

LEARNING AND SKILLS COUNCIL LONDON

European Social Fund  
Draft Co-financing Plan for January  
2007 – December 2010



**European Union**  
**European Social Fund**  
Investing in jobs and skills

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## 1. Introduction

This document states the London LSC's approach to ESF co-financing in the 2007 – 2010 period. The objective of the LSC Plan is to address the London ESF Regional Framework, National Framework and make a substantial contribution to ESF programmes aim of enabling greater access to sustainable employment, particularly for those participants experiencing multiple barriers in accessing the labour market, and creating a skilled and adaptable workforce for the London economy.

The Plan has been developed with reference to key strategic documents, including:

- National Strategic Reference Framework
- London ESF Regional Framework
- London Learning and Skills Plan

With the decrease in ESF nationally, and correspondingly, within London it is crucial that ESF is effectively targeted and adds value to mainstream programmes, without duplicating provision offered by other London CFOs or mainstream LSC funds. Therefore, the London LSC will prioritise ESF to support areas identified in the ESF Framework and the LSC London Regional Commissioning plan, in particular:

- Improve educational opportunities for all young people
- Tackle London's skills and employment gap
- Integrate skills within economic development, local and regional regeneration
- Equip Londoners with the skills to benefit from investment in the London 2012 Olympic Games and Paralympics Games.

Moreover, the London LSC Plan will apply the following principles to the ESF programme:

- Work closely with London co-financers and the London Managing Authority in designing and developing plans, tendering and procuring provision
- LSC ESF activity does not duplicate and displace existing provision, or ESF provision offered by other London CFOs
- Subject ESF and Match funding to Open and Competitive Tendering (OCT)
- Focus ESF where there is significant need and adds greatest value
- Procure high quality provision that is demand led and meets the needs of the Learner.

## **2. LONDON LSC AND THE LONDON ESF FRAMEWORK**

The London LSC Plan will address activity under Priority 1 - Extending employment opportunities and Priority 2 - Creating a skilled and adaptable workforce of the London ESF Framework.

### **Priority 1 - Extending Employment Opportunities**

Within Priority 1, the LSC will act as a CFO within 1.1 – Improving the employability and skills of the unemployed and economically inactive, and 1.2 Employment and skills activities targeted at young people who are not in education, employment or training (NEET). Within Priority 1, ESF will support the Skills for Jobs programme which includes foundation employability training focusing on low level Skills for Life needs at Entry level 1 and Entry level 2 within an employability context. It is recognised that people with higher level vocational skills and overseas qualifications may need this support to address (ESOL) needs arising from their lack of spoken and/or written English.

### **Priority 1.1-Improving the employability and skills of the unemployed and economically inactive.**

Within this Priority, the London region will be seeking to use ESF to enhance the Skills for Jobs programme and fund further activities aimed at unemployed and economically inactive participants. Central to the London LSC approach is to develop a range of employment activities that align with programmes offered by DWP (Jobcentre Plus), LDA and London Councils. The LSC, with other CFOs, is seeking to develop a route of activities that move participants from worklessness and into sustainable employment, as well as community learning projects for adults that promote social cohesion. The LSC will build on current activities and continue to actively participate in City Strategy Pathfinders, Pathways to work and Local Strategic Partnerships to ensure that ESF provision meets local needs and addresses gaps within the scope of the National and Regional ESF programme. In addition, activity will remain flexible enough to reflect forthcoming strategies, such as the London Skills and Employment Board Strategy (LSEB) and Board for Refugee and Integration for London (BRIL).

An indicative table of activities to be supported under Skills for Jobs programme is shown in the table overleaf. Activities are split into two themes, areas intended to work with employers (blue) and areas aimed at participants (red). ESF will be used to increase the range of provision and reflect a wide range of the workless cohort. In particular, Tenderers will be sort that demonstrate engagement with the target groups below:

- Learners with learning difficulties and or disabilities;
- Disabled groups;
- Ex-offenders, including those serving a community based sentence;
- Lone parents;

- Jobseekers;
- Low income, single earner households with children where one parent is not working;
- Adults aged 50+;
- BAME;
- Refugees;
- Recent Migrants

ESF Priority 1 – Extending Employment Opportunities	Licensed to Skill Template Elements	Skills for Jobs menu items
<p>Active and preventative measures to identify personal needs and support</p> <p><i>Enhanced Job search and IAG</i></p>	<p><b>Initial elements:</b></p> <ul style="list-style-type: none"> <li>→ <i>Marketing/outreach/engagement etc.</i></li> <li>→ IAG</li> <li>→ Screening and assessment</li> </ul>	<ul style="list-style-type: none"> <li>→ <i>Job scoping/brokering support to employers including job and skills analysis of vacancies</i></li> <li>→ <i>Individual job and skills diagnostic and assessment services</i></li> <li>→ <i>Signposting/referral to specialist provision</i></li> <li>→ <i>Information, Advice and Guidance</i></li> </ul>
<p>Skills for Life, inc literacy &amp; numeracy, ESOL, ICT and financial literacy skills</p> <p>Job brokerage to match local labour market supply and demand</p> <p>Activities to help lone parents, job seekers, recipients with childcare/care responsibilities &amp; disadvantaged parents</p>	<p><b>Skills (programme) elements:</b></p> <ul style="list-style-type: none"> <li>→ Individual plan</li> <li>→ Skills Content (includes work experience, job brokerage etc.)</li> <li>→ Timing, location and level of learning</li> <li>→ How employers are involved in the programme development</li> </ul>	<ul style="list-style-type: none"> <li>→ <i>Development of job and skills action plan</i></li> <li>→ <i>Basic Skills provision (includes ESOL training)</i></li> <li>→ <i>Employability and occupational training tailored to individual and employer need</i></li> <li>→ <i>Pre-employment support for individuals e.g. CV writing, mock interviews, action planning</i></li> <li>→ <i>“Softer” skills development e.g. assertiveness, anger management, motivation.</i></li> <li>→ <i>Work placements/work trials</i></li> <li>→ <i>Training and assessment services delivered on employers’ premises</i></li> <li>→ <i>Access/foundation learning for entry level or below learners</i></li> <li>→ <i>Pre and/or post recruitment bespoke training to meet the needs of employers</i></li> <li>→ <i>Job scoping/brokering support to employers including job and skills analysis of vacancies</i></li> <li>→ <i>Employment Guarantee Programmes (pre-employment support and bespoke training, leading to guaranteed interviews/jobs)</i></li> </ul>
<p>Skills &amp; Employment Support developed with employers</p>	<p><b>Output/outcome elements:</b></p> <ul style="list-style-type: none"> <li>→ Employment</li> <li>→ Qualifications</li> </ul>	<ul style="list-style-type: none"> <li>→ <i>Flexible and responsive recruitment services and solutions for employers</i></li> <li>→ <i>Vocational Occupational Qualifications</i></li> <li>→ <i>Developing and supporting Skills passports</i></li> </ul>

During tendering, the LSC will seek projects that demonstrate partnership working to engage participants in the following local LSC sub-region areas, Jobcentre Plus districts, Olympic 2012 borough's and City Strategy Pathfinder clusters with emphasis on the boroughs mentioned:

<b>LSC Sub-Region</b>	<b>JCP District</b>	<b>Proposed Clusters</b>	<b>Target</b>	<b>Boroughs</b>
London Central	Lambeth Southwark & Wandsworth	Central South		Lambeth Southwark Wandsworth
London Central	Central	Central North		Camden Islington Royal Borough of Kensington & Chelsea Westminster
London West (CSP)	West	City Strategy Pathfinder (West)		Brent Ealing Hounslow Hillingdon Harrow Hammersmith & Fulham
London North	North & North East	Upper Lea Valley		Waltham Forest Haringey Enfield
London East	North & North East	Outer East		Barking & Dagenham Bexley Redbridge Havering Lewisham
London East (CSP)	City & East	Olympic 2012		Tower Hamlets Hackney Newham Greenwich
London South	South	Croydon & South		Croydon Merton Sutton

Where there are pockets of economic inactivity below ward level, these can be supported where there is a clear demonstration of skills need and where links can be made with complimentary public services (e.g. housing, health and transport) It is expected that interventions will maximise the opportunities and input of existing initiatives and partnerships . These include multi-agency area (e.g. Mayor's Sub-regional development frameworks) and sector based agreements (e.g. London South Central/Southbank; travel to study and travel to work clusters; major regeneration sites inc: Kings Cross;

Wembley; Heathrow T5; Brent into Work (Fair Cities); Thames Gateway; LEST 2012 Accord Employers; OLASS geo-geographical areas and probation service sub-areas.

In addition to supporting the Skills for Jobs programme, the LSC will also develop specific activities for people with disabilities or health conditions.

Indicative activities include:

- Supply of placement services to assist learners with learning difficulties and/or disabilities into employment, including those with mental health needs
- Through a network of providers, assist learners with sensory impairment into sustainable employment.
- Supply of pre-apprenticeship/work related provision for learners with learning difficulties and/or disabilities, for example supply of Level 1 provision.
- Improve the employability and skills of learners with learning difficulties and/or disabilities and develop a feeder route to Train to Gain activity.

A final strand of activity within Priority 1.1 will be in the support of the Pre-Volunteer Programme (PVP). This is joint initiative between the between the LSC and LDA and aims to use the forthcoming 2012 Olympic games and Paralympics Games as a catalyst to engage London residents who are most excluded from the labour market.

Activity to be funded includes:

- Outreach and engagement activity
- Diagnostic assessment, including Skills for Life needs
- Individual Action Plans
- Ongoing mentoring support throughout the programme and whilst participants undertake level 1 PVP training course

Discussion is taking place between LSC and LDA on how best to tender and deliver the programme and this will be concluded shortly. The Managing authority will be kept fully informed.

Priority 1.1 is the only priority in which all four London co-financing organisations operate. The LSC has been working closely with these organisations to establish where duplication exists, once all Plans have been submitted and assessment concluded, the plan will be amended as necessary to reflect areas where provision between CFOs is duplicated, this may include spatial targeting, participant type or nature of intervention. It is anticipated that LDA and London Councils will provide a greater proportion of pre-entry and niche support, whilst LSC and DWP will concentrate on progression to employment and further training.

Anticipated indicators for this measure are contained in Annex 2.

**Priority 1.2 - Employment and skills activities targeted at young people who are not in education, employment or training (NEET)**

LSC London will co-finance all ESF activity within Priority 1.2. The 14-19 improvement and reform agenda is rapidly gaining pace and key aspects of that agenda will have a significant impact on the numbers of young Londoners in education and training, 2007-10.

Taken alongside wider national developments related to "Raising of the compulsory participation age", ESF funding will play a key role in meeting the London September Guarantee and the drive towards 90% participation (16-19).

The corresponding reduction of those young people who are not in education employment or training (NEET) is a key policy objective.

Nationally, research carried out by the Department for Education and Skills and the Prime Minister's Delivery Unit pointed to five key drivers that could underpin a strategic approach to reducing NEET. These are: client tracking; delivery of advocacy, brokerage and IAG role; effective early intervention; the supply of learning provision across 14-19 and financial incentives.

London currently has the highest numbers of young people in education and training ever, exceeding the national average.

Consequently the percentage of 16-18s who are NEET in London has dropped from 9.5% in November 2004 to 7.5% in November 2006, a reduction of 2.1% and a much greater reduction than the average for England. In March 2007, London NEET numbers dropped below the England average for the first time.

However, this still means that there is over 30,000 young people across London who are NEET at any given time with the negative impact that being NEET has on them as individuals and society more widely.

London is also experiencing particular challenges such as the number of young people who drop out at 17 after their first year of study and more competition in the regional labour market with migrant workers. Some young Londoners also face more complex personal, economic and social barriers to entering and remaining in learning or employment. Particular groups of young people are also over-represented in the NEET figures such as care leavers and young black Afro-Caribbean men.

In February 2007 the Greater London Authority (GLA) undertook to commission research: "What Works in Preventing and Re-engaging Young People NEET in London". Taken alongside national strategy and local best practice, that research influences the broad areas of proposed activity described below.

Moreover, reducing the number of young Londoners who are NEET is one of five key London 14-19 priorities agreed by the Association of London Directors of Children's Services, the Learning and Skills Council, the London Challenge, Connexions and the Government Office for London. That joint commitment recognises the importance of collaborative action to drive NEET numbers down further still.

The broad activities set out below are therefore designed to resource collaborative projects that:

- Contribute to effective multi-agency approaches, combining regional consistency and innovative local delivery;
- reflect the 5 strand areas in the DfES/Prime Minister's Delivery Unit NEET strategy;
- avoid wasteful duplication of existing activity and better value for money;
- complement existing regional initiatives, e.g. London September Guarantee; the pan-London e- prospectus (Choice) and the regional Client Caseload Information System (CCIS); and
- are consistent with wider policy developments, e.g. Extended Schools and new Information Advice and Guidance arrangements.

It is anticipated that Tenderers will demonstrate a relationship between numbers of NEET participants per borough/sub region and the activity to be delivered.

Basic eligibility for activity will be that participants are identified as NEET, however, Tenderers will be asked to demonstrate how they will engage with those most disadvantaged including:

- The homeless and those at risk of homelessness;
- Young people leaving care;
- Young offenders and those at risk of offending;
- Young people with substance dependency problems;
- Young people with mental health problems;
- Young people previously excluded from mainstream education;
- Young refugees;
- Young people fleeing domestic violence and abuse;
- Young people with poor skills for life; and
- Young parents.

However, it must be recognised that these groups are difficult to identify and gaining evidence of eligibility challenging.

### **NEET activities to be supported**

- Pan-London projects to support client tracking and regional intelligence that improves: A. The precision of front-line service delivery and B.

Young people's access to information of opportunities (linked to London September Guarantee)

- Delivery of advocacy, brokerage and IAG assisting effective early intervention.
- Pre-employment support, job-brokerage and initial 'employment safety net' for young people. (Linked to London NEET Advocate and September Guarantee)
- Supply of learning provision (including provision to support young people into employment and other participation such as volunteering) - linked to September Guarantee
- Supply of post-16 learning provision and learner support in Extended Schools (including provision to support young people into employment and other participation such as volunteering) - linked to September Guarantee
- Improve the employability and skills of NEET participants with mental health needs

All tender specifications will require applicants to demonstrate how Participants will progress. The types of progressions highlighted include, employment, apprenticeships, further training and placements. These progressions will be built into contracts. Anticipated indicators for this measure are contained in Annex 2.

## **Priority 2 - Creating a skilled and adaptable workforce**

Within Priority 2 the LSC will act as co-financer under 2.1- Increasing the number of employees with improved basic skills, including ESOL needs, 2.2- Increasing the number of employees with improved level 2 skills and 2.3 Increasing the number of employees with improved level 3/4. Under 2.2 and 2.3 the LSC will be the only London co-financer, however within 2.1- Basic skills, the LSC will access 85% of the available ESF, with the remaining 15% co-financed by the LDA. ESF will be used to add value to current LSC mainstream provision by purchasing additional numbers and targeting ESF at specific groups and sectors where need has been identified by Sector Skills Councils (SSC).

### **Priority 2.1 Basic skills**

Activities under this Priority will be closely aligned with employability skills (as demanded by the employer) and complement the major regeneration opportunities (such as the 2012 Olympics). A key element will be directed towards ensuring that participants can gain NVQ Level 1 standards in basic skills, linked to employment requirements, and then progress to mainstream Level; 2 and Level 3 support.

The LSC will work closely with the LDA and Sector Skills councils to avoid duplicating existing programmes and adding value to other LSC funding, such as Mainstream College Allocations, Apprenticeship programme and Train to Gain.

The LSC and LDA will focus on new activities and gaps identified by the ESOL Review commissioned on behalf of The London Skills and Employment Board in summer 2007. Initial areas and sectors identified include Skills for Life (SfL) including basic skills of Literacy, Numeracy and English for speakers of another language (ESOL), embedded within the workplace.

Eligibility for Activity under this Priority will be for those employees with basic skills needs. However, Tenderers will need to demonstrate how they address key priority groups, including:

- Disabled people
- Ethnic minorities
- And over 50's
- Lone parents

Particular Sectors where Sector Skills Agencies have highlighted Basic skills levels as an issues include: Manufacturing, Health and Care, Retail, Transport and Logistics, and Food and Drink sectors.

**Indicative activities:**

ESF will be used to support new activities and gaps in areas of support identified that are identified by the ESOL review commissioned on behalf of the LSC and the LDA in the summer 2007. Initial areas and sectors identified include:

Skills for Life (SfL) including basic skills of Literacy, Numeracy and English for speakers of another language, embedded within the workplace.

**Logistics** - This is an identified need in the logistics sector and the SSC has stated in '2007 Labour Market Profile for London' that "Oral and written communication skills were identified as skills that needed improving in 40% of employees with skills gaps".

**Manufacturing** - the lack of technical skills along with communication, literacy and numeracy are frequently cited as area of notable skills shortages ". However, both literacy and numeracy skill deficiencies were much more common than average among this occupational group, as were problem solving skills and oral and written communication skills." National Employers Skills Survey (NESS) 2005.

*"All the main sectors associated with manufacturing and engineering, (covered by SEMTA, Proskills UK, Cogent and Improve Ltd SSCs) have concentrations of skill gaps within their plant and machine operator staff."*  
NESS 2005, page 18

Embedded SfL provision within vocational training, in particular those who need literacy, numeracy and ESOL support within training programmes away from the workplace.

## Support progression from foundation level up to Skills for Life level 3

Initiatives by the social partners (e.g. trade unions) to promote learning and skills in the workplace

- Funding for activities to provide sustainability for existing activity with the TUC training Union Learning Reps

Initiatives to support the increase of supply of people with lower level skills relevant to employer needs

- Funding for vocational level 1 provision. This supports aim 2.1 in the London Learning and Skills Plan: *Focus public funding on qualifications delivered to those identified by employers through SSAs* and more broadly priority 2 in the plan *Tackle London's skills and employment gap*.
- The sectors where this is required are:
  - **Health and care** – Health and social care staff should usually have a minimum of a Level 2 qualification. However, there could be potential to have projects to secure entry into the health service of people with low level skills, incorporating training at Level 1, Skills for Life, mentoring, job brokerage etc, with the intention that they progress further. The Skills Escalator for Health identifies Entry Level Jobs at Level 1 as the first step of the escalator. This stage would involve “domestics” or “cadets” requiring very little formal education or previous knowledge, skills or experience in delivering, or supporting the delivery of healthcare. Please note that the LSC provided funding of £5.2 million in FE in London for Level 1 training in health and social care in the 2005-6 academic year.
  - **Retail** - According to Skillsmart Retail's London Background Briefing (May 2006) 17% of retailers indicated that a low number of job applicants with required skills was a cause of hard-to-fill vacancies, which was lower than national percentage (22%). Other factors reported by retailers were applicants lacking work experience (34%) and a lack of qualifications the company demands (14%) – these were above national percentages of 15% and 8% respectively.
  - **Transport and Logistics, Food and Drink, and Apparel** – A very high proportion of the workforces in the above sectors have qualifications at level 1 and below. It is 57% in Logistics, 50% in Food and Drink, and 47% in Apparel. However, employers in the sectors are often reluctant to release workers for training for a level 2 due to the time it takes to gain the qualification. The SSA for Improve identifies this as a particular issue for food sector employees as the production line needs to be maintained. The relevance of courses provided by colleges for the Logistics sector has also been identified as an issue (*Skills for Logistics – 2007 Labour Market Profile for London*). Employers in these sectors find level 1 qualifications more beneficial or necessary (and in

some cases essential). Employers prefer VRQs. These are not funded through mainstream funding.

Anticipated indicators for this measure are contained in Annex 2.

### **Priority 2.2 - Level 2**

As with the other ESF Priorities, LSC will work closely to ensure that duplication is minimised and that ESF does not compete with the current infrastructure for level 2 provision, in particular Train to Gain, but adds value. ESF will be used to support employees who are ineligible for learning which is fully subsidised through public funding routes as well as providing wrap around support. Activities identified support Priority 2 in the London Learning and Skills plan: *Tackle London's skills and employment gap*.

#### **Indicative activities:**

A key principle of the Plan and the London ESF Framework is that ESF will not duplicate existing programmes, for this reason ESF will be targeted a purchasing second level 2's. This includes second level 2s for employees who already hold an NVQ2 and funding for participants that are not eligible under Train to Gain.

Target groups identified include:

- **Returners to work** who need to undertake their second level 2 qualification in order to reskill in a new position. Lone parents should be given priority and Tenderers will be asked to demonstrate this via the ITT.
- **Self-employed people** (in the main self-employer people are not eligible for Train to Gain – the self-employed groups that are eligible should not be included in this activity). Groups where there is particular need include:
  - **Freight drivers** – 11% of freight drivers are self-employed in London. This is more than 8,000 workers.
  - **Fitness workers** – The Skills Active SSA states that 10% of the workforce in the Active Leisure sector are self-employed
  - **Childminders** – The majority of childminders are self-employed and there is evidence from the Childcare Training Forum that funding for this group continues to be an issue.

The sectors where a need for people to undertake second level 2 qualification has been identified by the Sector Skills Councils include:

- **ITQ** (Information technology qualification)
- **Generic skills in health and social care**
- **Sports Coaches**
- **Leisure assistants**
- **Fitness workers**
- **Plant training in the Construction sector**

Funding will not be targeted on a geographical basis but Tenderers will need to demonstrate that the proposal will support the groups identified and key groups, including people with disabilities, over 50's and ethnic minorities.

There will also be:

Re-skilling or up-skilling employees through increased take up of training within SMEs (250 staff or under) going through industrial change. The following sectors have a particular need:

- **Manufacturing sector** - This is a particular need in the Print industry. The SSA outlines how technology will continue to change the industry and that skills shortages and gaps are widely reported by employers. There is also a need for Business Improvement Techniques (BIT) to improve productivity and competitiveness.
- **Plant and Machine Operatives** – The National Employer Skills Survey states that "*The skills most often seen as lacking among plant and machine operatives are technical, practical or job-specific skills (56 per cent)*".
- **Graphic Communications** – Qualifications in Graphic Communications are also a key priority. There are 13,000 print businesses in London, the vast majority of which are SMES, employing about 70,000 workers.
- **Renewable Energy sector** - The London Energy Partnership report: *Skills for a Low Carbon London: Summary Report and Recommendations on the Skills Gaps in the Energy Efficiency and Renewable Energy Sector in London* identifies the need for 'cross skilling' of plumbers and electricians to meet the needs of renewable energies.

Additional activities that target skills gaps identified in Sector Skills Agreements (SSA) and that are supported by the relevant Sector Skills Council (SSC) include:

- **The London Freight Certificate** – to fund the London specific NVQ units being developed by the SSC (skills for logistics).
- Extending **Business Improvement Techniques (BIT)** in a Productivity and Competiveness framework to other parts of the manufacturing clusters, prioritising Food & Drink manufacturers and the Print industry.

In addition, the LSC will look to develop specific tenders aimed at supporting the supply of provision to up-skill those in the workplace with learning difficulties and/or disabilities.

Anticipated indicators for this measure are contained in Annex 2.

### **Priority 2 .3 - Level 3/4**

As with Priority 2.2, activity will need to demonstrate added value and not duplicate or displace mainstream activity. This means that tenders and the successful Projects will need to focus on skills gaps identified in Sector Skills Agreements (SSA) that are supported by the relevant Sector Skills Council.

In addition, ESF funding will be focused to target groups or communities which are achieving a lower than average proportion of higher level qualifications. Most sectors have identified skills gaps around leadership and management and the need to support level 3 and 4.

As with Priority 2.2, the following sectors will be targeted:

- Health and care
- Retail
- Food and Drink
- Logistics
- Transport
- Hospitality
- Creative and cultural sector
- Construction / Built Environment / Landbased
- Skills for Justice
- Finance
- Renewable energies

Other activities will include that encourage employers to spend more on higher level skills and management and leadership, specifically in SMEs. Employers need to train staff at all levels including high levels. This can be particularly difficult for SMEs who may find it difficult to release staff for long periods. Work needs to take place to encourage employers to carry out this activity by changing the culture of organisations. Training workplace coaches within SMEs across sectors will help to change the culture and encourage more employees to become involved in training and development.

Future developments under, both 2.2 and 2.3 will need to reflect the Business Support Simplification Programme (BSSP) announced by the Government. This new policy direction is currently in development and it is anticipated that the plan will be fully adopted by 2009. Care will need to be taken to ensure that ESF does not create stand alone activities and, where ESF funds additional qualifications to first level 2 and basic skills they are those identified in the relevant Sector Skills Agreement.

Anticipated indicators for this measure are contained in Annex 2.

### 3. Funding and added value

Full detail of ESF by year and Priority are stated in annex 1. Match funding for the programme will be sourced from the following budget which are allocated via Open competitive tendering (OCT).

#### Priority 1

**Entry to employment (E2E)** – E2E will provide a substantial element of matched funding for priority one. 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. Discussion is underway with ESF-D on how data can be shared between organisations in order to Match ESF.

**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.

#### Priority 2

**Train to Gain** - This programme has £400m nationally of delivery aimed at employed individuals and will therefore provide the bulk of Priority two 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.

Indicative budgets are confirmed to the LSC annually. However LSC London can confirm the following budgets for 07/08 financial year (31<sup>st</sup> March 08).

#### Priority 1

Basic skills –£6,900,000

Apprenticeships and E2E (16-24) - £1,200,000

#### Priority 2

Train to Gain – £9,150,000

Apprenticeships for Adults –£3,400,000

Olympics Capacity Building for Apprenticeships –£4,000,000

Details of available 2008/09 budgets should be available in late November. However, it is anticipated that similar budgets OCT will be used as in 2007/08

### 3.1 ADMINISTRATION COSTS

The London region is currently moving to an 'integrated model' for ESF delivery from five local ESF programmes. This model means that ESF functions will be split between sub-regional offices and regional teams. Broadly the functions split as follows:

Local functions – managing the relationship with providers which include:

- Contract negotiation
- Contract management
- Provider interface

Regional Functions include:

- Co-financing Plan development
- Co-financing plan management, claims and Match
- Procurement
- Audit
- Quality
- Publicity
- Data

#### Proposed administration budget and indicative headings per year (from January 2008 – December 2010):

<b>Administration costs (per year)</b>	
Staff costs (52 FTE @ £43,750)	£2,275,000
Travel and subsistence	£10,000
Marketing/Publicity	£100,000
Overheads	£404,598
Training and development	£100,000
Training and support on ESF delivery (Providers)	£62,000
<b>Total (per year)</b>	<b>£2,951,598</b>

It is anticipated that in the region of £128, 000 will be spent on administration in the September – December 2007 period. These costs are mainly associated with staff and the costs connected to tendering, publicity and assessment of the ESF programme.

It is anticipated that costs related to training will decrease once the new programme has been established, as this training will be primarily concerned with changes to the 2007-2013 ESF programme.

The table below shows total LSC ESF programme and the indicative amounts available under the programme for administration and allocating to Providers. As almost one year has been lost for delivery, **total amounts have been divided by 7 years (2007 – 2013)**. Activity for this Plan will run for 4 years (2007 – 2010), the 2007 ESF allocation will be added to the 2008 tendering round.

ESF ALLOCATION (P1 & P2) 2007 - 2013	£187,813,306
Match (P1 & P2) 2007 - 2013	£187,813,306
Total Programme 2007 - 2013	£375,626,612
<b>Total 2007 – 2010 plan</b>	<b>£214,643,778</b>
Total administration 2007-2013 (5%)	£18,781,331
Administration 2007-2010 (5%)	£10,732,189
Annual administration (5%)	£2,683,047
Total ESF available for allocation (2007-2013)	£169,031,975
Total 2007 – 2010 for allocation	£96,589,700
Annual allocation to providers	£24,147,425

Annex 2 to the plan, shows the amounts available for allocation after staff costs are removed. It is anticipated the following amounts will be held back in the 2007 tendering round in order to address priorities identified by LSEB and reflect other emerging developments.

#### Priority 1

**1.1            15% £1,348,160**

#### Priority 2

**2.1            15% £1,233,846**

**2.2            10% £967,722**

**2.3            25% £1,881,682**

It is anticipated the administration costs will be wholly charged to ESF. Based on the indicative administration costs above, the LSC will be below the 5% permitted under co-financing.

### **3.2 ADDED VALUE**

The LSC will operate ESF via a new approach in the 2007-2013 programme. The National LSC has endorsed a 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 attached below:

The purpose of the proposed commissioning strategy is to ensure that ESF truly adds value and enhances national strategies. The key issues for the strategic direction of ESF in the new programme is that we must ensure that ESF supports the main policy directions for the LSC. This will include:

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

The Commissioning Strategy needs to ensure that:

- sufficient regional flexibility is retained to meet regional skills needs;
- appropriate contract lengths are sort for ESF provision (including use of short contract periods where policy change is expected);
- ESF can still achieve its full programme targets; and
- ESF is actively used to inform mainstream development/approaches.

The sources of Match identified aligned with the national ESF framework and that of the London Framework, details are listed below:

#### **Priority 1**

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 NEET. The programme has a limited budget; ESF may be focussed on this to enhance the provision.

#### **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. Determining an appropriate scale of activity and ESF budget for this group will be a key issue for consultation across the region.

## Priority 2

### 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

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, Level 1 as a transition between E2E and Apprenticeship and with individuals needing a second Level 2 to secure/sustain employment or who need additional support to effectively progress to Level 2

## 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. 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. 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).

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.

An initial ESF funding round will be held in autumn 2007, with ESF being offered via ITT in November. From 2008, ESF will be included in the LSC Mainstream Procurement round which provides the Match source.

### **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.

Within the London region, the PQQ process started with an event at Chelsea Football Club on the 29<sup>th</sup> August. This attracted over 700 individuals and was followed up with five events in each local London LSC. The event contained detail of the PQQ process, how to access Bravo and included an update on the London ESF Framework and the Priority areas under which the LSC would deliver.

Other London co-financing organisations, Government Office, LVSTC and other London stakeholders have been made aware of the process and included detail on their websites.

### **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](http://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 Road shows	August onwards
Publish Invitation for Stage 1 PQQ	31 August
Deadline for submission of PQQ	28 September
Applicant organisations informed	9 November

### Stage 2

Invitation to tender issued	23 November 2007
Deadline for submission of tenders	11 <sup>th</sup> January 2008
Appraisal and review process completed	22 <sup>nd</sup> February 2008
LSC Contract Award Panel by	7th March 2008
GLA Ratification	12 <sup>th</sup> March 2008
Applicants notified of outcome	17 <sup>th</sup> March 2008
Standstill period ends	28 <sup>th</sup> March 2008
Projects start	From 7th April 2008

## 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 Managing authority.

## LONDON CONTEXT

Within London, the LSC has signed up to the principle of joint working with other London CFO's. In order for this to take place, London co-financers will need to agree assessment criteria, appraisal and moderation process. As the LSC is operating a National ITT, London regional variations to criteria and assessment will need to be agreed within the coming weeks, the risk, is that without agreement this will not be built into the LSC National process.

## **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](http://www.lsc.gov.uk)

## **5. 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, 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 review the delivery costs by month for the provider through a contract clarification process, which based on their application will manage the unit costs per deliverable to make as close a match as possible to the providers monthly delivery profile.

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.

### **5.1 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 (SoD). 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.

## 5.2 Actual Costs

The LSC does not intend to pay providers on an actual costs basis. All contracting will be open and competitive tendering and will be based on contract costs. (NB. The LSC reserves the right to pay providers by other eligible methods if required in exceptional circumstances). However, it is anticipated that costs associated directly with participant support will be paid on actual costs; this would include such items as travel, childcare or other direct support.

## 5.3 Arrangements for Monitoring ESF providers

Contracts are assigned a contract management member of staff and a relationship management member of staff at inception stage. Contracts financial profiles are inextricably linked to delivery; therefore, monitoring of financial performance is centred on appropriate and suitably evidenced delivery.

Contractors will return learner data electronically to the 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 outcomes, outputs and milestones (as documented in the contract);

The evidence of delivery (utilising a predetermined sample size);

Beneficiary eligibility (as documented in the contract);

Where possible, learner records will be automatically monitored electronically using the ILR Database and the ensuing financial variance addressed.

The agreed variance for under/over performance of contracts is: +/-15%. Where variances are greater than this a business case is required to be authorised at LSC Director level.

Where indicted, 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 ESF-D.

## **5.4 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 LSC 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/ adjusted as necessary and if warranted, payments will be placed on hold whilst the performance issues are addressed.

## **5.5 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.

Ofsted operate a three year programme of inspection. Outside of this cycle, all Projects with Learners are contractually required to complete a Self-assessment report and submit it annually to the LSC. This is reviewed by the LSC and feedback provided. All Providers are offered support with Quality systems and a range of training and support is offered through the LSC.

Any providers who are new to contracting with the LSC will be offered a programme of training and seminars on the Common Inspection Framework. This will include access to the LSC Quality team, an overview of the Framework, advice and support with the production of a self assessment report (SAR). Reports are submitted annually to the LSC and reviewed by the Partnership team. Feedback is given and progress against the SAR reviewed at review meetings, half yearly as a minimum. As the Ofsted inspection operates on a three year cycle, providers may not necessarily be inspected during the lifetime of the project. However, in the event that a provider is selected a full programme of support is made available by the LSC and Ofsted.

## **5.6 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.

## **5.7 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.

## **5.8 Reporting performance to regional ESF Committee**

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

## **5.9 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 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 produce 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 process and controls are similarly subject to review by the National Audit Office (NAO) and can include further reviews at local level.

# **6 Cross Cutting themes**

## **6.1 Equality and diversity**

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

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

## 6.2 LONDON CONTEXT

The London region published Learning for Living and Working in London in June 2007. This is a three year strategy to improve the quality and relevance of provision for learners with learning difficulties and/or disabilities and to enable them to maximise their employment potential and participate fully in the community. The strategy can be viewed at [www.livelearnwork.org](http://www.livelearnwork.org).

The strategy has been out for consultation to 31 July 2007. Responses have been overwhelming supportive of the proposals and the strategy will be finalised during the autumn 2007.

There are five goals within the strategy:

- To expand employment opportunities and improve progression routes into employment
- To provide people with better services through effective partnership working at local, regional and national levels
- To understand better what learners want, the services currently available and what changes need to be made
- To reshape the curriculum so as to support people in achieving their potential for independent living and employment
- To build networks or campuses of high quality, accessible learning based around centres of excellence/expertise

Specific actions linked to these goals (and in particular goal 1 – employability), which are relevant to the ESF programme are included within sections 2 of the Plan and will be embedded into tenders and contracts. In cases where activity is concerned solely with disability issues, tenders will be developed seeking to only work with the identified group.

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

DWP are building in sustainable development to tendering/ procurement processes but the LSC is not going down this route at present as we feel too many providers would be discouraged or discounted if we did this.

We have agreed that we will take a developmental approach with providers and are looking at how to spread good practice from previous ESF programmes. For example, GO London required providers to attend workshops on sustainable development where they were helped to develop environmental policies. We are currently evaluating this with GO London to see if it is an approach other regions would be able to use.

In addition an interactive toolkit for providers developed by DfES for the last programme is being re-visited. We hope to be able to link this with LSC funded resources for sustainable development being developed in the FE sector.

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

## **Health**

Discussion has begun with the Managing Authority on how best to embed the cross-cutting theme of health within the Programme. We will work to promote the health benefits of employment and seek to co-ordinate ESF with the Health and Equalities strategy for London.

LSC recognises that the Health cross-cutting theme is connected to Sustainable Development and that a health and economic development are connected in two distinct but related ways. Firstly the wider health sector has a material role as an economic force for London and may provide sustainable employment opportunities under the Co-financing Programme, and secondly there is the fundamental role of economic development in improving health of Londoners and tackling health inequalities.

All cross-cutting themes are included in the ITT, this includes questions on how each of the cross-cutting themes will be applied to the project, how it will be monitored and integrated into the project. These questions are assessed against the criteria and a judgement made. Where assessment identifies issues or concerns, these are taken into consideration at Moderation and appraisal. In some cases, any issues raised in relation to the CCT will have to be addressed prior to the LSC issuing a contract. The CCTs are included within any signed contract, this includes specific targets were they are felt to be necessary. CCT are followed up as part of the monitoring and evaluation of projects, where understanding is low or changes have taken place in policy direction, the LSC has provided training and guidance to the Providers.

## 7. Implementation

Based on the National PPQ and ITT timetable it is anticipated that contracts with providers will start to operate from mid April 2008.

The full timetable is shown in section 4. Organisations who successfully complete the PQQ will receive the ITT on the 23<sup>rd</sup> November. This document will include the Tender specifications, eligibility criteria for the programme, assessment

Experience from 2004-2006 ESF programmes has shown that it is unlikely that participants will be engaged by Projects within the first two months of the contract. For this reason it is expected that starts will predominantly commence from June 2008, with progression towards targets anticipated six months after that.

Anticipated starts and outcomes assume Skills for Jobs and Basic Skills participants take 6 months to complete their programme, NEET and level 2 participants are in training for 12 months on average and Level 3 for 18months. Contract will start delivery from April 2008, with participant starts from June 2008.

<b>Activity</b>	<b>Yr 1 (April starts 08)</b>	<b>Year 1 (Sept starts 08)</b>	<b>Total</b>	<b>First year outcomes (Nov 08)</b>	<b>First year outcomes (April 09)</b>
Skills for Jobs activity	980	980	1960	280	280
Match funding Skills for Jobs	980	980	1960	280	280
14-19 NEET prevention	1132	1132	2264	0	197
Match funding NEET	1132	1132	2264	197	197
<b>Subtotal Employability</b>	<b>1960</b>	<b>1960</b>	<b>3920</b>	<b>560</b>	<b>560</b>
<b>Subtotal NEET</b>	<b>2264</b>	<b>2264</b>	<b>4528</b>	<b>197</b>	<b>394</b>
<b>Total Priority 1</b>	<b>4224</b>	<b>4224</b>	<b>8448</b>	<b>757</b>	<b>954</b>

**Priority 2**

<b>Activity</b>	<b>Yr 1 (April starts 08)</b>	<b>Year 1 (Sept starts 08)</b>	<b>Total</b>	<b>First year outcomes (Nov 08)</b>	<b>First year outcomes (April 09)</b>
Basic skills for employed people	1425	1425	2850	641	641
Level 2	3552	3552	7104	0	1421
Level 3	867	867	1734	0	260
Match funding Basic Skills	1425	1425	2850	641	641
Match funding Train to Gain L2	3552	3552	7104	0	1421
Match funding Train to Gain L3	1425	1425	2850	0	260
<b>Subtotal Basic skills</b>	<b>2850</b>	<b>2850</b>	<b>5700</b>	<b>1282</b>	<b>1282</b>
<b>Subtotal Level 2</b>	<b>7104</b>	<b>7104</b>	<b>14208</b>	<b>0</b>	<b>2842</b>
<b>Subtotal Level 3</b>	<b>2850</b>	<b>2850</b>	<b>5700</b>	<b>0</b>	<b>520</b>
<b>Total Priority 2</b>	<b>12804</b>	<b>12804</b>	<b>25608</b>	<b>1282</b>	<b>4644</b>

Performance against targets will be monitored on monthly bases via LSC ESF contract management systems. Quarterly, LSC will review the overall performance of the programme against each priority indicators. It planned that a ESF Management group will be established with representatives from all LSC directorates that impact on the delivery of ESF. It is likely that this group will be chaired by the Regional Director of Finance and Resources and a representative from the Managing Authority will be invited to attend.

## Annex 1

<b>Region</b>	London
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**CFO and Plan Details** (Separate annex for each CFO covered by the plan)

London region Learning Skills Council.
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**Financial allocation**

<b>Priority 1</b>			
<b>Year</b>	<b>ESF (£)</b>	<b>Public Match (£)</b>	<b>ESF + Match (£)</b>
<b>2007</b>	£64,303	£64,303	£128,606
<b>2008</b>	£16,915,795	£16,915,795	£33,831,590
<b>2009</b>	£16,915,795	£16,915,795	£33,831,590
<b>2010</b>	£16,915,795	£16,915,795	£33,831,590
<b>Total</b>	<b>£50,811,688</b>	<b>£50,811,688</b>	<b>£101,623,376</b>

<b>Priority 2</b>			
<b>Year</b>	<b>ESF (£)</b>	<b>Public Match (£)</b>	<b>ESF + Match (£)</b>
<b>2007</b>	£64,303	£64,303	£128,606
<b>2008</b>	£18,815,299	£18,815,299	£37,630,598
<b>2009</b>	£18,815,299	£18,815,299	£37,630,598
<b>2010</b>	£18,815,299	£18,815,299	£37,630,598
<b>Total</b>	<b>£56,510,200</b>	<b>£56,510,200</b>	<b>£113,020,400</b>

## Annex 2

<b>Region</b>	London
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**CFO and Plan Details** (Separate annex for each CFO covered by the plan)

London region Learning Skills Council.
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**Output and results targets****Priority 1**

<b>Target</b>	<b>Quantification</b>
<b>Outputs</b>	
Total number of participants	34,009
1.2 Number and % of participants who are unemployed (a) Number (b) Percentage	9,309 59% (Priority 1.1 participants)
1.3 Number and % of participants who are inactive (a) Number (b) Percentage	5,498 35% (Priority 1.1 participants)
1.4 Number and % of participants age 14 to 19 who are NEET or at risk of becoming NEET (a) Number (b) Percentage	18,100 54%
1.5 % of participants with disabilities or health conditions (a) Number (b) Percentage	5,441 16%
1.6 % of participants who are lone parents (a) Number (b) Percentage	4081 12%
1.7 % of participants aged 50 or over	2,864
1.8 % of participants from ethnic minorities	19,045
1.9 % of female participants	17,345
<b>Results</b>	
1.10 Number and % of participants in work on leaving (a) Number (b) Percentage	6,949 20% (27% for Priority 1.1)
1.11 Number and % of participants in work six months after leaving (a) Number (b) Percentage	8,230 24% (32% for Priority 1.1)
1.12 Number and % of economically inactive participants engaged in jobsearch activity or further learning (a) Number (b) Percentage	1,977 36%
1.13 Number and % of 14 to 19 year old NEETS or at risk in education, employment or training on leaving	

(a) Number	8145
(b) Percentage	45%

## Priority 2

<b>Target</b>	<b>Quantification</b>
<b>Outputs</b>	
2.1 Total number of participants	72,400
2.2 Number and % of participants with basic skills needs	
(a)	31,576
(b)	43.6%
2.3 Number and % of participants without level 2 qualifications	
(a) Number	31,576
(b) Percentage	43.6%
2.4 Number and % of participants without level 3 qualifications	
(a) Number	9,249
(b) Percentage	12.8%
2.5 % of participants with disabilities or health conditions	10,150
2.6 % of participants aged 50 or over	13,533
2.7 % of participants from ethnic minorities	25,036
2.8 % of female participants	33,832
<b>Results</b>	
2.9 Number and percentage of participants gaining basic skills	
(a) Number	12,078
(b) Percentage	38%
2.10 Number and % of participants gaining level 2 qualifications	
(a) Number	12,630
(b) Percentage	40%
2.11 Number and % of participants gaining level 3 qualifications	
(a) Number	2,775
(b) Percentage	30%