

# Agenda Item 11



**Author/Lead Officer of Report:** Kevin Straughan,  
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**Report of:** *John Macilwraith, Executive Director of People Services Portfolio*

**Report to:** *Co-operative Executive*

**Date of Decision:** *23 June 2021*

**Subject:** *European Social Fund, Advance SCR*

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 Executive Member Portfolio does this relate to? <i>Inclusive economy, jobs and skills</i>				
Which Scrutiny and Policy Development Committee does this relate to? <i>Overview and Scrutiny Management Committee</i>				
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? <i>(People/RW/13.04.2021)</i>				
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"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."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:**

The purpose of this report is to seek approval to accept £637,885.02 of project funding from The European Social Fund (via the Department for Work and Pensions and Doncaster Borough Council) and the payment of £463,493.83 match funding to operate the Advance SCR programme on behalf of Sheffield as outlined in this report.

The Secretary of State is the managing authority for the Operational Programme pursuant to Article 123(1) of Regulation 1303 and wishes to offer the Grant under the terms and conditions of the Funding Agreement administered by the Department of Work and Pensions following a successful Local Authority bid under ESF Priority 2.1.

ESF = **£637,885.02**  
Match (SCC) = **£463,493.83**

The Council intends to enter into a partnership agreement with Doncaster Borough Council, enabling the parties to cooperate and achieve the aims and objectives of the project, ADVANCE SCR.

**Recommendations:**

It is recommended that the Co-operative Executive approve:

- a) Sheffield City Council accepting the European Social Fund grant offer (administered via the Department for Work and Pensions and Doncaster Borough Council) of up to **£637,885.02** and to the payment of match funding up to £463,494.
- b) Sheffield City Council acting as a delivery partner to Doncaster Borough Council (lead Local Authority for Advance SCR).
- c) Sheffield City Council entering into the Delivery Partner Agreement as outlined in this report.
- d) To the extent not already delegated to them in accordance with the Leaders Scheme of Delegation, grants delegated authority to the Executive Director of People Services portfolio in consultation with the relevant Executive Members, the Executive Director of Resources and the Director of Legal and Governance, to
  - i) develop and utilise an appropriate procurement strategy as and when required; and
  - ii) administer the Advance SCR fund and procure the services required to deliver its related outcomes and award the associated contracts.

**Background Papers:**

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>Angela Bellamy</i>
		Legal: <i>Gemma Day</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	<b>EMT member who approved submission:</b>	<i>John Macilwraith</i>
3	<b>Executive Member consulted:</b>	<i>Cll Paul Turpin</i>
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.	
	<b>Lead Officer Name:</b> <i>Kevin Straughan</i>	<b>Job Title:</b> <i>Head of Lifelong Learning, Skills and Employment</i>
	<b>Date:</b> <i>16 June 2021</i>	

## 1. PROPOSAL

- 1.1 We are seeking to support businesses and people across Sheffield increase their productivity and personal effectiveness. This is in order to provide job security and transferrable skills by providing employees to upskill, countering the low skill, low wage vulnerability many employees face across the city.

ADVANCE builds upon “Advance Doncaster” a project Doncaster Council has developed and piloted over the past 3 years. Advance Doncaster activities are designed to help people in Doncaster to “Thrive in their Chosen Career” by offering support for personal and skills development, as well as access to employers, employability and Information Advice and Guidance, to improve productivity. A key activity is to ensure business led careers information is developed and in one place to help our residents to access information that is both inspiring and high quality.

ADVANCE SCR escalates this Programme regionally. The Sheffield element will be managed through Opportunity Sheffield, part of Sheffield City Council Lifelong Learning, Skills and Employment (LLLS&E). The funding will secure a team of Business Engagement and Relationship Management Staff to help employers access, navigate and secure funding on all matters of workforce skills development to help kickstart growth in the wake of the Pandemic.

Advance SCR is also aligned to employer priorities such as succession planning, progression and support for those at risk of redundancy, support for those in shrinking industries and roles and support for moving into growth sectors and future jobs. Closely aligned in Sheffield to “Sector Routeways”, “Advance Digital”, “Pathways” and “Devolved Adult Education Budget” – these 5 pillars form the backbone of LLLS&E recovery planning to 2024 all centred around improving key skills most pertinent towards employment, career development and economic growth within Sheffield’s key growth industries.

Barnsley Metropolitan Borough Council, Sheffield City Council, and Doncaster Chamber of Commerce have joined forces to further develop the Doncaster Council pilot to; accelerate delivery, widen scope, ensure increased impacts within the Sheffield City Region and share best practice. ADVANCE is focused on working with employers in a meaningful way to develop sector-based careers prospectuses, inspiring careers events and workforce strategies that bring together and work with employed participants within large public sector organisations, the private and third sector enabling their workforce to develop, progress and ultimately “thrive in their chosen career”. ADVANCE will develop people’s workplace productivity through articulation of (and access to) developmental training, focusing on specific barriers holding back their productivity and the businesses potential. The strength of ADVANCE is the structure of project delivery, established to enable personalised support from delivery staff, referrals into other already existing training and also purchasing relevant training in line with the employer/participant’s career action plan. ADVANCE is fundamentally about creating a cohesive package of development

for people in-work regardless of where they are at in their career journey.

ADVANCE in Sheffield will work alongside partners engaged in other local employment recovery initiatives (i.e. the other aforementioned pillars of LLS&E policy, Higher Skills Higher Growth, Restart & Kickstart) and will be coordinated through the skills arm consortium of the Sheffield Business Response Group (BRG) - The Sheffield Partnership for Jobs and Skills. ADVANCE will engage businesses to offer support for employers to explore how they can better prepare regarding succession planning, retraining, re-skilling, supporting people changing careers for health reasons, people exiting their organisation through redundancy or retirement, growth post Covid-19 and progression pathways within the organisation itself.

The 'Sector Routeways' project will provide a complementary project and clear pathway into ADVANCE by helping people to secure employment with a sectoral focused approach. If customers engage with Advance and are not in employment they will be signposted to the appropriate project for their needs such as 'Sector Routeways' (where employment ready) or "Pathways" (where additional employment support is required). ADVANCE tasters delivered around shift rotas/out of working hours in community locations and online will be used as a key engagement tool to attract participants where their employer is not engaged with the scheme. ADVANCE will offer innovative CEIAG inspiring people through the development of sectoral careers prospectuses, providing quality localised careers informative advice and guidance, as well as utilising role models and sharing real stories of success.

ADVANCE will work with participants to achieve their action plan, whether that's in personal or skills development, accredited and non-accredited training. ADVANCE will signpost to funded accredited training and projects such as Skills Support for the Workforce, Apprenticeships and Skills Bank to ensure a greater uptake of funded in-work training to support the individual's career action plan and employer growth plans. Participants will be supported to access English, Math and ICT support through AEB where eligible and lead into 'Advance Digital' where relevant. The project will commission/deliver bespoke training and development not covered already by the above mentioned funded routes. This may include, units towards standalone qualifications, productivity, and employability training or something entirely unique to certain sectors as articulated through our ingrained employer interactions.

The roles and sectors in our communities are varied and the range of training and development participants will require will also be varied. ADVANCE will prioritise support for young people within under-represented groups where LLS&E have supported these groups into Apprenticeships through additional support wrapped around their apprenticeship training in order to achieve, sustain employment and progress. This support will be key to the Council expanding its own apprenticeship programme as we move forward – e.g. to target participants including care leavers, ex-offenders and those with disabilities with additional skills not already embedded as part of their apprenticeship training.

By entering into the delivery partner agreement, the accountable body,

Doncaster Borough Council, will be acting as the lead beneficiary for a consortium where it will be making use of the grant with the following delivery partners:

- Barnsley Metropolitan Borough Council
- Doncaster Chamber of Commerce
- Sheffield City Council

The Secretary of State has undertaken to provide funding for ADVANCE and the accountable body shall act as the recipient of the funding for the consortium, of which the accountable body and the other delivery partners will make use of.

The accountable body shall allocate to the Council the allocated grant up to the maximum sum on the terms and conditions of the partnership agreement.

The payment of the grant is conditional upon the Council fulfilling its match funding obligations or match funding being committed under the Funding Agreement.

Employers can procure bespoke and specific education and training support to help them increase productivity and profitability through improving the skills of their workforce. This could include digital skills, literacy and numeracy. There will also be further opportunity to incorporate and further understand data analysis, carbon efficiency and effective cyber security practices.

## **2. HOW DOES THIS DECISION CONTRIBUTE ?**

- 2.1 By accepting this funding the Council will be able to increase the skill levels and earning potential of our City wide workforce. It will support employers by way of what **they** want to achieve for their organisation in terms of skills, productivity and growth. It will reduce the need for key sectors to recruit from outside the Sheffield City Region for their skilled labour.

By improving the access and availability to the latest learning and technological developments we are seeking to improve the efficiency and effectiveness of our businesses. This will allow the benefits of our knowledge-based economy to be fully realised.

This project will ensure more rapid access to knowledge and business intelligence. This will result in faster and more sustained economic growth, more jobs and consequently more prosperity for all. It will increase the skills of the most vulnerable workers in our society and help them to maintain job security and develop social mobility and transferrable work skills for promotion and progression.

## **3. HAS THERE BEEN ANY CONSULTATION?**

3.1 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 Decisions need to take into account the requirements of the Public Sector Equality Duty contained in Section 149 of the Equality Act 2010 which identifies the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The Equality Act 2010 identifies the following groups as a protected characteristic: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sex and sexual orientation.

An EIA has been carried and highlights that the proposal seeks to support people who are traditionally excluded from the labour market by increasing their increasing skills levels and therefore earning potential.

There is some risk that not all the reported income of will be received as it is linked to performance indicators. However, Sheffield City Council Managers, as part of their budget responsibilities, will ensure that expenditure is managed in order that it does not exceed the actual income received.

##### 4.2 Financial and Commercial Implications

4.2.1 The Advance SCR project Funding Agreement originally had estimated dates as follows : Start Date: 1/10/2020 and End Date: 30/09/2023 . Negotiations are ongoing to revise these dates as follows : start date 01/10/2021 and an activity end date of 31/12/2023. However, due to delays between DMBC and DWP activity is not anticipated to commence until April 2021. DMBC are currently going through a Project Change Request (PCR) with DWP to alter these dates to reflect the anticipated positions.

Subject to satisfactory terms and conditions being agreed, SCC will become a Project Delivery Partner

Estimated Funding levels are summarised in the table below and are subject to

confirmation in a finalised Funding Agreement amendment once DMBC have completed PCR with DWP.

<b>Funding Contributions</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
<b>Public – Sheffield City Council</b>	£35,974.89	£148,266.86	£158,341.49	£120,910.59	<b>£463,493.83</b>
<b>ESF</b>	£47,316.54	£204,481.47	£219,005.73	£167,081.28	<b>£637,885.02</b>
<b>TOTAL</b>	<b>£83,291.43</b>	<b>£352,748.33</b>	<b>£377,347.22</b>	<b>£287,991.87</b>	<b>£1,106,378.85</b>

Key features of the 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.
- The total amount of Grant paid to the Grant Recipient shall not exceed the Maximum sum
- 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. Where applicable Procurement Law in force at the date of commencement of the procurement process in relation to the Project shall be complied with by SCC and Delivery partners.
- 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 European Commission or a European Court requires any Grant paid to be recovered by reason of a breach of State Aid Law
- 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.
- The Grant Recipient must send to the Secretary of State, at such intervals as the Secretary of State shall notify in writing to the Grant Recipient, a report on progress made towards the achievement of the Targets.
- The funder must be notified in the event of any Change in the information on costs (whether actual or estimated) of carrying out the Project Activities contained in the Application and secondly of any event which materially affects the continued accuracy of such information or on any other area of default.
- 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 project can be delivered through the Council using its general power of competence. The Council therefore is able to produce, implement and administer the project detailed in this report.

- 4.3.2 As the Accountable Body, Doncaster Borough Council (DBC) will be required to enter into the funding agreement with the Department for Work and Pensions for the grant. The key terms of this agreement are highlighted above at 4.2.
- 4.3.3 If a decision is made to accept this funding, the Council will be required to enter into a delivery partner agreement with DBC. The Council must comply with both the Agreement and the main funding agreement.
- 4.3.4 This delivery partner agreement (the Agreement) details each parties responsibility and the project activities that are allocated to each party to deliver.
- 4.3.5 There is a requirement within the Agreement for the Council to commit match funding to meet the balance of any eligible expenditure not supported by the grant. The payment of the grant to the Council is conditional on the match funding obligations being fulfilled or committed.
- 4.3.6 No grant amount will be paid to the Council until DBC have received the funding and the grant claims procedure must be followed.
- 4.3.7 Any changes that the Council wishes to make to the project must be submitted to DBC for approval.
- 4.3.8 The grant may be recovered from the Council in specific circumstances and the Council must indemnify DBC for a breach of the Agreement or the funding agreement by the Council.
- 4.3.9 The Council will be bound by these terms and conditions until the expiry or early termination of the delivery partner agreement.
- 4.3.10 The Council must comply with all applicable legislation and regulations including but not limited to UK GDPR, Data Protection Regulations 2018, the Public Contracts Regulations 2015, the Councils Contracts Standing Orders and State Aid.

#### 4.4 Other Implications

- 4.4.1 *None*

### 5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The Council could decide not to accept the funding. Alternative funding could be potentially sourced to support our businesses workforce needs as part of the Government Covid-19 response offer to regions. There is demand from sectors to replicate the Advance Doncaster model of support to business/workforce, so rejection of funding could carry reputational risk within our regions employer base.

## **6. REASONS FOR RECOMMENDATIONS**

6.1 *By accepting this funding the Council will be able to:*

- 1) *increase the skill levels for Sheffield in-work residents by streamlining access to skills required to support post-Pandemic growth ambitions.*
- 2) *improve the skills indicators within the City, moving long term unemployed residents to the “in demand” labour market and enhancing skill levels.*
- 3) *create increased revenue for the Council.*
- 4) *attract inward investment through co-ordinated pipeline offer of workforce skills within key sectors.*