

Economic Inactivity in the North of Tyne

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1. Introduction

1.1 Background

NTCA's 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. Reducing inequalities and improving access to opportunities is also an inherent part of the Government's Levelling Up Strategy and subsequent UK Shared Prosperity Fund programme (UKSPF).

NTCA will invest their allocation of UKSPF resources in activities to achieve this vision. This includes supporting unemployed people and others not active in the labour market to progress towards and secure good jobs. NTCA will build on the existing investment that NTCA and its partners are already delivering to boost employability among those out of work to add value to these programmes and minimise duplication of activities.

NTCA's proposals for the People and Skills Investment Priority will address the three UKSPF objectives of:

- Supporting economically inactive people to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills.
- Supporting people furthest from the labour market to access basic skills.
- Skills to progress in work and to meet local skills needs.

The role of the **Voluntary, Community and Social Enterprise (VCSE) sector in the delivery of publicly-funded services is well-known, both in terms of capacity and capability:**

Over 75 percent of VCSEs deliver public services where they are based, with strong links to that locality. Their place-based solutions can create a greater impact for those most in need, who are hard for the traditional public sector to reach. VCSEs contribute to economic growth, making the economy more innovative, resilient and productive. They can open up opportunities for

people to engage with their community, foster belonging and enrich lives. Therefore the VCSE sector's unique role in public services is vital, more now than ever.

Claire Dove CBE, VCSE Crown Representative, August 2022

NTCA will design and launch a new grant programme to enable VCSE organisations, currently in receipt of ESIF to deliver employment and skills activity, to apply for funding to deliver the interventions and activities identified in the People and Skills Investment Priority as part of UKSPF Year 2 Investment 22/23. The overarching ambition of the new grant programme will be to bring key partners together to deliver activities to support economically inactive residents.

It is proposed that the programme will fund, support and evaluate VCSE led community-based activities that engage and support people who face additional barriers to accessing mainstream or existing employability services.

During 2022, NTCA undertook a review of the evidence on economic inactivity and programmes to help economically inactive residents re-engage with the labour market.

Rates of economic inactivity across all age groups in the North of Tyne area are persistently higher than the averages for England, which is a significant factor, weighing down on productivity in the economy. Economic inactivity is particularly high among 20 to 24-year-olds (33%) and amongst those aged 50 to 64 (31%).

Economic inactivity is also high among residents with disabilities. In the 12 months to December 2021 only 50% of working age residents with disabilities in the North of Tyne area were in employment, compared to 77% of working age residents with no disabilities. Employment opportunities for residents with disabilities are often low paid and insecure.

A significant number of economically inactive people in the North of Tyne area (32,900, 27%) want a job. Addressing the barriers preventing inactive residents from taking up employment is a key priority of our Investment Plan.

Existing evidence falls into two broad categories:

- **Potential beneficiaries:** students; residents who are looking after family and home, especially women; and residents nearing retirement; communities with high levels of deprivation.
- **Potential approaches:** flexible one-to-one support to develop the confidence and agency needed to progress; employer engagement through, for example, the Good Work Pledge in the NTCA area.

However, there is a gap in evidence relating to the specific barriers economically inactive residents face in re-engaging with the labour market since the pandemic, and the types of support required to help participants move closer to, and access work.

1.2 Call for Evidence

In October 2022, NTCA commissioned Learning and Work Institute (L&W) to support the delivery of a call for evidence requesting further qualitative evidence from stakeholders experienced in working with economically inactive residents in any capacity. The call for evidence focused on two key questions with six further prompt questions. All questions were optional, and individuals, organisations and sector representatives were welcome to submit supplementary evidence sources.

- 1. To what extent have you seen the experiences of residents who are economically inactive change since the COVID-19 pandemic?**
 - a. Are there any more or less prominent reasons why people are not looking for work?*
 - b. Does this change relate to any particular group of people or community of interest?*
 - c. Over what timescale has this change occurred and how long do you expect it to continue?*
- 2. To what extent have you changed the way your organisation supports people who are economically inactive since the COVID-19 pandemic?**
 - a. Have your changes been driven by the needs of users or in response to external factors?*
 - b. Are there any changes you have made that were less successful and how have these informed your future services?*
 - c. What changes have you made to the way you work with other organisations?*

There were 40 organisational responses to the call for evidence totalling in excess of 30,000 words. This is an average of 750 words per response, indicative of the time spent responding and the level of detail provided. 10 organisations submitted supplementary evidence sources (such as impact reviews and case studies).

Respondent organisations can be found at Appendix One.

Most respondents used the abbreviation 'EI' for economically inactive. This shortcut is also used in this report without intending to label or suggest that all economically inactive residents have the same life-experiences.

1.3 Format of this report

This report is structured around the two key questions in the call for evidence and those themes that emerged, either structured around the prompts or common issues raised by respondents.

Section 2 aims to analyse responses around theme of **changes in residents' experiences** post-pandemic: looking at drivers / causes; barriers faced; affected groups; and timescales.

Section 3 focuses on **changes to the way VCSE organisations support EI residents**, and in particular: drivers; approaches; timescales and how these have informed the planning of future services.

Sections 2 and 3 also contain an analysis of feedback from a stakeholder workshop held on 24th November 2022. The workshop was attended by representatives from 30 organisations which responded to the survey. The aim of the workshop was to 'play back' to delegates the themes identified in the initial survey analysis in order to test and develop the findings. No themes identified were thought to be inaccurate. However, delegates usefully added to them as well as exploring lessons learned, barriers to collaboration, before identifying priorities for future action. The attendees fed back via facilitated roundtable discussion groups. However, individuals also had the opportunity to feedback or ask questions via post-it notes.

Feedback given during the workshop informed **section 4** which focused on what workshop attendees considered **implications for future commissioning**.

2. Changes in residents' experiences

Most respondents focused on **changes to the nature of the support required** by existing clients. These included generic groups such as 'people who are struggling financially,' those with 'issues around addictions,' and those experiencing 'social isolation' or 'detachment from society.' As the first question focussed on the extent of changes in residents' experiences, few respondents made a numerical response. A few respondents cited an **increase in the total number of potential clients** accessing services, and within certain groups such as older people and residents from black, minority ethnic backgrounds.

2.1 Key Issues

The most commonly cited issue was the **increase in mental health related conditions** (see 2.2 below). Although 'mental health' was the term most respondents used, examples cited were on a continuum from 'low self-esteem and confidence' to 'anxieties and depression' to 'severe mental illness.' Poor wellbeing was also cited in a number of cases and its affect on other factors related to EI—such as confidence to gain new skills or feel comfortable in a group situation. For those engaging with mental health services, the reduced access to formal support was also cited.

The **decline in informal support networks** (during lockdown and after) was cited by a number of respondents. Sometimes this decline was due to lack of availability of services (or service closure), at other times it was due to anxiety about meeting in groups—particularly for 'vulnerable groups.'

Some responses indicated the **complex relationship** between various drivers for change (e.g. how financial hardship causes anxiety) and between agencies working together (e.g. health and employment services). One respondent outlined 'the complex factors [...] interacting in young men's lives which cause multiple issues and challenges and in turn lead to often very chaotic lifestyles.' Another made the point that it is '*rare to have only one barrier to employment.*' Another point chimed with

what other respondents reported: that the pandemic exacerbated an already difficult situation for EI residents.

One respondent was an outlier in citing ‘a massive decline in those people who are interested in looking for work.’ The view here was that ‘the pandemic had nothing to do with this’ and for some ‘being on benefits [was] the easier option.’

2.2 Mental health and social isolation

One of the main areas in which respondents cited a ‘dramatic’ increase was in the area of mental ill health, some were related to severe mental illness (SMI) or having suicidal thoughts) others less severe but pandemic related – in terms of what some termed ‘fear of catching the virus,’ this was indicative of an increase in residents experiencing anxiety or decline in confidence since the pandemic

One of the causes linked to less severe mental health issues was increased social isolation – which indicates how many of these issues are linked— and individuals usually experience more than one category within this catch-all term. There were a significant number of references to both of the first two issues.

Higher incidence references	Lower incidence references
<ul style="list-style-type: none"> • decline in mental health (references to: SMI, recovery, impact, issues, barriers, anxiety, low mood, negative impact on well-being) • increased social isolation (references to detachment from peers and family) • decline in access to support networks (lack of community spaces, fear of community settings) 	<ul style="list-style-type: none"> • suicidal thoughts • trauma (bereavement, domestic abuse) • [low] self-esteem and confidence • fear of catching virus (phobia) • ‘loneliness’ (i.e. subjective experiences of social isolation)

There were also interesting references to both formal support services and less formal networks, which may be local, peer groups or family related.

When respondents were addressing the issue why EI residents might not be looking for work, issues around mental health were mentioned around the following issues:

Higher incidence references	Lower incidence references
<ul style="list-style-type: none"> • <i>[low / lack of] confidence</i> • <i>low self-esteem</i> • <i>anxiety / depression</i> 	<ul style="list-style-type: none"> • <i>older people shielding</i> • <i>fear of future outbreaks</i> • <i>drug / alcohol misuse</i>

2.3 Skills and the workplace

The issue around EI residents' confidence was also raised in relation to skills levels. Low (or inappropriate) skills were described in terms of both 'hard' (technical or basic skills) and 'soft' (social skills and 'digital confidence'). The process of gaining new skills often leads to increased levels of confidence, a virtuous circle, even if the skills gained are not related to specific types of employment.

Respondents cited a perceived growth in employer demand for digital skills. However, a lack of digital skills among EI residents was not just seen as about confidence, or even training to address issues of 'digital literacy.' Respondents cited lack of access to the internet/basic connectivity, and wider digital exclusion (lack of access to 'kit').

Some of these issues arose from changes in the workplace (or at least EI residents' perceptions of how workplaces were changing). One of these perceived changes was around the prevalence of 'online applications,' part of a general concern about services becoming increasingly 'digital by default' post-pandemic.

Higher incidence references	Lower incidence references
<ul style="list-style-type: none"> • <i>lack of skills (social, basic)</i> • <i>low digital skills (disability, digital confidence / digital literacy)</i> • <i>workplace change (general, online applications, unstable / insecure jobs, zero-hour contracts)</i> 	<ul style="list-style-type: none"> • <i>no access to internet (connectivity)</i> • <i>digital exclusion / inclusivity</i> • <i>impact on low-self-esteem</i> • <i>lack of sanctions</i> • <i>temporary covid related employment ceased (delivery / vaccine centres)</i>

	<ul style="list-style-type: none"> • <i>criminal records (for low level offending)</i> • <i>[low] work readiness</i> • <i>no clear direction or aspiration</i> • <i>lack of work experience</i> • <i>salaries not keeping up with cost of living</i>
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Many of the skills and workplace related issues raised were in terms of why people were not looking for work. Reasons given were lack of basic skills (including ESOL), lack of digital confidence, digital exclusion, and such issues as having outdated skills or qualifications, and feeling deskilled after a period of being a carer. Some workplace specific reasons were also related to certain subsets of EI residents: such as those awaiting 'EU status' to be able to work; or those facing cultural challenges (e.g. male-female roles in relation to family and work). Others referenced the perceived lack of accessible work, zero-hour contracts, or not feeling safe at work and/or / getting there because of Covid. Other prominent issues mentioned were: inexperience (of work), lack of LMI to make informed choices, and interview readiness (including having appropriate clothing).

2.4 Physical health and disability

There were fewer references to physical health than to the broad spectrum of mental health issues raised above. These were largely in relation to a barriers to accessing the labour market. However, there were more references to physical health and disability being reasons for EI residents not looking for work. Some of the explanations given were related to the pandemic (such as extended waiting lists for treatment or after a period of inactivity / restriction), or the medical effects of Covid-19 itself (such as 'long Covid'). Other issues referred to were recovery from trauma and having a long-term disability.

2.5 Family and support-related issues

There were a complex set of issues related to changes to the experiences of EI residents in relation to the support they needed to access work. The pandemic increased ‘family’ caring responsibilities whether they were for children, elders, or those in recovery from a range of physical and mental health issues. These responsibilities were cited as reasons for not looking for work as well as being a student (funded by parents) or not needing to work.

Such reasons were related to issues around support or lack of it to enable people to look for work or decide to accept a job offer. We grouped these as ‘support related’, which relate to familiar barriers to education and / or employment: affordable and available childcare; the poverty ‘trap’ (or gap); affordable and timely travel / transport; and, affordable and available care for other adult family members. Other notable transport issues were related to shift-working, rurality, and safety. Some EI residents needed financial literacy support in moving from supported living settings.

2.6 Multiple and systemic issues

Respondents were keen to stress that many EI residents experience multiple issues— a combination of those cited above— some of which existed before the pandemic and were ‘exacerbated’ by lockdown. It can be inferred from this that an already difficult situation was made more complex by the pandemic. Respondents referred to ‘*multiple disadvantage*’ and ‘*complex barriers to work.*’ Some of the issues cited were related to ‘*issues around addictions,*’ ‘*chaotic lifestyles,*’ and ‘*women experiencing domestic violence.*’ However, these were outliers; multiple issues were faced by many residents suggesting there would be no single means of addressing need (a ‘silver bullet’).

A number of what can be termed ‘systemic issues’ were cited as reasons for people not looking for work. These were: the benefits system (‘seen as safe bet’ or ‘better off than in work’); not feeling incentivised to seek work; or *disillusionment (NEETs) with* or intimidated by government agencies; as well as general cost of living concerns. Uncertainty about the future labour market made work seem a risky option for some EI residents.

2.7 Groups affected

Respondents named over twenty 'groups or communities of interest' affected by economic inactivity. In reality individuals can sit within a number of groups, communities of interest and/or place. From the responses it was possible to look at references to particular groups or communities of interest in relation to the themes described above. The table below is a basic matrix analysis of cited issues mentioned in relation to specific groups or communities of interest.

	<i>Mental health</i>	<i>Social isolation</i>	<i>Physical health</i>	<i>Skills / access</i>	<i>Work-place</i>	<i>Support / family</i>	<i>Systemic / multiple</i>
	↓	↓	↓	↓	↓	↓	↓
'BME' / 'BAME'¹				xxx	x	x	x
'Struggling financially'						x	
Women		x				xx	x
Older people [50+]	xx	x	x	xx	xx		x
Men 30-50 years	x						
Carers / 'with dependents'	x			x		x	x
Disabled people		x			x	x	x
Learning difficulties		x			x		
'Vulnerable groups'	xx	x			x		

¹ Black and minority ethnic groups

Refugees / migrants				X	XX		XX
NEETs² [18-25 years]	X			XX		XX	X
'Workless households'							X
Single / lone parents		X				X	X
Victims of abuse						XX	
'Living in deprived areas'						XX	X
'Facing social inequalities'	X					X	X

It is hard to draw definitive conclusions from this analysis, as respondents were not asked to respond, specifically in this way. (For example, one could argue that all groups face skills issues and challenges in some form.) However, it does serve to highlight that most groups face a range of issues and will require support in a number of areas.

2.8 Timescales

Respondents were asked over what timescale had change occurred and how long did they expect it to continue. Not everyone decided to answer both parts of the question and /or put a number against the timescale. Of those that did, the majority said it was a situation that had been going on for in excess of two years and will continue for as long into the future. The main message was that this is not a short-term issue—and would be worse for particular groups and communities of interest.

² Not in Employment, Education or Training

2.9 Workshop feedback

Workshop attendees were keen to stress that many of these issues EI residents face pre-date the pandemic, which exacerbated the situation. Alongside 'groups and communities of interest' due consideration needed to be given to 'community and place'. This was seen as reflecting the multiple issues some communities of place experience, and that decisions to not look for work were dependent on geography. For example, lack of access to affordable and available public transport is often a place-based issue.

People living in rural areas were seen as particularly affected by place-based issues. Other groups added to those mentioned in section 2.7 above were: people experiencing in-work poverty (at risk of becoming economically inactive); 'offenders' or 'ex-offenders;' 'long-term unemployed;' 'those without work experience in the UK;' those needing 'in-work support;' 'people forced into taking inappropriate jobs.' It was not explained how all such groups were *currently* affected by economic inactivity. However one workshop group was keen to stress that 'long-term unemployed people may have very similar issues to economically inactive people. To be properly inclusive [providers] don't want to turn away these residents... Self-employed people: many residents had taken up self-employment over recent years. The cost-of-living crisis might make this too expensive to manage (e.g. rental/ heating of premises) so they could become unemployed.' Participants mentioned that women who have experienced domestic abuse, or who are at risk of it, face specific challenges when trying to access work.

Another group stressed the importance of supporting EI residents 'set-back by the cost-of-living crisis.' New barriers to work are being created such as: increasing levels of debt, work not being financially viable, additional caring responsibilities and poorer health.

Because EI residents face multiple issues (or are members of multiple groups), their experience of economic activity can be dependent on clear communication about the

support offer, local flexibility, place-based approaches, an increase in caring responsibilities, and basic skills needs.

Another area that was developed at the workshop was the importance of EI residents' previous experiences of employment or applying for it. Examples given here were:

- Preparation for work and continued workplace support (e.g. for addiction or debt)
- lack of in-work progression opportunities
- online recruitment and HR practices to collect data on applicants
- support for people coming off Universal Credit
- inflexible application processes for jobs at different skill levels/pay scales;
- using accessible language in job application processes e.g. to include people with learning disabilities
- 'fear of ... having benefit payments stopped.'

One group developed this theme around experiences of employment to extend beyond 'supply-side' considerations (i.e. supply of potential employees). The 'demand-side' (how employers work) needed 'greater consideration.' Even with support, labour market vacancies are not always accessible due to recruitment processes and job requirements.

3. Changes in the way VCSE organisations support economically inactive people

Given the scale of changes reported above, it is unsurprising that VCSE adapted their approaches to support clients, volunteers and staff. Most changes cited were in responses to both user need and external factors.

The vast majority of respondents reported changes to the way they supported EI residents since the pandemic. Even those few who said 'no change' qualified this to say except for offering more remote support—or expected to change to occur due to external funding sources. The move to 'hybrid working' or 'blended delivery' was mentioned by almost all respondents.

It was hard to distinguish between strategic and operational changes, and other drivers for change. Organisational changes led to 'downstream' consequences around personnel, skills, and wider support for clients, volunteer, and staff.

3.1 Organisational change

The move to hybrid working and/or blended delivery arose out of enforced lockdown and later as a response to client feedback. It was also cited in a number of specific respects: skills delivery, 'remote counselling,' and 'remote support.' Some respondents mentioned 'increased targeting' and 'bespoke' or 'tailored' delivery (designed to address a specific individual's needs). Hybrid working also led to increased partnership delivery with technology facilitating remote meetings with less demand on resources. One respondent mentioned embedding staff in a partner agency. Another thought that the move to online delivery potentially extends reach.

The pandemic challenged providers to work in different ways making 'a more proactive offer', 'proactively managing expectations', increasing the use of social media, customer feedback or advocacy. Others referred to developing new policies, or sourcing new venues, technologies, and offices to suit new ways of working.

3.2 Staffing, skills, and support

New ways of working meant there was an impact on staffing. Some of this involved recruitment to new roles ('key worker', 'employability coach', and 'wellbeing adviser'). In other instances, staff needed to be skilled-up to work in a hybrid way (including blended delivery).

Likewise clients also needed skilling up in order to participate in blended delivery (see section 2.3 above) such as digital capability. Organisations were responding to the way employers and the labour market changed during and after the pandemic. An example given was employers requiring online applications and interviews. Skills assessments were mentioned too, as well as support in the areas of legal advice, 'financial health,' and wellbeing in general. Digital exclusion of older people was exacerbated by lack of access to 'IT kit' after the course.

3.3 Lessons learned

The move to hybrid working and / or blended delivery presented challenges in ensuring clients receive the type of support most suitable to address their needs. Even in this context, it was important to have user involvement in service planning and evaluation.

Online delivery was seen as dependent on how 'tech savvy' participants were, so certain clients needed pre-course support. Some organisations developed 'self-support guides' and/or combined online learning with basic skills support. Remote working made it harder to pick up on 'welfare concerns' of clients. Effective delivery was dependent on the mental health / mood of participants.

On the other hand, the move to blended delivery provided the opportunity to review best practice. Other lessons included: keeping client informed of new ways of working; hybrid delivery is more responsive and 'reactive to external factors;' in virtual groups it was sometimes difficult to maintain appropriate behaviour, so the organisations concerned changed platforms to allow better governance; group delivery struggled to get enrolment, so the provider added more one-to-one delivery, despite it not being as effective in developing social skills.

3.4 Collaboration and partnership

Respondents were asked about any changes made in working with other organisations. As noted above hybrid working approaches encouraged more agencies to get involved in meetings with greater frequency and at lower cost. Some organisations selected partner training organisations based on their ability to work in partnership. There was more collaborative work on skills due to common challenges during the pandemic. Cross-referral, common identification of need, and referral via co-working were all mentioned in survey responses.

Some respondents were keen to stress that clients facing multiple issues requires collaboration to: enable a holistic approach, multi-agency programmes, whole system approach, sharing approaches and 'tactics,' and finding a 'niche' within a wider offer. Sometimes collaboration was enabled by co-location or embedded delivery.

Others referred to collaboration with employers to guarantee a job interview, or provide work trials, or interview skills training. A number of responses stressed *the outcomes of collaboration*: to support their clients, or specific aspects of work that impacted on their work (e.g. recruitment). The other issue raised was the cost-savings enabled by collaboration (e.g. transport) and reducing 'conflict' or duplication.

3.5 Workshop feedback

It was stressed that VCSE delivery organisations have similar recruitment and staff retention barriers as other employers that affect 'capacity to deliver.' Some reported the increased use of agency staff, which had impacted on staffing costs. Another group said it should be recognised that the VCSE sector 'added value and commitment' so should be valued and supported.

Hybrid working and blended delivery was seen as an important theme to discuss further. For some, hybrid approaches showed face-to-face delivery was not always the best model. Some clients thought they had more 'control' over online

interactions. Fewer cancellations occur with online meetings. Efficiencies gained meant providers 'could see more residents.'

Participants generally felt hybrid working had been a success once teething issues had been resolved. Organisations were continuing to offer hybrid services. Remote working provided a workaround for some barriers to access for EI residents. For instance, people unable to travel to a support service could still be contacted remotely. Participants noted that social isolation meant some service users needed additional support. During the pandemic, people tended to be signposted to online support. Participants noted that this excluded people without access to internet. Two groups mentioned that hybrid working enabled staff to think more creatively, especially in relation to partnership-working.

Other groups stressed that although online delivery was effective at surmounting some barriers, face to face was better at establishing trust and 'suits the clients.' The key element for some was 'choice' and that a 'variety of options' should be offered. Others felt providers had 'gone too far with digital service delivery' which has excluded some EI residents. It was important to continue to employ mentors and key workers to ensure continuity of support.

There was a positive response to increased levels of collaboration post-pandemic. As noted above some of this was enabled by the move to hybrid working. However the main driver was seen as 'client-led,' with 'partners working together to address multiple issues.' Groups fed back that there was no direct user involvement in how they collaborated, but the need to work in partnership was informed by feedback from users. Understandably as restrictions eased, some partners dropped out of regular collaborative meetings. It was stressed that good partnerships take time to develop and maintain.

Some expressed concern that consortium approaches can result in the loss of local-level delivery. It was felt that loose collaboration can be more effective. This raised the important point that approaches to collaboration and partnership operate along a continuum of formality, from formal consortia to 'loose' alliances and networks. Precisely where the partnership exists on the continuum depends on the approach to

addressing user need that is required. There was a concern that formal consortia can create bureaucracy and divert resources from delivery. Co-location was seen as a practical means of ensuring effective collaboration and ensuring client needs were addressed.

Groups also fed back that there had been staff learning and development to support collaboration. An area for future development here was engaging with businesses. There was an identified need to develop connections with employers – ‘give them a reason to come to the table’ –and build trust. However, it would be naïve to assume the absence of power relations in partnership working, and concern was expressed about larger organisations exploiting smaller ones. A number of other barriers to future collaborative work were raised. Among them were partners having ‘incompatible values’ and being in ‘competition for referrals [or] outputs.’

4. Implications for future commissioning

During the workshop on 24th November 2022, attendees were asked to look at the implications for future commissioning. Sections 4.2 – 4.5 summarise workshop group feedback as summarised by facilitators.

During discussions, a number of common themes emerged related to:

- Addressing multiple and complex needs
- Working collaboratively with other VCSEs
- Working with employers
- Ensuring fair and accessible funding

It should be noted that all these themes interlink, and each is a key component of an effective commissioning system in this field.

4.1 Addressing multiple and complex needs

Due to EI residents experiencing a range of needs (that have increased post-pandemic), one solution was felt to be ‘wrap-around, solution focused, multi-skilled provision’ via one access point (physical or virtual location). Such an approach would help ‘address multiple barriers ... without the participant having to tell their story multiple times.’ This was accompanied by a practical suggestion to create a ‘digital passport [or] shared system’ to share client information between partners. Such an approach would ‘put the participant at the centre of the provision.’ Other groups supported the ideas of a ‘one-stop shop’ but stressed it needed to be ‘personalised [with] no “cold” referral via a digital system.’

Digital inclusion was seen as a key issue. Some identified the need to develop ‘free access points... [so EI residents] can get online at public and VCSE venues.’ This would require training for VCSE staff to assist people to access digital services. Alongside ‘digital skills,’ learning needed to be enhanced around ‘soft’ skills such as ‘mindset, aspiration, and confidence.’

Others advocated place-based approaches, which were seen as important in rural areas. This was seen as ensuring the service was provided in the community where residents felt comfortable. However, more face-to-face work would incur costs, such as in the area of 'volunteer training.'

It was felt some EI residents needed support with 'practical issues such as having clothes to wear to an interview or bus fare for travel ...childcare or internet access.' One participant recommended introducing a 'barrier busting fund' to enable VCSE organisations to assist clients with these costs. Others noted the need for 'budgeting advice and information both before and after finding work.'

Another group thought it was important to reach EI residents who have never even thought about working and make the provision attractive to them. Others felt that economic inactivity could be addressed by broadening the programme to include those 'in-work but want to progress their career,' creating labour market gaps at a lower level. Some possible solutions (tailored support, flexible work offer etc.) are explored in 4.3 below.

4.2 Working collaboratively with other VCSEs

The elimination of 'competition for referrals' was seen as essential for the effective and efficient working of the system. However, partnership working included a recognition that each organisation has specialisms and skills to offer. There is a need to determine who can offer each element of support and work together to provide wrap-around, multi-skilled support (see 4.1). Some consortium members present (at the workshop) felt theirs was an 'effective approach for residents and noted that funding for staff who deal with the overarching organisation, frees up staff time to do their respective jobs within their organisations.' The removal of competition for funding or clients improves the referral system. It was also felt that collaboration can be enabled by the commissioning process.

4.3 Working with employers

Collaboration with employers (on the continuum mentioned in section 3.5 above) was seen as critical and some practical suggestions were made at the workshop:

- *Volunteering can provide a bridge into work – explore how employers can recognise this.*
- *Tailored employment support – not just help to get a job, write a CV etc. Needs to be holistic – be prepared to take a 360 view on someone’s life and provide support that’s personalised.*
- *Tailored, 1:1 employment support. Service users face a range of barriers and challenges, which intersect in complex ways. Support needs to be offered in a way that is person-centred as well as being open-ended and flexible.*
- *Participants noted that service users often continue needing support once they are in employment. Some organisations offer this for 3 or 6 months, but some individuals need support long-term.*
- *[The need for] flexibility [in] recruitment and further support in work.*
- *VODA run Sector Connector – connection with businesses [to explore] options.*
- *In-work incentives to continue working.*
- *Jobs flexibility – greater work with employers (anchors as a lead) to make jobs more accessible and sustainable to cohorts with specific needs (caring responsibilities / health conditions etc.)*
- *Need for sustainability of support over a longer period of time. This can cover support for progression (to raise skill levels / increase hours etc.) and also additional support (people with addictions may need greater support to sustain recovery).*
- *[Improve how employers recruit] and whether processes limit their labour pool and/or exclude certain groups.*
- *[Explore how employers] may limit recruitment – e.g. flexibility of work for people with caring responsibilities / adaptations for people with health conditions / availability of agile working.*

4.4 Ensuring fair and accessible funding

It was argued that personalised (and flexible) approaches to service delivery is best supported where the funding system is flexible and responsive. Such an approach needs to allow for ‘soft’ outcomes, which VCSE providers tailor provision to the individual. However, some warned the approach cannot be so flexible that clients do

not progress. Having said that, it was also seen as important to recognise levels of anxiety among EI residents and remove any 'stigma or judgement.'

[Clients]...come to the VCSE [sector] with one issue, but over the course of time, many more issues are identified (multiple needs) so funding needs to be flexible. [Need] a 'triage' for initial interactions until the VCSE can identify how to help the resident.

A number of groups stressed the importance of a trusted relationship between funder and delivery organisations.

Other comments on possible future funding systems were:

- *Outcomes and outputs should be designed to reduce competition.*
- *Funding to follow the individual, so that it can be distributed between different organisations (longer-term priority).*
- *Funding needs to take into account VCSE costs are rising due to cost of living crisis.*
- *Funding must not be focussed on 'hard' outcomes*
- *To properly respond to individual needs, any provision must be completely tailored that person – this means that costs (time, travel, etc.) will be higher*
- *Any targets need to be varied i.e. not just education and skills.*
- *It's sometimes hard to get evidence of 'economic activity' to meet targets.*
- *Funding needs to get to where it's most needed so 'full cost recovery' is required.*
- *Cost of living crisis affects costs so this needs to be taken into account.*
- *Contracts need to share risks and gains between commissioners and [providers].*
- *Process of commissioning needs to be collaborative rather than punitive.*
- *Funding needs to allow for continuity e.g. contracts coming to an end.*
- *[An opportunity now] for more flexibility and innovation than ESF.*

As well as working collaboratively with other VCSEs and employers, the collaborative and consultative approach taken by NTCA was welcomed. It was hoped that future commissioning could be continued in the spirit of partnership to benefit EI residents throughout the area.

4.5 Summary: **commitment, consensus, collaboration, co-creation**

The call for evidence and the workshop both demonstrated the level of shared **commitment** to address economic inactivity in the NTCA area. The responses showed a high level of **consensus** and a willingness to **collaborate** between VCSE providers, with employers, and in partnership with NTCA in the spirit of **co-creation**. Given this joint responsibility the following summary table summarises the priority actions identified at the workshop for commissioners and providers applying for funding.

Implications for providers applying for funding	Implications for commissioners
<p>Access</p> <ul style="list-style-type: none"> • Applicants to demonstrate a range of accessible gateways into provision including telephone, face-to-face (drop-ins), website, social media presence, clear referral pathways, with ‘success stories’ and ‘stigma free’ language. • Applicants to commit to a one-stop shop approach, single points of access, and common referral and signposting processes <p>Provision</p> <ul style="list-style-type: none"> • Applicants to demonstrate an assessment of need service, personal planning, with a holistic offer that includes recognised skills assessment and delivery (to cover a range of interlinked skills—basic, digital, health and financial literacy—e.g. Citizens’ Curriculum) • Applicants to demonstrate capacity and capability in a range of delivery method: online, face-to-face, individual, group, blended etc. • Applicants to demonstrate ability to ensure flexible progression pathways to further support, volunteering, and employment <p>Support</p> <ul style="list-style-type: none"> • Applicants to demonstrate effective support for digital inclusion such as free access points and training for staff to assist clients • Applicants to demonstrate effective tailored, employment support • Applicants to demonstrate effective support with practical issues such as interview clothes, travel fare, childcare or internet access.. • Applicants to demonstrate localised and specialist support where required or local referral options to secure this <p>Evaluation</p> <ul style="list-style-type: none"> • Applicants to demonstrate robust approaches to self-evaluation and review 	<p>Level of funding</p> <ul style="list-style-type: none"> • Commissioners to fund the whole process ensuring access, referral, signposting, holistic provision, evaluation, and localised, specialist support <p>Commissioning process</p> <ul style="list-style-type: none"> • Commissioners to provide a forum for successful applicants to come together to share approaches and require senior attendance from partners • Commissioners to design a collaborative commissioning process in recognition of the role of the VCSE sector • Commissioners to establish a dedicated fund to give organisations the means to assist users with these costs <p>Outcomes</p> <ul style="list-style-type: none"> • Commissioners to measure and report on sustained employment outcomes beneficial to individuals as well as ‘soft’ outcomes for those farthest from the labour market <p>Market-shaping</p> <ul style="list-style-type: none"> • Commissioners to work with employers to make jobs more accessible and sustainable to EI residents <p>Longer-term</p> <ul style="list-style-type: none"> • Commissioners to consult on a new system where funding follows the individual to ensure fair distribution between different organisations

Appendix One

Respondents to the Call for Evidence (organisations)

Newcastle Futures Ltd
Citizens Advice Newcastle
Northumberland County Council
Northumberland Health Trainers
Bridge Project Northumberland CVA
Northumberland CVA
Engaging Pathways CIC
Blyth Resource & Initiative Centre
Northumberland County Council
CNTW NHS Foundation Trust IPS Employment Support Service
CNTW
Northumberland Recovery Partnership
Northumberland County Council - North of Tyne Working Homes project
Central Employment & Training
Barnardo's Employment Training and Skills North
North East Autism Society
Phoenix Detached Youth Project
Rise North East
North Tyneside Council
FIRST
YMCA North Tyneside
Upstart Enterprise CIC
JET Jobs Education & Training
Community Action Northumberland
Housing Employability Network North East
Newcastle United Foundation
Changing Lives
Helix Arts
Education Development Trust
ESCAPE Family Support
The Chinese Centre (North of England) & Job4Me
Groundwork North East & Cumbria
Mental Health Concern
Cygnus Support
Reed in Partnership
The Wise Group
Northumberland CVA
The Millin Charity
Riverside Community Health Project
Big River Bakery

Appendix Two

Workshop attendees (organisations)

Changing Lives
Northumberland County Council
Meadow Well Connected
Newcastle City Council
Northumberland CVA
Cygnus Support
JET North
Newcastle CAB
Groundwork
Concern Group
Moving on Tyne and Wear
Mental Health Concern
The Recruitment Junction
Citizens Advice Northumberland
Northern Learning Trust
Family Gateway
BRIC Blyth
VODA
The Wise Group
Cedarwood Trust
Building Futures East
North East Autism Society
YMCA North Tyneside
Fareshare North East
Newcastle United Foundation
Children North East
The Millin Charity
Reviving the Heart of the West End
NTCA
North Tyneside Council