

Northumberland LSC: Co-Financing Plan

2004-2006

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Northumberland LSC Contact Details:

Heather Mills
Funding Manager
2 Craster Court
Manor Walks
Cramlington
Northumberland
NE23 6XX

Tel: 01670 706258

Fax: 01670 706212

E-mail: heather.mills@lsc.gov.uk

1. Plan Overview

1.1 Background to the County

Northumberland is the most northerly and one of the largest Counties in England. With a population of 307,000 and a total area of 2000 square miles it is also the most sparsely populated: around 46% of the population live in just 2.7 percent of the total area.

The County suffers from high levels of deprivation, particularly in the South East of the County (Blyth Valley and Wansbeck). According to the Index of Multiple Deprivation, fourteen wards in Northumberland are ranked in the lowest 10% in England, and of those, 12 are located in this part of the County. The rest of the County is characterised by poor access: 35 wards in Northumberland are in the lowest 10% of wards in England in respect of access to services.

Unemployment in the County is relatively low (at 4.9%) by North East standards but is still above the national average. This overall picture masks significant variations: pockets of persistent long-term unemployment are concentrated in the former coalfield areas of the County.

Northumberland has a greater reliance on public services employment than is the case regionally and nationally. A major structural weakness is the lower proportion of employment in other service industries. Manufacturing accounts for a higher share of total employment opportunities in Northumberland than nationally but less than the regional average. Construction accounts for a higher share of employment in the County than regionally or nationally.

A different perspective on the employment structure shows the County to have a low share of knowledge intensive services and medium technology manufacturing than the regional and national averages. The share of employment in high technology manufacture appears to be higher than the national and regional averages, but because of the nature of the operation in those sectors in the County, the employment opportunities are at the lower skills end of the spectrum.

(Note: further details are at section 2)

1.2 Objectives and structure of the co-financing plan

This co-financing plan provides a framework for the effective delivery of grant funding for ESF Objective 3 resources in Northumberland.

The aim of the plan is, having set out the context, to make it clear what we want to do with the co-financing resource, what outcomes we expect, how our actions fit into the national and regional policy context, and how they will add value. We also want to reassure readers of our competence as a co-financing organisation. Key elements are:

• An account of the characteristics of the County, presenting the need	Section 2
• A presentation in brief of LSC Northumberland's strategy, within which actions funded from co-financing will sit	Section 3
• An account of the arrangements for the management of the process of co-financing	Sections 4 to 13
• An alignment of the links between RDP objectives for Objective 3 and the LSC Northumberland's priority actions, drawing out the activity we would like to support through co-financing	Annex 1
• Details of ESF resources sought, performance indicators and targets	Annex 2
• An expression of the links to regional and national policies, and of the wider regional context, and	Annexes 3 and 4
• Other supporting annexes	Annexes 5 and 6

Our actions will be strategy driven, and based on analysis of the evidence. We propose to support activities covering all Objective 3 policy fields and measures, except for 1.1. we made the decision not to apply for funding under this measure as we recognise that Job Centre Plus are better placed within Northumberland to deliver all the required activities and outputs as identified in the RDP. We have worked closely in partnership with Job Centre Plus and have not sought to cover some eligible actions within measures we share with them, when we have agreed that it is more appropriate for them to cover these.

1.3 An introduction to the Learning and Skills Council

Northumberland LSC came into operation in April 2001, one of 47 local offices of the LSC. We are determined to make a difference to the people, businesses and economy of Northumberland, support available through co-financing will enable us to add extra value to this, assisting people and activities within the County where funding may previously not have been available.

The national aims for the Learning and Skills Council are:

- To encourage young people to stay on in learning
- To increase demand for learning by adults
- To maximise the contribution of education and training to economic performance
- To raise standards

2. The County: its characteristics and needs

This plan covers the county of Northumberland (i.e. the six local authority areas of Alnwick, Berwick Upon Tweed, Blyth Valley, Castle Morpeth, Tynedale and Wansbeck) and will operate over the time period 1 January 2004 – 31 December 2006.

2.1 Key statistics and historical context

The County has a population of 307,000, of whom 46% live in 2.7% of the land area (the Blyth Valley and Wansbeck districts), and this in a County which, taken as a whole, is the least densely populated in England. Unemployment currently stands at 4.9%, masking considerable variations within the County. The loss of traditional industries (largely coal mining) in the south east of the County has left urban areas of considerable decline, partly mitigated by the introduction of new employers. The rural areas, whilst having great natural beauty and historical significance, also suffer economically. This relative poverty (though masked by areas of some wealth) is compounded by geographical isolation and a poor transport infrastructure. The rural areas are still feeling the effects of foot and mouth disease.

But significant energy is being invested in regeneration and economic development, led by a healthy and growing partnership structure.

2.2 Access to learning

In infrastructure terms, we have 15 High Schools, each with a sixth form, and a general FE College. There is other outreach provision from Newcastle, Carlisle and Derwentside Colleges in Northumberland, and a network of work based training providers. Adult and Community Learning is delivered through High Schools and some Middle Schools. No University is based in the County.

The geography and socio-economic structure of the County continue to pose a number of challenges. Learning opportunities are concentrated in the urban south east and this is also where the main campus of the College is based. But relatively high levels of economic and social deprivation have a dampening effect on participation levels in this part of the County. Across the rural parts of the County access to learning opportunities is constrained: provision at local level is limited, and distance and the transport infrastructure mean that it takes a long time to travel to those areas with a broader range of learning opportunities.

Increasingly, though, we are supporting the development of partnerships of providers (High Schools, the College and work based training providers) around the 14-to-19 curriculum. This will enhance the range of opportunities across the County. Moreover, community and voluntary organisations are working with adult and community learning providers', particularly around basic skills, to enhance local provision.

2.3 People in Northumberland

Northumberland has a higher share of people aged over 40 than regional or national averages. This partly reflects the fact that some parts of the north and west of the County are considered to be desirable places to which to retire. But the picture is mixed, and some districts have a quite different population make up. Overall the County has a higher economic activity rate than the regional and national averages. This is because prime age (20-49 years) people living in the County have higher economic activity rates than their regional and national counterparts.

Unemployment remains below the regional average but is higher than the national rate. The distribution of this unemployment is uneven, however: the urban southeast has significantly higher rates. Long term, and inter-generational unemployment compounds the issue in many wards in this part of the County.

Significant numbers of people travel from Northumberland into Tyne and Wear, and vice versa for employment. However, there is a mixed picture for learning. Amongst 16 to 18 year olds in school or Further Education, Northumberland shows a net outflow to other parts of the region of 16.6%. For adults in Further Education the net outflow is 31.6%.

2.4 Participation in learning

The numbers continuing in learning after the end of compulsory schooling vary across the County. Although the reasons for this are complex, levels of achievement at 16, travelling distance to the appropriate learning opportunities and perceptions about the ultimate employment opportunities available are all contributory factors.

Amongst the adult population aged 16+, only 31% are currently in learning or have actively engaged in learning within the last three years. Although directly comparable data is not available at the national level, this is well below national estimates produced by NIACE (40%). From our research it would appear that people tend to value learning less than other activities and aspects of their lives.

Our household survey suggests that the most significant barriers to learning in the County are the time it takes to reach the place of learning (and a view that courses take place at inappropriate times) and the costs associated with learning (this is not only the course fees but also the cost of equipment and travel). There is also a degree of apathy towards learning, and a perception on the part of some people that they are too ill or disabled to participate.

People see more local learning opportunities as one factor that would encourage them to participate. However, it is also clear that those who have had a positive previous learning experience are more likely to participate in the future. Sadly, of those currently not engaged in learning, over three quarters of those included in our household survey identified no factors that would encourage them to participate in the future.

2.5 Employment patterns

For those who do participate in learning, employment related reasons are perceived as both a driver and benefit. However, the pull factor from employers in the County is relatively weak. Whilst there are of course a number of exceptions, research over the year confirms our original view that the economy of the County currently operates typically (though not universally) at level 2 or thereabouts. Working with partners in economic regeneration to address this may help engage those who at present have no motivation to participate in learning activities.

Much of the employment in the County is focused on providing population-sustaining services. The manufacturing base continues to be eroded with some significant job losses over the last year. Outside the pharmaceutical sector and some individual employers in engineering and electronics, the

manufacturing sector is dominated by relatively low value added production activities staffed by machine operatives and semi-skilled crafts-people. The public sector accounts for a relatively higher proportion of employment in Northumberland than in the Region as a whole. This sector has a demand for a range of skill levels but because of the nature of the County there is a relatively high demand for teachers, health professional and professional staff in the County and district Councils and other public bodies.

Key drivers from within the County for increasing skill levels are likely to come from the following sectors: tourism and hospitality; renewable energies; health & social care; education; and public administration. Demand for broader and higher level skills is likely to come from the construction and engineering sectors both (but to a limited extent) within the County and, to a greater extent, the Region. Over the medium to long term other clusters being developed within the Region will give rise to greater employment opportunities.

Employment growth and planned reconfigurations of the skills mix within the workplace account for a small proportion of the labour market. Job openings arise from people moving to jobs with other employers, retirements, dismissals, etc and these account for a significantly higher share of vacancies. Given the current structure of employment in the County this will mean that the majority of vacancies arising will require skills at level 2 or below. This may provide opportunities for those who are currently outside the labour markets, with lower level skills, to gain access to entry level jobs.

Within the existing workforce there are significant qualification and skills gaps across all occupations. Although this is recognised by some employers, amongst others support is needed to help them to identify the business benefits that could be derived from addressing these issues. By working with employers to enhance the skills of their workforce, we should begin to address these issues and start to create a skills escalator in order to create higher and more diverse opportunities for those who work in the County.

2.6 Conclusions

- The County combines areas of deeply rooted urban deprivation with rural areas in which economic development and regeneration needs are compounded by issues of distance and by weaknesses in the infrastructure;
- The economic base of the County is relatively weak, typically operating at a low skill level. Population sustaining services and the public sector are relatively important;
- The picture of participation, achievement and progression in learning is patchy across the County, not helped by geographical factors (limiting, in some parts of the County, the range of learning provision available) and a relatively weak demand pull from the County's employer base.

3. Northumberland LSC: our strategy and Objective 3

LSC Northumberland's strategic plan for 2002-05 placed the LSC's national mission, strategy and objectives in the context of the needs and characteristics of the County (presented in part 2). The strategic plan emphasised:

- realignment of provision, based on the evidence of need established by a process of area review;
- the importance of distributed learning, as a means of meeting the needs of the urban and the rural parts of the County;
- a learner centred approach, educating demand in people and employing organisations;
- adopting a strategy at County level which allowed for local solutions to meet the range of circumstances across Northumberland; and
- quality, and making provision more accessible at every level.

Our analysis led us to define a series of strategic responses. A summary is at table 1 overleaf:

Table 1: Summary of our Strategic Plan for 2002-05

	Analysis: Major points	In our strategic plan for 2002-05 we presented our response. It was to:	LSC Northumberland priorities for 2002-05 set out in the plan were to:
Demand for Labour	The County is characterised by a concentration of low skill employment activity, with a small number of large employers in the private sector, significant external ownership and a comparatively large public sector. There is a concentration of low skill activity and levels of business start up and growth are relatively low. The voluntary and community sectors are important. Significant numbers of the population travel out of the County to work.	<ul style="list-style-type: none"> • develop a better understanding of employer need in the County; • develop mechanisms to engage SMEs in workforce development activity; • encourage public sector employers to become exemplars in workforce development; • use management development to raise the aspirations of businesses in the context of wider regional strategies; • develop the capacity of the voluntary and the community sectors; • develop mechanisms to understand the impact of regional developments on the County. 	<p>Increase our understanding of the needs of employers and of the sectors, and respond more effectively, by:</p> <ul style="list-style-type: none"> • working with the Business Link to integrate workforce development with business support; • engaging directly with large public and private sector employers to understand and address workforce development needs; • develop sector skills Action Plans, to ensure a better understanding of the needs of the sector and to engage employers more effectively. <p>Increase choice, levels of participation, and the proportion of learners who succeed by:</p> <ul style="list-style-type: none"> • building pathways through better distributed learning provision and better information to support progression; • listening to learners. <p>Address the learning Infrastructure by:</p> <ul style="list-style-type: none"> • moving towards a new structure of learning delivery; • developing and implementing the principle of distributed learning; • developing the provision of information, advice and guidance;
Demand for Learning	Participation rates at 16-18 and in Higher Education are relatively high in regional terms and close to national averages, but there are significant local variations. Levels of participation are not matched by success at 18 and thereafter. There are significant basic skills needs, and relatively few jobs at higher skill levels, which may impact upon the motivation to learn at higher levels.	<ul style="list-style-type: none"> • Widen choice and information, and improve the quality of provision; • develop a better understanding of why people chose to learn, and why they leave learning; • identify and meet wider support needs; • increase the capacity for training in basic skills and deliver more flexibly and imaginatively; • raise aspirations, and broaden progression pathways. 	
Supply of Learning	We identified a fragmented learning offer, particularly in rural areas supported by limited information, advice and guidance and exacerbated by transport difficulties. The ICT infrastructure limited the options for ICT based learning. Significant quality and capacity issues were apparent.	<ul style="list-style-type: none"> • Initiate a process of area and thematic reviews of provision; • actively support the development of the ICT infrastructure; • identify capacity constraints more precisely and address resource and support issues. Lead a comprehensive quality improvement strategy. 	
Supply of Labour	There is evidence of constraints on mobility due to geography and transport and pockets of persistent unemployment. A higher than average percentage of the population is over 40	<ul style="list-style-type: none"> • Develop an integrated strategy for distributed learning; • integrate our work more effectively with employment services (particularly <i>Jobcentre Plus</i>); • work in step with community development activity; • promote intergenerational learning and create a mix of modes to delivery to meet the needs of each age group. 	

Taking the strategy a step further, we identified more detailed priority issues and actions. In annex 1 below we extract from these, matching them against Objectives and Measures from the RDP, showing the activity we would seek to support through co-financing.

4. Added value

4.1 Added value

The principle we will follow throughout is that co-financing should support activity which is consistent with: our Strategic Plan and local Annual Plan; Regional Strategies, including the North East of England Regional Development Plan, the Regional Economic Strategy, the Framework for Employment and Skills Action; and national policy developments, notably “Success for All” and the Government’s proposals for 14-19. Annex 3 shows how these strategies and policies relate to, and complement each other. Annex 4 summarises the priorities of the FRESA and those defined, in Northumberland, for the use of the Single Funding Pot.

But consistency is not enough. In turn, we will ensure that co-financed projects are additional to, and add value to, activity funded through the LSC’s mainstream budgets, through the Regional Development Agency’s Single Funding Pot, and other funding sources. We will also ensure that the use of funding reflects the Region’s emerging Adult Skills Pilot.

We will ensure this happens by:

- Defining a clear set of project activities for co-financing, developed in the light of our knowledge of the use of other funding sources
- Reflecting those activities in the development of specific, and focussed, calls for tenders; and
- Systematically aligning co-financing with the single funding pot, through planned consultation and cross membership of representative groups.

5. Beneficiaries and activities

5.1 Project activities

The tables in annex 1 provide an outline of activities which Northumberland LSC is looking to support through co-financing. Prospective applicants will be asked to study the tender packs, which will be available for each round, when greater specification will be given.

5.2 Target beneficiaries

The table in annex 2 identifies by measure who Northumberland LSC is targeting as beneficiaries through co-financing, what the expected outcomes are, and what the added value will be. This table will be used in the appraisal process to ensure that projects selected will contribute to the overall priorities of the plan.

5.3 State Aid

Applicants will be made aware of the implications of state aid issues/regulations and fuller details of these will be made available with the tender pack.

Currently state aid issues in ESF Objective 3 are dealt with largely through the provision of de minimis aid. This enables an enterprise to receive up to 100,000 euros in aid (any public resources including ESF) over a three year rolling period. Providing such aid is given within the de minimis rules there is no requirement to notify it to the Commission. Where aid cannot be met within the de minimus criteria it must comply with state aid rules either by meeting the conditions of the other block exemption regulations or through notification to the Commission. Enterprises will be asked to identify other sources of support they have received in the last 3 years.

Recipients will need to calculate the cash equivalent of any aid in kind. If the limit is breached, the aid may have to be reduced or refused.

The Training Aid block exemption regulation covers all sectors and dispenses with the need to monitor levels of de-minimus aid provided to individual enterprises. However dealing with aid through this

regulation will result in a number of administrative issues for final beneficiaries and scheme administrators, not least because permitted aid levels vary depending on the size of an enterprise, whether support is provided in assisted or non-assisted areas, whether the training supported is general or specific and where aid is provided to disadvantaged workers. Individual notification will also be required where aid to one enterprise exceeds 1,000,000 euros.

6. Management of consultation and tenders

6.1 The consultation process in Northumberland

Northumberland LSC is committed to ensuring the success of co-financing and maximising its impact in those areas of most need. As part of the development process consultation is via the Northumberland Strategic Partnership and the 6 local strategic partnerships. This will ensure that a wide range of organisations from throughout the county, covering a broad range of backgrounds and organisational sectors are able to contribute to the process.

Northumberland LSC will use the local strategic partnerships to provide an opportunity for interested organisations to feed into the implementation of this Plan.

In addition to this the following organisations have been invited to comment on the Plan-

Northumberland Community Council	Northumberland College
Learn2work	Business link for Northumberland
Lifelong learning partnership	Local Strategic Partnerships
Northumberland County Council	

Internally staff at all levels across the organisation have also been involved in the development of this plan and support is across the board.

6.2 Regional coherence

Northumberland LSC is also working with regional partners through the newly established North East Co-Financing Forum to ensure that regional priorities are being addressed and that funding through co-financing is available to support any identified gaps.

The North East Co-Financing Forum will be an ongoing partnership throughout the lifetime of this Plan.

6.3 The tender process

All potential service providers operating or intending to operate in Northumberland and working for the benefit of the target population in Northumberland, will be eligible to submit bids in response to calls for tenders.

Dissemination events will roll out on a regular basis throughout the life of this Plan. These events will target existing LSC service providers, and other interested bodies within Northumberland (including, but not only, previous applicants to ESF). They have been designed to raise awareness of the opportunities co-financing presents and to introduce the new tendering process.

Dissemination events will be organised through existing local partnerships and will be targeted wherever possible to areas of greatest need. We will also engage local partners in helping us to promote the scheme and to act as an information point for potential applicants.

As a follow up potential providers will be invited to submit tenders under the various measures, for consideration and selection. Technical assistance will be available to applicants if required from Northumberland LSC, members of the regional executive group and a range of existing local organisations within the county.

LLSCs in the North East have agreed that there should be a coordinated opportunity for organisations operating across the Region to bid for ESF objective 3 in January 2004.

Once approval of the co-financing plans is confirmed, the LLSCs will work together to develop the scope of the exercise and the organisational and administrative arrangements for the tender process. We would be happy to report back on these to the Committee or the Secretariat if requested. Details will be made explicit to bidders when the first call for bids is sent out.

6.4 Timetable for applicants

We will agree this at a regional level, to ensure the processes are aligned.

Northumberland LSC will notify all potential service providers of the success of their tender within 1 month of the deadline for application, and we have set an internal target to contract within 8 weeks of approval being given. However, in all cases contracts will be agreed within three months of bids being approved.

6.5 The approval and appraisal process

The approval criteria will combine national ESF and LSC guidelines alongside national, regional and local priorities for action, thereby enabling a more effective targeting of co-financing resources to areas of need. The criteria will reflect those priorities for support as identified through this Plan.

All tenders received will be subject to an assessment by the LSC's Technical Assessment Panel. This panel seeks to ensure that all bids are eligible for Objective 3 funding, they meet the tender specification, provide good value for money, address the priorities set out for Objective 3 funding and help address Northumberland LSC priorities. Consideration at this stage as to whether co-financing is the most appropriate source of funding or whether the scheme could be referred for support from another source will be given.

As essential part of the Technical Assessment for each tender round will be to ensure that the distribution of bids reflects the needs and geography of the County. This will ensure that, for example, that the value for money criteria accounts for additional costs due to the sparsity of the population in rural areas but also that there is a fair distribution across the geography of the County, its population and the employment base. This will ensure that Plan and processes are 'rural proof' but will also ensure that equality and diversity considerations are integrated into the process.

A representative of the Regional Executive Group will be invited to observe this process.

Projects emerging from the technical assessment panel will then be referred to the co financing approvals panel, where final decisions on the tenders will be made.

Copies of the reports from these panels and any other associated papers will be available to GO-NE and to applicant organisations on request as part of the independent scrutiny of the system.

6.6 Complementarity with Objective 2 and RDA Single Programme

The Objective 2 Programme within the North East Region contains a proportion of ESF funding which is intended to support distinctly different activity to that supported with Objective 3 funds. To ensure that the complementarity between the two Programmes is maintained, the following principles will apply:-

- All activity relating to the 7 clusters identified in the Objective 2 Programme will only be eligible for support via the Objective 2 Programme, regardless of the qualification level and the geographic coverage of the delivery. This applies to **Nanotechnology, Bioscience, Tourism & Culture, Food & Drink, Chemicals, Digital and Multi-Media, Offshore Engineering**. This applies to support targeted at SMEs only and support for large companies in these sectors can still be supported by Objective 3 via co-financing.
- Learning & Skills activity which is identified as a need under Objective 2, and which is focused on the Priority 4 Target Wards, cannot be supported by Objective 3 co-financing.
- In relation to Measure 4.3, this will be targeted on
 - SMEs seeking to diversify or who have growth potential (where they are not part of a Cluster supported by the Objective 2 Package)
 - encouraging individuals to start up a business
 - engendering enterprise with a particular focus on young people and those unemployed for less than one year.

This will include

- employee development in line with individual needs or the specific needs of the company
- workforce development linked to SME growth and competitiveness
- enterprise awareness and promotion activities
- encouraging entrepreneurship.

The Adjudicator of the Northumberland Appraisal Panel is a member of the Northumberland Objective 2 Steering Group and as such can check all bids to co-financing for complementarity.

A member of the Co-Financing Approvals Panel is also a member of the Learning Partnership group looking at the allocation of Learning and Skills element of RDA Single Programme funding. This link will ensure that activity is not being duplicated. In addition, consultation will take place with the NSP on bids to be considered by the approvals panels in order to minimise this risk but also to ensure that value added is being derived from both sources of funding.

6.7 Procedures for feedback and appeals

We will offer feedback to all organisations submitting a proposal to Northumberland LSC under co-financing. Successful applicants will receive feedback as part of the negotiation process over a contract to deliver their proposal. Unsuccessful applicants will receive feedback on request as to why their tender has not been approved.

Appeals can only be made on the grounds of bias and discrimination or that the Approval Panel has arrived at a decision that a reasonable person would not. They must be received within 10 working days of the date of the letter advising that the project has not been selected for funding.

7. Provider funding

7.1 Schedule of payment

Payment to providers will be released in line with existing practice within the Northumberland LSC and will adhere to the following principles:

- Following approval officers from Northumberland LSC will work with the service provider to agree a monthly profile of expenditure for the duration of the project.
- Automatic monthly payment will be made in line with this profile on submission of a claim
- Quarterly reconciliation forms will be required from the service provider to show actual expenditure incurred. Any variation from the agreed profile will be reconciled at the end of each quarter and, if required, a revised profile will be drawn up for future grant payment
- A final reconciliation form will be required at the end of the project

Northumberland LSC has adopted this system so as to provide a streamlined and simplified system of grant payment to all providers. However pump priming of grant payments can be agreed between the LSC and the provider if cash flow is considered to be a danger to successful implementation. In general regular grant payments to service providers reduces the risk of peaks and troughs and allow more effective financial planning

The schedule of payment will ensure that no service provider is disadvantaged by the introduction of co-financing. In addition, providers will not have to wait for the final 20% of ESF grant funding.

7.2 Financial viability

All service providers entering into a contract with Northumberland LSC will as appropriate be subject to a financial viability check to ensure the organisation has the financial means to fulfil its contractual obligations.

In addition any service provider may be subject to Provider Financial Assurance audit by Northumberland LSC at any stage during the life of their project and for a period of 5 years after completion to ensure that

claims can be substantiated and the organisation has the necessary accounting systems and procedures to administer ESF funding.

8. Administrative and management costs

8.1 Administration

Northumberland LSC is looking to secure match funding for 7.3 staff to meet the additional administrative burden created by co financing. These staff will be housed across the organisation and will be managed and co-ordinated by existing LSC staff, to ensure consistency of standards in monitoring of activity, budgets and spend.

The Development and Innovation team, which will manage the tendering process was established in April 2001 and is responsible for exploring external sources of funding to complement mainstream provision. The team currently manages co-financing and the Local Intervention and Development Fund (approx £600,000). The co financing approval structure is:

Technical assessment panel	
<p>Ian Jones Pauline Frankland Swee Seow David McCabe Lee Thurman</p> <p>Note Taker: Elizabeth Kelly Adjudicator: Heather Mills</p>	<p>Senior manager, performance Contract and Funding Officer Finance and Contracting Officer Provider Review Manager Learning Broker <i>To ensure cohesion we also invite</i> Job Centre Plus representation NSP Representation ONE North East</p> <p>Learning Demand Directorate Administrator Funding Manager</p>
An Observer is invited from the Regional Executive Group	

Approval Panel	
<p>Chair: Helen Beaton Margaret Frostick Susan Easton</p> <p>Note taker: Elizabeth Kelly Adjudicator: Heather Mills</p>	<p>Interim Director of Strategy Director of Learning Provision Sebior Manager Finance and Contracting</p> <p>Learning Demand Directorate Administrator Funding Manager</p>

The level of expertise and experience in ESF project work amongst existing staff within the Northumberland LSC is now established, and the last 2 years has ensured that all LLSC staff are now aware of the processes and principles.

The Development and Innovation team will be fully supported by staff from other Directorates within Northumberland LSC to ensure the successful implementation of co-financing, particularly with regard to contracting, financial, legal and LMI support. Reviews of staffing numbers and of the levels of required knowledge and expertise of these staff will be undertaken throughout the life of this plan, alongside a process of continuous monitoring of demand and performance. Northumberland LSC is committed to ongoing staff training to ensure the most effective delivery of its services across the board.

8.2 Management and Administration Costs

(a) Staff Costs

We expect total staff costs to be met through co-financing to be as follows:

	<u>Annual Salary 2004</u> <u>(including on costs)</u>	<u>Annual Salary 2005</u> <u>(Including on costs)</u>	<u>Annual Salary 2006</u> <u>(Including on costs)</u>	<u>TOTAL</u>
0.5 Senior Manager	24,000	25,000	27,000	76,000
.66 D & I Manager	21,000	21,600	22,200	64,800
1.3 D & I Assistant	23,333	24,000	24,670	72,003
2.5 Contract officers	59,250	61,000	63,000	183,250
1 Quality adviser	31,500	32,400	33,300	97,200
.33 Finance officer	7,900	8,140	8,400	24,440
1 PFA	31,500	32,400	33,300	97,200
Totals	197,483	203,540	210,870	611,893

Note: Annual Market Movement Pay Award pending during year and figures include estimates of this amount

(b) Other Costs

Projected additional costs to be met through co-financing are as follows:

	<u>Forecast Costs</u> <u>2004</u>	<u>Forecast Costs</u> <u>2005</u>	<u>Forecast Costs</u> <u>2006</u>	<u>TOTAL</u>
Overheads	28,000	29,000	30,000	87,000

Note: Overheads is an estimate of total eligible expenditure for all associated costs such as accommodation charges, stationery, printing, telephones, etc. A full breakdown will be provided at final claim.

(c) Total Costs

	<u>Forecast Costs</u> <u>2004</u>	<u>Forecast Costs</u> <u>2005</u>	<u>Forecast Costs</u> <u>2006</u>	<u>TOTAL</u>
Staff Costs	197,483	203,540	210,870	611,893
Other Costs	28,000	29,000	30,000	87,000
	225,483	232,540	240,870	698,893

Total costs included within this plan for management and administration total £497,940. This figure represents 5% of the overall co-financing resource (both ESF & match funding) for Northumberland. Annex 3 shows how Northumberland LSC costs have been split between the different Policy Fields / Measures as included in this Plan.

9. Match funding

9.1 Match funding by Measure

Match funding will be provided from the Northumberland LSC domestic budget programme allocation. The amount of match funding provided per annum by Measure is as follows:

Measure	2004	2005	2006	TOTAL
Measure 1.2	250,000	250,000	466,406	966,406
Measure 2.1	100,000	100,000	243,477	443,477
Measure 2.2	300,000	300,000	768,330	1,368,330
Measure 2.3	50,000	50,000	52,777	152,777
Measure 3.1	500,000	500,000	767,421	1,767,421
Measure 3.2	250,000	250,000	303,689	803,689
Measure 4.1	300,000	300,000	481,666	1,081,666
Measure 4.2	350,000	350,000	407,990	1,107,990
Measure 4.3	100,000	100,000	194,610	394,610
Measure 5.1	100,000	100,000	241,058	441,058
Measure 5.2	96,084	100,000	100,000	296,084

Northumberland LSC funding allocated to co-financing comprises only a small proportion of its mainstream budget (see annex 5).

10. Technical Assistance Pooling

10.1 Technical Assistance Levy

Within the North East Region there is a technical assistance pool that currently operates for Objective 3. North Tyneside Council on behalf of the Objective 3 Regional Partnership manages this pool and all successful applicants are requested to contribute 0.7% of the value of the ESF grant awarded to their project.

Northumberland LSC will pay the levy on the amount of ESF approved for co-financing from the Local Intervention and Development Fund.

11. Management of the plan

11.1 Quality control

Once a project is selected for delivery a contract will be negotiated and drawn up between Northumberland LSC and the successful provider. This contract will detail the level and frequency of information that must be provided to demonstrate successful delivery and ensure quality of provision.

The contract will specifically require quarterly returns to Northumberland LSC in respect of the activity being delivered. This will provide a narrative of project activity, progress and delivery to date, including some management information.

11.2 Quality of Education and Training

Monitoring will ensure that there:

- are established processes in place for learner Induction, support and progression as appropriate
- are suitable numbers of qualified and/or experienced learning and support staff
- is a high standard of accommodation and learning resources
- is a curriculum, which meets the requirements of awarding and other regulatory bodies as appropriate
- is an effective staff development plan, which is implemented and monitored

- is evidence of strong management and leadership of the learning process and strong working relationships with partners
- are effective mechanisms for gathering feedback from participants
- are established methods for handling Customer Complaints
- is evidence that the project targets are clearly established and monitored
- is evidence that quality assurance systems are clearly understood by all those involved in the management and delivery of the project

11.3 Health and Safety

Monitoring will ensure that there:

- is a planned approach to health and safety, and that staff are knowledgeable about health and safety requirements
- are established arrangements for promoting a safe, healthy and supportive working environment
- are appropriate levels of supervision for participants
- are systems in place for the recording, reporting and investigation of accidents to participants

11.4 Equal Opportunities

Monitoring will ensure that there:

- is an up to date Equal Opportunities (EO) strategy
- are clear lines of accountability for delivery of the project
- are arrangements (where appropriate) for EO targets to be set and monitored for the life of the project
- are effective systems for recruitment and selection that promote EO
- is evidence that project delivery encourages participation by under-represented participants
- is regular review of systems and procedures
- is positive promotion material in all areas of project delivery

11.5 Finance

Monitoring will ensure that there are:

- satisfactory financial management systems in place to receive grant funding
- clear methods of recording and tracking income and expenditure to meet audit requirements

11.6 Publicity

Requirements placed on successful service providers to publicise the role of ESF co-financing will be clearly detailed in the contract. Providers will be responsible for both the publicity and promotion of ESF support to their project, and for ensuring that all ultimate beneficiaries are aware of the ESF contribution. Northumberland LSC will work with successful providers, offering advice and support on this issue.

Failure to adhere to publicity requirements as detailed in the contract may result in the withdrawal of funding to individual providers.

11.7 Evaluation

This co-financing plan will be reviewed and, if appropriate, updated on an annual basis to reflect achievements to date, the implementation of new policies, and the review of existing strategies. Northumberland LSC aims to ensure that the plan remains relevant to the needs of the county and can serve as a fundamental tool in the ongoing appraisal and selection process.

In addition, then, to monitoring at project and measure level, we will oversee the impact of the activity as a whole, in the light of this plan, and of our wider activities.

12. Cross cutting themes

12.1 Equal opportunities

We aim to support the creation of a learning society which is free from discrimination and prejudice and which encourages and helps all learners to reach their full potential. In pursuit of this we aim to tackle social and economic disadvantage by removing barriers to post 16 education and training, broadening provision to attract reluctant learners. All this is reflected in our equality and diversity strategy, and underpinned by an external group, chaired by a member of our local Council.

Equality of opportunity will be integrated into all areas of activity and an equal opportunities action plan will ensure this is monitored and evaluated

We will mainstream and integrate equality and diversity into all aspects of our work, and we are committed to developing and delivering Equal Opportunities for young people and adult learners through all programmes and providers. Lastly, we will pay particular attention to the needs of the rural population.

This level of commitment to promoting equality and diversity will be demonstrated in the development, implementation and monitoring of co financed programmes.

12.3 Information and Communications Technology (ICT)

ICT will be used extensively throughout the co-financing process, particularly in relation to the tracking and monitoring of information, and the dissemination of information to partners and potential service providers.

The existing ICT skills base within Northumberland is lower than in other areas of the country, and there is an identified need for higher level ICT training programmes to be an integral part of mainstream provision. LSC Northumberland has developed a framework for e learning in the County.

In the context of that framework, we will welcome evidence that potential service providers can demonstrate at application how their project will advance the use of ICT within the county. Those projects which have integrated an element of ICT skills, or which can deliver training electronically to reach a wider audience, will be positively weighted at appraisal stage.

13 Implementation plan

13.1 Targets: see annex 2

13.2 Processes: see section 12: management of the plan

13.3 Quality Standards

The quality standards in individual sub-contracted provision will be monitored and measured according to the national Common Inspection Framework, which involves external inspection and annual self-assessment. Both contribute to an individual provider development plan, which can identify the strengths and weaknesses of the provider. In addition Performance Reviews are carried out twice a year. These look at a range of key issues including:

- quality of education and training standards achieved by beneficiaries
- quality of leadership and management
- continuous improvement
- quality of strategic planning

This system applies to existing providers and will be extended to cover new providers in receipt of co-financing money.

Annex 1: The links between Objective 3 and LSC Northumberland priorities for action

Objective 3 RDP Measure	Objective 3 RDP Objectives	Northumberland LSC priority issues and actions	Activities we would seek to support with Co-financing
<p>1.1: Advice and guidance for active and continuous job search strategies</p> <p><i>Note: although Northumberland LSC will not be in receipt of funding under this measure, these are the activities that we would encourage Jobcentre Plus to contract for.</i></p>	<p><i>to prevent jobless people moving into long-term unemployment and inactivity by providing support for their active and continuous search for work.</i></p>	<p>Provision of information, advice and guidance services is constrained within the County. To address this we need to:</p> <ul style="list-style-type: none"> • Support the further development of the adult IAG infrastructure • Integrate IAG into new forms of provision • Develop new modes of delivery, including IAG 	<ul style="list-style-type: none"> • Developing capacity for local delivery, and developing new and innovative ways of delivering services • Career and guidance development services delivered as single sessions or short programmes. • Provision of information on training/education/employment opportunities. • Provision of resources for individuals to undertake applications, including opportunity databases. • Personal development actions, including production of personal action plans, motivation and confidence building. • Skills analysis and job matching. • Training for staff to deliver enhanced services. • Awareness raising and support for unemployed people
<p>1.2: Improve the employability of the unemployed, returners and young people of working age</p>	<p><i>to improve the employability of the unemployed, particularly the long term unemployed, returners, those inactive in the labour market and young people through targeted intervention to enhance vocational and other key skills and removing external barriers to labour market entry.</i></p>	<p>The LSC mission is to raise the participation levels of young people and adults and to develop the skills base of individual's to meet the needs of employers. In order to do this we need to:</p> <ul style="list-style-type: none"> • Move to a new structure of learning which provides learning opportunities when and where they are needed • Emphasise activity in support of those disadvantaged in the labour markets and minority groups that are hard to reach 	<ul style="list-style-type: none"> • Support for unemployed individuals • Support for eligible activity concerned with reinforcing support structures and developing new and innovative interventions. • Support for Education Business Links to increase understanding of employer needs. • Job tasters, work placements. • Vocational training, matched to individual and labour market needs, specifically meeting the needs of young people entering E2E provision. • Subsidised employment linked to vocational training, particularly for those with level 2 or below qualifications. • Support to address barriers such as child/dependent care, travel, and subsistence. <p><i>Support for advanced ILM projects will be via Job centre plus co financing All other eligible activities will be supported by Northumberland LSC</i></p>
<p>Objective 3 RDP</p>	<p>Objective 3 RDP</p>	<p>Northumberland LSC priority issues and</p>	<p>Activities we would seek to support with co-financing</p>

Measure	Objectives	actions	
2.1: Access to Basic Skills Provision (Pre-vocational)	To prepare people to compete for work or to participate in vocational skills development by promoting and providing for development of personal and basic skills.	<p>There is considerable evidence of shortfalls in basic skills. In order to address this we need to:</p> <ul style="list-style-type: none"> • Widen the provider base • Increase the number of locations for learning delivery • Maximise delivery in the workplace • Improve the levels of retention and achievement in order to improve the economy of basic skills programmes • Improve the referral mechanisms for engaging people in basic skills provision 	<ul style="list-style-type: none"> • Reinforcing support structures and developing new and innovative approaches to delivery • Long-term personal development support, addressing attitudes, confidence, motivation and responsibility. • Support for vocational guidance and, raising awareness of types of job for which there is a demand. • Support for training in literacy and numeracy skills. • Pre-entry training in key occupational areas. • Support for occupational taster courses such as Work Trials. • Support for involving businesses in schools to encourage employability and motivation. <p><i>All other eligible activities will be supported by Northumberland LSC</i></p>
2.2: Improve employability and remove barriers to labour market entry for those groups disadvantaged in the labour market	<p>To improve the employability and remove barriers to labour market entry for those groups disadvantaged in the labour market (as defined under Strand A and B in the priority rationale) through integrated actions for personal development and vocational training.</p> <p>To develop local responses to assist individuals with multiple disadvantage in the labour market who face the risk of exclusion.</p>	<p>The County shows constraints on mobility due to geography and transport. In parts of the County there are pockets of persistent and intergenerational unemployment.</p> <p>In order to address these issues interventions need to be focused on meeting the needs of:</p> <ul style="list-style-type: none"> • Older people (40 years+) • People with disabilities • People with numeracy and literacy difficulties • Individuals who have no previous experience of employment • Young people not engaged in employment, training or education • Minority ethnic groups (because the population in this category are so small there are insufficient formal and informal structures to support their transition to employment and learning) 	<ul style="list-style-type: none"> • Reinforcing support structures and developing new and innovative interventions relevant to this Measure, which may include actions to improve access to development opportunities through use of IT, and delivery at community level. • Support for vocational guidance and personal development counselling, including mentoring and counselling projects for young people. • Support for volunteering schemes and youth managed projects to engage disaffected young people. • Development of employability skills, including inter-personal, communication and ICT training. • Vocational training, matched to individual and labour market needs. • Provision of integrated packages of those actions to meet the needs of specific groups, including lone parents, returners, disabled people, ethnic minorities, ex-offenders and other equal opportunities target groups. <p><i>Support for advanced ILM projects will be via Job centre plus co financing</i> <i>All other eligible activities will be supported by Northumberland LSC</i></p>
Objective 3 RDP Measure	Objective 3 RDP Objectives	Northumberland LSC priority issues and actions	Activities we would seek to support with co-financing

2.3: Combating discrimination in the labour market	to combat discrimination in the labour market, in particular, to combat race, disability and age discrimination and improve the employability of these groups through research and support for improved recruitment and promotion systems.	Barriers to participation are more acute for some groups of people operating or attempting to engage in the labour market. Identifying the barriers faced by these groups is a priority. They are: <ul style="list-style-type: none"> • Disabled learners • Minority ethnic groups • Lone parents • Ex-offenders 	<ul style="list-style-type: none"> • Research into institutional discrimination and follow on actions to combat discrimination. • Support for initiatives to improve recruitment and promotion systems within SMEs to eliminate personal and institutional discrimination. • Feasibility studies, market research and other studies related to the implications of institutional discrimination and into new ways of overcoming barriers to employment for those discriminated against. • Support for actions to overcome employer perceptions of disadvantaged groups: advocacy, coaching. <p><i>All other eligible activities will be supported by Northumberland LSC</i></p>
3.1: Promoting wider access and participation in lifelong learning	<i>to promote wider access and participation in life long learning (especially for those groups least likely to take part in lifelong learning activities and lacking basic and key skills.</i>	The mission of the LSC is to increase the levels of participation in learning for both young people and adults. We need therefore to overcome the geographical barriers to participation that people face. <p>This will mean:</p> <ul style="list-style-type: none"> • Changing the location and reconfiguring of provision • Promoting collaboration between providers to enhance the learning offer and build on current strengths • Creating multiple entry points for people to access learning and skills training • Identifying clear progression routes and mechanisms to achieve these 	<ul style="list-style-type: none"> • Reinforcing support structures and developing new and innovative interventions modes of delivery which include actions to improve community access and e-learning solutions • Promotional activities to highlight benefits of, and routes into, learning. Provision of mechanisms to offer information and advice on learning opportunities. • Promotion of LearnDirect and other e-learning materials • Collaboration between learning providers and community initiatives to make learning more accessible and delivery more flexible. • Development of access courses to facilitate entry into post-16 and higher education provision. • Provision of leisure, basic skills courses to encourage entry to learning amongst disengaged groups, including disaffected young people. • Provision of Key Skills courses covering people skills, communication skills (including ICT skills) and team working skills. • Providing support for learning: e.g. funding for child / dependent care. • Improving access to learning through the use of ICT, Community Learning, Schools, Libraries <p><i>All other eligible activities will be supported by Northumberland LSC</i></p>
Objective 3 RDP Measure	Objective 3 RDP Objectives	Northumberland LSC priority issues and actions	Activities we would seek to support with co-financing
3.2: Lifelong learning provision responsive to the	<i>to improve employability</i>	The County has persistent pockets of unemployment and a significant proportion of the working age population who are	<ul style="list-style-type: none"> • Reinforcing support structures and developing new and innovative approaches to delivery • Support for research / labour market analysis directly related to informing

needs of employers	<i>through directing and supporting lifelong learning provision so that it is responsive to the changing needs of employers, such as in the fields of IT, management and the environment.</i>	<p>economically inactive.</p> <p>Some people have had previous negative experiences of learning or face structural barriers to engaging in learning and work.</p> <p>Most of the people who are active learners in the County participate for work related reasons. Therefore provision which is more likely to lead to a job is likely to be more attractive.</p> <p>So we need to find mechanisms to engage those non-active learners and to lessen the barriers they face</p>	<p>and improving the performance of interventions.</p> <ul style="list-style-type: none"> • Development of courses that can be delivered by innovative and flexible methods: ICT, interactive training media, short courses, distance learning. • Support for projects providing career management guidance to people in employment. • Support for accreditation of existing skills against qualification frameworks. • Provision of financial support for employed individuals wishing to upgrade skills, including enhancement of ILA successor schemes. • Support for independently pursued vocational training. • Encouragement for employer support for learning through the workplace, including access to company ICT and training resources. <p><i>All other eligible activities will be supported by Northumberland LSC</i></p>
4.1: To update and upgrade employees' vocational skills, including basic and key skills	<i>to update and upgrade employees' vocational skills, including basic and key skills (through training tailored to business needs).</i>	<p>Employers in the County identify specific shortfalls in the qualification and skillsets of their employees.</p> <p>In particular there is under-qualification amongst:</p> <ul style="list-style-type: none"> • Managers (more people need to be qualified at level 4 or above) • Skilled craft occupations (more people need there is accredited at level 3 or above) • Machine operatives (there is a shortfall in accreditation at level 2 and above) • Administrators (there is a shortfall in accreditation at level 2 and above) <p>Basic skills deficiencies are common amongst lower occupational groups such as semi-skilled workers machine operatives and sales and service staff</p>	<ul style="list-style-type: none"> • Reinforcing support structures and developing new and innovative interventions relevant to this Measure. • Provision of advice to employers on availability of qualifications and methods of delivery. • Provision of advice and guidance to employees to determine their development needs. • Support for the preparation of company training plans. • Support for Investors in People accreditation. • Recognition of existing skills gained through work: Accreditation of Prior Learning. • Delivery of ICT training in-house. • Support for Employee Development Programmes. • Delivery of basic and vocational skills in house through short courses, ICT. • Training for employees about to be made redundant / at risk from redundancy: identification of transferable skills, job matching, career planning. <p><i>All other eligible activities will be supported by Northumberland LSC</i></p>
Objective 3 RDP Measure	Objective 3 RDP Objectives	Northumberland LSC priority issues and actions	Activities we would seek to support with co-financing
4.2: Identifying and meeting emerging skills shortages	<i>to identify and meet emerging skills shortages, including higher-</i>	<p>Sectors likely to have increasing demand for high level skills include:</p> <ul style="list-style-type: none"> • Construction at craft level 	<ul style="list-style-type: none"> • Support for eligible activity concerned with reinforcing support structures and developing new and innovative interventions relevant to this Measure. • Research to determine skills needs, particularly those from knowledge-driven economy.

	<i>level skills (through training tailored to business needs).</i>	<ul style="list-style-type: none"> • Engineering at craft level • Tourism at all levels • Renewable energies, particularly at technician and craft level <p>Skill needs relating to Management, IT, literacy and numeracy, and customer service are priorities</p> <p>Specific skills shortage issues exist with respect to:</p> <ul style="list-style-type: none"> • Basic skills tutors • Online tutors • Care workers (including childcare) • Regeneration practitioners • Craft level workers 	<ul style="list-style-type: none"> • Dissemination of research into emerging skills needs. • Encouraging employers to invest in training. • Development of customised training packages to meet needs of existing employer base, inward investors. • Support for vocational training relevant to identified skills gaps. • Encouraging companies, particularly SMEs to participate in shared training events to ensure viability of specialist skills training. <p><i>All other eligible activities will be supported by Northumberland LSC</i></p>
4.3: Entrepreneurship and competitive SMEs	<i>to encourage entrepreneurship of individuals and competitiveness of businesses, particularly SMEs.</i>	<p>Northumberland has a low level of new business start-ups and an industrial structure dominated by population sustaining services.</p> <p>So we need to provide people with the skillsets to be more entrepreneurial in their current jobs and to be prepared to seek opportunities to create new businesses with growth potential.</p>	<ul style="list-style-type: none"> • Reinforcing support structures and developing new and innovative interventions • Support for Education Business Links, particularly with regard to the 14 to 19 agenda. • Actions promoting enterprise among young people and adults • Encouraging employees/those about to be made redundant to consider self-employment as an option. • Training and non-training actions as part of manager development programmes. • Training in support of innovation and growth programmes. • Support for change management within companies, including adaptation to industrial change and the transition to a more knowledge-based economy. • Actions promoting enterprise among FE/HE students <p><i>All other eligible activities will be supported by Northumberland LSC</i></p>
Objective 3 RDP Measure	Objective 3 RDP Objectives	Northumberland LSC priority issues and actions	Activities we would seek to support with co-financing
5.1: To improve access to learning and remove barriers	<i>to improve access to learning and remove barriers to employment (for</i>	Access to learning within the County is a problem for many people. Women more often face additional barriers to participation associated with care of dependents.	<ul style="list-style-type: none"> • Information, advice and guidance services tailored to the needs of women. • Support for improving access through provision of learning opportunities in community, drop-in centres and other lifestyle locations • Increasing flexibility of training delivery to respond to barriers such as child

to employment	women).	<p>The gender bias in the employment opportunities in the County only really favours women in health and social care sector.</p> <p>In order to address this we need to encourage women to participate in vocational training which equips them to take up opportunities in non-traditional sectors and occupations</p>	<p>/ dependent care, travel, timing.</p> <ul style="list-style-type: none"> • Development of child / dependent care provision which is collocated with learning opportunities • Personal development programmes, including confidence building to assist returners. • Provision of basic skills training. • Provision of key skills training, including ICT skills training for returners. • Provision of vocational training, including higher-level skills training (Level 3 and above). • Development of access courses to assist entry into post 16 and higher education provision • Promotion of enterprise support for women considering starting their own businesses. <p><i>All other eligible activities will be supported by Northumberland LSC</i></p>
5.2: Research into gender discrimination	<i>(to reduce the level of disadvantage faced by women in the labour market through) research into issues related to gender discrimination in employment such as recruitment, pay, segregation and progression (and implementation of the findings).</i>	Barriers to participation are often more acute for women operating outside or attempting to engage in the labour market. Identifying the barriers faced by this group and ways of overcoming them is a priority for further research.	<p>Research and development into practical responses to gender discrimination, including such issues as occupational segregation, gender stereotyping, institutionalised discrimination on recruitment, pay, access to training, progression and other aspects of employment.</p> <p><i>All other eligible activities will be supported by Northumberland LSC</i></p>

Annex 2: ESF resources sought, match, performance indicators and targets

Policy Field 1: Active Labour Market Policies

Measure	ESF Amount	Match funding	Total	Performance Indicators	Targets
1.2: Improve the employability of the unemployed, returners and young people of working age	790,696	966,406	1,757,102	<p>Outputs</p> <p>Total beneficiaries 1,186</p> <p>Number of beneficiaries who are:</p> <ul style="list-style-type: none"> ▪ young people jobless for less than 6 months 50 ▪ young people jobless for over 6 months 260 ▪ adults jobless for less than 12 months 220 ▪ adults jobless for over 12 months 400 ▪ female 475 ▪ working towards a qualification/vocational training 1,000 ▪ number of beneficiaries of employment subsidy 75 <p>Results</p> <p>Number of beneficiaries who:</p> <ul style="list-style-type: none"> ▪ complete their course 750 ▪ achieve positive outcomes on leaving 750 ▪ go into work on leaving 400 ▪ move into self employment 30 ▪ move into further training/education 300 ▪ achieve a part qualification 150 ▪ achieve NVQ 1/ equivalent 75 ▪ achieve NVQ 2/equivalent 150 ▪ achieve NVQ 3/equivalent 120 ▪ achieve NVQ 4+ equivalent 12 	

2.1: Access to Basic Skills Provision (Pre-vocational)	362,845	443,477	806,322	<p>Outputs</p> <p>Total beneficiaries 923</p> <p>Number of female beneficiaries 375</p> <p>Number of beneficiaries working towards a qualification 350</p> <p>Capacity building projects 1</p> <p>Number of trainers trained 10</p> <p>Results</p> <p>Number of beneficiaries who:</p> <ul style="list-style-type: none"> ▪ complete their courses 620 ▪ achieve positive outcomes on leaving 620 ▪ go into work on leaving 100 ▪ move into training/education 475 ▪ move into self employment 6 	
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2.2: Improve the employability and remove barriers to labour market entry for those groups disadvantaged in the labour market	1,119,543	1,368,330	2,487,873	Outputs	
				Total beneficiaries	845
				Number of young people in Secondary Education	100
				Number of female beneficiaries	350
				Number of beneficiaries working towards a qualification	520
				Capacity building projects	2
				Number of trainers trained	20
				Number of beneficiaries of Vocational training/education	500
				Results	
				Number of beneficiaries completing their courses	550
				Number of beneficiaries who:	
				▪ achieve positive outcomes on leaving	550
				▪ move into work on leaving	200
				▪ move into training/education	300
▪ move into self employment	23				
▪ achieve part qualification	120				
▪ achieve NVQ 1/ equivalent	100				
▪ achieve NVQ 2/equivalent	100				
▪ achieve NVQ 3/equivalent	50				
▪ achieve NVQ 4+ equivalent	20				

2.3: Combating discrimination in the labour market	125,000	152,777	277,777	Outputs Capacity building projects Research projects	 1 7
3.1: Promoting wider access and participation in lifelong learning	1,446,072	1,767,421	3,213,493	Outputs Total beneficiaries Number of female beneficiaries Number of beneficiaries working towards a qualification Capacity building projects Number of trainers trained Number of beneficiaries of Vocational training/education Results Number of beneficiaries who: <ul style="list-style-type: none"> ▪ complete their courses ▪ achieve positive outcomes on leaving ▪ move into work on leaving ▪ move into training/education ▪ move into self employment ▪ achieve part qualification ▪ achieve NVQ 1/ equivalent ▪ achieve NVQ 2/equivalent ▪ achieve NVQ 3/equivalent ▪ achieve NVQ 4+ equivalent 	 2582 1270 2582 3 65 1600 2000 2200 1600 550 80 800 500 350 50 55

3.2: Lifelong learning provision responsive to the needs of employers	657,564	803,689	1,461,253	<p>Outputs</p> <p>Total beneficiaries 964</p> <p>Number of female beneficiaries 460</p> <p>Number of beneficiaries working towards a qualification 880</p> <p>Capacity building projects 1</p> <p>Research/labour market analysis 3</p> <p>Number of trainers trained 20</p> <p>Number of beneficiaries of vocational training/education 880</p> <p>Results</p> <p>Number of beneficiaries who:</p> <ul style="list-style-type: none"> ▪ complete their courses 820 ▪ achieve positive outcomes on leaving 820 ▪ move into work on leaving 720 ▪ move into training/education 7 ▪ move into self employment 8 ▪ achieve part qualification 140 ▪ achieve NVQ 1/ equivalent 65 ▪ achieve NVQ 2/equivalent 230 ▪ achieve NVQ 3/equivalent 230 ▪ achieve NVQ 4+ equivalent 5 	
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4.1: To update and upgrade employees' vocational skills, including basic and key skills	885,000	1,081,666	1,966,666	<p>Outputs</p> <p>Companies helped 390</p> <p>Total beneficiaries 1,064</p> <p>Number of female beneficiaries 350</p> <p>Number of beneficiaries working towards a qualification 600</p> <p>Number of trainers trained 35</p> <p>Number of beneficiaries of vocational training/education 600</p> <p>Number of beneficiaries getting self-employment help 100</p> <p>Results</p> <p>Number of beneficiaries who:</p> <ul style="list-style-type: none"> ▪ complete their courses 800 ▪ achieve positive outcomes on leaving 800 ▪ move into work on leaving (still in work) 760 ▪ move into training/education 30 ▪ move into self- employment 10 ▪ achieve part qualification 120 ▪ achieve NVQ 1/ equivalent 150 ▪ achieve NVQ 2/equivalent 110 ▪ achieve NVQ 3/equivalent 15 	
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4.2: Identifying and meeting emerging skills shortages	906,536	1,107,990	2,014,526	Outputs	
				Companies helped	250
				Total beneficiaries	477
				Number of jobless beneficiaries	100
				Number of female beneficiaries	130
				Number of beneficiaries working towards a qualification	250
				Number of trainers trained	35
				Number of beneficiaries of vocational training/education	375
				Results	
				Number of beneficiaries who:	
				▪ complete their courses	360
				▪ achieve positive outcomes	360
				▪ move into work on leaving (still in work)	280
				▪ move into training/ education	90
				▪ achieve part qualification	50
▪ achieve NVQ 1/ equivalent	20				
▪ achieve NVQ 2/equivalent	75				
▪ achieve NVQ 3/equivalent	35				

4.3: Entrepreneurship and competitive SMEs	322,863	394,610	717,473	<p>Outputs</p> <p>Companies helped 150</p> <p>Total beneficiaries 239</p> <p>Number of female beneficiaries 70</p> <p>Number of beneficiaries working towards a qualification 120</p> <p>Capacity building projects 3</p> <p>Number of trainers trained 15</p> <p>Number of beneficiaries of vocational training/education 180</p> <p>Number of beneficiaries getting self employment help 80</p> <p>Results</p> <p>Number of beneficiaries who:</p> <ul style="list-style-type: none"> ▪ complete their courses 175 ▪ achieve positive outcomes 185 ▪ move into work on leaving (still in work) 165 ▪ move into self employment 5 ▪ move into training/ education 15 ▪ achieve part qualification 15 ▪ achieve NVQ 1/ equivalent 20 ▪ achieve NVQ 2/equivalent 10 ▪ achieve NVQ 3/equivalent 35 ▪ achieve NVQ4+ equivalent 10 	
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5.1: To improve access to learning and remove barriers to employment	360,866	441,058	801,924	Outputs	
				Total beneficiaries (all female)	280
				Number jobless	130
				Number of beneficiaries working towards a qualification	180
				Projects offering childcare facilities	20%
				Number of trainers trained	4
				Number of beneficiaries of vocational training/education	63
				Number of beneficiaries getting self/employment help	23
				Results	
				Number of beneficiaries who:	
				▪ complete their courses	195
				▪ achieve positive outcomes	238
				▪ move into work on leaving	100
				▪ move into non traditional occupations	18
				▪ move into self employment	9
▪ move into training/ education	135				
▪ achieve part qualification	50				
▪ achieve NVQ 1/ equivalent	50				
▪ achieve NVQ 2/equivalent	10				
▪ achieve NVQ 3/equivalent	13				
▪ achieve NVQ4+ equivalent	5				
5.2: Research into gender discrimination	242,251	296,084	538,335	Number of research projects	10
Total	7,219,236	8,823,508	16,042,744		

OUTPUTS + RESULTS	1.2	2.1	2.2	2.3	3.1	3.2	4.1	4.2	4.3	5.1	5.2	TOTALS
Into work	400	100	200		1600	720	760	280	165	100		4325
Into Self Employment	30	6	23		80	8	10		5	9		171
Into Further Ed / Training	300	475	300		550	5	30	90	15	135		1900
Achieve NVQ 1 / Equivalent	75		100		500	65	150	20	20	50		980
Achieve NVQ 2 / Equivalent	150		100		350	230	110	75	5	10		1030
Achieve NVQ 3 / Equivalent	120		50		50	230	15	35	35	13		548
Achieve NVQ 4+ / Equivalent	12		20		55	5			10	5		107
Female Beneficiaries	475	375	350		1270	460	350	130	70	280		3760
Capacity Building Projects		1	2	1	3	1			3			11
Trainers Trained		10	20		65	20	35	35	15	4		204
Young people in secondary Education			100									100
Beneficiaries of Vocational training/Education			500		1600	880	600	375	180	63		4198
Research Project				7		3					10	20
Companies Helped							390	250	150			790
Getting self-employment help							100		80	23		203
Non-traditional occupations										18		18

Costing is based on delivery costs from LSC mainstream programmes.

Annex 3: Policy links

We believe that Government policy developments in the past year have given us a fuller and better-grounded understanding of the Learning and Skills Council's national priorities, and its strategic levers. Before preparing this local annual plan, we took a step back and reviewed national and regional policy, because it is in that context we work.

Overarching everything we do is the need to generate the demand for, and the take up of, learning, and to support success and progression within and outside employment. This is underpinned by increased emphasis on the importance of information, advice and guidance for young people (through the Connexions Service) and for adults. We will also ensure that learners have a stronger and more effective voice in its design and delivery.

Fundamentally, however, we see three key process strands. They are: reforming and refocusing provision; engaging employers more effectively and driving up quality and standards.

The table on the next page presents key elements from major national strategies, and illustrates the coherence of the approach and its relevance to the County and to LSC Northumberland's strategies and activity.

<p>Success for All looks to improve the responsiveness of the sector to employers and learners by...</p>	<p>The proposals for 14-19 reform suggest:</p>	<p>The Workforce Development Strategy aims to capitalise on the more responsive sector by...</p>	<p>The LSC defines its 6 strategic levers as:</p>	<p>The Secretary of State's Grant Letter to the LSC asks the LSC to deliver reform in the planning, funding and delivery of post 16 learning, and stresses that we should:</p>	<p>The Regional Economic Strategy key objectives for skills are to:</p>	<p>The Regional Development Plan for objective 3 sets out strategic objectives. They are to:</p>	<p>Our priorities for 2002-05 are to:</p>
<p>meeting needs and improving choice, by improving the responsiveness and quality of provision through:</p> <ul style="list-style-type: none"> - a programme of Strategic Area reviews - requiring providers to develop education and training missions <ul style="list-style-type: none"> - continuing expansion of e-learning <p>putting teaching training and learning at the heart of what we do;</p> <p>developing leaders, teachers, lecturers trainers and support staff of the future;</p> <p>developing a framework for quality and success:</p> <ul style="list-style-type: none"> - including: the introduction of three year funding agreements; a new structure of targets and performance management. 	<p>greater collaboration between providers;</p> <p>more employer involvement, and new partnerships with employers;</p> <p>greater use of ICT;</p> <p>proposals for changes in the framework of qualifications and the curriculum;</p> <p>changes to the inspection regime, to cover the 14-19 range.</p>	<p>Raising demand by:</p> <ul style="list-style-type: none"> promoting the benefits of learning; providing timely and relevant information and advice; breaking down the barriers to participation. <p>Improving the supply of learning by:</p> <ul style="list-style-type: none"> reforming the funding system; building capacity. <p>Developing the framework, by:</p> <ul style="list-style-type: none"> establishing shared accountability; better use of labour market information; enabling qualifications to be more responsive; improving the quality of provision. 	<ul style="list-style-type: none"> changing the learning culture; engaging employers; reshaping local provision; improving quality; reforming ways of funding learning; managing the LSC with excellence. 	<ul style="list-style-type: none"> develop the sector's capability to deliver a more coherent phase of learning for 14-19 year olds; drive forward the implementation of <i>Success for All</i>; engage with employers; build on work done to understand learners' views; promote participation and progression; develop a long term vision for Information Advice and Guidance and for adult and community learning; implement new funding arrangements; develop the capacity, infrastructure, leadership and communication skills of the LSC. 	<ul style="list-style-type: none"> raise the aspirations of young people and attainment at key stage 3 and beyond; raise the demand for learning by individuals and employers; supporting access to employment and long term employability; develop, retain and attract higher level skills; develop a learning framework based on standards of excellence and informed by quality intelligence. 	<ul style="list-style-type: none"> increase demand for learning and for higher and broader skills levels engage all young people in the world of work develop a world class workforce reduce social and economic exclusion 	<p>Address the learning Infrastructure by:</p> <ul style="list-style-type: none"> -moving towards a new structure of learning delivery; --developing and implementing the principle of distributed learning; developing the provision of information, advice and guidance. <p>Increase choice, levels of participation, and the proportion of learners who succeed by:</p> <ul style="list-style-type: none"> -building pathways through better distributed learning provision and better information to support progression; -listening to learners. <p>Increase our understanding of the needs of employers and of the sectors, and respond more effectively</p>

The table shows how the Government's proposals in *Success for All* (and in *Trust in FE*, and *Trust in the Future*) address the post 16 learning infrastructure: crucially, they present a platform for developing a more responsive sector through effective planning (by means of Strategic Area Reviews), reforms to contracts and funding and to the quality framework, and a commitment to the development of those who work in the sector. At the same time the Government's proposals for provision at 14-19 will ensure, through collaborative working across providers, close links with employers, and enrichments of curriculum and qualification requirements, a wider choice for young people and a sounder base for progression.

These priorities support each other and in turn support (and are supported by) strategies for workforce development defined by the LSC and the Strategy Unit of the Cabinet Office. The workforce development strategy proposes increasing demand though more effectively promoting the benefits of learning, providing information and advice, and breaking down barriers to participation. Moreover pilots (of which one will be in the North East) will test out new ways of planning and funding workforce development working on a basis of a regional approach to pooling budgets and making collective decisions. Other national strategies have a bearing, including the DfES document on Languages at all Ages. Lastly, progression to higher levels of learning within and outside employment, will be supported by an extension of collaborative strategies in support of widening access to higher education.

This is all consistent with the strategic objectives set out in the Regional Development Plan

All of this will be supported by ongoing activity to raise the quality of provision.

This framework is, in turn, reflected in the 6 strategic levers for the LSC reported in the National Corporate Plan to 2005, and in the Secretary of State's Grant letter to the LSC. Finally, the Regional Economic Strategy, produced by *OneNorthEast* presents a regional context.

Annex 4: The regional context

OneNorthEast, our Regional Development Agency, has recently updated the **Regional Economic Strategy** with support from a wide range of partners including the LSCs in the North East. The strategy provides a framework for much of our activity to increase demand for learning, raise skill levels and engage employers in improving skills for employability and competitiveness.

The importance of the regional agenda has recently been reflected in the preparation of **Frameworks for Regional Employment and Skills Action** (FRESAs), which Regional Development Agencies (in this Region, *OneNorthEast*) developed with LSCs and other partners. The FRESA in the North East highlights three key objectives. They are:

- accelerating demand for high level skills;
- creating a step change in the content, delivery, support and performance of young people at key stage 3 and beyond;
- targeting improvements in the delivery of basic skills in the current workforce.

The four North East local LSCs will directly support the attainment of FRESA objectives 1 and 3 through activity outlined in the local LSC Annual Plans. We will also contribute to objective 2. The North East LSCs will also continue to provide strategic leadership to the FRESA process in the Region through representation on the FRESA Board. The Chief Executive of **Skills Intelligence North East** (SINE), the regional skills observatory, is now in place. SINE will support the achievement of the FRESA objectives and add value to the work of partners by improving understanding of regional skills needs and informing strategic planning for skills in the Region.

The North East has been chosen as one of the Regions to undertake an **RDA/LSC Pilot on Funding Adult Learning and Skills**, which will be an important mechanism for contributing to the delivery of FRESA objectives particularly the need to increase demand for higher level skills and improve the level of basic skills in the workplace. The pilot will also address the crucial importance of addressing the 'low skills equilibrium' in the Region, highlighted by the RES, by increasing the demand for skills from employers and strengthening the link between skills and business development, and productivity improvements. The pilots were announced in the July 2002 spending review White Paper and run until March 2005. Their purpose is to, increase employer demand for skills and the responsiveness of provision to business needs; equip more adults with the skills, competences, knowledge and understanding which employers need, now and in the future, thereby raising productivity and economic competitiveness.

The four local Learning and Skills Councils in the North East, *OneNorthEast* and *Jobcentre Plus* have responded to the invitation of the DfES to develop a proposal to pilot a joint approach to planning and funding adult (19 plus) learning and skills. The four Business Link franchises will also be key delivery partners when the pilot begins in April 2003.

Through this pilot, partners in the North East will implement key strands of the updated Regional Economic Strategy (RES), focusing on key sectors and clusters, e.g. tourism and hospitality, engineering and manufacturing, health and social care, transport and construction. The business plan for the pilot has now been developed, structured around four work packages:

- pilot governance, management and funding;
- embedding the pilot within an integrated planning process;
- putting in place a "demand-led" system;
- liaison with key stakeholders.

Over time the pilot will lead to a re-alignment of the provider infrastructure, as demand for learning is increased, more flexible provision is introduced, and as the more responsive providers benefit from the opportunities created. Changes to the provider infrastructure will be planned to avoid weakening the provider base.

Annex 5: LSC Northumberland indicative budgets for 2003-04

Indicative budgets for 2004-05 are not yet known. These figures are shown to illustrate the scope for match funding within the period of the programme.

- Work based training for young people £5.6 million
- Further Education £11.8 million
- Adult and community learning £0.7 million
- School 6th forms £15.5 million
- Workforce development £0.22 million
- Information, advice and guidance £0.3 million
- Local Initiative and Development Fund £1.08 million
- Education Business Links £0.27 million

Identified sources of Match funding

Policy field and measure	Matched funding streams
1.2	Work based learning; Further Education; Entry to employment
2.1	Basic skills; Capacity building; Further Education; Neighbourhood learning
2.2	Work based learning; Further Education; Entry to employment; EBLO; IAG; Neighbourhood learning
2.3	LIDF
3.1	Community Education; Work based learning; Further Education; Entry to employment; Youth Marketing
3.2	Work based learning; Further Education
4.1	Work based learning; Further Education
4.2	Work based learning; Further Education
4.3	Work based learning; Further Education; UFI; IAG; Work Force Development; I.I.P
5.1	Work based learning; Further Education
5.2	LIDF; Level 2/3

Annex 6: Northumberland LSC: co-financing 2002-03

Northumberland LSC has operated effectively as a co-financing agency since 2002 and has funded projects valued in the region of £9 million. We expect the beneficiary outcomes linked to the 2002-2003 co-financed projects to be as follows:

5960	Beneficiaries
170	Positive outcomes on leaving training
164	Beneficiaries to move on to further education / training
4710	Beneficiaries working towards qualification
3380	People gaining gain qualifications, of whom...
480	...achieving NVQ 2 or equivalent
156	...achieving NVQ3 or equivalent
98	...gaining NVQ level 1 or passing the national skills test in literacy and/ or numeracy, and
1896	...completing their course
154	Beneficiaries to move into employment
108	Trainers trained
2	Capacity building projects
5	Labour market analysis /research projects
185	SME's supported
19	non-SME's supported
50	employees receiving self employment training
40	people receiving training support to set up in business

Co-financing activity has added significantly to the impact of LSC mainstream funding. In particular, it has enabled the workforce development support available to SMEs to be enhanced and expanded. Delivery mechanisms have been enhanced by increasing provision within the workplace through a mix of existing and new providers.

Systems to engage people in learning have been enhanced to enable an effective transition to LSC funded activity.

Draft Actual Outcomes that have been claimed to date

Please note that the following has been excluded from the figures

- Where non-standard ILR forms have been submitted
- Where amounts have been claimed and no evidence has been submitted

Measure	Contracted/ Delivered	Beneficiaries	Female	Male	Positive Outcome	Further Ed/Training	Working Towards Qualification	Completing Course Qual	Into Employment	Trainers Trained	NVQ L1 (Or Equivalent)	NVQ L2 (Or Equivalent)	NVQ L3 (Or Equivalent)	Capital Building Project	Labour Market Research Project	Unemployed	Gain Qual	Full Time / Part time Employment	SME's Supported	Non-SME's Supported	Research Project	Employees receiving self- employment	Beneficiaries trained to set-up in business	Obtained Qual
1.1	Contracted	450	225	225	315	180	180																	
	Delivered	0	0	0	0	0	0																	
1.2	Contracted	898	449	449		400	357	327	379															
	Delivered	157	76	197		37	49	30	75															
2.1	Contracted	500	125	375			350			0	100													
	Delivered	59	18	41			18			0	0													
2.2	Contracted	436	200	236	224		316		104					1										
	Delivered	127	38	106	16		8		6					0										
2.3	Contracted														2									
	Delivered														0									
3.1	Contracted	1987	1133	855			1531	1441		11						525	193							
	Delivered	179	111	68			174	145		10						0	14							
3.2	Contracted	550	275	275			364	349									349	550	132	5	0			
	Delivered	288	177	111			197	53									0	0	31	1	0			
4.1	Contracted	620	235	235			368			5							384	620	214	48				
	Delivered	59	42	17			61			0							2	54	30	2				
4.2	Contracted	535	267	268			501					118	221				462	535	202	12				
	Delivered	77	43	30			69					0	0				0	19	30	0				
4.3	Contracted	468	234	234			304												0	0	0	30	40	304
	Delivered	79	62	17			50												0	0	0	10	21	50