

BARNSELY METROPOLITAN BOROUGH COUNCIL

REPORT OF: EXECUTIVE DIRECTOR GROWTH AND SUSTAINABILITY

TITLE: UK SHARED PROSPERITY FUNDING (UKSPF) AND SOUTH YORKSHIRE MAYORAL COMBINED AUTHORITY (SYMCA) – EMPLOYMENT AND SKILLS PROGRAMME

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| REPORT TO: | CABINET |
| Date of Meeting | 21 February 2024 |
| Cabinet Member Portfolio | Regeneration and Culture |
| Key Decision | Yes |
| Public or Private | Public |

Purpose of report

The council seeks to deliver improved access for Barnsley residents to develop their skills and employability through a programme of support funded by the UK Shared Prosperity Fund (UK SPF). This will ensure that Barnsley is an inclusive place where young people and adults can fulfil their learning potential, overcome barriers and benefit from suitable employment.

The council has worked in partnership with the three South Yorkshire local authorities and the South Yorkshire Mayoral Combined Authority (SYMCA) to determine an agreed approach to deliver the funding.

Approval is sought to enter into partnership agreements with Sheffield City Council (SCC) and City of Doncaster Council (CODC) as lead local authorities to implement the South Yorkshire UK SPF 'People and Skills' programme, known as 'Skills and Employability South Yorkshire' in Barnsley.

Council Plan priorities:

- Healthy Barnsley – people can access support to overcome barriers, so they can benefit from the health impacts that improved skills and employment can bring.
- Learning Barnsley – people can fulfil their learning potential with skills for everyday life and work.
- Growing Barnsley – people can take part in Barnsley's inclusive economy that benefits everyone in our communities.
- Sustainable Barnsley – people can benefit from a sustainable jobs market that protects opportunities for future generations.

- Enabling Barnsley – the UK SPF fund has a broad impact and a range of targeted activity for people that need the most support.

Recommendations

- a) Approval is given for the Executive Director – Growth & Sustainability in consultation with the Executive Director of Core Services to enter into a partnership agreement with Sheffield City Council to receive UK SPF. This will deliver the following employment support projects under ‘Skills and Employability South Yorkshire’:
 - Strand One - Preparation for Work (young people and adults)
 - Strand Two - Into Employment Support (young people and adults)
- b) Approval is given for the Executive Director – Growth & Sustainability in consultation with the Executive Director of Core Services to enter into a partnership agreement with City of Doncaster Council to receive UK SPF. This will deliver the following employment support project under ‘Skills and Employability South Yorkshire’:
 - Strand Three - Progression in Employment (all age)
- c) Approval is given for the Executive Director – Growth & Sustainability in consultation with the Executive Director of Core Services to restructure and recruit additional resources to the Employment and Skills Service. This will provide a fit-for-purpose delivery structure to deliver UK SPF ‘Skills and Employability South Yorkshire’ programme.

1. Introduction

- 1.1 In December 2023, the European Structural and Investment Funds (ESIF) ended, along with the employment and skills projects funded by it. This includes those delivered by Barnsley Council’s Employment and Skills Service.
- 1.2 The domestic successor fund, the UK SPF ‘People and Skills’ programme has a wider remit than ESIF. It has a particular focus on place and people who are economically inactive and not engaged with Job Centre Plus.
- 1.3 From January 2024, Barnsley Council has access to the UK SPF ‘People and Skills’ programme. This is for a fifteen-month period via SYMCA. The council has worked in partnership with the other three South Yorkshire Local Authorities and SYMCA to determine an agreed approach for the region. This allows local flexibilities to build on each of our strengths and community needs.
- 1.4 The South Yorkshire UK SPF ‘People and Skills’ programme, known as ‘Skills and Employability South Yorkshire’, will offer a continuum of support to help young people

and adults get ready for, get into and get on in work. It aims to support economically inactive and socially excluded unemployed residents of South Yorkshire. This also includes people in low paid and insecure employment, and the development of green skills. There will be driving focus on identifying and addressing barriers to work where current mainstream employability provision cannot enable the required interventions.

1.5 Under the proposed model, activity will take place in all four South Yorkshire Local Authority areas (Barnsley, Doncaster, Rotherham, and Sheffield). This will be delivered through three strands under the programme called 'Skills and Employability South Yorkshire' (hereafter referred to as 'UK SPF'.

- Strand One: Preparation for Work – supporting both young people and adults to move closer to employment, volunteering or further training. Delivered through information, advice and guidance (including those in Year 11 in schools and at risk of becoming NEET (Not in Education, Training or Employment)).
- Strand Two: Into Employment Support – providing a range of employability support for young people and adults who have been out of work. This includes developing the knowledge, skills and attitudes for a successful move into employment.
- Strand Three: Progression in Employment – providing information and advice to those in low paid or low skilled employment to consider job and career options. It also provides support (including any required training) to enable young people and adults to move into more sustainable, better jobs.

2. Justification

2.1 Delivery of the UK SPF in Barnsley will be responsive to the local landscape. There is a clear need for additional and targeted employment support in the borough.

- 71.9% of working-age people are in employment compared to a national average of 75.8%.
- The borough's comparatively low unemployment rates (3.0% vs 3.7% nationally) justify a particular focus on residents who are economically inactive. At 25.5%, Barnsley's rising inactivity rates are one sixth higher than the national average. Around 39,800 residents are out of work.
- There is also a local need for in-work support, with 36% of the 28,688 Universal Credit recipients in Barnsley being in work.

2.2 Delivery of the programme is a vital component of local economic growth. Employers require a wider local talent pool, however there's a shrinking working age population and restricted access to international labour.

- Currently there are 1,800 to 2,000 average weekly vacancies. Meanwhile,

one in five economically residents say they 'want to work'. They face numerous barriers, particularly the complexity and centralisation of the current support system.

- With 42.1% of our economically inactive residents (aged 16-64) out of work due to long-term sickness or disability (vs. only 26.9% nationally), an individually tailored employment support offer is key. This will identify pathways into good quality, well-paid work that does not exacerbate these existing conditions.
- For residents with low confidence, low skills (25.2% have no qualifications and 12% fewer residents have NVQ4+ than nationally), or a long time out of the labour market, particular focus must be placed on engaging and motivating communities. This will promote the economic, social and health benefits of work and create realistic, attractive progression pathways.

2.3 The proposed model has been shaped by best practice reviews and consultation with local stakeholders, including:

- The Pathways to Work Commission for Barnsley (chaired by Rt Hon Alan Milburn).
- A suite of commissioned consultancy reports locally including employer engagement.
- Local Government Association (LGA) reviews of employment support systems and provision for economically inactive residents.

2.4 A 2022 LGA review of Work and Skills Hubs across the country (ranging from online and self-service one-stop-shops to physical multi-agency provision) has informed these proposals. Further LGA and Learning & Work Institute analysis found that if councils and Combined Authorities could better co-ordinate local employment and skills provision, the number of people improving skills or finding work would increase by 15%.

2.5 The UK SPF programme is an opportunity to revisit local delivery models. The lack of fluidity in ESIF provision (2018-2023) has inadvertently created siloed delivery. In contrast, the integrated programme of support proposed will allow seamless progression from a significant distance to the labour market into targeted, employment-focused access activity. This includes job and apprenticeship brokerage, and sector-specific training with work experience, at a pace appropriate for the individual. Residents will be able to enter through a single gateway where their situation, needs and barriers will be triaged before being directed to the most appropriate support for them.

3. Proposal

3.1 The proposed approach to UK SPF in Barnsley will enable young people and adults to

access more and better jobs in the borough. A 'fit for purpose' operating model has been designed which meets the vision for Barnsley 2030 along with a strengthened service where any duplication is removed. This facilitates continuous improvement of the quality of the resident experience.

- 3.2 Barnsley Council, through a mixture of direct delivery by its own Employment and Skills staff and through partnership working, proposes a set of complementary activities. These will include community-based employability information, advice and guidance to raise aspirations and awareness of local labour market opportunities. This will support residents to access skills and training development and connect local people with jobs through personalised pathways to work. It also includes supporting the career development of those in low paid or insecure work. In addition to support delivered by the council, a commissioning budget will be available to assist engagement, bridge provision gaps and offer personalised budgets.
- 3.3 The programme will be delivered as a 'Hub and Spoke' model. It will be delivered through the Town Centre, Principal Towns and at a hyper-local level, engaging with residents within their own communities. It will work in partnership with Area Teams, voluntary and community sector, statutory services, health services, and education and training providers across the borough.

4. Consideration of Alternative Proposals

- 4.1 The 'do nothing' approach would mean the borough's economy will continue to lag behind both the regional and UK average. This would negatively impact Barnsley residents and the borough's delivery of the 2030 strategic objectives. In addition, the contracts of 20 council employees would cease as there would be no funding available to continue their employment.
- 4.2 An alternative model with reduced investment could be considered. Again, this would see a significant decrease in the number of Barnsley residents supported and would result in a significant reduction of the current staffing resource.
- 4.3 There are no other revenue streams available to provide alternative funding that are targeted to support the groups identified.

5. Implications of the Decision

- 5.1 The UK SPF programme will benefit residents through increased access to learning provision and employment to fulfil their potential. The programme aims to inspire local growth and community prosperity by connecting people with local jobs.
- 5.2 The programme will provide additional support to enable residents to overcome barriers, so that more people can gain Level 2 qualifications (an entry requirement for most jobs) including developing core English, maths and digital skills.
- 5.3 Through hyper-local delivery and targeted work to remove barriers, residents will be better supported to access work. This will bring Barnsley closer to the national

average for economic inactivity. There will also be a focus to increase the number of residents that are supported to move into secure employment and reduce their requirement for Universal Credit through in-work support for people in low skill and low pay employment. Increased collaboration with local employers will identify opportunities for inclusive practice so that residents can access opportunities regardless of background or starting point.

6. Financial Implications

6.1 Consultation on the financial implications included in this report have taken place with representatives of the Director of Finance (Section 151 Officer).

6.2 Approval is sought to accept the £1.713m (revenue) UK SPF - to be utilised for the purposes detailed in Section (3.2(a-c)) of this report and summarised in the table below:

6.3 Shared Prosperity (revenue) Fund: Proposed Barnsley Council Spend 2023 to 2025

| Proposed UKSPF Revenue Spend | 2023 - 2025 | | Total £m |
|------------------------------|--------------|--------------|--------------|
| | 2023/24 | 2024/25 | |
| | £m | £m | |
| Strands 1 & 2 | 0.354 | 1.233 | 1.587 |
| Strand 3 | 0.000 | 0.480 | 0.480 |
| Total | 0.354 | 1.713 | 2.067 |

6.4 The funding required to support those projects is being provided from the following key sources:

(a) UK SPF £1.713m contribution

(b) Barnsley Council £0.354m contribution

6.5 The £0.354m in revenue 'match funding' required from the council to support project delivery will be provided via existing staffing budgets from within the Employment and Skills service.

6.6 It is important to note that there is no requirement for any new financial contribution from the council to progress the recommendations outlined in this report.

6.7 Barnsley Council Finance Officers will continue to work closely with the Employment and Skills Programme Management Team to ensure spend remains within the available funding allocation and is compliant with funder eligibility requirements.

6.8 Appendix A provides a full breakdown of the financial implications of the projects arising from the recommendations in this report.

Humber could have one of the highest regional proportions of these at 14%.

- 10.3 While some completely new jobs will become available, larger numbers of workers will need to partly reskill and their jobs will change in part to accommodate new technologies, and all new and existing workers will need a greater awareness of their impact and the impact of their jobs on the environment. The delivery model will include the flexibility to incorporate environmental awareness into all programmes.
- 10.4 The programme will facilitate opportunities that will be created locally by retrofitting homes with insulation, heat pumps and solar panels. By developing programmes of learning for the green skills sector with local skills providers, this will ensure residents can either retrain or up skill in this sector.

11. Communications

- 11.1 In line with the regional approach (known as 'Skills and Employability South Yorkshire'), Barnsley Council will develop their existing 'skills and employability' brand identity. This will allow us to localise the offer.
- 11.2 Using this framework, the service will promote opportunities for people and communities to benefit from support. This will include the development of the online Employability and Skills website. Opportunities to take part and outcomes of the activity will be shared through news releases, media outlets, social media channels, newsletters, partnership channels and engagement with key stakeholders.
- 11.3 Using the 'Hub and Spoke' model, this will be targeted activity that responds to local needs and highlights opportunities taking place across the borough.
- 11.4 Promotion of UK SPF activity will be delivered in line with UK Government branding, alongside council guidelines. There will also be cross-promotion with Barnsley 2030.

12. Risk

- 12.1 Underperformance of the annual output targets risks the council being unable to access the full financial allocation for 2024 to 2025. The risk has been mitigated by extending existing staff contracts through to April 2024 to ensure continuity of delivery and retention of skills and knowledge.
- 12.2 There is a national risk of government releasing funding for 2024 to 2025. The risk is being mitigated through conversation with SYMCA regarding underwriting 2024 to 2025 spend with Gainshare funding.
- 12.3 Other risks highlighted are listed below:

| Risk Description | Owner | Probability | Impact | Mitigation |
|--|--|--------------------|---------------|--|
| Lack of clarity in the provider and referral base regarding the project officer. | Delivery team Overseen by Project Steering Group | Low | Medium | All partners and delivery staff will be briefed on the focus of the projects, and regular meetings will take place with partners and staff, to ensure there is clarity about the projects aim and objectives and that collectively targets are achieved. |
| Delivering outputs: Residents do not engage, leading to under achievement. | Delivery team overseen by project steering group. Project Steering Group | Low | High | Successful engagement and project delivery are dependent on identifying and engaging residents who are in the target cohorts. This is delivered through one-to-one contact and networks. Our outputs and outcomes will be reviewed regularly through the council's reporting process and SYMCA. Corrective action will be taken if required. |
| Commissioning process delayed | Project Steering Group | Low | Low | A commissioning strategy is in place and the Employment and Skills Service have worked to increase the provider scope on the DPS in preparation for this programme. |
| Delays to project milestones. | Project Steering Group | Low | Med | The intended project management team are experienced in successfully delivering business support projects. They are confident the milestones are realistic and deliverable. |

| Risk Description | Owner | Probability | Impact | Mitigation |
|-------------------------|------------------------|--------------------|---------------|--|
| Resident satisfaction | Project Steering Group | Low | Low | Residents that we work with will be invited to complete a customer feedback questionnaire on completion of an engagement. Project review meetings will monitor engagement, progress, and feedback. |

13. Consultation

- 13.1 Barnsley Council has worked in partnership with the three other South Yorkshire Local Authorities and SYMCA. Through a series of manager and staff workshops, an approach has been determined and agreed for the region. There are local flexibilities to build on each of the local authority's differing community priorities and needs.
- 13.2 Engagement with internal business partner services took place during the summer of 2023. This has enabled planning for programme delivery and retention of staff with considerable knowledge and skills. This has also enabled sufficient time for preparation for new areas of delivery and commissioning.
- 13.3 Further consultation has taken place with representatives from the Finance and Human Resources services (including the Unions). Initial consultation has taken place with the representatives from the Executive Director of Core Services regarding the legal implications of contracting with external partners. Further discussions will be required once the final funding partner agreements are issued by SCC and CODC.

14. Glossary

- CODC – City of Doncaster Council
- SCC – Sheffield City Council
- SYMCA – South Yorkshire Mayoral Combined Authority
- UKSPF – UK Shared Prosperity Fund
- ESIF - European Structural and Investment Funds

15. List of Appendices

- 15.1 Appendix A: Financial Implications

16. Background Papers

- 16.1 South Yorkshire Investment Plan submitted to DLUCH, July 2022

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

17. Report Sign Off

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| Financial consultation & sign off | Senior Financial Services officer consulted and date: Ashley Gray Strategic Finance Business Partner – 13/12/23 Appendix A attached. |
| Legal consultation & sign off | <i>Peter Wilson</i> <i>When the council receives the formal partnership agreements from SCC and CODC, these will be submitted to Barnsley Council legal services for comment.</i> |

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Post: Group Leader (Employability)
Date: 24.01.24