TRUE NORTH
RESEARCH & POLICY

20th October 2026

Dear Prime Minister, Mayor Houchen, Mayor McGuinness, Ministers of State

The North East and Cumbria faces a significant challenge when it comes to youth employment, skills and economic inactivity. Addressing this is not simply a social responsibility, but an economic necessity if we are to create regions that can attract investment, grow businesses and sustain our public services.

With the upcoming Milburn Review showing 1 in 5 young people in the North East are not in education, employment or training (NEET), True North has brought together business leaders, education representatives and researchers through a regional conference and a series of roundtable discussions to explore the scale of the challenge and develop a clear package of recommendations specifically for the North East and Cumbria.

What became clear from these discussions is that we need a more joined-up, long-term approach that recognises the relationship between job creation, education, skills and welfare.

The following policy ask brings together the key priorities identified through these events, which we hope can contribute to the Milburn Review and the wider consideration of these issues at both a regional and national level.

Policy ask

We need a long-term, locally led employment and skills strategy for the North East and Cumbria that makes it easier for businesses to create good jobs, whilst giving every young person a clear and practical route into work.

This means bringing together economic development, education, welfare and employer support around one objective: sustained reductions in youth economic inactivity, rather than another series of short-term programmes.

Priority actions

1. **Create the conditions for job growth.** We need to use inward investment, planning reform, infrastructure and targeted support to attract major employers, help our existing businesses grow and encourage more start-up and scale-up activity.
2. **Make it easier and more affordable to employ people.** Review employment regulation, National Insurance, business rates, energy costs, apprenticeship insurance and the other barriers that make employing people more difficult, particularly for smaller businesses.
3. **Make apprenticeships work for businesses of all sizes.** Introduce targeted tax incentives and shared apprenticeship models so smaller employers can take on apprentices without having to carry the full cost and risk themselves.
4. **Make education-to-work pathways visible and practical.** From primary school onwards, we need employer-designed careers education, meaningful work experience and clear vocational routes, alongside stronger links between schools, colleges, universities and industry.
5. **Make the welfare system work better as a route into employment.** Provide personalised, locally delivered support, particularly for those experiencing poor mental health, whilst removing the financial cliff edges that can discourage people from gradually returning to work.
6. **Incentivise regional leaders to reduce economic inactivity.** Allow regional mayors and combined authorities to retain and reinvest a share of the welfare savings achieved by getting more people into sustained employment, creating a financial incentive to deliver long-term regional growth.

Delivery and outcomes

The North East and Cumbria need the flexibility and long-term funding to deliver programmes that have been proven to work locally, with employers playing a meaningful role in how those programmes are designed.

Importantly, we need to measure success by outcomes rather than activity.

That means more young people entering and remaining in employment or training, more employers engaging with education and apprenticeships, more businesses being created and growing, and ultimately fewer people remaining economically inactive over the long term.

The overall ask is simple: we need to move away from fragmented, short-term interventions towards a stable, joined-up regional approach that connects job creation, skills, education and welfare around one common objective: getting people into fulfilling, sustainable employment.

The North East and Cumbria has enormous potential, but we cannot expect to address these challenges through short-term initiatives or by tackling employment, education and economic development in isolation.

We recognise that delivering meaningful change will require collaboration between government, business and education, and that some of these asks will require action nationally, whilst others can and should be driven locally.

We would welcome the opportunity to discuss these proposals with you and explore how we can work together to turn them into meaningful, long-term outcomes for the North East and Cumbria.

Regards,

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Directors – True North Research and Policy

.cc Regional MPs and Local Government decision makers

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