



# **European Social Fund London Co-financing Plan 2011-2013**

**April 2010**

**MAYOR OF LONDON**



**EUROPEAN SOCIAL FUND – ENGLAND & GIBRALTAR 2007-2013 OPERATIONAL  
PROGRAMME  
Co-financing Plan 2011-2013**

<b>Region</b>	London
<b>Objective</b>	Regional Competitiveness and Employment

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

Name of Organisation	Skills Funding Agency
Address	5 <sup>th</sup> Floor Centre Point 103 New Oxford Street London WC1A 1DR
Contact name and Position	Paul Crosswell – Head of Provider Accounts (ESF)
Telephone number	020 7904 0648
Email	paul.crosswell@skillsfundingagency.bis.gov.uk

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# **1 Background and Contribution to Delivery of the Regional ESF Framework**

## **1.1 CFO Background Information**

This document states the approach of the Skills Funding Agency to European Social Fund (ESF) co-financing in London in the 2011-2013 period.

The Skills Funding Agency was established under the Apprenticeships, Skills, Children and Learning Act 2009 and is an agency of the Department for Business, Innovation and Skills (BIS). The Skills Funding Agency is a successor organisation to the Learning and Skills Council (LSC) and, from April 2010, is responsible for all publicly funded post-19 education and training (excluding Higher Education). It is responsible for funding FE colleges and other providers primarily in response to customer (employer and learner) choice and supports the following customer-focused gateways through which people and businesses can access learning:

- The National Apprenticeship Service (NAS) provides an end-to-end service supporting employers and apprentices through their learning.
- Train to Gain channels funding and opportunities to provide learning to meet the needs of employers, accessible through Business Link brokers and the National Employer Service.
- The Adult Advancement and Careers Service (AACCS) provides people with the information they need to understand what learning is available and make the right choices.
- Further Education colleges and training organisations provide learning opportunities that respond to the needs and demands of learners, facilitated by the introduction of skills accounts.

As part of its remit, the Skills Funding Agency will replace the LSC as an accountable body for ESF resources.

The objective of the Skills Funding Agency's Plan is to address the London ESF Regional Framework, the ESF Operational Programme and make a substantial contribution to the ESF programme's aims 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.

From April 2010, the Apprenticeships, Skills, Children and Learning Act 2009 passed responsibility for securing sufficient education and training provision for all young people up to the age of 19 as well as 19-25 year-olds assessed for a learning difficulty and/or disability and juveniles in custody from the LSC to local authorities. The Act also established the Young People's Learning Agency (YPLA) to support local authorities discharge their planning and commissioning functions and to ensure funding and budgetary control within the system.

To support the transfer and co-ordination of these new responsibilities, London Councils established the London 14-19 Regional Planning Group (RPG). The creation of the RPG, through which commissioning decisions will be made, also recognises the 'travel to learn' patterns of young people across the wider local area. Membership of

the RPG includes the Association of London Directors of Children's Services, the Skills Funding Agency, YPLA and other key agencies involved in education and training across London.

Under the 2011-13 ESF programme, a national model of delivery has been developed in which the Skills Funding Agency will act as a shared service on behalf of the YPLA and local authorities. Through the RPG, local authorities are responsible for developing the 14-19 element of the Plan – they will develop and agree the tender specifications and will be invited to contribute representatives to the contract award panel.

In line with these arrangements, the 14-19 element of this Plan has been jointly planned and developed by the YPLA and the London Local Authorities through the London RPG.

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

- ESF Operational Programme for England and Gibraltar for 2007-2013.
- London ESF Regional Framework 2011-2013.
- The Skills Funding Agency's National ESF Commissioning Strategies for Adult Provision and Young People's Provision.<sup>1</sup>
- The London Skills and Employment Board's (LSEB) updated five-year skills and employment strategy for London.<sup>2</sup>
- The annual national Skills Investment Strategy from BIS that sets out priorities for the Skills Funding Agency.<sup>3</sup>
- The annual plan from the Skills Funding Agency that sets out how it will contribute to implementing the priorities for London set by LSEB.<sup>4</sup>
- The annual national 16-19 Statement of Priorities from the Department for Children, Schools and Families.<sup>5</sup>
- The London RPG's annual statement of strategic priorities.<sup>6</sup>

It remains crucial that ESF is effectively targeted and adds value to mainstream programmes, without duplicating provision offered by other London Co-financing Organisation (CFOs) or mainstream Skills Funding Agency funds. The Skills Funding Agency will continue to prioritise ESF to support areas identified in the London ESF

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<sup>1</sup> The Strategies will shortly be available on the Skills Funding Agency website ([www.bis.gov.uk/skillsfundingagency](http://www.bis.gov.uk/skillsfundingagency)).

<sup>2</sup> *From Recession to Recovery: The Skills and Employment Strategy for London (2009-2014)* (London Skills and Employment Board, December 2009) ("*From Recession to Recovery*"; *London's Future: The Skills and Employment Strategy for London 2008-2013* (London Skills and Employment Board, July 2008) ("*London's Future*").

<sup>3</sup> *Skills Investment Strategy 2010-11* (Department for Business, Innovation and Skills, November 2009) ("*Skills Investment Strategy*").

<sup>4</sup> *Skills Funding Agency London Skills Plan 2010-11* ("*London Skills Plan*") – at the time of writing, this Plan is awaiting approval by LSEB. Once approved, it will be available on the Skills Funding Agency website ([www.bis.gov.uk/skillsfundingagency](http://www.bis.gov.uk/skillsfundingagency)).

<sup>5</sup> *16-19 Statement of Priorities and Investment Strategy 2010-11* (Department for Children, Schools and Families, January 2010) ("*National Statement of Priorities*").

<sup>6</sup> *Taking a Lead, Making a Difference: London's Strategic Priorities for 16-18 Education and Learning 2009* (London Regional Planning Group, November 2009) ("*Taking a Lead*").

Regional Framework and the LSEB Strategy and in particular to support the three strategic aims set out in the LSEB Strategy:<sup>7</sup>

- Working with employers to better support them in providing more job and skills opportunities to Londoners, to the benefit of their businesses and to keep London's economy competitive.
- Supporting Londoners to improve their skills, job and advancement prospects through integrated employment support and training opportunities.
- To create a fully integrated customer-focused skills and employment system.

Moreover, the Skills Funding Agency's Plan will apply the following principles to its ESF programme in London:

- Work closely with other London CFOs and the London Intermediate Body in designing and developing Co-financing Plans, tendering and procuring provision.
- Within this, commit to developing and implementing the Skills Funding Agency's ESF programme in London in line with the aims of LSEB and the principles of the Joint Investment Plan (JIP) and in particular to explore opportunities to co-commission ESF activity with other CFOs where strategically appropriate and operationally practicable.
- Develop and deliver 14-19 ESF activity with the YPLA and the London Local Authorities through the London RPG.
- Align ESF activity with existing Skills Funding Agency mainstream provision and mainstream and ESF provision offered by other London CFOs and ensure ESF activity does not duplicate or displace such provision.
- 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.

## **1.2 Elements of the Framework the CFO Will Deliver**

The Skills Funding Agency Plan will address activity under Priority 1 and Priority 2 of the London ESF Regional Framework.

This section of the Plan describes the activities that will be supported using ESF. The funding streams that will be utilised as match for the programme and the activity supported using those funding streams are outlined in section 2.

### **1.2.1 Priority 1 – Extending Employment Opportunities**

Within Priority 1, the Skills Funding Agency will act as a CFO in two areas:

- 1.1 – Improving the employability and skills of the unemployed and economically inactive.
- 1.2 – Employment and skills activities targeted at young people who are not in education, employment or training (NEET).

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<sup>7</sup> *From Recession to Recovery* (note 2 above), p. 7.

**a Priority 1.1 – Improving the employability and skills of the unemployed and economically inactive**

Within this Priority, the Skills Funding Agency will seek to use ESF in London to support the following areas:

- Programmes for the Unemployed.
- Activity leading to progression to Apprenticeships.

ESF activities are expected to integrate with Skills Funding Agency Adult Learner Responsive (ALR) provision, including the Employability Skills Programme (ESP) and other programmes supporting workless individuals into employment, and add learner volumes where demand exceeds mainstream Skills Funding Agency budgets.

Priority 1.1 is the only priority in which all five London CFOs operate. The Skills Funding Agency has worked closely with these organisations to establish where duplication exists and will continue work to align activity and to explore opportunities to co-commission ESF activity with other CFOs where strategically appropriate and operationally practicable in line with the aims of LSEB and the principles of the JIP. The complementarity of proposed Skills Funding Agency provision with the other CFOs' provision is outlined in section 1.4.

The Employment and Skills White Paper states that a new, single purse will be introduced.<sup>8</sup> The funds will be targeted primarily at longer-term and disadvantaged workless people on out-of-work benefits and will require joint delivery by BIS / the Skills Funding Agency and the Department for Work and Pensions (DWP). However, key decisions are yet to be made – these decisions may influence this Plan, making it subject to change.

**Programmes for the Unemployed**

The Skills Funding Agency will use ESF to provide pre-employment activities to support workless individuals into work – these individuals will primarily be unemployed for up to 12 months, although some provision will also support the economically inactive. Activity to support the wider offer available through Skills Funding Agency mainstream Programmes for the Unemployed may include:

- Vocational skills training – this activity will offer skills interventions to equip individuals who have been unemployed for up to 12 months with the skills needed for work. It will focus on individuals who Jobcentre Plus (JCP) and/or AACS identify as primarily having vocational skills barriers to moving into employment (the majority of which are likely to be at stages 1-3 of the enhanced Jobseekers Regime and Flexible New Deal).<sup>9</sup> Activity will be composed of short, intensive courses (usually lasting two to eight weeks) in vocational subjects agreed with JCP, taking into account job-rich employment sectors identified by JCP (such sectors will be specified at the procurement stage). Participants may

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<sup>8</sup> *Building Britain's Recovery: Achieving Full Employment* (Department for Work and Pensions, December 2009) ("*Building Britain's Recovery*"), pp. 60-61.

<sup>9</sup> The enhanced Jobseekers Regime and Flexible New Deal (JRFND) comprises a four-stage process for JSA customers. JCP deliver the first three stages – Self-Managed Jobsearch (0-3 months on JSA), Directed Jobsearch (3-6 months on JSA) and Supported Jobsearch (6-12 months on JSA) – and suppliers deliver the fourth stage, the Flexible New Deal (12 months+ on JSA).



gain Qualifications and Credit Framework (QCF) units as part of their engagement, which they can then progress towards achievement of a full qualification once in employment.

- Vocational skills training to support access to employment opportunities arising from key London regeneration projects – this activity will offer vocationally-based provision to individuals who have been unemployed for up to 12 months and the economically inactive. Activity will be of a similar nature to the vocational skills training offer but will be discrete provision that is specifically geared towards supporting individuals to access employment opportunities generated by three key regeneration projects in London – the Olympic Park, Stratford City and Crossrail. As such, providers delivering this activity will be expected to work closely with key stakeholders involved in employment and skills planning for these projects, particularly JCP and employers through the London Employer Accord.
- Pre-Entry Level work-focused ESOL – this activity will support individuals with ESOL needs below Entry Level. Both the Skills Funding Agency and JCP recognise in London that this target group requires specific support to be able to subsequently benefit from Skills Funding Agency ESOL provision funded through ESP and the ALR budget. The activity will focus on unemployed and economically inactive individuals identified by JCP and/or AACS as having pre-Entry Level ESOL needs and will lead them to access provision through ESP. We would expect provision to be a focussed and intensive short-term intervention in order to promote seamless progression to higher levels of learning and/or employment.
- Work-focussed ESOL – ESF may be used to support activity to fill gaps identified in plans developed by London Local Authorities (working in partnership with the community and voluntary sectors and JCP) that identify priority groups and/or activity for ESOL provision in their borough (in line with the approach described in the *New Approach to ESOL*).<sup>10</sup> Any additional ESOL activity at Entry Level and Levels 1 and 2 to be funded through ESF would follow an assessment of any gaps specified by London Local Authorities.

ESF will help individuals move into or towards realistic labour market opportunities and the Skills Funding Agency will seek provision that progresses participants into sustainable employment of at least six months duration. Providers will be required to work closely with JCP and AACS to ensure participants progress to employment or are referred back to JCP and/or AACS to enable them to identify suitable alternatives if they do not gain employment. For individuals who progress to employment, providers will be expected to offer post-employment support for up to six months to maximise the individual's opportunity to retain employment.

Economically inactive participants undertaking vocational skills training to support access to employment opportunities arising from key London regeneration projects will also be directed to further training or job search options if they do not gain employment.

It is expected the majority of participants undertaking pre-Entry Level work-focused

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<sup>10</sup> See *Implementing the New Approach to ESOL* (Department for Business, Innovation and Skills, September 2009).

ESOL provision will not be ready to progress to employment after completing and providers will be expected to have links with ESP providers to enable individuals to move on to mainstream Skills Funding Agency provision, in line with any development plans arising from JCP and/or AACS assessments.

The Skills Funding Agency will work towards ensuring links between out of work and in-work provision through Train to Gain or Apprenticeships (whether funded through mainstream Skills Funding Agency funding or ESF) – such links will enable participants to continue the development of skills as they progress into work and thereby enhance their chances of retaining and progressing in work.

### *Target Groups*

Vocational skills training will specifically only be focussed on those who have been unemployed for up to 12 months and who JCP and/or AACS identify as primarily having vocational skills barriers to moving into employment.

Vocational skills training to support access to employment opportunities arising from key London regeneration projects will also be primarily focussed on unemployed individuals referred by JCP and/or AACS, although economically inactive individuals will also benefit from support offered by this project.

The target group for pre-Entry Level work-focused ESOL will be unemployed and economically inactive individuals identified by JCP and/or AACS as having pre-Entry Level ESOL needs. As this provision will be work-focused, asylum seekers will not be eligible to be supported.

Should any work-focused ESOL provision be required, it will be targeted towards the needs identified in any plans developed by the London Local Authorities. Again, as this provision will be work-focused, asylum seekers will not be eligible to be supported

Although activity will be demand-led, provision will be sought that demonstrates engagement with the key ESF target groups below:

- Learners with learning difficulties and/or disabilities (LLDD).
- Lone parents.
- Adults aged 50+.
- Individuals from black and minority ethnic (BME) groups.
- Women.

Discrete vocational skills training activity may be sought for LLDD – the need for such discrete activity will be established by the Skills Funding Agency and DWP/JCP.

As the support provided under vocational skills training activity will be available to individuals unemployed from day one (including those engaged with JCP), it is expected that people who have recently been made redundant will be a key target group for this activity.

Although they will not be an explicit target group for the activity, the nature of the provision to be offered through Pre-Entry Level work-focused ESOL activity will also support recent migrants with the right to work, one of the key groups identified in the

### *Geographical Targeting*

Vocational skills training and pre-Entry Level work-focused ESOL provision will be sought on a geographical basis and will be aligned with the geographical basis for provision offered by JCP. At present, it is envisaged this may operate as follows:

- A project or projects to deliver across the current JCP City and East London district and reconfigured to include all Olympic host boroughs in one district.
- Remaining delivery sought to cover each of the five JCP districts (with adjustment for the boroughs included as part of the Olympic host boroughs):
  - Central London;
  - Lambeth, Southwark and Wandsworth;
  - North and North East London (excluding boroughs included as Olympic host boroughs);
  - West London;
  - South London (excluding boroughs included as Olympic host boroughs).

Vocational skills training to support access to employment opportunities arising from key London regeneration projects will likely be delivered on or near the project sites. Although no specific geographical targeting is expected, the Skills Funding Agency may seek to ensure a proportion of participants supported by activity linked to the Olympic Park and Stratford City are residents of the Olympic host boroughs.

Geographical targeting of any work-focused ESOL provision will reflect the needs identified in any plans developed by the London Local Authorities, although activity will likely be sought on a sub-regional or regional level to ensure economies of scale.

### **Activity Leading to Progression to Apprenticeships**

The Skills Funding Agency will use ESF to extend and expand the NAS Diversity programme. This programme seeks to increase participation in Apprenticeships by learners from backgrounds not traditionally engaged with Apprenticeships.

The programme will meet the following key objectives:

- Increase atypical and under-represented groups on Apprenticeships (typically females, those from BME groups and LLDD).<sup>11</sup>
- Working with employers, atypical and under-represented groups and colleges and training providers that deliver Apprenticeships.

It will do so by:

- Developing and delivering a clear, direct and positive communication strategy on Apprenticeships to atypical and underrepresented groups, their parents and communities.

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<sup>11</sup> *Research to Shape Critical Mass Pilots to Address Under-Representation in Apprenticeships* (Institute for Employment Studies, 2009) ("Research to Shape Critical Mass Pilots"), pp. ix-xi.

- Understanding and removing any barriers to successful engagement and completion of Apprenticeships for under-represented and atypical learners.
- Helping employers understand and respond to atypical and under-represented group needs.
- Articulating employer requirements to atypical and under-represented groups.
- Understanding employer recruitment process and prepare atypical and under-represented groups for success.
- Promoting Apprenticeships to atypical and under-represented groups, their communities and key influencers, including parents, teachers, community leaders and support workers.
- Providing appropriate preparation for Apprenticeships to atypical and under-represented groups.
- Providing ongoing and effective, individualised support to atypical and under-represented groups through the employer's Apprenticeship recruitment process and, where appropriate, through their Apprenticeship.

ESF will help individuals move into or towards an Apprenticeship and the Skills Funding Agency will seek provision that ensures participants' progress to employment with an Apprenticeship and that this progression is sustained for at least six months. Providers will be expected to offer post-employment support to individuals progressing to an Apprenticeship for up to six months to maximise the individual's opportunity to retain employment and complete their Apprenticeship. The added value provided by this support will ensure that the under-represented groups to be supported through the Diversity programme will remain in their Apprenticeship, as research indicates the groups to be targeted by Diversity have lower Apprenticeship completion rates as well as being under-represented in terms of Apprenticeship starts.<sup>12</sup>

Providers delivering Diversity will be expected to demonstrate links with providers delivering additional Apprenticeship provision for individuals aged 19 and over using Priority 2.2 and 2.3 ESF to enable participants to progress.

### *Target Groups*

Diversity will focus on those who are unemployed and economically inactive aged 19 and over. A separate Diversity programme will support those aged 16-18 using funding from ESF Priority 1.2 (as outlined in section 1.2.1b).

The programme will specifically seek engagement with the following key ESF target groups:

- LLDD.
- Individuals from BME groups.
- Women.
- Adults aged 50+.

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<sup>12</sup> *World-Class Apprenticeships: Unlocking Talent, Building Skills for All. The Government's Strategy for the Future of Apprenticeships in England* (Department for Innovation, Universities and Skills, January 2008) ("*World-Class Apprenticeships*"); *Research to Shape Critical Mass Pilots* (note 11 above).

### *Geographical Targeting*

No specific geographical targeting is anticipated for this activity and provision will be sought on a regional basis.

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

The activities to be delivered using ESF have been developed in line with the national 16-19 Statement of Priorities, the Skills Funding Agency's National ESF Commissioning Strategy for Young People's Provision and the regional commissioning plan.<sup>13</sup> It is expected that London Local Authorities and their 14-19 strategy groups will build these activities into their local commissioning plans.

Activity supporting 16-18 Apprenticeships has been developed by NAS.

The development of the activity areas has also been done in close conjunction with the LDA (the other CFO operating in Priority 1.2). The complementarity of proposed provision with the LDA's provision is outlined in section 1.4.

#### **Indicative RPG Areas of Activity**

This Plan outlines how the RPG will target activities to the aim of supporting young people who are at risk of becoming NEET. Of the 183,500 16-18 year olds living in London, 5.2% were NEET in January 2010 (which is almost 10,000 teenagers).<sup>14</sup> The long-term outlook for children who become NEET is poor by comparison with their peers. They have lower incomes, poorer life chances and higher risks of teenage pregnancy and imprisonment.<sup>15</sup> Young people who are at risk of becoming NEET are in learning, though they may be lacking direction and showing dissatisfaction with school or college. The opportunities proposed in this Plan are designed to retain disaffected individuals in learning and so increase their chances of success.

The activities planned are focused on supporting young people when they are in danger of falling into the NEET category by providing activities to enable them to build the self-esteem, skills and aspiration they need to progress into sustained education, training or employment.

To address the needs of young people who are in danger of dropping out of learning or moving into unemployment, the proposed activities will offer a combination of support and new experiences – enabling them to build their self-esteem, skills and the aspiration they need to progress into sustained education, training or employment. The activities are designed to stimulate young people at risk of becoming NEET to discover their own strengths by trying out new pathways so that they will begin to see a positive future for themselves:

- Flexible Learning with Long-term Support (for young people at risk of becoming NEET aged 14-15) – diverse opportunities, including Foundation Learning, with intensive Personal Adviser (PA) support and tracking to sustain outcomes. The

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<sup>13</sup> *National Statement of Priorities and Taking a Lead* (notes 5 and 6 above).

<sup>14</sup> Data supplied by Connexions.

<sup>15</sup> *What's Next? 21 Ideas for 21<sup>st</sup> Century Learning* (Charles Leadbeater, Innovation Unit, 2008).

geographical focus will be based on volume of young people at risk of becoming NEET.

- Post-16 Inclusion with Long-term Support Linked to September and January Guarantee (for young people at risk of becoming NEET aged 16+) – diverse opportunities, including Foundation Learning, with intensive PA support and tracking to sustain outcomes. The geographical focus will be based on volume of young people at risk of becoming NEET.
- Higher Education-based Vocational Enrichment Programme for Talented Young People (for young people at risk of becoming NEET aged 14-18) – activity will be directed at groups (by gender and/or ethnic background) that are under-represented in Higher Education.
- Pan-London Initiative to Support Information, Advice and Guidance (IAG) to Young People (for young people at risk of becoming NEET) – this will include:
  - Career Education, Information, Advice and Guidance (CEIAG) for young people with LDD – carry out an audit of learning and work-based opportunities in London and compile and test how to make this available as a new user-friendly LDD-focused area of the Choice Prospectus.
  - Piloting use of text, social networking and other electronic means to provide young people with an annual calendar of IAG / CEIAG prompts and interactive exploration.
  - Choice Peer Champions – receive accredited training as “Choice Champions” working with local youth-based provision and in local and pan-London events to embed and raise awareness of the Choice online prospectus among young people aged 14-19.

In conjunction with the above activity, the RPG may seek to apply for ESF Technical Assistance to deliver specific activity in relation to IAG and linking activities together:

- Choice Jobs – maintain, improve and develop the current facility.
- A full evaluation of the Choice Prospectus and the Common Application Process (CAP) pilots in summer 2010:
  - Implement changes and developments to the Choice Prospectus website and its management, drawing on recommendations of the 2010 evaluation.
  - Take forward CAP stage 2 – drawing on lessons from the 13 Local Authority CAP pilots and 2010 evaluation.

### *Target Groups*

RPG activity will be directed at 14-19 year olds at risk of becoming NEET. The programme will specifically seek engagement with the following key ESF target groups:

- LLDD.
- Individuals from BME groups.
- Lone Parents.
- Women.

The Skills Funding Agency will fund activity on behalf of the RPG/YPLA targeted at young people who are “at risk of becoming NEET” – these are young people aged 14-19 (unless stated otherwise below) who are recorded on Connexions Client Caseload Information System under the following categories:

- Young people who are refugees or asylum seekers.
- Young people who are LLDD (with or without a Statement of Special Educational Needs).
- Young people who are looked after or in care (aged up to 16).
- Young people who are care leavers (aged 16-19).
- Young people who are pregnant.
- Teenage parents.
- Young people with health issues.
- Young people who are substance misusers.
- Young people who have been suspended or excluded from education.
- Young people supervised by Youth Offender Teams.
- Young carers.
- Young people who require ‘intensive’ support, but who are not NEET.

### *Geographical Targeting*

Some elements of the NEET programme may be targeted at those boroughs with the highest NEET numbers. The RPG anticipates targeting activities for young people who are at risk of becoming NEET – work is underway to quantify the statistical relationship between the number recorded as NEET and those recorded as being at risk of becoming NEET and this will inform specification design. Initial indications are that the distribution of young people at risk of becoming NEET per borough mirrors that of NEET. As shown in the table below, it is important to recognise that boroughs with the highest numbers of 16-18 year olds who are NEET are not always the boroughs with the highest percentage of NEETs. Acknowledging this is necessary when considering how to deliver provision.

### **Young People 16-18 NEET in London Borough ‘Hot spots’ (January 2010)<sup>16</sup>**

Comparison of top 10 measured by actual numbers and by percentage of population

Local Authority	16-18 NEET Number	Local Authority	16-18 NEET %
Croydon	639	Barking and Dagenham	8.0%
Barking and Dagenham	508	Lambeth	7.5%

<sup>16</sup> Data supplied by Connexions.

Enfield	448		Hackney	7.3%
Newham	443		Croydon	6.9%
Hillingdon	439		Greenwich	6.8%
Bromley	420		Southwark	6.8%
Lewisham	420		Haringey	6.7%
Greenwich	393		Islington	6.7%
Havering	390		Tower Hamlets	6.0%
Barnet	355		Newham	5.9%

### **Activity Leading to Progression to Apprenticeships**

In line with the proposed adult Apprenticeship activity, the Skills Funding Agency will use ESF to extend the range of Apprenticeships and increase participation.

- Diversity in Apprenticeships 16-18 – remove barriers to Apprenticeships for atypical/under-represented groups (typically females, those from BME groups and LLDD). This project will operate on the same lines as the activity area under Priority 1.1 (as outlined in section 1.2.1a).
- Converting Education Business Partnerships (EBPs) to Apprenticeships – the Skills Funding Agency will explore using ESF to work with EBPs to convert employers offering work placements into Apprenticeships. EBPs support and deliver work-related learning activities in schools, colleges and other Further and Higher Education institutions. Their activities include work experience, employability skills activities and enterprise education. In carrying out such work, EBPs develop and maintain many relationships with employers and the Skills Funding Agency may seek to use ESF to develop these established employer links to identify potential employers willing to take on an Apprentice.

#### *Target Groups*

Apprenticeship activity will be directed at 16-19 year olds NEET or at risk of becoming NEET. The programme will specifically seek engagement with the following key ESF target groups:

- LLDD.
- Individuals from BME groups.
- Lone Parents.
- Women.

#### *Geographical Targeting*

No specific geographical targeting is anticipated for this activity and provision will be sought on a regional basis.



## **1.2.2 Priority 2 – Creating a skilled and adaptable workforce**

Within Priority 2, the Skills Funding Agency will act as a CFO in three areas:

- 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.
- 2.3 – Increasing the number of employees with improved Level 3 and 4 skills.

ESF activities are expected to integrate with Skills Funding Agency Employer Responsive provision, including support for Train to Gain and Apprenticeships, and add learner volumes where demand exceeds mainstream Skills Funding Agency budgets.

### **a Priority 2.1 – Basic skills**

Within this Priority, the Skills Funding Agency will seek to use ESF in London to support Train to Gain.

The Skills Funding Agency acts as a CFO with the LDA in Priority 2.1. The Skills Funding Agency has worked closely with the LDA to establish where duplication exists and will continue work to align activity and to explore opportunities to co-commission ESF activity with the LDA where strategically appropriate and operationally practicable in line with the aims of LSEB and the principles of the JIP. The complementarity of proposed provision with the LDA's provision is outlined in section 1.4.

In line with this approach, the LDA and the Skills Funding Agency have committed to using ESF to increase demand and supply of workplace skills for life in London, with a specific focus on numeracy provision, building on a planned initial pilot programme. The planned pilot would involve the Skills Funding Agency co-commissioning LDA core funding in 2010/11 to test new and innovative approaches to increase the take up of workplace numeracy provision. The pilot will provide an integrated package of support for employers, delivered as part of the Skills Funding Agency's Train to Gain programme.

In addition to this discrete activity under discussion with the LDA, the Skills Funding Agency will also use ESF to fund basic skills qualification achievement as part of the wider Train to Gain offer funded through ESF under Priority 2.2 and Priority 2.3. As such, activity will be focussed on the priority sectors described for Level 2 and 3 provision. All individuals engaged under the offer through their employer will undertake an assessment to identify any basic skills needs. The offer will then allow individuals to undertake Skills for Life qualifications from Entry Level to Level 2 in literacy, numeracy and ESOL while they undertake Level 2 or Level 3 provision.

#### *Target Groups*

The Skills Funding Agency is currently discussing with the LDA how the needs of certain target groups (such as those who have recently entered employment from mainstream and ESF Priority 1.1 provision) can be met within the wider Train to Gain employer offer (see section 1.4).

Beyond these discussions, although activity will focus on employees who have basic

skills needs identified following an assessment, it is not envisaged at this stage there will be specific eligibility criteria outside of ESF and mainstream Train to Gain requirements.

Although activity will be demand-led, provision will be sought that demonstrates engagement with the key ESF target groups below:

- LLDD.
- Individuals from BME groups.
- Women.
- Adults aged 50+.

### *Geographical Targeting*

No specific geographical targeting is anticipated for this activity and provision will be sought on a regional basis. However, some activity will be targeted at specific sectors as indicated above.

## **b Priority 2.2 – Level 2**

Within this Priority, the Skills Funding Agency will seek to use ESF in London to support the following areas:

- Train to Gain.
- Apprenticeships.

The Skills Funding Agency acts as the sole CFO in Priority 2.2.

### **Train to Gain**

The Skills Funding Agency will use ESF to fund Level 2 qualification achievement as part of the wider Train to Gain offer funded through ESF. The Skills Funding Agency intends to use ESF to meet demand that is unable to be met through mainstream Train to Gain funding due to capacity or budgetary constraints.

The Skills White Paper makes clear that from 2010/11 all funding will be redirected to meet the Skills Funding Agency's strategic priorities and ESF activity will be aligned with these priorities.<sup>17</sup> In particular, it will be expected that ESF provision will focus on priority sectors in London. Such sectors will be translated from those identified by the UK Commission for Employment and Skills (UKCES) through its annual National Strategic Skills Audit (including emerging sectors identified by the Government).<sup>18</sup> These will be then developed by the LDA through its Regional Skills Strategy, which will articulate employer demand and set out specific skills investment priorities for London. These London skills priorities will inform the annual Skills Investment Strategy that will direct how the Skills Funding Agency will fund colleges and training institutions.

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<sup>17</sup> *Skills for Growth: The National Skills Strategy* (Department for Business, Innovation and Skills, November 2009) ("Skills for Growth"), pp. 34-41.

<sup>18</sup> *New Industry, New Jobs* (HM Government, April 2009).

Activity to be sought to support the wider offer available through Train to Gain may include:

- Additional Level 2 qualifications in priority sectors (identified using the process described above) – discrete activity to increase the supply of provision in priority sectors for London above that offered through mainstream Train to Gain provision (sectors will be identified at the procurement stage). Provision will incorporate both first and repeat Level 2 qualifications and will be funded in line with the revised arrangements for full and co-funded Train to Gain provision.<sup>19</sup>
- Level 2 qualifications to support growth in the low carbon sector – this activity will support re-training for workers in key areas identified by the relevant Sector Skills Councils (SSCs) to enable businesses to realise the opportunities generated by the growth of a low carbon economy. This activity will focus on re-training existing workers and training for new entrants across sectors such as construction, electricity and renewables, gas, waste management, water industries and building services engineering. The development of this activity will be taken forward jointly through the Low Carbon Skills Forum (which brings together key agencies involved in skills and employment in London to discuss the skills required in preparation for the low carbon economy) and based on research around London's low carbon needs and the capacity of providers to meet these needs.
- Level 2 qualifications to support employees in the Stratford City retail complex – this activity will support achievement of Level 2 qualifications in the retail sector for individuals employed in Stratford City. In particular, it is anticipated that a proportion of those supported by this activity will have gained employment as a result of the Stratford City vocational skills training provision to be funded under Priority 1.1. Providers delivering this activity will be expected to demonstrate links with providers delivering vocational skills training provision to enable participants to achieve a full qualification building on training undertaken as part of their pre-employment vocational skills training.
- Level 2 qualifications to support employees working on Crossrail – this activity will support achievement of Level 2 qualifications in construction for individuals employed on the Crossrail project. In particular, it is anticipated that a proportion of those supported by this activity will have gained employment as a result of the Crossrail vocational skills training provision to be funded under Priority 1.1. Providers delivering this activity will be expected to demonstrate links with providers delivering vocational skills training provision to enable participants to achieve a full qualification building on training undertaken as part of their pre-employment vocational skills training.
- Level 2 provision to support employees working on the Olympic Park – this activity will involve the provision of courses of varying lengths (up to and including achievement of full Level 2 qualifications). This provision will enable individuals recently employed on the construction of the Olympic Park to retain employment as well as offering training in other sectors in the build-up to the 2012 Olympic and Paralympic Games. It is anticipated that a proportion of those supported by this activity will have gained employment as a result of the Olympic

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<sup>19</sup> *Skills for Growth* (note 17 above), pp. 67-68; *Skills Investment Strategy* (note 3 above), pp. 17-18

Park pre-employment provision to be funded under Priority 1.1. Some provision will involve courses of a similar nature to that provided under the pre-employment training to ensure individuals that have been recently employed subject to improvements in their skills levels are able to continue their employment. The remaining places will provide specialist provision linked to the stage of the build. Increasingly this will be around “finishing” trades (such as fixing, earthmoving / landscaping, mechanical and electrical trades and horticulture). This could also involve training in the new job-rich sectors involved in delivering the Games, including spectator services.

## Apprenticeships

The expansion of the Apprenticeships programme is a key theme in *Skills for Growth*, the *Skills Investment Strategy* and the LSEB Strategy.<sup>20</sup> The Skills Funding Agency intends to use ESF to meet demand that is unable to be met through mainstream Apprenticeship funding due to capacity or budgetary constraints – this is particularly the case in meeting demand for Apprenticeships for those aged 19-24 and 25+.

The Skills Funding Agency will use ESF to expand the Apprenticeships offer in the following ways:

- Apprenticeships for those aged 19-24 and 25+ – this activity will expand capacity available under mainstream funding.
- Broadening frameworks that are not currently delivered in London – these are frameworks that are demanded by employers, but for which there is currently limited or no capacity within the provider base to deliver – current examples are playwork, laboratory technicians, youthwork, fashion and textiles, marketing, building service engineers and medical secretaries.
- Targeting strategic initiatives and priority sectors – the Skills Funding Agency may seek to use ESF to increase the supply of Apprenticeship provision in response to demand generated by regeneration projects such as the Olympic Park and Crossrail or to increase the supply of provision in priority sectors for London above that offered through mainstream Apprenticeship provision (sectors will be identified at the procurement stage).

## Target Groups

Activity will focus on employees who have training needs at Level 2 identified following an assessment but there will be no specific eligibility criteria outside of ESF and mainstream Train to Gain or Apprenticeship requirements. Of these, some employees will not previously have achieved a Level 2 qualification.

Although activity will be demand-led, provision will be sought that demonstrates engagement with the key ESF target groups below:

- LLDD.
- Individuals from BME groups.
- Women.

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<sup>20</sup> *Skills for Growth* (note 17 above), pp.28-33; *Skills Investment Strategy* (note 3 above), pp. 6 and 15-16; *From Recession to Recovery* (note 2 above), p. 11.

- Adults aged 50+.

In particular, it is expected that the expanded provision in Apprenticeships for adults will provide routes into Apprenticeship for individuals aged 19 and over engaged under the Diversity programme to be funded under Priority 1.1. Providers delivering Priority 2.2 Apprenticeship provision will be expected to demonstrate links with providers delivering the Diversity programme for individuals aged 19 and over using Priority 1.1 ESF to enable participants supported by Diversity to progress.

### *Geographical Targeting*

No specific geographical targeting is anticipated for this activity and provision will be sought on a regional basis. However, activity will be targeted at specific sectors as indicated above.

## **c Priority 2.3 – Level 3 and 4**

For 2011-13, the London Intermediate Body has allocated the Skills Funding Agency a greater proportion of overall Priority 2 funding to be utilised on activity under Priority 2.3. The strategic context for this change is set out in section 1.5.

As under Priority 2.2, within this Priority the Skills Funding Agency will seek to use ESF in London to support the following areas:

- Train to Gain.
- Apprenticeships.

The Skills Funding Agency acts as the sole CFO in Priority 2.3.

### **Train to Gain**

The Skills Funding Agency will use ESF to fund Level 3 and 4 qualification achievement as part of the wider Train to Gain offer funded through ESF. The Skills Funding Agency intends to use ESF to meet demand that is unable to be met through mainstream Train to Gain funding due to capacity or budgetary constraints.

As with Level 2 provision, it will be expected that provision will focus on priority sectors identified by the UKCES and the LDA through its Regional Statement of Priorities.<sup>21</sup>

Activity to be sought to support the wider offer available through Train to Gain may include:

- Additional Level 3 and 4 qualifications in priority sectors (identified using the process described above) – discrete activity to increase the supply of provision in priority sectors for London above that offered through mainstream Train to Gain provision (sectors will be identified at the procurement stage). Provision will incorporate both first and repeat Level 3 and 4 qualifications and will be funded in line with the revised arrangements for full and co-funded Train to Gain provision.<sup>22</sup>

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<sup>21</sup> See notes 17 and 18 above.

<sup>22</sup> See note 19 above.

- Level 3 qualifications to support growth in the low carbon sector – this activity will support re-training for workers in key areas identified by the relevant SSCs to enable businesses to realise the opportunities generated by the growth of a low carbon economy. This activity will focus on re-training existing workers and training for new entrants across sectors such as construction, electricity and renewables, gas, waste management, water industries and building services engineering. The development of this activity will be taken forward jointly through the Low Carbon Skills Forum (which brings together key agencies involved in skills and employment in London to discuss the skills required in preparation for the low carbon economy) and based on research around London's low carbon needs and the capacity of providers to meet these needs.
- Level 3 qualifications to support employees in the Stratford City retail complex – this activity will support achievement of Level 3 qualifications in the retail sector for individuals employed in Stratford City. In particular, it is anticipated that a proportion of those supported by this activity will have gained employment as a result of the Stratford City vocational skills training provision to be funded under Priority 1.1. Providers delivering this activity will be expected to demonstrate links with providers delivering vocational skills training provision to enable participants to achieve a full qualification building on training undertaken as part of their pre-employment vocational skills training.
- Level 3 qualifications to support employees working on Crossrail – this activity will support achievement of Level 3 qualifications in construction for individuals employed on the Crossrail project. In particular, it is anticipated that a proportion of those supported by this activity will have gained employment as a result of the Crossrail vocational skills training provision to be funded under Priority 1.1. Providers delivering this activity will be expected to demonstrate links with providers delivering vocational skills training provision to enable participants to achieve a full qualification building on training undertaken as part of their pre-employment vocational skills training.
- Level 3 Union Learning Representative (ULR) qualifications to promote lifelong learning and skills in the workplace – this activity will support ULRs, who are usually currently trained to Level 2, to undertake a Level 3 ULR qualification. It is anticipated achievement at Level 3 will assist the promotion by ULRs to employees to undertake higher level qualifications.

## **Apprenticeships**

The Skills Funding Agency intends to use ESF to meet demand for Advanced Apprenticeships (Level 3) and Higher Apprenticeships (Level 4) that is unable to be met through mainstream Apprenticeship funding due to capacity or budgetary constraints – this is particularly the case in meeting demand for those aged 19-24 and 25+.

The Skills Funding Agency will use ESF to expand the Apprenticeships offer in the following ways:

- Advanced Apprenticeships (and possibly Higher Apprenticeships) for those aged 19-24 and 25+ – this activity will expand capacity available under mainstream funding and will be funded in line with the arrangements for co-funded Advanced and Higher Apprenticeship provision.

- Broadening frameworks that are not currently delivered in London – these are frameworks that are demanded by employers, but for which there is currently limited or no capacity within the provider base to deliver – current examples are playwork, laboratory technicians and medical secretaries.
- Targeting strategic initiatives and priority sectors – the Skills Funding Agency may seek to use ESF to increase the supply of Advanced Apprenticeship provision in response to demand generated by regeneration projects such as the Olympic Park and Crossrail or to increase the supply of provision in priority sectors for London above that offered through mainstream Apprenticeship provision (sectors will be identified at the procurement stage).
- Train the trainer – the Skills Funding Agency may seek to use ESF to increase the capacity of the provider base to deliver Apprenticeships by up-skilling assessors and/or increasing the supply of qualified assessors.

### *Target Groups*

Activity will focus on employees who have training needs at Level 3 identified following an assessment but there will be no specific eligibility criteria outside of ESF and mainstream Train to Gain or Apprenticeship requirements. Of these, some employees will not previously have achieved a Level 3 qualification.

Although activity will be demand-led, provision will be sought that demonstrates engagement with the key ESF target groups below:

- LLDD.
- Individuals from BME groups.
- Women.
- Adults aged 50+.

In particular, it is expected that the expanded provision in Apprenticeships for adults will provide routes into Advanced Apprenticeship for individuals aged 19 and over engaged under the Diversity programme to be funded under Priority 1.1 (depending on the suitability of the participant to progress to an Advanced Apprenticeship). Providers delivering Priority 2.3 Apprenticeship provision will be expected to demonstrate links with providers delivering the Diversity programme for individuals aged 19 and over using Priority 1.1 ESF to enable participants supported by Diversity to progress.

### *Geographical Targeting*

No specific geographical targeting is anticipated for this activity and provision will be sought on a regional basis. However, activity will be targeted at specific sectors as indicated above.

## **1.3 Complementarity with Related National, Regional or Local Provision**

Detail of related provision at national, regional and local level is contained within the above activity areas and is more broadly outlined in the Skills Funding Agency's National ESF Commissioning Strategies.

Skills Funding Agency ESF-funded delivery may form part of the offer made to

individuals through the AACCS. The Skills Funding Agency will assess the inclusion of its ESF activity on other regional databases of provision (including incorporating Priority 1.1 ESF activity on the West London Working ESF project directory) in line with the principles of simplifying the offer to individuals and employers and minimising bureaucracy for providers.

Priority 1.1 ESF activity will be delivered within the wider Integrated Employment and Skills service that will be operational across London from April 2010. Activity will support Local Employment Partnerships where appropriate.

Priority 1.2 ESF activity will be delivered support and complement London Local Authorities' strategic commissioning for those young people who are NEET or at risk of becoming NEET, the September and January Guarantees, the London Youth Offer, Aim Higher and Young Entrepreneurs.

Priority 2 ESF activity will be delivered consistently with the mainstream programmes it supports. It is expected that ESF-funded activity supporting Apprenticeships will be NAS branded and all vacancies will go through Apprenticeship vacancies. ESF-funded activity supporting Train to Gain will be branded as part of the wider Train to Gain package and will be part of the offer made to employers through the Business Link brokerage service (in line with the Business Support Simplification Programme).

The Skills Funding Agency will work towards ensuring links between out of work and in-work provision, enabling participants to continue the development of skills as they progress into work and thereby enhancing their chances of retaining and progressing in work.

For example, the proposed activity supporting employment and skills progression through key London regeneration projects under Priority 1.1 and Priority 2 has been designed with the intention that vocational skills training funded under Priority 1.1 will be employer-led and geared towards the sector(s) where employment opportunities will exist as a result of the regeneration projects. It is expected that participants will progress from this into employment on the regeneration project and continue their training either through Apprenticeships or Train to Gain (and funded through either mainstream Skills Funding Agency funding or under ESF Priority 2).

#### **1.4 How Activity Will Complement Other CFO ESF Provision**

The Skills Funding Agency has worked closely with other London CFOs and the London Intermediate Body to ensure coherent design of ESF activity in London, in line with the aim of LSEB (supported by the Mayor of London) to create a fully integrated customer-focused skills and employment system. In particular, all CFOs have actively explored potential to co-commission ESF activity where it is strategically appropriate and operationally practicable, in line with the direction sought by LSEB and expressed in the London ESF Regional Framework.

This work has resulted in two approaches to co-commissioning across the three priority areas where more than one CFO is operating in London (1.1, 1.2 and 2.1).

- Co-commissioning – CFOs pool their match and ESF funding and procure the provision of ESF-supported projects as one, rather than running separate tendering processes.



- Integrated Commissioning – funding remains with each individual CFO but the benefits of co-commissioning are realised through aligning services and inter-agency working. The following key principles are applied:
  - Close joint working: CFOs will operate through a Steering Group to oversee the ongoing development of activity under the priority, review progress, agree priorities and resolve issues.
  - Achieving value for money: to prevent any overlap of provision or cross-over in targeting the same participants, CFOs will agree a clear split of responsibility within the priority, including distinct articulation of target audience, activities and project geographical and/or sectoral focus.
  - Simplifying the marketplace for providers: CFOs will work together through the development and procurement phases of the relevant priority, aligning timetables and procurement documentation where possible.
  - Aligned contract management processes: CFOs work to ensure the management of ESF contracts under the priority is as aligned as possible.

#### 1.4.1 Priority 1.1

Following discussions between all five CFOs operating in Priority 1.1, it has been agreed that ESF activity will be primarily split by target group as follows:

- DWP/JCP provision focused on the unemployed and the economically inactive.
- Skills Funding Agency provision focused primarily on individuals who are unemployed for up to twelve months.
- LDA provision focused primarily on the economically inactive.
- National Offender Management Service (NOMS) provision focused solely on offenders who need additional support to access employment or other CFOs' mainstream and ESF provision.<sup>23</sup>
- London Councils provision focused primarily on the economically inactive and delivered wholly through third sector providers.

It has been agreed that the distinct target groups to be supported by NOMS and London Councils will benefit from progression to ESF or mainstream-funded provision operated by the other three CFOs as well as directly to sustainable employment.

DWP/JCP and the LDA have committed to developing provision for the Heathrow employment zone under Priority 1.1 using the principles of Co-commissioning. Discussion around the terms and mechanics of co-commissioning this activity is underway. The proposed activity would:

- Utilise the flexibility of ESF funding to deliver a coherent employability and up-skilling programme to ensure all of London's workless population can access the employment opportunities at Heathrow and progress once in work.
- Ensure that the integrated employment offer is clear and into and in work support is coordinated through a single front end.

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<sup>23</sup> NOMS ESF provision will specifically focus on prisoners subject to statutory supervision by London Probation Trust and prisoners sentenced to short-term custodial sentences.

DWP/JCP, the Skills Funding Agency and the LDA have undertaken further work to align their remaining ESF activity using the principles of Integrated Commissioning.

The offer for those unemployed for up to 12 months funded by DWP/JCP and the Skills Funding Agency will be centred on the initial assessment by JCP and/or the AACS. It is expected the majority of participants will engage with provision through these two routes and individuals who are not engaged with JCP or AACS should be encouraged by providers to do so to maximise their skills development and employment opportunities. The assessment will establish the level of need required to assist the individual into employment and the individual will then be directed to provision as follows:

- Individuals with low-level needs will be directed to the offer available through the DWP/JCP Support Contract (DWP/JCP match provision).
- Individuals who have skills needs identified as the primary barrier to employment will, with advice from the AACS, be directed to one or more of the offers available through the Skills Funding Agency based on need:
  - Vocational skills training if the primary need is for vocational re-skilling (ESF provision).
  - Basic skills or ESOL provision through the Employability Skills Programme (ESP) or Adult Learner Responsive (ALR) provision (match provision).
  - Pre-Entry Level ESOL if the primary need is for ESOL at levels below that offered through ESP or ALR (ESF provision).
- Individuals who have multiple needs identified as barriers to employment will be directed to the offer available through the DWP/JCP ESF provision.

The role of JCP and AACS will be instrumental in this process, as they will help to identify the most appropriate provision as well as offering routes for further support after they complete provision if they do not initially gain employment.

The offer for those unemployed for 12 months or more and the economically inactive funded by DWP/JCP and the LDA will similarly be centred on the initial assessment by JCP and/or the AACS but allow for additional entry points to ensure individuals who are not engaged by DWP/JCP are supported. As with the offer for those unemployed for up to 12 months, individuals who are not engaged with JCP or AACS should be encouraged by providers to do so to maximise their skills development and employment opportunities. The LDA's offer to the economically inactive and the long-term unemployed will be targeted at those unlikely to be supported by DWP/JCP or Skills Funding Agency mainstream and ESF provision.

Assessment by JCP, AACS or other parties (including providers) will establish the level of need required to assist the individual into employment and the individual will then be directed to provision as follows:

- Those who are unemployed for 12 months or more will undertake mandatory provision under the DWP/JCP Flexible New Deal (JCP match provision).
- Those who are on Employment and Support Allowance (ESA) and Incapacity Benefit with low-level needs will be directed to the offer available through the DWP/JCP Pathways (JCP match provision).

- Unemployed and recent economically inactive individuals who have multiple needs identified as barriers to employment will be directed to the offer available through the DWP/JCP ESF provision. This will include:
  - Incapacity Benefit (IB) claimants who have been assessed through the ESA assessment process and have transferred to JSA.
  - IB claimants who have been assessed through the ESA assessment process and have transferred to ESA and have been on ESA for up to 12 months.
  - New ESA claimants.
  - Income Support (IS) claimants who have been transferred to JSA.
  - Certain types of IS claimants that are not currently mandated to engage with DWP/JCP mainstream programmes and who have been on IS for up to 12 months (lone parents with children aged under 7).
- Long-term economically inactive individuals who have multiple needs identified as barriers to employment will be directed to the offer available through the LDA ESF provision. This will include:
  - IB claimants not yet assessed through the ESA assessment process.
  - IB claimants who have been assessed through the ESA assessment process and have transferred to ESA and have been on ESA for 12 months or more.
  - Certain types of IS claimants that are not currently mandated to engage with DWP/JCP mainstream programmes and who have been on IS for 12 months or more (lone parents with children aged under 7).
  - Individuals who have been out of work for over 12 months and are not engaged or supported by DWP/JCP mainstream welfare to work programmes (such as women in coupled families whose partner is on a low income).

The coherency of the three CFOs' offer will be articulated through a map showing the customer journey under the three organisations' mainstream and ESF offers. The map will be used by JCP Advisers and the AACs to direct individuals to the most appropriate provision based on their assessment. Agreed wording about the offer will be taken forward for use in each CFO's specifications and procurement advice documents or Prospectuses. The map will also be used to advise all CFOs' ESF providers about the integrated offer (including those funded by London Councils and NOMS to ensure they can identify appropriate progression routes from their provision).

DWP/JCP, the Skills Funding Agency and the LDA have further agreed to ensure there is no duplication of provision by agreeing to the following exclusions:

- Sectors – some LDA provision will focus on supporting employment into the low carbon sector and the Skills Funding Agency has agreed that its vocational skills training offer will not offer provision in this sector.
- Geography – LDA will not fund provision in the boroughs covered by the DWP/JCP Personalised Employment Programme pilot (the London Boroughs of Barnet, Enfield and Haringey).

In addition, the Skills Funding Agency and the LDA have agreed that:

- Any Skills Funding Agency provision that will target the economically inactive will be procured and managed in a complementary manner to the principles for supporting this group agreed by the LDA and DWP/JCP.
- Any LDA provision that will target those unemployed for less than 12 months will be procured and managed in a complementary manner to the principles for supporting this group agreed by the Skills Funding Agency and DWP/JCP.

#### **1.4.2 Priority 1.2**

Discussions between the LDA, Skills Funding Agency, RPG and YPLA have led to agreement that the majority of ESF activity under Priority 1.2 will be delivered using the principles of Integrated Commissioning, with activity primarily split by target group. The exception to this agreement will be where ESF supports Apprenticeships – this activity will support both young people who are NEET and those who are at risk of becoming NEET. This approach has been agreed and endorsed by the RPG.

Beyond this exclusion, the LDA will fund activities focussed on those who are NEET and the RPG/YPLA activity (managed on their behalf by the Skills Funding Agency) will target young people who are at risk of becoming NEET. This scenario would then be delivered using the integrated commissioning principles outlined above.

- The LDA will fund activity targeted at young people who are NEET – young people aged between 16 and 18/19 who are not in education, employment or training.
- The RPG/YPLA activity (managed on their behalf by the Skills Funding Agency) will fund activity targeted at young people who are “at risk of becoming NEET” – young people aged 14-19 (unless stated otherwise below) who are recorded on Connexions Client Caseload Information System under the following categories:
  - Young people who are refugees or asylum seekers.
  - Young people who are LLDD (with or without a Statement of Special Educational Needs).
  - Young people who are looked after or in care (aged up to 16).
  - Young people who are care leavers (aged 16-19).
  - Young people who are pregnant.
  - Teenage parents.
  - Young people with health issues.
  - Young people who are substance misusers.
  - Young people who have been suspended or excluded from education.
  - Young people supervised by Youth Offender Teams.
  - Young carers.
  - Young people who require ‘intensive’ support, but who are not NEET.

The arrangements around closer joint working between the RPG, YPLA, Skills Funding Agency and the LDA will be developed in the context of:

- The national shared service agreement between the Skills Funding Agency and the YPLA; and
- The regional version of this agreement between the Skills Funding Agency, YPLA, RPG and London Councils.

### 1.4.3 Priority 2.1

Discussion between the LDA and Skills Funding Agency is currently around ESF activity under Priority 2.1 being delivered using the principles of Co-commissioning. Both organisations have committed to using ESF to increase demand and supply of workplace skills for life in London, with a specific focus on numeracy provision, building on a planned initial pilot programme.

Support for mainstream workplace Skills for Life is delivered by the Skills Funding Agency through the Train to Gain Programme. However, given the potential scale of the challenge to meet the need in London, particularly for numeracy, the LDA and Skills Funding Agency have committed to work together to provide a joint response for London. This joint response will maximise possible funding from the LDA's Single Programme budget in addition to ESF Priority 2.1 funding.

By adding additional funding to the current mainstream provision, the LDA and Skills Funding Agency can seek to support more Londoners to access basic skills to meet the challenging numbers outlined. Both organisations will seek new and innovative means of raising demand and delivery to meet employer needs.

The planned pilot would involve the Skills Funding Agency co-commissioning LDA core funding in 2010/11 to test new and innovative approaches to increase the take up of workplace numeracy provision. The pilot will provide an integrated package of support for employers, delivered as part of the Skills Funding Agency's Train to Gain programme.

Discussions around the terms and mechanics of co-commissioning this pilot activity are underway. The outcome of these discussions will subsequently inform the likelihood of Priority 2.1 ESF activity being delivered using the principles of Co-commissioning. If it goes ahead, the pilot will allow both CFOs to test commissioning arrangements and will inform arrangements for possible co-commissioning of Priority 2.1 ESF activity from 2011 to 2013.

The proposed activity will complement mainstream provision by building demand for and supply of numeracy provision, in line with the need identified to particularly focus on numeracy highlighted in the *Skills Investment Strategy* and by UKCES.<sup>24</sup>

The pilot may also seek to test development and delivery of LDA's priority focus on retention and progression in the workplace. At this stage, it is envisaged a separate evaluation would be commissioned in order to look at the LDA's progression outcomes for the period of the pilot. This evaluation would inform discussion around including such a progression outcome as a part of co-commissioning of Priority 2.1 ESF activity.

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<sup>24</sup> *Skills Investment Strategy* (note 3 above), p. 22; *Ambition 2020: World Class Skills and Jobs for the UK* (UK Commission for Employment and Skills, May 2009) ("*Ambition 2020*"), p. 8.

Part of discussions around developing the pilot activity will involve both organisations working on ways in which the needs of certain target groups (such as those who have recently entered employment from mainstream and ESF Priority 1.1 provision) can be met within the wider Train to Gain employer offer.

If the pilot is agreed, the LDA will enter into a grant agreement with the Skills Funding Agency by September 2010. If the pilot is successful in going forward, the two organisations will build on the development and partnership work to co-commission ESF activity under Priority 2.1, under which the LDA would transfer its ESF and its match to the Skills Funding Agency.

If it is subsequently agreed not to deliver either the pilot activity or Priority 2.1 ESF activity using the principles of Co-commissioning, the Skills Funding Agency and the LDA have agreed that ESF activity under Priority 2.1 will be delivered using the principles of Integrated Commissioning.

## **1.5 Complementarity with Related Regional and Sub-Regional Strategies**

### **1.5.1 National and Regional Context**

The proposed Skills Funding Agency Priority 1.1 Programmes for the Unemployed activity supports the delivery of skills-based training to assist unemployed and economically inactive individuals into work, as set out in the recent Government White Papers.<sup>25</sup> Working in particular with DWP/JCP, the Skills Funding Agency is seeking to ensure a proper fit of ESF-funded activities in the wider context of provision targeted at this group (as outlined in section 1.4). In common with Priority 1.1 activity proposed by other London CFOs, the Skills Funding Agency's proposed activity reflects the desire expressed by LSEB (and supported by the Mayor) to see a substantial increase in the number of Londoners in sustainable work.<sup>26</sup> It also reflects their desire for pre-employment support having a stronger focus on the core employability skills London employers are looking for and being effectively linked with vocational training so people have clear progression pathways once in work.

Proposed activity also addresses the aspiration expressed in the LSEB Strategy for ESOL provision that helps the most disadvantaged people move into the labour market, improves their life chances and is delivered within a vocational context.<sup>27</sup>

The Diversity programme proposed to be funded through Priority 1.1 and 1.2 responds to the need to address under-representation of various groups in Apprenticeships identified in *World-class Apprenticeships*, the research commissioned to inform the development of pilots to address this under-representation and the LSEB Strategy.<sup>28</sup>

The Skills Funding Agency will ensure Priority 1.1 activity is aligned with the two London City Strategy Pathfinders through its ongoing strategic involvement with them.

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<sup>25</sup> *Skills for Growth* (note 17 above), pp. 42-48; *Building Britain's Recovery* (note 8 above), pp. 54-73.

<sup>26</sup> *From Recession to Recovery* (note 2 above), pp. 30-34; *Rising to the Challenge: The Mayor's Economic Development Strategy for Greater London* (Greater London Authority, October 2009) ("*Rising to the Challenge*"), pp. 60-63 and 65-66.

<sup>27</sup> *London's Future* (note 2 above), p. 33.

<sup>28</sup> *World-Class Apprenticeships* (note 12 above), pp. 45-50; *Research to Shape Critical Mass Pilots* (note 11 above); *From Recession to Recovery* (note 2 above), p. 47.

The national strategic context for the proposed Priority 1.2 activity includes:

- The raising of the participation age, which requires all young people in England to continue in education or training to 17 in 2013 and to 18 in 2015.
- The 14-19 Qualifications Strategy, which sets out four national qualification suites: Applied Learning (Diplomas), Jobs with Training (Apprenticeships), Foundation Learning, and Academic Learning (GCSE and A levels), together with Functional Skills.
- The September and January Guarantees, which ensure that every young person of academic age 16 or 17 is offered a suitable place in education or training by the end of September, and again by the end of January.

The RPG's objective is to make sure every young person has a personal route to success – the right learning option and the right package of support – and gains the skills to secure a better future for themselves and their communities. Its priorities are to:<sup>29</sup>

- Increase participation rates: building towards full participation for all 16-18 year-olds in relevant and appropriate learning by 2015.
- Raise achievement rates: improving outcomes for young people.
- Improve progression rates for 14-19 year-olds into further and higher education and employment.

The activity proposed for young people aged 14-19 has been developed in the context of the London 14-19 RPG's role and in line with the following key strategic documents:

- The annual national and regional statements of strategic priorities from the Department for Children, Schools and Families and the London RPG.<sup>30</sup>
- The 32 London Local Authorities' Commissioning Plans.
- The national Action Plan for the 14-19 Prospectus and Common Application Process.<sup>31</sup>
- The national strategies around IAG for young people.<sup>32</sup>
- The London strategy for LLDD.<sup>33</sup>

Proposed Priority 2.1 activity complements mainstream provision by:

- Working with the LDA to build demand for and supply of numeracy provision, in line with the need identified to particularly focus on numeracy highlighted in the national strategies, by UKCES and in London by LSEB.<sup>34</sup>

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<sup>29</sup> *Taking a Lead* (note 6 above), p. 7.

<sup>30</sup> *National Statement of Priorities and Taking a Lead* (notes 5 and 6 above).

<sup>31</sup> *Action Plan for the 14-19 Prospectus and Common Application Process* (Department for Children, Schools and Families, April 2009).

<sup>32</sup> *Quality, Choice and Aspiration: A Strategy for Young People's Information, Advice and Guidance* (Department for Children, Schools and Families, October 2009); *Quality Standards for Young People's Information, Advice and Guidance (IAG)* (Department for Children, Schools and Families, October 2007).

<sup>33</sup> *Learning for Living and Working in London: A Strategy for Learners with Learning Difficulties and/or Disabilities* (Learning and Skills Council, June 2007).

<sup>34</sup> *Skills Investment Strategy* (note 3 above), p. 22; *Ambition 2020* (note 24 above), p. 8; *From Recession to Recovery* (note 2

- Allowing for basic skills provision in key sectors where there is demand for provision that exceeds mainstream Skills Funding Agency budgets, meeting the need for wider basic skills provision in London expressed by LSEB.<sup>35</sup>

Proposed activity to be funded under Priority 2.2 and 2.3 will add learner volumes where demand for Train to Gain and Apprenticeships exceeds mainstream Skills Funding Agency budgets. The proposal to target Priority 2 activity at growth sectors reflects national and regional strategy, which point to the need to focus support on areas where national and regional government anticipate high growth or demand from employers. *Skills for Growth* suggests that priorities for increased funding should focus on the life-sciences, digital media and technology, advanced manufacturing, engineering construction and low carbon sectors.<sup>36</sup> *Building Britain's Recovery* acknowledges the importance of investing in those sectors that will support Britain's economic renewal and recovery but also argues for investment in sectors that will deliver high employment growth over the next decade.<sup>37</sup> The Mayor's strategy also states the need to focus on ensuring London's workforce has the necessary skills to enable businesses to fully realise the employment opportunities from the global move to a low carbon economy. In addition, the Mayor anticipates that the capital's business and financial services, leisure and personal services, hospitality and retail sectors will grow significantly between 2009 and 2031, and that government funding in London should focus primarily on the demands of these growth employment sectors.<sup>38</sup> One of LSEB's short-term aims aspires to "build a shared view of the future skills needs of London, including priority sectors at a regional and sub-regional level."<sup>39</sup>

The change in the allocation of Priority 2 funding and activity towards higher level qualifications is welcome as *Skills for Growth* makes clear the need to increase provision at Level 3 and 4, particularly in relation to Apprenticeships, and highlights the increased wage returns for people that complete vocational qualifications at these levels.<sup>40</sup> Increasing activity at Levels 3 and 4 is more broadly set by the ambition outlined in the Leitch Review of Skills of 68% of the population being qualified to Level 3 by 2020 and the most recent assessment by UKCES of the country's ability to attain this target.<sup>41</sup> LSEB and the Mayor highlight the need to increase the supply of higher level skills specifically in London through their respective strategies.<sup>42</sup>

Expanding Apprenticeships is a key theme in *Skills for Growth*, the *Skills Investment Strategy* and the LSEB Strategy.<sup>43</sup> In particular, expanding Advanced Apprenticeships and Higher Apprenticeships is highlighted as a key factor in supporting economic growth. *Building Britain's Recovery* also suggests Apprenticeships will play an

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above), p. 33; *London's Future* (note 2 above), p. 33.

<sup>35</sup> *London's Future* (note 2 above), p. 33.

<sup>36</sup> *Skills for Growth* (note 17 above), p. 39.

<sup>37</sup> *Building Britain's Recovery* (note 8 above), p. 43.

<sup>38</sup> *Rising to the Challenge* (note 26 above), pp. 26 and 48-50.

<sup>39</sup> *From Recession to Recovery* (note 2 above), p. 10.

<sup>40</sup> *Skills for Growth* (note 17 above), pp. 20-27.

<sup>41</sup> *Prosperity for All in the Global Economy – World Class Skills* (Leitch Review of Skills, December 2006); *World Class Skills: Implementing the Leitch Review of Skills in England* (Department for Innovation, Universities and Skills, July 2007); *Ambition 2020* (note 24 above), p. 7.

<sup>42</sup> *From Recession to Recovery* (note 2 above), pp. 21-22; *London's Future* (note 2 above), p. 33; *Rising to the Challenge* (note 26 above), pp. 65-66.

<sup>43</sup> *Skills for Growth* (note 17 above), pp.28-33; *Skills Investment Strategy* (note 3 above), pp. 6 and 15-16; *From Recession to Recovery* (note 2 above), p. 11.



important role in supporting people back into work.<sup>44</sup> Apprenticeships are a key theme within the LSEB strategy, both to help individuals acquire the skills needed to sustain employment and to ensure the Skills Funding Agency employer offer meets the demands of London's businesses. An LSEB objective is to close the gap between London and national Apprenticeship participation rates.<sup>45</sup> LSEB, the Mayor and the Local Government Association support the national drive to increase the number of people in Apprenticeships by 2020.<sup>46</sup> Proposed Priority 2 provision to support Apprenticeships will also reflect London Apprenticeship Taskforce priorities.

Proposed activity supporting employment and skills progression through key London regeneration projects under Priority 1.1 and Priority 2 supports the LSEB's and Mayor's interests in ensuring the regeneration opportunities offered by the 2012 Olympic and Paralympic Games, and through other projects, are approached in a comprehensive and sustainable way by improving education and skills and removing barriers to employment.<sup>47</sup>

### 1.5.2 Skills Funding Agency Context

The *Skills Funding Agency London Skills Plan 2010-11* sets out how the Skills Funding Agency, working closely with the LDA and JCP, will contribute to implementing the priorities for London set by LSEB and its three key strategic aims.<sup>48</sup> Because of the unique role of the LSEB, with its powers to direct the Skills Funding Agency's adult skills budget, London is the only English region producing a full Skills Funding Agency Skills Plan for 2010/11. Although Regional Development Agencies in the rest of the country will produce a Regional Priorities Statement, which will then be used as the basis for more detailed discussions with the Skills Funding Agency in early 2010, in London it has been agreed that the Skills Funding Agency London Skills Plan will take the place of the regional statement. It has been emphasised in guidance sent to colleges and training providers that they should take account of any stated regional priorities in deciding what programmes to offer in 2010/11. In London, emphasis will be placed on colleges and providers taking full account of regional skills priorities as defined by LSEB when determining their provision offer.

*Skills for Growth* underlines the vital importance of skills to economic recovery. The *Skills Investment Strategy* takes forward key elements of this strategy, as well as confirming an on-going commitment to the ambitions set out in the Leitch Review of Skills and the intention that provision should be driven by employer and learner demand.

From 2011/12, the LDA, working with LSEB and other key partners, will be responsible for developing the London employment and skills strategy as part of the overall single, integrated strategy for London thus ensuring that skills are core to wider economic development.<sup>49</sup> Generally, the skills strategies will:

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<sup>44</sup> *Building Britain's Recovery* (note 8 above), p. 88.

<sup>45</sup> *From Recession to Recovery* (note 2 above), p. 26.

<sup>46</sup> *From Recession to Recovery* (note 2 above), p. 47; *London's Future* (note 2 above), p. 26; *Rising to the Challenge* (note 26 above), p. 58; *Local Government Workforce Strategy Update* (Local Government Association, April 2009), p. 9.

<sup>47</sup> *From Recession to Recovery* (note 2 above), p. 48; *Rising to the Challenge* (note 26 above), pp. 72-73 and 74.

<sup>48</sup> *London Skills Plan* (note 4 above).

<sup>49</sup> See *Skills Funding Agency: Guidance Note 1* (December 2009), which is available on the Skills Funding Agency website ([www.bis.gov.uk/skillsfundingagency](http://www.bis.gov.uk/skillsfundingagency)).

- Articulate employer demand and set out specific skills investment priorities for London.
- Support the delivery of national priorities for skills, which take account of the advice of UKCES and other partners.
- Have a 20-year time horizon, updated every five to six years in line with wider regional strategies.
- Take account of skills priorities identified on the basis of industrial sectors (including SSCs) where these are relevant to the region.
- Articulate all skills needs in the region including pre-19 and higher education.
- Inform Regional Priorities Statements, produced by RDAs every three years and refreshed annually. These will constitute a core element of the Ministerial annual Skills Investment Strategy against which the Skills Funding Agency will fund colleges and learning providers to ensure an appropriate supply of skills to meet the national, sectoral, regional and sub-regional priorities. The Government will review and sign off these strategies, ensuring consistency with national investment priorities.

The Skills Funding Agency's Delivery Plan, agreed with BIS, will set out how it will fund colleges and providers to deliver the priorities in the Skills Investment Strategy and how it will engage with the sector, articulating how it will allocate funds and performance manage providers. The Delivery Plan will set out the BIS sectoral priorities, informed by the UKCES, SSCs and Regional Priorities Statements. This information will help the Skills Funding Agency influence the delivery of providers in shaping their offer to learners and employers as information about these priorities will be highlighted in Skills Funding Agency meetings with providers. It is intended the Delivery Plan will be produced annually and will be iterative, with publication in three phases – winter, spring and summer.

The Skills Funding Agency will seek to ensure sufficient flexibility within its ESF-funded provision to enable it to complement and add value to the strategic vision for its mainstream funding as set out in the *London Skills Plan* and subsequent Regional Priorities Statements and national Skills Investment Strategies.

## 1.6 Targets and Assumptions

Anticipated indicators for activity are contained in Appendices 1a and 1b.

These targets are based on the following assumptions:

- Provision in Priorities 1.1 and 1.2 will be expected to meet the Plan targets for participation of lone parents. Information on participation by lone parents will be collected through the national cohort survey undertaken by ESF Division as the Skills Funding Agency does not capture data on lone parent participation (these arrangements are set out in Annex A of the ESF Operational Programme).
- Specific vocational skills training activity may be sought to meet LLDD target for Priority 1.1.
- Priority 1.1 funding will be procured and contracted from September 2010, with activity commencing from April 2011.

- Priority 1.2 funding will split, with the majority procured from September 2010 (with activity from April 2011) and remaining funding to be procured in 2011/12.
- Priority 2 funding will be split, with 60% procured from September 2010 (with activity from April 2011) and the remaining 40% to be procured in 2011/12.
- The Skills Funding Agency will fund projects using maximum contract values, enabling swift movement of funds between providers in the event of under-performance.
- It is anticipated that the 2011 contracts will operate over three years.
- It is planned that ITTs and resulting contracts will be for an average of £1 million.

## **2 Funding and Added Value**

### **2.1 Added Value, Match Budgets and Complementarity**

The LSC has endorsed two Commissioning Strategies for the Skills Funding Agency, which detail how it will target ESF to ensure complementarity and enhance the added value of ESF. The purpose of the Commissioning Strategies is to ensure that ESF truly adds value and enhances national strategies.

The key issue for the strategic direction of Skills Funding Agency ESF activity in the 2011-13 programme is ensuring ESF supports the main policy directions for the Skills Funding Agency and (for 14-19 funding) the YPLA. Therefore, the Commissioning Strategies seek to ensure that:

- Sufficient regional flexibility is retained to meet regional skills needs and priorities identified in regional ESF frameworks.
- Appropriate contract lengths are sought for ESF provision (including the use of short contract periods where policy change is expected).
- ESF can achieve its full programme targets, including working with other CFOs to ensure complementarity and balance of provision.
- There is a balance between targeted provision supporting disadvantaged groups and additional volumes of mainstream provision drawn down from the Qualifications and Credit Framework (QCF).
- Activity, outputs and evaluation from ESF are used to inform mainstream development and approaches.

It is possible for the Skills Funding Agency to use a range of provision that is non-formula funded, negotiated extensions and/or single tendered as match funding, provided it is against agreed programmes with a standard unit cost or rate.

Activities funded by ESF, or Skills Funding Agency or YPLA funding used as match, will directly contribute to the priorities and outputs set out in the London ESF Regional Framework. Therefore, both funding methods will contribute to the Plan targets.

#### **2.1.1 Priority 1**

For Priority 1.1, ESF will add value to a number of Skills Funding Agency adult programme areas:

- Programmes for the Unemployed, including the Employability Skills Programme.
- AACS.
- Foundation Learning Curriculum.
- Learner support programmes.
- Provision for adults who are LLDD.

For Priority 1.2, ESF will add value to a number of YPLA and Local Authority policy areas. In particular, this will be around raising the participation age and will include adding value to programmes such as:

- 16-18 Apprenticeships.
- Foundation Learning.
- Learner support programmes.

Match will be sourced from a mixture of budgets, which could include those listed below. The funds given are national annual budgets, subject to review and we reserve the right to identify appropriate match programmes and utilise them as required.<sup>50</sup> All match funded provision will comply with ESF requirements (providers delivering budgets used as match funding are contractually required to meet such requirements).

Programme	Description	Budget 2010/11
14-19 Foundation Learning (FL) Curriculum programmes	For young people, FL is the national route of learning for 14 to 19 year-old learners working predominantly at Entry Level or Level 1. Learners follow personalised programmes with qualifications drawn off the QCF. FL supports improved engagement, participation, achievement and progression through Entry Level and Level 1 towards an appropriate destination, such as Level 2, employment (and supported employment) and/or more independent living.	£4 billion (main participation budget including FL)
16-18 Apprenticeships via the NAS	The Apprenticeship programme enables young people and adults to work with an employer while developing their occupational competence. An Apprenticeship is essentially a set of qualifications called a 'framework', which are developed by SSCs. Most Apprenticeship frameworks follow a standard format that comprises a National Vocational Qualification, key transferable skills and a Technical Certificate. The NAS has overall responsibility for the programme and its funding, and provider management is undertaken by the Skills Funding Agency on its behalf.	£780 million
ALR formula-funded provision, Programmes for the Unemployed and the AACS	ALR (the scope of which covers provision previously branded as FE adult provision) includes provision such as Foundation Learning, Skills for Life, Full Level 2 and Full Level 3 qualifications, as well as many other types of courses that may be studied on full-time or part-time basis in the day or evening.	£1.78 billion (main ALR budget)

<sup>50</sup> Budget figures are taken from the *Skills Investment Strategy* (note 3 above), p. 10, the *National Statement of Priorities* (note 5 above), p.16 and the Grant Letter from the Secretary of State for Children, Schools and Families to the YPLA (31 March 2010).

	<p>Programmes for the Unemployed covers provision providing a range of pre-employment activities to support unemployed individuals (including JCP customers) into work. It covers provision offered through the Response to Redundancy, Six Month Offer and Young Person's Guarantee programmes.</p> <p>The AACS is due to roll out nationally from August 2010 and will bring together the IAG services currently provided through the Careers Advice Service and Nextstep. The AACS will be a universal service providing personal, relevant advice on getting on in work and life, reflecting individual needs and situations. The service will comprise a core offer of labour-market focused careers and skills information and advice delivered over the web, telephone and face-to-face, enhancing and integrating existing services and operating under one brand name.</p>	
Employability Skills Programme	<p>A programme for delivering literacy, language (ESOL) and numeracy skills to JCP customers. The programme has a lower level, which delivers to Entry Level 3, and an upper level, which delivers to Level 1. The programme can also deliver Employability Awards. Programmes generally last between 12-15 weeks full time. Allowance payments, including for childcare and travel, are paid by JCP for full-time learners</p>	£58.9 million

### 2.1.2 Priority 2

For programmes supporting employees, ESF will continue to add value to Skills Funding Agency Train to Gain and Apprenticeship programmes.

Match will be sourced from a mixture of budgets, which could include those listed below. The funds given are national annual budgets, subject to review and we reserve the right to identify appropriate match programmes and utilise them as required.<sup>51</sup> All match funded provision will comply with ESF requirements (providers delivering budgets used as match funding are contractually required to meet such requirements).

Programme	Description	Budget 2010/11
Train to Gain	A service for employers that helps them to improve their productivity by developing the skills of their workforce. The service provides	£983 million

<sup>51</sup> Budget figures are taken from the *Skills Investment Strategy* (note 3 above).

	employers with a skills diagnostic service and enables employers to access a wide range of skills support that is either fully or partially subsidised, including Level 1, 2 and 3 and Skills for Life qualifications and higher level skills.	
19+ Apprenticeships via the NAS	The Apprenticeship programme enables young people and adults to work with an employer while developing their occupational competence. An Apprenticeship is essentially a set of qualifications called a 'framework', which are developed by SSCs. Most Apprenticeship frameworks follow a standard format that comprises a National Vocational Qualification, key transferable skills and a Technical Certificate. The NAS has overall responsibility for the programme and its funding, and provider management is undertaken by the Skills Funding Agency on its behalf.	£398 million

## 2.2 Administration Costs

As under the 2007-2010 phase, the Skills Funding Agency will deliver ESF using an integrated model, lead by the College and Learning Provider Services function. A national shared service agreement between the Skills Funding Agency and the YPLA is currently being developed to set the framework in which the strategic direction and operational priorities of the Plan will be agreed. A regional version of this agreement, describing the specific operations of the shared service in London, will be agreed between the Skills Funding Agency, YPLA, RPG and London Councils.

Administration costs will be wholly charged to ESF and will be within the 5% eligible. The Skills Funding Agency envisages that administration costs for the lifetime of the 2011-13 Co-financing Plan will be broken down as follows:<sup>52</sup>

Administration Calculation	%	Total Cost	Annual Cost
		£9,029,378	£3,009,793
Staff costs (including temporary staff for assessment)	52%	£4,695,277	£1,565,092
Overheads	34%	£3,069,989	£1,023,330
External room hire	7%	£632,056	£210,685
Marketing	7%	£632,056	£210,685

<sup>52</sup> The breakdown of total and annual administrative costs may not equal the total due to rounding.

## **3 Project Selection and Tendering Arrangements**

### **3.1 Procurement**

The tendering process for both ESF and match can be done through the open and competitive tendering (OCT) process. The Skills Funding Agency and YPLA can also use the standard rates flexibility offered by the European Economic Recovery Plan, without always going through the OCT process.

The Skills Funding Agency will likely procure ESF and match funded provision separately. However, the Skills Funding Agency reserves the right to jointly procure ESF and match funded provision if required in appropriate circumstances.

The planned procurement timeline is set out in Appendix 4. The Skills Funding Agency is working to align this timetable with those of other London CFOs where possible.

All procurement processes used by the Skills Funding Agency are complying with the Public Contracts Directive (2004/18/EC) implemented in the UK by Public Contracts Regulations 2006 (Statutory Instrument 2006/5).

#### **3.1.1 OCT Process**

##### **a Stage 1: QPF / ACTOR**

The Skills Funding Agency will continue to use the Qualified Provider Framework (QPF) developed by the LSC until the end of 2010. This is an e-procurement process and was opened to providers of education and training services on 31 October 2008.

The QPF is a maintained list of all providers from which the Skills Funding Agency will secure education and training services. Providers register detail of the type of activity they wish to offer and complete a pre-qualifying questionnaire (PQQ) based on performance management, health and safety, equality and diversity, capacity and resource. The PQQ is assessed and providers recognised are included in any subsequent procurement activity, either through invitation to tender (ITT) and/or negotiation. Prior to any procurement activity the QPF is frozen – this is notified to applicants 20 days in advance.

This process reduces provider effort by ensuring they are only invited to tender for appropriate provision based on the data supplied at pre-qualification.

From the end of 2010, the Skills Funding Agency will be introducing ACTOR (Approved Colleges and Training Organisations Register). This system is under development and is expected to be available from July 2010. The intention is that ACTOR will be used to create a single register of colleges and training organisations that may potentially be eligible for funding from the Skills Funding Agency. The register will streamline the procurement process and be part of the quality assurance system to ensure only high quality providers would be eligible for funding. ACTOR is therefore being developed as a single streamlined process that will replace the current two-stage PQQ/ITT process used to procure provision through the QPF.



## **b Stage 2: Submission of Tenders**

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

Tendering documents (specifically ITT specifications) will relate to the provision detailed within this Co-financing Plan, which has been developed to ensure priorities and targets will be met.

### **3.1.2 Standard Rates Flexibility**

Agreement was reached recently with the European Commission to allow the Skills Funding Agency to use the EC methodology for flat rates for standard scales of unit cost for both match funding and ESF. As agreed with the Commission, the Skills Funding Agency may therefore use formula funding rates as the basis for allocating ESF funding to providers, on the basis that the use of such funding rates are:

- Established in advance.
- Fair.
- Equitable.
- Verifiable.

This new approach allows the Skills Funding Agency to procure without going through the OCT process. It is intended that the Skills Funding Agency will determine providers to deliver ESF activity using this approach by using information available on QPF/ACTOR. QPF/ACTOR is open to all providers for pre-registration.

OCT would be used if:

- Standard rates or funding methodology is not established; or
- ACTOR cannot supply a conclusive list of providers for tendering (for instance, if too many providers have the same pre-qualification score).

## **3.2 Publicising Invitations to Submit Tenders**

All procurement activity will be publicised using established methods and routes, to comply with relevant procurement legislation. Details about the next freeze date on QPF will be primarily publicised by:

- An email being sent to all organisations registered on the QPF/ACTOR (not just those who are successful) advising them when the next freeze date will be (at least 30 days minimum before the freeze date).
- Any organisation who is not registered on QPF/ACTOR will find similar information on the national Skills Funding Agency website.
- The freeze date will also be advised to other CFOs and stakeholder organisations, including third sector umbrella bodies.

Launch of ITTs will be publicised by:

- An email being sent to all organisations who have indicated an interest in delivering the relevant ESF provision and who have been successful on the QPF/ACTOR.
- Details of the ITT launch will also be available on the Skills Funding Agency website and will be advised to other CFOs and stakeholder organisations, including third sector umbrella bodies – as with procurement under the 2007-10 phase, it is envisaged that a London ESF overview document will be produced.

The Skills Funding Agency may develop a specific programme of activity to ensure understanding of the changes to the ESF programme brought about by the establishment of the Skills Funding Agency, YPLA and the RPG.

### **3.3 Support and Advice**

The Skills Funding Agency will ensure through partners and briefings that providers are aware of the QPF/ACTOR process and how ESF and match funding is allocated. The Skills Funding Agency will be able to respond to questions through an e-portal and this will include compiling a frequently asked questions section. All support and advice offered will align with OCT guidelines.

### **3.4 Timetable**

As set out in Appendix 4, it is anticipated that procurement of 2011-2013 ESF will begin to take place from September 2010, with project activity commencing from April 2011.

### **3.5 Feedback Arrangements**

The Skills Funding Agency will employ a transparent appraisal process with applicants receiving an overview of the appraisal process.

All organisations applying for ESF from the Skills Funding Agency will be notified of result and providers can request feedback on their tender. The feedback will be through the QPF/ACTOR process.

In the interests of openness and transparency, the Skills Funding Agency will publish summary details of successful project applications (see Section 1.3 for proposed arrangements about including details of ESF provision on national or regional directories of provision).

#### **3.5.1 Arrangements for Dealing with Provider Complaints**

The Skills Funding Agency complaints process is to be confirmed. However, it is presently anticipated that, in the short term, the Skills Funding Agency will inherit the LSC complaints procedure.

## **4 Provider Funding and Monitoring and Management Information**

Although full details of how the Skills Funding Agency will fund and monitor ESF providers and how it will provide management information has yet to be confirmed, it is currently anticipated that the following will apply. Any changes to this approach and policy will be notified to the London Intermediate Body when detail is confirmed.

### **4.1 Contract Costs**

#### **4.1.1 Contracts Costs Agreed During the OCT Process**

The rates payable in the contract will either be based around mainstream programme rates or rates established in advance in the tender specification. The set rates will allow for regional variations in cost weighting and for costs associated with hard-to-reach participants. The Skills Funding Agency has defined a set of standard deliverables for the ESF programme and all payments are based on their delivery.

#### **4.1.2 Flat Rates for Standard Scales of Unit Cost**

The flat rate approach (formula funding) has been agreed by the EC and ESFD as eligible. Contracts formulated using this approach will be based on published rates (these rates will be established in advance, fair, equitable and verifiable). The main funding rates will be published in time for the start of the 2010/11 academic year and available for the first round of contracting. Standard rates take into account regional variations (through local or regional uplifts of funding rates) and costs associated with engaging and retaining disadvantaged groups – more detail is available in the Skills Funding Agency funding guidance available on the Agency website.

#### **4.1.3 Advance Payments**

In exceptional circumstances, it may be necessary for the Skills Funding Agency to provide advance payments 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. Advance payments will always be fully recovered during the lifetime of the project, whether the provider delivers or not.

### **4.2 Payment Arrangements for Providers**

Providers will be paid by the Skills Funding Agency on an agreed monthly payment profile. This profile forms part of the contract between the Skills Funding Agency and provider. Payments will be generated through a Centralised Contract Management (CCM) system, which will feed into the Skills Funding Agency payments system. Payments will be made to the provider through BACS on an agreed date in the month (based on the number of working days elapsed).

The CCM system allows providers to make monthly monitoring returns to the Skills Funding Agency to report on activity carried out in the previous month. The return will be based on the Individual Learner Record (ILR) returns and returns for non-ILR based delivery (such as 26 weeks sustainable employment) through a Delivery Statement. These returns will feed into the CCM system. The system will perform an automatic reconciliation on a quarterly basis (monthly for projects assessed as high risk). This reconciliation will make adjustments to subsequent payments based on

profile payments made against each deliverable that the provider has achieved.

Subject to further development of the CCM, it is intended that payment arrangements for providers funded using the flat rates approach will follow the equivalent mainstream arrangements for paying providers (which are again based on ILR returns).

### **4.3 Actual Costs**

The Skills Funding Agency does not intend to pay providers on an actual costs basis. All contracting will be based on contract costs and will be awarded through OCT or through the negotiated process. However, the Skills Funding Agency reserves the right to pay providers by other eligible methods if required in exceptional circumstances.

### **4.4 Arrangements for Monitoring ESF Providers**

Contracts are assigned to an account manager and a senior account director following approval. As financial profiles in contracts are linked to delivery, monitoring of financial performance is centred on appropriate and suitably evidenced delivery.

Providers will return learner data electronically to the Skills Funding Agency with a monthly (or quarterly) report on all deliverables within the contract. The required evidence to support these deliverables is identified within the contract and the evidence is held by the provider in line with ESF requirements.

The Skills Funding Agency will manage providers through single account management. The single account management approach will establish a single point of contact for each provider for all their contracts across all programmes and geography, including ESF programmes. It will encompass the negotiation and allocation of funding, performance management, monitoring and review, and risk assessment and will incorporate provider-specific initiatives such as capital projects. This approach is designed to encourage flexibility and autonomy of providers in making their own business decisions and responding directly to local employer and individual learning needs.

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 Skills Funding Agency staff.

Contracts are monitored against:

- The objectives of the contract.
- The timely and accurate return of records and reports to the Skills Funding Agency.
- Delivery of the agreed outcomes, outputs and milestones (as documented in the contract).
- The evidence of delivery (utilising a pre-determined sample size).
- Participant eligibility (as documented in the contract).

- Where possible, learner records will be automatically monitored electronically using the ILR database and, if applicable, the ensuing financial variance addressed through the system.

There are agreed variances for under-performance of ESF contracts. Where performance variances are greater than this, a business case is required to be authorised at director level. Underperforming contracts will have payments halted and/or claw backs enacted. Re-profiling will occur based on actual delivery to date and a newly agreed future delivery profile.

The Skills Funding Agency will keep an overview on expenditure and outputs to ensure that co-financed activity is performing within acceptable parameters and in line with the programme profiles submitted to the London Intermediate Body.

The Skills Funding Agency will communicate with providers by:

- A national e-bulletin, which will be sent weekly and can be customised to send specific messages to providers delivering ESF provision funded under the London Skills Funding Agency Co-financing Plan.
- Making details about the programme and support documents available on the Skills Funding Agency website.

#### **4.4.1 Project Delivery and Outcomes**

The nationally driven procurement process, alongside the use of the CCM system, ensures 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. For example, 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 account manager will look at the performance data submitted by the provider on a regular basis (in line with the 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.

Project and performance variance will be discussed with the provider. Frequency of monitoring will be adjusted as part of the process, if appropriate. Payments will be reconciled / adjusted as necessary and, if warranted, payments will be placed on hold whilst the performance issues are addressed.

#### **4.4.2 Quality Standards**

All Skills Funding Agency providers are required to comply with rigorous quality standards, including minimum performance levels set out in our Planning for Success

framework, which covers planning and quality.<sup>53</sup> Providers are also subjected to inspection through the Office for Standards in Education, Children's Services and Skills (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.
- Employers are able to recruit and develop the skilled and qualified workforce they need for business success.

Inspection will continue to focus on the Common Inspection Framework and will contribute to the new Quality Assurance System. We are intent on excellent provision for the benefit of employers and learners alike as a route to excellence.

The Skills Funding Agency will focus on investing in high-quality provision. The Framework for Excellence and the minimum levels of performance policy will be used to drive quality improvement in the sector.

The account manager will assess success rates from minimum levels of performance report and assess outcomes with previous reports. The account manager will also check learner health and safety assessment and liaise with the regional Health and Safety team to ensure actions are completed, and retrieve provider Self Assessment Reviews (SARs), Quality Improvement Plans and Provider Development Plans.

When Ofsted recommendation reports highlight areas of development, the provider's SAR will list the actions needed to address the issues. These will be reviewed with the account manager. Where possible, the Skills Funding Agency will provide funding towards support mechanisms (consultancy-type support). If the reports included the judgement of inadequate for 'effectiveness of provision,' the Skills Funding Agency will issue a Notice for Improvement with actions to undertake and will reserve the right to take the provision away from the provider where there has been failure of deliver the actions set.

The Skills Funding Agency will support the implementation of the West London Working Performance Rating for:

- Providers delivering activity under its 2011-13 programme that are not subject to Framework for Excellence and/or Ofsted inspection; or
- 2011-13 ESF provision that is not subject to Framework for Excellence and/or Ofsted inspection.

From August 2010, it is expected that providers will start delivering Qualifications and Curriculum Framework (QCF) provision where it is appropriate and available across all programmes. Skills for Life and functional skills qualifications are not on the QCF and the LSC gave a clear communication that funding will continue for this provision. QCF units and qualifications will become the preferred provision offered through the Skills

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<sup>53</sup> *Planning for Success – A Framework for Planning and Quality* (Learning and Skills Council, December 2005).

Funding Agency post-19 delivery programmes. Where ESF is accessed to support these areas of mainstream delivery or accredited provision, the Skills Funding Agency would expect providers to be using the new QCF units and qualifications as part of their offer.

QCF units also provide the flexibility for tailored packages of learning drawing on units from different qualifications. ESF programmes delivering foundation learning aims should include QCF units (with the exception of Skills for Life and functional skills which are not on the QCF) from the foundation learning offer.

#### **4.4.3 Financial Performance**

As financial profiles in contracts are linked to delivery, monitoring of financial performance is centred on appropriate and suitably evidenced delivery. Learner records will be automatically monitored electronically using the ILR database and the ensuing financial variance addressed.

The Strategic Finance team will complete a Cash Flow Report, providing a view of planned and actual payments made on a monthly basis.

For each provider, the Financial Summary Report shows a summary of their current approved allocations, their status, version number and the total value for the period selected.

#### **4.4.4 Audit**

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 account management 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 are expected to establish for administering 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 identifies 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 Cross-Cutting Themes

### 5.1 Equality and Diversity

Action to promote equality and diversity is an integral part of the Skills Funding Agency business objectives. A world-class workforce can only be created if we remove barriers, eliminate discrimination, address disadvantage and raise the aspirations of both present and potential learners.

The LSC Single Equality Scheme shows how this is put into practice.<sup>54</sup> By incorporating individual schemes for race, disability and gender equality into one overarching scheme, the LSC (and therefore the Skills Funding Agency) is creating a coherent framework for promoting equality and diversity within the organisation and across the learning and skills sector. Its objectives are aligned with the Skills Funding Agency national priorities so that it will operate strategically, in the mainstream of our work.

Specific actions in relation to engagement with equalities groups highlighted within the ESF Framework and this Plan will be embedded with specifications, tendering criteria and contracts. Providers will be contractually obliged to comply with equal opportunities policy requirements and implementation and impact will be reviewed in line with the annual self-assessment cycle.

### 5.2 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.<sup>55</sup>

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

The LSC published a sustainable development strategy and recently published a review of this strategy, making recommendations to the successor organisations (including the Skills Funding Agency) on taking sustainability in the sector forward.<sup>56</sup>

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

The Skills Funding Agency will build in sustainable development to the procurement

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<sup>54</sup> See *Single Equality Scheme: Our Strategy for Equality and Diversity* (Learning and Skills Council, April 2007) and *Review and Evaluation of the LSC's Single Equality Scheme* (Learning and Skills Council, June 2009).

<sup>55</sup> *Securing the Future: The UK Government Sustainable Development Strategy* (HM Government, March 2005).

<sup>56</sup> See *From Here to Sustainability: The Learning and Skills Council's Strategy for Sustainable Development* (Learning and Skills Council, September 2005) and *Review of the Learning and Skills Council Strategy for Sustainable Development 2005-2010* (Learning and Skills Council, March 2010).



and contracting processes. This approach will also apply to the contracts used as match for the programme.

From 2010/11, Skills Funding Agency contracts will include a sustainable development clause contractually obliging providers to comply with sustainable development policy requirements and policies will be reviewed annually. Providers will be directed to use the ESF Sustainable Development Flexible Framework Toolkit and guidance developed under ESF Technical Assistance. Skills Funding Agency staff will use the toolkit to bench mark and track implementation of sustainable development within projects and organisations.

### 5.3 Health

There is now clear evidence that good health should improve an individual's chances of finding and staying in work and of enjoying the consequent financial and social advantages.<sup>57</sup> There is also compelling evidence that work has an inherently beneficial impact on an individual's state of health. Work is known to be "good for mental health and to aid recovery even for those with the most severe of conditions. Unemployment is known to be bad for mental health and the longer people are out of the workplace the harder they find it to return and the greater the impact on their health and well-being."<sup>58</sup>

Certain people are more likely to experience health inequalities and access into paid employment and will need particular additional support to enable them to access the opportunities for health and well-being that work can offer – people such as young people with substance misuse issues, older women, carers, women offenders with children. Women in general are more vulnerable to poverty and unemployment. Men are more vulnerable to completed suicide, drug and alcohol abuse, crime and violence.

Factors about the type of work that contribute to health and well-being include:

- Work that is healthy and safe, as well as access to support such as health, housing, transport services being made easy for individuals to maintain their jobs.
- Work that is appropriate to a persons ability to perform in the job – this could be their health (including mental health) needs, as well as appropriate skills development.
- Work where an individual feels a sense of some influence over how they work.
- Work where an individual has a sense of self worth.

The new Health Performance Management Framework aims to enable ESF providers to gain and consolidate an understanding of the links between their work and the benefits to health and well-being for their clients. It is specifically designed to enable ESF providers to:

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<sup>57</sup> *Working for a Healthier Tomorrow* (Dame Carol Black et al, March 2008).

<sup>58</sup> *Employment and Mental Health Briefing 2* (National Mental Health Development Unit, 2010).

- Identify how their projects are impacting on health and well-being at the planning and early delivery stage.
- Identify actions that they could take to improve the potential positive impacts and make arrangements to reduce any unintended negative impacts.
- Identify deliverables that can be monitored throughout the lifetime of the project to measure impacts on health and well-being.
- Use as a means of evaluating their performance on health and well-being.

The evidence on health and employment suggests that ESF providers, as a minimum will need to be promoting:

- **Economic security** e.g. access to secure and appropriate employment (paid and unpaid), good working conditions, meaningful work and volunteering opportunities.
- **Support to enable sustained quality employment for a person placed in work** e.g. flexible or shorter working hours and childcare.
- **Access to education and skills development to enable access into work** e.g. skills at completing a CV, being interviewed and skills for the job.
- **Transport access and options** e.g. help with costs to attend interviews, training and clothing.
- **Information about healthy lifestyles and services** to clients.
- **One-to-one support** to some clients to enable them to access health and other services to improve their health in preparation to be fit for work and to maintain work.

The Skills Funding Agency will continue to work closely with the London Health Commission to embed health within the programme and delivery of ESF by providers. This will include the use of any materials produced under the ESF technical assistance project. The Skills Funding Agency in London will continue to seek to include all cross-cutting themes within the procurement and contracting process – at this point in time, it appears feasible to build all cross-cutting themes, including health, into its procurement and contracting processes.

## Declaration

I confirm that this Co-Financing Organisation intends to deliver the activities, outcomes and results set out in the plan set out above and has the required match funding as set out in Annex 2.

Signature	<input type="text"/>
Name	<input type="text" value="Chris Wright"/>
Official Position	<input type="text" value="Senior Account Director"/>
Date	<input type="text"/>

When you have completed this form you should send it to the ESF managing authority at the Government Office in your region, or in London to the London Development Agency European Programmes Management Unit.

## Appendix 1a – Planned Participants and Results (Priority 1)

Target	Quantification
<b>Outputs</b>	
Total number of participants	<b>28,430</b>
1.2 Number and % of participants who are unemployed	
(a) Number	<b>13,570</b>
(b) Percentage	<b>48%</b>
1.3 Number and % of participants who are inactive	
(a) Number	<b>2,310</b>
(b) Percentage	<b>8%</b>
1.4 Number and % of participants age 14 to 19 who are NEET or at risk of becoming NEET	
(a) Number	<b>12,550</b>
(b) Percentage	<b>44%</b>
1.5 % of participants with disabilities or health conditions	<b>22%</b>
1.6 % of participants who are lone parents	<b>12%</b>
1.7 % of participants aged 50 or over <sup>59</sup>	<b>18%</b>
1.8 % of participants from ethnic minorities	<b>56%</b>
1.9 % of female participants	<b>51%</b>
<b>Results</b>	
1.10 Number and % of participants in work on leaving	
(a) Number	<b>9,410</b>
(b) Percentage <sup>60</sup>	<b>33%</b>
1.11 Number and % of participants in work six months after leaving	
(a) Number	<b>N/A</b>
(b) Percentage	<b>N/A</b>
1.12 Number and % of economically inactive participants engaged in jobsearch activity or further learning	
(a) Number	<b>1,035</b>
(b) Percentage	<b>45%</b>
1.13 Number and % of 14 to 19 year old NEETS or at risk in education, employment or training on leaving	
(a) Number	<b>6,903</b>
(b) Percentage <sup>61</sup>	<b>55%</b>
1.14 Regional target(s) <sup>62</sup>	
(a) Number of participants remaining in work for six months	<b>5,736</b>
(b) Percentage	<b>20%</b>

<sup>59</sup> Percentage of unemployed and inactive participants (1.2 + 1.3) aged 50 or over. Excluded from participant total all NEET participants (1.4)

<sup>60</sup> Percentage of total completed Priority 1 participants in work on leaving

<sup>61</sup> Percentage of completed NEET participants (i.e. 1.4) in education, training or employment

<sup>62</sup> Must be based on participant data that CFOs already collect

## Appendix 1b – Planned Participants and Results (Priority 2)

Target	Quantification
<b>Outputs</b>	
2.1 Total number of participants	<b>60,000</b>
2.2 Number and % of participants with basic skills needs	
(a) Number	<b>18,800</b>
(b) Percentage	<b>31%</b>
2.3 Number and % of participants without level 2 qualifications	
(a) Number <sup>63</sup>	<b>25,000</b>
(b) Percentage	<b>42%</b>
2.4 Number and % of participants without level 3 qualifications	
(a) Number <sup>64</sup>	<b>16,200</b>
(b) Percentage	<b>27%</b>
2.5 % of participants with disabilities or health conditions	<b>15%</b>
2.6 % of participants aged 50 or over	<b>20%</b>
2.7 % of participants from ethnic minorities	<b>37%</b>
2.8 % of female participants	<b>50%</b>
<b>Results</b>	
2.9 Number and percentage of participants gaining basic skills	
(a) Number	<b>12,000</b>
(b) Percentage <sup>65</sup>	<b>64%</b>
2.10 Number and % of participants gaining level 2 qualifications	
(a) Number	<b>10,000</b>
(b) Percentage <sup>66</sup>	<b>40%</b>
2.11 Number and % of participants gaining level 3 qualifications	
(a) Number	<b>10,000</b>
(b) Percentage <sup>67</sup>	<b>62%</b>
2.12 Regional target(s) <sup>68</sup>	

<sup>63</sup> Excludes participants with basic skills needs (i.e. 2.1)

<sup>64</sup> With a Level 2 qualification but without a Level 3 qualification

<sup>65</sup> Percentage of completed participants without basic skills (i.e. 2.2) who gained basic skills

<sup>66</sup> Percentage of completed participants without Level 2 (i.e. 2.3) who gained Level 2 qualification

<sup>67</sup> Percentage of completed participants with Level 2 but without Level 3 (i.e. 2.4) who gained Level 3 qualification

<sup>68</sup> Must be based on participant data that CFOs already collect

## Appendix 2 – ESF and Match Funding Allocation by Year to December 2013

### Priority 1

Calendar Year	ESF (£)	Public Match (£)	ESF and Match (£)
2011	£30,363,186	£30,363,186	£60,726,372
2012	£8,655,780	£8,655,780	£17,311,560
2013	£1,345,482	£1,345,482	£2,690,964
<b>TOTAL</b>	<b>£40,364,448</b>	<b>£40,364,448</b>	<b>£80,728,896</b>

### Priority 2

Calendar Year	ESF (£)	Public Match (£)	ESF and Match (£)
2011	£28,626,152	£28,626,152	£57,252,304
2012	£19,638,872	£19,638,872	£39,277,744
2013	£1,664,311	£1,664,311	£3,328,622
<b>TOTAL</b>	<b>£49,929,335</b>	<b>£49,929,335</b>	<b>£99,858,670</b>

Please note that the division of match across years is likely to change following confirmation of ESF match budget sources.

## Appendix 3 – Starts and Results Profiles

### ESF and Match Combined

Quarter Ending	Jun 2011	Sep 2011	Dec 2011	Mar 2012	Jun 2012	Sep 2012
<b>Starts Cumulative</b>	3,548	10,898	18,243	25,588	32,933	42,678
<b>Adults in Employment on Leaving</b>	0	0	345	1,208	2,071	2,934
<b>Adults in Sustained Employment</b>	0	0	0	0	212	787
<b>Economically Inactive in Further Training</b>	0	0	52	182	312	442
<b>NEET in Employment / Apprenticeship</b>	0	0	188	459	730	1,001
<b>NEET in Education / Training</b>	0	0	300	729	1,152	1,575
<b>Basic Skills Qualifications</b>	400	800	1,600	2,400	3,200	4,000
<b>Level 2 Qualifications</b>	0	0	0	750	1,500	2,250
<b>Level 3 Qualifications</b>	0	0	0	0	858	1,716

Quarter Ending	Dec 2012	Mar 2013	Jun 2013	Sep 2013	Dec 2013	Mar 2014
<b>Starts Cumulative</b>	55,176	67,672	80,166	85,679	88,430	88,430
<b>Adults in Employment on Leaving</b>	3,797	4,660	5,523	6,386	6,900	6,900
<b>Adults in Sustained Employment</b>	1,362	1,937	2,512	3,087	3,662	4,230
<b>Economically Inactive in Further Training</b>	572	702	832	960	1,035	1,035
<b>NEET in Employment / Apprenticeship</b>	1,272	1,543	1,956	2,367	2,510	2,510
<b>NEET in Education / Training</b>	1,998	2,421	3,022	3,620	4,218	4,393

<b>Basic Skills Qualifications</b>	5,600	7,200	8,800	10,000	11,200	12,000
<b>Level 2 Qualifications</b>	3,400	4,870	6,340	7,810	9,280	10,000
<b>Level 3 Qualifications</b>	2,907	4,098	5,789	7,480	9,165	10,000



## Appendix 4 – Key Tendering and Contracting Milestones

	Activity	Date
1	PQQ/ACTOR freeze	July 2010
2	Consultation on ITTs for Priority 1 Adult, Priority 1 NEET and Priority 2 with London Intermediate Body and other CFOs	August 2010
3	Launch of ITTs	September 2010
4	Contract award	December 2010
5	Contract clarification	January-March 2011
6	Contract delivery commences	April 2011
7	Consultation on ITTs for remaining NEET funding with London Intermediate Body and other CFOs	March 2011
8	ITTs launched	March 2011
9	Contract award	June 2011
10	Contract clarification	July-August 2011
11	Contract delivery	September 2011
12	Consultation on ITTs for remaining Priority 2 funding with London Intermediate Body and other CFOs	June 2011
13	ITT launched	June 2011
14	Contract award	September 2011
15	Contract clarification	October-December 2011
16	Contract delivery commences	January 2012
17	Contract delivery completed	March 2014