers to develop an increased understanding of the needs of the labour market. Supporting inclusive recruitment practices for those furthest away from the labour market and creating pathways to good jobs requires partners from across the private, public and Voluntary, Community and Social Enterprise sector to work together.

We will:

- Encourage and support employers to provide quality employment opportunities with scope for progression, particularly through the NTCA Good Work Pledge
- Ensure that there is accessible, relevant, flexible and affordable training provision so that people can develop the skills they need to progress, and that they receive appropriate advice and guidance to access this
- Provide support to those in low-skilled and/or insecure employment to enable them to address any barriers to progression.

## EMPLOYABILITY SUPPORT INFRASTRUCTURE



NTCA, our constituent Local Authorities and stakeholders will establish a supporting infrastructure, including an impartial advice and guidance service, partnership coordination, and a labour market intelligence hub. This approach will build on the experience in the Youth Employment Partnerships which has clearly demonstrated that young job seekers, employers and providers want to see more co-ordination, better joining up and more collaborative approaches to employment support. This infrastructure will ensure that there is effective collaboration and partnership working which will bring strategic and operational and added value to the North of Tyne employment support eco-system.

This will establish a basis on which to build other delivery activity, which may be commissioned or funded from other sources and will be delivered by a range of statutory and VCSE organisations.

### Aspire – Triage Approach

Specifically learning from previous projects, the development of a North of Tyne triage approach 'Aspire' will sit at the heart of our plan. This will provide an initial engagement and triage service, where immediate issues can be dealt with quickly and where additional support is required, signposting and referrals are made to mainstream support. For employers this might include signposting to wider training, business support or sources of advice.

### Labour Market Intelligence Hub

The development of an effective Labour Market Intelligence Hub at the North of Tyne level will be essential to efficiently collate, analyse and share intelligence to shape and direct employability provision. This will include at least the following elements:

- Regular and timely information on employers' recruitment activity and plans, including skills shortages and hard to fill vacancies
- Up to date information on the characteristics of jobseekers, including age, gender, ethnicity, disability, health, language, skills and other characteristics as far as possible, at the North of Tyne, LA and sub-LA levels where possible to enable provision to be targeted appropriately
- Management information on the level of take up and outcomes of employability provision – including JCP, DWP contracted-out, National Careers Service and other nationally-commissioned services impacting on the North of Tyne residents as well as the performance of locally-commissioned or managed provision
- Qualitative intelligence on the experience of jobseekers and employers.

## GOVERNANCE AND MONITORING ARRANGEMENTS



The progress of the Employability Plan will be reported biannually to the NTCA Inclusive Economy Board. The Inclusive Economy Board brings together organisations and individuals who support the North of Tyne to better integrate and strengthen education, skills and employment interventions in order to improve local education and employment outcomes for North of Tyne residents.

A comprehensive delivery plan will enable the Inclusive Economy Board to understand and monitor the plan and the positive impact it will have on the North of Tyne economy and our residents' lives.

The delivery plan will also include a statement around risk where external factors may affect progress and this, along with the metrics noted above, will ensure all partners are working together towards a coherent set of objectives, prioritising resources and delivery where appropriate.

## APPENDIX 1: JOINT DWP/NTCA EMPLOYMENT FRAMEWORK



### Framework Agreement between the North of Tyne Combined Authority and the Department for Work and Pensions

This Framework Agreement addresses the commitment set out in the North of Tyne Devolution Agreement published on 8th November 2018, to jointly develop and adopt an Employment Support Framework Agreement to drive the better coordination of employment, skills and health services across the North of Tyne area in order to increase the number of residents moving into work.

The Framework Agreement will make a significant contribution to the North of Tyne Combined Authority aim to create a growing, more inclusive economy, by delivering our shared strategic ambitions to:

- Achieve a better balance between skills supply and local labour market demand in the North of Tyne area to enable its residents to realise their potential in full
- Increase employment rates of groups who are proportionally under-represented in the labour market, such as: women (including those returning to work after looking after children), people who are disabled or have a health condition, people aged over 50, those from ethnic minority groups, carers, and people with multiple complex issues
- Support people to remain in employment if they are at risk of losing it due to age, health conditions, automation, or other barriers to retention

- Support people to find new employment opportunities or retain employment where they have been displaced due to COVID-19, including re-skilling, boosting confidence and local networks
- Develop closer regional working via the Jobcentre Plus network using tools such as co-location, outreach and youth hubs to help drive local growth and sustained recovery
- Support in-work progression for those in low paid employment, to enable more people to achieve financial security and stability through sustainable employment.

The North of Tyne Inclusive Economy Board, of which the Department for Work and Pensions will continue to be an active member, will provide oversight of the Framework Agreement and be the key governance through which it is delivered. The Inclusive Economy Board will agree and oversee an Action Plan setting out how the shared ambitions are to be delivered in the North of Tyne area.

The Department for Work and Pensions and the North of Tyne Combined Authority will aim to deliver these ambitions by working together in partnership with the North East Local Enterprise Partnership and local employment and skills stakeholders and in the context of the Skills Advisory Panel.

## APPENDIX 2: CBI ECONOMICS: LABOUR MARKET CHALLENGES REPORT



To support the development of the North of Tyne Employability Plan, CBI Economics was commissioned by the Inclusive Growth Network to interview businesses in the region on labour market challenges. A total of 17 businesses across the North of Tyne were interviewed between April-May 2022, across the retail/hospitality, digital/technology, health/social care, green economy and professional services sectors.

The full report can be accessed below.

[VIEW HERE](#)