

**Education, Skills and Employability Board**

**02.03.2021**

**Renewal Action Plan (RAP): Update on the People Theme – South Yorkshire Jobs Fund**

**Purpose of Report**

To set out how the Authority intends to take forward the proposal for a 'South Yorkshire Jobs Fund' (SYJF, referred to previously as Kickstart 25+) using Gainshare funding. Funding for the proposal was agreed in October 2020 as part of the £8.4m for activities under the RAP People Strand. At the informal Board on the 9<sup>th</sup> of February members asked officials to return with worked up proposals for an ILM working model for older worker building on discussion of the paper and a positive conversation with DWP.

**Thematic Priority**

Skills and Education

**Freedom of Information and Schedule 12A of the Local Government Act 1972**

The paper will be available under the Combined Authority Publication Scheme

**Recommendations**

That members:

- Confirm they are content with the proposed model for the programme
- Confirm they are content with the approach to an initial phase of the programme
- Confirm they agree with the core funding model for the programme
- Confirm they agree that we should accept the Flexible Support Funding offer from DWP and that the Authority should progress the detail and application with local authorities?
- Note the buy in and support offered from DWP for the programme
- Confirm whether they would like to sign off the TOR for the SYJF Steering Group
- Comment on whether we should use the South Yorkshire Jobs Fund working title or revert to 'South Yorkshire Works' as in the RAP.

**1. Introduction**

- 1.1 The Authority has committed £8.4m to delivery activities under the People Strand of the Renewal Action Plan. This includes funding for a Back to Work programme for residents aged 25+. At the informal Board meeting on the 9<sup>th</sup> of February, members gave a steer on the development of the programme and asked for more work to be done in time for the March Board. This paper sets out proposals for some pathfinder work based on further work since the February Board.

## 2. Proposal and justification

### 2.1 The Board's steer was to:

- Develop the programme as an Intermediate Labour Market model, drawing on the experience of current programmes but also considering the benefits of earlier programmes such as Future Jobs Fund;
- Preferably, avoid the title 'Kickstart 25+'. We are using South Yorkshire Jobs Fund (SYJF) as a working title;
- Clarify the role that the Authority will play bringing together partners to support development and delivery;
- Develop the proposal around a key cohort of residents aged 25+ who have been claiming Universal Credit benefits for 6 months and who are likely to be able to secure sustainable employment with some additional training and / or workplace experience;
- Approach the programme as an opportunity to address the structural problems of long term worklessness and low skills across the region;
- Focus the programme on sectors with employment growth to give as many people as possible the opportunity to secure sustainable employment.

There is a strong shared interest between partners across South Yorkshire to make the programme a success with an important role for local authorities and building on the positive discussions with DWP, backed up with an offer to support the programme.

### 2.2 Design Approach

#### 2.2.1 The Offer

The purpose of this programme is to give participants who have been out of work for 6 months the confidence, skills and sector-based work experience necessary to help them secure sustainable employment. The proposal fills a gap in DWP provision between offers for claimants at 13 weeks and Restart which will support those who have been unemployed or 12 months+.

The core of the offer is a job which gives the participant recent, relevant experience and up to date skills. As an employee, they would receive a wage, probably at the level of the National Living Wage, paid for through the Authority's Gainshare funding.

Around the core offer there are a number of proposed additional elements. Before starting the SYJF placement, participants will have an opportunity to take part in a Sector Work Academy Programme to test suitability with the employer. Participants will have the opportunity to address basic English, maths and digital skills where they fall below entitlement levels.

The aim of the programme is to get people into a sustainable job or apprenticeship either with the placement employer or with another in a growth employment sector, so participants will be offered support from the employer on completion of the work placement, with additional brokerage provided if help is needed to move to an alternative employer.

The key principles of any role will be that they are:

- paid employment – the intention is that the employment opportunities will come from both public and private sector organisation;
- real jobs – providing dignity of employment taking on roles with real responsibilities and subject to normal employment conditions;
- provide training which develop labour market employability skills (and this is planned into the role);

- employers support staff who are undertaking the training (that this is not on top of the day job);
- employers engage because they genuinely see the value of being able to provide staff with the opportunity to develop their own skills by training others, but also who see this as an opportunity to 'pay it forward' for the support many have received during the pandemic.

### **Are members content with the proposed programme offer?**

#### **2.2.2 Working with employers**

While many employers are under pressure as a result of the pandemic, there is evidence that in some sectors there are significant recruitment opportunities. In identifying businesses where there might be the appetite to run the SYJF programme we are planning to focus initially on a limited number of sectors where we know there are opportunities. In the warehousing and logistics sector we have Hermes planning to come into the area with the largest warehouse in Europe employing up to 1300 people and operating alongside existing firms such as Clipper and Amazon. Focusing on the sector, rather than individual employer growth should provide some flexibility across the programme and a greater chance of linking participants with genuine vacancies at the end of the programme.

These larger companies where we know there are likely to be vacancies are our entry point to discussions on SYJF. However, we can take the approach further with these companies to consider opportunities with the SMEs in their supply chain such as facilities management companies or, for example, the site clearance and construction companies that will be operating in preparing the site for Hermes.

In addition, DWP are confident that on the public sector side, there is evidence of significant retention potential in the health and care sector. The Authority and DWP are already working effectively with the NHS as a public partner across a number of agendas. Building on those existing partnerships, we would like to actively explore the potential the NHS to participate in the SYJF programme.

To avoid displacement of permanent jobs, it is important that SYJF roles are not roles into which the employer could recruit a permanent member of staff. This makes the NHS an attractive option for an employer to engage because much of the additional work they are carrying out is related to the pandemic and temporary, although NHS experience would put people in a good position to apply for permanent roles either in the NHS or have the skills required to secure a sustainable job elsewhere in the health and care sector, or in other admin or technical roles.

We will use existing routes to engage with employers on the SYJF, such as local authority employment and skills teams and DWP brokerage. The SYJF activity will add to the mix of programmes available to both residents and employers including traineeships, apprenticeships, Sector Work Academy Programmes, Kickstart and Restart and it will be critically important to promote the range of opportunities in a coordinated way. We will be working with local authority teams DWP and local employer representatives (eg Chambers) to develop plans to do this effectively.

### **Do members agree that this is right approach to an initial phase of the programme?**

### 2.2.3 Funding Model

Funding for the programme itself will cover:

- payment of wages based on National Living Wage (£8.91 from 1/4/21 plus 12% National Insurance=£9.98ph) for 30 hours pw over a 26 week period = unit cost of £7,784 (Income Tax not included)
- A part time option could be considered eg 16 hours per week over 26 weeks would have a unit cost of £3707.
- payment to employers for admins, support and in-house training = unit cost £1500.
- Total per head cost £9284 (or £5207 for 24 hrs)
- An initial cohort of 130 people would cost c£1.2m (30 hrs) £677k(16hrs).

It would be possible to pay a wage above the NLW and our initial proposals were for £11k across the 6 months of the programme. However, further work would be needed with DWP to assess the impact of a higher wage on Universal Credit payments. It is possible there would be some unintended consequences for people with families, mortgages as a result of a higher wage that may act as a disincentive to participation.

The proposed payment to employers is consistent with similar Covid recovery payments to employers for other programmes eg Kickstart 19-24 (£1,500) traineeship incentive (£1000) and Apprenticeships (£1500 for 25+).

In addition, funding from other sources would wrap around the programme to create a broad offer of support. This includes:

- Adult Education Budget funding to support delivery of suitable Sector Based Work Academy Programmes and ongoing literacy / language, numeracy and digital provision where required;
- AEB funding could also be accessed through additional low value procurement to provide short, sharp vocational or occupational training to residents on JCP benefits who have a job offer or need training to be able to compete for vacancies in the local labour market;
- DWP Flexible Support Fund – we have an opportunity to apply for a pre-approved pot of £515k funding to pay for work-coach brokerage and support based in local authorities to help people into work;
- Additional DWP support to remove barriers to work including CSCS cards, travel passes, clothing etc.
- Use of grants e.g. Fuller Working Lives Hubs.

**Do members agree with the core funding model for the programme?**

**Do members agree that we should accept the Flexible Support Funding offer from DWP and progress the detail and application with local authorities?**

### 2.3 **Wider Collaboration and support**

The steer from the informal board was for a blended approach to underpin design and delivery of the programme. To achieve this, we will work with colleagues from the Authority, DWP, local authorities, and business representatives including the Chambers of Commerce through a Steering Group set up for this purpose, but potentially with a longer-term role in relation to employment programmes.

### 2.4 Building on Councillor Houghton's initial productive discussion with DWP we are continuing to work with them on the design of the programme and on additional resources to support

delivery. DWP have offered to work with their trusted partners e.g. NHS; Amazon: Clipper and others to help get a pathfinder phase of the programme underway.

DWP have also offered to provide the following:

### **Additional staffing resources**

Provide a full-time secondment at **leadership grade**, to act as liaison between the Authority and DWP who will

- work with the Authority, Chambers of Commerce and local authorities to develop and prepare for launch of the South Yorkshire Job Fund Programme.
- liaise with JCP internal and external stakeholders
- progress and monitor grant funding applications to support SY residents move closer/into work
- other ad hoc duties as required.

### **JCP Resources - Work Coaches**

DWP will provide and pay the full costs of dedicated Work Coaches reporting to the DWP secondee embedded in the Authority, with a commitment from DWP that the staffing resource will be flexible and could grow as the programmes scales up, up to approx. 4 full time JCP staff. The coaches will support residents by:

- using the Flexible Support Fund to remove barriers to starting work, e.g. Travel pass, clothing etc.
- providing six weekly, touch points with participants to offer advice and support, including bespoke intensive support six weeks prior to their vacancy ending providing Labour Market support e.g. match to suitable vacancies, update CV, application support, mock interview etc.
- identifying barriers, promoting and referring residents to suitable local or national DWP and other provision/support, to improve their chances of being able to take up Job fund roles
- job broking activity, matching suitable residents from their caseloads to vacancies
- supporting potential participants with a better off in work assessment and understanding of the impact on Universal Credit

### **Support from JCP Account Managers**

The JCP Account managers will on behalf of the SY Jobs Fund provide

- recruitment advice to employers
- cross working with the Authority and partners to support the identification, promotion of SYJF to suitable employers and attract good quality vacancies in growth sectors, and that use the training they receive enable to them to progress into sustainable jobs with good pay.
- work with employers and providers to identify and design suitable Sector Based Work Academy Programmes which will provide residents opportunities to access job fund vacancies.
- facilitate employer presentations to Work Coaches to promote their SY Job Fund vacancies.

## 2.5 Governance of the Programme

A Steering Group will be set up, with a clear Terms of Reference (ToR), setting out the Roles, Responsibilities and Accountability arrangements. Expected membership of the Steering Group will be:

- the Authority
- local authorities
- DWP local team
- Employer representation – eg Chambers of Commerce
- Training provider representative

**Do members want to review and comment on the final draft ToR?**

## 3. Consideration of alternative approaches

- 3.1 The Authority was not looking to duplicate provision, this is an ILM to sit alongside the national young people's Kickstart. There is no 25+ waged offer (other than an apprenticeship which is not a suitable option for these residents).

## 4. Implications

### 4.1 Financial

Use of £8.4m Gainshare funding as agreed to support RAP: People Strand activities shared with Apprenticeship interventions and Union Learning. Proposals in this paper are for an initial pathfinder test and learn model at a cost of between £781k and £1.27m (depending on hours worked) for 150 people.

### 4.2 Legal

This paper is seeking a view from members on points of principle and design only.

### 4.3 Risk Management

There is a risk that there will be no incentive to participate in the programme if there is no differential in income between SYJF jobs and Universal Credit. However, we would need to secure 'buy in' from DWP for payment of higher wages that would incentivise the programme and need to do more work to understand how Universal Credit might be impacted through SYJF wages.

### 4.4 Equality, Diversity and Social Inclusion

Enabling those who are unemployed to gain the skills needed to enter and progress in the workplace, reduces inequality and supports social mobility.

## 5. Communications

- 5.1 At the informal meeting, members proposed that we moved away from the title 'Kickstart 25+' to avoid connotations with the DWP programme for young people. The working title 'South Yorkshire Jobs Fund' has been used for this paper

**Members are invited to comment on whether they would prefer to revert to 'South Yorkshire Works' which was the title used for the People Strand in the RAP.**

## 6. Appendices/Annexes

- 6.1 N/A

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: