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SOUTH WEST REGION – CONVERGENCE PROGRAMME
CORNWALL & THE ISLES OF SCILLY

LEARNING & SKILLS COUNCIL – CONVERGENCE

ESF CO-FINANCING PLAN 2007 - 2011

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PART 1: INTRODUCTION

This Co-Financing Plan has been prepared by the South West Learning and Skills Council (LSC). The Plan covers ESF co-financed provision identified in the Convergence ESF Framework approved by the Regional Skills Partnership (RSP). The Plan covers the period 1st October 2007 to 31st March 2011 and will support the employment and skills needs of the target groups living and/or working in Cornwall and the Isles of Scilly

The LSC will align its ESF funds 2007-2011 to add value to its national and regional priorities and key actions as described in its national ESF 2007-2013 Commissioning Strategy and the South West Regional Commissioning Plan 2007/08. The Plan is informed by LSC national priorities published in 'Raising Our Game, Annual Statement of Priorities for 2007/08' and the economic, social and environmental challenges of the South West Region articulated in the Regional Economic Strategy.

The LSC Plan has been strategically developed in response to the Convergence ESF Framework to ensure alignment and integration with regional and local employment and skills priorities and targets consistent with the ESF Operational Programme. ESF will be used to add value to, enhance and fill gaps in mainstream skills and employment services by providing enhanced packages of support and extending eligibility. The Plan will reflect the guiding principles and recommendations of the Convergence Framework and will address the key employment and skills issues identified. The Plan will target ESF resources and achieve maximum impact by combining a focus on particular groups, industrial sectors and specific geographic locations.

The Economic Development Manager and ESF staff in the LSC Devon and Cornwall local area partnership team for Cornwall and the regional ESF team worked with colleagues from Jobcentre Plus, together with appropriate partners (particularly the local authorities) to produce a template for interventions that arose from an identification of need in Cornwall and the Isles of Scilly.

Regional colleagues then sought input in the process to ensure that the regional context was addressed.

National Office also offered guidance on approach through a Commissioning Paper which identified the kinds of activities around the mainstream that were likely to arise from the new Programme.

The recommendations in this Plan were therefore put together on the basis that:

- Need for Cornwall and the Isles of Scilly had been identified with partners and would be addressed within the context of the Framework and the CFO remit
- Linkages should be established wherever possible to ERDF investment delivered through the RDA.
- Regional contexts had been taken into account particularly in relation to the focus identified for the South West within the Convergence Framework
- Beneficiary route-ways should form part of the process ensuring no overlap with mainstream or other ESF interventions
- Fee remission/comparable offer to mainstream/national priority guidelines (e.g. ESOL) must be taken into account. ESF cannot be used to fund interventions at odds with national policy.

Measure Level Applications will be submitted following the approval of the Plan.

PART 2: CONTRIBUTION OF THE PLAN TO THE OPERATIONAL PROGRAMME AND THE CONVERGENCE FRAMEWORK

The Plan will contribute to Priority 4 and Priority 5 of the Operational Programme and will:

- Increase employment and reduce unemployment and inactivity
- Tackle and prevent worklessness and improve social inclusion and social mobility
- Increase employment and reduce unemployment and inactivity and help young people make a successful transition to the world of work
- Contribute to the skills strategy, by helping unemployed and inactive people gain the skills they need for employability
- Develop a skilled and adaptable workforce by reducing the number of people without basic skills
- Increase the number of people qualified to levels 2 and 3

The Plan will contribute to the Convergence ESF Framework by providing interventions to support employment and skills needs in respect of:

Priority 4

1. Young people not in education, employment or training (NEET), including young people at risk of becoming NEET.
2. Workless adults (unemployed and inactive)

Priority 5

Young people and adults aged 16 years and over who require relevant qualifications at an appropriate level to support their current and continuing and future employment needs:

- Basic Skills
- Relevant Qualifications at level 2
- Relevant Qualifications at level 3

This Plan requests the following ESF funding under the stated priorities.

Note: These figures are prior to a pro-rata deduction in each category to support the admin at 5% of total Programme value (admin figure £)

2007-2011	Total Allocation to Region	LSC Allocation	LSC % of regional total
Priority 4			
NEET & at Risk Neet	£6,671,121	£6,671,120	
Workless adults	£20,303,412	£4,303,412	
Unallocated	£1,305,219	£1,310,342	
Community Grants	£725,122	£720,000	
Total Priority 4	£29,004,874	£13,004,874	45%
Priority 5			
Basic Skills	£9,159,433	£9,159,433	
Level 2	£9,159,433	£9,159,433	
Level 3	£11,449,292	£11,449,292	
HE	£11,449,292	£3,420,000	
Unallocated	£4,734,002	£1,180,440	
Total P5	£45,951,452	£34,368,598	75%

Note:

Actual LSC Spending in Priority Four (not counting Admin) will be:

The NEET Group - £6,845,000
Skills For Jobs - £4,295,000
Community Grants - £ 580,000

Key Participant Groups

The Plan reflects the principles of the Convergence Framework in order to target ESF resources and achieve maximum impact in respect of activities in Priority 4 and Priority 5 and deliver the targets identified for each participant group outlined in the Framework.

Priority Four
Young people aged 14-19 who are not in education, employment or training (NEET) or are risk of becoming NEET
People who are unemployed or economically inactive
People with Disabilities including learning disabilities and health conditions
Lone Parents and Carers
Older People (aged 50+)
Ethnic Minorities
Females
Offenders and Ex-Offenders
Priority Five
People with basic skills needs
People without relevant Level 2
People without relevant Level 3
People with disabilities including learning disabilities and health conditions
People aged 50 and over
Ethnic minorities
Females

Activities To Be Supported

The activities proposed in this Plan reflect the guiding principles of the Convergence Framework in order to increase access to and participation in learning and skills leading to sustainable employment and to raise skills levels of those in the workplace. Activities of the Plan feature:

- Specific and targeted interventions
- Flexible and tailored provision relevant to the needs of the priority groups
- Support towards sustainable outcomes and the Skills Escalator through progression into mainstream programmes and employment progression
- Additionality by supporting access to mainstream provision

The LSC will use its ESF allocations to add value to, enhance and fill gaps in its mainstream skills and employment services by providing enhanced packages of support and extending eligibility. There will be a strong emphasis on engaging 'hard to reach' groups, supporting skills development, progression into employment and job retention.

Provision in Priority 4 for workless adults will include initial engagement activities, work readiness programmes and support in the transition to employment and job retention with particular focus on recruitment in under-developed areas and communities and of individuals under-represented in the labour market. ESF activity will extend provision currently offered by the LSC Skills for Job Programme. Also, potential route-ways to employment offered through volunteering (taking advantage of opportunities arising from the 2012 Olympics and through interventions incorporating elements of entrepreneurship, self employment and social enterprise training).

Tailored transition programmes for the NEET group and those at risk of becoming NEET will prepare vulnerable young people for working life, further learning and training and will complement and extend activity to support the NEET client group including FE, and Sixth Form provision and that offered by Apprenticeships, Entry to Employment, the School Engagement Programme and Young Apprenticeships.

Provision in Priority 5 will support the re-skilling and up-skilling of individuals to improve labour market mobility and reduce labour and skill shortages. Provision will extend the eligibility of mainstream employment programmes offered through Train to Gain by offering enhanced packages of support and will target employees who do not have a current or relevant qualification at level 2 and 3. Provision will address entry level Basic Skills issues in the workforce and will complement and extend existing offers through FE colleges, private training providers and others delivering mainstream programmes including Skills for Life entitlement and Train to Gain. Employers receiving support at level 3 will be expected to make a significant and increasing contribution to the overall costs of training.

In addition, interventions will seek to address initiatives by social partners to promote lifelong learning in the workplace. This will be enhanced through the evolving specification identifying the delivery interventions under the Community Grants element of the funding.

Activities will link with the proposed interventions for Higher Education in Cornwall with the LSC tendering for higher skills interventions particularly around Leadership and Management, Enterprise and Entrepreneurial Culture activities (linked to social enterprise and synergy with RDP investment). The LSC will also see to widen participation in higher education activities with HE/Skills activities linked to CUC's widening participation policy.

The LSC in the South West will develop specific Invitations to Tender (ITT) for Convergence around the key headline areas of the ESF Programme

- 14-19 NEETs (and those at risk of becoming NEET)
- Worklessness (under the Skills for Jobs banner)
- Workforce Development (Incorporating Skills for Life, Qualifications and HE interventions)
- OLASS

Underlying the headline Convergence ITTs will be detail around specific programme areas as outlined in the detail of activity identified in Appendix One of this Plan..

This will enable applicants to bid for separate elements, a mix of elements or all elements within each ITT.

As targets have been allocated pro-rata with the funding, the ITT detail will identify how each element of the LSC Programme will contribute to those targets, particularly around:

- Participants with a disability or health condition
- Lone parents
- Participants aged 50+
- Participants from ethnic minorities
- Female participants (and how proposed activities will tackle gender segregation)

Core elements will be incorporated within the ITTs around:

- Skills for Life
- Sectors (For example the delivery of preferred vocational qualifications arising from the work of the Sector Skills Councils)
- Equality and Diversity (Including learners with learning difficulties and/or disabilities)

These core elements will be embedded within each ITT to ensure consistency across the LSC Programme and delivery of the ESF outputs.

In addition, the ITTs will identify, within their priorities for action what outcomes will be delivered for those participants who do not gain a positive outcome of a job, further learning or a qualification. This will identify within the ITT such elements as, for example:

- Distance travelled
- Bespoke training not leading to a qualification

Further details on the activities to be supported under this Plan can be found in Appendix One attached.

Planned Outputs

Planned Output Targets Priority 4	ESF	MATCH	Total
Total Number of Participants	4331	1444	5775
Number of Participants who are unemployed or economically inactive	2231	744	2975
%			
Number of Participants aged 14-19 who are NEET or at risk of becoming NEET	2100	700	2800
%			
Number of Participants with Disabilities or Health Conditions	1169	390	1559
%			27%
Number of Participants who are Lone Parents	320	106	426
%			8%
Number of participants who are Aged 50+	669	223	892
%			30%
Number of Participants from Ethnic Minorities	44	14	58
%			1%
Number of Females	2209	736	2945
%			51%

Planned Output Targets Priority 5	ESF		MATCH		Total
Total Number of Participants	19543		6514		26057
Number of Participants with Basic Skills needs	7800		2600		10400
Number of Participants without Level 2 Qualifications	7800		2600		10400
Number of Participants without Level 3 Qualifications	2315		771		3086
Number of Participants without Level 4 Qualifications	1628		543		2171
Number of Participants with Disabilities or Health Conditions	3657		1219		4876
%					18%
Number of participants who are Aged 50+	4733		1577		6310
%					24%
Number of Participants from Ethnic Minorities	215		71		286
%					1%
Number of Females	10972		3657		14629
%					56%

Planned Results

Planned Results Priority 1	ESF	Match	Total
Number of participants in work after leaving	535	179	714
Number of participants in work after 6 months of leaving	669	223	892
Number of economically inactive engaged in job search or further learning	1,003	335	1,338
14-19 NEET or at risk in education, employment or training on leaving	924	308	1,232

Planned Results Priority 2	ESF	Match	Total
Number of participants gaining Basic Skills	3,510	1,170	4,680
Number of participants gaining level 2 qualifications	3,510	1,170	4,680
Number of participants gaining level 3 qualifications	694	231	925
Number of participants gaining level 4 qualifications	325	109	434

Contribution To Other Regional Targets

South West Regional Economic Strategy (RES)

Activities funded through LSC co-financing aim to contribute to:

Strategic Objective One – Successful and Competitive Business

1B Encourage New Enterprise

- 1B.1 Develop a culture of enterprise
- 1B.2 Encourage the creation of new enterprises
- 1B.3 Support new social and community enterprises
- 1B.4 Promote enterprise in disadvantaged areas
- 1B.5 Promote enterprise in rural areas
- 1B.6 Encourage wider participation in enterprise

1C Deliver Skills for the Economy

- 1C.1 Encourage an efficient and adaptable labour market
- 1C.2 Develop workplace skills and training
- 1C.3 Inspire people to improve their employability skills
- 1C.4 Ensure high quality and flexible training provision

Strategic Objective Two – Strong and Inclusive Communities

2A Improve Participation in the Economy

- 2A.1 Raise individuals' skills and aspirations for work and enterprise
- 2A.2 Ensure that there is equality of access to work, training and business advice
- 2A.3 Strengthen the voluntary and community sector as a catalyst for economic inclusion

2B Regenerate the Most Disadvantaged Areas

- 2B.1 Support areas with the greatest concentrations of multiple deprivation
- 2B.2 Support communities of greatest need in rural areas

2C Plan Sustainable and Successful Communities

- 2C.1 Promote the renaissance of the region's largest cities
- 2C.2 Secure a sustainable future for rural areas

In support of the above, the Plan will provide specific targeted interventions to:

- Develop the employment skills of workless young people and adults, people with disabilities and learning difficulties, women of all ages, minority ethnic groups, older people
- Raise skills levels of those in work who have no relevant qualifications or whose skills levels are out of date or inadequate for sustainable employment
- Improve ICT skills for workers in industries with rapidly changing technology
- Target disadvantaged young people and adults in deprived communities to access sustainable employment through locally provided tailored employment and skills training opportunities

- Develop the skills of people entering or currently employed in sectors that are key to the preparation and legacy of the London 2012 Games, particularly in Dorset

European Regional Development Programme (ERDF)

The Convergence Competitiveness ERDF programme is focused on four Priorities

- Innovation, Research & Development
- Enterprise and Investment
- Transformational Infrastructure
- Unlocking the Economic Potential of Place

ESF seeks to support ERDF investment by meeting increased demand for labour arising from infrastructure development through the Skills for Jobs route-ways to sustainable employment.

ESF interventions will also provide training to meet the skills needs of employers and in delivering flexible provision as it evolves through the work of the Sector Skills Councils.

Whilst ERDF Commissioning has yet to flow through, Appendix One of this report identifies, where feasible at this stage, the linkages to ERDF, Local Area Agreements, CUC and RDP. The Plan has been fully discussed with partners and a great deal of partnership working has been undertaken by staff in the Cornwall directorate of the LSC to ensure fit to the wider elements of investment in the county. Activities are in line with the Convergence Framework, which used, as a core document, Strategy and Action. The LSC Plan is therefore integrated within wider plans for moving Cornwall and Isles of Scilly forward during this Programme period.

LSC Regional Priorities 2007/08

The Plan will contribute to LSC regional priorities identified in its Regional Commissioning Plan 2007/08, the strategic context of which was published by the LSC in ‘Raising Our Game, our Annual Statement of Priorities 2007/08’, which set out the key national priorities and targets and outlined how the LSC will invest its funding to meet them.

ESF Priority		LSC Regional Priority	LSC Regional Priority Relevance
4	NEET & at Risk Group	More and better opportunities for young people	ESF will be used to meet the personal and work-related needs of disadvantaged young people who are not yet ready to access Entry to Employment (E2E) or Level 1 provision

4	Workless Adults	Raising the skills of the nation	ESF will be used to meet the needs of workless adults to help them gain and sustain employment with particular emphasis on those most disadvantaged in the labour market and those from deprived communities
5	People with Basic Skills Needs	Raising the skills of the nation	ESF will be used to increase provision for adult learners through programmes leading a relevant level 2 and 3 qualifications and other training in order raise skills and develop new skills, in order to sustain employment opportunities
5	Level 2		
5	Level 3		
5	Level 4		

Complementarity with other CFO provision

The Plan has been developed in consultation with local partners, particularly Jobcentre Plus (on behalf of the Department for Work and Pension as the co-financing organisation for workless adults). The collaborative planning of the programme elements will ensure there will be targeted activity across Cornwall and Isles of Scilly, with no duplication or competing provision. The specific activities of each CFO will complement those of others, providing maximum access leading to further learning, jobs and sustained employment. The Learning and Skills Council contribution is within its legislative remit as stated within its Co-financing status application.

Implementation of the Plan will adopt the principle of Business Support Simplification. Through the contract management process the LSC will ensure that ESF providers are linked in to wider business support activity.

The Implementation, monitoring and review of the Plan will continue to be a collaborative process between CFOS working jointly through the established Convergence CFO Steering Group.

PART 3: FUNDING AND ADDED VALUE

Funding Priority 4						
	2007	2008	2009	2010	2011	Total
ESF	£40,000	£2,584,975	£5,169,950	£5,169,950	£40,000	£13,004,874
Match	£309,640	£1,238,559	£1,238,559	£1,238,559	£309,640	£4,334,958
Total	£349,640	£3,823,534	£6,408,509	£6,408,509	£349,640	£17,339,832

Funding Priority 5						
	2007	2008	2009	2010	2011	Total
ESF	£40,000	£6,857,720	£13,715,439	£13,715,439	£40,000	£34,368,598
Match	£818,300	£3,273,200	£3,273,200	£3,273,200	£818,300	£11,456,199
Total	£858,300	£10,130,919	£16,988,639	£16,988,639	£858,300	£45,824,797

Match funding and Priority by year

Priority 4

Entry to employment (E2E) – E2E will provide a substantial element of matched funding for priority one and four. The national budgets for E2E are in excess of £230m per year.

OLASS – OLASS has national budgets in excess of £9m per year available for training offenders in the community. A further £120m is available for offenders in detention.

Skills for Jobs – Currently Skills for Jobs is an umbrella term used to describe several stages of funded activity. Many of these may be ESF eligible and would therefore be a potential match source. One such fund under the SfJ umbrella is the skills delivery for JC+ clients, a potential matched funding source, representing an additional £23m of eligible activity.

In the South West £18.5m per annum is available from the E2E and OLASS Budget lines. An approximate match requirement per annum would be around the £7m mark over a 6 year period.

Priority 4 (Cornwall only) £ in terms of match requirement based on a 25% intervention rate and a indicative split which would estimate £22m of ESF going to the LSC over the Programme period, this would result in the need to identify approx £1m per annum as match. The E2E budget alone for Devon and Cornwall is approx 4.7M with at least half that figure applicable to Cornwall. This would, of course, be evidenced at postcode level when establishing the validity of the match.

Priority 5

Train to Gain: This programme has £400m nationally of delivery aimed at employed individuals and will therefore provide the bulk of priority two and five match.

Apprenticeships: could also be used where required, these budgets are in excess of £200m nationally.

The above funds are annual budgets, subject to review and we reserve the right to identify appropriate match programmes and utilise them as required.

In the South West £30m per annum is available from the Train to Gain and Apprenticeships budget lines. An approximate match requirement per annum would be around the £5m mark over a 6 year period.

Priority 5 (Cornwall only) £ in terms of match requirement based on a 25% intervention rate and a indicative split which would estimate £52m of ESF going to the LSC over the Programme period, this would result in the need to identify approx £2.2m per annum as match. The Train to Gain budget alone for Devon and Cornwall is approx 7M with at least half that figure applicable to Cornwall. This would, of course, be evidenced at postcode level when establishing the validity of the match.

Added value of ESF

The LSC will operate ESF via a new approach in the new programme. The LSC has an endorsed commissioning strategy, which has been cleared by ESFD. This strategy details how ESF should be targeted by the LSC to ensure complementarity and enhance the added value of ESF. An extract from the document is as below.

1. The purpose of the proposed commissioning strategy is to ensure that ESF truly adds value and enhances national strategies.
2. The key issues for the strategic direction of ESF in the new programme are that the LSC must ensure that ESF supports its main policy directions. These will include:
 - a) fee remission amounts (which can/will change annually);
 - b) Funding Policy decisions such as changes to ESOL provision regulations;
 - c) the support of Sector Skills Council approved qualifications;
 - d) the procurement of only high quality provision;
 - e) alignment with the demand led approach; and
 - f) full integration with the Business cycle including commissioning.
3. The Commissioning Strategy needs to ensure that:
 - g) sufficient regional flexibility is retained to meet regional skills needs
 - h) appropriate contract lengths are sought for ESF provision (including use of short contract periods where policy change is expected);
 - i) ESF can still achieve its full programme targets; and
 - j) ESF is actively used to inform mainstream development/approaches

Priority 4

Foundation Learning Tier (including Entry to Employment)

The Foundation Learning Tier is a programme of work to develop a more focussed and strategic approach to Entry Level and Level 1 in order to raise participation, achievement and progression at these levels.

The Foundation Learning Tier will incorporate a range of programmes that will consist of a coherent offer of units and qualifications drawn, in time, from the Qualifications and Credit Framework (QCF). The units and qualifications will be combined into validated progression pathways that will propel learners towards Level 2 or other positive outcomes; they will be delivered through learning programmes which emphasise personalisation alongside access to accreditation. By 2010, the QCF will be populated and a full set of programmes with robust progression opportunities will be in place across Entry Level and Level 1 in the new framework; phased implementation of the Foundation Learning Tier will begin from September 2007 ESF should focus on supporting progression pathways in the following ways:

- Access – working with young people to encourage them to start on E2E, or appropriate pathway.
- Support activities – improve retention and success rate through extra support activities, for example, extra parenting support and long term mentoring
- Post activities – focusing on re-establishing contact with non successful candidates, extra support for positive destination beneficiaries i.e. employed / in education / employed with training ex-pathway candidates.

Schools Engagement Programme (Key Stage 4)

This programme works by identifying 14-16 year olds who are at risk of becoming Pre-NEET. The programme has a limited budget; ESF may be focussed on this to enhance the provision.

The Young Apprenticeship Programme 14-16

This programme is specifically aimed at 14 -16 year old young people in full time education who would benefit from early opportunities to develop their vocational skills in particular occupational sectors leading as a route into further learning or employment with training in mainstream programmes.

Skills for Jobs

Skills for Jobs (SfJ) is an emerging response to Leitch, to support the integration of skills and employment, targeting a range of workless and low skilled individuals, who are not New Deal for Skills eligible. Emerging strategic direction for this approach is that SfJ will focus on improved engagement of the client base and employers (via brokers and partners) and that delivery would rest with the foundation learning tiers (FLT) appropriate pathways. There are still funding issues for SfJ activities; however as the provision will rest with the

foundation learning tier, ESF will focus on supporting FLT delivery. SfJ is relying on a substantial amount of support from ESF in order to deliver its aims. Regional approaches to SfJ are being developed now and if ESF is to be the majority of the new money included in these approaches then the activities supported by these proposals must be ESF eligible and help meet the ESF targets.

OLASS

The offender learning and skills service (OLASS) is responsible for the learning and skills for offenders in custody and serving their sentences in the community in England. It currently offers skills for life at Entry Level 1 all the way to higher education access level qualifications. Half of the clients have skills for life needs and recent research shows that a third have learning difficulties or disabilities (LLDD). This suggests a natural focus on these candidates in particular both in the community and in their last 2 years of custody. The OLASS budget is particularly under pressure for activities to support learners in the community. It is proposed that ESF is used to enhance activities with selected clients starting with initial assessment, careers advice; mentoring and job guarantee activities which align with skills for jobs will also be supported. There may be a focus on adapting appropriate provision to suit LLDD learners with specific needs. As with SfJ these activities should align with the foundation learning tier provision available and not replace mainstream funding where available.

At present significant ESF funding, from a variety of sources, is supporting a substantial range of activity with this target group involving a number of organisations. The South West ESF Framework has identified a continued need to support the above target groups who currently do not access this mainstream provision and for whom ESF will provide additional interventions to increase participation and access.

Priority 5

Train to Gain

Train to Gain is a national programme, which utilises brokers to facilitate access to training to support the needs of employers. ESF provides additionality by funding the gaps in the existing provision, i.e. funding additional basic and entry level qualifications leading to Level 1 qualifications, second level 2 qualifications where needed and level 3 and above where appropriate.

Apprenticeships 16-24 and 25+

The apprenticeship family delivers a range of programmes to both adults and young people. Focussing on NVQ delivery with supporting key skills and technical certificates these programmes target Level 2 and Level 3. There are limited pilots for adults at level 4 called professional apprenticeships. The majority of provision has sufficient funding available, so ESF should focus on the following priorities.

- **Additionality** – We will procure more adult provision where this better meets the needs of employers. At Level 4 (only to SME's) ensuring that the offer aligns with current pilots.
- **Enhancements** – Activities that support a higher success rate in delivery of mainstream programmes, or activities that promote progression, or

enhancements that generate and support additional entry onto these programmes

- Gaps – For example, individuals needing a second Level 2 to secure/sustain employment or who need additional support to effectively progress to Level 2.

Planned Administrative Costs

Administration and management costs will be restricted to a maximum of 5% of the total costs of the Plan. This means that 5% of the project total is eligible for claiming under the total project value but all of this 5% will be from the ESF element of the programme.

The total management and administration costs for this Plan are based upon an assessment of the staffing requirements for the Plan and previous experience of implementing ESF within a regional structure from September 2006, as described in the LSC CFO status application 2008-2013.

The LSC has systems (TS2000) to record staff time against a particular dossier. Costs will be incorporated with the interim claims where expenditure has been incurred.

	2007 from 1st October	2008	2009	2010	2011 to 31st Mar	Total
Administration Cost	£80,000	£1,186,357	£1,186,357	£1,186,357	£80,000	£3,719,072
Administration & Management Functions	Regional management and implementation of Co-Financing Plan					
	Management where ESF and match provision is managed in area and/or regional teams					
	Procurement and contract preparation					
	Provider contract management and monitoring					
	Financial control, monitoring and profiling					
	Preparation of interim claims					
	Data collection, analysis and reporting					
	Marketing and publicity					
	Health and safety assessment of providers					
	Financial risk assessment of providers					
	Mid-term evaluation of the impact of ESF - contribution to regional model					
	Support for new providers and Third Sector organisations (quality assurance, preparing for inspection and exit strategies)					
	Annual and Closure Audit					
	Communications – LSC national and regional strategic and operational forums					
Communications – External partners and stakeholders						
Project Closure						

PART 4: PROJECT SELECTION AND TENDERING ARRANGEMENTS

Procurement

The LSC is introducing competitive tendering to open up the learning and skills market by enabling the best colleges and providers to extend their range of provision and by attracting new providers into the system to increase diversity, improve quality and to stimulate innovation in the market.

All LSC ESF provision, and that which will be used as match funding, will be procured through an open and competitive tendering process. ESF provision for the 2007/13 programme will align with the procurement timetable for LSC mainstream provision and regional commissioning plans. The LSC has moved to an E-procurement (OCT) process which will simplify the processes for applicants to one single standard approach for the whole LSC. In line with the LSC new procurement processes our intention is to use an electronic portal 'Bravo Solutions' which is approved by the Office of Government Commerce (OGC). This should also encourage ESF providers to access the additional delivery opportunities that procured mainstream funding can offer. The LSC intend to procure activity to start delivery early in 2008 to ensure that "N+2" can be met. In order to attain this, the procurement activity will need to be started as soon as possible in 2007

Organisations seeking to undertake activities funded by ESF (or match) will be required to successfully complete a two phase process. The Pre Qualification stage (PQQ) and the Invitation to Tender stage (ITT).

The use of the E-tendering system and the two stage process will ensure that both Governmental and European law is adhered to. The National Audit Office (NAO) also approves this product for the tendering of Government business.

Stage 1: Pre Qualification Questionnaire

Organisations seeking to deliver ESF (or match funded programmes) will be required to complete an on line Pre Qualification Questionnaire and successfully complete an assessment of their capacity and capability to deliver ESF and LSC funded programmes. This first phase is an assessment of the providers Quality procedures, Health and Safety measures and Financial Health as well as the Providers capacity to deliver the proposed training needs.

Stage 2: Submission of Tenders

All successful organisations are then invited to tender for the provision they initially applied for. This bid (tender), once submitted electronically to the managed web host will be appraised using agreed criteria, once again using trained evaluators. Following assessment a moderation process will take place.

Publicising Invitations to Submit Tenders

To ensure that the LSC 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 Learning and Skills Council website (www.lsc.gov.uk);
- Government Office website

- Press adverts
- Press releases to local and regional newspapers, trade publications, local BBC radio and local commercial radio stations;
- Direct mail.
- E-mail alerts to the regional LSC 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. The LSC will make a special effort to contact voluntary and community sector organisations; in particular we will be contacting organisations and groups that have previously bid to ESF.

Support and Advice

The LSC's will run briefing events open to all potential applicants. The LSC will be able to respond to questions via an E-portal and this may include compiling a frequently asked questions section. All support and advice offered will align with OCT guidelines.

Co-financing will continue to provide a much more level playing field for current and potential providers from all sectors as:

- applicants will have a clear statement of intent from the local LSC as to the type of interventions sought;
- co-financing will remove the problems encountered by many potential providers of sourcing match funding;
- co-financing will reduce the need to become expert in European bid writing; and
- the LSC will use a common application process.

In taking this approach the LSC will seek to ensure that new providers, from all sectors, can compete openly and effectively.

Timetable

The LSC plans to operate a single annual procurement process with two smaller mini competitions which will operate between March and August each year.

Provisional Timetable

Stage 1

PQQ Regional Guidance Event	28 th August
Publish Invitation for Stage 1 PQQ	31 st August
Deadline for submission of PQQ	28 th September
Applicant organisations informed	9 th November

Stage 2

Invitation to tender issued	12 th November 2007
Deadline for submission of tenders	7 th December 2007

Appraisal and review process completed	28 th January 2008
Applicants notified of outcome	30 th January 2008
Standstill period ends	9 th February 2008
Projects start	Mid February 2008 onwards

Feedback Arrangements

The LSC will employ a fully transparent appraisal process with all applicants receiving an overview of the appraisal process. All organisations applying for ESF from the LSC will be notified of successful applications and the LSC will ensure that all proposals receive feedback on their proposal. Where a proposal is unsuccessful, the applicant will be informed as to the reason. All feedback will be provided via the LSC E-Tendering portal.

In the interests of openness and transparency we will publish summary details of successful project applications; these will be posted on our website and that of the Government Office for the South West.

Arrangements for Dealing with Provider Complaints

In the event of a proposal for funding being unsuccessful, should the organisation, after receiving feedback, feel that they have cause for complaint the organisation may invoke the Learning and Skills Council's Complaints Policy. This policy will be posted on the LSC's national website: www.lsc.gov.uk

PART FIVE: PROVIDER FUNDING AND MONITORING

Contract Costs

- Contract costs will be established through a joint agreement between the provider and the regional LSC. The National LSC ESF Team have defined a set of standard deliverables for the new ESF programme and each one 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. The regional LSC will manage the unit cost per deliverable through a contract clarification process based on the provider's application and the monthly delivery. Agreements on unit costs will be contained within the agreed delivery profile which the LSC will monitor monthly.
- 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 LSC based on agreed monthly payment profile which will form part of the contract between the LSC and providers. Payments will be generated through a Contract Management Application (CMA) which will feed into the LSCs 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 LSC 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 Statement of Delivery. These returns will feed into the LSCs CMA which will perform automatic reconciliation on a quarterly basis. This reconciliation will make adjustments to subsequent payments based on profile payments made against each activity that the provider has not carried out.

Actual Costs

- The LSC does not intend to pay providers on an actual costs basis. All contracting will be through open and competitive tendering and will be based on contract costs (Note: The LSC reserves the right to pay providers by other eligible methods if required in exceptional circumstances)

Arrangements for Monitoring ESF providers

- Contracts are assigned a contract management member of staff and a relationship management member of staff at inception stage. Contract 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 LSC 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 LSC staff.

Contracts are monitored against:

- the objectives of the contract;
- the timely and accurate return of records and reports to the LSC;
- delivery of the agreed outputs, outcomes and results (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 Director level.

Where indicated, 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 future delivery profile.

The Regional LSC will keep an 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 nine regional contracts teams has provided the opportunity to bring some consistency in how the LSC monitors/manages contract performance, drawing on existing best practice previously identified.

The nationally driven procurement process, alongside the use of the new 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 contract/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 contracting team 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.

A performance report detailing the under/over performance, highlighting the key areas for concern, any trends, and any impact on key dependencies will be sent to the “partnership advisor” who is responsible for the relationship with that provider (at a local office). That advisor will then discuss the project and performance variance with the provider and submit a report back to the regional contracts team – that report may include an agreed variation to the profile. Other LSC staff may also have important roles in reviewing performance and strategic direction of funded delivery.

The contracting team will note any follow-up actions and will re-issue a variation to contract if necessary. Frequency of monitoring will be adjusted if appropriate as part of the process. Payments will be reconciled and adjusted as necessary and if warranted, payments will be placed on hold whilst the performance issues are addressed.

Quality Standards

All LSC providers are required to comply with rigorous quality standards, including minimum performance levels 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 excellent provision for the benefit of employers and learners alike, as a route to excellence:

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 contract/relationship 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 LSC 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 contracting and relationship staff involved.

Management Information

Management Information will be sourced from the LSC's ILR Management Information databases for learner information and from the ESF Contract management Application for financial reporting and some learner summary reporting.

Regional LSCs will have access to both a standard set of management information reports from the ESF MI as well as access to our regional planning and performance team who can produce a range of ad hoc reports.

Reporting performance to Convergence ESF Committee and the RSP

Summary level reporting based on performance will be made available to the Convergence ESF Committee and the RSP in line with mutually agreed requirements. These will be produced and made available on a periodic basis and will represent Cornwall and Isles of Scilly subsets of the data that is submitted to ESFD. Data supplied will meet the requirements of the Data Protection Act.

Audit

All sub-contracted provision will be subject to local audit processes within a national framework. Our Provider Financial Assurance (PFA) team will audit each project as a minimum once during its lifetime. The purpose of these audits will be to ensure that payments to providers have been used in ways that are materially consistent with the purposes for which the payments were made and that the provider has materially complied with the conditions of their contract,

The Regional Director will be responsible for the production of a statement of internal control about the effectiveness of local internal controls and this opinion will be based, to a large extent, on the level of assurance provided by PFA function.

In addition, the LSC's internal processes and controls are reviewed on a regular basis by a national team of internal auditors based in Coventry. National processes and controls are similarly subject to review by the National Audit Office (NAO) and can include further reviews at local level.

PART SIX: CROSS CUTTING THEMES

Equality and diversity

Action to promote equality and diversity is an integral part of the LSC's business objectives. It can only realise its vision of creating a world-class workforce if it removes barriers, eliminates discrimination, addresses disadvantage, and raises the aspirations of both present and potential learners.

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

The Programme contributes specifically to the following key actions:

- **Skills**

Ensure that all young people and adults of all ages in Cornwall and the Isles of Scilly have access to effective vocational and work-based learning opportunities and that LSC funding reaches those most in need including economically inactive people who want to work

- **Employment**

Work with employers to provide vocational training and support a range of learning styles to allow employees at all levels to progress within their occupations

- **Sustainable Prosperity**

Reduce the proportions of young people not in education, employment or training.

The Plan supports the Equal Opportunities Cross Cutting theme described in the Convergence ESF Framework and will integrate equal opportunities in all aspects of programme planning, implementation, monitoring and evaluation. The activities proposed in the Plan which specifically address equal opportunities issues include:

- Addressing high levels of economic inactivity amongst people with disabilities including people with learning difficulties
- Addressing the significant number of economically inactive older people excluded from the labour market
- Improving qualification levels of older people, in particular in relation to basic skills and Level 2
- Improving the skills and qualifications of people at work to sustain their current and future employment
- Helping disadvantaged ethnic minority groups gain access to employment.

LSC contractors will be required to maintain their duty to promote equal opportunities and projects will have to take account of the needs of people with disabilities and ensure all activity and information is accessible to all groups. Equal Opportunities issues are included in the LSC quarterly contract monitoring process and forms a key part of the provider's self assessment process.

The Plan will contribute to the outputs and results targets related to:

- Participants with disabilities and health conditions
- Lone Parents

- Young People in the NEET and at risk group
- Participants aged 50 and over
- Participants from ethnic minorities
- Female Participants
- People without basic skills and a relevant qualification at levels 2 and 3

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 LSC will encourage specific environmentally focussed projects where these clearly link to skills priorities within Cornwall and the Isles of Scilly (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 LSC will develop strategies to spread good practice from previous ESF programmes and will examine appropriate methods to disseminate environmental practice with providers.

The Plan will promote recommendations of the Convergence Framework and integrate sustainable development issues as far as possible across all aspects of programme planning, implementation, monitoring and evaluation. Specifically the Plan will seek to develop provision that:

- Minimises travel and maximises access to provision through innovative delivery methods and the use of ICT.
- Supports skills and jobs identified in LANTRA's Sector Skills Agreement (Environmental Conservation Industry)
- Identifies skills needs in key sectors driving economic growth in Cornwall and the Isles of Scilly which are likely to have a positive impact on the environment

PART SEVEN: IMPLEMENTATION 2007 - 2008

Key Milestones Tendering and Contracting

2007	August	Provider Support Events re E-Tendering (28 th) Match programmes start (31 st)
	September	Pre Qualifying Questionnaire (PQQs) opened (31st August) PQQ closed (28th)
	October	Evaluation and moderation of PQQs PQQ results communicated to applicants
	November	Invitation to Tenders issued (ITT) (12th)
	December	ITTs returned (7th) ITTs evaluated 17 th Dec – 13 th Jan '08)
2008	January	ITTs moderated Contract approvals by LSC Regional Commissioning Board ITT results communicated to applicants
	February	Contract negotiations with providers Contracts prepared and issued ESF programme delivery begins
	March	Contract Management Application and ILR training for new providers

PART EIGHT: FINANCE TARGETS

Funding Priority 4						
	2007	2008	2009	2010	2011	Total
ESF	£40,000	£2,584,975	£5,169,950	£5,169,950	£40,000	£13,004,874
Match	£309,640	£1,238,559	£1,238,559	£1,238,559	£309,640	£4,334,958
Total	£349,640	£3,823,534	£6,408,509	£6,408,509	£349,640	£17,339,832

Funding Priority 5						
	2007	2008	2009	2010	2011	Total
ESF	£40,000	£6,857,720	£13,715,439	£13,715,439	£40,000	£34,368,598
Match	£818,300	£3,273,200	£3,273,200	£3,273,200	£818,300	£11,456,199
Total	£858,300	£10,130,919	£16,988,639	£16,988,639	£858,300	£45,824,797

Annex 2: Outputs and Results Targets

Planned Output Targets Priority 4	2008	2009	2010	2011 to 31st March	Total
Total Number of Participants	1773	2310	1444	289	5775
Number of Participants who are unemployed or economically inactive	893	1190	744	149	2975
%					
Number of Participants aged 14-19 who are NEET or at risk of becoming NEET	840	1120	700	140	2800
%					
Number of Participants with Disabilities or Health Conditions	468	624	390	78	1559
%					27%
Number of Participants who are Lone Parents	128	170	107	21	426
%					8%
Number of participants who are Aged 50+	268	357	223	45	892
%					30%
Number of Participants from Ethnic Minorities	17	23	15	3	58
%					1%
Number of Females	884	1178	736	147	2945
%					51%

Annex 2: Outputs and Results Targets cont.

Planned Output Targets Priority 5	2008	2009	2010	2011 to 31st March	Total
Total Number of Participants	7817	10423	6514	1303	26057
Number of Participants with Basic Skills needs	3120	4160	2600	520	10400
Number of Participants without Level 2 Qualifications	3120	4160	2600	520	10400
Number of Participants without Level 3 Qualifications	926	1234	772	154	3086
Number of Participants without Level 4 Qualifications	651	868	543	109	2171
Number of Participants with Disabilities or Health Conditions	1463	1950	1219	244	4876
%					18%
Number of participants who are Aged 50+	1893	2524	1578	316	6310
%					24%
Number of Participants from Ethnic Minorities	86	114	72	14	286
%					1%
Number of Females	4389	5852	3657	731	14629
%					56%

Annex 2: Outputs and Results Targets cont.

Planned Results Targets Priority 1	2008	2009	2010	2011 to 31st March	Total
Number of Participants who are in work after leaving	214	286	179	36	714
Number of Participants who are in work after 6 month of leaving	268	357	223	45	892
Number of Economically Inactive Participants who are engaged in Job Search or Further learning	401	535	335	67	1,338
Number of 14-19 NEET Participants who are in Education, Employment or Training on Leaving	370	493	308	62	1,232

Planned Results Targets Priority 5	2008	2009	2010	2011 to 31st March	Total
Number of Participants Gaining Basic Skills	1,404	1,872	1,170	234	4,680
Number of Participants Gaining Level 2 Qualifications	1,404	1,872	1,170	234	4,680
Number of Participants Gaining Level 3 Qualifications	278	370	231	46	925
Number of Participants Gaining Level 4 Qualifications	130	174	109	22	434