

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

REPORT OF THE EXECUTIVE DIRECTOR OF PLACE TO CABINET

ESF Sector Routeways and Tenants First Projects

1. PURPOSE OF REPORT

- 1.1 To inform Cabinet of the successful application for European Social Fund (ESF) grant for an employment support projects, "**Sector Routeways**" and "**Tenants First**". These two projects are successors to the current Pathways to Progression and Pathways to Success projects and aim to deliver employment and skills support to unemployed and economically inactive people.
- 1.2 Approval is sought to enter into service level agreements with the project lead partners, Sheffield City Council and Berneslai Homes respectively.

2. RECOMMENDATIONS

- 2.1 **To agree to accept the ESF grants for the SECTOR ROUTWAYS and TENANTS FIRST projects and contribute the required match funding.**
- 2.2 **To agree service level agreements with the respective lead partners for each project Sheffield City Council and Berneslai Homes and undertake the responsibilities of delivering the Barnsley activity detailed below.**

3. INTRODUCTION

- 3.1 The priorities in Barnsley Council's 2017-20 Corporate Plan are:
 - to create more and better jobs and good business growth
 - to increase skills to get more people working
 - to create strong and resilient communities.

Looking forward the Council is now developing its plans for an Inclusive Economy and its shared vision for Barnsley 2030. The RSA ¹notes that Inclusive Economies require a bold reimagining of the economy, that tinkering around the edges will not work and central to enabling this new economy to work is a social infrastructure that wraps around people to enable them to participate in new opportunities. The benefits from infrastructure investment do not "trickle down" into the wider community but require pro-active action to enable those at a disadvantage to benefit.

¹ RSA <https://www.thersa.org/discover/publications-and-articles/rsa-blogs/2019/03/4-ways-inclusive#:~:text=This%20refers%20to%20the%20social,work%20support%20and%20preventative%20services.>

The two projects which are subject of this report are part of a wider programme of projects that support a journey for local people from those at a distance from the labour market to those who are working and need to update their skills to adapt to new opportunities. The projects in this programme are mutually supportive and link to new projects coming forward to support our local businesses.

They also build on the work undertaken to date to integrate services around the individual to provide the right support at the right time to enable people to progress.

Figure 1 – The new ESF employment and progression programme

Complex and Multiple Barriers	Unemployed - Closer to Labour Market	Employed Low Skills/ Pay or Disadvantaged	Employed - Improving Digital Skills
<ul style="list-style-type: none"> • TENANTS FIRST • Intensive and integrated support 	<ul style="list-style-type: none"> • SECTOR ROUTEWAYS • Targetted skills training for priority sectors 	<ul style="list-style-type: none"> • ADVANCE • Information, Advice and Guidance, Skills Support and help to access apprenticeships 	<ul style="list-style-type: none"> • DIGITAL BOOST • Flexible and comprehensive digital skills pathway from basic to advance skills

- 3.2 Prior to Covid – 19 the council has seen significant progress; model-based unemployment, which takes account of labour market inactivity, had decreased significantly from its historic high to 4.7% and the employment rate had overtopped regional levels and stood at 73.9.% in December 2019. In February, the last whole month before Lockdown the number of claimants had reduced to 3.3% of the working age population, 5095 individuals. This isn't to under-estimate the challenges that remained in Barnsley with high levels of economic inactivity, often linked to poor health.
- 3.3 Historically Barnsley has been more badly affected by recessions and for longer. The impact of Covid-19, even before the furlough scheme had begun to wind down, was more marked in Barnsley were the claimant count increase to 6.9% by May, once again higher than both regional and national comparators. According to HMRC 27% of Barnsley employees were furloughed and already a worrying number of redundancies have been announced and the national prognosis is for levels of unemployment not seen since the 1980s.
- 3.4 Despite recent improvements in both young people's GCSE and A' Level attainment and adult skills, the borough has still to catch up with regional and national attainment as shown in figure 2. Coronavirus will accelerate changes that were already forecast in the economy; reductions in lower skilled work, increasing demand for intermediate and higher-level skills, increasing requirement for digital skills. In addition, those sectors which previously provided entry level work and the first rung into the labour market have been severely impacted by the virus and the on-going need for social distancing. Therefore, it is vital to provide local people with access to new skills and routes into the labour market.

Figure 2 - NOMIS – Figures for Qualifications accessed July 2020

Qualifications (Jan 2019-Dec 2019)				
	Barnsley (Level)	Barnsley (%)	Yorkshire And The Humber (%)	Great Britain (%)
NVQ4 And Above	40,500	26.6	34.2	40.3
NVQ3 And Above	78,700	51.7	54.3	58.5
NVQ2 And Above	109,600	71.9	72.5	75.6
NVQ1 And Above	123,400	81.0	84.2	85.6
Other Qualifications	14,700	9.7	7.4	6.7
No Qualifications	14,200	9.3	8.5	7.7

- 3.5 As in previous recessions, the government is moving to put in place support to entry and re-entry into the labour market, primarily the concern is for young people about to leave full time education through the introduction of new traineeships and promotion of apprenticeships. Previous experience would also indicate that adults who have been made newly redundant will be more likely to access any new employment as they have recent experience. These two projects will support and complement new initiatives as they retain a focus on individuals who were already facing labour market barriers and will provide a supported route into employment.
- 3.6 Despite recent improvements the district still experiences the impact of structural unemployment with individuals and communities left behind. The latest figure for job density is only 64% in 2018. In December 2019 34,600 people of working age in Barnsley were economically inactive, of whom 9,800 wanted a job which a significantly higher percentage at 28.3% than that of the region (20.3%) or nationally (20.8%). Far fewer people in the economically inactive cohort are students and far more have a long-term illness or disability.
- 3.7 In 2016 Barnsley’s Employment and Skills Strategy “*More and Better Jobs*” was introduced to address the challenges of employment and skills in the district. This is currently being reviewed in light of the borough’s emerging Inclusive Economy strategy and to build subsequent developments such as the Employer Promise and Social Value in Procurement. It is likely that its key tenets will remain to support entry and progression in employment and support for “Good Work” particularly for the most vulnerable individuals.

4. Proposals

- 4.1 Last summer Sheffield City Region and DWP issued new calls for proposals to support unemployed people, people who are unemployed or inactive with labour market barriers and workforce development. In December a further call was published to improve digital skills in the workforce. Applications were submitted for all of these to provide a suite of projects to provide ongoing support for unemployed and economically inactive people and to extend activity to support progression in

employment. This report addresses two of those proposals for which DWP has now offered a contract.

4.2 **Sector Routeways** is intended as a successor project to Pathways to Progression. It targets those with barriers in the labour market and aims to develop pathways into key economic sectors with a package of information, advice and guidance, skills and employment brokerage supported through employer engagement.

4.2.1 The project is led by Sheffield City Council and activity in Barnsley is planned to start in October 2021 to take over from Pathways to Progression. The total project value for Barnsley is **£742,408** broken down as follows: ESF grant **£443,875** with a match funding requirement **£295,533** which will be met by substantive staff posts. Annex 1 shows the budget breakdown and Annex X covers the Human Resources implications.

4.2.2 Sector Routeways interventions are aimed at the most disadvantaged groups within the labour market to act as a gateway to employment. An extension of current ESF Pathways to Progression (P2P) and Pathways to Success (P2S) Programmes, encompassing a less broad approach to employment and instead focussing on key sectors, key skills and key demographics. Interventions will focus on the following sectors:

- Digital
- Construction
- Engineering
- Manufacturing
- Care
- Logistics
- (Hospitality and Leisure to be reviewed post Covid-19)

4.2.3 Project officers will work alongside employers from within the above sectors to identify what they require by way of entry level skills acting as a catalyst to securing employment. After initial interviews, which will also identify any barriers and relevant support, project participants have a tailored 'Universal Skills' around employability, confidence, digital, careers advice, ESOL. Subsequently they will progress onto sector specific skills training via the 'Sector Gateway' which will include and assessment, two week's sector specific training followed by a two weeks in company placement.

4.2.4 The project will employ 'Brokers' who will be responsible for engaging employers with the project and packaging opportunities together. They will also support the 'Key Workers' to create materials, tasters, and events to attract participants to enter the scheme. 'Key Workers' will be responsible for having participants recruited onto the scheme and offer a 'one point of contact' dedicated, personalised support service to the participants through every aspect of their journey towards employment.

4.2.5 Courses will be flexible to and participants allowed to remain on the training element of the scheme until deemed 'Sector Ready' to undertake work placement within their given. Examples of courses include.

- learning basic IT skills and develop an understanding of Programming logic (if the digital route is chosen);
- -Basic tools, brickwork, health and safety and CSCS testing (if the construction route is chosen);
- -Basic first aid, administering of medication and hygiene certificates (if the care route is chosen);
 - Health and safety along with LEAN principals (if the manufacturing route is chosen);
- -Operation of CNC, milling, tool handling and health and safety (if the engineering route is chosen).
- -Customer service certificate, food hygiene training, sector specific requirements such as Barista training if the leisure and hospitality route is chosen.

4.2.6 The project will align closely with the sister project ADVANCE which is planned to progress people in employment. In this way we can promote a progression pathway from unemployment to sustained and progressive employment.

4.2.7 The project will create 2 new posts for Information Advice and Guidance Officers which will be filled by staff whose contracts on the current Pathways to Progression or Success contracts are concluding or by open recruitment. The project also provides for a participant support budget of £57,000. This will be matched by two half time posts of Project Manager and Employer Engagement Officer respectively and two Full time Employability Tutors. Appendix B covers the full Human Resource implications.

4.3.1 **Tenants First** is led by Berneslai Homes and builds on their successful model of tenancy support. Social Housing tenants have an increased risk of unemployment and due to the stringent eligibility criteria are more likely to experience a range of complex issues which create barriers to employment. Building on the existing model of intensive support provided by Berneslai Homes to enable tenants operate a successful tenancy, the project will add further specialist support to develop the employability and skills to access and secure sustained employment. The project is planned to start in October 2020 ending in December 2023. Barnsley Council will activity will phase in from April 2021 with current project staff moving onto Tenants First in October 2021 with full staff capacity. The total project value for Barnsley Council's role is **£576,188.15** broken down as follows: ESF grant **£349,131.00** with a match funding requirement of **£227,057.15** which will be met by substantive staff posts. Berneslai Homes are providing additional match funding to support the grant funded posts. See Appendix 1 for the overview.

4.3.2 Tenants First is aimed at individuals with more substantial and complex barriers to employment than those on the Sector Routeways project. It is building on the current successful collaboration between Berneslai Homes and the Pathways to Success project. People in social housing have a significantly reduced rate of employment, around 50% in contrast to a national rate of 75.1% nationally, and 71.1% locally. Areas of high levels of social housing often correlate to areas in the highest 10% of multiple deprivation where there are low skills, health inequality where the average life expectancy is significantly lower than the rest of the population.

- 4.3.3 Berneslai Homes already provide intensive support to enable current and prospective tenants to manage a tenancy successfully. This service undertakes an intensive assessment of identify and understand the tenants' issues and puts in place intensive monitoring and support from its Keyworkers to address these issues and enable people to stabilise their lives. It is a highly flexible service working with communities and within people's homes and it is designed to ensure people can fulfil their obligations as social housing tenants. The project will build on this award-winning support by adding digital skills, employment and skills support to enable tenants to secure sustainable employment.
- 4.3.4 Participants will be engaged by Berneslai Homes and initially supported by Berneslai Homes Keyworkers. Once participants have progressed towards being able to service their tenancy successfully, they will be referred to Matrix approved Information, Advice and Guidance (IAG) officers in Barnsley Council's Employability Service. At this stage participants will undertake a full employability-based assessment and receive impartial information, advice and guidance. These interviews will enable the IAG officers and participants to jointly design and agree a pathway back into employment, with skills and employability be delivered by Employability Tutors. These plans can combine support to tackle barriers, confidence and motivational training, ongoing support and mentoring, employability support, basic skills and vocational training.
- 4.3.5 There will be flexibility around the type, level and duration of support and interventions. Specifically; building upon the current delivery model, which provides a holistic package of interventions with the key objective of securing and / or maintaining a successful, sustainable tenancy, the project will add capacity to secure and sustain employment and include the following menu of activities:
- Confidence and motivation training
 - Career planning
 - English and Maths skills
 - Digital mentoring and skills
 - Health management
 - Mental Health support
 - Job search and interview training
 - Work Readiness Competency Training
 - Support for volunteering
 - Peer mentoring and community events
 - Budgeting and Financial planning
 - Work experience and placement

- Post-employment support to sustain work.
 - Access to supported employment for highly vulnerable groups, such as those with LLDD and Care Leavers.
- 4.3.6 An Employment Engagement Officer will work alongside IAG Officers and Employability Tutors to engage local businesses and work with them to design opportunities for work placements, support recruitment and advise on inclusive recruitment practices and in work support.
- 4.3.7 Digital skills underpin the participant journey. Social housing areas also correlate to high rates of digital exclusion, with a corresponding impact on the ability to find and secure work as well as managing daily life where routes to services are increasingly digital by default. The combination of worklessness, or insecure work, with poor health and digital exclusion increases financial stress as poorer households have less access to mainstream financial services and cheaper goods and services. Volatile incomes make it challenging to organise finances. Food poverty from inadequate incomes also impacts on these communities to a greater extent.
- 4.3.8 Digital skills play a vital role in supporting the participants' journey and Digital Champions will engage and support individuals throughout, whether this is tempting individuals to dip a toe in the digital world to providing group events or a one to one intervention. The government is introducing its Digital Entitlement from September this year, but often the issue is engaging people in the digital agenda in the first place long before they are ready to undertake formal learning. Digital Champions can tailor digital skills around the needs and interests of the individual whether this is to learn how to access cheaper goods and services, link with family and friends, follow a hobby or take the first steps to using digital tools for work.
- 4.3.9 In Barnsley Council the project will fund the employment of three full time Information, Advice and Guidance Officers who will either safeguarded when current contracts for Pathways to Progression and Success end or will be openly recruited. It will also fund the engagement of an additional Digital Champion. This will be match funded through an existing Digital Champion and two half time roles of Project Manager and Employment Engagement Officer. Full Human Resource implications are outlined at Appendix B. Berneslai Homes is contributing additional match funding to the project covering the remainder of the match funding which would normally be required from the Council. The project also has additional participant support and childcare budgets.

5. **CONSIDERATION OF ALTERNATIVE APPROACHES**

5.1 ***Do Nothing***

- 5.1.1 Operating any ESF project includes complex claiming processes and includes risks of project non-compliance with grant claw-back. Projects therefore require dedicated resources, which could be argued can be better deployed elsewhere.
- 5.1.2 Local authority resources to support entry and progression into and in employment are constrained yet the authority faces challenges in high numbers of inactive and

unemployed people and low productivity. Without seeking additional funding, the authority would be severely limited in its ability to make a positive impact.

- 5.1.3 The Chancellor announced a Plan for Jobs in the Summer Statement on 9th June. It could be argued that this removes the need for these projects. However, the huge increase in unemployment in Barnsley and the rest of the country argues for the need for additional resources rather than replacing projects in the pipeline. It is also unclear how these interventions will be implemented, the extent of local influence and therefore the ability to integrate services in a seamless offer.
- 5.1.4 Doing nothing would deprive the borough of additional resources to support these groups, including supporting some of our most vulnerable citizens to whom we have statutory responsibilities to support. Relying on new government schemes alone risks the ability to integrate support for our most vulnerable groups and maintain a focus on those who are at a greater distance from the labour market.

5.2 The Preferred Option

- 5.2.1 The programme outlined in section 4 provides additional resources to make a positive impact on local citizens and businesses and provides additional resources to address local labour market challenges. They also support outreach and engagement with the offer from Adult Skills and Community Learning.
- 5.2.2 The local authority increasingly relies on income from business rates which in turn depend on the health of the local economy. A thriving local economy also reduces demand on our statutory services as good employment is a determinant of good health. Despite recent improvements the area still has socio economic challenges, which are being intensified by the impact of Covid-19. The borough is being faced with a wave of redundancies, higher unemployment and pre-existing trends in the economy are being accelerated with accompanying challenges to the retail and other low waged sectors and an increasing need to adapt to new services, markets and working systems by greater take up of digital skills at all levels.
- 5.2.3 Our statutory obligation is to support young people extends to care-leavers and young people with a learning disability until they are 25 and we have performance targets to support these groups to secure employment. Corporate Outcome 2 is to "Increase skills and get more people working". The authority relies upon external funding to strengthen its work in these areas.
- 5.2.4 Doing nothing would reduce the council's ability to pursue its statutory obligations, corporate outcomes and support citizens and businesses through this challenging period.

5.3 Delivery through a Different Model

- 5.3.1 ESF has stringent regulatory requirements and requires a match funding element and an alternative approach would be to bid for tenders which provide 100% funding. However, there is no guarantee that these contracts would not include their own stringent contract conditions and furthermore the scale at which they are let is far higher than local or even city region level. As an example, the current DWP framework requires a commitment to cover the entire North East of the country,

which is beyond the capacity of the Council to manage. It would divert attention from addressing local challenges to that of contract management.

- 5.3.2. Joining supply chains is another alternative and where appropriate, when the model and activity align with the needs of the district, we seek to do this, both in order to draw down additional resources and to shape provision to better meet local need. The danger of using this as the sole means to address local challenges are that the models designed by prime contractors do not necessarily fit local conditions and our ability to influence is limited. Secondly resources to support local activity are often reduced by the need for prime contractors to top slice funds to cover their management costs and to deliver a profit on the contract.
- 5.3.3 The calls for proposals and applications were designed prior to pre-covid-19 and the forecast recession. In reviewing if they were still appropriate for changed times the project partners assessed that the challenges they were designed to address have not changed. Previous experience of recessions is that Barnsley is hit harder and for longer than other areas and there is a danger that those at a distance in the labour market are pushed even further behind. Understandably new funding which is released will tend to focus on the immediate issues and aim to get people back into employment as soon as possible to avoid long term scarring. Therefore, the partners aim to take a twin track approach to both secure any additional funding that becomes available to support rapid re-entry to the labour market but also to continue to support those who are already disadvantaged through these projects.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1 The proposed projects will support the employability and progression of young people and adults who experience barriers to labour market participation. They will increase the ability for people experiencing disadvantage, in or out of work poverty to progress in the labour market, access and sustain employment.

7. FINANCIAL IMPLICATIONS

- 7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 7.2 The financial implications are laid out in Appendix A.

8. EMPLOYEE IMPLICATIONS

- 8.1 The projects as laid out will safeguard some employees who would otherwise be at risk and require additional recruitment. Appendix B details new grant funded posts and those earmarked to contribute match funding.

9. COMMUNICATIONS IMPLICATIONS

- 9.1 Employment and Skills have several communication outlets including corporate webpages, websites and social media. Work is ongoing to deliver a coherent approach.

10. CONSULTATIONS

10.1 Throughout the development period the following partnerships have been consulted:

- More and Better Jobs Taskforce
- South Yorkshire Local Authorities
- Internal colleagues, HR, Finance,

11. THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

11.1 The project supports Outcomes 1 and 2

12. PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

12.1 Both projects proposed aim to address challenges and promote equality, diversity and social inclusion. Each project has its own Equality and Diversity Plan which will be monitored on a quarterly basis. They will have a positive impact on people with protected characteristics.

13. TACKLING THE IMPACT OF POVERTY

13.1 Both projects contribute to poverty reduction by supporting people into sustained employment and promoting in work progression. Support for budgeting and debt advice is available within both projects.

14. TACKLING HEALTH INEQUALITIES

14.1 Tenants First includes dedicated Mental Health workers within Berneslai Homes activity and the project includes specific provision to support those with health barriers, notably LLDD to gain employment. Sector Routeways also contains targets for supporting people with a disability or health condition. Both projects contribute to the More and Better Jobs priorities of ***Getting Ready for Work, Getting Into Work and Getting On (and Staying In) Work*** which are strongly aligned to supporting health and wellbeing.

15. RISK MANAGEMENT ISSUES

15.1 Risks for each of the projects have been assessed and their Risk Registers are appended in Appendix 3.

16. GLOSSARY

- ESF – European Social Fund
- ASCL – Adult Skills and Community Learning

18. LIST OF APPENDICES

1. Appendix A – Financial Implications
2. Appendix 2 – HR Implications
3. Appendix 3 – Risk Registers

19. BACKGROUND PAPERS

- Call Specifications
- Project Applications
- ESF Standard Contract Template
- More and Better Jobs Plan
- Equality Impact Assessment

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made