

**EUROPEAN SOCIAL FUND – ENGLAND & GIBRALTAR 2007-2013 OPERATIONAL PROGRAMME**

**Co-financing Plan 2011-2013**

<b>Region</b>	East of England
<b>Objective</b>	Regional Competitiveness & Employment

\* Delete as appropriate

**Co-financing Organisation (CFO) details**

Name of Organisation

Address

Contact name and Position

Telephone number

Email

**Indicative contents**

**1 Background and contribution to delivery of the regional ESF Framework**

In June 2007 The Secretaries of State of the Department for Innovation, Universities and Skills (DIUS) and Department for Children, Schools And Families (DCSF), announced the Machinery of Government changes, which resulted in the dissolution of the Learning and Skills Council (LSC) and the transfer of responsibilities for 14-19 education and training to the local authorities resulting in the establishment of three new agencies: the Skills Funding Agency (SFA) the Young People's Learning Agency (YPLA), and the National Apprenticeship Service (NAS).

The SFA has been established as a next steps agency with a remit to oversee the distribution of funds to the sector and manage the performance of FE colleges.

The YPLA forms part of the wider 16-19 system, together with local authorities, working in their regions and sub-regions, and Government Offices.

NAS has responsibility for all apprenticeship activity and funds and will support those young people seeking to progress into an apprenticeship.

As part of its remit the SFA replaces the LSC as an Accountable Body for ESF resources. These funds are used to target support at both the 14-19 and 19+ age groups and deliver employment and skills outcomes and results that support the Regional and National ESF Programme and the Regional and National Operational Frameworks.

The SFA will work closely with local authorities and the YPLA in order to effectively deploy ESF resources to support the Young People's (14-19) Agenda.

In order to develop effective arrangements for the future management and delivery of ESF, the LSC, on behalf of the SFA has worked at a national level with the Local Government Association, REACT and designated officers for the YPLA to agree guiding principles and key roles and responsibilities.

The guiding principles that have been agreed are as follows;

- The SFA will take on the role of Accountable Body and Co-Financing Organisation acting on behalf of the YPLA and local authorities in relation to the 14-19 client groups.
- The SFA will develop this Joint Co-financing Plan with the local authorities and the YPLA. A Joint Co-financing Board will be developed in each region to oversee the planning and delivery of the Joint SFA/YPLA Co-Financing Plan.
- Responsibility for determining the content of the Co-Financing Plan that covers the 14-19 agenda will be the responsibility of the YPLA and local authorities.
- This Joint Co-financing Plan will be co-ordinated and managed by the SFA.
- The working protocols of this arrangement will be captured in a Shared Service agreement signed by the SFA and the YPLA

The SFA in the East of England will deliver co-financed ESF activity across the region which includes the 6 counties of Hertfordshire, Essex, Suffolk, Norfolk, Cambridgeshire and Bedfordshire including the local authority areas of:-

**Bedford Borough**  
**Cambridgeshire**  
**Central Bedfordshire**  
**Essex**  
**Hertfordshire**  
**Luton**  
**Norfolk**  
**Peterborough**  
**Southend on Sea**  
**Suffolk**  
**Thurrock**

## **2 SFA proposed delivery**

The SFA, as a co-financing organisation is acting on behalf of the The Young Peoples Learning Agency and local authorities in relation to the 14-19 Agenda, and as a co-financing organisation responding to the 19+ agenda will deliver activity as set out in this Co-financing Plan under both:-

- Priority 1 Extending Employment Opportunities
- and
- Priority 2 Developing a Skilled and Adaptable Workforce.

The SFA will develop projects that respond to and address the needs of the following regional priorities identified in the Revised ESF Regional Framework (January 2010)

- Responding to reduced labour demand and increased unemployment and youth unemployment with a particular focus on areas of the region that have been hardest hit during the economic downturn
- Improving the region's skills performance in relation to the national average with a focus on certain parts of the region with low skills profiles
- Increasing progression from low to high skills
- Achieving a more highly skilled workforce in line with an increased number of jobs requiring high level skills
- Increasing the numbers of young people remaining in education and training
- Increasing employer demand for skills and the number of people undertaking job related training leading to improved productivity
- Tackling barriers to employment among certain group of people

ESF funding supports those individuals who are most disadvantaged in society, both economically and educationally, in addition to supporting other types of training, education and employment activity.

### **3 Priority 1 – extending employment opportunities**

Priority 1 focuses on unemployed people and those 14-19 year old young people (up to age 25 with a learning difficulty or disability) not in Employment, Education or Training (NEET).

The SFA intends to develop projects that will be funded through ESF Priority 1 funding that will increase employment by tackling the barriers that stop individuals participating in the region's economy and extending the employment opportunities available to them, thereby reducing unemployment and economic inactivity.

#### **Activity to be Supported**

The SFA will support activity that responds to the following key priorities of the ESF Revised Framework:-

- Removing barriers to participation
- Integrating employment and skills

- Developing adult and young people's employability skills
- Enhancing Redundancy Support
- Influencing employers recruitment practices
- Grant giving activity to develop the Voluntary and Community Sector

## **14 – 19 year olds not in education, employment or training**

The SFA (operating on behalf of the YPLA) intends using ESF funding for the 14-19 year old NEET/NET cohort for qualifications ranging from basic/entry level skills up to level 3. This means that projects for young people who are not in education, employment or training are a high priority for both the SFA and its partners.

### **Target Groups**

This activity is targeted at young people between the ages of 14-19 (and up to the age of 25 if the individual has a learning difficulty or disability). In particular the SFA intends to prioritise its 14-19 delivery to the following individuals:-

- young people with complex needs who require both learning and linked services
- young people in vulnerable groups (including learners from low income homes, care leavers and those with learning difficulties and disabilities)
- young parents/parents to be
- learners who want to move towards an apprenticeship, but lack the literacy/numeracy and job-readiness skills - (pre-apprenticeship provision)
- flexible provision targeted at rural areas where there are transport issues
- young people in jobs without accredited training (building on the work done by the Learning Agreement Pilots up to July 2009)
- young people made unemployed due to recessionary pressures.

### **Geographical Coverage**

The Skills Funding Agency intends to deliver the proposed activities across the East of England dependent on need. The SFA intends to deliver both local and regional priorities. The Regional Planning Group will work with Local Authorities to identify and agree NEET hotspots and delivery for the NEET cohort and will inform this Co-financing Plan through the governance of the SFA's Regional Co-financing Plan Board.

It is not the intention of this plan to deliver activity in the Local Authority areas of Bedford, Central Bedfordshire and Luton as there are established Local Authority co-financing organisations in these areas. However, the SFA does reserve the right to consider offering activity in these areas that could enhance or fill gaps in provision not covered by other co-financing organisation. This would be at the discretion and request of the Regional Planning Group.

### **Proposed deliverables to support activity in this element of Priority 1**

The SFA, on behalf of the YPLA, will respond to the needs of specific NEET hotspots as they arise across the region.

The types of activity that will be developed to deliver to this client group include:-

- ✓ Initiatives to reform vocational routes for and develop vocational skills among 14-19 year olds including developing the vocational curriculum to improve employability
- ✓ Initiatives to help raise awareness of the world of work, enterprise and entrepreneurship among young people (from age 14) including work experience placements
- ✓ Activities to engage 14-19 year olds not in education, employment or training, tackle their barriers to learning and help them access mainstream provision
- ✓ Activities including vocational training and preventative work for young people at risk of becoming NEET to provide pathways to employment
- ✓ Activities to reduce and tackle the rudimentary causes of youth unemployment by developing the employability and skills for young people

## Foundation Learning

For young people, Foundation Learning (FL) is the national route of learning for 14 to 19 year-old learners working predominantly at Entry Level or Level 1.

FL Learners follow personalised programmes with qualifications drawn off the Qualifications and Credit Framework (QCF).

The overarching objectives of Foundation Learning are to:

- support improved engagement, participation, achievement and progression through Entry Level and Level 1 towards an appropriate destination, such as level 2, employment (and supported employment) and/or more independent living;
- bring coherence to programmes of study at Entry Level and Level 1 to support progression for young people;
- ensure learners gain a minimum level and range of skills providing a sound foundation for further learning and employment; and, support the delivery of quality learning programmes that are personalized and appropriate to the learner's needs and which help to encourage raised aspirations and a culture of lifelong learning.

ESF will focus on supporting Foundation Learning in the following ways:-

- **Access** – working with young people to encourage them to start on a Foundation Learning programme; removing barriers to participation.
- **Support activities** – improve retention and success rate through extra support activities, such as extra parenting support and long term mentoring.
- **Post activities** – focusing on re-establishing contact with non successful learners; extra support for positive destination learners, such as those in further learning or in employment

with training.

## **Learner support programmes**

ESF will be used to fill gaps in current mainstream learner support funding, such as EMA, particularly to ease participants on and off programmes into positive destinations. Use of ESF funding to support learners will be used in cases where mainstream learner support is not available.

### **Priority 1 19+ (Adult) Provision**

ESF funds will help individuals move into or towards realistic labour market opportunities

ESF will be used to provide a range of pre-employment activities to support unemployed individuals into work. The activity suite will include the Employability Skills Programme (ESP) and both discretely funded and ESF co-financed activities. ESF funded activities will focus on supporting and adding value to existing programmes that deliver short sharp skills interventions, longer term work focused training programmes or ESP delivery.

### **Activity to be Supported**

- Initial engagement in learning for adults with basic skills at pre-Entry and Entry Level 1 to include literacy/ESOL (English for Speakers of Other Languages), numeracy, confidence building and other soft skills and address wider barriers to learning.
- ESOL provision below Level 1 where local intelligence suggests that mainstream provision will be insufficient to meet local demand.
- Local labour market sector-specific non-accredited provision for those leaving ESP or vocational provision to further progress skills and job goals pre-employment.
- Additional support through information advice and guidance; aligning with the Adult Advancement and Careers Service. Support should be agreed with career advisors.
- Enhancements to Local Employment Partnerships (LEP) activities, delivering skills development activities that link to workplace training such as Skills for Life, NVQs and Apprenticeships.
- Volunteering as a route to employment to help assist the economically inactive from age 19+ to return to the labour market that has a particular emphasis on the 2012 Olympic and Paralympics Games building on the work that has been done through the Personal Best programme delivered in London as part of an 2007-2010 ESF funded project
- Support for learners currently ineligible for Train to Gain, such as foster carers and learners undertaking 'work experience' (that is, learners on a placement conducted as part

of another course but for whom a contract for employment is not in place, such as women rejoining the labour market).

- additional support beyond that available from existing employer facing programmes and those designed to support the unemployed such as the Response to Redundancy Programme
- Programmes for the economically inactive (those not engaged with the benefit system)

ESF funding will be used to provide the skills support to unemployed individuals not claiming out-of-work benefits who have multiple barriers to employment. ESF will be used to provide a range of pre-employment activities similar to those listed above but without the labour market sector-specific provision. ESF will be used to provide first steps into work for those not claiming out-of-work benefits and not ready for employment. This will include actively seeking out individuals who are economically inactive and engaging them on a learning journey.

### **Adult Advancement and Career Service**

The Adult Advancement and Careers Service commences on 1 August 2010. The service will be provided through three channels: online; telephone; and face to face. The service offer will provide labour market focused careers and skills information and advice to adults aged 19 or over (or 18 and over for Jobcentre Plus clients or those in custody from 1 August 2012).

### **Learner support programmes**

ESF can be used to fill gaps in current mainstream learner support funding, such as EMA, particularly to ease participants on and off programmes into positive destinations. Use of ESF funding to support learners may be appropriate in cases where mainstream learner support is not available.

### **Target Groups**

ESF funding will focus support on the work that the service carries out with the following national priority groups:

- the economically inactive and unemployed
- low skilled adults (i.e. without a full Level 2 qualification, especially women) who are locked in low paid, low skilled jobs;
- young adults aged 19-24 without a Level 3 qualification;
- adults facing redundancy, newly redundant or at a distance from the labour market;
- Jobcentre Plus customers in receipt of out of work benefits;
- people from ethnic minority communities;
- older people;
- carers as defined by the Department of Health Guidelines;
- offenders in custody and in the community under the supervision of probation services and ex-offenders; and
- people with learning difficulties or disabilities (including those with mental health conditions).

### **N.B. Adults with Learning Difficulties and/or Disabilities**

The SFA is establishing its strategy for adult learners with learning difficulties and/or duty on the LSC to provide the learning and support required including care arrangement for Young people with learning difficulty assessment up to the age of 25 years.

Following the transfer of LSC undertakings to the SFA and YPLA, this statutory duty to support those with a learning difficulty assessment passes to Local Authorities supported by the YPLA. Learners over the age of 18 without such assessments will continue to receive support from the SFA.

A range of provision exists for adult LLDD but the expectations for these learners and the outcomes from this provision are changing. In order to meet the needs of these learners, in terms of skills development and employment opportunities and to enhance the provision and outcomes, ESF monies can be used to provide these enhancements and to drive improvements and innovation in provision for these learners. This could include additional employability skills such as work experience or internships, job coaching and job mentoring

## **Geographical Coverage**

The Skills Funding Agency intends to deliver the proposed activities across the East of England dependent on need. The SFA intends to deliver both local and regional priorities.

### **Proposed deliverables to support Priority 1 activity for 19+ provision**

The following work could be considered with the above groups:

- ✓ identification of personal goals and targets;
- ✓ a skills and careers assessment using the skills diagnostic tool as appropriate;
- ✓ a common-format skills and career action plan that is agreed by the customer and focuses on progress and outcomes in the short, medium and longer term;
- ✓ agreement with customers on one or more interventions and/or referrals to learning and skills provision specialist provision for those affected by the economic downturn,
- ✓ other support to help overcome barriers to entering learning and sustainable work or progressing in life
- ✓ support for learning brokerage, career progression and/or job search either through own services or through managed referral to other organisations.

## **4 Priority 2: Developing a Skilled and Adaptable Workforce**

The SFA will utilise funding from Priority 2 to develop a skilled and adaptable workforce by reducing the numbers of workers without basic skills; increasing the number of workers qualified to Level 2 and, where justified, to Level 3, and reducing inequalities in the workforce with a particular focus on the low skilled and addressing skills shortages.

Our main focus is to secure provision that adds value to mainstream activities; supporting, enhancing and filling gaps in mainstream government budgets and policies.

## **Proposed activity**

The types of activities that will be developed in response to Priority 2 of the ESF Regional framework include (but are not limited to):-

- activities to support access to and provision of apprenticeship
- training in basic literacy and numeracy skills ESOL and ICT
- activities to support access and progression from foundation level to level 3
- training for workers leading to level 2 qualifications
- training for workers leading to level 3 qualifications in sectors where there are skills shortages at level 3, in SMEs and for women and ethnic minorities in sectors and occupational areas where they are under represented at level 3.
- lifelong learning and vocational training for low skills and low paid women workers to improve progression
- training, mentoring and supporting men and women to want to enter occupations or sectors where their gender is under-presented
- training for older workers in order to update their qualifications and skills and prolong their working life
- training for workers who face redundancy or have been made redundant
- training in ICT, e-learning skills and eco-friendly technologies
- initiatives by social partners to promote lifelong learning skills in the workplace
- initiatives to ensure the supply of skills relevant to employers' need
- training of childcare and other care workers
- skills for entrepreneurship, self-employment and social enterprise
- training in environmental management and protection skills and in eco friendly technologies, including training which supports renewable energy sectors, energy efficiency and recycling

This particularly refers to programmes for the unemployed and economically inactive and provision under Train to Gain and Apprenticeships.

The SFA will support activity for its Employer Responsive Programme as described below:-

### **Train to Gain**

Train to Gain is a national service for employers designed to help them identify and address the skill needs of their workforce. Free, impartial advice on skills with SFA funded training provision is available across a range of qualification levels to meet employer needs.

Train to Gain has grown to be a very successful programme, with demand for funded training exceeding the funding available in 2008/9. As a consequence of this high level of demand, ESF funds covered by the 2007-10 Commissioning Strategy have already been deployed to fund Train to Gain type activity. Train to Gain delivery in 2010/11 will re-focus funding to fully funded entitlement

qualifications: Basic Skills, first full Level 2 (all ages) and first full Level 3 (for 19-25 year olds). Other repeat qualifications and higher level qualifications will be co-funded requiring a 50% employer contribution. There will continue to be some eligibility flexibilities for Agency workers, individuals who have gained employment as a result of LEPs, and those who have been supported by the Response to Redundancy programmes, allowing them to undertake re-skilling qualifications at Level 2 or Level 3.

However the Train to Gain SME flexibilities (relating to the delivery of part qualifications and units for SME businesses) will cease at the end of 2009/10 academic year.

Future ESF will be used both to fund Train to Gain-like provision where mainstream budgets are unable to meet the level of demand from employers, and to deliver additional support to workplace delivery that enhances the Train to Gain offer.

## **Apprenticeships**

The Apprenticeship family delivers a range of programmes, focusing on NVQ delivery with supporting functional skills and technical certificates. These programmes target Level 2 and 3. Where provision has insufficient funding available ESF will focus on the following priorities.

- Continued delivery of additional 25+ Apprenticeships beyond the numbers that mainstream funding can support – SFA will prioritise additional starts funded through ESF so that a proportion are focused on learners who will undertake a first Level 2 or 3 qualification.
- Supporting and funding of 'non employed' Apprentices.
- Supporting those who want to complete an Apprenticeship and already have a Level 2 or 3 qualification in a non related sector
- Increasing the uptake of apprenticeships within the BME community
- Develop projects that will open up apprenticeship programmes to people with learning difficulties
- Growing 25+ apprenticeships in sectors that are a regional priority examples of which are Creative & Culture; Engineering; Environmental Technology; Financial Services; IT; Life Science and health Technology; Logistics; Manufacturing and Retail.
- Supporting initiatives that will encourage businesses to engage in and support Apprenticeship activity
- Using ESF funding to supplement and extend other regionally funded activity that will enable unemployed Apprentices to stay on programme.

## **Additional Priority 2 activities**

The SFA considers the following activities to be of value to the East of England and would wish to fund these or similar activity subject to budget being available;-

- Actions which improve the take up of the Skills Pledge.

- Marketing and communications campaigns for the SFA's holistic skills offer to employers.
- Inward Investor and Restructuring Company Response programmes;
- including working with employees facing redundancy

The SFA will also seek to develop projects that will respond to any emerging economic priority during the lifetime of the 2011-2013 element of the ESF 2007-2013 Programme

## Target Groups

The Adult Foundation Learning Curriculum replicates the Young People's Foundation Learning Curriculum and is relevant for:-

- those learners aged 19 and over with skills needs at level 1 or below;
- those with no or few qualifications;
- those who have been out of formal learning for some years
- adults with learning difficulties and/or disabilities.
- Individuals wishing to improve their vocational skills or acquire additional skills in relation to their current employment or to initiate an employment change
- Those at risk of or under notice of redundancy
- The recently unemployed where it is appropriate to this Priority

## Geographical Coverage

The Skills Funding Agency intends to deliver the proposed activities across the East of England dependent on need. The SFA intends to deliver both local and regional priorities.

## Proposed deliverables to support priority 2 activity for 19+ provision

Examples of the way in which ESF activity could enhance Train to Gain include the following.

- Pre-employment training delivered flexibly using QCF units and support (in addition to that already supported under Priority 1 activities including LEPs and programme for the unemployed/economically inactive) that would later enable training via Train to Gain once employment is attained.
- Providing additional targeted investment in key regional priority sectors to enhance the support available through Train to Gain.
- Pre-Level 2 skills and wider support, such as coaching and mentoring, for the newly employed.
- Additional support through information advice and guidance.
- Co-funding work-based Level 4 qualifications where demand exists beyond that supportable through Train to Gain.

## 5 Complementarity with related nationally, regionally or locally funded provision

ESF funds are designed to complement and add value to domestic funding for employment and skills. There are a number of key national policy developments that ESF will work alongside during the latter half of the 2007-2013 programme which include

- Integrated employment and skills provision
- Increased conditionality for those on incapacity benefits and income support (including lone parents) and a more flexible and personalized welfare to work provision
- Extended provision in response to the economic downturn, particularly for young people aged 18 to 24, expanded apprenticeships and response to redundancy provision
- A greater role for Local Authorities in delivering employment and skills provision, through initiatives such as the Future Jobs Fund, but also with the transfer of responsibility for the 14-19 agenda to local authorities from the SFA and the move towards increased devolution of DWP funding and increased contracting flexibility at a sub-national level
- A recognition that investment in skills, particularly at a higher level needs to be linked closely to business need and key growth sectors to help improve productivity and raise the skills of those in the workforce
- Extending the ESOL offer to pre-entry provision in order to improve employment opportunities for those who have made a long term commitment to the UK but are threatened by poverty and social exclusion
- Volunteering as a route to employment to help assist the economically inactive from age 16+ to return to the labour market that has a particular emphasis on the 2012 Olympic and Paralympic Games
- Other initiatives to help the longer term unemployed into work and improve skills levels within the workforce

The ESF programme complements a number of other national, regional and European funding programmes including :-

- Train to Gain and the Apprenticeship programme; and other regional funding programmes delivered by the SFA
- New Deal and the Future Jobs Fund; and other regional funding programmes delivered by Jobcentre Plus on behalf of the Department for Works and Pensions
- Foundation Learning Tier; and other funding streams managed by the Young People's Learning Agency
- ERDF Regional Competitiveness Programme and the EEDA Economic Participation Programme
- The Rural Development Programme for England
- Aimhigher

The SFA has consulted with other Co-financing organisations in the East of England for both 14-19 and 19+ provision and, through the Young People's Learning Agency will develop projects that respond to the needs of young people as identified by the region's local authorities through the Regional Planning Group, to ensure coverage of and response to the priorities identified in the Revised ESF Regional Framework. We will work to ensure that these projects add value, complement and enhance each other rather than detracting from delivery on the ground.

The SFA recognises that 2 Local Authority Co-financing Organisations in the East of England will be delivering activity under Priorities 1 and 2. The Skills Funding Agency does not intend to deliver provision in these areas that duplicates the work of these CFOs but reserves the right, in consultation with Regional Planning Group, to deliver provision that could enhance or add value to the ESF Co-financing Plan activity identified by these CFOs.

The SFA will not fund offender activity that replicates any activity delivered by the National Offender Management Service in the East of England.

## 6 Complementarity with related regional and sub regional strategies

The Revised ESF Framework and the projects delivered in response to the 2011-2013 elements of the ESF programme are a direct response to regional a sub regional strategies . These include:

- The Regional Economic Strategy
- The East of England Implementation Plan
- Local Authority Strategic Level Agreements
- Local Area Agreements
- The Sustainable Community Strategy
- The Children and Young People's Plan
- The Regional ESOL Strategy
- The Regional Skills Strategy

The SFA will also seek to develop projects that will respond to any emerging economic priority during the lifetime of the 2011-2013 element of the ESF 2007-2013 Programme

### Appendix 1a

#### Planned participants and results – Priority 1

Target	Quantification
<i>Outputs</i>	
Total number of participants	<b>9502</b>
1.2 Number and % of participants who are unemployed	
(a) Number	<b>1216</b>
(b) Percentage	<b>12.8%</b>
1.3 Number and % of participants who are inactive	
(a) Number	<b>1216</b>
(b) Percentage	<b>12.8%</b>
1.4 Number and % of participants age 14 to 19 who are NEET or at risk of becoming NEET	
(a) Number	<b>5171</b>
(b) Percentage	<b>54.4%</b>
1.5 % of participants with disabilities or health conditions	<b>22%</b>
1.6 % of participants who are lone parents	<b>12%</b>

1.7 % of participants aged 50 or over <sup>1</sup>	18%
1.8 % of participants from ethnic minorities	16%
1.9 % of female participants	51%
<b>Results</b>	
<b>1.10 Number and % of participants in work on leaving</b>	
(a) Number	2090
(b) Percentage <sup>2</sup>	22%
<b>1.11 Number and % of participants in work six months after leaving</b>	
(a) Number	2470
(b) Percentage	26%
<b>1.12 Number and % of economically inactive participants engaged in jobsearch activity or further learning</b>	
(a) Number	547
(b) Percentage	45%
<b>1.13 Number and % of 14 to 19 year old NEETS or at risk in education, employment or training on leaving</b>	
(a) Number	2600
(b) Percentage <sup>3</sup>	45%
<b>1.14 Regional target(s)<sup>4</sup></b>	

## Appendix 1b

### Planned participants and results – Priority 2

Target	Quantification
<b>Outputs</b>	
2.1 Total number of participants	19537
<b>2.2 Number and % of participants with basic skills needs</b>	
(a) Number	8010
(b) Percentage	41%
<b>2.3 Number and % of participants without level 2 qualifications</b>	
(a) Number <sup>5</sup>	8010
(b) Percentage	41%
<b>2.4 Number and % of participants without level 3 qualifications</b>	
(a) Number <sup>6</sup>	605
(b) Percentage	12%
2.5 % of participants with disabilities or health conditions	15%
2.6 % of participants aged 50 or over	20%
2.7 % of participants from ethnic minorities	9%

<sup>1</sup> Percentage of unemployed and inactive participants (1.2 + 1.3) aged 50 or over. Excluded from participant total all NEET participants (1.4)

<sup>2</sup> Percentage of total completed Priority 1 participants in work on leaving

<sup>3</sup> Percentage of completed NEET participants (i.e. 1.4) in education, training or employment

<sup>4</sup> Must be based on participant data that CFOs already collect

<sup>5</sup> Excludes participants with basic skills needs (i.e. 2.1)

<sup>6</sup> With a Level 2 qualification but without a Level 3 qualification

2.8 % of female participants	<b>50%</b>
<b>Results</b>	
2.9 Number and percentage of participants gaining basic skills	
(a) Number	<b>5350</b>
(b) Percentage <sup>7</sup>	<b>45%</b>
2.10 Number and % of participants gaining level 2 qualifications	
(a) Number	<b>3204</b>
(b) Percentage <sup>8</sup>	<b>40%</b>
2.11 Number and % of participants gaining level 3 qualifications	
(a) Number	<b>182</b>
(b) Percentage <sup>9</sup>	<b>30%</b>
2.12 Regional target(s) <sup>10</sup>	

## 7 Funding and Added Value

The SFA has endorsed a commissioning strategy, which has been cleared by ESFD. This strategy details how ESF should be targeted by the SFA to ensure complementarity and enhance the added value of ESF.

The purpose of the proposed commissioning strategy is to ensure that ESF truly adds value and enhances national strategies.

The key issues for the strategic direction of ESF are that we must ensure that ESF supports the main policy directions for the SFA (and Local Authorities via The Young People's Learning Agency for 14-19 year olds) , as identified in the Leitch report and the Lisbon agenda. This will include:

- ❖ fee remission amounts (which can/will change annually);
- ❖ Funding Policy decisions such as changes to ESOL provision regulations;
- ❖ the support of Sector Skills Council approved qualifications;
- ❖ the procurement of only high quality provision;
- ❖ alignment with the demand led approach; and
- ❖ full integration with the Business cycle including commissioning.

The Commissioning Strategy needs to ensure that:

- ✓ sufficient regional flexibility is retained to meet regional skills needs;
- ✓ appropriate contract lengths are sort for ESF provision (including use of short contract periods where policy change is expected);

<sup>7</sup> Percentage of completed participants without basic skills (i.e. 2.2) who gained basic skills

<sup>8</sup> Percentage of completed participants without Level 2 (i.e. 2.3) who gained Level 2 qualification

<sup>9</sup> Percentage of completed participants with Level 2 but without Level 3 (i.e. 2.4) who gained Level 3 qualification

<sup>10</sup> Must be based on participant data that CFOs already collect

- ✓ ESF can still achieve its full programme targets; and
- ✓ ESF is actively used to inform mainstream development/approaches.

## 8 Match funding and Priority by year

Match funding will be secured on a 50:50 ratio of ESF to match activity. Match funding will be an integral part of the delivery of this plan, provision used will contribute towards the co-financing plan targets, both in terms of finance and activity.

In addition to using programmes that have been secured through Open and Competitive Tendering as Match Funding for ESF, we will be using non-formula funded provision with a standard unit cost or programme rate, FE grants, negotiated extensions to existing provision and/or single tendered provision from the larger mainstream programmes..

Priority 1 match will be drawn from ALR formula funded provision, Programmes for the Unemployed and the Adult Advancement and Careers Service and the appropriate 14-19 NEET provision that will be identified by the SFA national policy team..

Priority 2 match will be drawn down from Train to Gain and Apprenticeship Programmes.

Should any programmes identified in this Co-financing Plan as match funding activity cease to exist the Skills Funding Agency will identify suitable alternative match funding from alternative core activity.

Providers delivering programmes used as match will be made aware of this and will be required to meet ESF requirements particularly around publicity.

### Appendix 2

#### Priority 1

Calendar Year	ESF (£)	Public Match (£)	ESF and Match (£)
2011	£5,941,757	£5,941,757	£11,883,514
2012	£5,941,757	£5,941,757	£11,883,514
2013	£5,941,757	£5,941,757	£11,883,514
<b>TOTAL</b>	<b>£17,825,272</b>	<b>£17,825,272</b>	<b>£35,650,544</b>

#### Priority 2

Calendar Year	ESF (£)	Public Match (£)	ESF and Match (£)
2011	£7,982,002	£7,982,002	£15,964,004
2012	£7,982,002	£7,982,002	£15,964,004
2013	£7,982,002	£7,982,002	£15,964,004
<b>TOTAL</b>	<b>£23,946,006</b>	<b>£23,946,006</b>	<b>£47,892,012</b>

## 9 Administrative costs

The SFA will reserve a maximum of 5% of the total Co-financing Plan for the administrative costs of delivering the plan. This will therefore be a total of no more than £4,177,128 over the period 01 April 2010 to 31 March 2014. The exact breakdown of administrative expenditure is subject to a national review of SFA staffing but will include members of staff from within the following teams:

- **Provider Services Team**- ownership of the ESF Co-financing Plan through the Regional Co-financing Plan Board (Chair is Provider Services Regional Director) ,
- **Young Peoples's Learning Agency** - Liaison with Local Authorities to develop the 14-19 Agenda, higher level programme monitoring and review (in partnership with the YPLA for the 14-19 Agenda) , agree contract variations (in partnership with the YPLA for the 14-19 Agenda) , appraisal of tenders where appropriate, agreement of contract deliverables and profiles, provider interface of all funding streams (ESF and match), management of contract performance including data, eligibility and evidence.
- **Regional Employer Skills Service including Client Services** – planning & defining of specifications where relevant, tender appraisal selection board, overall programme review, programme marketing and publicity.
- **Strategic Finance Team** – submission of priority level applications, interim claims & project closure reports, GO audits, management of the procurement process, appraisal of tenders, issue of contracts, production of performance reports, processing of payments and contract variations.

## 10 Project Selection and Tendering Arrangements

The SFA intends to procure activity to start delivery early in 2011 to ensure that “N+2” can be met. In order to achieve this, procurement activity will need to be started as soon as possible in 2010 and will be procured through the following types of procurement activity as deemed appropriate:

### 11 Procurement

#### Open and Competitive Tendering

The SFA will procure provision through Restrictive Open and Competitive Tendering using an e-technology system, Bravo.

Providers make application to become Approved Providers. The portal is opened regularly to enable this application and approval to take place. Providers are evaluated against robust criteria including financial, quality and health and safety.

Providers are given notice of tender through OJEU notice and are contacted via the electronic system to notify them of the publication of specifications in areas where they have identified an

interest.

To ensure that the SFA conducts an open, transparent and competitive tendering process, an extensive range of media will be utilised to advertise invitations to submit tenders. The range of media to be used is outlined below.

- The Skills Funding Agency website ([www.sfa.gov.uk](http://www.sfa.gov.uk))
- Government Office website
- Press adverts
- Press releases to local, regional and national media
- Direct mail
- E-mail alerts to the regional SFA database
- E-mail alerts to network organisations for onward cascade

All of the proposed methods will be employed concurrently to ensure that as many organisations as possible are made aware simultaneously of the two stage process.

Providers then submit their tender through the portal and these tenders are evaluation against strict criteria.

### **Grant activity**

The SFA will also procure provision using the ESF Negotiated Funding mechanism (ESF Grants).

This approach will be used where the SFA determines the need to purchase additional volumes of existing provision, this may be as a result of in-year funding restrictions, changing economic climate inducing increased demand or to fill identified regional gaps where mainstream funding is not available.

This will only be applied where provision is currently paid at rates that have been established in advance by either formula funding or through a previous OCT process. In all cases these rates will have been established in advance and be fair, reasonable and verifiable.

The negotiated process will follow standard SFA practices to ensure fair selection of providers, and this may involve a restricted tendering process. In all cases a separate ESF contract will be issued.

The SFA will procure provision appropriate to the needs of the funding type.

### ***How will procurement comply with national legislation***

The SFA's procurement activity is led by a national team who scrutinise processes regularly to ensure that they meet EU and national legislation. Types of procurement activity proposed by the SFA have been negotiated and agreed with the European Social Fund Division of the Department for Works and Pensions by the SFA's National ESF Policy Team.

## **12 Provider Funding and Monitoring and management information**

*If these arrangements remain unchanged from the 2007-10 plan and as set out for the Article 13 baseline review, say so here, otherwise describe the proposed changes.*

- ***Describe how contract costs will be formulated***

Contract costs will be established through a joint agreement between the provider and the SFA.

The National SFA ESF Policy Team have defined a set of standard deliverables for the ESF programme, each one of which will be given an associated cost suggestion that will form a basis for the unit cost used in the contract and the subsequent profile payments.

In some circumstances it may be necessary for the LSC to increase initial costs (for beneficiary starts) to assist in the start up costs for small providers or those in the voluntary and community sector and to assist in their cash flow in the early days of the project. Where delivery does not take place but payment has been made on profile, the LSC will reclaim this money from the provider. The sum of the unit cost and volumes of the deliverables will make up the full contract value.

- ***Payment arrangements for providers***

Providers will be paid by the SFA based on agreed monthly payment profile which will form part of the contract between the SFA and providers. Payments will be generated through a Contract Management Application (CMA) which will feed into the SFA payments system. Payments will be made to the provider via BACS on an agreed date in the month (based on the number of working days elapsed).

Providers will be required to make monthly monitoring returns to the SFA to report on activity carried out in the previous month. The return will be based on both the Individual Learner Record (ILR) returns and returns for non ILR based delivery via a Delivery Statement. These returns will feed into the SFA's CMA which will perform automatic reconciliation on a minimum quarterly basis. This reconciliation will make adjustments to subsequent payments based on profile payments made against each activity that the provider has not achieved.

- ***Any plans to reimburse project providers using actual costs (in exceptional circumstances)***

The SFA does not intend to pay providers on an actual costs basis. All contracting will be via open and competitive tendering or grant letting activity and will be based on contract costs. (NB. The SFA reserves the right to pay providers by other eligible methods if required in exceptional circumstances.)

- ***Arrangements for monitoring ESF providers***

Contracts are assigned a Provider Services Account Manager or Advisor who will manage their contract/s as part of the single account management system adopted by the SFA for all funding provision from 2010. Contracts financial profiles are inextricably linked to delivery; therefore, monitoring of financial performance is centred on appropriate and suitably evidenced delivery.

Contractors will return learner data electronically to the SFA along with a monthly or quarterly report of all deliverables within the contracts combined with additional narrative reports. The required evidence to support these deliverables is identified within the contract and the evidence is held by the provider and will be retained in line with ESF requirements.

Performance monitoring of individual projects is undertaken in accordance with the frequency detailed in the contract. The monitoring process includes a pre-determined, and reviewed, schedule of provider visits and evidence checks by SFA staff.

Contracts are monitored against:

- the objectives of the contract;
- the timely and accurate return of records and reports to the SFA;
- delivery of the agreed outcomes, outputs and milestones (as documented in the contract);
- the evidence of delivery (utilising a predetermined sample size);
- beneficiary eligibility (as documented in the contract); and
- where possible, learner records will be automatically monitored electronically using the ILR Dbase and the ensuing financial variance addressed.

The agreed variance for under/over performance of contracts is: +/-15% or +/-£50,000 for ESF only providers or +/-25% or +/-£250,000 for LSC mainstream providers. Where variances are greater than this a business case is required to be authorised at Regional Co-financing Plan Board level.

Underperforming contracts will have payments halted and/or claw-backs enacted, re-profiling will occur based on actual delivery to date and a newly agreed delivery profile

The SFA's Regional Co-financing Plan Board will maintain overview on expenditure and outputs to ensure that co-financed activity is performing within acceptable parameters and in line with the funding profiles submitted to GO.

- Project delivery and outcomes

The establishment of the SFA and the single account management system brings further consistency in how the SFA monitors/manages contract performance, drawing on existing best practice. The nationally driven procurement process, alongside the use of the Contract Management Application system, will ensure the consistent use of a range of robust outcomes – the contract schedules will be completed using this information and an agreed profile against each outcome will be agreed.

The contractor/provider will be risk assessed to determine the frequency of monitoring needed e.g. a new provider delivering new provision would be classed as higher risk to start with, whilst a known provider with a good track record of delivery would be classed as lower risk.

The Regional Co-financing Plan Board will look at the performance data submitted by the provider on a regular basis (in line with risk rating) and will identify any under or over performance in the delivery of the expected outcomes. Obvious causes of performance variance such as data issues will be investigated and eliminated in the first instance.

Details of under/over performance, highlighting the key areas for concern, any trends, and any impact on key dependencies will be reviewed by the Regional Co-financing Plan Board who can agree a variation to the profile or where appropriate, project closure and any further financial action to be taken in accordance with the terms of the contract.

- Quality Standards

All SFA providers are required to comply with rigorous quality standards, including minimum performance levels (ER providers only) as set out in our Planning for Success Framework which covers planning and quality. Providers are also subjected to inspection through OFSTED. This ensures that local communities have access to relevant and high quality learning opportunities; individuals of all ages and backgrounds acquire the knowledge and skills that will enable them to realise their potential, improve their life chances, and contribute to economic growth, and so that employers are able to recruit and develop the skilled and qualified workforce they need for business success. Inspection will be within the scope of the Common Inspection Framework – and eventually the Framework for Success. We are intent on providing excellent provision for the benefit of employers and learners alike.

- Financial Assurance

Regional Provider Financial Assurance (PFA) teams include ESF in their annual work plans. The teams endeavour to audit each contract at least once during the life of the contract. PFA will contact the relevant Provider Accounts staff before the audit commences to obtain contract details, and will keep these staff members informed throughout the audit.

The audit approach places significance on the assessment of risk and the key controls providers can be expected to have in place for administering SFA contracts. Emphasis is given to advising providers on how their controls can be improved, and the sharing of good practice identified by PFA from previous ESF audits. Where control weaknesses are identified, recommendations for improvement will be based on diagnostic work that pin-points the reasons for errors occurring. This consultative approach should lead to a reduction in recurring errors and greater added value from the audit process.

The assurance approaches are tailored to reflect the differences in actual costs and beneficiary contracts.

Audit opinions are given on providers' use of funds and internal controls. The assurance report, including details of any funds at risk relating to the contract, will be discussed with the Provider Services and contracts staff involved.

### **13 Equality and diversity**

- As part of building equal opportunities into implementation and following the policy of “rural proofing”, the plan should indicate what actions will be taken to alleviate the difficulties faced by people in rural communities in accessing provision (for regions which have rural communities).

Action to promote equality and diversity is an integral part of the SFA's business objectives. We can only realise our vision of creating a world-class workforce if we remove barriers, eliminate discrimination, address disadvantage, and raise the aspirations of both present and potential learners.

Our Single Equality Scheme shows how we will put this into practice. By incorporating our individual schemes for race, disability and gender equality into one overarching scheme, we are creating a coherent framework for promoting equality and diversity within the LSC and across the learning and skills sector. Its objectives are aligned with our national priorities, so that it will operate strategically, in the mainstream of our work

The SFA will continue to monitor equality and diversity as part of the regular contract monitoring meetings held with providers.

The SFA will ensure that the priorities contained within this Co-financing Plan are delivered across the region with equity and equal access to individuals regardless of their location thereby supporting the individual needs and aspirations of people living and or working the the East of England.

## **14 Sustainable Development**

Sustainable development is focused on providing a better quality of life for everyone now and for generations to come. This is achieved through considering and balancing the long-term effects of social, economic and environmental issues and impacts. (Securing the Future – UK Sustainable Development Strategy, 2005)

The European Commission has expressed concern that projects in the last ESF programme addressed mainly the social aspects of sustainable development. There is therefore a renewed focus on the environmental aspects of sustainability for 2007-13.

The approach we are taking is to encourage specific environmentally focussed projects where these clearly link to regional skills priorities (e.g. renewable energy, energy efficiency, waste management etc.) and at the same time begin mainstreaming the environmental aspects of sustainable development through working with providers.

The SFA will continue to take a developmental approach with providers and are looking at how to spread good practice from previous ESF programmes and will continue to develop on the workshops that have been delivered in the region by Ecotec to bring to the forefront issues relating to sustainable development.

It is important to note that funding used as match should have the same approach to sustainable development as ESF projects and we need to do further work to ensure that all LSC funds are used in a way that meets the needs of today without compromising the ability of future generations to meet their own needs.

Equal opportunities and sustainable development policies need to be reviewed annually, so the plan should confirm that this will continue to happen

## Appendix 3 Starts and Results profiles

### Priority 1

Quarter Ending	Q1	Q2	Q3	Q4	Q5	Q6
Starts Cumulative	865	1730	2595	3460	4325	5190
Outcome1 – Job on leaving - Cumulative	0	232	464	696	928	1160
Outcome 2 – Econ. Inactive engaged in jobsearch - Cumulative	0	0	78	156	234	312
Outcome 3 – 14-19 NEET in Ed, Emp or training - Cumulative	0	0	0	433	866	1299

Quarter Ending	Q7	Q8	Q9	Q10	Q11	Q12
Starts Cumulative	6055	6920	7785	8650	9502	9502
Outcome1 – Job on leaving - Cumulative	1392	1624	1856	2088	2090	2090
Outcome 2 Cumulative	390	468	547	547	547	547

Outcome 2 Cumulative	390	468	547	547	547	547
Outcome 3 – 14-19 NEET in Ed, Emp or training - Cumulative	1732	2165	2600	2600	2600	2600

\*Specify outcome, eg Job, NVQ1, Basic Skills qual

## Priority 2

Quarter Ending	Q1	Q2	Q3	Q4	Q5	Q6
Starts Cumulative	1776	3552	5328	7104	8860	10636
Outcome1 – Basic Skills Qual - Cumulative	0	535	1070	1605	2140	2675
Outcome 2 – Level 2 Qual - Cumulative	0	0	320	640	960	1280
Outcome 3 – Level 3 Qual - Cumulative	0	0	0	20	40	60

Quarter Ending	Q7	Q8	Q9	Q10	Q11	Q12
Starts Cumulative	12412	14188	15964	17740	19537	19537
Outcome1 – Basic Skills Qual - Cumulative	3210	3745	4280	4815	5350	5350
Outcome 2 – Level 2 Qual - Cumulative	1600	1920	2240	2560	2880	3204
Outcome 3 – Level 3 Qual - Cumulative	80	100	120	140	160	182

\*Specify outcome, eg Job, NVQ1, Basic Skills qual

## Appendix 4

### Key tendering and contracting milestones for delivery of the plan

	<b>Activity</b>	<b>Date</b>
1	SFA Co-financing Plan Board meeting	19 February 2010
2	SFA Co-financing Plan Board Meeting	12 March 2010 and then quarterly up to 31 December 2013
3	SFA/YPLA meeting	15 March 2010
4	Plan to ESFD	31 March 2010
5	Specification Development	From 1 April 2010
6	Procurement activity commences	1 August 2010
7	Contract Award	From 1 November 2010
8	Commence Delivery of contracts	From 1 January 2011
9	Programme review	1/4ly meetings of CFPB