

Department for Work and Pensions

**Co-Financing Plan for European
Social Fund**

2007 – 2010

West Midlands Region

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European Union
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Investing in jobs and skills

DWP Department for
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Section 1 How the plan will contribute to the implementation of the Operational Programme and the ESF Framework

1. Contribution to the implementation of the Operational Programme and the ESF Framework

1.1 Regional overview

This Co-Financing Plan is submitted by Department for Work and Pensions (DWP)/Jobcentre Plus in the West Midlands for the period of 2007-2010 in the European Social Fund (ESF) programme 2007 to 2013.

The plan encompasses the key priorities for DWP/Jobcentre Plus and links closely with the ESF regional framework and Operational Programme.

The Jobcentre Plus network of offices covers the whole of the Government Office Region of West Midlands and is organised into Districts for administration purposes. The Districts are defined by local authority boundaries as follows:

- Birmingham and Solihull – linked with the local authorities of Birmingham and Solihull;
- Black Country – linked with Dudley, Sandwell, Walsall and Wolverhampton;
- Coventry and Warwickshire – linked with Coventry and Warwickshire;
- Marches – linked with Herefordshire, Shropshire and Worcestershire;
- Staffordshire – Staffordshire.

Collectively these metropolitan boroughs/Local Authorities form one of the largest conurbations in the country, second only to London. The west of the region has large rural areas and there are also extensive rural areas to the east in North Staffordshire.

Within this picture certain groups continue to experience significant barriers to employment and skills development – women, those on incapacity benefit, 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 and alcohol dependency).

1.2 Elements of the framework that DWP will deliver

The activities in this Co-Financing Plan will contribute towards meeting the priorities identified in the Regional Framework document and will support the strategic priorities within the ESF Operational Programme. One of the key features of both the Operational Plan and Regional Framework is a focus on worklessness and improving access to the labour market for disadvantaged customers. This corresponds closely

with the DWP aim “to promote opportunity and independence for all” and the Jobcentre Plus aim “work for those who can, and support for those who cannot”.

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

The Regional Framework emphasises that there is significant scale of worklessness across the West Midlands and the rate of worklessness is above the England average, with more than 850,000 people unemployed or economically inactive.

In the West Midlands worklessness is highly concentrated in particular geographic areas and amongst specific groups. These groups include both those who are unemployed and those who are economically inactive.

For example, those customers in receipt of Incapacity Benefit (IB) and who have a disability (including learning disability) or health condition comprise over 46% of all benefit recipients in the West Midlands. In November 2006 there were 244,000 IB customers in the West Midlands, 55% of whom have been in receipt of IB for over 5 years and 65% of the total are aged 45 or over. 39% of all IB claimants have mental health and/or behavioural conditions, while 20% have a condition affecting the musculo-skeletal system.

Lone parents make up some 15% of all benefit recipients in the West Midlands and along with IB customers, are key priority groups for Jobcentre Plus/DWP. As of November 2006 there are 75,000 lone parents in the West Midlands and just over three quarters have one or two children. Lone parents are primarily, although not exclusively, female with an average age of mid-thirties with 3,500 male lone parents.

Anecdotal evidence from our advisory staff indicates that a number of customers who claim Jobseekers Allowance (JSA) gain employment but are unable to sustain it and quickly return to unemployment. Similarly there are numbers of customers who have experienced all that the New Deal regime can offer, more than once. These customers obviously need help to overcome the barriers they face to achieving sustainable employment; ESF provision will be used to offer innovative support for these customers.

Other disadvantaged groups include those who retired early, those unemployed but not receiving benefits, ex-offenders, those with alcohol and drug dependence, and people from ethnic minority groups.

Many of these customers experience multiple disadvantages.

DWP and Jobcentre Plus have a responsibility to help alleviate child poverty. We would therefore, wish to support projects which focus on the needs of disadvantaged

parents, including those receiving Jobseeker's Allowance, or single wage families on low incomes. This priority also links with the regional ESF framework.

Families with single wage earners on low incomes are a priority area for DWP. They have been identified (along with lone parents) as a group who experience poverty, in particular, child poverty. This is evidenced by the numbers of families claiming working tax credits (WTC), which tops up the earnings of "families" on low or moderate incomes. (Families in this context also include people without children).

HMRC data for April 2007 shows **162,500** "families" in receipt of working tax credit (WTC) in our region, the fourth highest total in the UK. Unfortunately, there is no breakdown by local authorities. This figures breaks down to 83,000 couples and 80,000 single people.

Alongside these intentions, DWP/Jobcentre Plus will also encourage providers that are successful in gaining ESF contracts to liaise and work with European Regional Development Fund (ERDF) providers, where appropriate.

One of the priorities under ERDF is "sustainable urban development" (SUD). In the West Midlands there is a strong focus on specific deprived urban areas to ensure the limited funding is used to greatest effect. Wherever possible, customers benefiting from ESF provision and reaching a stage where they could benefit from obtaining employment should be considered for vacancies created through ERDF. ESF providers will be encouraged to make the links with their ERDF counterparts.

It should be recognised, however, that many ESF customers may need considerable support prior to taking up employment. Similarly, the creation of employment opportunities from ERDF may be a longer-term rather than immediate option so these may not be available to customers in the early stages of the ESF programme.

Priorities, activities and targets

1.3 Priority:

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

Activities in the regional ESF framework are ranked as either High Priority or Other Priority. The intention is to create better connectivity between actions and greater impact from the programme as a whole. It is intended that Other Priority activities will

only be supported where they come as part of a package of support that includes one or more of the High priority Activities.

Action will also focus on the support needed to implement DWP Local Employment Partnerships (LEPs) i.e. engagement with both employers and individuals, pre-employment support (placements, Work trials) Mentoring and in-work support services.

Activities

1.4 Engaging Customers

Approximately 22% of the working age population in the West Midlands is economically inactive. Planned activities will ensure engagement is maximised. Pro-active engagement provision will be sought and delivered across the West Midlands, with an emphasis on outreach and local delivery, working closely with existing local community and neighbourhood groups and the voluntary sector. DWP is keen to provide support to those facing unemployment in rural areas.

Key activity areas that we intend to support using ESF money include:

- Development of individual action plans that include access to personalised services to include soft skills such as building trust, addressing barriers and confidence building along with monitoring of ongoing progress against the individual plans will be made;
- Activities to help disadvantaged people persistently returning to Jobseekers Allowance, address barriers to their retention in sustainable employment;
- Activities to help unemployed and inactive people with disabilities or health conditions to enter and remain in work, and appropriate support to retain in employment, people who become disabled or develop health conditions.
- Work experience placements and Work Trials
- Mentoring services offered at any stage and throughout the participant's journey into work – and in work to enhance sustainability;
- Supporting Skills for Life provision by preparing disadvantaged customers through confidence and motivation building, debt and budget management, preparing them to participate in core provision;
- Activities to prolong working lives by re-engaging inactive older workers;
- Activities to join work and family life including access to childcare and support for those with other caring responsibilities;
- Activities to support lone parents and parents enter, sustain and make progress at work;

- Activities to facilitate a seamless route-way for offenders and ex-offenders into either appropriate vocationally focused training or sustainable employment;
- Discretionary funding to overcome barriers and move participants closer to work.

1.5 Routeways to Work

This intervention will deliver both short and long programmes for a minimum of 2 weeks and maximum of 26 depending on requirements. Employer sponsorship will be paramount to the longer programmes and it is important that these activities are demand-led and that specific employer needs are reflected in the programme delivery. Activities to provide

- Pathways to employment such as pre-vocational and access training;
- Community based activities, volunteering, environmental activities;
- Practical soft skills (such as improving aspirations and motivation), work skills and workplace skills will be sought.

1.6 Aftercare Support

As part of the overall support package we recognise that for those who have been economically inactive, job retention may be difficult. We therefore wish to offer an ongoing customer led support package. This will be delivered through

- Individual mentoring;
- Addressing work/life and childcare issues;
- Supporting sustained employment, linking with Train to Gain.

1.7 Target groups:

In line with the Regional Framework and our own business priorities, DWP/jobcentre Plus will focus on the following customer target groups:

- Incapacity Benefit recipients, especially those with children;
- Lone parents;
- Other disadvantaged parents including those in single income families with low income;
- The most disadvantaged and those facing multiple barriers, including; people from ethnic minority groups, ex-offenders, those with drug and/or alcohol dependencies, refugees and those who persistently return to claim JSA;

- Customers with very low levels of basic skills or ESOL needs not met through other provision;
- JSA recipients who persistently return to the benefit after completing short terms of employment;
- Customers who have participated in the New Deal regime more than once and have yet to find work;
- Carers.

1.8 Geographical targeting:

DWP/Jobcentre Plus expects to offer ESF provision across all Districts in the West Midlands. The aim of our Co-Financing Plan is to focus on priority customers groups wherever they live, although it is likely that a number will reside in key disadvantaged wards across the region.

Where appropriate generic specifications will be developed which cover common issues raised by each District, but will include some flexibility to meet District specific requirements.

Alongside generic specifications there may be a small number of specifications developed to meet needs identified in certain Districts only. Detailed specifications will be published on the DWP website as part of the Invitation To Tender (ITT) process for potential providers.

Outputs and results for Priority 1 and contribution to other regional targets

The table below shows estimated outputs and results for both match and ESF spend in the financial years listed.

	2008	2009	2010	Total
Outputs:				
Total number of participants:	5000	13,000	13,001	31,001
Number and % of participants who are unemployed	2159 43%	5612 43%	5613 43%	13,384 43%
Number and % of participants who are inactive	2237 45%	5816 45%	5816 45%	13,869 45%
Number and % of participants age 14 to 19 who are NEET	Not applicable to DWP	Not applicable to DWP	Not applicable to DWP	Not applicable to DWP
% of participants with disabilities or health problems	22%	22%	22%	22%
% of participants who are lone parents	12%	12%	12%	12%
% of participants aged 50 or over	18%	18%	18%	18%
% of participants from ethnic minorities	31%	31%	31%	31%
% of female participants	51%	51%	51%	51%
Results				
Number and % of	1100	2860	2860	6,820

participants in work on leaving				22%
Number and % of participants in work six months after leaving	Agreed with ESFD we will not be able to provide this data	Agreed with ESFD we will not be able to provide this data	Agreed with ESFD we will not be able to provide this data	
Number and % of economically inactive participants engaged in jobsearch or further learning	Agreed with ESFD we will not be able to provide this data	Agreed with ESFD we will not be able to provide this data	Agreed with ESFD we will not be able to provide this data	

These figures are based on the West Midlands regional ESF framework target figures and will contribute towards the overall achievement required in the framework document.

1.9 How activity will complement other CFO provision

DWP/ Jobcentre Plus have been heavily involved with the Learning and Skills Council (LSC) and Local Authorities to develop the regional ESF framework on behalf of the Regional Skills Partnership. This networking approach will continue to ensure CFOs work together to complement provision.

DWP will take the lead on Priority 1 activity since our business focus is on worklessness and moving disadvantaged customers nearer to the workplace. The LSC will fund activity for the 14 to 19 customers with particular emphasis on those not engaged in employment or training (NEET). They will also deal with community grants for small organisations and developing employment skills for unemployed graduates.

DWP/Jobcentre Plus will work closely with LSC, in its role of representing the Local Authorities' priorities, to ensure any areas of common interest, such as "customer engagement" are complementary. It is critically important that provision is not duplicated and that the customer gets the best from the funding available.

When Jobcentre Plus operated as a CFO under the 2000-2006 ESF programme, this networking approach worked very successfully.

Jobcentre Plus will continue the consultative approach with the Regional Skills Partnership, City Strategy, Local Area Agreement, Local Strategic Partnerships and other partner to achieve Regional goals through the duration of the programme.

Section 2. Funding and added value.

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2.1. ESF funding for Priority 1 by year

Priority 1 EFS £32,020,000 and Match £32,020,000 Total £64,040,000

See Annex 1 for further details

Match funding will be identified from suitable DWP contracted employment provision in the region, as required. At this stage match provision may include the New Deals 18-24 and 25+, programme centres and provider-led Pathways to Work (contracts will begin operating from early 2008). These programmes support a range of people who are unemployed, have a health condition or disability, are a lone parent or who face other barriers to getting or keeping permanent employment – all of these participant groups also fall within ESF Priority 1 and feature among the groups we wish to target in the West Midlands. Provision is delivered in conjunction with Jobcentre Plus and supported by Jobcentre Plus' range of employment and benefits advisory interventions.

ESF provision will complement match funded activity and other DWP provision in different ways this is explained in more detail under the paragraph on added value.

2.2. Breakdown of planned administrative costs

Using ESF administrative costs DWP, supported by Jobcentre Plus, will provide staff resource to ensure that the 2007 – 2013 programme will be delivered and managed effectively. Job roles covered will include:

- ESF management in Regions, (liaison with and reporting to GO, planning and commissioning ESF provision, co-ordinating claims etc.);
- Finance – Accounting, Payments, Financial Appraisal and Monitoring activity;
- Procurement and Contract Management;
- Jobcentre Plus work in Districts to support programme referrals and capture of management information.

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

2.3. Added value of ESF

Mainstream DWP/Jobcentre Plus employment programmes and initiatives include:

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

- Additional clients gaining qualifications which are designed to improve their employment prospects;
- Additional numbers of clients gaining soft outcomes such as improving confidence, motivation, jobsearch knowledge which will move them closer to the labour market, especially for those with severe disadvantages.

All clients will be expected to leave an ESF project with a clear future development plan, so that they have a better understanding of what they need to achieve to enter employment or are in a better position to gain work immediately.

Section 3. Project selection and tendering arrangements.

3.1. Tendering methods to be used.

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

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

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

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

Prime contractors will be required to:

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

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

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

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

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

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

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

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

Section 4 Provider funding and monitoring

4.1. Description of how contract costs will be formulated

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

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

4.2. Payment arrangements for providers

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

4.3. Plans to reimburse project providers using actual costs

We would not reimburse providers on actual costs in any circumstances.

Monitoring arrangements

4.4. Project delivery and outcomes

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

The process includes a post contract award briefing, which takes place up to 30 working days before the contract start date. The purpose of the meeting is to ensure

that the provider understands what they are required to do, to help the provider to deliver the contract effectively. It also includes a quality assessment questionnaire, which must be completed by the provider to obtain information about the quality of provision they are delivering.

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

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

4.5. Quality standards

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

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

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

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

inspection. The Emergency Action Plan must be submitted to OFSTED for comment within 8 weeks of the report publication. The DWP Contract Manager closely monitors the execution of the Emergency Action Plan, which should be fully implemented within twenty-six weeks following publication of the re-inspection report.

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

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

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

4.6. Financial performance

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

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

4.7. Audit

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

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

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

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

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

4.8. Provision of management information

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

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

4.9. Reporting performance to the regional ESF committee

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

Section 5 Cross cutting themes

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

Our plan seeks to embrace diversity and equality by targeting resources on those people considered most disadvantaged in the labour market. For example, we plan to target, amongst others, people who have been in receipt of IB for over one year to improve their employability and skills to enable them to gain, retain and progress into work.

Geographically, we intend to target resources in the 55 City Strategy Wards plus areas of high deprivation outside of the City Strategy area in Staffordshire because we know that the majority of our region's Claimants & Ethnic minorities live in these areas.

We intend engaging with and providing additional support for disadvantaged parents, including those on benefits such as JSA & Income Support and also to single waged families on low incomes.

We also intend to provide pre vocational ESOL training, in wards where people have low levels of basic skills in their own language. The provision will be designed to develop language skills in a work context, whilst including soft skills and job search elements. This will ensure customers have the appropriate skills they need to enter occupations where they are currently under represented, whilst meeting the needs of the local labour market

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

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

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

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

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

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

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

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

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

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

Sustainable development has four main aims:

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

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

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

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

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

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

Section 6 Implementation.

6.1. Key milestones for the first year

Contracting with providers

Currently, planned timing for provider contracts is:

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

6.2. Participant starts & progress towards results

	June 2008	Sept 2008	Dec 2008	Mar 2009	June 2009	Sept 2009
Starts	100	3,000	5,000	8,000	12,000	16,000
In work on leaving	0	660	1200	1900	2700	3500

	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	
Starts	18,000	22,000	25,000	28,000	31,001	
In work on leaving	4000	4800	5600	6300	6820	

The figures in the tables above are a best estimate of participant starts. The results figures are even more difficult to assess as it is expected that the length of provision could last between 2 and 26 weeks. We are making some assumptions based on an average length of stay of 12 weeks.

Section 7 Finance & targets

7.1. Annex showing agreed ESF & match funding by year, outputs & results targets.

Annex 1

Region	West Midlands
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CFO and Plan Details (Financial)

West Midlands DWP Plan 1 2007 - 2010

Financial allocation

Priority 1			
Year	ESF (£)	Public Match (£)	ESF + Match (£)
2007	Nil	Nil	Nil
2008	£7.42 million	£7.42 million	£14.84 million
2009	£11.2 million	£11.2 million	£22.40 million
2010	£13.4 million	£13.4 million	£26.80 million
Total	£32.02 million	£32.02 million	£64.04 million

Annex 2

Region	West Midlands
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CFO and Plan Details (Targets)

West Midlands DWP Plan 1 2007 - 2010

Output and results targets

Priority 1

Target	Quantification
Outputs	
Total number of participants	31,001
1.2 Number and % of participants who are unemployed (a) Number (b) Percentage	13384 43%
1.3 Number and % of participants who are inactive (a) Number (b) Percentage	13,869 45%
1.4 Number and % of participants age 14 to 19 who are NEET or at risk of becoming NEET (a) Number (b) Percentage	Not applicable to DWP
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	31%
1.9 % of female participants	51%
Results	
1.10 Number and % of participants in work on leaving (a) Number (b) Percentage	6820 22%
1.11 Number and % of participants in work six months after leaving	Agreed with ESFD we will not be able to provide this data.
1.12 Number and % of economically inactive participants engaged in jobsearch activity or further learning (a) Number (b) Percentage	Agreed with ESFD we will not be able to provide this data.
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	Not applicable to DWP

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