

# Department for Work and Pensions East Midlands

## Co-financing Plan 2007-2010



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

**DWP** Department for  
Work and Pensions

## CONTENTS

### SECTION 1

#### How the plan contributes to the implementation of the Operational Programme and the regional ESF Framework.

1.1	Regional Overview.....	2
1.2	Elements of the Framework that the CFO will deliver.....	3
1.3	Activities to be supported.....	4
1.4	Quantified outputs and quantified results.....	7
1.5	How will activity complement other CFO activity.....	7

### SECTION 2

#### Funding and Added Value

2.1	ESF funding by Priority and year.....	9
2.2	Match funding by Priority and year.....	9
2.3	Breakdown of planned administrative costs.....	9
2.4	Added value of ESF.....	10

### SECTION 3

#### Project selection and tendering arrangements

3.1	Method of tendering to be used.....	12
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### SECTION 4

#### Provider funding and monitoring

4.1	Describe how contract costs will be formulated.....	14
4.2	Payment arrangements for providers.....	14
4.3	Any plans to re-imburse providers using actual costs.....	14
4.4	Arrangements for monitoring ESF providers.....	14
	4.4.1 Project delivery and outcomes.....	14
	4.4.2 Quality standards including how ALL recommendations will be addressed.....	15
	4.4.3 Financial performance.....	16
	4.4.4 Audit.....	16
4.5	Provision of management information.....	17
4.6	Reporting performance to the regional ESF committee.....	17

### SECTION 5

#### Cross cutting themes

5.1.	How will the CFO promote equality and diversity and build equal opportunity into implementation.....	18
5.2	How will the CFO support approaches to sustainable development including environmental sustainability.....	20

### SECTION 6

#### Implementation

6.1	Key milestones for the first year of the plan (reviewed annually).....	22
	6.1.1 Contracting with providers.....	22
	6.1.2 Participant starts.....	22

<b>Annexe 1</b>	– ESF funding by Priority and year.....	23
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<b>Annexe 2</b>	– Quantified outputs and Quantified results.....	24
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## **Section 1: How the plan contributes to the implementation of the Operational Programme and the regional ESF Framework.**

### **1.1 Regional overview**

This Co-financing Plan is being submitted by DWP for the East Midlands and sets out the activities that will be delivered through ESF coupled with match funded DWP provision and the processes by which this will be achieved.

The Plan covers the period 2008 to 2010 (plus a option to extend) with procurement and contracting taking place in the last quarter of 2007 and the first quarter of 2008 ready for delivery starting from June 2008.

It has been produced following internal and external consultation in partnership with other CFOs. Specific activities included two regional events run on 25 June 2007 at PERA, Melton Mowbray and 26 June 2007 at Colwick Hall, Nottingham. Details of these events were place on the Jobcentre Plus and LSC websites. Feedback received has been discussed by a Task and Finish group consisting of LSC, EMDA, the esp Executive, Jobcentre Plus and GOEM and has been used to revise the content of the Framework document. Lessons learned, and best practice from the current programme, have also been incorporated.

Although the UK has enjoyed a period of sustained economic growth, and maintained high levels of employment and low levels of unemployment in comparison to all of its major competitors, the benefits of economic growth have not flowed equally to all groups in society. Although some parts of the UK can be described as being in a state of full employment, including the East Midlands, many communities suffer from deep-seated Inter-generational unemployment and poverty.

Analysis of multiple deprivations within the regional economic Strategy clearly shows that levels of deprivation are concentrated in the urban centres, the coalfields, remote rural areas and the Lincolnshire coast.

The most deprived districts in the region include the major cities Nottingham, Leicester and Derby, districts in the coalfields area such as Mansfield, Bolsover and Ashfield, and coastal districts such as East Lindsey;

Employment rates are expressed as the proportion of working age people who are in employment. Overall the employment rate in the region was 75.4% in 2004, which exceeds the UK average of 74.2%. (Currently 75.9% Region, 74.3% UK, 3 months to Feb 2007). This hides significant variation within the region. The employment rate is highest in Leicestershire at 80.3% and lowest in Nottingham City at 63.2%.

The East Midlands Labour Market employment rate varies between particular segments of the population of the East Midlands. The key points to note are:

- The employment rate among females is, at almost 71%, nine percentage points lower than the male employment rate;
- The employment rate for those with a disability is, at 34.5%, less than half the rate for those without a disability (81.0%);
- The employment rate in the East Midlands for those with a disability is above the UK average;
- The employment rate for Non-Whites is, at 59.9%, also significantly below the average and the rate for those who are White;
- The 35-49 age group has the highest employment rate (both regionally and nationally) at 83.3% in the East Midlands compared to 81.8% in the UK.

The Government's favoured measure of unemployment is the International Labour Organisation (ILO) which shows that the unemployment rate in the East Midlands is relatively low and has been below the national rate for a number of years.

Sub-regional unemployment rates vary between a low of 1.9% in Rutland and 9.4% in Nottingham City. Despite the low figure for the East Midlands there are a number of areas where the unemployment rate is above the regional average.

Within this picture certain groups continue to experience significant barriers to employment and skills development – women, those on incapacity benefits, lone parents, older people, offenders and ex-offenders, people from BME communities, those who persistently return to claim JSA and people experiencing multiple disadvantage (including the homeless and people with drug dependency).

## **1.2 Elements of the Framework that the CFO will deliver**

The activities in this Co-financing plan will contribute towards meeting the priorities identified in the Regional Framework document and supports the strategic priorities within the ESF Operational Programme, Regional Economic Strategy (RES) and the Employment, Skills and Productivity Partnership (esp) Plan.

DWP intends to deliver activity under Priority 1 of the ESF Framework – Extending Employment Opportunities, the core aim of which is to “increase employment and social cohesion and inclusion, both in general and amongst specific communities and groups and to reduce unemployment and inactivity”. Through this Plan, DWP seeks to enhance provision already delivered, by including client groups not otherwise eligible, by delivering different activities or expanding those already delivered to add value.

In the East Midlands, actions within this Priority will seek to address the following priorities within the RES:

- Employment, learning & skills, which aims to move more people into better jobs in growing businesses; and
- Economic inclusion, which aims to overcome the barriers or market failures that prevent people from participating fully in the regional and local economy.

### **1.3 Activities to be supported**

DWP in the East Midlands will deliver in ESF Priority 1 under the following action area – Improving employability and skills of the unemployed and economically inactive people (including supporting them, where appropriate, to become self-employed) to enable them to gain, retain and progress into work. The organisation is well placed to successfully deliver in this priority especially as the England Operational Plan and Regional ESF Framework have clear links with the DWP 5-year strategy. This is most apparent in the role of tackling worklessness where the priority areas and target groups identified in the DWP strategy mirror those in the Regional ESF Framework. Hence, the organisation is strongly focussed and equipped to achieve the required outputs and results from ESF and Match funded projects.

Activities will be in line with key areas identified in the RES; esp priorities for action; the East Midlands ESF 2007-2013 Framework, the ESF England Operational Programme and will support appropriate actions to serve DWP Local Employment Partnerships (LEPs) i.e. Engagement with individuals, Pre-employment support (inc work placements) and Mentoring and support services.

Following discussion at the esp Executive and based on the recommendations from the esp Worklessness and Economic Exclusion Task and Finish group, DWP will align its activity, supported by ESF, with the Multi Agency Employment Teams (MAETs) concept to tackle unemployment and inactivity. These are case workers (Jobmaets) employed by outside organisations who have competitively tendered to deliver the service in the region.

Implementing the “Jobmaet” recommendations will support key elements of the overall customer journey from inactivity to employment –

#### ***Engagement***

As approximately one quarter of working age people in the East Midlands are economically inactive. Planned activities will ensure engagement opportunities are maximised, in particular for those on Incapacity Benefit, young people, lone parents and parents, those who persistently return to claim JSA and those aged over 50 where inactivity rates are highest.

Pro-active engagement techniques will be sought and delivered across the region with emphasis placed on outreach delivery by Jobmaets in appropriate local centres, focusing on the most disadvantaged

customers and excluded communities. This will require effective working with local community and neighbourhood groups, voluntary groups, health centres, children's centres and other specialist services so that a seamless service is presented to clients.

Actions will include:

- Measures to ensure early identification of needs including individual action plans and personalised services;
- Work experience placements;
- Skills for life training (literacy, numeracy, ICT, ESOL (below entry level 3), financial literacy);
- Activities to help sick and disabled people overcome employment barriers and move nearer to or into work;
- Activities to reconcile work and private life including access to childcare and support for those with other caring responsibilities;
- Activities to prolong working lives by re-engaging inactive older workers;
- Activities to help lone parents and parents enter, sustain and make progress at work;
- Activities to help offenders and ex-offenders enter, sustain and make progress at work;
- Soft skills such as building trust, addressing of barriers, confidence building;
- Referral to education route ways; and
- Discretionary funding, which will help the participants.

### **Reaching job readiness**

It is intended to enhance individuals' job placement prospects by delivering on-going support to develop job ready skills. Based on identified needs and barriers, actions will include – individual action planning, advice and guidance, soft skills such as confidence and motivation building (e.g. self esteem, personal appearance, hygiene), team working, communication skills (including ESOL below entry level 3), life skills training, job search training, labour market knowledge, work experience, business idea generation for self-employment, short certificated courses.

### **Job placement**

Employer input and sponsorship will be required to support the movement of individuals into work. It is important that activities are demand-led and that specific employer' needs will be reflected in programme delivery.

Actions are to include – individual job coaching, pre-employment training geared towards specific sectors according to local need, reviewing employer recruitment practice, matching against and referring to vacancies, guaranteed interviews, work trials, work placements and assistance with movement into self-employment.

### **Aftercare support**

It is recognised that for those who have previously been economically inactive, job retention may be a major issue. It will therefore be important that on-going customer led support is available to participants where necessary.

This will be ensured by actions such as – individual mentoring (including peer led intervention) both during the transition to work and while working, business development and mentoring, addressing work/life and childcare issues to support sustained employment, linking with Train 2 Gain provision.

Support will be focussed on the provision of additional outreach case workers (Jobmaets) whose key role will be to provide the services indicated and to co-ordinate, coach and mentor individuals through the various services provided leading to sustainable employment.

### **Target groups**

The following are the broad priority groups that have been identified for ESF action by DWP:

- People on incapacity benefits – particularly those with children;
- Those falling within the Child poverty agenda, including -
  - Lone parents – including support for those with health problems and lacking job search skills (especially in preparation for increased conditionality);
  - Other people with children – including those not on benefit;
- The most disadvantaged – minority ethnic groups, offenders/ex-offenders, those with histories of drug and alcohol misuse, the homeless, people with learning difficulties and mild to moderate mental health issues, migrant labour, refugees, those who persistently return to claim JSA and those with caring responsibilities;
- People in need of Basic Skills;
- People inactive in the labour market, including those on Income Support;
- Jobseeker's Allowance customers.

A particular challenge is addressing the needs of those who are not engaged in the labour market or in those activities close to it. These people are sometimes referred to as “hard to reach” or “excluded”. A community empowerment approach was developed in the region during the 2000-2006 ESF Programme. This approach can be effective in engaging those furthest from the labour market through delivering support at grass roots level by community based organisations. It could include community based mobilisation and community based employability projects. Some of the indicative activities described could use a community empowerment approach, where this is the most appropriate means of addressing needs.

## **Geographical targeting**

Planned activity will cover the whole of the East Midlands region (i.e. the counties of Derbyshire, Lincolnshire, Rutland, Nottinghamshire, Leicestershire and Northamptonshire) not only in the major conurbations but also in rural communities, market towns, smaller urban areas and the coalfields.

Emphasis will be placed on the 18 local authority wards where employment rates are significantly below the national average and have been identified as being disadvantaged areas as shown below:

- Local authority wards which have a benefit claim rate of 70% or above of the working age population:
  - Arboretum, Shirebrook East, Shirebrook North, Middlecroft, and Gamesley in Derbyshire;
  - Aspley, Bilborough, St Anns, Worksop South East and Ravensdale in Nottinghamshire;
  - Fenside, Mablethorpe (Central, East and North), St Clements, Scarbrough , Sutton on Sea and Trusthorpe in Lincolnshire

Final specifications will indicate a more geographically-focused approach, with successful contractors expected to demonstrate a knowledge of differing local labour markets, concentrating on the most disadvantaged and excluded communities.

## **1.4 Quantified outputs and Quantified results**

See Annexe 2 for detailed figures.

### **Contribution to other regional targets**

Activity under ESF Priority 1 will complement the region's ERDF Operational Programme, in particular ERDF Priority Axis 2 – "Increasing sustainable economic and enterprise activity in disadvantaged communities".

ERDF Priority Axis 2 funding will target particular disadvantaged areas of the region and will support:

- Stimulating and supporting new markets and enterprise opportunities;
- Building local capacity, resources and support; and
- Reviving local infrastructure and environments.

ESF will complement the spatial dimensions of the ERDF programme by offering appropriate pre-employment support to the businesses created with ERDF investment.

## **1.5 How will activity complement other CFO activity**

DWP/Jobcentre Plus is supportive of the RES and ESF Framework, having been actively involved in their development and preceding activities. DWP/Jobcentre Plus will continue to play an active role in numerous

partnerships across the region to tackle worklessness issues and will remain well placed to identify and receive information about needs and gaps in delivery.

DWP/Jobcentre Plus will continue the consultative approach with the RESPE, City Strategies, Local Area Agreements, Local Strategic Partnerships, Sector Skills Agreements and other relevant partnerships to achieve regional goals throughout the duration of the programme. This will ensure delivery continually considers and addresses the changing needs and priorities of the regional labour market and people.

Successful contractors will be expected to have a good knowledge of, and take account of, all local priorities and initiatives to ensure gaps are filled and avoid duplication when completing their tender.

Provision mapping exercises and close working with the LSC will ensure mainstream activity is fully considered and complemented in the programme.

Co-operation, not competition will be the best way of supporting ESF participants and will help achieve the priorities of the Regional Framework and support the England Operational Programme. This CFO will work in partnership with all CFOs to ensure that activity will not duplicate provision and that value is added to existing provision. (It is still unclear whether the consortia of Local Authorities will be accepted as a CFO and what their priority activities will be. We will work to ensure that if their application is accepted, activities complement each other)

DWP, through the Jobmaets programme, will work very closely with the LSC to align activity with the Skills for Jobs programme supported by ESF, to tackle unemployment and inactivity.

DWP will support key elements of the overall customer journey from inactivity to employment, and work with the LSC to provide appropriate skills training support.

## **Section 2: Funding and Added Value**

### **2.1 ESF funding by Priority and year**

Priority 1 ESF £20,458,861 & Match £20,458,861 Total £40,917,722

See Annexe 1 for further details

### **2.2 Match funding by Priority and year**

Match funding will be identified from suitable DWP contracted employment provision in the region, as required. This will include the New Deals 18-24 and 25+, programme centres.

Provider-led Pathways to Work provision will also be available as match, if needed, once contracts begin operating in early 2008.

These programmes support a range of people who are unemployed, have a health condition or disability, are a lone parent or who face other barriers to getting or keeping permanent employment – all of these participant groups also fall within ESF Priority 1. Provision is delivered in conjunction with Jobcentre Plus and supported by Jobcentre Plus' range of employment and benefits advisory interventions.

ESF provision will complement match funded activity and other DWP provision in different ways which could include:

- extending the amount or range of provision available;
- providing different or more intensive support to specific people alongside their involvement in the main domestic programme;
- providing additional support in key locations where additional barriers exist;
- helping people to engage with main DWP provision by supporting them initially to overcome barriers, develop confidence and understanding of their own potential ;
- supporting people after entering a job, to assist job retention; supporting employers through Local Employment Partnerships to work with long term unemployed people towards recruiting and retaining them.

### **2.3 Breakdown of planned administrative costs**

Using ESF administrative costs DWP/Jobcentre Plus will provide staff resource to ensure that the 2007-2013 ESF Programme will be delivered and managed effectively. Job roles covered will include:

- ESF management in Regions, (liaison with and reporting to GO, planning and commissioning ESF provision, co-ordinating claims etc.)
- Finance – Accounting, Payments, Financial Appraisal and Monitoring activity
- Procurement and Contract Management

- Jobcentre Plus work in Districts to support programme referrals and capture of management information

Actual numbers of staff, locations and roles required to ensure full compliance with the 2007 – 2013 programme (Commission Regulation (EC) No 1828/2006) cannot be determined until final decisions are reached on the amount of ESF funding that DWP will deliver in this region. However, as a guide, we would expect that where ESF funding of £4m per year is received from ESF the numbers of staff engaged on ESF work would be in the region of between 9 – 12 (whole time equivalent). No more than 5% of the total project funding (ESF and Match) will be used towards administrative costs.

## 2.4 Added value of ESF

Mainstream DWP/Jobcentre Plus employment programmes and initiatives include:

Mainstream Provision	Target Group
<p><b>New Deal for Young People (NDYP)</b> is a ‘Welfare to Work’ programme designed to address the problems of long term unemployment. The aim is to move people into sustainable work as quickly as possible and provide those who need it with extra help to improve their employability.</p>	<p>Customers aged between 18 and 24 and have had a continuous claim to JSA for 26 weeks or more.</p>
<p><b>New Deal 25 plus (ND25 plus)</b> is a ‘Welfare to Work programme’ designed to address the problems of long term unemployment. The aim is to move people into sustainable work as quickly as possible and provide those who need it with extra help to improve their employability.</p>	<p>Customers aged 25 and over who have had a continuous claim to JSA for 18 months or more or have been unemployed for 18 months out of the last 21 months.</p>
<p><b>New Deal 50 plus (ND 50 plus)</b> is one element of Jobcentre Plus’ contribution to the Governments strategy to address age discrimination and improve the employment prospects of older people.</p>	<p>People aged 50 or over who have been claiming benefits for 26 weeks or more, move back into the labour market.</p>
<p><b>New Deal for Disabled People (NDDP)</b> supports the Governments commitment to “work for those who can and support for those who cannot” and is designed to help the Government learn more about supporting people with disabilities and health conditions in finding and sustaining paid employment.</p>	<p>Customers in receipt of a disability health related benefit.</p>
<p><b>New Deal for Lone Parents (NDLP)</b> is part of the Governments ‘Welfare to Work’ initiative designed to help and encourage lone parents to improve their prospects and living standards, improve job readiness and to increase their employment opportunities.</p>	<p>Lone parents who youngest child is under 16 years, who are not working, or working less than 16 hours.</p>

Mainstream Provision	Target Group
<p><b>Pathways to Work</b> consists of:</p> <ul style="list-style-type: none"> <li>• an intensive work focused interview</li> <li>• services of an Incapacity Benefits Personal Adviser to directly support the customer to move closer to or into work</li> <li>• completion and review of an action plan detailing the steps the customer needs to move towards or return to work</li> <li>• in-work support to help sustain employment.</li> </ul> <p><b>Programme Centres</b> help participants to acquire and / or update job search skills to enable them to get a job. Participants should be able to demonstrate to potential employers that they are capable of undertaking and sustaining paid work.</p>	<p>Customers in the Pathways to Work areas and claiming incapacity benefit or other related benefits.</p> <p>Job ready customers claiming a working age benefit who have been looking for work for at least 26 weeks.</p>

The plan will provide added value to these programmes by substantially increasing the opportunities for beneficiaries within the specified target groups. It will allow access to new and innovative provision not currently available from DWP/Jobcentre Plus mainstream activity or by providing additional capacity within existing provision. DWP will aim to target provision, in particular to those economically inactive, by providing additional support not currently available to help the make the transition from welfare to work and improve the sustainability of employment.

ESF also allows the flexibility to target clients who would be ineligible for mainstream provision and also provide very specialist support to those clients whose needs cannot be addressed by the rigidity of our mainstream programmes.

## **Section 3: Project selection and tendering arrangements**

### **3.1 Method of tendering to be used**

The detailed commercial strategy and contract management strategy will be developed to ensure that the procurement process is transparent and conducted in full compliance with the Public Contracts Regulations 2006 and in accordance with best practice guidance from OGC. This provision has been identified as a 'Part B Service.'

Contracts will be awarded to prime contractors, who will be responsible for delivering and managing provision across each of the four Jobcentre Plus districts in the East Midlands region. This will involve having a number of varied and distinct sub-projects in each district, delivered by the prime contractor both directly and through subcontractors. The sub-projects can be expected to address different key customers within the priorities, have different design and delivery features, and may require specific specialist expertise on the part of the subcontractor. It is expected that prime providers will work with a diverse range of organisations to ensure that the specific needs of eligible customers are met.

The tendering exercise will commence in October 2007, with a view to provision starting in June 2008. Contracts will be awarded to bidders who meet all the stipulated criteria and submit the most economically advantageous tender, with a specific focus on identifying suitably experienced organisations who can deliver innovative and flexible support services to eligible customers. Contracts will be awarded to at least one prime contractor (probably 2-3) in each district through a two-stage approach.

#### **N.B. A detailed timetable for procurement is provided at Section 6.1.**

Prime contractors will be required to:

- directly provide some customer-facing services;
- sub-contract some customer-facing services to other organisations with specific expertise or who can provide a service that is complementary to those of the prime contractor; and
- manage and monitor the performance and quality of the sub-contractors as well as aspects of their own performance in line with ESF requirements;
- meet the specific ESF compliance requirements, taking full responsibility even where aspects of this are delivered by the sub-contractors.

A prime contractor can bid to provide the service to any number of districts and this will provide them with economies of scale, helping them to deliver a value for money service. Further detail on the agreed evaluation criteria will be included in the Bidding Management Strategy.

Contracts will be awarded for a period of 3 years and could be extended for up to a further 2 years. DWP has standardised tendering documentation for use in

the forthcoming contracting round to reduce the burden of completion on providers and to ensure a consistent approach across the country.

DWP will work with larger providers to ensure that they understand the need to achieve diversity in the delivery of ESF provision and that optimum use is made of the specialist services offered by smaller providers. DWP will facilitate the interface between prime contractors and sub-contractors through specific provider events and through the Supplier pages of the DWP website.

All DWP contracts are let through fair and open competition, in accordance with public procurement policy and EU regulations. Opportunities to tender are advertised via a link from the 'Supplying DWP' website to the Jobcentre Plus website at [www.Jobcentreplus.gov.uk](http://www.Jobcentreplus.gov.uk) (Partners Home Page) and we welcome bids equally from the private, public, and third sectors. To this end we would look to encourage the involvement of third sector and other organisations by advertising more widely where appropriate, and ensuring ESF tenders are preceded wherever possible by briefing events to inform potential bidders of our intentions.

In line with government policy, DWP requires that all procurement of goods and services must be based on Value for Money, having due regard to propriety and regularity. Value for Money is defined as the optimum combination of whole-life cost and quality (or fitness for purpose) to meet the participant's requirement. Contracts will be awarded based on price-based competition. Costs claimed will be based on the price agreed in the contract, and provider claims for payment are validated using a risk-based approach.

Procurement will be undertaken by appropriately qualified staff. For all procurements Commercial Employment Provision (CEP) staff follow the procedures set out in the DWP Procurement Standard Operating Model and supporting guidance. This covers the general principles of procurement and provides detailed step by step instructions on correct procurement processes and best practice. The Standard Operating Model also incorporates specific guidance around ESF contracts requirements. In addition, all procurement is conducted in accordance with the wider Department for Work and Pensions Procurement Reference Manual, and best practice from the OGC. All DWP procurement staff act in accordance with the principles of Delegated Procurement Authority.

## **Section 4: Provider funding and monitoring**

### **4.1. Describe how contract costs will be formulated**

Contracts will be funded using the outcome-based DWP Funding Model. The specific features of this model include:

- price-based competition for contracts;
- funding split into delivery and outcome payments with the ratio between these elements determined before the procurement stage;
- a monthly delivery payment with tolerance levels (in case of no or very limited take-up);
- at least one outcome payment for gaining a job – depending on the aims and design of the ESF provision; and
- provision of participant information to support all payment stages.

### **4.2. Payment arrangements for providers**

In line with government policy, DWP requires that all procurement of goods and services must be based on Value for Money, having due regard to propriety and regularity. Value for Money is defined as the optimum combination of whole-life cost and quality (or fitness for purpose) to meet the participant's requirement. Contracts will be awarded based on price-based competition. Costs claimed will be based on the price agreed in the contract, and provider claims for payment are validated using a risk based approach. It is anticipated that provider payment will be through existing DWP systems.

### **4.3. Any plans to reimburse providers using actual costs**

DWP will not reimburse providers on actual costs under any circumstances.

### **4.4. Arrangements for monitoring ESF providers covering**

#### **4.4.1 Project delivery and outcomes**

ESF projects will be managed and monitored through the Department's Contract Management Framework (CMF). This sets out the processes for monitoring contracts via a risk based approach taking into account key elements such as contract compliance (including ESF requirements), performance and quality. The CMF takes the form of a Standard Operating Model to be used by all Contract Managers.

The process includes a post contract award briefing, which takes place up to 30 working days before the contract start date. The purpose of the meeting is to ensure that the provider understands what they are required to do, to help the provider to deliver the contract effectively. It also includes a quality assessment questionnaire, which must be completed by the provider to obtain information about the quality of provision they are delivering. It is intended to help the provider identify service gaps and issues/weakness in the quality of provision.

Issues will be addressed and reviewed by both the provider and Contract Manager. The questionnaire is scored as part of the risk rating process following provider performance reviews. In addition to the regular review process a robust communication strategy is in place to ensure that issues can be raised at any time by locally based Jobcentre Plus staff at District level and resolved with the provider and the Contract Manager.

In order to ensure that providers are delivering what they are contracted for in terms of numbers, client groups, and outcomes, the CMF process incorporates monthly analysis of management information, performance management, quality assessment and customer satisfaction feedback. The three areas that the risk rating is based on are average cumulative performance, contract value (per annum), and quality (including outcomes from management visits and any other quality products/information). MI is collated on a monthly basis to inform monitoring and risk assessment. The risk assessment approach means that appropriate interventions are conducted where required, in addition to formal regular reviews.

#### **4.4.2 Quality standards including how Ofsted recommendations will be addressed**

The DWP Quality Framework provides the basis for maintaining and improving the quality of employment programme provision. Continuous self-assessment and action planning by providers are key factors in effective quality assurance. Employment programme provision is subject to external inspection by Ofsted in England.

DWP is committed to raising the standard of provision and our goal is to build and sustain a culture of continuous improvement. Through our Contract Management Framework, we will identify, plan and review areas for improvement.

DWP works in partnership with Ofsted to ensure the focus of external inspection drives up both the quality of provision and performance of the contract. After external inspection, the provider is required to update their Provider Development Plan (PDP) to address areas for improvement identified during inspection. Providers should submit the updated plan to the DWP Contract Manager within 4 weeks of receipt of the inspection report. The DWP Contract Manager will assess the appropriateness of the PDP and use it to inform their contract management process.

Providers judged to be inadequate are subject to re-inspection. After re-inspection, providers who are awarded satisfactory grades will return to the normal inspection cycle. If a provider is judged to be unsatisfactory at re-inspection DWP will consider any remedial action to be taken. In the majority of cases, the DWP Contract Manager will work with the provider to agree an Emergency Action Plan. The Emergency Action Plan records the actions required and where appropriate, the support available to accelerate the rectifying of weaknesses highlighted during re-inspection. The Emergency Action Plan must be submitted to Ofsted for comment within 8 weeks of the

report publication. The DWP Contract Manager closely monitors the execution of the Emergency Action Plan, which should be fully implemented within twenty-six weeks following publication of the re-inspection report.

Where DWP considers the Emergency Action Plan has been effective the provider returns to the normal inspection cycle. If the DWP Contract Manager decides the Emergency Action Plan has not brought about the required improvements in provision, they will decide what further action, within their power, is to be taken. In some instances they may decide to cease contracting with the provider and serve notice of the intention to terminate the contract.

Working with the Quality Improvement Agency, DWP offers a wide range of quality improvement support for providers and their Contract Managers. This includes:

- one to one support for providers who are judged as inadequate at inspection;
- quality workshops on areas for improvement identified through the contract management process, self-assessment reports or external inspection;
- encouraging the sharing of good practice.

#### **4.4.3 Financial performance**

The Financial Reporting and Control Team will identify cumulative spend for ESF and match on a monthly basis and report to the External Relations ESF team.

The ESF regional management team will monitor ESF financial performance data against profiles and report internally within the Region's governance process. They will use performance MI to help forecast likely delivery against profiled expenditure and financial data to identify adjustments needed to match funding and MI. They will assess with contract managers whether action to deliver performance improvement, contract variations, or adjustment of financial profiles with Government Office should be considered.

#### **4.4.4 Audit**

The current audit arrangement in DWP is a system-based approach on the Provider's internal systems conducted by Financial & Appraisal Monitoring (FAM) officers based in the Jobcentre Plus regions. DWP Work, Welfare and Equality Group (WWEG) Finance based in Head Office establishes and maintains the FAM policy, strategy and Standard Operating Model (SOM) including resource model.

In an audit Providers are asked to complete a self-review of their systems in place for submitting valid and accurate claims. FAM verify the information given by selecting a sample of recent claims, ensuring that all the payment triggers specified in the Contracts are examined, checking the validity of the payments. Where payments are found to be unsubstantiated we would recover the funds from the Provider, informing the regional ESF management team of the

amounts recovered. An Assurance level is awarded based on the findings of the audit. The Assurance levels awarded are reviewed in accordance with the FAM planning strategy.

From time to time changes may be made to FAM processes but changes will only be made in consultation with ESFD.

Where significant issues or risks are identified, WWEG may commission DWP Risk Assurance Division to undertake a formal internal audit of DWP/Jobcentre Plus processes to identify recommendations to mitigate the risks.

#### **4.5 Provision of management information**

Existing DWP/Jobcentre Plus IT systems will provide Management Information for both ESF and match funded participants as outlined in Annexe 2 below with, as previously agreed by the Managing Authority (DWP ESF Division), the exception of information on NEET participants and numbers of participants in work six months after leaving.

MI will be provided for business monitoring reporting purposes and supplied to support ESF financial claims.

#### **4.6 Reporting performance to the regional ESF committee**

Financial and management performance will be provided to the Regional ESF monitoring committee on a regular basis (for when the committee meets) to show how DWP provision is performing in relation to the targets that have been set and agreed.

## **Section 5: Cross cutting themes**

### **5.1. How will the CFO promote equality and diversity and build equal opportunity into implementation**

Our plan seeks to embrace diversity and equality by targeting resources on those people considered most disadvantaged in the labour market. For example, we plan to target, amongst others:- women, those on incapacity benefits, lone parents and parents, older people, offenders and ex-offenders, people from BME communities, those who persistently return to claim JSA and people experiencing multiple disadvantage (including the homeless and people with drug dependency).

Geographically, we intend to target resources in the local authority wards where employment rates are significantly below the national average and where deprivation is at it's highest i.e. inner city wards, locations with rurality problems and coastal areas where there is little industry and employment is largely seasonal.

Our plan also includes specific provision for -

- Sick and disabled people to overcome employment barriers and move nearer to or into work;
- Lone parents and parents to enable them to reconcile work and private life including access to childcare and support for those with other caring responsibilities;
- The re-engagement of inactive older workers to prolong their working lives;
- Offenders and ex-offenders, to help them enter, sustain and make progress at work;
- Men and women to help them access basic English language skills training (ESOL).

DWP/Jobcentre Plus will demonstrate commitment to equality and diversity by providing services that embrace diversity and promote equality of opportunity. Discrimination will not be tolerated on grounds of gender, marital status, sexual orientation, race, colour, nationality, religion or age.

Through the terms and conditions of contracts, providers will be required to ensure that they and subcontractors assist and cooperate with DWP/Jobcentre Plus to actively promote equality of opportunity for all persons irrespective of their, race, gender, age, disability sexual orientation or religion. DWP providers are required to comply with an agreed Equality Policy, Training Plan and Supplier Diversity Plan, and ensure that any subcontractors adopt and implement similar policies and plans.

In addition to this, every 12 months from the beginning of the contract the provider will be required to produce information recording the proportion of its employees that are female, disabled and the ethnic background of all employees. Every 12 months from the start of the contract the provider will be required to produce information recording the proportion of its sub-contractors

that are small to medium sized enterprises, ethnic minority enterprises and black minority enterprises.

Before the award of any contract (to the value of £50k and over), providers will be required to complete the accreditation process. As part of this they will be asked how they have ensured that any previous or existing provision meets the *requirements of the relevant Acts, including whether they have a written equal opportunities policy that adheres to the requirements of the following:*

- *Sex Discrimination Act 1975*
- *Race Relations Act 1976 and Race Relations (Amendment) Act 2000.*
- *Disability Discrimination Act (DDA)1995.*
- *Employment Equality (Religion and Belief) Regulations 2003.*
- *Employment Equality (Sexual Orientation) Regulations 2003.*
- *Age Discrimination 2006.*

Providers will be asked whether any findings of unlawful discrimination in relation to non-employment matters have been made against them in the last three years. Also, if any of their contracts have been terminated on the grounds of failure to comply with legislation prohibiting discrimination, or contract conditions relating to equal opportunities, providers will be asked to confirm that they have a complaints procedure in place and that complaints are addressed and monitored in relation to discrimination.

Through tender documents providers will be asked to give details of their knowledge of the particular needs of the customer groups included in the specification, and the services they require. Evidence must be provided on how their organisation has met the specific needs of those most disadvantaged, including disabled people, people with particular learning difficulties, and people from black and ethnic minority communities. Where providers do not have relevant experience they will be asked to explain how they plan to address this. When assessing a bidder's ability to deliver the specific provision required, providers need to submit details about premises and facilities they intend to use, details of their suitability for the particular provision, what equipment and facilities will be available and to describe transport and accessibility arrangements. This is to support compliance with the DDA.

Programmes should promote equality in a pro-active way by integrating gender equality and equal opportunities into the planning, implementation, monitoring and evaluation of the programme. All providers will be required to promote equal opportunities. All projects will need to take account of the needs of people with disabilities.

Specific issues may include:

- gender imbalance in economic activity;
- significant numbers of older workers being excluded from the labour market;
- poorly qualified older people;
- lower employment rates for ethnic minorities;
- lower employment rates people with disabilities; and
- lower employment rates for ex-offenders

Programme participation priority groups therefore include:

- people with disabilities or health condition;
- lone parents;
- older workers;
- people from ethnic minorities; and
- women.

## **5.2 How will the CFO support approaches to sustainable development including environmental sustainability**

DWP/Jobcentre Plus will support the goal of sustainable development to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life without compromising the quality of life of future generations. This goal will be pursued in an integrated way through a sustainable, innovative and productive economy that delivers high levels of employment and a just society that promotes social inclusion, sustainable communities and personal well being. This will be done in ways that protect and enhance the physical and natural environment and use resources and energy as efficiently as possible.

Sustainable development has four main aims:

- social progress that recognises the needs of everyone;
- effective protection of the environment;
- prudent use of natural resources;
- maintenance of high and stable levels of economic growth.

DWP have worked closely with ESF Division to ensure that sustainability will be an integral part of the procurement process. This will meet the challenge to deliver a comprehensive action plan to ensure supply chains and public services will be increasingly low carbon, low waste, be water efficient, respect biodiversity and deliver wider sustainable goals.

Sustainability will be considered at the very beginning of a potential contract let, and will continue to be used at various stages throughout the life of the contract. At regional level, DWP/Jobcentre Plus will ensure that sustainability issues are considered, and that targets and supporting action plans reflect sustainability aims.

Projects supported by the European Social Fund, whilst helping to improve the employability of participants, should consider environmental or community impacts by:

- minimising travel;
- using innovative delivery methods;
- supporting skills and jobs identified that will work towards improving conservation;
- identify skills needed in work areas that will have a positive effect on the environment; and
- encouraging placements through local and charitable organisations.

ESF funded project staff will be able to access sustainable development workshops to help them with development and to develop their policy and sustainable development plans.

## Section 6: Implementation

### 6.1 Key milestones for the first year of the plan (reviewed annually)

#### 6.1.1 Contracting with providers

Currently, planned timing for provider contracts is:

PQQ published	03 /10/2007
Briefing events	End Sep/Oct 2007
Return of PQQ	02/11/2007
Bid assessment complete	30/11/2007
Announcement of short-listed bidders	03/12/2007
ITT published	03/12/2007
Provider workshops	Dec 2007
Return of tenders	04/02/2008
Tender assessments complete	14/03/2008
Announcement of preferred bidders	17/03/2008
PTC and contract award	07/04/2008
Delivery Commences	23/06/2008

#### 6.1.2 Participant starts

##### Progress towards results targets

ESF and Match combined

Quarter Ending	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009	Sep 2009
Starts Cumulative	0	576	1726	3512	5180	6906
Outcomes Cumulative	0	0	346	688	1030	1372

Quarter Ending	Dec 2009	Mar 2010	Jun 2010	Sep 2010	Dec 2010	Mar 2011
Starts Cumulative	8632	10374	12100	13828	14978	15554
Outcomes Cumulative	1714	2056	2396	2738	3080	3422

**N.B. All activities in this plan are subject to final approval by the esp Executive, they may also be influenced by the results of the city strategy/DAF bids in Leicester and Nottingham. We need to be mindful of this when final specifications are written.**

**ESF funding by Priority and year****Priority 1 - Extending Employment Opportunities**

<b>Year</b>	<b>ESF (£)</b>	<b>Public Match (£)</b>	<b>ESF + Match (£)</b>
<b>2007</b>	0	0	0
<b>2008</b>	4,091,772	4,091,772	8,183,544
<b>2009</b>	7,160,601	7,160,601	14,321,202
<b>2010</b>	9,206,488	9,206,488	18,412,976
<b>Total</b>	20,458,861	20,458,861	40,917,722

For the life of the plan, total funds available are £104.571.831. Assumption has also been made that the Local Authority consortia will be successful and will take £6,300,000 of the total funds available. Funding has been allocated as detailed below :

- £26,665,817 to cover NEET (23%) and community grants (2.5%). (This is 25.5% of total resource over the life of the plan allocated via the LSC);
- £6,300,000 for the Local Authority CFO over the life of the plan;
- £71,606,014 for DWP & LSC @ 50% each over the life of the plan;
- £35,803,007 for DWP activity over the life of the plan

## East Midlands - DWP Plan 1 2007-2010

**Output and results targets Priority 1**  
ESF and Match

<b>Target</b>	<b>Quantification</b>
<b>Outputs</b>	
Total number of participants	<b>15554</b>
1.2 Number and % of participants who are unemployed (a) Number (b) Percentage	<b>8555</b> <b>55%</b>
1.3 Number and % of participants who are inactive (a) Number (b) Percentage	<b>6999</b> <b>45%</b>
1.4 Number and % of participants age 14 to 19 who are NEET or at risk of becoming NEET (a) Number (b) Percentage	<i>Is not applicable to DWP provision</i>
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	<b>18%</b>
1.8 % of participants from ethnic minorities	<b>21%</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) Percentage	<b>3422</b> <b>22%</b>
1.11 Number and % of participants in work six months after leaving	<i>Agreed with ESFD we will not be able to provide this data</i>
1.12 Number and % of economically inactive participants engaged in jobsearch activity or further learning (a) Number (b) Percentage	<b>6999</b> <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) Percentage	<i>Is not applicable to DWP provision</i>