European Social Fund Programme 2007-2013 - Policy Update for information

Date of issue 24 April 2007
Audience National Council
LSC office National Office
Publication intent Internal
Agenda item 12
Paper LSC 24/2007

Background and introduction

1 The new ESF Programme 2007-13 has been submitted to the European Commission for approval, which is expected by August 2007. The focus of the streamlined new programme will be on Skills and Employability, in order to contribute to the Lisbon agenda of Growth and Jobs. There will also be a closer policy alignment between ESF and government policy in order to achieve this.

2 The LSC has been involved in development of policy and processes nationally in conjunction with ESF Division, (DWP/DfES), and within the LSC.

3 The LSC has been and will continue to be one of the major Co-financing Organisations (CFOs) involved in the delivery of ESF. Across England, a total of £1,302m is available for Priority 1 (Employability) and £714m for Priority 2 (Skills for the workforce), over the life of the programme from 2007-2013. Although these funds are less than that available for the current programme, the LSC expects to secure approximately £150m-£200m per annum, particularly from Priority 2 but also from a large proportion of Priority 1. Following EC approval of the programme in the summer, it is expected that the LSC will be ready to start delivery in early January 2008.

4 Outside of separate Convergence and Phasing—in areas (those areas which attract greater proportions of funding - Cornwall, and Merseyside and South Yorkshire respectively) the following funds are available:
**Priority 1**: 62% of the funding available will be in priority one. Focused on Unemployed and NEET. This Priority (07-13) is valued at £1,169m. The LSC is planning to access approximately £707m of this. It is likely to be focused in the following ways: £269m on NEET, £269m on Skills for Jobs, £140m OLASS and £25m on Community Grants (the new Global Grants scheme).

**Priority 2** 34% of the funding will be available in priority two. Focused on up-skilling the employed. This Priority (07-13) is valued at £641m. The LSC is planning to access virtually all of this funding. It is likely to be focused in the following ways: £224m for Basic/Entry level Skills, £224m at level 2 activities, £147m at level 3 and a maximum of £32m at level 4 and above.

**Purpose**

5 This paper aims to inform the National Council of recent developments and the next steps for the LSC.

**Key points/issues**

6 ESF is designed to align with and support Member States mainstream policy, while providing added value to enhance and improve effectiveness. There is a strong focus on supporting those at disadvantage in the labour market and removal of the barriers that create that disadvantage.

7 The LSC intends to use ESF across its remit to strategically support mainstream programme areas such as Train to Gain, Skills for Jobs, and support for the NEET group. (Those Not in Education, Employment or Training). This will support the move towards an individualised approach in an integrated manner and will ensure that ESF is used to support implementation of the Leitch recommendations, in line with paragraph 5 above.

8 A national ESF Commissioning Strategy will provide guidance on how ESF should be approached within overall regional planning and commissioning, integrating ESF into the LSC business cycle and mainstream approach. This approach will need to align with Regional ESF Frameworks being developed by Regional Skills Partnerships, based on existing Regional Economic Strategies and other regional employment and skills strategies.

9 It is also being proposed that the LSC manage a small Community grant process through co-financing (up to 2.5% of Priority 1 – ie approximately £29m over the life of the programme) – we are discussing with ESF Division how we might use this to support community capacity building for more effective ESF and mainstream delivery, through cash grants and support services to be provided based on identified need. This approach will...
reinforce the positive working relationship that the LSC is developing with the VCS through its working together strategy.

10 Although the EC will be looking for qualification and job outcomes in the programme, an agreement has been reached to allow softer outcomes to be formally developed and added to the Learning Aim Database. This will allow the LSC to agree, capture and pay for set soft outcomes through ESF. Definitions are being developed with contributions from regions, Adult Learning Inspectorate and a representative from the Working Together sub-group of National Council, and could include outcomes such as timekeeping, improved motivation, personal development milestones, etc, which move individuals closer to being able to aspire to and achieve qualification and job outcomes.

11 It is expected that the Voluntary and Community sector will continue to play a significant role in the delivery of ESF given its focus, and they will therefore have a greater opportunity to become involved in the delivery of mainstream provision due to the more integrated approach which is being developed.

12 As this may be the last major ESF programme in the UK, the LSC is looking to maximise the opportunities to learn from the flexibilities that it affords, and will be evaluating what best practice from ESF can be integrated into mainstream policy and programming across all four current LSC priorities now and in the future.

Next Steps

13 Members are asked to note this paper for information.

Paper creator: Julie Hobbins
Date created: 24th April 2007
Document ref.: G:\Organisational Data\The Learning Group\ESF\Work In Progress\Julie\nat-europeansocialfundprogramme2007-2013-policyupdateforinformation-paper-24apr2007.doc