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Report of: Executive Director, People Services

Report to: Cabinet

Date of Decision: 21 November 2018

Subject: Pathways to Progression - Ambition

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? 116		
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:-		
<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"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."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>		

Purpose of Report:

This report informs Members of a successful bid submitted for the **Pathways to Progression** 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 Progression* programme on behalf of the South Yorkshire local authorities (Barnsley, Doncaster, Rotherham) 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 for the life of the programme - 2019 to June 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 Financer and Commercial Services and the Director of Legal Services, to:
 - Agree the terms and conditions and accept the South Yorkshire ***Pathways to Progression*** 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 Progression <https://www.gov.uk/european-structural-investment-funds/learning-and-skills-project-call-in-sheffield-city-region-lep-oc28s17p0733>

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> 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 Progression** 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 £3.78m into the local authority areas of South Yorkshire. This funding is aligned to the local authorities' statutory responsibilities - *to engage and support vulnerable marginalised and disadvantaged young people not engaged in education employment or training (NEET)* and; their 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 that includes 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 Although the proportion of young NEETs has been falling faster than the national trend, South Yorkshire remains in the bottom quartile of Education and Skills Funding Agency performance tables for this measure; Sheffield's figure being higher than the regional average and in the bottom 40 local authority areas nationally.
- 1.5.2 As NEET numbers fall, the proportion of those who are NEET who have multiple or complex needs, including young people who are care experienced, carers, lone parents, ex-offenders, those with disabilities and those marginalised as a consequence of their ethnicity has increased. Poor attainment levels in English and Maths make it difficult for many teenagers to progress to apprenticeship schemes, or to further or higher education or to secure sustainable employment, thereby exacerbating the problem of disengagement.
- 1.5.3 Failure to tackle NEETs before age 18 results in continued disengagement and an exponential rise in youth unemployment thereafter. 18 – 24 year olds in the area are more than four times as likely to be unemployed as their older counterparts. The lifetime cost (Net Present Value) of being NEET aged 16-18 has been estimated at £160K, comprising £104K loss to the individual and the economy through lower earnings and £56K for the additional public services that they will need to call upon. This does not including any further costs arising from benefits that they may claim. In Sheffield, 240 young people who were otherwise NEET achieving sustained employment over the lifetime of the project offers a Net Present Value benefit of £38.4 Million, or a return of £16:22 for every pound of public money invested.

1.5.4 Failure to address the needs of the vulnerable and disadvantaged young people is perpetuated in the adult population where those with multiple and complex barriers and those in marginalised communities are over-represented in the workless cohort. The N.E.M. Unit Costs database estimates the fiscal and economic benefit of a person leaving Jobseekers Allowance to enter sustained work at £15,386 / year excluding savings on benefits paid, but including savings on services accessed and economic benefits to the person and the exchequer. In Sheffield, 102 unemployed claimants achieving sustained employment through Pathways to Progression will offer £1.57 Million per year in fiscal and economic benefits.

1.6 **The Pathways to Progression Programme**

1.6.1 The ESF investment priority for the funding available is **Priority Axis 1: Inclusive Labour Markets** this priority seeks to:

- **Priority 1.2** - Engage marginalised 15-18 year old NEETs and:
 - support them to re-engage with education or training
 - address basic skills needs so that they can compete effectively in the labour market.
 - support young lone parents to overcome the barriers they face in participating in the labour market.
- **Priority 1.4** - 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

- 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 and will provide individualised packages of support 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 services, 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 Progression**

1.7.1 The total outcomes the funder has set for the South Yorkshire programme are as follows;

Priority 1.2 - 15-18 year old NEETs

- 2,006 Participants of which:
 - 160 will achieve basic skills
 - 863 will enter employment education or training on leaving the programme, with
 - 682 in employment 6 months after leaving the programme.

Priority 1.4 - 18+ year olds and those with multiple and complex barriers:

- 1,240 participants of which:
 - 211 will enter education or training on leaving
 - 91 unemployed participants into employment, including self-employment, on leaving
 - 160 inactive participants into employment or job search on leaving
 - 273 participants in employment, including self-employment, 6 months after leaving

1.7.2 **Sheffield's allocation** of the ESF funding available is £1.89m with a match funding contribution of £981k 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.

1.7.3 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 £1.89m to be drawn down into the city.**

1.7.4 The Lifelong Learning Skills Libraries & Communities Service (LLLSLC) 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.

- 1.7.5 For **Pathways to Progression** 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.
- 1.7.6 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).
- 1.7.7 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 £3.78m of ESF funding available over a 3 year period from 2018 to June 2021 the match funding required is £2.5m (shared across the consortium of South Yorkshire Local Authorities). This provides a total value of £6.3m in activity to support those groups detailed in para 1.5.
- 1.8.3 This activity will improve outcomes for participants in both the adult and the younger age group by; providing a range of opportunities designed to build on achievements and outcomes to date and improve life chances

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 Progression** 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 Sheffield's allocation of ESF funding will be £1.89m for activity over the period 2019 to June 2021, which will provide the following for Sheffield residents: **Priority 1.2** which supports 15-18 year old NEETs will provide £876k of ESF funding for 704 participants of which:

- 56 will achieve basic skills
- 303 will enter employment education or training,

with 239 in employment 6 months after leaving the programme.

2.4 **Priority 1.4** which supports adult citizens aged 18 or over with multiple/complex barriers will provide £1.01m of ESF funding for 476 participants of which:

- 81 participants will have entered education or training on leaving
- 35 previously unemployed participants will enter employment on leaving
- 61 previously economically inactive participants will have commenced job search or entered employment on leaving and
- 105 former participants will be in employment 6 months after leaving

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.
 - Estimated Funding levels (2018 to 2021) are summarised in the tables below and are subject to confirmation in a finalised Funding Agreement.

Priority 1.2 – 15 to 18 year Old NEETs			
Pathways to Progression –	ESF Funding (£) (60%)	Match Funding (£) (40%)	Total (£)
Barnsley	283,101	231,790	514,891
Doncaster	342,947	270,000	612,947
Rotherham	307,752	251,972	559,724
Sheffield	875,626	453,192	1,328,818
Total	1,809,426	1,206,954	3,016,380

Priority 1.4 Adults Aged 18+ with Multiple / Complex Barriers			
Pathways to Progression. –	ESF Funding (£) (60%)	Match Funding (£) (40%)	Total (£)
Barnsley	307,101	251,447	558,548
Doncaster	299,259	250,000	549,259
Rotherham	348,837	285,612	634,449
Sheffield	1,012,256	528,069	1,540,325
Total	1,967,453	1,315,128	3,282,581

Pathways to Progression Project Totals (Priorities 1.2 and 1.4)			
Pathways to Progression.	ESF Funding (£) (60%)	Match Funding (£) (40%)	Total (£)
Barnsley	590,202	483,237	1,073,438
Doncaster	642,206	520,000	1,162,206
Rotherham	656,589	537,584	1,194,173
Sheffield	1,887,882	981,261	2,869,143
Total	3,776,879	2,522,082	6,298,960

4.2.2 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 **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 **4.4 Other Implications**

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

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

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 youth employment 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 young people who may not otherwise have the opportunity or support to pursue further education, employment or training.

6.2 A failure to address the needs of the vulnerable and disadvantaged young people is perpetuated in the adult population where those with multiple and complex barriers and those in marginalised communities are overrepresented in the workless cohort.

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:

- 15-18 year olds who are/or at risk of becoming NEET
- for marginalised 18+ year olds and those with multiple and complex barriers

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