

4.7 Strategic fit with other funding resources

The funding from ESF will be used to support the spatial dimensions of the ERDF Programme and help to offer skills support the business created/generated and investment made through ERDF.

The region will use ESF to offer funding for areas of market failure that are not addressed under the mainstream funding from partners. ESF will either offer:

- Additionality to existing programmes - e.g. fund more basic skills and level 2 than expected/contracted for under the level 2 entitlement and funding from the LSC e.g. more Train to Gain delivery, more apprenticeships etc, or;
- Enhancements to existing programmes – e.g. supported self employed and volunteers under the Train to Gain Programme; professional Apprenticeships; targeted support for spatial or disadvantaged groups to open up access and second level 2s;
- Address market failure – e.g. supporting graduates to stay and find quality employments, Level 1 qualifications, and pre entry qualifications.

SECTION 5. CROSS CUTTING THEMES

5.1 Introduction

The ESF Programme will implement the cross cutting themes of equal opportunities and sustainable development through a 'dual' approach. The themes will be integrated into all ESF activity at project provider and CFO level (the operational guidance will set out how this will be implemented). Meanwhile particular regional needs will be targeted for ESF activity in support of equal opportunities and sustainable development. This Framework provides a strategic steer for the CFO plans on East Midlands issues and priorities.

5.2 Equal Opportunities

The Operational Programme identifies a number of groups that face particular disadvantage in the labour market: people with disabilities or health conditions, lone parents and other disadvantaged parents, older workers, ethnic minorities, people with low or no qualifications, part time workers and men and women who want to enter non-traditional occupations. All of these are relevant to the East Midlands and the RES identifies some specific regional dimensions to some of the issues which should be given particular consideration within the ESF Programme.

5.3 Key regional equal opportunities issues

Gender

- As nationally, the economic activity rate for women in the East Midlands is lower than for men. However, there is a higher proportion of working age women active in the labour market in the East Midlands than nationally.
- Although lower than the male employment rate, the rate of female employment is higher in the East Midlands than nationally

Female participation in the labour market in the East Midlands is better than the national average and a key strength of the region. The measures already in place to support women remaining in and returning to work need to continue.

Ethnicity

- The employment rate for non-white people in the East Midlands is lower than for white people (63.4% compared with 77.2%²³). However, there is also variation between different communities with people of Pakistani or Bangladeshi origin showing the lowest employment rate (45.6%).
- Correspondingly, unemployment is higher amongst working age non-white people than white people (11.0% compared with 5.4%) as is economic inactivity.
- Over a quarter (28.7%) of working age non-white people in the East Midlands are economically inactive, and the rate is higher amongst non-white females of working age (37.6%). There is a greater difference in the level of inactivity between white and non-white females, than there is between white and non-white males (15.6 percentage points and 5.5 percentage points respectively).

Employment rates are lower for non-white people in the East Midlands than their white counterparts. However, each community faces different levels of disadvantage and there is also need within the communities to address some of the gender differences, if all in the region are to access opportunities within the labour market.

Disability

- In the East Midlands, around a fifth of people of working age describe themselves as being disabled or limited by long-term illness.
- The economic activity rate for working age people with a disability is 59.5%, well below the regional average for working age people (80.7%). Of this group,

²³ Annual Population Survey (APS) Jan-Dec 2008, via NOMIS 08/09/09

the majority are in employment, with an employment rate of 55% (higher than the national level of employment 50.4%²⁴).

- The unemployment rate for working age people with a disability is similar to the regional average (7.6% compared with 6.0%) – the greater inequality is in the proportion of people with a disability who are economically inactive (40.5% compared to a regional average of 19.2%)
- Many ‘hidden unemployed’ people are on Incapacity Benefit, and numbers are estimated to be highest in the former coalfield area of the region.

A high proportion of the working age population in the East Midlands describe themselves as having a disability or long-term limiting illness. Of those accessing the labour market, the majority are in employment. However, 40% of working age people with a disability were not currently accessing the labour market. Recent policy changes around Incapacity Benefit claimants have been intended to address this nationally, but further measures may be required to support new entrants to the labour market.

Age

- 16.4% of people aged 16-19 have no qualifications in the East Midlands, and the region remains below national averages for achievement at Level 2 and Level 3²⁵ by age 19 despite improvements in achievement of GCSEs at 16.
- Older workers in the region are significantly more likely to have few or no qualifications – one fifth of those aged between 50 and retirement have no qualifications at all.

With the numbers of older people in the population forecast to increase, the low skill levels of this group is an issue which will impact on the individuals themselves as they may miss out on the life benefits employment can bring (e.g. better quality of life, health, housing etc) and so be considerably disadvantaged in retirement. Young people will also need higher level skills to give themselves long-term career and employment opportunities so they too are not disadvantaged in later life.

Migrant workers

- Recent research indicates that migrant workers make up 8% of the working age population in the region. Migrants are overwhelmingly young and in employment; and
- The East Midlands has the largest share of new National Insurance number registrations from workers from EU accession states. The needs of these workers will vary but often they will need ESOL support.

Skill needs development is likely to be from a menu of:-

- ESOL
- Transferable vocational and work skills
- Up-skilling of existing skill sets
- Validation of existing VQs to UK VQ (accreditation of prior learning)
- Retraining in new skill areas

Offenders/ex-offenders

- Government figures from 2006 showed that approximately 68% of offenders were unemployed compared to around 5% of the general population.
- Around 51% had no qualifications compared to around 15% of the general population.
- Approximately 37% of offenders had reading skills below level 1 compared to around 15% of the general population.

In order to better integrate into society by means of sustainable employment the following development interventions will substantially contribute to that outcome:-

- Skills for Life
- Employability training (ready for work)

²⁴ Great Britain figure used from APS Jan-Dec 2008 via NOMIS 08/09/09

²⁵ Level 2 is the equivalent of 5 GCSE passes at grades A*-C, or NVQ Level 2. Level 3 is the equivalent of two A level passes or NVQ level 3.

- Vocational training

5.4 Occupational and sectoral segregation

Over the last 20 years the decline in primary, utilities and manufacturing sectors led to a loss of full time jobs occupied by men. There was also a growth in the service sector, non-manual and part time jobs occupied by women. However, this has recently stabilised, with the male share of employment having recovered to 1994 levels, largely through men entering sectors traditionally occupied by women. Even though male dominated industries have continued to decline, the East Midlands still has a higher proportion of jobs in manufacturing than the UK average and lower employment in the service sector traditionally occupied by women.

There are significant differences between white and non-white groups in the region and the nature of their employment. Generally, a higher proportion of white people than non-white people are employed at the higher end of the occupational scale, whereas a higher proportion of non-white people are employed at the lower end.

5.5 Specific communities that will be targeted for ESF support

Many parts of the East Midlands can be described as being in a state of full employment or near full employment, but there are some communities that still feature deep-rooted unemployment and poverty. The Index of Multiple Deprivation 2007 indicates that the most severe levels of multiple deprivation are to be found in the region's major urban centres, the former coalfield areas and some of the more remote rural areas of the region such as the Lincolnshire coast. However, there are also pockets of deprivation that exist within areas that are more economically affluent.

5.6 Barriers to participation

There are a range of barriers to participation in labour market and economic inclusion. Some of these barriers are similar in all parts of the region whereas some are specific to particular locations. Many individuals face multiple barriers to participation.

Practical barriers include access to employment opportunities, access to and take up of learning opportunities, language difficulties, access to childcare/other care provision and access to services in more remote areas. Other barriers include negative attitudes held by employers and training providers (or perceptions of such negative attitudes) and lack of confidence on behalf of individuals.

ESF activity needs to be responsive to individuals' needs and to provide support to overcome their specific barriers to the labour market and skills development.

5.7 Implementation and Monitoring

Public bodies now have a duty under equality legislation to promote equality in a proactive way. This includes monitoring representation and performance of key groups. These duties also apply to any organisation with contracts to deliver activities on behalf of public bodies.

All regions have been set equal opportunities targets for minimum levels of inclusion in order to meet output and result indicators in the national Programme. The East Midlands' targets are set out in the Section 8 on Outputs and Results and cover the following equality groups: disability, age, ethnicity and gender.

Equal opportunities will be integrated into all aspects of ESF projects - design, implementation arrangements, monitoring and evaluation. Prospective providers will

be expected to demonstrate as part of the tendering process how they will ensure equality of opportunities.

Co-financing plans will set out in more detail how equal opportunities will be implemented.

5.8 Sustainable Development

The sustainable development theme in ESF has been defined as follows:

- Providing opportunities to allow everyone to fulfil their potential;
- Environmental protection and enhancement through the delivery of projects; and
- Providing skills that businesses both demand and require; now and in the future.

This section sets out the broad principles of how ESF could support the sustainable development aspirations (including environmental sustainability) in the East Midlands through addressing relevant regional sustainable development objectives as set out in the Integrated Regional Strategy (of which the RES is a key component). However, these activities are not exclusive or prescriptive.

5.9 Social

- Supporting individuals to move from economic inactivity into sustainable paid employment so reducing poverty, improving social inclusion and social mobility;
- Improving the qualifications of low skilled employees will promote sustainability of employment and a route to progression for individuals; and
- Promoting and development of social capital, particularly in disadvantaged communities, through the ESF Community Grants Programme.

5.10 Environmental

- Supporting skills in the environmental goods and services sector that are likely to be key growth sectors such as those developing low carbon technologies, renewable energy, energy efficiency and recycling;
- Supporting the maintenance and development of existing initiatives around local environmental enhancement
- Supporting environmental management skills and awareness of environmental issues in industries which are likely to have impact on the environment such as construction, transport and land management;
- Supporting skills development to ensure that the workforce has the skills and knowledge to ensure that the demands for energy and resources are minimised; and
- Developing awareness of sustainable development amongst ESF participants so that they know how they personally can prevent and minimise adverse environmental impacts at home and at work.

5.11 Economic

- Supporting training and learning opportunities that address the skills needs of employers where there is market failure; and
- Encouraging economic benefits from a workforce that has the skills to enable businesses to address their own environmental challenges and exploit new and growing markets.

5.12 Implementation and monitoring

All ESF projects should be delivered in a way that uses resources and energy efficiently and in ways that help to enhance or protect the environment. This will be

achieved by integrating sustainable development into all aspects of projects - design, implementation arrangements, monitoring and evaluation.

Co-financing plans will set out in more detail how the principles of sustainable development will be integrated.

SECTION 6. INNOVATION, TRANSNATIONALITY AND MAINSTREAMING (ITM)

Innovation - The England ESF Operational Programme states that within Priorities 1 and 2, there will be a limited amount of funding available to support a small range of dedicated 'innovative activities'. Innovation can be defined as the successful exploitation of new ideas ('Innovation Nation', DIUS, 2008). Within the context of ESF, innovation can include new approaches, tools, methods and service provision to extend employment and raise skills. It can also mean adapting and applying existing approaches, tools, methods and services to new regions, sectors or target groups.

Transnationality - Learning from other Member States is an important dimension of innovation within the ESF Programme - this may involve joint development of new approaches, as well as sharing or transferring good practice between Member States.

Mainstreaming - Projects will also mainstream and disseminate their activities and results to inform both policy development and delivery, and a series of thematic networks will be established for projects to share their learning.

2007-10 Activity

A range of themes were identified by the national ITM Sub-Committee in order to guide the type of projects coming forward for the first bidding round under this element of the Programme:

Priority 1

- Active Inclusion
- Engaging with Employers
- ICT & Digital Divide
- Demographic Change (Older Workers & Migration)
- Social Enterprise

Priority 2

- Engaging with Employers
- ICT & Digital Divide
- Demographic Change (Older Workers & Migration)
- Skills for Climate Change
- Social Enterprise

In April 2008, Regional Monitoring Committees (RMCs) were given the option to shortlist these themes according to regional priorities; however the East Midlands RMC agreed not to exclude any themes in order to maximise applications.

In addition to the themes above, the national ITM Sub-Committee agreed a number of parameters for the first bidding round:

- All dedicated innovative projects will have a transnational or inter-regional dimension (i.e. at least one partner from another EU Member State);
- Innovative and transnational activity will be delivered through direct bidding outside of Co-financing;
- Up to 2% of regional Priority 1 and 2 allocations will be available for innovative and transnational activity; and
- ESF funding will contribute up to 50% of the costs of each project. It is expected that up to around £1 million ESF funding will be available per project. Applicants must provide at least 50% match.

The first bidding round was launched on 31 October 2008 and 6 applications were received in the East Midlands. Following a full appraisal of the applications by GOEM, the RMC approved three projects for the region for the 2007-2010 period. The projects are described below and, summarised below, will run for up to two years including dissemination.

Priority 1

Theme - Social Enterprise
Applicant: Social Enterprise East Midlands
Project Name: E3
Project value/ ESF: £1.330m/ £665k

Project aims to develop a new social enterprise employment agency in Northamptonshire based on a piloted jobshop model.

Theme - ICT & Digital Divide
Applicant: Workers Educational Association
Project Name: Digital Activist Inclusion Network (DAIN)
Project value/ ESF: £1.4m/ £700k

The project will recruit and train at least 100 Digital Activists (volunteers) as experienced ICT learners to champion the benefit of engagement with digital technology in their communities.

Priority 2

Theme - ICT & Digital Divide
Applicant: Castle College Nottingham
Project Name: Creating e-business Champions
Project value/ ESF: £600k/ £300k

Project aimed at developing ICT skills in SMEs to improve their growth and competitiveness and create opportunities to open up new markets.

Although the projects are only in their initial stages at present, thematic networks have been created to enable projects and decision makers to come together to share progress and learning and therefore reinforce the mainstreaming process.

Next Steps - 2011-2013

It is anticipated that the Sub-Committee will review overall progress and there will be an evaluation of projects and results before themes and any necessary parameters are identified for the second half of the Programme.

Further information on the proposed ITM process for 2011-13 will be made available to regional stakeholders once it becomes available.

In the meantime, further information on ITM is available at http://www.esf.gov.uk/innovation_transnationality/

SECTION 7. REGIONAL FINANCIAL ALLOCATIONS

The following tables set out the annual financial allocations for the East Midlands. Regional allocations have been determined on the basis of regional worklessness and skills data.

All figures are for the East Midlands in pounds sterling (based on a planning exchange rate of £0.90/€).

7.1 Priority 1 - Extending Employment Opportunities

| Year | ESF | Public Match | ESF + Match |
|--------------|--------------------|--------------------|--------------------|
| 2007 | 16,134,715 | 16,134,715 | 32,269,430 |
| 2008 | 16,457,409 | 16,457,409 | 32,914,818 |
| 2009 | 16,786,557 | 16,786,557 | 33,573,114 |
| 2010 | 17,122,289 | 17,122,289 | 34,244,578 |
| 2011 | 21,126,694 | 21,126,694 | 42,253,388 |
| 2012 | 21,549,229 | 21,549,229 | 43,098,458 |
| 2013 | 21,980,213 | 21,980,213 | 43,960,426 |
| Total | 131,157,106 | 131,157,106 | 262,314,212 |

7.2 Priority 2 - Developing a Skilled and Adaptable Workforce

| Year | ESF | Public Match | ESF + Match |
|--------------|-------------------|-------------------|--------------------|
| 2007 | 8,848,070 | 8,848,070 | 17,696,140 |
| 2008 | 9,025,031 | 9,025,031 | 18,050,062 |
| 2009 | 9,205,531 | 9,205,531 | 18,411,062 |
| 2010 | 9,389,642 | 9,389,642 | 18,779,284 |
| 2011 | 11,050,887 | 11,050,887 | 22,101,774 |
| 2012 | 11,271,904 | 11,271,904 | 22,543,808 |
| 2013 | 11,497,342 | 11,497,342 | 22,994,684 |
| Total | 70,288,407 | 70,288,407 | 140,576,814 |

7.3 Priority 3 - Technical Assistance

The Operational Programme has previously allocated 4% of national Regional Competitiveness and Employment funding to Priority 3 technical assistance. For 2011-2013, the Managing Authority proposes to allocate 25% of the regional TA allocation for regional technical assistance. The remaining 75% of the regional allocation will be added to Priority 1 allocations for 2011-2013. (The central Managing Authority will retain underspends from 2007-2010 TA to fund central TA projects in 2011-2013 and to meet bids from regions for additional TA in 2011-2013 should the need arise.)

| | | |
|---------------------|-------------------------|-----------------|
| Previous allocation | 1% for TA for 2011-2013 | 3% vired to PA1 |
| £1.686m | £994,709 | £2,984,129 |

SECTION 8. OUTPUTS AND RESULTS

The following tables set out the provisional East Midlands output and results targets which are the region's 'share' of the national Programme targets. These will be updated, if necessary, in response to changing regional circumstances or national policy changes, including Machinery of Government changes.

8.1 Priority 1 - Extending Employment Opportunities

| Indicator | 2007-13 East Midlands target |
|---|------------------------------|
| Outputs | |
| 1.1 Total number of participants | 76000 |
| 1.2 Number and % of participants who are unemployed | (a) 31800 (b) 42% |
| 1.3 Number and % of participants who are inactive | (a) 26000 (b) 34% |
| 1.4 Number and % of participants aged 14 to 19 who are NEET or at risk of becoming NEET | (a) 15100 (b) 20% |
| 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) 16700 (b) 22% |
| 1.11 Number and % of participants in work six months after leaving | (a) 19800 (b) 26% |
| 1.12 Number and % of economically inactive participants engaged in jobsearch activity or further learning | (a) 11700 (b) 45% |
| 1.13 Number and % of 14 to 19 year old NEETs or at risk, in education, employment or training on leaving | (a) 6800 (b) 45% |

8.2 Priority 2 - Developing a Skilled and Adaptable Workforce

| Indicator | 2007-13 East Midlands target |
|---|------------------------------|
| Outputs | |
| 2.1 Total number of participants | 70700 |
| 2.2 Number and % of participants with basic skills needs | (a) 28900 (b) 41% |
| 2.3 Number and % of participants without level 2 qualifications | (a) 28900 (b) 41% |
| 2.4 Number and % of participants without level 3 qualifications | (a) 8600 (b) 12% |
| 2.5 % of participants with disabilities or health conditions | 15% |
| 2.6 % of participants aged 50 and over | 20% |
| 2.7 % of participants from ethnic minorities | 9% |
| 2.8 % of female participants | 50% |
| Results | |
| 2.9 Number and % of participants gaining basic skills | (a) 8670 (b) 30% |

| Indicator | 2007-13 East Midlands target |
|--|------------------------------|
| 2.10 Number and % of participants gaining level 2 qualifications | (a) 8670 (b) 30% |
| 2.11 Number and % of participants gaining level 3 qualifications | (a) 3440 (b) 40% |