

Local Authorities in the East Midlands

Co-financing Plan 2007-2010



Leicester City Council



DERBY CITY COUNCIL



European Union
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Investing in jobs and skills

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Section 1: Introduction

1.1 Purpose of Plan

This Co-financing Plan is being submitted by a consortium of Local Authorities for the East Midlands, and sets out the activities, outputs and achievements that will be delivered through ESF coupled with match funded provision.

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 April 2008.

This application is based on local authorities bringing three unique strengths to the delivery of ESF within the East Midlands.

These include;

- Proposed activity within this application has arisen from the activity that local authorities carry out in their respective areas, in partnership with other organisations, and also with discussions with the other CFO's to add value and fill gaps where needs have been identified
- Secondly, local authorities are responsible for leading their Local Area Agreements. Experience with the Local Area Agreements has shown that there is often a need to deliver new, targeted (and often short term) activity in LAA priority areas, and that statutory training programmes cannot always meet that need. Local authorities propose using ESF to address those gaps.
- Thirdly, local authorities lead strategies to promote the growth of major local employment sectors. Training is an integral part of those strategies, and businesses often require short technical vocational training projects which do not necessarily lead to qualifications. Local authorities propose using ESF to deliver this training.

The consortium approach will also provide a better 'buy-in' from authorities who have found it historically difficult to engage effectively in the process. It will also provide a targeted strategy which can be articulated and fed into the development process.

This consortium is a novel and innovative approach to the delivery of ESF Co-financing by Local Authorities, allowing each authority to deliver targeted tender specifications in their own sub-regional area.

1.2 Regional Overview

Please refer to Annex 3 for further details.

1.3 Involvement & Development of the Local Authority Consortium

Lincolnshire County Council was approached by GOEM to examine the possibility of developing a LA consortium for the next round of ESF programme 2007-2013. Both GOEM and the LCC felt investigating this possibility would provide added value to the delivery of 1st Tier Authorities' strategic economic development objectives. Following this meeting a proposal was sent out by Tony McCardle to the Chief Executives' group meeting to ascertain the support for this type of activity. Responses from his colleagues across the region were supportive of the approach, and subsequent development activity was then instigated.

All first tier authorities in the East Midlands, with the exception of Nottingham City Council, support the consortium and have indicated that they are prepared to join on a phased approach.

This agreement has been backed up by an innovative approach to Local Authorities working together of a Service Level Agreement that ties individual organisations into prescribed roles and responsibilities. (See Annex 4 for the Service Level Agreement).

In the first instance, the following authorities have identified match funding, and expect to facilitate the delivery of training from April 2008;

- Lincolnshire County Council
- Derby City Council/Derby City Partnership
- Derbyshire County Council
- Leicester City Council

Lincolnshire County Council will continue their role as a Co-financing organisation and be the 'contract face' and accountable body for the Local authority (LA) consortium. In this role there will be continuation of the key personnel involved in the 2000-2006 programme. These include;

- | | |
|-------------------------|--------------------------------------|
| • Justin Brown | Head of Economic Regeneration Policy |
| • Andrew Brooks | Funding & Regeneration Team Leader |
| • Linsay Hill-Pritchard | Funding & Regeneration Officer |

Each other member of the consortium has identified a lead contact. These are:

- Derby City Council/Derby City Partnership –Alec Shelton
- Derbyshire County Council –Sue Douglas/Tony Ellingham
- Leicester City Council –Damon Gibbons/Mary Louise Harrison

Other support staff will be engaged when ESF resources for the programme have been finalised. This review of resources will be carried out before new contracted programme activity starts.

Systems and procedures already in place and used by Lincolnshire County Council will be rolled out to the other participating LA consortium members. These systems have been audited at both article 4 and 10 level, by GOEM, within the current programme.

In addition to the above there will be administrative support provided by Lincolnshire County Council to back up the CFO plan, together with named individuals within each of the sub-regional areas, which will provide the local contract management for the suite of projects operating in their locale.

Engagement will be made with all participating LA finance departments, to align financial reporting procedures, and dependant on the level of administrative input decided by the consortium members delivering activity from April 2008, appropriate training and support will be given. All activity will be bound by a Memorandum of Agreement with regard to practices and procedures carried out within this programme, with a set of quality standards that will satisfy ESF audit requirements.

1.4 Key Delivery Elements of the Framework that the Consortium 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.

The Local Authority Consortium intends to deliver activity under both Priority 1 & 2 of the ESF Framework –

For Priority 1 this includes;

- 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 in work.

Priority 2 states that;

- The objective of Priority 2 is to develop a skilled and adaptable workforce by: reducing the numbers of workers without basic skills; increasing the number of workers qualified to level 2 and , where justified, to level 3; reducing gender segregation in the workforce; and developing managers and workers in small enterprises

Through this Plan, the consortium 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.

1.5 Activities to be supported

Following on from the contribution that Lincolnshire County Council (as a Local Authority) has made to the sub-region, in partnership with both Jobcentre Plus and the Learning & Skills Council in the current programme, we propose that the LA consortium would again add value to ESF provision. This we would be able to do by being able to tackle both activities and individuals who are hard to reach, and also are linked into the partnerships that we work with across the region.

The role of local authorities in co-financing is seen as:

- Underpinning hard to reach individuals to become job support ready, and access mainstream provision provided by ESF Co-financing activity through the other CFO's
- Providing extra support and enthusiasm for individuals to become business 'Start up' ready and able to be signposted and access mainstream business support services
- Supporting hard to reach individuals in deprived neighbourhoods in Leicester City to access provision support and advice which re-engages them back into training, education or work
- Developing a programme in Derbyshire which supports people with disabilities to enter and remain in work, via a programme of intensive support and mentoring projects
- Delivering a programme of activity that tackles the issues of worklessness by supporting volunteering and volunteer opportunities to hard to reach individuals and developing the way in which voluntary and community sector groups support this activity.

Key linking themes throughout the whole of the plan are around the proposals to engage, support, and raise the aspirations of individuals who historically fall below the levels at which they can engage with mainstream activity moving them back into employment, and provide the additional support needed by them to enter in to the mainstream activity more successfully, with great effectiveness and sustainability.

Please refer to the sub-regional chapters, for more specific activity details

1.6 Geographical targeting

Planned activity, from April 2008, will cover the following areas;

- Leicester City
- Derby City
- Derbyshire
- Lincolnshire

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

1.7 Quantified outputs and Quantified results

See annex 2 for detailed figures.

1.8 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.

1.9 How will activity complement other CFO activity

The Local Authority Consortium is supportive of the RES and ESF Framework, having been involved in their development. Local Authorities 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.

The consortium 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 tenderers 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.

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.

Section 2: Funding and Added Value

2.1 ESF funding by Priority and year

Within this plan there is proposed a total allocation for the 2008 – 2010 plan of;

- Priority 1 ESF £2,389,088 & Match £2,920,000 Total £5,309,088
- Priority 2 ESF £1,415,455 & Match £1,730,000 Total £3,145,455

See Annex 1 for further details and yearly breakdown.

This breaks down between each authority as;

Authority	Priority 1 ESF	Priority 2 ESF	Match	Total
Lincolnshire County Council	163,636	1,227,272	1,699,999	3,090,907
Derbyshire County Council	1,374,545	-	1,680,000	3,054,545
Leicester City Council	703,634	65,455	940,000	1,709,089
Derby City Council	147,273	122,728	330,001	600,002

Match funding by Priority and year

Match funding has been identified from eligible sources and adheres to the Open and Competitive Tendering rules laid out in the England Operational Plan.

Authority	Match	Description
Lincolnshire County Council	1,699,665	LABGI resources identified through the council to be used to support training programmes
Derbyshire County Council	1,680,000	Derbyshire County Council social services contracts
Leicester City Council	940,000	Disadvantaged Area Fund resources
Derby City Council	330,001	Neighbourhood Renewal Resources

2.2 Breakdown of planned administrative costs

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

- Staff for Lincolnshire County Council as contract leads
- Individual staff resources for participating LA's

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 LA's will deliver in this region.

However, as a guide, we would expect that where ESF funding of £140,909 per year is received from ESF the numbers of staff engaged on ESF work would be in the region of between 4 (whole time equivalent).

No more than 5% of the total project funding (ESF and Match) will be used towards administrative costs.

2.3 Added value of ESF

The plan will provide added value to these programmes by increasing the opportunities for beneficiaries within the specified target groups. It will allow access to new and innovative provision not currently available from mainstream activity or by providing additional capacity within existing provision.

The Consortium in its current incarnation has targeted 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. At present this is limited to 4 authority areas within the East Midlands regions, but will expand rapidly from 2010 onwards. Proposed activity is in support of other CFO activity, and has been developed in a complimentary manner.

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 mainstream programmes.

Authority	Activity	Added Value
Lincolnshire County Council	<ul style="list-style-type: none"> • Creating an appetite for business start ups • Supporting a programme of activity which links to business management skills in specialised areas around innovation and technical support needed for business growth 	<p>The proposed activity will be adding value to a number of initiatives operating in Lincolnshire.</p> <p>The developments will augment activity in the county, by filling in gaps currently not covered by provision by other CFO</p>

	<ul style="list-style-type: none"> • A package of support measures and organisational development for intermediary organisations in the community and voluntary sector to tackle contract provision • Delivering a programmes of support training interveners to support and engage hard to reach individuals in rural areas to become 'job ready' 	<p>plans.</p> <p>The tender specifications will concentrate mainly on the pre-employment and pre-business start activity, to enthuse, engage and support 'hard to reach' individuals on the path to accessing mainstream provision.</p>
Derbyshire County Council	<ul style="list-style-type: none"> • Support for a package of activities that will help unemployed and inactive people with disabilities who have proved difficult to help via mainstream provision 	<p>The Derbyshire County Council activity will be focussing in the main on people with disabilities, and activities that will provide the correct support for this client group to overcome barriers.</p> <p>The activity will focus on providing the extra support and guidance that is needed, over and above what can be provided within mainstream provision. There will also be a focus on social enterprise development for people with disabilities.</p>
Leicester City Council	<ul style="list-style-type: none"> • An expansion of employment support services for new labour market entrants and long term unemployed • Adding value to the delivery of the Pathways to Work programme for incapacity benefits • A programme of activities targeted at people with disabilities in the delivery of pre-employment training and skills • Adding in capacity to the proposed Home Office 	<p>There are a whole range of activities to support hard to reach individuals in deprived communities.</p> <p>The tendered activity will be solely the only provision in the City area, via prior agreement with JC+.</p>

	<p>Models for the delivery of integration services to refugees to address employability issues</p> <ul style="list-style-type: none"> • Piloting activities with employers to support employees from disadvantaged backgrounds to obtain management and leadership skills 	
Derby City Council	<ul style="list-style-type: none"> • A focussed pilot project targeting Normanton that will be concentrating on socially excluded groups, by providing that with pre-employment support so that they can access mainstream activities • Developing the appetite for entrepreneurship in Normanton by providing 'pre start-up' activity for individuals 	<p>The activities proposed will be concentrated on the Normanton area of Derby City, and will engage hard to reach individuals on both pre-employment and pre business activity.</p> <p>This deprived Neighbourhood has a range of issues that raise barriers on getting people back into employment, and ESF will provide an effective mechanism to break these down.</p>

Please refer to the sub-regional chapters for more information on activity.

Section 3: Project Selection and Tendering Arrangements

3.1 Procurement

All Local Authority ESF provision, and that which will be used as match funding, will be procured through an open and competitive tendering process. The consortium intends to tender for activity to start delivery in April 2008 to ensure that “N+2” can be met. In order to attain this, the procurement activity will start at the end of November 2007.

The appraisal and approval process for this new programme will follow an open and competitive tendering process. The Local Authority consortium will produce a prospectus which will have a tender brief attached to it, for each priority they are looking to support. This tender brief will form the basis on which tenders to deliver activity will be judged.

Organisations seeking to undertake activities funded by ESF (or match) will be required to successfully complete a tendering process against specific detailed tenders on a sub-regional basis.

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

3.2 Submission of Tenders

There will be a two stage process for appraising and approving activity within this tendering round, with stage 1 forming an eligibility check for potential tenders for ESF Co-financing. Stage 1 tender forms will be assessed to ensure that the activity proposed is eligible for support and shows a degree of fit with the priorities of this co-financing plan and prospectus. If a proposal is found cover activities ineligible for support as outlined in the Co-financing Plan and tender specification, the applicant will be advised that they are not eligible to progress to stage 2.

Within this stage projects will not be considered if they do not meet the eligibility requirements as laid down in the tender process.

Successful bids will then be invited to proceed on to stage 2 where a completed tender will be appraised fully.

A common tender form will be used by consortium members in order to make the tendering process more accessible. Applicants are asked to provide the following information:

Applicant and Project Details

- Accountable body
- Legal status
- Project duration and dates
- Description for publicity purposes

Activity Focus and Summary

- Activities being delivered in relation to the prospectus
- Aims and objectives
- Delivery mechanisms

- Project need

Target groups and Milestones

- Track record of working with identified groups
- Key activities and dates for delivery

Linkages and Added Value

- Links with other local activity
- Support from other organisations

Outputs and Outcomes

- Tender Specification results
- Other project-specific results
- Soft outcomes

Activity Management

- Delivery mechanisms
- Systems to support delivery

Cross-cutting themes

- Equal opportunities - implementation of Equal Opportunities Policy; support measures
- Sustainability - support for economic and environmental sustainability

Further information relating to project costs and the geographic area of delivery will also be required. This will inform the appraisal process in terms of the quality of individual projects and their overall impact.

Application pack guidance notes will be designed to make the tendering process accessible for the range of potential applicants, so that approval depends on the quality of the project rather than the skill of the bid writer.

The sections of the tender relating to project activity, linkages and activity management will be weighted in the scoring process to reflect their importance. Assessment will be conducted on the basis of criteria broadly agreed with other CFOs'. Once this process is complete, applicants will be given written feedback identifying whether they will be invited to go on to stage 2 of the tendering process.

The appraisal and approval process will add value to the preceding process by focusing on:-

- The outcomes – what will be achieved
- How activities relate to tender specifications
- Value for money
- Deliverability

Tenders will be appraised by each Local Authority. Training will be provided to appraisers to ensure that they treat each tender form professionally and effectively.

The appraisal will consider each of the points raised in the previous section, and will also consider whether the tender provides value for money. This will be assessed as follows:

- *Options* - what are the options for addressing the activities in the Tender Specification?
- *Inputs* – what resources will be required (human as well as financial) for the activities in each Tender to be implemented?
- *Processes* – is there anything about the way the activities will be implemented that adds value and needs to be reflected in a Value for Money assessment?
- *Benefits* – what are the outputs and outcomes that the activities are expected to achieve?
- *Efficiency* – is the activity cost-effective or could it be secured elsewhere?
- *Effectiveness* – do the activities genuinely contribute to the overall objectives in each priority?

Once the technical appraisal has taken place, projects will then be considered by an independent approval panel. The approval panel is an established group containing members from the public, private and voluntary sectors, including training specialists, employers, and stakeholders in the local economy.

There will be clear separation of functions between project development, preparation of the funding/tendering application, appraisal and approval. This can be seen as follows:-

- *Project Development* - This will be the responsibility of the sub-contractor with the support of the project commissioners who will give the necessary guidance in order for an effective programme of activities and outcomes to be delivered within the necessary timescales.
- *Preparation of the funding/tendering application* – This again will be the responsibility of the sub-contractor with the support of the project commissioners. However it may not necessarily be the same person who undertakes the Project Development.
- *Appraisal* – the project manager within each Local Authority, using the criteria outlined above, will appraise each project application. The applications will be assessed by a small team of individuals drawn from each Authority, and also external experts, who have the necessary skills and knowledge to appraise and score the applications
- *Approval* – This will be the responsibility of a panel of the panels above. They will give the final approval to the project.

3.3 Publicising Invitations to Submit Tenders

To ensure that the consortium conducts an open, transparent and competitive tendering process, an extensive range of media will be utilised to advertise invitations to submit tenders. The range of media to be used is outlined below.

- Local Authority websites

- Government Office website
- Press releases to local and regional newspapers, local BBC and commercial radio stations;
- Direct mail through local databases held by the authority concerned
- E-mail alerts to the database of local contacts
- E-mail alerts to network organisations for onward cascade

All of the proposed methods will be employed concurrently to ensure that as many organisations as possible are made aware.

3.4 Support and Advice

The Local Authority consortium is committed to ensuring that as wide an audience as possible is aware of the opportunities available under ESF co-financing. This will be undertaken through the media ie newspapers and radio, and websites which will be linked to other appropriate websites and through the comprehensive use of the ESF logo.

Information on the launches of co-financing prospectus will be put into the local press and onto individual Local Authority websites along with details on the application process, the application form and the scoring framework.

As part of keeping applicants informed through the tendering process, feedback will be given to applicants on stage 1 tender, with feedback given as to whether the tender will continue onto stage 2.

Each ESF offer letter will contain a clause on publicity requirements on how to promote ESF co-financing opportunities to beneficiaries, potential beneficiaries and the general public. Clear guidance will be issued to project managers on the requirements on the use of logos for publicity purposes. This requirement is also extended to applicants undertaking project activity on behalf of a project manager. Activities relating the publicity of ESF will be monitored as part of the monitoring process with project managers. Where publicity guidelines are not adhered to project managers are aware that it may result in the withdrawal of ESF funding.

A list of successful applications will be issued to key partners and will also be put onto the website once contracting is complete.

3.5 Feedback Arrangements

The consortium will employ a fully transparent appraisal process with all applicants receiving an overview of the appraisal process.

All organisations applying for ESF from the Local Authorities will be notified of successful applications and the Local Authority will ensure that all proposals receive feedback on their proposal. Where a proposal is unsuccessful, the applicant will be informed as to the reason.

In the interests of openness and transparency we will publish summary details of successful project applications; these will be posted on individual Local Authority websites and that of the GOEM.

3.6 Challenges to Decisions

Challenges to decisions will be dealt with through a clear and transparent process. This will include an opportunity for applicants to appeal at specified points in the tendering process about decisions made.

At each specified point a Senior Manager, from within each Authority, who has not been involved in any co-financing application, will consider appeals that are made. A written response will be sent to the applicant stating the outcome from the appeals panel. A written copy of the reasons behind the outcome of the appeal will be kept on file to provide an effective audit trail of decisions made.

Section 4: Provider Funding and Monitoring

4.1. Describe how contract costs will be formulated

Contract costs will be appraised through the tendering process that will be carried out, and a value for money assessment made at the appraisal process where all of the tenders can be compared.

Part of the appraisal process will be to consider the detailed funding requirements for each project, including forecasts of expenditure against milestones. This will be used to determine whether advance funding of up to 30% will be required. Where this is the case, the provider will need to identify how the advanced funding will be used.

4.2. Payment arrangements for providers

Once a contract has been entered into, sub-contractors will then need to submit claims on a quarterly basis with accompanying evidence of eligible expenditure and outputs to their respective Local Authority. Their claim will be paid by the Local Authority, and these claims will then be used to compile the overall ESF claim for DUIS by Lincolnshire County Council. Once income has been received by Lincolnshire County Council, the Local Authority will then be reimbursed.

The Local Authority consortium will pay all claims for projects, when the requirements are satisfied that all ESF and contractual requirements are satisfactory.

4.3. Any plans to reimburse providers using actual costs

With regard to contract costs, all the Local Authority members within the consortium will be operating on an actual cost basis.

There has been discussion at both a national level with DIUS, and at a regional level with GOEM over the past couple of years, regarding the issue of actual cost contracts.

The key outcomes regarding this have included the following points, these are;

- All project delivery will be based on a contract between the issuing authority and the project provider
- The contract will have the following elements within it;
 - Overall budget headings
 - A quarterly breakdown of project spend
 - Overall output breakdown
 - A quarterly breakdown of output achievements
- The project will be expected to provide eligible evidence on a quarterly basis for both spend and outputs achieved
- All of this information will be used within the monitoring of project activity

From discussions that have been entered into on a national basis with LGA and DIUS, there did not appear to be any problems with having actual costs as the basis for payment. The view was that as long as a contract was in place, and that could be used for active monitoring, it would be transparent enough for audit purposes.

In addition to this LA's financial systems, in the main use actual costs as a basis for payment of contracts, and are not set up for output/performance related payments.

4.4. Arrangements for monitoring ESF providers

Each successful applicant will receive an offer letter that will be the formal agreement between the applicant and the relevant Local Authority.

The offer letter will be a legally binding document that explains each party's responsibilities. However, the offer letter will be written in a way that enables it to be used as a guide to the applicant on how to deliver their project within ESF guidelines. Each provider will also be required to attend a seminar on ESF administrative requirements, so that they understand the detailed issues relating to the management of ESF. By providing these two pieces of support before the applicant has started to deliver their project, the consortium authorities will have ensured that sub-contractors understand what they are expected to deliver and what records will be required.

However, experience has shown that the applicant will require ongoing support in order to meet ESF requirements. Therefore the consortium authorities will make regular visits to the applicant to ensure that the project is delivering against profile. These visits will be quarterly and will take the form of a review that is broadly formal in nature. This will include Article 4 checks, and 5% on the spot checks for original invoices.

4.4.1 Project delivery and outcomes

ESF projects will be managed and monitored through individual Local Authority consortium members. Each Authority member will assign a contract management member of staff at the initial stage. Contractors will return a quarterly report of all deliverables within the contracts combined with additional narrative reports. The required evidence to support these deliverables is identified within the Offer Letter and associated annexes, and the evidence is held by the provider, and will be retained in line with ESF requirements.

Performance monitoring of individual projects is undertaken in accordance with the frequency detailed in the Offer Letter. The monitoring process includes a pre-determined, and reviewed, schedule of provider visits and evidence checks by the contract management staff.

Contracts are monitored against:

- The objectives of the contract;
- The timely and accurate return of records and reports to the individual Local Authority

- Delivery of the agreed outcomes, outputs and milestones (as documented in the Offer Letter Annexes)
- The evidence of delivery
- Beneficiary eligibility

The agreed variance for under/over performance of contracts is: +/-15% of contract value. 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.

Lincolnshire County Council will keep an overview on expenditure and outputs to ensure that Co-financed activity is performing within acceptable parameters and in line with the funding profiles submitted to DIUS.

4.4.2 Quality standards including how Ofsted recommendations will be addressed

The Local Authority consortium will be happy to engage in discussion around Ofsted inspections. At present Local Authority activity has been subject to scrutiny, and no guidelines have been issued.

4.4.3 Financial performance

Lincolnshire County Council will be undertaking the role of collating and monitoring the financial and outputs details from individual authorities. Regular update meetings will be held with contract managers to analyse both local and whole programme activity, with a schedule of action points and activities identified to deal with any discrepancies encountered.

4.4.4 Audit

All sub-contracted provision will be subject to local audit processes that have been developed by Lincolnshire County Council, and adopted as a process for individual authority procedure. The purpose of these audits will be ensure that payments to providers have been used in ways that are materially consistent with the purposes for which the payments were made and that the provider has materially complied with the conditions of their contract.

In addition, the Local Authorities internal processes and controls are reviewed on a regular basis by Internal Audit departments and the Audit Commission.

4.5 Provision of management information

LCC responsibilities for monitoring to cover:

- Monthly programme monitoring meetings for 1st Tier Authority staff
- Attending monitoring visits where required
- Scrutiny and audit
- A monitoring visit and risk assessment for every funded project
- Six-monthly visits to every project where applicable
- Additional monitoring visits where required
- Ongoing responses to queries from 1st Tier Authorities

- Overall management of 1st Tier Authority input

1st Tier Authority responsibilities for monitoring to cover

- Monitoring visits
- Provision of financial and monitoring data to LCC from individual projects
- Ongoing responses to queries from projects
- Quarterly programme steering group meetings

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 LA 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

This plan seeks to embrace diversity and equality by targeting resources on those people considered most disadvantaged in the labour market.

The Local Authority Consortium will demonstrate commitment to equality and diversity by providing services that embrace diversity and promote equality of opportunity. Through the terms and conditions of contracts, providers will be required to ensure that they and subcontractors assist and cooperate with Local Authorities to actively promote equality of opportunity for all persons irrespective of their, race, gender, age, disability sexual orientation or religion.

Before the award of any contract providers will be required to show 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.

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

The Local Authority consortium 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.

Sustainability will be an integral part of the tendering 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.

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.

Section 6: Sub-regional Chapters

Introduction: Lincolnshire County Council

Background

Lincolnshire County Council will invite tenders for both Priority 1 & 2 activities, within the 2007-2013 Programme. This activity builds upon current 2000-2006 Programme activity that we have already supported, and also develops new area of activity identified through local partnership and LAA development.

Strategic Fit

Within Priority 1 indicative support for the activities is featured through the following activities within a community empowerment approach, including;

- Activities to tackle barriers to work faced by people in rural areas
- Community projects & volunteer activities to mobilise inactive people and facilitate integration into the labour market, connecting people of limited opportunity of growth

Priority 2 indicative support will include;

- Customised learning to meet employers' needs

Key Priorities

Lincolnshire County Council's priorities for ESF Co-financing, between 2008-2010, are to;

1. One of the main priorities for Lincolnshire County Council in priority 1, is the continuation of the work carried out in rural areas under the current programme, to support hard to reach communities to become both job support ready, and tackle the issues of worklessness that underpin an inability to access job support mechanisms. This is particularly prevalent through an analysis of the quality of volunteers and volunteering opportunities in the County, and also how the voluntary and community group sector support this hard to reach group back into more main stream provision
2. Within Priority 2 the focus will be on a number of areas and sectors that need support at both ends of the spectrum, from supporting individuals/businesses in need of extra support to become 'Start Up' ready (this includes developing migrant worker entrepreneurship and micro businesses) through to supporting business growth of SME's in the County by developing bespoke business skills support programmes to tackle issues of business growth and management including technical aspects and innovation techniques. There is also a key plank of support needed for the voluntary/third sector to support those organisations to develop their skills base around tendering and delivering of public sector contracts in a wide range of areas from care through to community development activity

Priority 1: Extending Employment Opportunities

Lincolnshire County Council has identified the following activities for Priority 1;

Activities/Skills

- A package of measures that support training interveners to support hard to reach communities, within the County, by engaging more fully in rural and sparsely populated areas in Lincolnshire. The activity would offer pre-mainstream support and mentoring to individuals, before then referring the developed individual onto other provision that supports them to become 'job-ready'
- **1 tender specification has been developed around the first key priority outlined above (1.1).**

Priority 2: Developing a Skilled and Adaptable Workforce

Lincolnshire County Council has identified the following Activities for Priority 2;

Activities/Skills

- Providing within the County training to support individuals/businesses who need extra support to become start up ready, and to top up limited regional provision available within the County. This will include a separate programme of support around developing migrant worker entrepreneurship and micro businesses
- Supporting a programme of activity which links to business management skills in specialised areas including around innovations and technical support needed for business growth
- Developing a programme around supporting Intermediary organisation development within the voluntary sector to tackle contract provision, as outlined above
- **3 tender specifications have been developed (2.1, 2.2, 2.3).**

Breakdown to tenders

The amounts detailed below are available for the tender specification/s.

Financial

Tender Specification	ESF allocation			
	2008	2009	2010	Total
1.1	54,546	54,545	54,545	163,636
2.1	136,364	136,364	136,364	409,092
2.2	136,363	136,363	136,364	409,090
2.3	136,363	136,363	136,364	409,090

Outputs

Priority 1	ESF allocation			
	2008	2009	2010	Total
Total number of participants	33	34	33	100
1.2 Number and % of participants who are unemployed (a) Number	5	7	18	30

(b) Percentage	5%	7%	20%	30%
01.3 Number and % of participants who are inactive				
(a) Number	20	20	20	60
(b) Percentage	20%	20%	20%	60%
1.5 % of participants with disabilities or health conditions				25%
1.6 % of participants who are lone parents				10%
1.7 % of participants aged 50 or over				60%
1.8 % of participants from ethnic minorities				5%
1.9 % of female participants				60%
Results				
1.10 Number and % of participants in work on leaving				
(a) Number				30
(b) Percentage				30%
1.11 Number and % of participants in work six months after leaving				10 10%
1.12 Number and % of economically inactive participants engaged in jobsearch activity or further learning				
(a) Number				20
(b) Percentage				20%
1.13 Number and % of 14 to 19 year old NEETS or at risk in education, employment or training on leaving				N/A
(a) Number				
(b) Percentage				

Priority 2	ESF allocation			
	2008	2009	2010	Total
Total Number of participants	400	600	449	1449
Number and % with basic skills needs	150 10%	200 14%	208 14%	558 38%
Number and % of participants without level 2 qualifications	125 9%	225 16%	165 11%	515 36%
Number and % of participants without level 3 qualifications	23 2%	54 4%	60 4%	137 9%
% of participants with disabilities or health conditions				10%
% of participants aged 50+				30%
% of participants from ethnic minorities				10%
Number and % of female participants	200 14%	300 21%	205 14%	705 49%
Results				
Number and % of participants gaining basic skills	45 3%	60 4%	66 5%	171 12%
Number and % of participants gaining level 2 qualifications	35 2%	59 4%	79 5%	173 12%

Number and % of participants gaining level 3 qualifications	8 1%	16 1%	13 1%	37 3%
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Introduction: Derbyshire County Council

Background

Derbyshire County Council will invite tenders for priority 1 activities. This will be delivered as an element of the regional Co-financing plan submitted by the Local Authorities for the East Midlands for investment from 2007 through to 2010 (plus an option to extend).

The activities to be tendered will support a number of key initiatives and provide more integrated support into employment for vulnerable people. Primarily the people will have learning disabilities, but could also include other vulnerable people who have proved difficult to help through mainstream Job Centre plus funded schemes. The aim is to provide a more integrated and flexible approach towards supporting vulnerable people into work.

Regionally it is estimated 90% of people with a learning disability who do not have a job, would like one; 40% of people with a learning disability would like to work, but less than 4% have jobs. The activity will include mentoring and support for increased independence to become job ready, and support for people who are job ready, to help them move into a range of employment settings.

Strategic Fit

It will complement the key objective within the esp Framework for the East Midlands 2007-2013 of;

- 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 in work

Key Priorities

Focused on the most marginalised and disadvantaged people in Derbyshire. The programme will primarily address the needs of people with learning disabilities, but also benefit other vulnerable people who are proving hard to help through mainstream funded Job Centre Plus provision.

This proposal will add value to existing JC+ proposals within their CFO plan, by being able to tackle issues with a hard to support beneficiary group by providing a better coverage, with more flexible support provided. This will yield a bigger impact and more sustainable outcomes in the county.

The activity meets other key objectives in important national policy documents relating to health and social care, in particular : 'Our Health, Our Choice, Our Say, Improving Life Chances for Disabled People and Valuing People', of which the Local Authority has a key responsibility in delivering within its sub-regional area.

Within the context of the current Derbyshire Local Area Agreement (2004/5 – 2007/8) the programme will add value to the objective within the Sustainable Communities theme of supporting people into work, particularly disabled people. The programme will also complement the Healthier Communities and Older People theme to improve the quality of life of vulnerable people.

The programme will complement local Community Strategies and meet specific gaps in provision within Chesterfield, North East Derbyshire and Erewash Boroughs and

provide additional support to disadvantaged and disabled people in former coal mining areas; isolated rural communities and market towns, where access to specialist provision is very restricted.

Priority 1: Extending Employment Opportunities

Derbyshire County Council has identified the following priorities for Priority 1;

Activities to help unemployed and inactive people with disabilities or health conditions to enter and remain in work, and appropriate support for people who become disabled or develop health conditions to retain in employment. The main client group will be people who will have learning disabilities, but will also include other vulnerable people who have proved difficult to help through mainstream Job Centre plus funded schemes.

Activities/Skills

The activities will cover a range of flexible services to provide more integrated support into employment for vulnerable people, specifically

- Activities to tackle barriers to work faced by people in rural areas
- Community enterprise projects and the promotion of volunteering activities to mobilise inactive people and facilitate integration into the labour market, connecting people in areas of limited opportunity of growth.
- More flexible and comprehensive supported employment for people who are hardest to help into jobs. This would complement the supported employment projects funded by Job Centre Plus. A key component would be the type of on the job support and a recognition that most vulnerable people progress more slowly and make uneven progress.
- ***4 tender specification/s have been developed (1.1, 1.2, 1.3,1.4). Tender/s will need to be clearly focussed to address the relevant specifications.***

Proposals

The ESF value of this activity over a 3 year period is £1,374,545 and it will be supporting targeted activity identified that will cover the whole of Derbyshire. Supported activity will add value and extend the scale of work proposed through these activities, and ultimately increase the quality and numbers of individual beneficiaries accessing this service.

It is proposed to support 240 beneficiaries throughout the years of support.

This can be broken down into the following areas;

- People with disabilities 240

Breakdown to tenders

The amounts detailed below are available for the tender specification/s.

Financial

Tender Specification	ESF allocation			
	2008	2009	2010	Total
1.1	164,945	164,945	164,945	494,836
1.2	164,945	164,945	164,945	494,836
1.3	64,145	64,145	64,145	192,436
1.4	64,145	64,145	64,145	192,436

Outputs

Priority 1	ESF allocation			
	2008	2009	2010	Total
Total number of participants	90	90	90	180
1.2 Number and % of participants who are unemployed (a) Number (b) Percentage	5 3%	7 4%	7 4%	20 11%
1.3 Number and % of participants who are inactive (a) Number (b) Percentage	25 14%	35 19%	30 17%	90 50%
1.5 % of participants with disabilities or health conditions				100%
1.6 % of participants who are lone parents				0%
1.7 % of participants aged 50 or over				30%
1.8 % of participants from ethnic minorities				20%
1.9 % of female participants				60%
Results				
1.10 Number and % of participants in work on leaving (a) Number (b) Percentage				20 11%
1.11 Number and % of participants in work six months after leaving				10 6%
1.12 Number and % of economically inactive participants engaged in jobsearch activity or further learning (a) Number (b) Percentage				20 11%
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				N/A

Introduction: Leicester City Council

Background

Leicester City has been awarded City Strategy Pathfinder status by the Department of Work & Pensions as part of its drive to increase the national employment rate to 80%. The plan incorporates a target to move an additional 1220 residents off benefit and into sustainable employment by March 2009, and is supported by £1.9 million of Disadvantaged Areas Funding (DAF) from the DWP, which is paid through the consortium and which is due to be commissioned in the final quarter of 2007. The development of the DAF programme, which is due to be launched on the 19th October, has involved considerable consultation with target communities and providers and has considered the linkages with existing and proposed sources of funding from JC+ and the LSC, including for example the local alignment of city strategy funding for capacity building in the voluntary sector with the Neighbourhood Learning in Deprived Communities funds commissioned in the past month.

The development of this co-financing plan therefore affords the opportunity for ESF resources to be closely aligned with the plans of Leicester City Strategy in order to achieve the targets set for the city by the Department of Work & Pensions. The plan seeks to embed the improvements in the partnership working that City Strategy has initiated across the public and voluntary sectors as well as to bolster the engagement of the programme with employers in the city and its surrounding travel to work area so that their requirements for a skilled and adaptable workforce are met.

Strategic Fit

ESP Priority 4: Increase the involvement and achievements of people aged from 14-19. The ESP seeks to reduce the number of young people not engaged in education and training (currently 6.4%) by a further 2% and ensure that 90% of young people take part in education and training. Our city strategy consortium specifically targets the NEET group.

ESP Priorities 5 and 6: Target employment and skills support at all levels for adults in the region and; Improve the infrastructure and responsiveness of skills supply and the co-ordination of provision. Our city strategy will look at improving the way in which we commission training so that it better meets employer needs, and target skills provision on the most disadvantaged groups.

Priority 1: Extending Employment Opportunities

Leicester City Strategy has identified the following priorities for Priority 1;

Activities/Skills

- The expansion of employment support services for new labour market entrants providing one to one support for the first 13 weeks of employment in order to boost job retention levels. Support will be provided with the transition from benefits to employment; and address childcare and transport barriers. The service will work with both the employer and employee to address performance issues in the workplace and support the development of a long term training and progression plan.
- Adding value to the delivery of the Job Centre Plus 'Pathways to work' programme for Incapacity Benefit claimants by working with the Pathways provider to add capacity to engagement activities and to increase the number of voluntary customers to the programme. The priority is to improve referrals to

Pathways from GP's and other community based services that come into contact with the client group and to ensure that specialist services have the necessary levels of capacity to support IB claimants in order to improve their employability. This will include addressing issues of low self esteem and motivation; poor communication skills; health and hygiene; lack of family support; and issues including drug and alcohol dependencies.

- A programme strand targeted at people with disabilities, including learning disabilities that will provide supported employment opportunities. This strand will increase capacity of training and learning providers to cater for the needs of disabled people in the delivery of pre-employment training and skills and embed opportunities for disabled people to participate in the developing routeways to employment. It will also build the capacity and expertise in providers of Information, Advice & Guidance services to cater for the needs of disabled people and to develop personal development plans for this client group.
 - Increasing the level of provision available to offenders by increasing the capacity of the providers of employability services to take referrals of offenders as part of their release programmes from prison, and by improving the provision available to offenders in receipt of community sentences. This will include the provision of intensive support packages including one to one mentoring and coaching.
 - Adding in capacity to proposed home office models for the delivery of integration services to refugees. The Home Office is proposing to roll out its 'SUNRISE' model – providing a caseworker approach that addresses housing, benefit, education, and family issues – from April 2008 onwards. We propose to add capacity into the local caseworker team to address employability issues and to create an individual budget that can be used by caseworkers to purchase additional employability and training services on the behalf of their clients.
- **6 tender specifications have been developed (1.1, 1.2, 1.3, 1.4, 1.5 & 1.6).**

Priority 2: Developing a Skilled and Adaptable Workforce

Leicester City Strategy has identified the following priorities for Priority 2;

Activities/Skills

- Increasing the provision of affordable and flexible childcare provision – available to women that are entering employment as part of a work trial or in the initial year of employment, or who are entering a programme of training and/or learning, particularly in respect of women in need of basic skills development or in order to enable them to take on learning to Level 2. We will also seek to increase the number of culturally appropriate childcare places available for women from the Bangladeshi, Somali, and Pakistani communities.
- Improve the provision of vocational ESOL courses – particularly short targeted courses outside normal term time provision which include supported public sector work placements (could also include 'ESOL for Enterprise' combining language support with small business advice linked up with Ethnic Minority Business Support). We will provide additional services to people entering these courses including mentoring through 'personal advisers' building on a NIACE pilot and will develop customised learning plans to support job retention and career progression.
- Develop a pilot scheme with employers to subsidise employees from disadvantaged backgrounds to obtain management and leadership skills on

condition that real opportunities for promotion can be identified and the back-fill of existing posts is undertaken via providers in the city strategy consortium.

- Improve the public support 'offer' to employers by bringing existing employer engagement officers from across the City Strategy consortium together so that a single, joined up, offer of support for employees to progress in employment is available and clearly understood by employers. We will add capacity to existing programmes to support employees to obtain in-work qualifications and to progress by supporting additional costs involved in this such as any increased childcare costs for part-time workers.
- **1 tender specification has been developed (2.1).**

Key Priorities

Leicester City Strategy's priorities for ESF Co-financing between 2008-2010 are to:

3. Increase the overall employment rate within the city to 68.4% (March 2009), and reduce the number of benefit claimants of working age by 1220 in that time frame.
4. Focus this improvement on the most disadvantaged communities in the city, and achieve a 35% uptake across the programme from BME groups.
5. Achieve a significant increase above existing trends in the level of basic skills amongst our most disadvantaged communities, and in the proportion of the population with at least a Level 2 qualification.
6. Increase the capacity of our provider base to address the most common barriers to employment experienced by IB claimants, people with disabilities, and lone parents.

Breakdown to tenders

The amounts detailed below are available for the tender specification/s.

Financial

Tender Specification	ESF allocation			
	2008	2009	2010	Total
1.1	20,000	15,000	14,090	49,090
1.2	125,000	100,000	81,818	306,818
1.3	12,000	12,000	12,818	36,818
1.4	45,000	39,000	30,545	114,545
1.5	45,000	39,000	30,545	114,545
1.6	30,000	30,000	21,818	81,818
2.1	25,000	25,000	15,455	65,455

Outputs

Priority 1	ESF allocation			
	2008	2009	2010	Total
Total number of participants	271	625	410	1,306
1.2 Number and % of participants who are unemployed				
(a) Number	168	380	250	798
(b) Percentage	13%	30%	19%	61%
1.3 Number and % of participants who are inactive				
(a) Number	150	225	171	546
(b) Percentage	11%	17%	13%	42%
1.5 % of participants with disabilities or health conditions				20%
1.6 % of participants who are lone parents				25%
1.7 % of participants aged 50 or over				20%
1.8 % of participants from ethnic minorities				30%
1.9 % of female participants				51%
Results				
1.10 Number and % of participants in work on leaving				
(a) Number				450
(b) Percentage				34%
1.11 Number and % of participants in work six months after leaving				485 37%
1.12 Number and % of economically inactive participants engaged in jobsearch activity or further learning				
(a) Number				168
(b) Percentage				13%
1.13 Number and % of 14 to 19 year old NEETS or at risk in education, employment or training on leaving				
(a) Number				N/A
(b) Percentage				

Priority 2	ESF allocation			
	2008	2009	2010	Total
Total Number of participants	20	50	25	95
Number and % with basic skills needs	10 11%	15 16%	10 11%	35 23%
Number and % of participants without level 2 qualifications	16 17%	35 37%	17 18%	68 72%
Number and % of participants without level 3 qualifications	5 5%	15 16%	5 5%	25 26%
% of participants with disabilities or health conditions				20%
% of participants aged 50+				20%
% of participants from ethnic minorities				30%
Number and % of female participants	20 21%	25 26%	20 21%	65 68%

Results				
Number and % of participants gaining basic skills	10 11%	10 11%	10 11%	30 32%
Number and % of participants gaining level 2 qualifications	12 13%	12 13%	12 13%	36 38%
Number and % of participants gaining level 3 qualifications	4 4%	4 4%	4 4%	12 13%

Introduction: Derby City Council

Derby is a city of 233,700 people (mid year estimate 2005) and this is expected to increase by a further 2.4% by 2013. Ethnic minorities make up 13% of this total with the largest group (8%) being Asian. A total of 143,700 or 61% of people living in the city are of working age with 74% (105,200) classed as economically active – well below the East Midlands average of 80.3%.

In June 2007 the number of Job Seeker Allowance (JSA) claimants was 4,276 or 3.0% but there is a further 7.8% (11,200) of the working population on Incapacity Benefit. Overall, the number of Key Benefit claimants of working age is 23,860, including 3,620 lone parents and 1,650 disabled.

Derby's priority neighbourhoods

One of the main priorities for Derby's 2020 Vision - the Derby City Partnership Community Strategy - is improving our deprived neighbourhoods and narrowing the gap between these and the rest of the city. Flowing from this commitment, Derby City Council have developed a strong focus on better and more effective targeting of disadvantaged groups and areas in the city. By using post coded data on annual household incomes, Derby has been able to identify pockets of deprivation within wards which appear at or near the city average. This approach identified 13 priority neighbourhoods in the city which are the focus for the 'narrowing the gap' targets and indicators on worklessness and poverty embedded within the Local Area Agreement. These neighbourhoods represent just under half of Derby's residents and households and characteristics include:

- high rates of economic inactivity and low levels of qualifications.
- households have considerably lower incomes than the rest of Derby and have less access to home PC's
- in most areas rates of self employment fall well short of the city average.
- the share of Derby's business base in these areas is not proportionate to their share of population.

Priority 1: Extending Employment Opportunities

Derby City Council have identified the following priorities for inclusion under Priority 1;

Activities/skills

Derby is seeking to develop and extend support to those individuals and groups furthest from the labour market and build on the successful Workstation project. In its first year of operation, the project has focused on retail jobs in the new Westfield shopping centre and how to target and open up access to these jobs for disadvantaged groups and individuals. The project has over 4000 clients and has worked with nearly 40 retail employers.

Moving forwards, the future focus will be on

- providing unemployed residents with the skills and support to enable them to break down barriers and access jobs in retailing, tourism/ hospitality, creative industries and high value engineering which were identified as priority clusters in the city Growth Strategy.

- Rolling out a range of outreach services across Derby's priority neighbourhoods to co-ordinate employment support activities and ensure closer contact with harder to reach unemployed and economically inactive individuals and groups.

The aim is to establish recruitment advisors at neighbourhood level to offer a range of different interventions and support provided to the target groups. This is likely to be longer term involving building relationships with individuals as it may take several different types of intervention to help the most disadvantaged move towards work readiness. These interventions could include a mix of one to one or group sessions, advice and support, assessments, training (both vocational and for some learners pre-level 2 training), work placements and supported interviews.

In places like Derwent, where there are already worklessness projects in operation at the neighbourhood level, Workstation will not duplicate but work with existing providers to ensure they have up to date information on employment or training opportunities. The intention is to focus on priority neighbourhoods in Normanton to complement and add value to the efforts of Jobcentre Plus.

A focus for activities in Derby will be on integrating vulnerable groups and individuals into employment and helping them to remain in work. In particular, activities will be aimed at people with learning disabilities and health conditions. The intention is to provide sustained and specialist support to develop skills that could be used in the workplace and then to provide job search, support taster sessions and help them to learn and retain a job.

- ***1 tender specification have been developed (1.1)***

Priority 2: Developing a skilled and adaptable workforce

Derby City Council have identified the following activities for Priority 2

Activities/Skills

Derby still relies on major employers for much of its employment and a priority is to increase the number of business starts especially in disadvantaged communities in the priority neighbourhoods. Activities would provide new businesses or potential entrepreneurs with training support to increase start up and survival rates and could include training in first stage business idea/planning through to skills for marketing and financial management. In particular, activities that engage and support women and ethnic minority groups to consider self employment will be encouraged.

The activities will build on the neighbourhood enterprise strategies collaborative work developed across the 3 cities and aimed at stimulating enterprise in deprived communities. The initial focus will be on the Normanton area and the outcome is to stimulate an 8% increase in businesses within this target community. In particular Derby is looking to support and encourage social enterprises.

The Derby economy needs to diversify and reduce dependency on traditional manufacturing industries and support needs to be given to SME's especially micro organisations in the emerging growth sectors such as creative and cultural industries highlighted in the City Growth Strategy. Activities to be supported will include

- Training to assist SME's with their business management and marketing skills.
- Training to develop and retain creative talent in the local economy.

- 1 tender specifications have been developed (2.1)

Breakdown to tenders

The amounts detailed below are available for the tender specification/s.

Financial

Tender Specification	ESF allocation			
	2008	2009	2010	Total
Priority 1 - 1.1	49,091	49,091	49,091	147,273
Priority 2 - 2.1	40,909	40,909	40,909	122,728

Outputs

Priority 1	ESF allocation			
	2008	2009	2010	Total
Total number of participants	50	50	50	150
1.2 Number and % of participants who are unemployed				
(a) Number	25	35	35	95
(b) Percentage	17%	23%	23%	63%
1.3 Number and % of participants who are inactive				
(a) Number	25	25	25	75
(b) Percentage	17%	17%	17%	50%
1.5 % of participants with disabilities or health conditions				25%
1.6 % of participants who are lone parents				20%
1.7 % of participants aged 50 or over				15%
1.8 % of participants from ethnic minorities				30%
1.9 % of female participants				50%
Results				
1.10 Number and % of participants in work on leaving				
(a) Number				20
(b) Percentage				13%
1.11 Number and % of participants in work six months after leaving				87
				58%
1.12 Number and % of economically inactive participants engaged in jobsearch activity or further learning				
(a) Number				110
(b) Percentage				73%
1.13 Number and % of 14 to 19 year old NEETS or at risk in education, employment or training on leaving				
(a) Number				N/A
(b) Percentage				

Priority 2	ESF allocation			
	2008	2009	2010	Total
Total Number of participants	50	75	75	200
Number and % with basic skills needs	40 20%	40 20%	40 20%	120 60%
Number and % of participants without level 2 qualifications	40 20%	45 23%	45 23%	130 65%
Number and % of participants without level 3 qualifications	15 8%	20 10%	15 8%	50 25%
% of participants with disabilities or health conditions				15%
% of participants aged 50+				30%
% of participants from ethnic minorities				20%
Number and % of female participants	25 13%	35 18%	42 21%	102 51%
Results				
Number and % of participants gaining basic skills	30 15%	30 15%	25 13%	85 43%
Number and % of participants gaining level 2 qualifications	15 8%	25 13%	17 9%	57 29%
Number and % of participants gaining level 3 qualifications	5 8%	5 8%	5 8%	15 8%

Section 7: Implementation

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

7.1.1 Contracting with providers

Currently, planned timing for provider contracts is:

Activity	Date
Prospectus published	4/02/08
Tender workshops	Feb 2008
Return of tenders (Stage 1 & 2)	26/05/2008
Tender assessments complete	30/06/2008
Announcement of successful applicants	30/06/2008
PTC and contract award	7/07/2008
Delivery Commences	21/07/2008

7.1.2 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	60	158	302	642	826	1067
Outcomes Cumulative	0	20	65	142	205	325

Quarter Ending	Dec 2009	Mar 2010	Jun 2010	Sep 2010	Dec 2010	Mar 2011
Starts Cumulative	1395	1578	1762	1965	2578	3480
Outcomes Cumulative	412	555	687	798	924	1131

N.B. All activities in this plan are subject to final approval by the esp Executive

ANNEX 1

ESF funding by Priority and year

Priority 1 - Extending Employment Opportunities

Year	ESF (£)	Public Match (£)	ESF + Match (£)
2007	0	0	0
2008	838,819	1,025,225	1,864,044
2009	796,818	973,888	1,770,706
2010	753,451	920,887	1,674,338
Total	2,389,088	2,920,000	5,309,088

Priority 2 – Developing a Skilled and Adaptable Workforce

Year	ESF (£)	Public Match (£)	ESF + Match (£)
2007	0	0	0
2008	475,000	580,555	1,055,555
2009	475,000	580,555	1,055,555
2010	465,456	568,890	1,034,346
Total	1,415,455	1,730,000	3,145,455

- For the life of the plan, total funds available are £8,454,543

ANNEX 2

East Midlands – Local Authority Plan 2007-2010

Output and results targets Priority 1 ESF and Match

Target	Quantification
Outputs	
Total number of participants	1,736
1.2 Number and % of participants who are unemployed	
(a) Number	943
(b) Percentage	54%
1.3 Number and % of participants who are inactive	
(a) Number	771
(b) Percentage	44%
1.4 Number and % of participants age 14 to 19 who are NEET or at risk of becoming NEET	
(a) Number	N/A
(b) Percentage	
1.5 % of participants with disabilities or health conditions	22%
1.6 % of participants who are lone parents	12%
1.7 % of participants aged 50 or over	18%
1.8 % of participants from ethnic minorities	21%
1.9 % of female participants	51%
Results	
1.10 Number and % of participants in work on leaving	
(a) Number	495
(b) Percentage	29%
1.11 Number and % of participants in work six months after leaving	
(a) Number	587
(b) Percentage	34%
1.12 Number and % of economically inactive participants engaged in jobsearch activity or further learning	
(a) Number	348
(b) Percentage	20%
1.13 Number and % of 14 to 19 year old NEETS or at risk in education, employment or training on leaving	
(a) Number	N/A
(b) Percentage	

Priority 2

East Midlands – Local Authority Plan 2007-2010
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Quantified outputs	Quantification
Total Number of participants	1,744
Number and % with basic skills needs	713 41%
Number and % of participants without level 2 qualifications	713 41%
Number and % of participants without level 3 qualifications	212 12%
% of participants with disabilities or health conditions	15%
% of participants aged 50+	20%
% of participants from ethnic minorities	9%
Number and % of female participants	872 50%

Quantified results	Total Results 07-010
Number and % of participants gaining basic skills	286 16%
Number and % of participants gaining level 2 qualifications	286 16%
Number and % of participants gaining level 3 qualifications	64 4%

Annex 3: Regional Overview

This plan has been based upon the Regional Framework for the East Midlands, together with internal and external consultation in partnership with other CFOs. Specific activities to hone the Regional Framework for the East Midlands included two regional events run on 25 June 2007 at PERA, Melton Mowbray and 26 June 2007 at Colwick Hall, Nottingham. Feedback received has been discussed by a Task and Finish group consisting of LSC, EMDA, the esp Executive, Jobcentre Plus, Lincolnshire County Council 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.

The Framework indicates that 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).

Annex 4: Blank Service Level Agreement

A SERVICE LEVEL AGREEMENT BETWEEN LINCOLNSHIRE COUNTY COUNCIL, AND

The Provision of Management and Financial Support To The ESF Co-Financing Programme 2007-2013

August 2007

1. The principle of this Service Level Agreement is to confirm the allocation of responsibilities for the management of the ESF Co-financing 2007-13 Programme between the Lincolnshire County Council (LCC), and the respective 1st Tier Authorities within the East Midlands Region. LCC are to provide management and support services to the East Midland Local Authority Consortium Co-financing Programme from January 2008 to 31 March 2013; together with an overview of the programme and effect financial control/management of the resources used at a programme level. The purpose of this partnership is to utilise LCC skills and knowledge, and combine these together with the resources and local expertise of the 1st Tier Authorities, to secure the effective and successful delivery of the Programme.
2. The SLA is based on a detailed breakdown of tasks and responsibilities that are allocated to LCC and 1st Tier Authority staff respectively. LCC have considered the staffing resources required to undertake management of the Programme, and in discussion with the 1st Tier Authorities have reached agreement on the allocation of responsibilities between the staff of the respective organisations. The detail of this is set out in Appendix 1.
3. The Agreement is predicated on the principle of cost recovery: that is, that all costs incurred by LCC, will be reimbursed through the ESF Co-financing Programme budget, provided that a quality and effective service is provided. The basis of cost recovery will be in terms of overhead costs incurred solely by the provision of management support to the ESF Co-financing Programme,. The same principle applies to the tasks and responsibilities undertaken by 1st Tier Authority staff.
4. LCC staff will ensure that all time incurred by this work is evidenced in timesheets which will be provided to the Managing Agent as required as evidence for expenditure claims. Invoices and receipts will be provided to back up all claims for non-staffing costs. The same principle applies to the work activities undertaken by 1st Tier Authority staff.

5. LCC and the 1st Tier Authorities undertake to deliver the tasks and responsibilities allocated to them within the time period set out in Appendix 1. If any are unable to do so, further discussion will be required to reallocate tasks and the costs associated with those.
6. Detailed work plans have been produced for the period of the Agreement, and indicative costings attached to those (Appendix 2). Costs are likely to be amended within the period of the Agreement (for example, to take account of agreed staff salary increments or cost of living salary increases) but such amendments must be kept within 5% of the costs indicated in this Agreement, with the exception of additional tasks reallocated in the course of the Agreement period.
7. The delivery and effectiveness of the Agreement and services provided will be monitored at monthly progress meetings of senior LCC staff, which will be minuted and filed for reference. Once every quarter these progress meetings will be expanded to include senior 1st Tier Authority staff. Any changes to the allocation of tasks, or to this Agreement, will be negotiated and agreed at these meetings, including any requirements for staff to attend meetings with other key bodies such as local strategic partnerships: these changes will serve as an addendum or amendment to this Agreement. Responsibility for monitoring the delivery of the Agreement at LCC will rest with the Head of Policy – Economic Regeneration at LCC, and at the 1st Tier Authority of _____.
8. The agreed allocation of tasks and responsibilities is set out in detail in Appendix 1. In summary this includes:

A/ Programme preparation and launch

Date Line: XXXXXXXXXXXX

LCC responsibilities:

LCC responsibilities during this period require a total of XX days to cover:

- Drafting and consulting on the Prospectus
- Design and distribute application packs and publicity
- Guidance to potential applicants
- Receive, stamp and record all bids
- Application to Managing Agent for ESF
- Submission of first claim to Managing Agent

1st Tier Authority responsibilities

1st Tier Authority responsibilities during this period require _XX_ days and cover:

- Drafting and consulting on the Prospectus
- Design and distribute application packs and publicity
- Guidance to potential applicants

- Informing local organisations of the tendering round
- Local publicity

B/ Scoring and assessment

Date Line: XXXXXXXXXXXXX

LCC responsibilities during this period total XXX days and cover the following tasks:

- Organisation of internal and external scoring
- Checking of tenders for eligibility
- Initial scoring of tenders plus 10% quality check
- Meetings of internal and external appraisal panels
- Issuing of decisions and feedback
- Appeals process
- Preparation of reports and minutes
- Appeals process including report for panel
- Provision of a detailed report on the process and its outcome to Managing Agent

1st Tier Authority responsibilities during this period total ___ days, covering the following tasks:

- Initial scoring of tenders
- Checking of tenders for eligibility
- Initial scoring of tenders plus 10% quality check
- Meetings of internal and external appraisal panels including preparation of reports and minutes
- Issuing of decisions and feedback

C/ Contracting with successful applicants

Date Line: XXXXXXXX

LCC responsibilities during this period require a total of XX days to cover:

- Completion of all undertakings
The negotiation of a delivery plan and profile with each partner

1st Tier Authority responsibilities during this period require ___ days to cover:

- The negotiation of a delivery plan and profile with each partner
- Input into the LCC's completion of all undertakings

D/ Financial management

Throughout the project

LCC takes the bulk of responsibility for financial management of the programme. LCC's responsibilities require XXX days in the lifetime of the programme, to cover

- Making advance and quarterly payments to all funded 1st Tier Authorities
- To attend meetings of the Co-financing Programme Steering Group
- To agree claims to Managing Agent
- To provide yearly and programme end A4VC/A10VC audit certification to Managing Agent
- Liaison with 1st Tier Authorities to ensure quarterly claims are accurate and submitted on time
- Preparing all claims to Managing Agent
- Servicing of the Programme Steering Group including drafting detailed financial and monitoring reports
- Providing secretariat at the Steering Group

1st Tier Authority responsibilities for financial management require a total of ___ days in the lifetime of the co-financing programme, to cover

- Making advance and quarterly payments to all funded projects
- To attend meetings of the Co-financing Programme Steering Group
- Intensive support to funded projects to follow up claims and address problems
- Receiving and checking all sub-regional project claims
- Ensuring timely advance and quarterly payments are made to the programme in line with the cash-flow schedule at appendix 2.
- Checking and processing LCC quarterly returns

E/ Monitoring

Throughout the programme from XXXX

LCC responsibilities for monitoring require a total of XX days, to cover:

- Monthly programme monitoring meetings for 1st Tier Authority staff
- Attending monitoring visits where required
- Scrutiny and audit
- A monitoring visit and risk assessment for every funded project
- Six-monthly visits to every project where applicable
- Additional monitoring visits where required
- Ongoing responses to queries from 1st Tier Authorities
- Overall management of 1st Tier Authority input

1st Tier Authority responsibilities for monitoring require a total of ___ days, to cover

- Monitoring visits
- Provision of monitoring data to LCC from individual projects
- Ongoing responses to queries from projects

- Quarterly programme steering group meetings

NB LCC components relate to the entire programme, the 1st Tier Authority components are specific to their element of the programme.

9. LCC's responsibilities for the management of the ESF Co-financing Programme require an agreed total of XX days over the lifetime of the programme, from January 2008. 1st Tier Authority responsibilities require a total of ____ days from January 2008, including ____ days in respect of _____. The cost of this staffing resource is estimated at £XXX on the cost-recovery basis. This amount will be amended to take account salary increments and cost-of-living salary increases for XXXX and XXXXX.

Programme Cash flow

10. This Programme is resourced exclusively
 - 55% from XXXX funding, which the 1st Tier Authorities have attracted, and
 - 45% from ESF joint funding.

Payments to the individual funded projects are made

- By an advance of 30% of the first year's anticipated expenditure;
- To the value of the expenditure actually incurred and claimed each quarter;
- All subject to verification through the monitoring and audit process.

ESF grant is claimable on the basis of

- An advance of 30% of the first year of the anticipated value of the programme
- The value of expenditure occurred by the projects in each quarter
- Retaining 20% of the value of the last year's expenditure until the Project Closure Report has been submitted

11. For LCC to be able to undertake the financial management of this programme it is necessary to ensure that at all times it is holding sufficient funds from ESF sources to meet the costs of the payments to 1st Tier Authorities. Appendix 2 reflects anticipated patterns of cash flow, incorporating all of these elements, over the period of the Programme.

12. 1st Tier Authorities will be paid against quarterly claims, in accordance with Appendix 2 and subject to the provisions of clause 13 unless the patterns of spending by the projects, as confirmed by their quarterly claims and through monitoring of performance, indicate a lower cost. If 1st Tier Authorities fail to make these claims as and when they are due, then LCC will not make the respective grant payments, until they are submitted.

13. 1st Tier Authorities shall make their claims to LCC in accordance with Appendix 2 subject to LCC entering agreements with each individual Authority in receipt of the ESF resources against relevant and actual project activity.

LCC: Signatory

Signed:

Print Name:

Position in organisation:

Date:

(1st Tier Authority): Signatory

Signed:

Print Name:

Position in organisation:

Date: