



## **New Deal** for North East Workers

July 2025

# Foreword

## North East Mayor Kim McGuinness

**This plan forms a series of direct pledges I make to the workers of the North East, and those seeking work. As mayor, I will ensure you have what you need to find a job, and grow your career, here in our region.**

My role is to ensure the North East Combined Authority works to support you, and in this plan I set out how we will ensure, every day, the focus is on ensuring people living here have access to a good job.

We are setting out to make the North East the home of real opportunity, a mission which will only succeed if everyone feels the difference.

This New Deal for North East Workers is a key component of our vision for a better region, setting out the employment and skills improvements our residents, businesses and economy need to thrive.

We set out here the steps needed to ensure people of all ages and backgrounds can develop their skills, find good quality, well-paid jobs, and build a career with good prospects in a region they love. That pledge is as important for those in the foundational economy as it is for those in working in specialised roles.

The activities set out in the plan underpin our wider ambitions for the region. From reducing child poverty to making us the home of the

green energy revolution, the path to success comes from giving everyone the chance to thrive.

We know that while some people need access to advanced skills to further their career while staying in the region, for others there are excessive barriers to work that must be addressed first.

By taking a comprehensive and joined-up approach we will deliver a New Deal for North East Workers that tackles the opportunities and challenges in our economy and labour market, playing a vital role in building the sound employment and skills foundations the region needs.

Investment in people isn't just our moral duty, it's the core of our economic plan. When we have a well-paid, skilled workforce at all levels of the economy, businesses will thrive and create more jobs.

The ability to invest in North East skills comes from our devolution to date, but it is clear we must go further. Through our upcoming Integrated Settlement we gain more freedom to invest our resources in a way which benefits the North East. As mayor I will continue to seek a new devolution deal in which the people of the North East are handed more control over our skills investment, ensuring more decisions about this region are taken in this region.



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## Vision

**The North East will be home to a growing and vibrant economy for all.**

We will ensure we have the human capital needed for success - where residents of all ages and from all backgrounds and communities are encouraged and supported to develop their skills and capabilities, make progress towards and into work, find good quality, fairly-paid jobs, and find a career with good prospects, and lead healthy, fulfilling working lives.

Our economy will thrive as our employers recruit more of the skilled staff they need, and we invest in workforce progression to support and grow our key sectors and the foundational economy, now and in the future.

With good quality, sustainable jobs, more of our residents, families and children will fulfil their potential, enjoying a better quality of life in prosperous, healthier neighbourhoods.

## Our Four Priorities

1	<b>Build a bigger, better skilled, and more diverse workforce</b>	<b>Ambition:</b> Our key growth sectors are equipped with a diverse high-skilled workforce, and our foundational economy is supported to grow and thrive. All residents and employers benefit from the same high-quality, comprehensive, and consistent service, wherever they are in the region, underpinned by an integrated, stable and reformed employment and skills sector.
2	<b>Creating career pathways that enable employers to recruit and retain skilled staff</b>	<b>Ambition:</b> Employers of all sizes are able to fill job vacancies and benefit from a stable, productive, skilled workforce, offering good jobs with opportunities for progression to people from all backgrounds.
3	<b>Targeted support to improve employment rates for all residents</b>	<b>Ambition:</b> Residents with health conditions and disabilities, and those with multiple complex barriers, have the opportunity to develop their skills, do rewarding work and lead productive, healthy and independent lives. Young people have the skills, confidence and support for their aspirations to progress into a job and lead fulfilling working lives.
4	<b>Tackling barriers that prevent residents getting into and getting on at work</b>	<b>Ambition:</b> Residents from all backgrounds and communities have access to the basic services and conditions they need to participate in education and training and to get and keep a rewarding job, including affordable childcare / social care, reliable public transport, and fair wages and secure employment terms.

### Supported by:

**Collaboration:** Our skills and employment support providers, businesses and other agencies work together to deliver the region's priorities, simplify employment and skills services, tackle duplication in the system, and maximise efficiency & impact.

**Innovation:** We strive constantly to create new and better ways to address the region's employment and skills issues, recognising we need to do things differently to achieve real change, testing new approaches to service design, delivery and commissioning.



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# 1 Introduction

**A New Deal for North East Workers: improving skills and qualifications; reducing unemployment and inactivity; supporting economic growth; and expanding opportunity across the region.**

This 5-year plan - 'A New Deal for North East Workers' - will play a leading role in achieving the Mayor and Cabinet's five missions<sup>1</sup>, as well as delivering our Local Growth Plan<sup>2</sup> ambitions and the Mayor's manifesto commitments.

Capitalising on the new freedoms and flexibilities that devolution brings, our New Deal for North East workers sets out how we will realise the human capital needed for economic success, how we will deliver an integrated, innovative regional employment and skills system and how we will deliver better outcomes for all residents and businesses.

Collaboration and partnership is at the heart of this work, reflected in the consultative approach to developing the plan. We have engaged regional stakeholders with a role and interest in employment and skills in the North East, in a conversation about the opportunities and challenges we face, and our shared ambitions for the future. Through this collaborative approach we have shaped the priorities and actions in this New Deal for North East Workers.

Our missions set clear, long-term, goals that contribute to a bold vision of change:



## Home to a growing and vibrant economy for all

Thousands more good jobs will have been created, contributing to higher levels of employment and rising take-home pay.



## Home of the green energy revolution

The North East will be at the forefront of the low-carbon economy, with the region a national leader on the path to net zero.



## A welcoming home to global trade

We will continue to welcome international companies to the North East, exceeding national average levels of Foreign Direct Investment, whilst also seeing the proportion of international visitors increase.



## Home of real opportunity

Every child will have access to opportunity, while we will also have seen an improvement in skills and health outcomes and a substantial reduction in child poverty.



## A North East we are proud to call home

More affordable and social homes will have been built, alongside the delivery of a green, integrated, transport network which connects everyone.

<sup>1</sup> North East Combined Authority Corporate Plan 2024-28

<sup>2</sup> Local Growth Plan



## Our region

**With a dynamic £54bn economy, the North East is well placed to build on its reputation as a place of energy and creativity to thrive in the modern economy.**

Home to world-class firms such as Nissan, Sage Group, P&G, Low Carbon Materials and SMD. Working with partners, we have an ambitious plan to make the most of our sectoral strengths and our strategic location at the heart of the country and facing out to the North Sea.

The region has three cities, many vibrant towns, and extensive rural and coastal communities. The region is home to the UK's original modern light rail system, as well as four deep-water ports, riverside assets and infrastructure, and an international airport. Our manufacturing and mining legacy have translated into strengths in advanced manufacturing and renewable energy generation and storage, as well as growth opportunities in life sciences, digital and creative industries. We are a cultural centre, with benefits for our residents, visitors, and economy.

The North East is a powerhouse of innovation and responsiveness with a strong collaborative mindset, passionate people, and a will to succeed. Our fast-developing employment and skills system includes a regional partnership of Universities, Further Education (FE) colleges, employment and training providers, voluntary

and community sector organisations and, increasingly, health organisations who are well placed to meet the needs of local residents and businesses, stimulating inclusive economic growth.

We have much to be proud of and build on. We have many of the pre-requisites to be able to achieve our missions, but too many of our residents and businesses are being held back by an economy punching below its weight in terms of skills, productivity and Gross Value Added (GVA).

Our region has some of the highest rates of economic inactivity and youth employment in the UK. Inactivity due to health conditions and disabilities has risen sharply in recent years, and too many of our residents are working in low paid, insecure jobs. People in the North East who are living with a long-term health condition or who have a disability are disproportionately likely to be out of work and are often excluded from training and education opportunities that would help them to develop the skills they need for work.

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**The North East is a powerhouse of innovation and responsiveness with a strong collaborative mindset, passionate people, and a will to succeed.**

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Growing levels of inactivity and an ageing workforce mean the region's active workforce is shrinking, and many businesses can't recruit the skilled staff they need for day-to-day operations as well as growth, while skills gaps and low skills among the current workforce are constraining productivity for many businesses.

These challenges lead to lower household incomes, putting significant pressure on public services that will only grow due to the ageing population.

We need to address the underlying causes of poor health, strengthen public services, and tailor skills and employment programmes to break down barriers to re-joining the workforce. We will implement targeted policies and programmes which will help overcome these challenges including delivery of the devolved Adult Skills Fund (ASF), the Connect to Work Programme, the Economic Inactivity Trailblazer and the NHS Health and Growth Accelerator. Working regionally with key partners to create an integrated work, health and skills system will enable the North East to realise the ambitions set out within our Local Growth Plan.

We will support good jobs, encouraging employers to meet the new North East Shine good employment standards and make it easier for businesses to support career pathways and progression.







## Our Local Growth Plan

The North East Combined Authority's Local Growth Plan sets out key priorities for the region, illustrating how we will grow our economy and improve living standards.

We have identified those sectors where the North East has unique economic assets and opportunities. These areas will be integral to the UK's future international competitiveness, and we are working with Government, including the Office for Investment, to unlock their potential. In addition, the region has a critical role to play in developing UK energy and national security.





## High-growth sectors and opportunities



### Offshore wind and energy transition

Capitalising on our position as a UK leading offshore wind and low carbon energy cluster, with 550 renewable energy companies and 17,000 employees currently, we aim to grow the North East offshore wind workforce to 24,000 by 2035.



### Advanced manufacturing including electric vehicles

The North East produces £4.5bn worth of road vehicle exports each year (13% of the UK total). It accounts for 44% of all jobs in battery and accumulator manufacturing in England, with North East employment in this sector more than doubling since 2015.



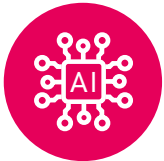
### Creative industries and content

There are 61,000 jobs in the North East's wider creative industries, 11% of which are in film, TV, radio & photography, compared to 6.3% in the rest of England (excluding the South East). North East creative industries employment has grown by 67% in the past decade.



### Life sciences, pharmaceuticals and process industries

The North East employs 7,500 people in the life sciences sector. More than 10% of England's pharmaceutical manufacturing jobs are based in the region, and the value of pharmaceutical exports from the North East is 2.4 times higher than a decade ago.



### Tech, digital, and Artificial Intelligence

There are a total of 45,000 jobs in the North East's wider digital sector, including 8,400 in Artificial Intelligence (AI). Digital sector employment has grown by 37% in the past decade, and advanced digital skills are critical to all sectors.



### Defence, security and space

The North East generates £14bn turnover and has 48,000 jobs across defence and the fast-growing space cluster. The UK defence sector is expected to grow by 50% over next five years.

Our regional high-growth sectors are facing some of the largest and most embedded skills and recruitment challenges in the economy, which will continue to impact skills needs over the coming years.

An average of 25,000 job vacancies are advertised each month in the North East and more than 50,000 unemployed and economically inactive people say they want to work. Despite this, there are still tens of thousands of unfilled vacancies in the regional economy, indicating a skills and employment terms mismatch between residents and employers.

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**Demand for degree level training and above, particular in Science, Technology, Engineering and Manufacturing (STEM) and related subjects, will continue to dominate.**

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Higher-level skills and qualifications are important to the North East economy in our drive to continue to attract inward investment, to grow our productivity and make the North East a great place to live and do business. Labour market projections indicate that a substantial amount of our employment growth will come in high-skilled jobs as we attract more investment in green sectors and

advanced manufacturing. Demand for degree level training and above, particular in Science, Technology, Engineering and Manufacturing (STEM) and related subjects, will continue to dominate, and there is a pressing need for technical skills at levels 3, 4 and 5 in areas such as advanced manufacturing.

This is a challenge for the North East where our residents are less likely to be qualified to level three than the national average. Upskilling our residents and retaining our graduates will be key to meeting this demand.

The low carbon workforce is expected to grow considerably in response to the drive to Net Zero and global demand. In the North East this growth potential is based on distinctive strategic assets in electrification, offshore wind and heat networks.

The employment and skills system has a crucial role to play in equipping our workforce with the right skills to build an inclusive and competitive low carbon economy. There is, for example, growing demand for skills in the context of the green economy covering retrofitting / energy efficiency; eco/green construction methods; resource efficiency; the low carbon industry; climate resilience; and skills to manage natural assets.

We will work with businesses, employment and skills providers and the new Energy Academy and Energy Central Campus to strengthen and diversify the skills pipeline to meet this regional demand.



Creative industries are another core asset of the North East economy with 61,000 people employed in the wider region's Creative Industries, 5% of the region's total jobs. To unlock the economic opportunities in this thriving sector, a programme of bespoke skills and training interventions is required to develop a pipeline of diverse talent, clear pathways to employment, and to equip our entrepreneurs and freelancers with the skills they need to grow.



Across all our key growth sectors, employers have expressed the importance of cross-cutting skills that enable employees to function effectively in the workplace. These cross-cutting skills include essential employment skills such as numeracy, literacy and communication, digital literacy, creativity and leadership. They have been consistently cited in our region's Local Skills Improvement Plans (LSIPs) as key to upskilling in local areas, so access to training that will tackle these skills gaps is important for boosting employment and progression.

A key priority for the Combined Authority's devolved Adult Skills Fund (ASF) is to work with a cross section of partners, to reduce the number of our residents lacking essential Level 2 skills for work, and support attainment in basic English, maths and digital skills. Addressing this will have huge economic benefits for the North East. It is estimated that for every Full Level 2 and Full Level 3 qualification that an adult starts, the economy benefits by £39,000 and £82,000 respectively.<sup>3</sup>

Technological change is a major driver of changing skills needs across sectors, indicating a substantial and growing demand for digital and wider technology skills. Whilst digitalisation brings clear opportunities for increased productivity and growth, for example Artificial Intelligence (AI) is projected to increase England's Gross Domestic Product (GDP) by 10.6% by 2030, there are also risks through automation which will remove certain

roles from the workplace. Serving staff, shelf fillers, and elementary sales occupations are at the greatest risk of automation, whereas medical practitioners, higher education teaching professionals, and senior professionals of educational establishments are at the smallest risk. Women and young people are most likely to be in roles which will be automated<sup>4</sup>.

There is a need to upskill and reskill workers currently employed in these jobs into new industries and roles. Interestingly, health and social care is projected to experience the largest employment growth from AI over the next 20 years, followed by professional and scientific, and education. Manufacturing will witness the biggest employment losses, followed by transport and logistics, and public admin and defence over the next 20 years. Subsequently, there will be a growth in demand for health and social care skills, as well as science, research, and digital skills.

Skills England will play a crucial role in providing authoritative assessments of skills needs across our key growth sectors and identifying how skills provision can help meet these diverse needs.

Key themes already emerging from Skills England correlate with local data and intelligence gathered from stakeholders in the North East. This includes our analysis of the skills pipeline in priority sectors which identifies demographic disparities in skills shortages.

These inequalities point to areas where skills shortages may be driven in part by a lack of opportunity for sections of the population. Women are substantially underrepresented in our 6 high-growth sectors, despite employment projections from Skills Imperative 2035 predicting that most of the new jobs created by 2035 will be taken by women, based on the gender mix of sectors where jobs are predicted to be created or displaced<sup>5</sup>.

Strengthening routes into careers within our key growth sectors by providing all-age career support starting in schools provides a key opportunity to tackle gender stereotypes and shape perceptions of career routes in areas such as engineering and manufacturing, construction, defence, security and space.

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<sup>3</sup> Measuring the Net Present Value of Further Education in England 2018-19 - GOV.UK ([www.gov.uk](https://www.gov.uk)), published May 2021. Available at: [https://assets.publishing.service.gov.uk/media/609e78c6d3bf7f2883267c3b/Measuring\\_the\\_Net\\_Present\\_Value\\_of\\_Further\\_Education\\_in\\_England\\_2018\\_to\\_2019.pdf](https://assets.publishing.service.gov.uk/media/609e78c6d3bf7f2883267c3b/Measuring_the_Net_Present_Value_of_Further_Education_in_England_2018_to_2019.pdf)

<sup>4</sup> Source: PWC. 2017. The economic impact of AI on the UK economy

<sup>5</sup> Occupational Outlook - Long-run employment prospects for the UK, NFER (2022)

## The foundational economy

**As set out in our Mayor's manifesto, we need to ensure that there are skilled jobs within reach for most people and create an economy that works for all.**

Alongside supporting our residents to access the employment opportunities in high-growth sectors, it is important to consider opportunities in the foundational economy.

The foundational economy provides jobs across the private, public and voluntary, community and social enterprise (VCSE) sectors. The goods and services that they provide, along with the unique role played by the VCSE sector in promoting social cohesion, are essential to creating strong and stable communities that provide a good quality-of-life and enable other businesses to thrive.

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In addition to first class public services, the sector accounts for around half of employment and 60% of businesses in the region. Core activities in the foundational economy include construction, transport, social care, health, hospitality, retail, food processing and distribution.

It is a high employer of women and offers more-flexible local and part-time employment opportunities which are particularly attractive to parents and those with caring responsibilities. The employment opportunities in these areas are as important as the advanced manufacturing jobs in our region and it is critical that our employment and skills system acts as an enabler of labour market progression for residents and workers in these areas.

However, many residents are facing additional barriers to job entry, including health barriers as well as more multiple, complex needs. Many residents are facing multiple and complex barriers to work such as health, low self-esteem, low educational attainment and lack of work experience. For these residents, additional, more intensive and longer-term support is required to support them to make progress towards the labour market and in to work.

By taking a comprehensive and joined-up approach we will deliver a New Deal for North East Workers to tackle the opportunities and challenges in our economy and labour market, playing a vital role in building the sound employment and skills foundations the region needs.

It will position the region to capitalise on good job opportunities in our key sectors and foundational economy, at the same time as tackling the challenges facing our labour market. It will play a crucial role in achieving our ambitions to deliver a more inclusive, prosperous, greener economy, providing good jobs for all our residents and the right conditions for our businesses to thrive - the home to a growing and vibrant economy for all.





## 2 A New Deal for North East Workers

### Vision

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**The North East will be home to a growing and vibrant economy for all.**

We will ensure we have the human capital needed for success - where residents of all ages and from all backgrounds and communities are encouraged and supported to develop their skills and capabilities, make progress towards and into work, find good quality, fairly paid jobs, and find a career with good prospects, and lead healthy, fulfilling working lives.

Our economy will thrive as our employers recruit more of the skilled staff they need, and we invest in workforce progression to support and grow our key sectors and the foundational economy, now and in the future.

With good quality, sustainable jobs, more of our residents, families and children will fulfil their potential, enjoying a better quality of life in prosperous, healthier neighbourhoods.

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### Our Four Priorities

We will achieve our vision by focusing our collective efforts and resources on addressing **four priorities**. These are the areas in which, together, we can make the biggest difference by focusing on developing skills and capabilities in key sectors and areas of our economy. We will do this by supporting the region's largest groups of unemployed, economically inactive, and underemployed people to get good jobs and progress in their careers, and by ensuring that skills and employment support providers are equipped to deliver the services our businesses and residents need to thrive.



1	<b>Build a bigger, better skilled, and more diverse workforce</b>	<b>Ambition:</b> Our key growth sectors are equipped with a diverse high-skilled workforce, and our foundational economy is supported to grow and thrive. All residents and employers benefit from the same high-quality, comprehensive, and consistent service, wherever they are in the region, underpinned by an integrated, stable and reformed employment and skills sector.
2	<b>Creating career pathways that enable employers to recruit and retain skilled staff</b>	<b>Ambition:</b> Employers of all sizes are able to fill job vacancies and benefit from a stable, productive, skilled workforce, offering good jobs with opportunities for progression to people from all backgrounds.
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4	<b>Tackling barriers that prevent residents getting into and getting on at work</b>	<b>Ambition:</b> Residents from all backgrounds and communities have access to the basic services and conditions they need to participate in education and training and to get and keep a rewarding job, including affordable childcare / social care, reliable public transport, and fair wages and secure employment terms.



### Supported by:

**Collaboration:** Our skills and employment support providers, businesses and other agencies work together to deliver the region's priorities, simplify employment and skills services, tackle duplication in the system, and maximise efficiency & impact.

**Innovation:** We strive constantly to create new and better ways to address the region's employment and skills issues, recognising we need to do things differently to achieve real change, testing new approaches to service design, delivery and commissioning.



# Priority 1:

## Build a bigger, better skilled, and more diverse workforce

**Ambition:** Our key growth sectors are equipped with a diverse high-skilled workforce, and our foundational economy is supported to grow and thrive. All residents and employers' benefit from the same high-quality, comprehensive, and consistent service, wherever they are in the region, underpinned by an integrated, stable and reformed employment and skills sector.

### Why this is important

The North East has a £54 billion economy with notable strengths in offshore wind, advanced manufacturing, creative industries, life sciences, tech, digital and AI and defence, security and space.

But, despite low unemployment by historic standards, it also has some of the highest rates of economic inactivity and young people not in work in the UK. This results in an economy punching below its potential in skills, productivity and Gross Valued Added (GVA).

Our Local Growth Plan needs human capital, as well as financial investment, to succeed. Without targeted action to build the skills of the future workforce, the region risks missing out on the opportunities that will drive sustained success into the next generation.

Our high-growth sectors have historically employed far more men than women. Without action to counter this trend we will not close the gender pay gap and will not make best use of the available talent.

The North East is home to a well-established employment and skills system, helping residents to develop skills and overcome the

challenges and barriers that prevent them from working. The region also boasts a variety of well-equipped, industry-led training facilities developing the skills needed by our high-growth sectors.

### Our high-growth sectors have historically employed far more men than women.

However, the current provision of employment and skills support is complex and fragmented. Many residents and employers find it difficult to understand what support is available to them and how and where they can access it. The availability of support services is uneven and inconsistent.

Supporting improvement and reform of the region's employment and skills sector, through co-ordinated regional collaboration, will ensure that all residents and employers, wherever they are, will have access to the same high quality, flexible support, enabling more people to develop their capabilities, confidence and skills, address barriers to employment and secure good quality, rewarding employment.



The employment support and skills system in the North East CA area is complex, fragmented and difficult for some people and employers to navigate

**100+**

Different services and providers



Uneven levels of service across the region



Some services are time limited



Short-term funding leads to inconsistency in delivery

## Diversity Data:

### Women represent:



**54%** of the UK pharmaceutical workforce<sup>6</sup>

### But women only represent:



**38%**  
of the UK creative  
industries workforce<sup>7</sup>



**29.1%**  
of the UK digital  
sector workforce<sup>8</sup>



**29%**  
of the UK space  
workforce<sup>9</sup>



**26.1**  
of UK manufacturing  
workforce<sup>10</sup>



**25%**  
of the UK defence  
sector workforce<sup>11</sup>

### and women only represent:



**20.6%** of UK offshore wind workforce<sup>12</sup>



Carers make up approx. **9%** of those in employment in England and Wales but represent closer to **12%** of those in foundational economy roles such as health and education, and **7.8%** of workers in manufacturing.



Only **7%** of the offshore wind workforce and defence workforce are of Black and Minority Ethnic backgrounds compared to **11.4%** in creative industries, **20%** in the space industry and **18.4%** in the digital sector.



**8%** of the UK space workforce have a disability, compared to **17%** in the UK. Disabled people are also under-represented in manufacturing, digital and defence industries.

<sup>6</sup> [www.carrotrecruitment.co.uk/blog/are-we-still-facing-gender-challenges-in-life-sciences](http://www.carrotrecruitment.co.uk/blog/are-we-still-facing-gender-challenges-in-life-sciences)

<sup>7</sup> [www.gov.uk/government/statistics/dcms-sector-economic-estimates-workforce-2021/dcms-sectors-economic-estimates-workforce-january-to-december-2021](http://www.gov.uk/government/statistics/dcms-sector-economic-estimates-workforce-2021/dcms-sectors-economic-estimates-workforce-january-to-december-2021)

<sup>8</sup> [www.gov.uk/government/statistics/economic-estimates-employment-and-earnings-in-the-digital-sector-january-2023-to-december-2023/economic-estimates-employment-in-the-digital-sector-january-2023-to-december-2023](http://www.gov.uk/government/statistics/economic-estimates-employment-and-earnings-in-the-digital-sector-january-2023-to-december-2023/economic-estimates-employment-in-the-digital-sector-january-2023-to-december-2023)

<sup>9</sup> [spaceskills.org/census-women#demographics](http://spaceskills.org/census-women#demographics)

<sup>10</sup> [engage.ifm.eng.cam.ac.uk/wp-content/uploads/Women-in-Manufacturing-report-2024.pdf](http://engage.ifm.eng.cam.ac.uk/wp-content/uploads/Women-in-Manufacturing-report-2024.pdf)

<sup>11</sup> [www.womenindefenceuk.com/charter](http://www.womenindefenceuk.com/charter)

<sup>12</sup> [www.renewableuk.com/media/hgzfsc2r/owic-offshore-wind-skills-intelligence-report-2023-executive-summary.pdf](http://www.renewableuk.com/media/hgzfsc2r/owic-offshore-wind-skills-intelligence-report-2023-executive-summary.pdf)

## Strategic Actions:

Short Term (Year One)	Medium Term (Up to Year Three)	Long Term (Up to Year Five)
<ul style="list-style-type: none"> <li>Provide structured progression pathways into employment growth sectors and immediate skills shortage areas.</li> <li>Ensuring the foundational economy – essential to everyday life – can access the skilled workforce it needs to grow and thrive.</li> <li>Promote self-employment as a positive route into work and earning an income.</li> <li>Promote the region's employment and skills offer, reaching more people and businesses, especially small and medium enterprises (SMEs) and making it easier for them to understand and navigate.</li> </ul>	<ul style="list-style-type: none"> <li>Further develop our targeted skills offer to support the region's high-growth sectors as set out in the Local Growth Plan: offshore wind, advanced manufacturing; creative industries; life sciences; tech, digital and AI; and defence security and space. This includes working with:               <ul style="list-style-type: none"> <li>Energy Central Campus in Blyth</li> <li>MADE North East – a skills and innovation facility for the automotive and battery sector, led by Nissan, North East Screen Industries Partnership's skills and employment group</li> <li>Dynamo and Sunderland Software City on the Digital Tech Talent Engine</li> <li>North East Space Skills and Technology Centre at Northumbria University and Durham Space Research Centre</li> <li>North East Institute of Technology</li> </ul> </li> <li>Support more women into higher paid jobs in our high-growth sectors in which they are currently underrepresented.</li> <li>Deliver accessible careers education, information, advice and guidance (CEIAG) for residents of all ages.</li> <li>Work with the Higher Education (HE) system to understand and respond to the relatively low participation in HE in the North East.</li> </ul>	<ul style="list-style-type: none"> <li>Attract, develop and retain the employment and skills workforce, ensuring their skills and knowledge are up to date and aligned to the technical training needs of key economic sectors.</li> <li>Reform and improve the system so that both residents and employers benefit from the same high quality, comprehensive, consistent service wherever they are in the region.</li> <li>Provide a commissioning and funding environment that supports consistent, comprehensive, stable services, equitable access, and incentivises innovation, including multi-year funding settlements for the best performing providers.</li> <li>Develop a more co-ordinated approach between Further Education, Higher Education and Employers to raise awareness of future job opportunities in the region and skills/education pathways to access these opportunities.</li> </ul>



## Priority 2:

### Creating career pathways that enable employers to recruit and retain skilled staff

**Ambition:** Employers of all sizes are able to fill job vacancies and benefit from a stable, productive, skilled workforce, offering good jobs with opportunities for progression to people from all backgrounds.

#### Why this is important

Many employers in the North East's key sectors and foundational economy are finding it difficult to recruit people with the skills needed to do the jobs that are available, and many residents lack the technical or higher-level skills needed by employers in growth sectors. More than 46,500 employees in the North East were judged by their employers to have a skills gap (meaning they were considered to be not fully proficient for their role), and 8% of employers in the region have at least one skills shortage vacancy. This is exacerbated by an ageing workforce, with more people leaving work due to retirement and not enough younger people joining the workforce to replace them, with Small Medium Enterprises (SMEs) worst affected by skills shortages and unfilled vacancies.

Over the next decade the demand for higher level and technical skills is expected to increase in the North East, with more jobs requiring skills and qualifications at Levels, 3, 4, 5 and above. Higher-level skills and qualifications are essential to increasing productivity, attracting inward investment and making the North East an attractive place to do business. We need to invest in developing workforce skills and capabilities so that the

region's key growth sectors and foundational economy can thrive, as highlighted in the Local Growth Plan.

There is a disconnect between the current and future job vacancies and the current pool of jobseekers in the North East, with residents facing significant barriers to accessing and progressing to these roles. There is a high proportion of North East residents with no qualifications compared to the national average and a lower proportion have qualifications at Level 4+. There are low levels of numeracy and literacy skills in the region and low levels of digital capability. In some areas, one quarter of residents have low literacy and/or numeracy skills. This lack of skills impacts people's ability to secure jobs or progress into more highly skilled, better paid jobs, while those with higher-level skills and qualifications are more likely to be employed and earn more.

Meanwhile, the fear of losing the security of benefits income prevents many unemployed and economically inactive people from taking jobs. These structural barriers exacerbate inequality, restrict the supply of potential employees and make it even more difficult for employers to fill their vacancies. Tackling these barriers to work and learning would help grow

the active workforce and reduce inequality by enabling thousands more people to improve their skills, financial security, quality of life, and wellbeing.

23% of unemployed people in the North East have no qualifications, compared to 10% of those who are in employment. Women are more likely than men to work in lower skilled, low paid jobs such as social care and retail, and there is a need to encourage and support more women and girls to pursue careers in higher paid, skilled jobs such as energy, digital, and construction.



**23%**

Proportion of unemployed people in the North East who have no qualifications



**46,500**

Employees in the North East judged by their employer to have a skills gap



**8%**

North East employers with at least one skills shortage vacancy

## Strategic Actions:

Short Term (Year One)	Medium Term (Up to Year Three)	Long Term (Up to Year Five)
<ul style="list-style-type: none"> <li>▪ In partnership with businesses, local authorities and trade unions, launch a high-profile regional campaign in a shared effort to improve current workforce skills and capabilities, and increase the offer of good jobs to people who are out of work, in line with the North East CA's Shine good employer accreditation programme.</li> <li>▪ Enable flexible and accessible delivery of education and training at all levels, that encourages people to study alongside work, caring responsibilities and other commitments.</li> <li>▪ Provide a comprehensive offer to equip people with the essential capabilities and skills needed for work including maths, English, English for Speakers of Other Languages (ESOL), communication skills, digital skills, job specific skills, confidence, adaptability, resilience.</li> <li>▪ Support people who are in work to stay in work, progress in their jobs, and achieve better paid, more secure employment, through in-work support, such as training.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide local entry points and engagement activities to make sure people can access support where they live, including additional targeted support in deprived urban, rural and coastal communities.</li> <li>▪ Promote business skills to support entrepreneurialism, spinouts, scaleups and self-employment.</li> <li>▪ Work in partnership with the Employer Representative Body to develop the new North East Local Skills Improvement Plan (LSIP) to ensure employer needs are embedded into our skills and employment ecosystem, including a better understanding of the changing employer requirements presented by structural shifts such as the low carbon transition, AI and technical adoption.</li> <li>▪ Deliver programmes working with and supporting SMEs and large employers to test new approaches to recruiting and retaining people with health conditions and disabilities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Encourage and support large businesses and public sector bodies to create new jobs, apprenticeships, training and work experience opportunities through expanding the use of social value in supply chain procurement.</li> <li>▪ Establish the North East as an exemplar for apprenticeship opportunities</li> <li>▪ Ensure all employers have access to advice and support to develop the skills and capabilities of their employees and diversification of their workforce.</li> <li>▪ Deliver high quality careers education, information, advice and guidance (CEIAG) from school-age onwards so people know what opportunities are available and can access them at all stages of their lives.</li> </ul>

## Priority 3:

### Targeted support to improve employment rates for all residents

**Ambition:** Residents with health conditions and disabilities, and those with complex barriers have the opportunity to develop their skills, do rewarding work and lead productive, healthy and independent lives. Young people have the skills, confidence and support for their aspirations to progress into a job and lead fulfilling working lives.

#### Why this is important

There are too many people in our region who are not working at all or are struggling to stay in work. The North East CA area has a consistently higher economic inactivity rate than the national average; currently one quarter of working age people in the North East CA area are economically inactive. Excluding students this is 247,900 people. The largest groups of unemployed and economically inactive people need help to get jobs and keep them, including people with health conditions and disabilities; caring responsibilities; young people; and those facing other barriers (e.g. homelessness, ex-offenders, language barriers). Economic inactivity is higher among females (28.1%) than males (22.2%), mainly as a result of more females being out of work due to caring responsibilities.

These residents often also do not have the skills for work that employers need, which significantly limits their chances of getting a job. In the North East CA area 8.6% of the working age population have no qualifications, compared with a national average of 6.2%.

Only 40% of working age people in the region have a qualification at Level 4 or above,

compared with a national rate of 46.7%. In addition, many people are digitally excluded, with around 40% of residents considered to have low or very low digital capability, making it harder to find, apply for, secure and sustain employment.

The North East has a youth unemployment rate for 16-19-year-olds of 11%, compared with a national average of 7% and there are 21,400 unemployed young people aged 16-24 in the North East CA area. 2,100 16-to-17-year-olds in the North East are not in education, employment, or training (NEET)\*. The NEET rate among 16- to 24-year-olds in the North East increased from 16.4% in 2023 to 17.6% in 2024, the biggest increase of any region. Nationally, the number of males aged 16 to 24 who are NEET has increased by 40% since the pandemic, compared to a 7% rise among females.

Too many young people in our region are leaving education unprepared to enter the workforce. 14,700 16-19-year-olds in the North East CA area have no qualifications and are less likely to participate in full-time education than nationally. The full-time education participation rate for people aged 16-17 is 79.8% in the North East, compared

with 85.7% nationally. In part, this is a result of increasing levels of school exclusion, including self-exclusion, resulting in more young people facing significant barriers to progressing into work.



**107,100**

People in the North East CA area who are economically inactive due to long-term sickness



**49%**

Proportion of people with a disability or health condition in the North East that are economically inactive



**25,000**

People in the North East CA area who are economically inactive for health reasons who want a job

\* Caution should be taken when using these figures due to the estimates being based on management information data. There is considerable variation at local authority level in how well 16 and 17-year-olds are tracked, and hence 'activity not known' proportions can impact on the estimates of the proportion NEET.



### The interface between health and economic activity, employment, and productivity

- Central to the government's Get Britain Working White Paper, is the proposition that good work is vital for good health, and that more needs to be done to reform and integrate employment, health, and skills support to address rising economic inactivity, support people into better work, and create a more inclusive labour market.
- The Health Foundation's 2025 report 'Action for Healthier Working Lives' has shown that declining health among working-age people is a growing risk to both livelihoods and economic prosperity. In short, too many people are leaving work due to ill health and too few have the support they need to stay employed.
- We know that access to good work is fundamental to good health, and there is a correlation between the rate of employment and healthy life expectancy for both men and women. 'The State of the NHS in England' highlights the importance of access to the healthcare interventions that enable people to return to work. That is why NHS organisations are thinking differently about how best to support those whose ability to work is at risk, including through ill health or disability, to remain in work or make a timely return to working. This includes a greater focus on preventing people becoming ill in the first place.
- Despite the clear evidence of links between work and health, and a wide range of approaches to improve joint working, there are still significant barriers to effective joint approaches to improving work and health across organisational and departmental boundaries. It is therefore vital that a shared, system-wide approach to tackling health related economic inactivity and providing good work for those with a health condition or disability is designed and put into practice.



## Strategic Actions:

Short Term (Year One)	Medium Term (Up to Year Three)	Long Term (Up to Year Five)
<ul style="list-style-type: none"> <li>▪ Provide tailored, person-centred support packages to ensure that people, such as carers, young people, care leavers and women can gain and sustain good employment.</li> <li>▪ Provide intensive, targeted, person-centred employment and skills support to ensure that anyone with multiple and complex barriers receives the support they need.</li> <li>▪ Partner with the North East and North Cumbria Integrated Care Board (NENC ICB) to maximise the impact of our work on supporting people with health conditions to secure and sustain employment.</li> <li>▪ Create more opportunities for people with health conditions and disabilities to access work support including work experience, pre-employment programmes, and providing pathways into jobs.</li> <li>▪ Deliver targeted activities to reduce the number of young people who are not in education, employment or training (NEET), engaging young people in their communities and encouraging them to participate in education, training and work.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Work with partners in the Local Authorities, Voluntary, Community and Social Enterprise (VCSE) sector, health sector and housing sector to engage people in their local communities and ensure support is visible and accessible.</li> <li>▪ Promote volunteering as a recognised route into employment especially for those with multiple barriers and those furthest away from the labour market.</li> <li>▪ Provide flexible and accessible delivery throughout the skills and employment support system to ensure services meet the needs of people with health conditions and disabilities.</li> <li>▪ Provide support to help people overcome barriers that are excluding them from work, training or education e.g. mental health, special educational needs, disabilities, homelessness, offending, poverty, travel.</li> <li>▪ Work with employers to increase the availability of work experience, placements and apprenticeships.</li> <li>▪ Provide positive vocational pathways for young people at risk of not making a successful transition into further learning or work.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promote the benefits of the 'Access to Work' grant for both residents and employers to increase the number of people securing the grant.</li> <li>▪ Ensure young people are leaving education equipped with the foundational skills, attitudes and confidence needed by employers so they can make a successful transition into work.</li> <li>▪ Provide clear progression pathways into further learning and work at post-16 through more technical education and apprenticeship opportunities, and higher education, aligned to the skills needs of key growth sectors and the foundational economy.</li> </ul>

## Priority 4:

### Tackling barriers that prevent residents getting into and getting on at work

**Ambition:** Residents from all backgrounds and communities have access to the basic services and conditions they need to participate in education and training and to get and keep a rewarding job, including affordable childcare / social care, reliable public transport, and fair wages and secure employment terms.

#### Why this is important

Poor health and health inequalities are a significant and entrenched challenge in the North East. Healthy life expectancy in the region for males is 60.4 years of age compared to the England average of 64.1; and 61.9 years of age for females compared to 65.5 for England.

The number of people economically inactive due to poor health and disability has been growing in recent years, and there are now 107,100 people in the North East CA area economically inactive due to long-term sickness. The rate of economic inactivity in the North East among disabled people or those with a work limiting health condition is 49%, almost double the rate for the overall working age population. Young people are particularly at risk of these issues, with poor health following them throughout their life course.

These health inequalities are a result of unfair and avoidable socio-economic inequalities and poverty. Almost one quarter (24.5%) of Lower Layer Super Output Areas (LSOAs) in the North East CA area are in the Index of Multiple Deprivation (IMD) 10% most deprived nationally in terms of employment. Almost one-fifth of

households in the region are workless (13.4% nationally) and 14.4% of the region's children live in workless households (9.8% nationally).

Too many people are excluded from education, training and employment because of structural barriers such as lack of access to affordable transport, childcare and social care.

Residents in doubly disadvantaged areas (those that face both high material deprivation and low levels of social assets (like community centres) and connectivity) face a 'no jobs or bad jobs' trap: over half (54%) of adult residents are economically inactive or unemployed.

There are 85,655 Universal Credit claimants in the region who are in work and claiming benefits to top-up their wages, while 19.2% of North East jobs pay below the voluntary Living Wage. Women are more likely than men to be in a low paid job. 23% of females are paid below the voluntary Living Wage compared to 15% for males, and women are more likely to work in low paid occupations, such as social care and retail.

Meanwhile, the fear of losing the security of benefits income prevents many unemployed

and economically inactive people from taking jobs.

We recognise that the agencies and organisations responsible for childcare, social care, transport, and welfare benefits, as well as employers, will need to lead the way in addressing these barriers. The North East CA will work with and support all of these organisations and sectors to bring about the changes that are needed.



**19.8%**

Proportion of households in the North East CA area that are workless



**24.5%**

North East CA LSOAs in the IMD 10% most deprived for employment nationally



**19.2%**

Proportion of jobs in the North East paying below the voluntary Living Wage



## Strategic Actions:

Short Term (Year One)	Medium Term (Up to Year Three)	Long Term (Up to Year Five)
<ul style="list-style-type: none"> <li>Partner with the North East and North Cumbria Integrated Care Board (NENC ICB) to maximise the impact of our work on supporting people with health conditions to secure and sustain employment.</li> <li>Trial the Mayor's Childcare Grant to improve the provision of accessible, affordable childcare so that more economically inactive people with caring responsibilities (particularly women) get the support they need to allow them to develop their skills, get a job, boosting family incomes and tackling poverty.</li> <li>Expand skills and training interventions to increase the capacity and opportunities for progression in the childcare/early years, transport and health &amp; social care workforce ensuring these essential sectors have the skilled staff they need.</li> </ul>	<ul style="list-style-type: none"> <li>Provide a visible and accessible 'front door' to universal skills and employment support for everyone in the North East who needs it.</li> <li>Utilise existing local facilities alongside providing new Hubs allowing people to access employment, skills and health support where they live, alongside access to online digital advice and support.</li> <li>Co-design future employment/skills programmes with residents who have lived experience of barriers to work.</li> <li>Work with the Department for Work and Pensions (DWP) and other stakeholders to test local solutions, enabling people to make a successful and lasting transition from benefits into work.</li> <li>Invest in the voluntary and community sector, and carers sector, to integrate service offers and enable residents to receive specialist support on their journey into sustainable employment.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate and integrate the planning and joint delivery of health, employment and skills services.</li> <li>Encourage and support employers to offer more secure employment terms, development opportunities, and improved wages, making it more attractive for people to take up jobs and stay in work, in line employer accreditation programmes i.e. North East CA's Shine and Better Health at Work awards.</li> <li>Improve the provision of accessible, affordable public transport services, making it easier for people to get to work and training.</li> <li>Influence the design, development, and testing of the new Jobs and Careers Service, ensuring a locally tailored and embedded service which is designed to meet the different needs of the North East labour market, our people, and employers.</li> </ul>

# Enablers

**Some key aspects of the region's employment, skills and health system have a particularly important role to play as enablers, supporting the successful delivery of this strategy:**

## Health

Given the significant challenges presented by poor health in our region, the North East and North Cumbria Integrated Care Board (NENC ICB) and wider health sector bring significant resources, capacity and functions that can be used to tackle health-related economic inactivity and help people remain and progress in work. The health care sector are also a key component of the foundational economy and provide significant numbers of valuable career opportunities for our residents. The NENC ICB have successfully been identified as a Health and Growth Accelerator site by Government, securing additional funding for the region to boost people's health alongside tackling the conditions that most impact people's ability to work – ranging from cardiovascular problems and diabetes to back pain and mental health issues. In line with the broader priority of shifting from treating sickness to prevention, the accelerators will work on preventing diseases that lead to people dropping out of work including diabetes, heart attacks and strokes. This could include more support for people to manage their blood pressure or diabetes, more action to find people at risk and supporting people to make lifestyle changes. The North East CA and NENC ICB are working in partnership to maximise our impact to reduce health related economic inactivity across the region, creating

a joined-up approach across the Health and Growth Accelerator and the North East CA's Connect to Work programme and Economic Inactivity Trailblazer.

## Careers Education, Information, Advice and Guidance

People of all ages and backgrounds, and at all stages in their education and working lives, need access to good quality, independent careers education, information, advice and guidance (CEIAG). CEIAG plays a vital role in supporting young people to make good education and career choices, supports unemployed people to find the right route back into the labour market, and empowers working people to continually improve their skills and progress their careers. Working with DWP, local authorities, colleges, schools, VCSE and other partners, the Combined Authority plans to establish a comprehensive locally-based offer that provides a range of appropriate and accessible information, advice and support for young people, those out of work, as well as individuals in employment, empowering every resident to take control of their learning and career development. This will play an important role in ensuring our residents have the skills to succeed, and our employers can recruit and develop the skilled and motivated workforce they need to grow and thrive.

## Progression pathways and sector skills

There are many good examples in the North East of structured occupational and sector skills training pathways offering residents a clear route into a rewarding job, at the same time as providing employers with a pipeline of skilled labour to meet their workforce needs. Successful examples include Skills Bootcamps in digital and renewable energy, and pathways from Adult Skills Fund (ASF) courses into level 3 programmes in health & social care and engineering & manufacturing. However, the region does not currently offer these types of progression pathways and sector skills programmes at the volume needed to comprehensively address the scale of the recruitment and skills challenges facing employers in our key economic sectors and foundational economy. The Combined Authority will work with employers and education providers to expand the scale and choice of sector skills progression pathways focused on addressing skills shortages and gaps in those occupations that are holding back growth in the sectors and areas of the economy prioritised in our Local Growth Plan.



## Technical education

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Technical education has an increasingly important role to play as we seek to equip more of our residents with the vocational and technical skills that will put them on a clear pathway into a rewarding job. Technical education programmes, such as apprenticeships and T-levels, bring together employers, training providers and learners to develop a pipeline of people with the specific vocational skills employers need, providing a direct route for residents into the workforce and opening up a broader range of high-quality career opportunities, particularly for young people. The Combined Authority will work with employers and education providers to encourage more young people and adults to follow a technical education pathway. We will support more employers to embed apprenticeships and technical education as part of their approach to recruitment and workforce development. Enhanced flexibility resulting from the introduction of the new Growth and Skills Levy will play an important role in stimulating greater take up of apprenticeships and other types of technical education, particularly among young people and SMEs.



## Higher education

The North East's Higher Education Institutions (HEIs) have a vital role to play in preparing students for technical and higher-level skilled jobs in the region's key growth sectors, as well as providing higher-level skills training for the current workforce. The Combined Authority will work closely with employers and the region's HEIs to ensure undergraduate and postgraduate programmes are focused on delivering the pipeline of highly skilled workers needed to drive innovation, productivity and growth in the key economic sectors prioritised in our Local Growth Plan. This includes ensuring that employers operating in the North East Investment Zone can access the highly skilled locally based talent they need to grow, in key sectors including offshore & renewable energy; electric vehicle and battery manufacturing; and low-carbon manufacturing, materials and research. We will also strengthen relationships between Further Education and HEIs to ensure more of our residents can progress into the higher-level skills programmes that will enable them to secure well paid jobs in our growth sectors.

**The North East's Higher Education Institutions (HEIs) have a vital role to play in preparing students for technical and higher-level skilled jobs in the region's key growth sectors.**

## Get Britain Working

Six key issues were identified in the Government's Get Britain Working White Paper:

1. too many people are excluded from the labour market – especially those with health conditions, caring responsibilities or lower skill levels
2. too many young people leave school without essential skills or access to high-quality further learning, an apprenticeship or support to work so that they can thrive at the start of their career
3. too many people are stuck in insecure, poor quality and often low-paying work, which contributes to a weaker economy and also affects their health and wellbeing
4. too many women who care for their families still experience challenges staying in and progressing in work
5. too many employers cannot fill their vacancies due to labour and skills shortages, holding back economic growth, driving up reliance on overseas labour, and undermining living standards
6. there is too great a disparity in labour market outcomes between different places and for different groups of people

This New Deal for North East Workers provides the North East response to the Government's Local Get Britain Working Plan criteria, including how we will address these six key issues set out above.

## Skills England

Skills England will be formally established by Government in 2025 and will:

- form a coherent national picture of skills gaps and how they can be addressed, working closely with the Industrial Strategy Council and the Migration Advisory Committee
- unify the skills landscape to ensure the workforce is equipped with the skills needed to power economic growth, by bringing together Combined Authorities and other key local partners, large and small businesses, training providers and unions
- shape technical education to respond to skills needs, including identifying the training accessible via the Growth and Skills Levy
- advise on the highly trained workforce needed to deliver a clear, long-term plan for the future economy



## Shine: Good Employer Accreditation Programme

The North East CA aspires to become a good work region by inspiring employers to adopt and celebrate good work principles underpinned by Shine. Everyone deserves good employment. Shine will provide support for employers of all sizes to be recognised for their good work credentials, and to progress towards continuous improvement through a tiered assessment and reward system. Shine has been codesigned with employers and trades unions, aligns with regional priorities and reflects the expected changes to UK employment rights. The North East CA will use SHINE to ensure that employers, particularly small and micro employers, can access the knowledge and resources they need to develop good employment practices that lead to a more skilled and resilient business base and workforce, so paving the way to the creation of the good jobs of the future.

Shine firmly supports the ambition for the creation and sustaining of entrepreneurial communities ensuring that the North East is a cohesive, inclusive, and resilient region where everyone thrives and has the opportunity to contribute to the region's success.

## Local Skills Improvement Plan (LSIPs)

LSIPs offer a direct route for businesses to become more involved in the planning, design and delivery of local post-16 technical education and training. A new LSIP for the North East will be launched in the summer of 2026. The Department for Education will commission an Employer Representative Body (ERB) to develop and deliver the LSIP for the North East. As set out in the English Devolution white paper, the North East CA will have joint ownership of the LSIP model, alongside the ERB. The new North East LSIP will be developed in line with our New Deal for North East Workers and Local Growth Plan priorities and will provide employer insight to inform and shape the technical skills offer in our key sectors.

## Employment and Skills System

The North East has a well-established employment and skills system, including eight further education colleges, four universities, more than 100 vocational training and education providers, and hundreds of VCSE organisations offering community-based services helping residents to develop skills and overcome the barriers that prevent them from working. The region also boasts a variety of well-equipped, industry-led training facilities developing the skills needed by our key economic sectors. The region has strong foundations to build on and significant capability to address our employment and skills opportunities and challenges.





## The North East is home to 55,000 businesses providing 820,000 jobs

Our legacy of mining, shipbuilding and railways - has paved the way into new opportunities in advanced manufacturing and renewable energy generation, and in growth opportunities spanning from the life sciences to the digital and creative industries. Nissan produces about 1 in every 3 cars built in the UK, while Sage Group is the country's largest software company. We will work with our business community and the North East CA Business and Economy Board to create jobs and opportunities in every community across the North East. We will ensure people have the skills to access work and provide the right conditions for economic growth and opportunity across the region.



## Voluntary Community and Social Enterprise Sector

Our region is home to over 6,000 voluntary, community, and social enterprise (VCSE) sector organisations. These groups play a vital role in addressing local needs, especially for residents who may be overlooked by mainstream services. VCSE sector organisations bring immense value to our region - not only through the services they provide, but also through providing good work and fostering social connections. VCSE organisations often deliver more personalised support, thanks to their deep-rooted local knowledge and trusted relationships. They help public sector organisations extend services across large and diverse communities, improving access and equity. The sector can also engage volunteers, local networks, and assets in ways that other sectors often cannot. As trusted local connectors, they ensure that diverse voices are heard, and services are responsive to community needs.

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**VCSE organisations often deliver more personalised support, thanks to their deep-rooted local knowledge and trusted relationships.**





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# The difference we'll make and measuring success

We will focus on delivering four strategic priorities that will signal our economy, businesses, residents and communities are thriving through employment and skills. We will track the difference we're making by measuring progress towards these changes, through annual monitoring, reporting and evaluation.

 <b>1</b>	<b>Build a bigger, better skilled, and more diverse workforce</b>	<ul style="list-style-type: none"> <li>▪ Increase in total North East GVA</li> <li>▪ Increase in North East employment rate</li> <li>▪ Increase in GVA per employee</li> <li>▪ Increase in % of workforce qualified at Level 4 or above</li> <li>▪ Increase the diversity of the workforce – for example greater representation of women in our high growth sectors and men within the foundational economy</li> </ul>
 <b>2</b>	<b>Creating career pathways that enable employers to recruit and retain skilled staff</b>	<ul style="list-style-type: none"> <li>▪ Reduction in % of employers reporting skills shortages and skills gaps</li> <li>▪ Reduction in % of employers reporting unfilled vacancies</li> <li>▪ Increase apprenticeship and work experience opportunities</li> </ul>
 <b>3</b>	<b>Targeted support to improve employment rates for all residents</b>	<ul style="list-style-type: none"> <li>▪ Increase in employment for key target groups (people with health conditions &amp; disabilities; young people aged 16 to 24; care leavers; carers; women; black and minoritised ethnic communities)</li> <li>▪ Reduction in number of young people NEET (not in employment, education, training)</li> <li>▪ Reduction in economic inactivity</li> </ul>
 <b>4</b>	<b>Tackling barriers that prevent residents getting into and getting on at work</b>	<ul style="list-style-type: none"> <li>▪ Increase in % of North East workforce earning above the voluntary Living Wage</li> <li>▪ Increase in average household incomes including women, disabled and ethnic minority incomes</li> <li>▪ Reduction in number of children living in poverty</li> <li>▪ Increase in healthy life expectancy (average age)</li> </ul>

## Collaboration and partnership

Collaboration and partnership is at the heart of this work, reflected in the consultative approach to developing the strategy. Over a period of one year we have engaged all stakeholder groups with a role and interest in employment and skills in the North East, in a conversation about the opportunities and challenges we face, and our shared ambitions for the future. Through this collaborative approach we have shaped the priorities and actions in the New Deal for North East Workers.

Partners	Contributions	Benefits
Employment support providers	<ul style="list-style-type: none"> <li>Partnership and collaboration with other providers, creating a universal support service, and minimising duplication and inefficiency</li> <li>Services tailored to the needs of individuals and employers</li> <li>Referral to the best organisation to meet individual needs</li> <li>Access to one-to-one support / personal advisor</li> <li>In-work support to help people sustain employment</li> <li>Additional resources to help employers recruit and retain staff</li> <li>Additional resources for schools and colleges to improve careers guidance</li> <li>Investment in delivery of high-quality support services</li> </ul>	<ul style="list-style-type: none"> <li>A more stable, longer-term funding environment</li> <li>Reduced staff turnover / retention of skilled employment support staff</li> <li>A highly visible front door providing local accessible entry points, with more local people engaging with employment support services</li> <li>More employers creating job opportunities</li> <li>More people achieving positive and sustained employment outcomes</li> </ul>

Partners	Contributions	Benefits
<b>Education and skills providers</b> <b>(Schools, colleges, universities, training providers)</b>	<ul style="list-style-type: none"> <li>Focus on employment and careers from an early age</li> <li>Ensure all young people understand and are prepared for future career opportunities and the world of work</li> <li>Deliver the full range of basic, technical, and higher-level skills programmes aligned to the needs of employers and the region's key economic sectors</li> <li>Support people of all ages and backgrounds to develop core work behaviours</li> <li>Work with employers to provide practical experience of the world of work, including visits, placements, talks</li> <li>Provide high-quality staff and facilities to deliver effective skills programmes</li> <li>Invest mainstream budgets and funding in education and training programmes that match the needs of residents, employers and the region's economy</li> </ul>	<ul style="list-style-type: none"> <li>A more stable, longer-term funding environment</li> <li>Reduced staff turnover / retention of skilled trainers and lecturers</li> <li>A highly visible front door providing local accessible entry points, with more local people engaging in skills and education services</li> <li>Increased engagement with employers to provide work placements and experience</li> <li>Support to boost delivery capacity and improve facilities</li> <li>More students progressing from school / college / training / university into positive employment outcomes</li> <li>More employees engaging in training and skills development to boost their career prospects and access higher skilled, higher paid jobs</li> </ul>
<b>VCSE and other specialist support providers</b>	<ul style="list-style-type: none"> <li>Specialist skills, knowledge and track record in supporting people with specific or complex challenges, including physical or mental health, disabled, housing, financial exclusion, substance misuse or caring responsibilities</li> <li>Tailored support to meet the specific needs and challenges of each individual and to remove their barriers to progress</li> <li>Networks, reputation and trusted relationships, helping to engage more people from disadvantaged and excluded groups in employment and skills support</li> <li>Ensuring community voices are heard and their views are represented in service development and delivery</li> </ul>	<ul style="list-style-type: none"> <li>A highly visible front door, with signposting encouraging more people to engage with VCSE and specialist services</li> <li>A more stable, longer-term funding environment</li> <li>Increased job security and retention of skilled staff</li> <li>More progression opportunities for clients, into training, work experience, volunteering, and employment</li> </ul>

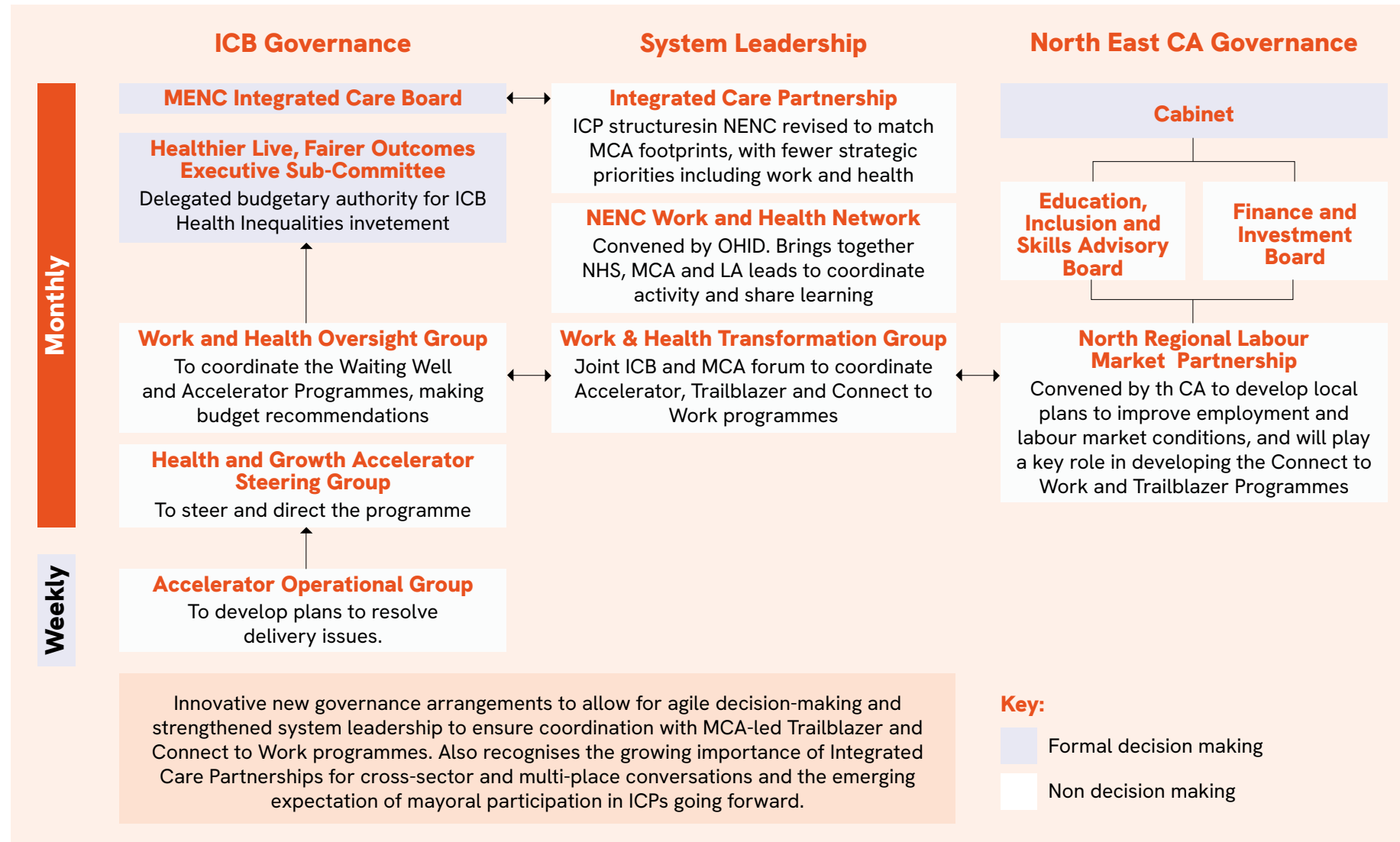


Partners	Contributions	Benefits
<b>NHS North East and North Cumbria Integrated Care Board</b>	<ul style="list-style-type: none"> <li>▪ Lead organisation for the Health and Growth Accelerator Programme</li> <li>▪ Responsible body for the Integrated Care Partnership, and the development of the Integrated Care Strategy</li> <li>▪ System convening role for population health needs assessment and management and health service improvement</li> <li>▪ Commissioning relationship with Primary and Secondary Care providers</li> <li>▪ Coordinator of the Healthier Lives, Fairer Outcomes programme, jointly led with Local Authority Public Health</li> <li>▪ Commissioner of Waiting Well prehabilitation services</li> <li>▪ Coordinator of NHS Anchor Institution Network</li> <li>▪ Co-convenor of the North East Work and Health Partnership</li> <li>▪ Coordinator of the ICB VCSE Partnership Programme</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reducing health-related inactivity through early intervention and targeted support</li> <li>▪ Tackling health inequalities in both outcomes and access to services</li> <li>▪ System coordination role in reducing waiting times for NHS services</li> <li>▪ Convening role to increase the NHS contribution to local employment and economic growth</li> </ul>

Partners	Contributions	Benefits
<p><b>Government - Department for Work and Pensions (DWP), the Department for Health and Social Care (DHSC), the Department for Education (DfE)</b></p>	<p><b>DWP and DHSC</b></p> <ul style="list-style-type: none"> <li>▪ Joint Strategic Employment Framework (DWP / North East CA)</li> <li>▪ Strategic oversight of Government policy and programmes</li> <li>▪ New National Jobs and Careers Service</li> <li>▪ Investing mainstream budgets and funding in employment support, work and health programmes, and CEIAG services</li> <li>▪ Working with the North East CA and North East partners to deliver integrated work and health programmes (e.g. Connect to Work; NHS Health and Growth Accelerator)</li> <li>▪ New Deal for North East Workers setting out the North East's response to the Get Britain Working Plan priorities</li> </ul> <p><b>DfE</b></p> <ul style="list-style-type: none"> <li>▪ Strategic oversight of Government policy and programmes</li> <li>▪ Supporting reform of the UK and North East skills and education system</li> <li>▪ Funding mainstream skills and education programmes for 16 to 19-year-olds and for adults, including some programmes devolved to the North East CA</li> <li>▪ Establishing Skills England</li> </ul>	<ul style="list-style-type: none"> <li>▪ Opportunity to provide additional locally commissioned support to residents, in collaboration with North East partners</li> <li>▪ Integration of employment support, skills, and health services, supporting more residents with health conditions and disabilities to get into work and sustain jobs</li> <li>▪ More benefit claimants progressing into sustainable jobs</li> </ul> <ul style="list-style-type: none"> <li>▪ Improved outcomes delivered by North East skills and education providers</li> <li>▪ More young people making successful transitions from education into employment</li> <li>▪ Reduction in number of young people NEET in the North East</li> <li>▪ More adults developing the skills needed by employers</li> </ul>

# Governance

## North East CA and North East and North Cumbria ICB Governance Structure





## Glossary:

<b>Active workforce</b>	People aged 16+ in paid employment and contributing to economic activity.
<b>Adult Skills Fund (ASF)</b>	Fund to support adult learners to gain skills leading to meaningful and sustained employment or enable progress into further employment focused learning.
<b>Basic skills</b>	The minimum core skills needed to be an effective employee and to progress at work, including literacy, numeracy, digital, and English language skills.
<b>Child poverty</b>	Children being brought up in families that do not have enough money to buy the things the household needs and to participate fully in society
<b>Doubly disadvantaged areas</b>	Those that face both high material deprivation and low levels of social assets (like community centres) and connectivity
<b>Economic inactivity</b>	Economically inactive individuals are those aged 16-64 who are not in work and are not actively seeking work (unlike unemployed individuals who are actively seeking work).

<b>Employment and skills support</b>	Programmes, activities and services to help people get a job, return to work, sustain employment, upskill, and progress their careers, and to help employers recruit and retain staff and develop their workforce.
<b>Foundational economy</b>	The sectors and jobs that provide the foundations of everyday life including health, social care and childcare, education, transport, construction, utilities, and retail.
<b>Good Jobs</b>	Secure jobs with decent pay and opportunities for development and career progression.
<b>Higher level skills</b>	Skills and qualifications at level 4 and above including advanced learning for technical and professional occupations, and management roles.
<b>Human Capital</b>	Refers to the economic value of an individual's skills, knowledge, experience and attributes that contribute to their ability to perform work.
<b>Inclusive economic growth</b>	Economic growth that aims to increase wealth while tackling inequality and raising living standards for everyone.

<b>Local Growth Plan</b>	Local plans, aligned with the UK's national industrial strategy, developed by Mayoral Combined Authorities setting out how they will support growth and productivity in the local economy.
<b>Local Skills Improvement Plan</b>	A plan developed by an employer representative body (ERB) for a specific geographic area, setting out employers' skills needs, and the priority changes required to ensure skills provision is responsive to local labour market needs.
<b>Lower Layer Super Output Areas (LSOA)</b>	Areas with an average population of 1500 people or 650 households. They are used for data analysis and reporting
<b>Skills</b>	The knowledge, competencies, proficiencies and experience required to access and sustain employment and to competently fulfil the requirements of a job role.
<b>Skills gap</b>	The gap between the skills and knowledge an employer wants or needs its current employees to provide, and the skills and knowledge that employees currently possess.

<b>Skills mismatch</b>	A disconnect between the skills sought by employers and those possessed by individuals.
<b>Skills shortage</b>	A situation in which employers cannot recruit suitably qualified candidates for a given job vacancy because the total demand in the labour market for the skills required exceeds the supply of potential employees possessing those skills.
<b>Social Value</b>	Policy and practice focused on securing wider social, economic and environmental benefits through the provision and commissioning of goods and services.
<b>Technical skills</b>	Practical skills and know-how needed to perform a specific technical task or job role.