



Community Foundation

Vital Signs North East: Economy

How philanthropy can help create a more prosperous and inclusive regional economy



January 2024



About Vital Signs

Vital Signs is a Community Foundation resource presenting information about a range of issues affecting our area. It draws on statistics, published research, local expertise and knowledge gathered through funding across the region to ‘take the pulse’ of communities and inform a better philanthropic response to their needs. We see it as the start of a conversation and would love to hear your views about the ambitions of local communities and what more philanthropy and charitable funding could do to meet them.

This is our first Vital Signs North East 2024 report. It examines the state of the regional economy and explores what philanthropy could contribute to help bring greater prosperity to all our local communities.

A note on terminology

In this report we use the following geographic terms:

“The North East” or “The North East region”: this refers to the North East English region which will soon cover the Tees Valley Combined Authority and new North East Mayoral Combined Authority

“Tees Valley”: this refers to the area covered by the Tees Valley Combined Authority comprising Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees

“The North East sub-region”: this refers to the area to be covered by the new North East Mayoral Combined Authority comprising Northumberland, Newcastle-upon-Tyne, North Tyneside, South Tyneside, Gateshead, Sunderland and County Durham.

Vital Signs will explore ten themes during 2024:

Economy – How can philanthropy help build a strong regional economy where everyone benefits from increased prosperity?

Education – What opportunities can charitable funding create for people to learn, develop skills and achieve their potential?

Health – How can charitable funding improve the overall health of our region, and reduce differences in health outcomes between richer and poorer people?

Homes – Can philanthropists help ensure that there are decent, secure homes for everyone who needs them?

Environment – What support can philanthropy provide to help communities look after the environment and ensure the region rises to the challenge of climate change?

Access – How can philanthropists help people overcome the barriers they face in getting access to opportunities and services?

Community – What can charitable giving contribute to the task of ensuring our communities are strong, welcoming and able to cope with the challenges of uncertain times?

Culture – How can philanthropy help foster the North East’s unique culture, from iconic theatres, museums and concert halls to diverse community arts, heritage and sports groups?

Justice – How can charitable funding support work to protect people from crime, prevent discrimination and give opportunities for offender rehabilitation?

Living standards – How should philanthropic funds support those faced with a decline in living standards due to economic pressures and rising costs?

In addition to reporting on each of these themes we will produce a brief printed summary of our findings.

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“There’s nothing more worthwhile for our country than to have all its citizens actively engaged in our economy and society so that every one of us feels included.”

Inclusive Economy Partnership, 2019

Want to know more? You can download all our Vital Signs reports as they are produced via our website at:

communityfoundation.org.uk/vitalsigns

Executive summary

This publication is one of a series of Vital Signs reports that the Community Foundation Tyne & Wear and Northumberland is publishing in 2024 looking at the needs and aspirations of communities from Northumberland to Teesside and how philanthropy can help meet them.

Our focus here is the Economy. And of course it's easy to find reasons to feel gloomy about this! The UK is not doing too well, and the North East is lagging behind on a number of key measures of economic prosperity.

But there are also reasons to be optimistic. As both a country and a region, we have huge economic potential. The pandemic – as awful as it was – reminded policymakers of the great benefits of including all the English regions and all the people living in them as contributors to, and beneficiaries of, economic growth. A renewed commitment to close the performance gap between English regional economies, in combination with progress on devolution, opens up opportunities to create a more prosperous future.

The heavy lifting on this will be done by government and the private sector, but not without the active involvement of civil society organisations if the rhetoric around community engagement, socially responsible development, inclusion and outreach is to be translated into reality. It is fortunate that as a region we enjoy the advantage of a highly developed philanthropic sector to help ensure this happens. The Community Foundation believes charitable funding can have a significant impact in three key areas.

1. Helping to ensure that everyone can both contribute to, and benefit from, a prosperous regional economy by funding work to:

- nurture a greater interest – particularly but not exclusively amongst younger people – in the possibilities opened up by

- entrepreneurialism and self-employment;
- support individuals with exceptional talent and ability from all backgrounds at the very start of their journey to becoming world-class innovators;
- foster individual artistic talent alongside the community arts, heritage and environmental initiatives that underpin a burgeoning tourism offer;
- help those who have yet to realise their potential as a result of disadvantage, with a particular focus on vocational education and skills;
- support social entrepreneurs from marginalised communities to provide wider opportunities for economic inclusion;
- address the social problems that contribute to economic exclusion including individual and institutional prejudice and discrimination.

2. Fostering local economies by ensuring that:

- the work we fund actively benefits local economies by helping local people access opportunities for self-development, well-paid local employment and training;
- low rates of workforce participation are tackled through grassroots action on reducing physical and mental health inequalities;
- there is funding to support the provision of vocational opportunities within charities and social enterprises that contribute to the foundational economy.

3. Increase the capacity of civil society organisations as partners in economic development by providing:

- core funding to underpin the sustainability, confidence and independence of civil society



The regional economy, and how philanthropy can contribute to inclusive prosperity

We live in challenging economic times but devolved government, informed by a growing consensus on how to bring greater prosperity to the English regions, is opening up exciting possibilities in the North East sub-region and Tees Valley. We have the potential to build a vibrant and inclusive regional economy, but the public and private sectors need to engage civil society in shaping and delivering the interventions that will release it. Our region leads the field in developing local philanthropy, and here we look at how charitable giving and funding can have maximum impact in supporting communities, civil society organisations and individuals to create a better economic future.

The UK economy faces significant challenges as the long-term impact of Brexitⁱⁱ, the Covid-19 pandemic and the war in Ukraine are compounded by new uncertainties created by growing conflict in the Middle East.ⁱⁱⁱ At the time of writing, economic growth is sluggish and inflation slow to fall. Although there are some signs of a faltering recovery in business and consumer confidence^{iv}, rates of unemployment and economic inactivity remain a concern. For those in work, wages are increasing, partly driven by a significant and widespread labour and skills shortages^v, but for many this is offset or surpassed by increased cost of living due to interest rate increases and persistent inflation. As more families become dependent on credit to maintain living standards, an emerging consumer debt crisis could further delay economic recovery^{vi}.

Internationally, the UK is struggling to keep up with its peers^{vii}. Underpinning our current national economic problems are low productivity and high regional disparities in economic performance^{viii}. Several factors have led to this legacy: an unbalanced approach to economic development; inconsistent regional policy on the part of central government^{ix}; and historic

underinvestment in areas like research and development, infrastructure, public services, education and workforce skills. A national shortage of labour has certainly been made worse by recent wage inflation, but it reflects a longer-term problem. An ageing workforce with high rates of long-term health issues is shrinking. We may struggle post-Brexit to find the new home-grown generation of skilled workers that progress towards higher productivity, digitalisation, automation, net zero and quality public services will demand across the UK^x.

Many will argue that the way out of this situation is to focus anew on growth, using orthodox measures to boost supply and demand within the economy. But a fresh awareness of humanity's vulnerability to natural and man-made catastrophes has given others pause for thought. Why did economically successful countries like the UK have falling life expectancy before 2019, and then higher Covid mortality rates than those far below them in the world's economic league table? If it was because the pursuit of growth is fuelling inequality – as well as causing significant damage to the environment – is a return to “business as normal” advisable? Should we instead accompany a focus on growth with a greater emphasis on people's economic wellbeing and on social, health and environmental priorities^{xi}?

In the UK much of the debate around these issues is now focused on two long-term and related strands in social policy since 1997: devolution and addressing disparities in levels of regional economic prosperity (currently termed “Levelling-Up”). It is fair to say that there is general agreement that progress to date on both has been patchy at best. As a recent blog from the National Institute of Economic and Social Research put it: “The UK remains one of the most spatially unequal and over-centralised countries among the 38 members of the OECD^{xii}.”

The final report of the UK 2070 Inquiry into Regional Inequalities (2020)^{xiii}, conducted by experts from across academia and the private and public sectors, offers a thought-provoking case for how to move forward from this rather depressing starting point. It points out that deep regional inequalities are bad for everyone: those struggling with inadequate transport and housing in the South East as much as residents of “left-behind” communities in the North East. It argues that inequality, and the resulting social divisions, represent a real block on progress as the UK adapts to future challenges presented by new AI-led technologies and the transition to net zero. It proposes that the “grow now, redistribute later” model of the past be replaced by a long-term holistic approach to economic development wherein devolved authorities would work in genuine partnership with communities, using repurposed resources to develop regional and local economies and improve the connectivity between them.

UK 2070 is marked by an optimism that shines all the brighter in the surrounding economic gloom. It reminds us that as a nation – and here in the North East – we are well-placed to prosper in the future rather than decline. We have know-how, especially, but not exclusively, in our great research-focused universities. There are areas where we have burgeoning potential such as advanced manufacturing, life sciences, digital, renewable energy and business services. And we have at the base of the economy massive potential in areas like retail and food and hospitality linked to our region's thriving night-time economy and tourism offers. For all our recent political turmoil, and even after more than a decade of austerity, we remain part of a relatively stable, cohesive and well-run society with a solid foundation on which to develop excellent public services. We are less likely than other countries and regions to face massive climate disruption, and better placed to develop the solutions they will require. As a country and a region we also have significant cultural, natural and social assets including a robust civil society.



There are many detailed proposals in the UK 2070 report which we cannot explore in detail here. Some relate to well-established priorities such as developing workforce skills, others to new ones like reducing housing and heating costs to improve the lot of families in financial hardship. It remains to see whether any will be taken up before or after the next national and local elections. But whatever happens, the report flags up several issues of interest to philanthropists and charitable funders.

The first is a rediscovery of the representational role of civil society. Its involvement is implicit to proposals for greater community engagement in developing local economies and the wider devolution agenda. We know from our Third Sector Trends research^{xiv} that, whilst rightly shy of involvement in party politics, the sector has a keen appetite for ensuring that community voices are heard on the practical issues that affect them.

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All aboard? How philanthropy can support people experiencing economic exclusion

There's widespread agreement on the need to enable everyone to benefit from, and contribute to, regional prosperity. But we have a long way to go towards creating a truly inclusive economy:

- the pay gap between men and women is around 15%, and increases with age largely due to the impact of parenthood;
- older workers, at greater risk during Covid-19, are more vulnerable to long-term employment;
- unemployment rates are around twice as high for Black, Asian and minoritised ethnic groups and disabled people;
- median wages for UK-born Black workers are 5.6% lower than for White workers. Disabled people's wages are 17% below those of non-disabled workers;
- 20% of lesbian, gay, bisexual (LGB) and transgender job seekers report being discriminated against by recruiters in the past year;
- only around 6% of small and medium size enterprises are run by people from Black, Asian and minoritised ethnic communities – about 1/3 of what one might expect given their population size;
- 25% of small business owners report being either disabled or having a health condition. Around 1 in 5 say they have experienced discrimination or negative treatment as a result.

In part such disparities reflect the limitations of previous attempts to improve social, educational and health outcomes for those experiencing disadvantage. **So it seems sensible that philanthropic funds should continue to support work that addresses the social problems that contribute to economic exclusion.**

But in the era of Me Too and Black Lives Matter – and with the stark inequalities in treatment laid bare by Covid-19 in mind – we cannot assume that the issue is simply one of helping individuals to overcome disadvantages that have kept them from “competing on a level playing field”. If so why are less than 10% of FTSE 100 companies led by women and none by a disabled person? Why does the pay gap for black workers widen the more qualified they get, until as graduates they earn 23% less than their white colleagues? Why is there evidence of a glass ceiling for people in the LGB community seeking senior managerial positions? And why do 40% of employees in their 50s feel they've been held back by age discrimination? If there is one thing that is clear from our work on the national and regional economy it is that we cannot afford to waste anyone's potential to contribute to increasing prosperity. Imagine, for example, increasing the economic contribution of Ethnic Minority Businesses from £25bn to the £100bn that a recent NatWest Group-sponsored report identified as achievable! **Philanthropists may consider that grants for work that helps communities overcome the drag on economic progress due to individual and institutional prejudice and discrimination are a good investment.**

Finally the term “entrepreneur of necessity” has been used to describe a group of dynamic individuals from economically marginalised groups who create their own businesses, social enterprises and community organisations to open up opportunities – for themselves and their communities – that are otherwise unavailable in the mainstream economy. Philanthropic funding has a key role to play in supporting these community entrepreneurs and helping them create wider opportunities for economic inclusion.

Sources: HM Government (Annual Population Survey; Census 2021; Longitudinal Small Business Survey) with research and articles produced by the London School of Economics; People Management; the Trade Union Congress; Stonewall; Black Equity Organisation; The Gender Index; Aston University/Centre for Research in Ethnic Minority Entrepreneurship (NatWest sponsored report); National Federation of Self Employed & Small Businesses and Small Business Britain.

A steady stream of philanthropic funding – with fewer strings attached than state support – is one way that organisations can retain their independence whilst being active and effective partners in local governance.

A second is the identification of the importance of nurturing the foundational economy in poor areas to reduce poverty and inequality. This refers to the local economy that serves residents' immediate needs for goods and services (e.g. food and childcare) rather than the world of large-scale commerce, industry and international trade that is often the focus of economic policy^{xv}. Community organisations are a major part of the picture for public bodies wanting to maximise the benefits of service procurement to local people, and for businesses that want to develop their supply chains to achieve added social value.

Philanthropic funding and sector support can help organisations develop and increase their capacity to contract and negotiate fair financing which has so far remained limited. And we can also ensure that our grants actively benefit the local economy by making sure the work we fund helps local people access opportunities for self-development, well-paid local employment and training.

The third is an emphasis on making the most of our human, cultural and environmental assets to power economic progress in key areas of the economy ranging from research and development to tourism. As a general objective, establishing the North East as a global centre of innovation is beyond the reach of local philanthropy, requiring large-scale state funding to academic institutions.

But there is a proven case that small-scale philanthropic funding can have large-scale impact by helping individuals at the very start of their journey to becoming world-class innovators. And the agility and local knowledge of funders makes them well-placed to identify and support artistic talent alongside the community arts, heritage and environmental initiatives that

underpin a burgeoning tourism offer.

The 2070 Inquiry report is part of an emerging consensus about how the private sector and public bodies could work together to rebalance the national economy, working through devolved decision-making bodies towards a more holistic approach to regional economic regeneration. And central government is determined that this partnership should reach out to civil society organisations. It has signalled their role as a vehicle for participatory democracy in the devolution and “levelling-up” process^{xvi} because – as the Local Government Association asserts – the engagement of the Third Sector is one of the cornerstones on which the legitimacy of devolved decision-making must rest^{xvii}.

The CBI – representing 170,000 UK businesses – produced a “Reviving Regions” report in late 2020 highlighting the importance of the broader determinants of productivity including health, education and skills and arguing that productivity gains must be reflected in a broad increase in household incomes, living standards and wealth. And it emphasised the centrality of devolved decision-making and local leadership as a means to achieve this. Although the point is not made in the report, this too is accompanied by a recognition that local leadership must involve the active participation of civil society organisations alongside public and private sector partners. As the current Director General of the CBI, Rain Newton-Smith, put it in 2019 “...the guiding principles of this year's World Economic Forum suggest, addressing the biggest global challenges requires the collaborative efforts of business, government and civil society... I couldn't agree more^{xviii}.” Across the North East sub-region and Tees Valley there is a firm foundation to build on, with inclusive economic development prominent within the strategy of devolved authorities, local authorities, economic development agencies and business groups such as the North East of England Chamber of Commerce^{xix}.

The regional infrastructure body, Voluntary Organisations' Network North East (VONNE),

has long supported civil society's engagement with the North of Tyne and Tees Valley Combined Authorities, the region's local authorities and related bodies such as LEPs' work on economic and social regeneration. The creation of a new North East Mayoral Combined Authority which, together with the existing Tees Valley Combined Authority, will now take on responsibilities currently exercised by the region's two Local Economic Partnerships, will open significant new opportunities in this space. To maintain momentum, VONNE has launched an Inclusive Economy Initiative setting out how the voluntary sector and social enterprises can play a key role in ensuring that continued growth is matched with progress on reducing wealth and health inequalities, the promotion of equity and diversity and a "Green revolution".

And there are signs of more local initiatives in the same direction of travel. The government funded Newstart Initiative (2021-2022), for example, brought together social housing providers, a social support charity and local government to explore new approaches to connect local people with local jobs within the foundational economy^{xx}. One of the leading partners, Karbon Homes, a major

provider of affordable housing based in the North East, has since placed support for the foundational economy at the heart of its business model. It hopes to encourage employers, developers, local government and investors to work with it in partnership with local people on that basis^{xxi}. As trusted investors in poor communities, and as agencies that bring together representatives of the public, private and community sectors to improve local quality of life, might not the region's community foundations also be key players in this space?

The many specific challenges facing the North East economy were covered in detail in our 2022 report on the Cost-of-Living Crisis^{xxii}, and we will not re-rehearse them in detail here. But, in summary, the region has been particularly hard hit, as expected, by the economic impact of Brexit^{xxiii} with its difficulties compounded by the pandemic and the effect on costs of a deteriorating international situation. And long-term weaknesses in the regional economy will make recovery from these blows a challenge, along with the task of closing the economic performance gap with the rest of the country and the South East in particular (see table below).

Key area	Indicator	North East	England	South East	Date
Productivity	Output per hour worked (Current Price Index, UK=100)	82.6	101.5	109.9	June 2023
Research and development (R&D)	Expenditure on R&D in 2019 per total head of population	£278	£606	£820	August 2021
Entrepreneurialism	% people in employment who are self-employed	12.7%	15.2%	16.8%	April 2020
Businesses	Number of businesses per 10,000 adults	704	1009	1134	Early 2022
Employment	Employment rate (Unemployment rate) for 16-64-year-olds mid-2023	74.1% (5.2%)	75.8% (4.3%)	79.6% (3.9%)	September 2023
Pay levels	Median earnings by place of work	£608.40	£683.50	£704.30	April 2023
Workforce participation	Economic inactivity rate for 16-64-year-olds mid-2023	21.9%	20.7%	17.1%	September 2023
Education and skills	% of population qualified at level 2 and above	75%	78.1% (GB)	80.7%	January - December 2021

The combined resources of government and the private sector will need to be applied to closing this gap. Much work is already underway through existing agencies, and a legacy of strategic thought and action in key areas like skills, but increasingly empowered devolved authorities will be especially well-placed to ensure a more co-ordinated and inclusive approach. Civil society, as we have suggested, must be a key partner to ensure the genuine participation of local communities. But, as our Third Sector Trends research has demonstrated, it also needs to be recognised as a substantial engine of the regional economy. The sector has a financial value of £1.65bn, with 37,000 employees and 150,000 volunteers supporting a contribution of £5,860m to the region's social and economic wellbeing^{xxiv}. A key component is a social enterprise sector that may be doing better, operating more commercially and acting as a stronger route to economic inclusion for local communities than in other regions^{xxv}.

The financial clout of the donors and charitable funders supporting this significant force within the regional economy is limited by comparison to government and business. But we are arguably well ahead of many other English regions in terms of the development of philanthropy – particularly through our three well-developed community foundations. And the region's philanthropic funders have the flexibility and local knowledge to "punch above their weight" by using their deep knowledge of communities to provide targeted funding and in-kind support to:

- **help create strong, confident and independent civil society organisations with the capacity to help shape the planning and delivery of local regeneration initiatives;**
- **support individuals with exceptional talent and ability, and helping those who have yet to realise their potential as a result of disadvantage, with a particular focus on vocational education and skills;**
- **reduce low rates of workforce participation by fostering grassroots**

action on reducing physical and mental health inequalities, and supporting the provision of vocational opportunities within charities and social enterprises that contribute to the foundational economy

and

- **nurture a greater interest - particularly but not exclusively amongst younger people - in the possibilities opened up by entrepreneurialism and self-employment.**

And a further area where philanthropy can have a significant impact is by helping to **ensure that the voices of economically marginalised people are heard and acted upon, so their needs are considered by decision-makers**. On most measures used to indicate economic prosperity – whether wage levels, workforce participation rates or broader determinants like health outcomes or educational attainment – members of Black, Asian and minoritised ethnic communities, disabled people, and others at risk of social exclusion tend to fare worse than average^{xxvi}. Addressing this injustice is a good thing in of itself, but it will also ensure that we make best use of the human resources available to create the kind of high productivity and inclusive economy that will deliver regional prosperity and resilience.

Philanthropy and economic development: case studies

Tarset 2050 CIC: adapting to new economic circumstances

Tarset 2050 is a volunteer-led Community Interest Company established in 2007 to promote a sustainable future for this parish in the Upper North Tyne Valley. In June 2021 the Community Foundation awarded the social enterprise £2,000 from our Roland Cookson Community Fund to co-fund a series of seminars for farmers and landowners called "Thinking Uplands Futures".

The pursuit of environmental benefits has become a central feature of government policy for the subsidisation of agriculture outside of the European Union. The Department for Environment, Food & Rural Affairs – in its Agricultural Transition Plan for 2021-2024 - has prioritised progress on sustainable farming practices, biodiversity measures and carbon emissions as the focus for future financial support. The Foundation's grant was intended to help those involved in farming and land management to look in detail at ways to meet these new priorities.

The Covid pandemic, Storm Arwen and the unpredictable demands of the farming year presented considerable challenges. But Tarset 2050 managed to deliver a series of events over six months involving a core group of 15 participants. These brought in experts from relevant agencies to provide guidance on the changes to funding and explore a range of practical issues from preserving soil quality to environmentally-friendly grazing and approaches to carbon-capture through planting. Tarset 2050 reported that interest grew as the project progressed with 27 attendees coming to a final event with its co-funder the Northumberland National Park.

The grant provides a good example of how philanthropists can help communities to develop a sustainable local economy with relatively small grants.

"In Tarset talking with farmers about wildlife and biodiversity is often like 'preaching to the converted', as there has always been a noticeable interest in, and care for, the farm environment.

But interest is one thing, interpreting that into the new requirements to protect, enhance and improve, is another, and to try to help with this was the main point of the seminars.

We are very pleased to report that the farmer group for Tarset and the North Tyne area is still growing and continuing to build on the work begun through the grant, as part of the new Northumberland Farmer Network."

Jan Ashdown, Tarset 2050 CIC

Difference: supporting disabled social entrepreneurs

Back in 2014, the Community Foundation awarded £8,000 to two disabled researchers to map disability organisations and services in the North East. Colin Cameron of Northumbria University and Christopher Hartworth from Barefoot Research and Evaluation wanted to know what existed here for disabled people in terms of voice and representation, or support and guidance. They found that outside of local organisations there was no regional disabled persons organisation able to represent people living in the area. Colin and Christopher saw the need for a collective advocacy organisation to represent the needs and voices of disabled people in the North East. They created Difference to be just that.

From small beginnings Difference has grown into a successful, prize-winning charitable company with an annual income of £100,000 providing employment to four disabled people. It is now recognised by their peers as a leading source of expertise on disability rights and inclusion in the region: the first stop for people wanting to know more about disability, inclusion and access, not least in the workplace.

Christopher approached us again in 2020 because he saw an opportunity to develop a disability equality, awareness and etiquette training package as a saleable product. We were able to award £7,500 in 2020 from the Linden Fund at the Community Foundation to develop the content and in this year alone, they have raised over £30,000 in sales, creating important unrestricted funds.

"Difference is grateful that the community foundation believed in us, offering financial support in the beginning when our ideas were just small acorns. Now we are in a position to create our own future and find our way in the world, working for an end to discrimination and a more equal North East."

Dr Christopher Hartworth, Difference

Philanthropy in action: how the Newcastle Building Society Community Fund at the Community Foundation helped people to access employment during 2022

Newcastle Building Society is a leading corporate philanthropist within our region. It supports a range of charitable activities in partnership with Newcastle United Foundation; The Prince's Trust, Sir Bobby Robson Foundation and Citizen's Advice Gateshead and its continued presence in communities provides opportunities for the provision of in-kind support such as volunteer time and the provision of community meeting spaces.

Newcastle Building Society's partnership with the Community Foundation has lasted over 30 years. Its Newcastle Building Society Community Fund has grown significantly in recent years into one of our largest corporate funds. With income from a substantial endowment, supported by colleagues' fundraising efforts and annual revenue donations, it has made grants worth £0.9m since 2020. The fund focuses on debt management, the environment, food poverty, homelessness and employability, choosing from local causes nominated by its members.

In 2022 around one-in-five completed projects funded by the Newcastle Building Society Community Fund in our region were focused on employability. Its financial support totalled £126,075 split between 31 grantees in Northumberland, Tyne & Wear and County Durham and Tees Valley. Alongside projects focused on general support for those seeking employment - including people made redundant during Covid-19 - the fund supported work with those most disadvantaged in the labour market. These included vulnerable young women; young people not in employment, training or education (NEET); people with physical and learning disabilities; ex-offenders; young people leaving care and those in supported accommodation; homeless people and people from Black, Asian and minoritised ethnic communities.

"The employability skills gap between businesses and the under-utilised potential of people in our region is one of the biggest challenges and opportunities facing North East economic growth.

In our community partnerships with The Newcastle United Foundation and The Prince's Trust, we work collaboratively to create opportunities for people from a range of backgrounds by reaching, recruiting, and supporting talented individuals who may not otherwise get the chance to fulfil their potential.

The work of these partnerships is significantly reinforced by our Community Fund grant donation programme, which includes a focus on employability, and targets meaningful support through the excellent charities working in this area across our region."

**Andrew Haigh, Chief Executive,
Newcastle Building Society**

YMCA North Tyneside provides supported accommodation to disadvantaged and vulnerable young people, and an award of £4,778 through the Newcastle Building Society Community Fund at the Community Foundation helped to enable their programme of support, qualifications and work experience to be extended to include 16-17-year-olds.

Research from the Chartered Institute of Personnel and Development/Youth Futures Foundation^{xxvii} has identified a range of challenges that young people can face in securing work as we recover from the pandemic. These can be the result of direct discrimination on the basis of things like age, ethnicity, sexuality or disability. But they can also stem from disruption to educational and skills progression due to issues like poverty and social exclusion; neglect, abuse and family breakdown; drug use and mental health problems. The YMCA programme reflected an understanding of that young people's problems can be complex and multi-faceted, and that an individualised approach was the best way to help them make progress.

In all, 37 young people in North Tyneside were offered dedicated support. Practical help was given to help some participants break the cycle of homelessness and become "work-ready" e.g. assistance with getting formal ID and opening bank accounts. Others received support to access the physical and mental health services they needed. Assistance, when appropriate, was also offered with personal confidence and self-esteem issues. And finally one-to-one coaching and support was offered through the YMCA and partner agencies on more directly work-related tasks like CV-building and the acquisition of English, Maths and IT skills and maintaining professional boundaries.

The outcomes achieved through the funded activities were as varied as the young people attending. Some were enabled to fulfil ambitions to study at top universities, some were helped into entry level posts in the hospitality sector and others were given

access to the services they needed to develop pre-employment skills like basic spoken English. What they had in common was their significance to the young people themselves, all of whom had faced considerable challenges in realising their career and life ambitions.

"The funding from Newcastle Building Society Community Fund was what allowed us to develop a post-covid employability programme for our NEET (Not in Education, Training or Employment) 16- and 17-year-olds in supported accommodation.

At the end of the programme, 37 young people had significantly improved their work-based status. Many had job or placement interviews, some were in employment and all had improved their communication skills, spoken English and developed a new confidence.

And now, two years later, over 65% of that cohort are at University, in employment or undertaking a training programme. A huge success - thank you NBS and Community Foundation!"

Nicola Hudspith, YMCA North Tyneside

References

- i The term 'civil society' describes the connections between people with common interests coming together voluntarily to do things out of care for others, creativity or to pursue a cause. Charities and other types of community groups are the backbone of UK civil society organisations. For further discussion see e.g.: <https://civilsocietycommission.org/wp-content/uploads/2021/05/What-is-civil-society.pdf>
 - ii Dhingra, S. et al (2022) [The Big Brexit: An assessment of the scale of the change to come from Brexit. Resolution Foundation](#)
 - iii See for example National Institute of Economic and Social Research (2023) <https://www.niesr.ac.uk/blog/uk-wage-and-price-inflation-and-middle-east-conflict>
 - iv House of Commons Library (2023) <https://researchbriefings.files.parliament.uk/documents/SN02817/SN02817.pdf>
 - v Open University/British Chambers of Commerce (2023) <https://www5.open.ac.uk/business/barometer-2023>
 - vi House of Commons Library (2023) <https://commonslibrary.parliament.uk/economic-update-gloomy-economic-context-to-the-autumn-statement/>
 - vii For example GDP per capita in the UK was just 6 per cent lower than in Germany on the eve of the financial crisis, but this gap had risen to 11 per cent by 2019. See The Economy 2030 Inquiry (2022) [Stagnation Nation](#) Resolution Foundation
 - viii National Institute of Economic and Social Research (2022) [Powering Down, Not Levelling Up](#)
 - ix Gray, N. and Broadhurst, K (2023) ["Post-Brexit regional policy in England: exploring "Levelling Up" in practice" Regional Studies](#)
 - x Open University/British Chambers of Commerce (2023) [Business Barometer 2023](#)
 - xi See for example The Health Foundation's [Unequal pandemic, fairer recovery](#), the World Economic Forum's [Great Reset Initiative](#) and Carnegie UK's [Growing Pains: commentary on the strengths and limitations of Gross Domestic Product and Gross Domestic Wellbeing: an alternative measure of social progress](#)
 - xii Pabst A and Chadha, JS (2023) [Where are we with regional inequalities in the UK? NIESR](#)
 - xiii [Make No Little Plans: acting at scale for a fairer and stronger future \(2020\)](#) UK 2070 Commission
 - xiv Chapman, T (2023) [Third Sector Trends in England and Wales 2022: Shaping social change through campaigning and influencing](#) Community Foundation Tyne & Wear and Northumberland
 - xv Fahnbulleh, M et al (2022) [Closing the Divide: how to really level up the UK](#). New Economics Foundation
 - xvi HM Government (2018) [Civil Society Strategy: building a future that works for everyone](#)
 - xvii See <https://www.local.gov.uk/topics/devolution/devolution-online-hub/public-service-reform-tools/engaging-citizens-devolution-1>
 - xviii <https://www.cbi.org.uk/articles/how-business-can-help-tackle-our-global-challenges/>
 - xix See Local Government Association (2020) [Building more inclusive economies](#) for a definition of inclusive economies as ones with "broad based opportunities that have benefits for all – as opposed to economies where higher aggregate economic growth is accompanied by rising inequality and ... building inclusive economies must: • address inequalities • address exclusion and poverty • benefit the economy as well as being an end in itself • focus on the nature of the economy – rather than just redistributing the gains of growth through taxes and benefits...."
 - xx The author is grateful to Dr Chris Hartworth of [Barefoot Research and Evaluation](#) for bringing this initiative to our attention.
 - xxi Karbon Homes (2023) [Fair Foundations: A new movement for left behind places](#)
 - xxii See <https://www.communityfoundation.org.uk/wp-content/uploads/2022/10/Vital-Signs-Cost-of-Living-October-2022.pdf>
 - xxiii See for example the North East Chamber of Trade letters to the government on this issue at <https://www.necc.co.uk/>
 - xxiv See <https://www.communityfoundation.org.uk/third-sector-trends/>
 - xxv Social Enterprise UK (2021) [North East: diversifying into new markets and geographies](#)
 - xxvi See for example the North East Chamber of Trade letters to the government on this issue at <https://www.necc.co.uk/>
- See <https://www.communityfoundation.org.uk/third-sector-trends/>
- Social Enterprise UK (2021) North East: diversifying into new markets and geographies
- See for example the reports to the House of Commons on [disabled people in employment](#) (June 2023) and [unemployment by ethnic background](#)
- xxvii CIPD/Youth Futures (2022) [Retaining disadvantaged young people in work: an evidence review](#)

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While the group advises on data sources, analysis and findings, the Community Foundation has overall editorial responsibility. The content and findings of our Vital Signs reports reflect the Community Foundation's conclusions not the individual views of editorial group members or of Newcastle Building Society.

Let's talk

We hope that this report will inspire more of you to give to causes that contribute to building a prosperous and inclusive local economy in our region.

You can help inform our work on this and the other Vital Signs themes by completing the Vital Signs North East 2024 questionnaire. Just visit www.communityfoundation.org.uk/vitalsigns or scan the QR code below:



If you would like to discuss this report further, or what you could do to help, please contact us:

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