



**Author/Lead Officer of Report:** Laura Hayfield,  
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**Report of:** *Executive Director, People Services*

**Report to:** *Cooperative Executive*

**Date of Decision:** *19<sup>th</sup> January 2022*

**Subject:** *Pathways Extensions*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Executive Member Portfolio does this relate to? <i>People</i>		
Which Scrutiny and Policy Development Committee does this relate to?		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>1024</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"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."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:**

To seek authority for Sheffield City Council to continue as the Accountable Body for the Ambition and Pathways to Success Projects and accept from the DWP additional grant allocations and extensions for the following projects: Ambition (£1.878m) and Pathways to Success (£1.714m) – ‘the Extensions’; and

In respect of Sheffield City Council’s participation in these projects as a delivery partner, the report seeks authority for the Council to procure and award contracts for employment services from the Voluntary and Community Sector.

**Recommendations:**

That the Council continues to act as the Accountable Body for the Ambition and Pathways to Success projects, accept the additional grant allocations and extensions for the following projects: Ambition (£1.878m) and Pathways to Success (£1.714m) - 'the Extensions'; and

In respect of the Council's participating in these projects as a delivery partner, the Council is authorised to procure and award contracts for employment support in Sheffield through open tender for contracts which in total will have a value of up to £1.636m.

**Background Papers:**

Pathways Cabinet Decisions 21 – 11 – 2018  
 ESF PCR Outcome Notification Letter P2S  
 ESF PCR Outcome Notification Letter Ambition  
 Financial Annex Simplified P2S PCR  
 Financial Annex Simplified Ambition PCR  
 ESF Funding Agreement Variation P2S  
 ESF Funding Agreement Variation Ambition

<b>Lead Officer to complete:-</b>		
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>Anna Beeby</i>
		Legal: <i>Marcia McFarlane</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>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>Laura Hayfield</i>	<b>Job Title:</b> <i>Service Manager – Employment and Skills</i>
<b>Date:</b> <i>(Insert date)</i>	

## 1. PROPOSAL

*(Explain the proposal, current position and need for change, including any evidence considered, and indicate whether this is something the Council is legally required to do, or whether it is something it is choosing to do)*

### 1.1 **Ambition project and the extension**

'Ambition' is a European Social Fund (ESF) funded project delivered in partnership with Barnsley, Doncaster, Rotherham and Sheffield councils and Doncaster Children's Services Trust. Sheffield is the lead partner and accountable body for the project.

The project supports young people aged 15 – 18 years who are not in employment education or training (NEET), or who are at risk of becoming so (this support is described by ESF as ESF Priority 1.2). The project also supports unemployed and economically inactive adults who have multiple and often complex barriers to participation (described by ESF as ESF Priority 1.4). They are supported to engage with, move closer to and enter the labour market.

Typical examples of barriers faced by both younger and adult participants include physical & mental health problems, or disabilities, low levels of confidence and self-esteem, fear of engaging/re-engaging with the labour market, a lack of work history and the stigma of criminal record and histories of substance misuse. Domestic issues, caring responsibilities and the lack of relevant role models frequently compound already difficult circumstances for participants.

The current funding agreement runs from October 2018 to March 2022, At the invitation of the Department for Work and Pensions, an application to extend the project to the end of December 2023 was submitted in May 2021.

Initial project value £5,946,717

Extension proposed from April 2022 to December 2023

Proposal is for an additional £1,877,918 ESF that will be matched by £1,261,287 from project partners, causing an overall increase of £3,139,205.65. The proposed allocation will be:

- £1,505,816 of the additional funding is for work with young people (ESF Priority 1.2)
- £1,633,389 of the additional funding is for work with adults (ESF Priority 1.4)

New overall project value of £9,085,922

#### **Deliverables ESF Priority 1.2**

The extension provides 964 additional places, with targets to engage and support 88 people with disabilities, 156 members of black or minority ethnic communities and 189 young people who lack basic skills.

Following negotiations with the DWP which have led to the broadening of the age range permitted under priority 1.2 to include those aged 19 to 24, new targets of 115 lone parents and 113 participants living in jobless households have been added for the period from April 2022.

For Sheffield, the extension provides an additional 352 places, with targets to engage and support 39 people with disabilities, 72 members of black or minority ethnic communities and 75 young people who lack basic skills. Ambition will also support 47 lone parents and 44 young people living in jobless households in Sheffield

### **Deliverables for Ambition**

The extension provides an additional 737 places for vulnerable or excluded adults, with targets to engage and support 189 people with disabilities, 193 members of black or minority ethnic communities and 130 people aged over 50 years

In recognition of the gap in provision to support care leavers into employment created by the completion of the Apollo project, Sheffield City Council worked with the delivery partner from that project, Sheffield Futures, as a partner in this application for extension. As a new partner in the project, Sheffield Futures will support 90 young adult care leavers aged 18 to 24 years, including 27 with disabilities and 14 who are members of black and minority ethnic communities. By introducing Sheffield Futures as an additional partner (who provide their own match funding), the project is protecting and securing work to support young adults leaving care to make the transition to more independent living and participation in education, training and the employment market.

By December 2023, the Ambition project will have supported more than 4,800 individuals, including 1,840 in Sheffield. The Ambition project supports positive partnership working between local authorities with Sheffield City Council taking significant responsibility as the lead partner and accountable body.

The adult strand of the project was instrumental in enabling Rotherham MBC to re-establish delivery of direct support for residents facing barriers to employment. In Sheffield, the adult Ambition programme commissions provision from and supports a network of locality based voluntary and community sector organisations to deliver the project. Offers an entry level first step for people distant and potentially excluded from the labour market, helping to prepare for direct entry to the labour market, or progression to other strongly employer focussed programmes.

The project extension can support a critical transition period for organisations currently delivering employment related support through the Pathways programme to post-Covid funding and delivery arrangements

from 2024 onwards. The Ambition extension includes £335,500, to be used to commission employment programmes in the community via the Voluntary and Community Sector. This report seeks authority to commence the procurement of these services.

In Sheffield, 38% of participants in Priority 1.2 and 43% of participants in Priority 1.4 are from black or minority ethnic communities, 25% of adult participants have a disability and almost half (46%) of young people joining the project lack the basic skills required to succeed in education, training, or work.

1,312, young people are projected to leave from Priority 1.2 into education, training or employment (470 from Sheffield) with 250 gaining basic skills qualifications whilst with the project (92 from Sheffield)  
The Ambition project is significantly more successful than Results targets set out in the funding agreement and is expected to exceed these.

81% of approved leavers from Priority 1.2 have left to a positive destination with 61% re-engaging with education or training as a result of their participation 67% of approved leavers from Priority 1.4 have left with an improved labour market situation; 47% have left to take up employment.

The precondition in this offer of extended funding have been completed; specifically, DWP have a revised match funding letter from Doncaster Children's Services Trust confirming that all match funding provided are clean and do not contain funds which include or have already been used to attract any European Union Funding.

### **Pathways to Success project and the extension**

Pathways to Success is a partnership between Barnsley, Rotherham and Sheffield councils. Sheffield is the lead partner and accountable body for the project.

The project supports unemployed and economically inactive adults who have multiple and often complex barriers to participation to engage with, move closer to and enter the labour market. Typical examples of barriers faced include physical & mental health problems, or disabilities, low levels of confidence and self-esteem, fear of engaging/re-engaging with the labour market, a lack of work history, the stigma of criminal record and histories of substance misuse.

Current funding agreement funds January 2019 to March 2022,  
Initial project value £5,722,111

Extension proposed from April 2022 to December 2023

Proposal is for additional £1,714,314 ESF matched by £1,145,785 from partner local authorities

### **Deliverables for Pathways to Success – Priority 1.4**

The extension will offer opportunities for an additional 1,320 places, with targets to engage and support 350 people with disabilities, 390 members of black or minority ethnic communities and 244 people aged 50 or older. In Sheffield the extension provides an additional 860 places, with targets to engage and support 232 people with disabilities, 344 members of black or minority ethnic communities and 172 people aged 50 or older. New overall project value of £8,852,210.

By December 2023, Pathways to Success will have supported nearly 4,000 individuals (minimum 3,918), including over 2,500 in Sheffield.

Pathways to Success supports positive partnership working between local authorities in the region, with Sheffield taking significant responsibility as the lead partner and accountable body. The project was instrumental in enabling Rotherham MBC to re-establish delivery of direct support for residents facing barriers to employment.

In Sheffield, Pathways to Success commissions provision from and supports a network of locality based voluntary and community sector organisations to deliver the project. It offers an entry level first step for people who are distant and potentially excluded from the labour market, helping to prepare for direct entry to the labour market, or progression to other strongly employer focussed programmes. The project extension can support a critical transition period for organisations currently delivering employment related support through the Pathways programme to post-Covid funding and delivery arrangements from 2024 onwards. The Pathways to Success extension includes £1.3m to be used to commission employment programmes in the community via the Voluntary and Community Sector and this report seeks authority to commence the procurement of these services.

In Sheffield, 35% of all participants are from black or minority ethnic communities and 33% have a disability. Pathways to Success is significantly more successful than Results targets set out in the funding agreement. 72% of approved leavers have left with an improved labour market situation. 49% of approved leavers have left to take up employment.

The Council will comply with DWP's condition in the offer of extended funding to this project, specifically, the Council will supply updated organograms and HR letters as the project moves into the Reserve Funding phase and the revised structure takes place. Consequently, this information will be provided to DWP as the project moves into the extension period which is intended to commence at the beginning of April.

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

*(Explain how this proposal will contribute to the ambitions within the Corporate Plan and what it will mean for people who live, work, learn in or visit the City. For example, does it increase or reduce inequalities and is the*

*decision inclusive?; does it have an impact on climate change?; does it improve the customer experience?; is there an economic impact?)*

This proposal contributes to the one year plan in the following ways:

- 2.1 It addresses the recognition of the difficulties faced in Communities and Neighbourhoods in improving the access to jobs, skills and education. It directly targets support for people with known disadvantage in the labour market and communities

It supports the Education, Health and Care ambition by providing access to jobs, proven to improve people's health and wellbeing and reduce inequality.

It is part of the solution to the actions for the economy, climate change and development in supporting people to start new businesses and helping SMEs to recruit local talent, connecting people to business needs  
The project is South Yorkshire wide and so meets the action to work in partnership with the region

It supports people furthest from the labour market to get the skills and advice they need to get back into work. As well as young people with new apprenticeships, providing targeted support to those most at risk of being NEET.

It is vital to achieve the emerging economic requirements of the city currently experiencing staff shortages and carrying vacancies that they can't find people with the right skills to fill

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

*(Refer to the Consultation Principles and Involvement Guide. Indicate whether the Council is required to consult on the proposal, and provide details of any consultation activities undertaken and their outcomes.)*

- 3.1 The Council is not required to carry out a consultation process in respect of these proposals and a formal consultation process has not been carried out

### **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. This is the duty to have due regard to 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 or belief; sex and sexual orientation.

An Equality Impact Assessment has been carried out and highlights that these programmes will continue to address the recognition of the difficulties faced in Communities and Neighbourhoods in improving the access to jobs, skills and education.

It directly targets support for people with known disadvantage in the labour market and communities and support the Education, Health and Care ambition by providing access to jobs, proven to improve people's health and wellbeing and reduce inequality. It supports young people with new apprenticeships and providing targeted support to those most at risk of being NEET. The project is South Yorkshire wide and so meets the action to work in partnership with the region.

## 4.2 Financial and Commercial Implications

### 4.2.1 Pathways to Success

The budget for this South Yorkshire wide project/grant of which SCC is a part has undergone the following changes since its initial approval:

- The initial ESF Funding Agreement covered all SY authorities from January 2019 to March 2022 with a grant approval value of £5.120m (ESF grant) + £3.413m (match funding) giving a total project budget of £8.533m (see previous approval report).
- However, Doncaster later pulled out of the project and Rotherham reduced their role in it which led to a new revised financial profile of ESF grant (£4.236m) and match funding (£2.824m) giving a revised total budget of £7.060m which was approved by the DWP (as per the revised ESF/DWP Agreement 2019).
- Due to delays in contracting and later Covid, the project was significantly under spent and a Project Change Request (PCR) was finally approved by the funder (March 2021) with a new revised total budget of £5.722m
- A new extension is now proposed from April 2022 to December 2023 with proposals for additional ESF grant (£1.714m) and further match funding (£1.146m) from partner local authorities giving total additional funding of £2.860m
- **The new total revised budget for the project is now:  
£5.722m+£2.860m = £8.582m (to be spent as per para 1.1)**

The new additional grant allocation is subject to confirmation via a finalised

Variation Agreement and the terms and conditions will remain the same as before with SCC still the Accountable Body and lead agent for the South Yorkshire Authorities. All parties will need to ensure that their match funding is clearly identified, available to use and evidenced.

The Project / Grant Manager will need to read, understand and comply with all of the grant terms and conditions as per the Funding Agreement (which were previously summarised in the first approval report)

### **Ambition**

The initial budget (see Table 1) for this South Yorkshire wide project/ grant of which SCC is a part has undergone the following changes since its initial approval in 2018.

<b>Table 1: SY Ambition: Project Totals (Priorities 1.2 + 1.4)</b>		
<b>ESF Funding (60%) (£)</b>	<b>Match Funding (40%) (£)</b>	<b>Total Funding (£)</b>
<b>3,776,879</b>	<b>2,522,082</b>	<b>6,298,960</b>

- The initial project budget was later revised as follows: ESF grant (£3.568m) with match funding (£2.379m) giving a revised total budget of £5.947m which was approved by the Funder.

- A new extension is now proposed from April 2022 to December 2023 with proposals for additional ESF grant (£1.878m) and further match funding (£1.261m) from partner local authorities giving total additional funding of £3.139m

- **The new total revised budget for the project is now:  
£5.947m+£3.139m=£9.086m (to be spent as per para 1.1)**

The new additional grant allocation is subject to confirmation via a finalised Variation Agreement and the terms and conditions will remain the same as before with SCC still the Accountable Body and lead agent for the South Yorkshire Authorities. All parties will need to ensure that their match funding is clearly identified, available to use and evidenced.

The Project / Grant Manager will need to read, understand and comply with all of the grant terms and conditions as per the Funding Agreement (which were previously summarised in the first approval report)

## 4.3 Legal Implications

4.3.1 The Localism Act 2011 gives local authorities 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 by law; there are no specific statutory prohibitions that prevent the Council from doing taking steps proposed in this report. A purpose of the Act is to enable local authorities to work innovatively to develop services to meet local need.

The Council can use this general power of competence to continue as the Accountable body, accept funding on behalf of these projects and, procure and award contracts on behalf of the Council in order that the Council can deliver its part of the projects.

- 4.3.2 The Council must ensure pre-conditions in letters offering funding for these projects are satisfied within the stated timescales. All terms and conditions in the funding agreements and variation to funding agreements must be satisfied to avoid clawback or withdrawal of funding.

The Council must make certain the remaining precondition that, DWP receives updated organograms and HR letters as the project moves into the Reserve Funding phase and the revised structure, takes place for the scheduled April 2022 date.

- 4.3.4 This ESF funding was originally provided under the European Union’s Multiannual Financial Funding for 2014 – 2020 and according to Article 138 of the UK EU Withdrawal Agreement, this funding and its use must be compliant with State Aid Law.

- 4.3.5 Procurement and award of contracts for the Council must comply with the Council’s Contract Standing Order and Procurement Rules.

4.4 Other Implications

*(Refer to the Executive decision making guidance and provide details of all relevant implications, e.g. HR, property, public health).*

4.4.1

**5. ALTERNATIVE OPTIONS CONSIDERED**

*(Outline any alternative options which were considered but rejected in the course of developing the proposal.)*

- 5.1 The option to not apply for ‘the Extensions’ was considered before applying but rejected as the opportunity presents significant income generation from external sources to support our most vulnerable residents into employment.

**6. REASONS FOR RECOMMENDATIONS**

*(Explain why this is the preferred option and outline the intended outcomes.)*

- 6.1 The Programme will directly support vulnerable residents to find and sustain

employment.

The activities and outcomes of the Programme will directly contribute to the delivery of the One Year Plan:

- Communities and Neighbourhoods
- Education Health and Care
- Economy, climate change and development