



Author/Lead Officer of Report: Dawn Shaw

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Report of: Executive Director, People Services

Report to: Cabinet

Date of Decision: 21 November 2018

Subject: Pathways to Success

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Jayne Dunn, Cabinet Member for Education and Skills		
Which Scrutiny and Policy Development Committee does this relate to? Economic and Environmental Wellbeing		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given?	161	
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<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"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."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>		

Purpose of Report:

This report informs Members of a successful bid submitted for the **Pathways to Success** programme and seeks approval for Sheffield City Council to act as the lead body on behalf of Barnsley, Doncaster and Rotherham Metropolitan Borough Councils in relation to the management of monies received and the activity it supports.

Recommendations:

That Cabinet:

- 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 grant offer of up to £5,119,800, subject to the final terms and conditions being the same as those summarised in this Report.
- 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.
- Approves agreement being entered into with Barnsley, Doncaster and Rotherham Metropolitan Borough Councils and payments of ESF grant being made thereunder.
- Delegates authority to the Executive Director of People Services portfolio in consultation with the Cabinet Member for Education and Skills, the Director of Finance and Commercial Services and the Director of Legal Services, to:
 - 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 this Report;
 - agree the procurement strategy and award contracts as required to deliver the outcomes.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

ESF call for proposals Priority Axis 1: Inclusive Labour Markets, Pathways to Success

<https://www.gov.uk/european-structural-investment-funds/1-4-active-inclusion-an-inclusive-labour-market-for-sheffield-city-region-oc28s17p0896>

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>(Insert name of officer consulted)</i> Liz Gough/M Wassell
	Legal: <i>(Insert name of officer consulted)</i> Sarah Bennett
Equalities: <i>(Insert name of officer consulted)</i> Bashir Khan	
<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:
<i>(Insert name of relevant Executive Director)</i> Jayne Ludlam	
3	Cabinet Member consulted:
<i>(Insert name of relevant Cabinet Member)</i> Jayne Dunn	
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: Head of Libraries and Community Services	
Date: 8 October 2018	

1. PROPOSAL

1.1 This report informs members of successful bid submitted to the Department of Work and Pensions for the **Pathways to Success** programme, which aims to increase participation in the labour market and thereby improve social inclusion and mobility.

1.2 The bid responds to an opportunity to draw down European Social Fund (ESF) of £5.1m into the local authority areas of South Yorkshire. This funding is aligned to the local authorities' priorities to support those citizens who face barriers to re-engage with education, training and employment and to move into, or closer to the labour market.

1.3 The bid was submitted on behalf of a consortium of Barnsley, Doncaster and Rotherham Metropolitan Borough Councils and Sheffield City Council.

1.4 This report seeks approval for Sheffield City Council to act as the accountable body on behalf of the consortium.

1.5 The Current Picture

1.5.1 Almost 61,000 working age people in South Yorkshire (6.9%) claim Employment and Support Allowance because of a long term health issue, **39% (23,650) of these people are Sheffield residents.**

1.5.2 More than a quarter of South Yorkshire ESA Claimants (15,500 people) have been claiming the benefit for less than 2 years and, as such, do not qualify for automatic referral to the Work & Health Programme.

1.5.3 Other key claimant groups targeted by **Pathways to Success** (members of BME communities, lone parents, ex-offenders, care leavers) have significantly higher claimant rates than the general population.

1.5.4 207,500 working age people in South Yorkshire are economically inactive, including 69,100 (33.3%) who say they want a job. Members of ethnic minority communities, women, carers and care leavers are all significantly more likely to be economically inactive than the general population.

1.6 The Pathways to Success Programme

1.6.1 The ESF investment priority for the funding available is **Priority Axis 1: Inclusive Labour Markets**. This priority seeks to engage marginalised adults aged 18 and over, including those with multiple and complex barriers to participation and:

- support them to re-engage with education, training, or employment
- address underlying issues and to move them closer or into the labour market

1.6.2 Marginalised adults for the purpose of this programme includes:

- lone parents
- looked after children
- care leavers

- ex-offenders
- carers
- traveller communities
- long term NEET
- long term unemployed
- BME groups
- women
- those without basic skills

1.6.3 This funding will allow additional and alternative support to be made available to the groups detailed in para 1.5.2 and will provide individualised packages of support **particularly those with long-term physical or mental health problems, disabilities or behavioural issues** which will include:

- a diagnostic assessment of need and action plan detailing a personalised pathway to education employment or training.
- a personalised package assembled and delivered in the right sequence to meet individual needs and address personal barriers e.g. substance misuse, mental health conditions, housing, childcare, careers or financial advice
- motivational, life, basic and vocational skills training commissioned as required from a framework of providers
- connecting beneficiaries to and providing ongoing support when they enter further education, apprenticeships, self-employment/employment or training. This will address any issues that may arise with the intention of supporting individuals to remain engaged on their personalised pathway
- support for and engagement with the institutions/employers involved, to enhance the success rates of participants.

1.7 Impact of Pathways to Success

1.7.1 The outcomes the funder has set for the South Yorkshire programme are 3,601 participants (18+ year olds and those with multiple and complex barriers **particularly those with long-term physical or mental health problems, disabilities or behavioural issues**) of which:

- 612 will enter education or training on leaving
- 276 unemployed participants into employment, including self-employment, on leaving
- 448 inactive participants into employment or job search on leaving
- 792 participants in employment, including self-employment, 6 months after leaving
- 560 participants with childcare needs receiving childcare support

1.7.2 Sheffield's allocation of ESF funding will be £2.7m and cover the period 2019 to 2021, it will provide support for Sheffield residents with long term physical or mental health problems, disabilities or behavioural issues into employment education or training as follows:

Support 1,552 participants of which:

- 264 participants will have entered education or training on leaving
- 119 previously unemployed participants will enter employment on leaving
- 193 previously economically inactive participants will have commenced job search or entered employment on leaving and

- 341 former participants will be in employment 6 months after leaving
- 1.7.3 The Lifelong Learning Skills Libraries & Communities Service (LLSLC) has extensive experience of successfully managing and performing the role of accountable body for large European and central government funded contracts and Combined Authority projects including Opportunity Sheffield (£7.2m), Future Jobs Fund £13m, City Deal (£27.4m), Ambition SCR (£5m) and the £6.4m Grant for Apprenticeships.
- 1.7.4 For **Pathways to Success** Sheffield City Council will act as the lead agent for partners across South Yorkshire. It will do so as a logical extension to the role it has taken historically as accountable body for the Sheffield City Region wide projects mentioned above.
- 1.7.5 Sheffield City Council will enter into contractual arrangements with the other South Yorkshire local authorities that will deliver the programme. In consultation with the Director of Commercial Services and the Director of Legal and Governance, all contracts issued will incorporate the financial monitoring requirements of SCC and DWP/ESF (the funder).
- 1.7.6 Sheffield City Council will monitor the contracts issued on behalf of DWP/ESF. The onus will be on the contractors to provide evidence to support both their monitoring of quality and standards and the achievement of agreed outcomes and outputs as set out in their contracts.
- 1.8 **Match Funding**
- 1.8.1 As with all ESF funded projects, bidders are required to provide **match funding known as the intervention rate**. Match funding can be cash or commissioned activities that are aligned to the ESF priorities detailed in the specification bidders respond to. The intervention rate for this programme is forty percent.
- 1.8.2 With £5.12 of ESF funding available over a 3 year period from 2019 to 2021 the match funding required is £3.41m (shared across the consortium of South Yorkshire Local Authorities). This provides a total value of £8.53m in activity to support those groups detailed in para 1.5.
- 1.8.3 This activity will improve outcomes for disadvantaged adults facing barriers to employment, particularly those with long-term physical or mental health problems, disabilities or behavioural issues by; providing a range of opportunities designed to build on achievements and outcomes to date and improve life chances
- 1.8.4 **Sheffield's allocation** of the ESF funding available is £2.7m with a match funding contribution of £1.47m for the life of the programme. Sheffield's contribution to the match funding required is in direct relation to the allocation of ESF it will receive.
- 1.8.5 The city's employment programmes *Sheffield's Working* and the *Sheffield 100* programme commission activity aligned to ESF priority 1.2 and 1.4 and are therefore eligible as match. It is therefore proposed that this activity is used as match **to enable an additional £2.7m to be drawn down into the city.**

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The City Council's Corporate Plan sets out our ambition to be Britain's fairest City through its priorities of:
- Tackling Inequalities
 - Being An In Touch Organisation
 - Better Health & Wellbeing
 - Thriving Neighbourhoods & Communities
 - Strong Economy
- 2.2 ***Pathways to Success*** is designed to have a positive impact on neighbourhoods and communities and provide 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
- 2.3 £11.1m annual economic benefit arising from increased earnings and reduced demand on public services from previously economically inactive or unemployed adults resident in South Yorkshire moving into paid employment – does not include savings on benefits paid to claimants.
- 2.4 £4.8m annual economic benefit, arising from increased earnings and reduced demand on public services from previously economically inactive or unemployed Sheffield residents moving into paid employment – does not include savings on benefits paid to claimants.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The Council seeks to take advantage of the opportunity presented by this ESF call and the funding available. The Council is not required to carry out a consultation process in respect of these proposals.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 An Equal Opportunities Impact Assessment (EIA) has been completed and is attached.

4.2 Financial & Commercial Implications

- 4.2.1 Subject to satisfactory terms and conditions being agreed, SCC will become the Accountable Body and lead agent for the South Yorkshire Authorities.

4.2.2 Estimated Funding levels are summarised in the table below and are subject to confirmation in a finalised Funding Agreement.

Priority 1.4 Adults Aged 18+ with Multiple / Complex Barriers particularly those with long-term physical or mental health problems, disabilities or behavioural issues			
Pathways to Success. –	ESF Funding (£) (60%)	Match Funding (£) (40%)	Total (£)
Barnsley	732,515	587,214	1,139,729
Doncaster	882,751	709,025	1,591,776
Rotherham	804,188	644,670	1,448,859
Sheffield	2,700,346	1,472,334	4,172,681
Total	5,119,800	3,413,243	8,533,043

4.2.3 Key features of the draft ESF Funding Agreement (not exclusive) are summarised below. The Project Manager will need to read, understand and comply with all of the grant terms and conditions.

- Eligible Expenditure that has been defrayed on or after the Start Date may be claimed pursuant to the Funding Agreement.
- Carry out the Project Activities specified within and achieve the Targets within the time limits and the Key Milestone Dates.
- The Grant Recipient may task a Delivery Partner to carry out certain Project Activities and are liable for the acts of its Delivery Partners.
- Grant is conditional upon Match Funding being Committed and compliant with the Eligibility Rules.
- Notify the funder of any failure to achieve the required Match Funding.
- Expenditure must be defrayed in Grant Claims
- Comply with the monitoring, reporting, audit and grant claims procedures.
- If there is a shortfall or overspend in annual expenditure compared to the profile, the funder has no obligation to pay unused grant in the following year.
- Financial consequences may follow from a departure from the Expenditure Profile and may include grant reduction.
- Any Project changes must be approved by the funder.
- Comply with the Structural and Investment Funds Regulations and all relevant EU and national law.
- State Aid non-compliance may lead to repaying the Grant with interest.
- Default occurs in a number of scenarios including (not exclusive):-
 - Failure to comply with Conditions;
 - Project Activities are not commenced by 3 months after the Start Date.

- Expenditure is not claimed in line with the Expenditure Profile.
- Completion of the Project Activities has not been achieved by the Agreed Activity End Date.
- Change is made to the Project without the prior approval.
- An audit reporting is unsatisfactory.
- The Grant Recipient must comply with the grant terms and conditions or the grant is subject to clawback.
- SCC acknowledges that the funder may have overcommitted funds and that if there are insufficient funds to meet the full commitment under this Agreement, the funder may terminate this Agreement.
- Underperformance against the Targets may result in grant reductions.
- Notify the funder if other funding for the project arises.
- Recipient in relation to the Project, or an offer of the same, in respect of any aspect of the Project or the Project Activities (or any part of it or them).
- Provision of evidence to confirm the indicative Match Funding is fully committed.
- Enter into a legally binding agreement with Delivery Partners upon materially similar terms to this Funding Agreement.

4.3 **Legal Implications**

- 4.3.1 The Localism Act 2011 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need. The proposed Programme can be delivered through the council using its general power of competence. In addition, there is no specific statutory prohibition, preventing the Council from implementing the proposed Programme. The Council therefore is empowered to produce, implement and administer the Programme detailed in this report.

4.4 **Other Implications**

- 4.4.1 There are no specific environmental implications arising from the programme.

Aligned to the match funding required (Para 1.11 refers) the funding available covers the staffing required to manage the programme on a full cost recovery basis.

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The Council could decide not to accept the grant. However, at this time there are no known alternative options to consider that offer additional support and funding for these groups and so this option is not recommended.

6. REASONS FOR RECOMMENDATION

- 6.1 Increasing employment levels is a critical challenge for the city which will have long lasting impacts if not addressed. This proposal is designed to make a sustainable difference to individuals who may not otherwise have the opportunity or support to pursue further education, employment or training.
- 6.2 Within the workless cohort those with multiple and complex barriers and those in marginalised communities are overrepresented.
- 6.3 This proposal aims to increase participation in the labour market and thereby improve social inclusion and mobility. It will provide additional opportunities and increase the support available for marginalised 18+ year olds and those with multiple and complex barriers **particularly those with long-term physical or mental health problems, disabilities or behavioural issues**