

Committee Name and Date of Committee Meeting

Delegated Officer Decision – 02 March 2026

Report Title

Pathways to Work – Economic Inactivity Trailblazer–Continuation funding 2026/27

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Executive Director Approving Submission of the Report

Andrew Bramidge, Executive Director of Regeneration and Environment

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

This report outlines a strategic initiative to reduce economic inactivity in Rotherham by integrating new and existing employment, skills and health services. With £1.7m per year in funding from the Department for Work and Pensions (2025-26 & 2026-27) the programme aims to engage 1,000+ economically inactive residents and transition 400+ into employment in both 2025/26 and 2026/27.

The Pathways to Work model underpins the initiative, emphasising personalised support, employer engagement and system integration. Key components include:

- A System Service Manager function to oversee development, programme management and coordination, to lead ambitious system change
- Commissioned community based provision to engage hard-to-reach populations and maximise locally accessible support opportunities.
- Intensive Case Management for personalised employment support.
- Employer activation initiatives to create suitable job opportunities.

The report highlights the complex barriers to employment for economically inactive residents including health conditions, caring responsibilities and skills gaps and stresses the need for multi-agency collaboration across local authorities, health services and community organisations.

The report provides an overview of programme delivery and performance against key test and learn system functions as well as confirming intent to continue programme delivery against consistent target outcomes, and system approach.

Approval is sought to accept funding for 2026/27 and allow continuation of the programme, while also considering the potential for future funding in subsequent years.

Recommendations

1. Approve acceptance and use of RMBC Pathways to Work Economic Inactivity Trailblazer funding allocation, as detailed in section 2.6, for year two delivery continuation and programme development.

List of Appendices Included

Appendix 1a Equalities Analysis – Part A
Appendix 1b Equalities Analysis – Part B
Appendix 2 Carbon Impact Assessment
Appendix 3 Cabinet approval of Year 1 Pathways to Work EITB, Section 148

Background Papers

[Get Britain Working White Paper - GOV.UK](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Pathways to Work – Economic Inactivity Trailblazer – Year 2 – 2026-27

Pathways to Work – Economic Inactivity Trailblazer–Continuation funding 2026/27

1. Background

- 1.1 Funding for 2025-2026 Pathways to Work Economic Inactivity Trailblazer was approved at [Cabinet on Monday 14 April 2025](#). This is a follow on to that report, and seeks approval to accept continuation of funding for 2026-2027.
- 1.2 Economic inactivity refers to the labour market status of individuals of working age who are neither employed nor actively seeking work. Economic inactivity is a significant and ongoing national challenge, adversely affecting productivity, economic growth and public finances. Addressing economic inactivity is crucial for boosting economic resilience and for improving social mobility and long-term prosperity.
- 1.3 Around 1 in 4 individuals of working age in the UK are not working. In Rotherham the number is 46,600 (ONS March 2024) which is nearer to 1 in 3 of the working age population (aged 16-64). This comprises:
 - Students 11,200
 - Looking after family or home 8,500
 - Long term sick 15,000
 - Retired (under state pension age) 5,200
 - Other 6,000
- 1.4 The Pathways to Work (PtW) Commission originally established by Barnsley Council brought together experts and senior leaders in the field of work, skills and health to undertake a deep dive into the causes of economic inactivity. In its July 2024 [report](#), the Commission called for a whole system approach to drive systemic change, overcome the complexity of the current system and deliver better outcomes from employment and health programmes.
- 1.5 PtW provides a proof-of-concept approach to tackling economic inactivity that brings together health, employment and skills services. Working regionally, through the four South Yorkshire Councils and SYMCA, the approach was developed into a scalable proposition and submitted to Government with a request for pilot funding.
- 1.6 The key components of the PtW approach comprise:
 - A System Steward – operating at regional level with responsibility for policy, regulatory, funding and quality parameters of the employment service system.
 - System Service Manager – at local authority level with responsibility for driving system change.
 - Engagement with potential beneficiaries delivered at a hyper-local level.

- Personalised Support - Intensive Case Management (ICM) for people who have complex needs and/or significant barriers precluding them from securing employment.
- Employment activation - a set of targeted interventions focused on employers to enhance the employment opportunities for those that are economically inactive.

1.7

In November 2024 the 'Get Britain Working' white paper announced South Yorkshire, alongside 4 other MCA areas, would receive funding for an Economic Inactivity Trailblazer and an NHS Growth Accelerator aimed at boosting labour market participation and reversing a persistent trend of increasing economic inactivity across the region. SYMCA submitted a joint delivery plan for both programmes to the Department for Work and Pensions (DWP) and NHS England on 20th December 2024 founded upon the PTW recommendations. The Business Case for the Trailblazer was agreed by the Investment Committee of the Department for Work and Pensions. Following Treasury approval funding was formally confirmed in early April 2025.

1.8

South Yorkshire's Economic Inactivity Trailblazer promised £10m of DWP funding for the South Yorkshire pilot for the 2025/26 financial year, with £1.7m set aside for activity in Rotherham, based upon target population share. Successful delivery of the Economic Inactivity Trailblazer launch year has laid the foundations for continuation funding for year 2, 2026- 2027, with confirmed funding of £1.7m for the next financial year, with the potential for a longer-term funding arrangement under SYMCA's single settlement from April 2027.

1.9

Pathways to Work is approaching the end of the initial mobilisation year, with evidenced progress made against the three key test and learn areas, system change, employer activation and personalised support. As a system, we have worked hard to develop a more joined up approach to employment support within RMBC which is key to providing a streamlined, accessible service for the residents and businesses within the Rotherham Borough. We have introduced a 'no wrong front door' function, providing a central single point of contact Triage Service, allowing ease of access and informed advice and tailored signposting to the most appropriate service for the individual. Marketing across all internal programmes is now collaborative with consistent messaging and visibility, citing the central email and phone line as the mode of service access and initial support. This will continue to develop into year two as we further extend and expand triage reach across all local employment and health related support services in Rotherham.

1.10

Year one has seen the introduction of an internal team to support the specific ambitions and outcomes of the Economic Inactivity Trailblazer for 2025-26, embedding into the existing Employment Solutions provision, supporting broader integration into the single system approach. This will continue throughout year two, building on current collaboration, aligning programmes with regional partners and reinforcing central reporting functions across external and internal programmes.

1.11

1.12 Targeted commissioning with VCSE organisations was new to Rotherham and significant support has been needed to ensure mobilisation, capacity, and alignment with the PtW delivery model. Year two will allow for a better informed approach to commissioning, ensuring targeted reach both geographically and targeted in terms of cohort need. We will continue to build on the positive relationship with Voluntary Action Rotherham, supporting continued collaboration with regards to community based provision, reinforcing our ambition to take the service to the people and increase neighbourhood presence and visibility.

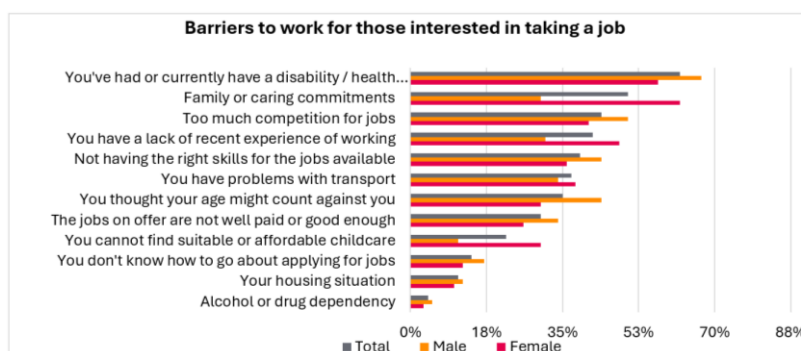
1.13 The employment market has been challenging over the past year with employer confidence low, a reduction in apprenticeship provision and a slow down in recruitment. We have worked alongside the Chamber of Commerce to understand the challenge and establish an employer activation plan which lands well with businesses and encourages consideration and engagement. This includes a series of confidence workshops designed and hosted by the Chamber of Commerce but supported by Pathways to Work in terms of content and delivery. This activity will continue into year two to ensure consistency of messaging and improved business awareness and involvement in the Rotherham ambition to drive system change and improve life outcomes for residents and support local economic growth.

1.14 We have seen 575 referrals into the Economic Inactivity Trailblazer, with 307 starts on programme (53% conversion from referral into start). To date, we have seen 73 evidenced jobs, demonstrating a 24% conversion rate from start into employment, which is second only to Sheffield within South Yorkshire. This demonstrates an impactful launch to the programme and provides a solid foundation on which to build in year two.

We have established a course to job approach with bespoke employer led training opportunities, moving participants through tailored training into work in partnership with local employers. We have piloted this approach in partnership with Yorkshire Water and Detechtronics in Q4 of programme delivery with 100% retention, 90% success rate and 90% into work as a result of the delivery. This partnership will continue into year two, promising ring fenced job opportunities for Rotherham, residents, with permanent, meaningful and high quality, well paid jobs. Plans are in place to replicate this approach in the care sector, customer service and rail track as we move through Q4 and into the new delivery year.

2. Key Issues

2.1 Economic inactivity is complex and multi-faceted. Many economically inactive residents face multiple overlapping barriers to entering the labour market. In research carried out during the P2W commission two thirds of survey respondents identified three or more barriers to securing a job. Ill health was the most reported barrier with other key overlapping barriers including caring responsibilities, skills and transport.



- 2.2 The mobilisation of the Economic Inactivity Trailblazer in 2025-26 began to address the issue caused by a multifaceted, diverse and disparate range of provision, which further highlighted the need to develop multi-agency / referral networks that would provide a simple, single point of access for residents seeking support and a central triage service for referrers.
- 2.3 The Economic Inactivity Trailblazer targeted engaging 1,000+ economically inactive residents in Rotherham and progressing 400+ into paid employment in 2025-26. This was and continues to be an order of magnitude greater than previously achieved and will require a considerable expansion of activity across a range of areas described below and a corresponding increase in co-ordination of the complex system.
- 2.4 The UK government has adopted a dual approach to welfare reform, combining stricter benefit conditions with increased employment support to address economic inactivity. Recent government statements suggest a move towards tightening access to out of work benefits, with measures such as more rigorous work capability assessments, increased sanctions for those deemed not engaging with job-seeking requirements and restrictions on certain disability and sickness related claims. The aim is to reduce long-term reliance on welfare and encourage more people into the workforce. At the same time there is an indication of intent to expand initiatives providing practical support, recognising that many economically inactive individuals face barriers beyond financial disincentives. This includes investment in tailored employment support, skills training and mental health services to help those who can work transition into sustainable employment.
- 2.5 The Economic Inactivity Trailblazer is a key part of this broader strategy and represents a targeted effort to engage and support individuals in Rotherham who have been out of work due to health conditions, caring responsibilities or other challenges. The system change the Trailblazer seeks to address is an essential component of the overall approach and aligns with the government's push for a more proactive welfare system. The Trailblazer will not impose sanctions, instead it will continue to expand personalised support to ensure those capable of working are able to take steps towards employment. By working closely with local employers, health services and skills providers the initiative aims to test innovative approaches to tackling economic inactivity and help people overcome the complex barriers they face.

- 2.6 As referred to in section 1.8, Pathways to Work Economic Inactivity Trailblazer focuses on three key test and learn functions and funding is allocated across these three areas.

Cost	Budget 2025/26
System Service Management	
Staffing	£224,688
Commissioned Services	£60,000
Employer Activation & Engagement	
Staffing	£112,000
Commissioned Services	£250,000
Administrative and resourcing	£110,000
Personalised Support	
Staffing	£501,240
Commissioned Services	£300,000
Mobilisation and resourcing	£110,000
Administrative	£36,000
Total	£1,703,928

This funding is being utilised to manage the programme, commission community-based engagement activity, and personalised support (to include flexible support budgets), activate employers to create job opportunities for participants, pay for additional staff salaries (within RiDO, Employment Solutions and for other Pathways to Work roles within the Council), commission employer led bespoke training programmes as needed, and cover miscellaneous related costs.

3. Options considered and recommended proposal

3.1 Do not continue with year two (2026/27) Pathways to Work Economic Inactivity Trailblazer

3.2 Pathways to Work is a region-wide drive for system change within the employment, skills and health landscape, with a view to simplifying the system, improving the lives of residents, strengthening communities and addressing long-standing structural economic challenges. SYMCA and the four South Yorkshire LAs need to work in partnership to achieve this. Non-participation would result in Rotherham missing an opportunity to secure resources to address what is a persistent and increasing challenge to improving economic and social inclusion. Given the high profile of the Pathways to Work Commission, and with Government funding an Economic Inactivity Trailblazer for South Yorkshire, non-participation would carry significant reputational risk.

3.3 A withdrawal from the PtW EIT would result in an inability to build on the strong foundation already laid, resulting in essential support being removed from Rotherham residents, negatively impacting on stability, health and wellbeing, quality of lives and local economic growth.

3.4 Recommended proposal

- 1 Approve acceptance and use of RMBC Pathways to Work Economic Inactivity Trailblazer funding allocation, as detailed in section 2.6, for year two delivery continuation and programme development.

4. Consultation on proposal

- 4.1 A wide range of partners and stakeholders have supported and engaged with Pathways to Work and the Economic Inactivity Trailblazer during initial inception and throughout year one of delivery. These include:

- Inclusive Economy Board
- Inclusive Employment Workstream
- Business Growth Board
- Employment and Skills Board
- Voluntary Action Rotherham & VCSE partners.
- Local Integration Board (LIB)
- Employers
- Humanitarian and Communities Group
- NHS/ICB
- DWP
- JCP

- 4.2 As a South Yorkshire regional programme of activity, regular meetings are held between SYMCA and the four local authorities to continue the development of the programme(s). These meetings include both the DWP and the NHS/ICB, to ensure connection with the Health Growth Accelerator which the latter is leading.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Economic Inactivity Trailblazer is expected to continue operations without break in delivery from Q4 2025/26 into Q1 2026/27 to ensure continued support for participants, reduced impact on job outcomes and maintain momentum and pace.
- 5.2 Achieving this timetable is dependent on receipt and approval of a funding agreement.

6. Financial and Procurement Advice and Implications

- 6.1 This ODR seeks formal approval to accept the second year of funding under the Economic Activity Trailblazer – Pathways to Work programme of £1.7m. This programme is funded by Department for Work and Pensions (DWP) and is distributed via SYMCA. This represents the second year of the programme, £1.7m having also been allocated in 2025/26.

6.2 There are no direct procurement implications associated with the acceptance of the grant. However careful consideration must be given to the commissioning routes identified to deliver the programme. All activity must comply with the conditions of the grant received. Where the Council determines that its commissioning arrangements are best deliver through grant agreements there are no procurement related implications as grants fall outside the scope of procurement legislation. If however, the commissioning arrangement is to be delivered through contracts for services, these will require procuring in compliance with relevant legislation (Public Contracts Regulations 2015 or the Procurement Act 2023 dependent on the route to market) and the Council's own Financial and Procurement Procedure Rules.

7. Legal Advice and Implications

7.1 The Department has been engaging with Legal Services as and when required in relation to Pathways to Work.

7.2 There are no further legal implications raised by this report.

8. Human Resources Advice and Implications

8.1 We recognise the work of the *Pathways to Work – Economic Inactivity Trailblazer* and how it plays a vital role in supporting residents to overcome barriers and move into employment. The benefits of helping people into work are significant, improving confidence, stability and wellbeing while strengthening communities.

8.2 HR implications relate to ensuring the programme's staffing is appropriately resourced and managed, covering recruitment, onboarding and support with performance matters. They also include planning for fixed-term roles and any risks linked to future funding uncertainty.

9. Implications for Children and Young People and Vulnerable Adults

9.1 The Economic Inactivity Trailblazer has had positive implications for Children, Young People and Vulnerable Adults. Services are targeted at many of the most disadvantaged and under-serviced residents who are caught in a cycle of low income, poor access to services, poor health and low aspiration. The PtW programme includes a focus on prevention and targets young people who are not in employment, education or training (NEET), including care leavers and those from households experiencing inter-generational inactivity or unemployment. It aims to break the inertia of economic inactivity by providing hyper- local and specialist employment support, delivered sensitively in non-threatening environments and by activating employers to create viable, appealing job opportunities.

9.2 PtW will have a dedicated offer for young people experiencing diverse barriers to moving into positive destinations and into work. This will be delivered through dedicated internal training programme developer,

addressing issues and challenges bespoke to this cohort of participants. With the Programme Developer moving into post in February, year two will see a significant increase in this targeted provision.

10. Equalities and Human Rights Advice and Implications

- 10.1 The programme will continue to target economically inactive residents across a range of sub-cohorts, including, those with disabilities and health conditions (who are significantly less likely to work), ethnic minority groups (who are over-represented among economically inactive people) and young people who are not in employment, education or training (NEET), to include care leavers and those from households experiencing inter-generational inactivity or unemployment.
- 10.2 An Equalities Analysis has been completed and approved and is attached as Appendix 1.

11. Implications for CO2 Emissions and Climate Change

- 11.1 The Economic Inactivity Trailblazer has both direct and indirect implications for CO2 emissions and climate change. The expansion of employment support services has increased staff travel and office-based activities which may contribute to higher emissions. However, the programme aims to continue to deliver activity hyper-locally within communities, minimising the distance residents need to travel to access services and receive support.
- 11.2 A reduction in rates of economic inactivity is likely to result in economic growth which has the potential to increase CO2 emissions. To mitigate negative impact, it will be necessary to draw on a range of other projects' policies to promote environmentally sustainable economic growth and within the programme encourage employers to adopt sustainable workplace practices.

12. Implications for Partners

- 12.1 The success of PtW and the Economic Inactivity Trailblazer is dependent on strong collaboration between multiple partners including:
- Rotherham Council Services – RiDO, Employment Solutions, Supported Employment and Neighbourhoods will play key roles in shaping and delivering the programme.
 - SYMCA – responsible, as System Steward, for regional coordination and securing long-term funding through the single settlement.
 - Other South Yorkshire Local Authorities – as a region wide programme PtW/Trailblazer needs to be successful across the area. This allows a 'regional programme with localised differences' approach to be implemented, ensuring that delivery is hyper local and focused, while maintaining a collective and collaborative approach to

success through the sharing of innovative practice, which may be scalable in other localities

- Department for Work and Pensions and NHS England – providing policy support and funding for integrated health and employment services.
- Chamber of Commerce, Local Employers and Business Networks – engaged to create inclusive employment opportunities and engage in alternative recruitment practices, ensuring inclusivity in both practice and process.

Voluntary Action Rotherham & Voluntary and Community Sector Organisations – essential for community-based outreach and personalised support delivery, particularly for those disengaged and disadvantaged groups where “lived experience” is necessary. This ensures hyper local visibility and presence, taking the services and support to residents and supporting community integration.

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- 12.2 The System Service Manager (SSM), will continue to establish a governance framework to ensure alignment between partners, avoid duplication of services and facilitate data sharing while complying with GDPR regulations. The SSM will continue to lead the drive for system change, streamlining the work, health and skills service offer, ensuring accessibility, maximising support for all regardless of status or circumstance, and working across the Borough to establish a coordinated system which meets the needs of local residents and businesses.

13. Risks and Mitigation

- 13.1 **Low Engagement from Target Groups** - some economically inactive individuals may be difficult to reach due to health, confidence or trust barriers.
- 13.2 **Retaining Individuals in the Programme** – similar previous activity with these cohorts has shown a figure of below 50% is realistic for the retention of a person from initial referral to starting in employment, although retention on programme in year 1 of EIT has been higher
- 13.3 **Employer Reluctance** - businesses may hesitate to employ individuals with complex needs or lack the necessary support structures.
- 13.4 **Service Capacity Constraints** - scaling up intensive case management and outreach could strain existing support services.
- 13.5 **Sustainability of Funding** - the £1.7 million allocation for Rotherham is time limited; future funding uncertainties could impact long term programme viability

- 13.6 **High expectations and stretching targets** – current success rates indicate that 400+ people into employment in Year 2 through the Trailblazer will be extremely challenging.
- 13.7 **Data Sharing and Integration Issues** – challenges in coordinating information between employment, health and skills services.
- 13.8 **Mitigations**
- 13.9 **Community Based Outreach** - partnering and commissioning with VCSE and local organisations to deliver engagement at hyper-local level.
- 13.10 **Effective Triage** – ensuring that each individual gets the support they need from the most appropriate programme available to them through the new Triage function, introducing a single point of contact approach.
- 13.11 **Employer Incentives** developing a structured employment support package including workplace adjustments and continuing in-work support to the individual at the commencement of their employment. The continuation of the wage subsidy scheme for SMEs, aimed at supporting young people aged 16-30 years in the first 12 weeks of employment, and continued partnership working with the Chamber of Commerce
- 13.12 **Workforce Coordination and Training** – central coordination of internal employment support services, across directorates to maintain a single service offer for residents. Upskilling internal staff to support increased service demand and developing service offers.
- 13.13 **Long Term Funding Advocacy** - engaging with SYMCA and DWP to secure continued investment beyond the second year of the Trailblazer.
- 13.14 **Clawback of Funds** – DWP has advised that the intention of the Trailblazer continues to be to innovate and test new ways of working. Consequently, there is no intention in Year 2 to clawback funds based on outputs. This will allow partners to test out some more innovative approaches, with risk mitigated.
- 13.15 **Robust Data Sharing Agreements** - establishing clear protocols to facilitate secure and effective information sharing across agencies. This work has moved forward through year one of delivery in partnership with NHS/ICB colleagues.

14. **Accountable Officers**

Fiona Fletcher, System Service Manager-Pathways to Work

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	John Edwards	Click here to enter a date.
Executive Director of Corporate Services (S.151 Officer)	Judith Badger	Click here to enter a date.
Service Director of Legal Services (Monitoring Officer)	Phil Horsfield	Click here to enter a date.

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