



Author/Lead Officer of Report: Dawn Shaw -
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Report of: John Macllwraith – Executive Director, People

Report to: Cabinet Member for Education & Skills

Date of Decision: 12th September 2019

Subject: Increase in the Council’s match funding contribution to the ESF funded Pathways to Success project

<p>Is this a Key Decision? If Yes, reason Key Decision:-</p> <ul style="list-style-type: none"> - Expenditure and/or savings over £500,000 - Affects 2 or more Wards 	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>
<p>Which Cabinet Member Portfolio does this relate to? Education & Skills</p> <p>Which Scrutiny and Policy Development Committee does this relate to? Economic and Environmental Wellbeing Scrutiny & Policy Committee</p>	
<p>Has an Equality Impact Assessment (EIA) been undertaken?</p> <p>If YES, what EIA reference number has it been given? 161</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p>Does the report contain confidential or exempt information?</p> <p>If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-</p> <p><i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>Purpose of Report:</p> <p>To seek approval to enter into a funding agreement with the Department for Work and Pensions (DWP) for the management and delivery of the ESF funded Pathways to Success programme under terms that differ from those outlined in the Cabinet report to which initial approval was given (21st November Item 13).</p>	

Recommendations:

That approval be given to increase Sheffield's match funding contribution to the Pathways to Success project from £1,472,334 to £1,553,632, an increase of £81,298.

That approval is given to implement the resolution of the Cabinet meeting of 21st November 2018 regarding the Pathways to Success project on the basis of the revised contributions outlined above and in the Funding Agreement received from the DWP on 23rd August 2019.

Background Papers:

Cabinet report ("Pathways to Success" 21st November 2018)

Funding Agreement between the Secretary of State for Work and Pensions and Sheffield City Council (unsigned)

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>(M Wassell)</i>
		Legal: <i>(Sarah Bennett / Rachel Ma)</i>
		Equalities: <i>(Bashir Khan)</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	John MacIlwraith
3	Cabinet Member consulted:	Abtisam Mohamed
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Dawn Shaw	Job Title: Director Libraries, Learning, Skills & Communities
	Date: 30 th August 2019	

1. PROPOSAL

- 1.1 To increase Sheffield Council's match funding contribution to the ESF funded Pathways to Success project which aims to increase participation in the labour market and thereby improve social inclusion and mobility, from the amount approved by Cabinet on 21st November 2018 (£1.472 million) to the amount required by the DWP Funding Agreement (£1,554 million).

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 The original Cabinet decision to approve Sheffield's participation in and leadership of the Pathways to Success project recognised its positive impact on neighbourhoods and communities and contribution to equality of opportunity by:
- helping those individuals facing the greatest barriers to engage in and sustain education employment or training
 - providing opportunities which empower individuals to help themselves
 - supporting local people to gain the skills they need to get jobs and benefit from economic growth. Work can have a positive impact on health & wellbeing
- 2.2 Doncaster MBC's subsequent decision to withdraw from the project necessitated a re-profiling and project costs, outputs and results and led to an increased match funding requirement for the 3 remaining partners. Agreement to increase Sheffield's match funding contribution will allow us to sign the DWP Funding Agreement.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The Council was not required to undertake formal consultation in relation to the original proposal, nor is it required to do so in relation to a minor change to that proposal.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 An equality of opportunity impact assessment was carried out prior to the original Cabinet report and identified positive impacts as a result of participation in this project.

4.2 Financial and Commercial Implications

- 4.2.1 There are no material changes in the financial implications to add to those that were already included in previous approval reports other than to approve an increase of £81,298 in SCC's match funding contribution to the project as outlined in this report. The Project Manager has confirmed that SCC's additional match funding contribution will be met from within the same Portfolio budgets that were approved previously.

4.2.2 The revised funding package for the Pathways to Success project is summarised in the table below:

<u>Project Funding Contributions</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
<u>Public Sector Match Funding</u>				
Sheffield City Council	£450,287	£556,566	£546,779	£1,553,632
Barnsley Borough Council	£199,662	£198,321	£194,805	£592,788
Rotherham Borough Council	£344,534	£165,630	£167,547	£677,711
Total: Public Sector Match Funding	£994,483	£920,517	£909,131	£2,824,131
Add: European Social Fund Grant	£1,202,891	£1,519,028	£1,514,259	£4,236,178
Total: Project Funding	£2,197,374	£2,439,545	£2,423,390	£7,060,309

4.2.3 With regard to the revised DWP/ESF Funding Agreement there are no material changes to the terms and conditions in this document which were summarised in the Financial Implications in the previous approval report. The Project Manager will still need to read, understand and comply with the terms and conditions identified in the revised Funding Agreement.

4.3 Legal Implications

4.3.1 There are no legal implications to this decision.

4.4 Other Implications

4.4.1 If the additional match funding contribution is not agreed, there will be insufficient funding to sustain posts in the project management and accountable body team placing 5 posts at risk and it will not be possible to conclude the Funding Agreement with the DWP in its current form.

4.4.2 If the additional match funding contribution is not agreed, it will be necessary to inform the DWP that we cannot sign the Funding Agreement. The DWP will require a re-submission of the project application based on the revised budget and leading to a new project appraisal and, at best, a further extended delay in concluding a Funding Agreement and periods of working at risk for the Council and our partners.

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The Council could decide not to increase its match funding contribution and therefore not conclude a Funding Agreement for the project with the DWP. This option would either lead to the delays described above, or potentially the withdrawal of the offer of funds and is therefore not recommended.

6. REASONS FOR RECOMMENDATIONS

- 6.1 A report seeking approval for Sheffield to become the accountable body for an ESF funded programme – Pathways to Success – was presented to Cabinet on 21st November 2018 (agenda Item 13)

Detail of the Executive Functions Decision Record from the meeting and of Cabinet's approval to proceed is below:

13.2 RESOLVED: That Cabinet:-

- a) approves that Sheffield City Council will act as the accountable body for the Pathways to Success programme on behalf of the South Yorkshire local authorities (Barnsley, Doncaster, Rotherham) and thereby accept the European Social Fund (ESF) grant offer of up to £5,119,800, subject to the final terms and conditions being the same as those summarised in the report;
- b) approves the use of the city's employment programmes, Sheffield Working and Sheffield 100, as match funding (£1.472m) for the life of the programme - 2019 to 2021;
- c) approves agreement being entered into with Barnsley, Doncaster and Rotherham Metropolitan Borough Councils and payments of ESF grant being made thereunder; and
- d) delegates authority to the Executive Director of People Services, in consultation with the Cabinet Member for Education and Skills, the Director of Finance and Commercial Services and the Director of Legal and Governance, to:-
 - i. agree the terms and conditions and accept the South Yorkshire Pathways to Success fund in the event that the final terms and conditions are not the same as those summarised in the report; and agree the procurement strategy and award contracts as required to deliver the outcomes'

- 6.2 Subsequent to the approval by Cabinet to accept the terms of the ESF grant offer and to enter into agreements with Barnsley, Doncaster and Rotherham Metropolitan Borough Councils and prior to the DWP issuing a funding agreement for the Pathways to Success programme, Doncaster MBC decided to withdraw from the Pathways to Success programme.

The effect of Doncaster's decision to withdraw was a reduction in the scale of the project, leading to a reduction in the overall project value and

therefore the amount of ESF that could be claimed.

Sheffield had devised Pathways to Success with a core project management and accountable body team funded through ESF and responsible for project management, financial management and compliance. Doncaster's withdrawal led to a re-profiling of project funding and delivery targets, including changes to each partner's contribution to the costs of the core project management and accountable body team. These changes were necessary to maintain the project management and accountable body team at the level proposed but without Doncaster's involvement.

- 6.3 The revised funding and delivery profiles including the amended match funding contributions were submitted to the DWP. Following further appraisal, a funding agreement reflecting the new values was issued by the DWP (received 23rd August 2019). The new values in the DWP funding agreement therefore no longer match those approved by Cabinet in November 2018.

By making an additional match funding contribution of £81,298 over the 3 year lifetime of the Pathways to Success project it will be possible to enter into the Funding Agreement with the DWP, securing posts in the project management and delivery and allowing the project to continue thus assuring the wider benefits outlined in the original Cabinet report.