

Officer Decision Report

Report Title	Economic Inactivity Trailblazer
Decision Maker	Executive Director Place
<p>Purpose of Report</p> <p>West Yorkshire is one of eight Economic Inactivity Trailblazer areas in the UK that will pilot new approaches to supporting economically inactive residents with long-term limiting health conditions into good work. The Trailblazer programme is one of the initiatives arising from the Get Britain Working White Paper and is expected to operate in 2025/26 only.</p> <p>The report proposes that the Council accepts £600,000 of external funding from West Yorkshire Combined Authority to deliver elements of the West Yorkshire Economic Inactivity Trailblazer programme in Kirklees, and to put in place the related officer delegations to manage and deliver the programme.</p>	
<p>Recommendations</p> <ol style="list-style-type: none"> 1. That in accordance with Financial Procedure Rule 22.5, external funding of £600,000 be accepted from the West Yorkshire Combined Authority to support delivery of the Kirklees Economic Inactivity programme, and for the Council to act as Accountable Body for the grant, with the agreed officer delegations as set out in the report. 2. That the Executive Director for Place and the Service Director Legal, Governance and Commissioning be authorised to finalise and execute all necessary legal agreements with the West Yorkshire Combined Authority and the Council’s project delivery partners and to put in place the necessary governance arrangements for the programme. 3. That authority for implementation of the Kirklees Economic Inactivity programme be delegated to the Executive Director for Place including the commencement and award of any related procurement exercises. 4. That the Executive Director for Place and the Service Director Finance, be authorised to submit grant claims and to undertake related project monitoring and reporting. <p>Reasons for Recommendations</p> <p>To enable the Council to receive external funding for the programme via the West Yorkshire Combined Authority, and to ensure rapid and efficient implementation of the project in accordance with the scheme of delegations.</p>	
<p>Resource Implications:</p> <p>Management of the programme will be undertaken by existing staff within the Council's Employment and Skills service. There are no direct financial implications for the Council.</p>	

Date signed off by <u>Executive Director</u> & name	David Shepherd 24/06/2025
Is it also signed off by the Service Director for Finance?	Kevin Mulvaney 24/06/2025
Is it also signed off by the Service Director for Legal Governance and Commissioning (Monitoring Officer)?	Samantha Lawton 24/06/2025

Electoral wards affected: All

Ward councillors consulted: N/a

Public or private: Public

Has GDPR been considered? Yes

1. Executive Summary

Poor health is acknowledged as a key driver of economic inactivity across the UK. There has been a significant increase in the number of people who are neither in work or available to start work. The Get Britain Working White Paper, published by the Government in 2024, acknowledged that existing national support mechanisms have largely failed to tackle this issue or provide effective support for people in work with health conditions to avoid falling out of the labour market.

West Yorkshire is one of eight Economic Inactivity Trailblazer areas in the UK that will pilot new approaches to supporting economically inactive residents with long-term limiting health conditions into good work. The Trailblazer programme is one of the initiatives arising from the Get Britain Working White Paper and will operate in 2025/26 only.

The report proposes that the Council accepts the acceptance of £600,000 of external funding from West Yorkshire Combined Authority to deliver elements of the West Yorkshire Economic Inactivity Trailblazer programme in Kirklees, and to put in place the related officer delegations to manage and deliver the programme.

2. Information required to take a decision

Economic inactivity and health

According to internationally agreed definitions, people in the labour market fall into one of 3 groups: employed, unemployed and economically inactive. *Economically inactive* people are those without a job who are not actively looking for work – including students, people with caring responsibilities and those who have retired before the state pension age.

Poor health, including mental health, is now recognised as the key driver of economic inactivity. Research by The Health Foundation¹ as part of the Healthier Working Lives Commission showed that

- 8.2 million working-age (16-64) UK residents reported with work-limiting health conditions in 2023, of which
- 4.0 million were economically inactive, up 24% from 3.2 million in 2013
- 3.9 million were in employment, up 64% from 2.4 million in 2013
- 340,000 were unemployed (i.e. actively seeking and available for work but unable to find a job).

Workers with work-limiting health conditions face an increased risk of leaving the labour market; in the UK between 2014-2023 around 300,000 workers each year became economically inactive with a work-limiting health condition. Over this period 1 in 9 workers with a work-limiting health condition left the workforce each year, compared to 1 in 30 without a health condition.

People with multiple conditions are at greater risk of leaving the labour market (with the risk increasing when combined with some additional protected characteristics) and poor mental health makes people nearly twice as likely to leave work compared to those with good mental health.

The UK is the only major economy that has seen its employment rate fall over the last 5 years, reversing the previous long-run trend of declining rates of economic inactivity. This has been driven predominantly by a rise in the number of people out of work due to long-term ill health. 27.9% of this are cohort inactive as a result of long-term sickness, increasing from 22.7% in 2018.

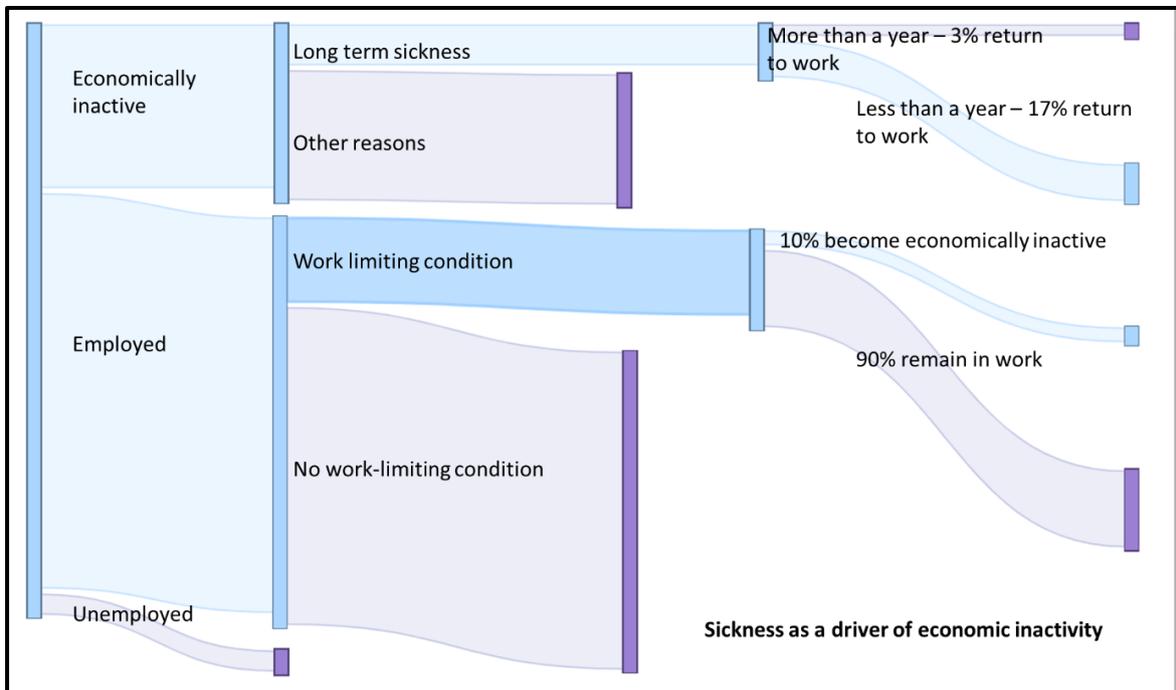
In Yorkshire and Humber, of those economically inactive due to long term sickness, 51% are aged 50 to 64 years old, 42% are aged 25 to 49 and 7% are aged 16-24. The latter cohort, whilst relatively small in absolute terms, is growing most rapidly

Mental health, musculoskeletal conditions and cardio-metabolic conditions are the biggest drivers of sickness-related economic inactivity at UK level. The number of workers aged 16–34 years stating that their mental health limits the type or amount of work they can do has more than quadrupled over the past ten years. Neurodiversity and the need for more neuroinclusive workplaces is also a key factor - just 3 in 10 of autistic working age people are in employment.

¹ Labour market flows and health, Annex 1 of 'Towards Healthier Working Lives' – interim report of the Commission for Healthier Working Lives, The Health Foundation October 2024

38% of economically inactive residents reported having five or more health conditions, suggesting that those who are inactive because of long-term sickness have increasingly complex and inter-related health issues.

For those 300,000 UK residents falling out of the labour market due to work-limiting health conditions, the timing of any support intervention is critical. Whilst 17% of this cohort typically return to work within a year, the return rate falls to just 3% for those who have been inactive for more than one year, as illustrated in the diagram below:



Source: Labour market flows and health, The Health Foundation, October 2024

Research suggests there is a bidirectional or reciprocal relationship between work and health. Employment can bring with it better incomes, financial stability, security and greater sense of purpose, which in turn can lead to healthier diets and exercise, higher living standards, and better mental health. Poor health, on the other hand, can make it harder to participate in the labour market:

- people living in areas with high employment rates are more likely to live longer in good health; and
- people living in an area with higher economic inactivity are more likely to have a lower healthy life expectancy.

People who are inactive due to long-term sickness are disproportionately likely to have an employment history in lower skilled, elementary roles including in logistics/distribution, retail and hospitality sectors and also in public administration.

In Kirklees, there were 52,700 economically inactive residents in December 2024 or 19.2% of the working age population. 13,700 were inactive as a result of long-term sickness (26% of residents of working age) – below the UK average of 27.9% but slightly above the West Yorkshire average of 25.9%. It should be noted that local authority level data is drawn from the Annual Population Survey which has experienced lower than expected response rates with an impact on the statistical robustness of local level datasets.

The comparable data from the 2021 Census – the only other available data source – indicates that 54,000 Kirklees residents were economically inactive at the time, and 14,600 of those were long-term sick – at 27% of the total, slightly below the West Yorkshire average of 28% in 2021.

The relationship between poverty, work and health has been highlighted in the Annual Reports by the Council’s Director of Public Health². The 2022/23 report showed that

- cost of living pressures were having a direct impact on resident’s mental and physical health, with debt and unpaid bills leading to increased stress, residents using heating less frequently, increasing levels of damp and mould and also eating less fruit and vegetables
- more people were avoiding NHS appointments because they could not afford to travel, and fewer people were taking up their NHS prescriptions, buying-over-the-counter medication or going to the dentists.

Policy framework

In November 2024, the Government published the *Get Britain Working White Paper*³. The White Paper argues that too many people are

- excluded from the labour market – especially those with health conditions, caring responsibilities or lower skill levels;
- stuck in insecure, poor quality and often low-paying work, which contributes to a weaker economy and also affects their health and wellbeing

and that there is too great a disparity in labour market outcomes between different places and for different groups of people.

The White Paper further argues that the current health and employment and skills systems are not able to address the significant increases in economic inactivity, an ageing population or an increasing prevalence of poor health. It suggests that there is insufficient focus on preventing the common health conditions, risk factors and health inequalities that limit people from engaging with work, and there is limited support to help disabled people or people with health conditions to stay in work (or get back into work quickly

At national level , the White Paper argues that the employment support system is primarily focused on managing benefits, engaging mainly with people who are unemployed and on getting them back into work as quickly as possible, rather than helping people into the right job. It also suggests that the employment support system has insufficient focus on wider issues like health, skills, childcare and transport, which play a fundamental role in supporting people to enter, stay in or get on at work.

The White Paper sets out a number of proposals to address the challenge of economic inactivity and poor health, including:

- scaling up the contribution of the NHS and wider health system to improve employment outcomes, including an ambition to create 40,000 additional elective appointments per week, recruit an additional 8,500 mental health staff within the NHS and better integrating employment support within key NHS pathways

² [Poverty Matters](#)

³ [Get Britain Working White Paper - GOV.UK](#)

- strengthening the role of local areas, including Mayoral Combined Authorities, in shaping an effective work, health and skills offer for local residents including the development of 'Get Britain Working Plans' to inform place-based approaches
- allocating £125m for eight place-based work, health and skills 'Trailblazers' to develop innovative approaches to reducing economic inactivity, including West Yorkshire; and a further £45m to fund collaboration with the NHS with prevention-focused programme to support people to stay in work that will be piloted in three areas including West Yorkshire (the 'Health and Growth Accelerator' programme)
- creating a new jobs and careers service to help people get into work and get on at work, combining Jobcentre Plus and the National Careers Service, with Wakefield selected as one of the pilot Jobcentre Plus areas to pilot this approach
- launching an independent review into the role of UK employers in promoting healthy and inclusive workplaces.

The West Yorkshire Combined Authority adopted the West Yorkshire Work and Health Plan⁴ in May 2025, building on the White Paper. The Plan sets out a vision for West Yorkshire to have the healthiest residents and workforce in England by 2040; and aims to create a health and employment support system that can deliver transformational change to improve population health and wellbeing and economic outcomes. The Work and Health Plan sets out five priorities:

- strengthening health and employment systems leadership with oversight to inform better decision making across the Integrated Care Board (ICB), West Yorkshire Combined Authority, Government Departments, local authorities and the voluntary and community sector
- understanding and addressing micro, small and medium-sized business (SME) barriers to recruiting and retaining staff with health conditions and in creating healthy workplaces and a diverse workforce
- exploring the role of incentives to support more people into good quality work to help address the perceived risks for employers in employing economically inactive people, potentially including paid placement schemes and support for employment costs, as well as support and incentives for inactive residents
- continued support for the voluntary and community sector as key delivery partners and providers of holistic support and in engaging people with lived experience of economic inactivity
- network development to support peer learning, resilience and training between NHS, employment support and other stakeholders.

Health and Growth Accelerator/Economic Inactivity Trailblazer

As noted overleaf, West Yorkshire was selected to deliver two national pilot programmes linked to the Get Britain Working White Paper. The *Health and Growth Accelerator*, ('Accelerator') programme which is being managed by the West Yorkshire Integrated Care Board (ICB), will focus on preventative and early intervention measures to keep people in work and reduce economic inactivity.

⁴ [work-and-health-plan-full-report.pdf](#)

The *Economic Inactivity Trailblazer* is focused on supporting inactive residents and employers and is being managed by the West Yorkshire Combined Authority.

In total just over £20m has been allocated to the two West Yorkshire pilot programmes for 2025/26 only. The overall objective of both programmes is to tackle health-related economic inactivity, improve population health outcomes, and increase economic growth. The cumulative target at West Yorkshire level is to support 1,300 more people to be economically active through health-oriented interventions compared to a 'business as usual' scenario. The programmes are being promoted under 'Healthier Working Lives' branding.

A significant proportion of the available funding has been allocated by the ICB/WYCA to support regionally commissioned initiatives including enhanced support for the health and care workforce; working with employers to develop healthier workforces and support employees to remain in work; and to fund regional employment support initiatives including Employment West Yorkshire.

Funding has also been devolved to all five local authorities to develop locality-based Accelerator/Trailblazer programmes to tackle local needs. Combined funding of £2,134,000 has been allocated to Kirklees, comprising £1,534,000 of Accelerator funds to be managed by the ICB and £600,000 for the Trailblazer programme to be managed by the Council. The Kirklees Trailblazer programme has a target to support 200 residents who are, or are at risk of becoming, economically inactive due to ill health, to remain in work or become economically active.

It was agreed to co-develop both programmes with the ICB at an early stage in order to develop a coordinated approach, support strengthened links between local health and employment support networks and avoid potential duplication of activity. The intention is to create a single funding 'pot' albeit with separate management and accountability arrangements for each programme.

As at this stage the Accelerator/Trailblazer programmes are expected to operate for 2025/26 only it has been necessary to expedite commissioning arrangements to maximise the time available for delivery and to de-risk achievement of the outputs associated with the funding. On this basis, the ICB sought expressions of interest from existing/pre-qualified delivery partners for the Accelerator programme, balancing the extension of existing/successful prevention or early intervention initiatives with piloting new activities.

The following projects have been commissioned by the ICB utilising Accelerator funding:

- *Individual Placement Support (IPS) for Severe Mental Illness (SMI)*- expanding the existing and the existing Individual Placement and Support (IPS) to deliver services within primary care, delivered by South West Yorkshire Partnership NHS Foundation Trust; the IPS model is a key element of the approach set out in the White Paper
- *IPS for long-term opiate users* – delivered by Change Grow Live Kirklees, this will expand the successful IPS service for long-term opiate users to reach more clients and provide health-focused employment support
- *Get Set Goal* – a University of Huddersfield-led programme providing wellbeing coaching support specifically for employees at risk of becoming economically inactive due to ill health

- *Fitness for Health* – a bespoke, easy access structured exercise programme providing additional support around behaviour change and confidence building for individuals at risk of falling out of work with related health conditions, delivered by Kirklees Active Leisure
- *Kirklees College Health and Wellbeing Hub* - Accelerator funding will support implementation of a new health and wellbeing hub to support students with health conditions to make sustainable behaviour changes to manage health conditions that may act as employment barriers, integrating health education, direct healthcare services, and collaborative initiatives with NHS and health services
- *Wellness to Work* – tailored support for economically inactive residents aged 18-64, providing specialist clinical support to develop a personalised initial assessment identifying barriers to progress using Maslow’s hierarchy of needs, alongside key worker support to implement agreed actions and broker engagement with other relevant services, delivered by Locala Health and Wellbeing

The Kirklees Trailblazer programme has been co-developed by the ICB and Council with the aim of complementing the activities commissioned by the ICB through the Accelerator and targeting agreed gaps in provision. Building on the expressions of interest received by the ICB, it is proposed that the Council will commission the following projects to be funded through the Trailblazer grant:

- *Wellbeing Works* – led by Third Sector Leaders and targeting individuals at risk of becoming inactive, this programme will mobilise key elements of the existing VCSE infrastructure in Kirklees, including the Community Anchor organisations and Community Champion advocates, to create a series of community work and health hubs that will bring together health and employment support partners at local level and provide key worker support and access to volunteering and other opportunities
- *Make it Work and My Way Forward*; delivered through C&K Careers, these programmes will extend and add value C&K’s existing offer to young people aged 16-25; *Make it Work* will provide tailored ‘in work’ support to young people to manage health conditions and manage the transition into work to sustain employment; *My Way Forward* will support young people who are economically inactive who are furthest from the labour market and require tailored employability support as well as support to manage health barriers; both programmes will extend C&K’s target audience to incorporate economically inactive residents and in-work support, and embed health-led approaches across their support offer.
- *Elevate* – expansion of an existing service for young people aged 18-26 delivered by Fresh Futures, providing a community engagement programme focused on building confidence, self-esteem, and life skills through creative health activity and volunteering, alongside employability support
- *Small Grants Programme*; this will enable VCSE organisations of all sizes to develop and deliver innovative, community focused schemes and foster collaboration between health and employment support stakeholders at a local level; delivery arrangements for the grant are to be finalised.

Some projects commissioned by the ICB will be co-funded through the Trailblazer programme. The table overleaf summarises how it is proposed to allocate Trailblazer funding to the projects summarised on pages 7 and 8:

Project	Funding Allocation
Make it Work/My Way Forward	£153,000.00
Elevate	£32,000.00
Wellbeing Works	£185,000.00
Community grant scheme	£200,000.00
Council Evaluation/Management Fee	£30,000.00
Total	£600,000.00

A joint programme board has been established to manage both the Accelerator and Trailblazer initiatives in Kirklees, involving the ICB, Council, VCSE organisations, the University and other partners. This will ensure appropriate referral/signposting arrangements are in place to ensure the appropriate progression pathways for individuals supported through the programme; avoid potential duplication; build stakeholder relationships across the health and employment support networks; and ensure learning around what works/what doesn't is captured to inform future programmes.

3. Implications for the Council

3.1 Council Plan

The Trailblazer programme will directly support the achievement of a number of Council Plan outcomes – most notably 'Well' – the relationship between access to good work, poverty reduction and health outcomes has been well established in research; 'Aspire and Achieve' through supporting more residents to have the confidence and skills to access work – and also 'Sustainable Economy' as the programme will support employers to develop healthier workplaces, retain staff with long-term health conditions and create new employment opportunities for economically inactive residents, all of which should boost business productivity.

3.2 Financial Implications

As noted in section 2 some proposed activities will be fully funded through the Trailblazer programme and commissioned by the Council; others will be commissioned by the ICB and co-funded by both programmes.

The Council will draw down a small management fee (equivalent to just 5% of the Trailblazer allocation) to manage/administer the programme and undertake evaluation activity. Any grant awards by the Council will be made in full accord with the Council's Financial Procedure Rules and with the Cabinet decision of December 2015 which approved the establishment of C&K Careers Limited.

3.3 Legal Implications

The Council will enter into a grant agreement with West Yorkshire Combined Authority to administer the funding. The grant agreement will detail the outputs for the Trailblazer programme that will be a contractual requirement of the funding. The Council will enter into separate grant agreements with delivery partners which reflect these obligations.

It is proposed to commission C&K Careers Limited, a wholly owned subsidiary of Kirklees and Calderdale Councils, to deliver some of the services under the Trailblazer programme. C&K Careers Limited is defined as a 'Teckal' company under the terms of the Procurement

Act 2023. The Cabinet decision of December 2015 provided Council approval for the establishment of C&K Careers Limited as a trading subsidiary company.

It is further proposed to commission Third Sector Leaders Kirklees to lead the delivery of the Wellbeing Works programme. Full engagement and involvement of the voluntary and community sector has been identified as an essential requirement of the programme by Government, the ICB and WYCA. Third Sector Leaders is uniquely placed to act as both a convenor and coordinator of the Kirklees VCSE sector and will coordinate the activities of the Community Anchors and Community Champions in delivering the programme. As a result, it is proposed to draw on clause 6.4.1 of the Council's Contract Procedure Rules to justify an exemption from competition.

The Elevate initiative will be commissioned by the Council as an extension of an existing, contracted programme in accord with the Contract Procedure Rules.

3.4 Climate Change and Air Quality

There are no climate change or air quality implications.

3.5 Other (e.g. Risk, Integrated Impact Assessment or Human Resources)

An IIA is being developed for the programme.

4 Consultation

A wide range of stakeholders have been consulted by WYCA, the West Yorkshire ICB and Council in developing the Economic Inactivity Trailblazer and Health and Growth Accelerator programmes.

5 Engagement

A wide range of stakeholders have been engaged by WYCA, the West Yorkshire ICB and Council in developing the Economic Inactivity Trailblazer and Health and Growth Accelerator programmes.

6 Options

6.1 Options Considered

The Council could choose not to accept the Economic Inactivity Trailblazer funding or deliver the programme. This would limit opportunities to support residents to improve health and employment outcomes or to support businesses to develop more effective business practices to retain and support staff with long-term health conditions.

6.2 Reasons for recommended Option

Acceptance of the external funding and delivery of the programme will maximise opportunities for residents and businesses and strengthen the links between the health and employment support systems.

7 Next steps and timelines

Following approval, the next steps will include finalising the grant agreement and commissioning arrangements and commencing delivery of the Trailblazer programme.

8 Contact officer

Chris Duffill, Head of Business and Skills chris.duffill@kirklees.gov.uk

9 Background Papers and History of Decisions

N/a

10 Appendices
N/a

11 Service Director responsible
David Wildman Interim Service Director Skills & Regeneration