

DWP ESF CO-FINANCING PLAN

North East Region

2007-2010

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1. BACKGROUND AND INTRODUCTION

- 1.1.1 This Co-Financing Plan is submitted by DWP/Jobcentre Plus in the North East of England, and describes the activities, outputs and results the organisation will deliver with the European Social Fund and associated Match Funding. The outcomes and results will contribute to the England Operational Programme and the Regional ESF Framework, which in turn supports achievement of the Regional Economic Strategy (RES) and the Regional Employability Framework (REF). The processes which will be deployed to support delivery of the ESF programmes are laid out in the plan.
- 1.1.2 Activities are in line with the requirements of the Regional ESF Framework and aim to respond to the needs identified by the recent socio-economic analysis undertaken to inform the Framework.
- 1.1.3 The plan covers activity from January 2008 to December 2010 in line with the financial allocations used by the Commission and includes the allocation made for 2007. Activities will be delivered across the entire North East region.
- 1.1.4 DWP will act as the co-financing delivery organisation throughout the North East Region, with Jobcentre Plus supporting DWP by making referrals and supporting providers in recruiting eligible disadvantaged customers. Location and delivery of activities will depend on need.
- 1.1.5 In the North East, DWP and Jobcentre Plus cover an area extending from the Scottish Border to the boundary formed with Yorkshire in the south, and from the Cumbrian border in the west to the North Sea coast in the east. The region comprises a mixture of densely-populated urban areas, predominantly along the eastern coastline, and sparsely-populated rural areas. It has a population of around 2.5 million, of whom approximately 300,000 are claiming benefits. For administrative purposes, the region is divided into three Districts:
- Northumbria
 - South Tyne & Wear Valley
 - Tees Valley
- 1.1.6 Overall, the reality is that, despite the North East economy growing more quickly than the UK average since 2000, the region still forecasts employment growth of less than half that required to meet the region's economic goals for 2016. This remains a driving factor for successful delivery.

1.2 Contribution to the Implementation of the Operational Programme and the Regional ESF Framework

- 1.2.1 Activities will be delivered in Priority 1 under the 'Improving the Employability and Skills of Unemployed/Inactive People' element. The organisation is well-placed to deliver successfully in this Priority, especially as the England Operational Plan and Regional ESF Framework are clearly linked to the DWP 5-year strategy. This is most apparent in the role of tackling worklessness, where the priority areas and target groups identified in the DWP Strategy mirror

those in the Regional ESF Framework. Hence, the organisation is strongly focussed and equipped to achieve the required outputs and results from the ESF and Match Funded projects.

- 1.2.2 DWP will be represented by Jobcentre Plus at a regional level and is very supportive of the REF and ESF Framework, having been actively involved in their development and preceding activities. DWP/Jobcentre Plus will continue to play an active role in numerous partnerships across the Region to tackle employability issues and remains well placed to identify and receive information about needs and gaps in delivery.
- 1.2.3 In addition to the work undertaken on the REF Design and Task and Finish groups and the contributions made to the development of the Regional ESF Framework, the organisation has carried out internal and external consultation exercises to inform delivery of the new programme. Lessons learned and best practices from the current programme have also been incorporated.
- 1.2.4 DWP/Jobcentre Plus will continue this consultative approach with the Regional Skills Partnership, City Strategy Employment Consortium, Local Area Agreements, Local Strategic Partnerships and other partners, to achieve Regional goals throughout the duration of the programme. This will ensure that delivery continually considers and addresses the changing needs of the regional labour market and people.
- 1.2.5 Provision mapping exercises and close working with the LSC will ensure that mainstream activity is fully considered and, where necessary, will be complemented in the programme. The desire to align all funding streams will help maximise the strategic impact for the Region.
- 1.2.6 The plan covers delivery across the entire North East region. Sub-regional and specific needs will be met by local delivery arrangements as identified and to address community and neighbourhood requirements.

1.3 Activities and Target groups to be supported

(a) Activities to be supported

- 1.3.1 DWP will deliver in Priority 1, under the 'Improving the Employability and Skills of Unemployed/Inactive People' element. This will support unemployed and economically inactive people, as well as those who have made the transition to work from unemployment and or inactivity.

1.3.2 Activities will be in line with the key areas identified in the REF and will include elements of all the indicative activities shown in the Regional ESF Framework, ie Engagement, Action Planning, Employability Services, Job Placement and Aftercare. These include the following categories:-

Customer Engagement – Community Outreach

1.3.3 As approximately one quarter of working age people in the North East are economically inactive, planned activities will ensure that engagement opportunities are maximised. In particular those on Incapacity Benefit, young people, and those aged over 50, where inactivity rates are at the highest, will be supported.

1.3.4 Proactive engagement techniques will be sought in the delivery, in particular for the outreach programmes. This will require close working with existing local community and neighbourhood groups, linking with voluntary/alliance groups and identifying opportunities to enter or return to the labour market, eg volunteering schemes. Marketing the additional services and support available will be essential throughout the region eg GP surgeries, Mother and Toddler groups, etc.

1.3.5 As the programme is aimed to engage the ‘hardest to help/reach’ it will be paramount that steps are in place to ensure individual action plans and personalised services are available, e.g. identifying barriers and needs, establishing and agreeing realistic steps to achieve job goals, providing motivation and confidence-building techniques, etc. Ongoing monitoring of progress against the individual action plan will be made. This will be facilitated by an Intensive Support worker who will support the participant through the tailored programme. This support will continue for up to 26 weeks when the participant enters employment. A discretionary in-work support fund will also be made available.

1.3.6 This provision will enhance the work of the existing groups; join up resources at a local level, and increase the choices and flexibility of support for those furthest removed from the labour market.

1.3.7 DWP will work closely with Jobcentre Plus, LSC staff and local organisations to ensure the participants’ experience is a positive seamless progression in their journey to sustainable employment.

Mentoring (including Aftercare to enhance sustainability)

1.3.8 Mentoring will be offered at any stage throughout the participant’s journey along the ‘employability continuum’. This will provide customer-led support, where the mentor will assess needs and develop an individual plan to identify steps required to ultimately achieve realistic job goals, ie intensive one-to-one support. Recognising that job retention is poor for those who have been previously economically inactive, this will also include (dependant on need) up to 26 weeks in-work support and an in-work discretionary fund to ensure that employment is sustained. On entering employment, the mentor and/or an Intensive Support Worker will work closely with the employer to maximise the

individual's opportunity of remaining in employment.

Employer/Sector specific Routeways (including Short Course programmes) - and in line with RSP requirements

- 1.3.9 This intervention will deliver short and long programmes, for a minimum of 2 weeks and a maximum of 20 weeks, depending on requirements. The longer programmes will deliver tailor-made learning, and it is paramount that employer sponsorship and input is received throughout. Recruitment processes will be reviewed with employers, and Work Trial and Job Interview Guarantee arrangements discussed and agreed. This will ensure that the programmes are demand-led and that specific employer' needs are reflected in delivery. This will increase employer engagement and support in addition to supporting the Government's recently announced Jobs Pledge and Local Employer Partnership initiatives.
- 1.3.10 The participant's needs and barriers will be identified, an action plan agreed, and relevant training arranged. Personal development activities eg confidence building, motivation and self-esteem, will be integral to the programme which will also include work experience, qualifications, job search, etc. This will enhance individuals' jobs placement and retention prospects while supporting/encouraging Employers to offer opportunities to our more disadvantaged people.
- NB All activities will continue to add value to, and not duplicate, the current 'Train 2 Gain' programme.
- 1.3.11 Short course programmes will be flexible and enable the region to respond to individual and employer needs to gain qualifications or licences which will lead directly to employment where there are known opportunities.

General Support

Jobsearch Programmes

- 1.3.12 Jobsearch activities will be offered as an integral part of the aforementioned activities. This will include typical module based job search activities, confidence building, interview techniques, CVs, careers advice etc
- 1.3.13 However, there are a number of individuals who experience a lack of support in this area, as they are ineligible for mainstream help. Recognising that they will benefit from advice about developing skills and achieving qualifications to gain employment in more highly skilled employment than they are regularly employed, Jobcentre Plus will refer customers to ESF provision delivered by the LSC. This will support the contribution to helping the region move forward from its current low skills base.

Childcare, Dependent and Transport Costs

1.3.14 All programmes will incorporate funding to support participants in tackling cultural and /or practical barriers to learning and work, such as the payment of childcare and transport costs.

Basic Skills

1.3.15 It is recognised that a significant proportion of the adult population in the North East has low levels of basic literacy, numeracy and ICT skills. While DWP does not intend to deliver specific basic skills programmes (as LSC will deliver this activity) it is intended that Life Skills training be incorporated in all planned delivery and will clearly reflect the individuals' needs.

1.3.16 DWP will ensure there is sufficient flexibility within the Provider contracts to meet the changing needs of the REF, City Strategy and other key regional developments.

(b) Target Groups

1.3.17 DWP seeks to enhance existing provision by including participant groups not otherwise eligible for training, delivering different types of activities or expanding those opportunities already available. In particular those who experience multiple disadvantage or barriers in entering the labour market will be supported.

1.3.18 DWP will target participants in line with the Regional ESF Framework:

- people who are unemployed or inactive;
- women;
- people with disabilities or health conditions (*160,000 people in the region are claiming Incapacity Benefit, and 571,000 have a limiting long-term illness – the highest of any region in England*);
- lone parents (*37,000 are claiming benefits*);
- people aged 50 or over and people from ethnic minorities.

1.3.19 These groups are akin to those identified as a priority for DWP, especially when focusing on the need to reduce child poverty. The following groups will also be targeted:

- people on incapacity benefits - particularly those with children;
- Lone Parents;
- other people with children - including those not on benefit; and
- those most disadvantaged in the labour market (e.g. minority ethnic groups, ex-offenders, those with histories of drug and alcohol misuse, the homeless, refugees and those who persistently return to claim Jobseekers Allowance).

1.3.20 In addition, DWP will prioritise work-focused provision to support the activities of Cities Strategy consortia.

(c) Geographical Targeting

1.3.21 It is intended that all activities will be delivered across the region, and will be dependent on local need.

1.3.22 As previously mentioned, DWP/Jobcentre Plus will continue the consultative approach with the Regional Skills Partnership, Cities Strategy Employment Consortia, Local Area Agreements, Local Strategic Partnerships, and other partners to achieve Regional goals throughout the duration of the programme. This will ensure that delivery is channelled into those areas most in need throughout the duration of the programme.

1.4 Outputs and Results

1.4.1 The outputs have been calculated based on assumptions about the number of participants who will engage with ESF and match programmes in the first 3 years of the plan, ie from January 2008 to 2010. It is important to note that although the planning period starts in on January 2008 it is intended that DWP programmes will commence in June 2008. Our forecast outcomes and results are shown in the table in Annexe C. Figures are indicative at this stage, and will be subject to change as activities are developed. Details of our assumptions in making these forecasts are therefore given in Annexe D.

1.5 Contribution to Other Regional Targets

1.5.1 The proposals funded by ESF in this Plan supplement existing activities to contribute to achievement of the following Public Service Agreement Targets:

- PSA Objective I – ending child poverty by 2020 – by focusing assistance on lone parents
- PSA Objective II – promoting work as the best form of welfare – by supporting unemployed and economically active people into and during the early stages of work
- PSA Objective IV – improving the rights and opportunities for disabled people – by focusing assistance to help this client group into work

1.5.2 DWP/Jobcentre Plus is a key partner in developing Local Area Agreements, particularly in developing the fourth block (Economic Development and Enterprise). Targets are currently being negotiated for the new round of LAAs which will be launched in 2008, and our role in the partnerships, working closely with Local Authorities, will enable us to complement activities to achieve these targets.

1.5.3 Our proposals will also complement activity to achieve the targets of the Regional Economic Strategy, particularly that of ‘supporting world-class skills and increased economic activity’, by supplementing mainstream provision to equip people with employability skills.

1.6 Complementarity with Other CFOs

- 1.6.1 DWP/Jobcentre Plus continues to recognise that co-operation, not competition, is the best way of supporting ESF participants, and will help to achieve the priorities of the ESF Framework and support the Operational Programme. DWP/Jobcentre Plus will continue to work with the LSC in the well-developed, co-operative and supportive working relationship which currently exists. Service Level Agreements will ensure that any potential overlaps and or duplication in ESF delivery and expenditure are eliminated. Joint involvement in the procurement process, including evaluating bids and sharing provider information, will take place, as will the exchange of information regarding the programme, ie feedback to LSC from Jobcentre Plus staff making referrals to LSC Co-Financed programmes etc. The organisations are currently exploring ways to ensure that providers work collaboratively throughout the Programme with appropriate hands-off and links between projects. This will develop a more seamless approach for participants, and it is intended that these linkages will be in place for the ESF-funded and match programmes.
- 1.6.2 It is intended that the sound foundation for joint working already in place for the 2000-2006 programme, at a variety of levels across the two organisations, will strengthen alignment in light of the organisational changes which both have recently encountered. The organisations will continue to meet monthly to discuss best practice and issues arising. The frequency of these meetings will be reviewed continually and increased or relaxed depending on need
- 1.6.3 In addition, for the current ESF Programme, the LSC and Jobcentre Plus signed up to a Joint Delivery Plan which is embedded in both organisations. This is reviewed quarterly and incorporates co-financed activities giving formal assurance that progress and performance are in line with expectations and that issues are addressed or escalated to Director level, where necessary.
- 1.6.4 DWP/Jobcentre Plus has held informal discussions with other potential CFOs, and under the 2007-2013 ESF Programme will continue to work closely with them and other partners throughout the implementation and delivery of our co-financing plans. Joint working with our partners means that ESF activity will be used to fill gaps, either through new initiatives, or enhancing what is already available.

2 FUNDING AND ADDED VALUE

2.1 ESF and Match Funding by Priority and Year

2.1.1 DWP/Jobcentre Plus will access funds in the 'Employability' element of Priority 1. Overall ESF funding of £41,546,864 is available to December 2010, of which DWP/Jobcentre Plus intends to utilize £23,657,975 (57%). Total expenditure will be:

Priority 1	ESF	£23,657,975
	Match	£23,657,975
	Total	£47,315,950

The table in Annexe B shows the forecast ESF and Match funding expenditure for Priority 1 from 2008 to December 2010.

2.2 Match funding by Year

2.2.1 At this stage DWP/Jobcentre Plus North East intends to use mainstream Programme Centre and New Deal funding as Match funding for the ESF Programme.

Available Match Funding

2.2.2 Match funding will be identified from suitable DWP contracted employment provision in the region, as required. This will include the New Deals 18-24 and 25 plus, and Programme Centres. Provider-led Pathways to Work funds will also be available as match, if needed.

2.2.3 Budgetary data provided for 2009/10 and 2010/11 is indicative, but it is expected to equal, and possibly exceed, that allocated for 2008/09. However, future policy will be developed by WWEG taking into the account the fit with existing programmes and their requirements and ESF.

Priority of Use

2.2.6 DWP/Jobcentre Plus will determine locally in which priority order to use their match, but will pay particular regard to the monetary value of the match and the expected outcomes (using those programmes with the highest value and expected outcomes first). We will also consider the duration of the match contract to determine how much match is available.

2.3 Breakdown of planned Administrative Costs

2.3.1 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

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

2.4 Added Value

2.4.1 DWP recognises that European Social Fund money is in addition to other funding sources and is given on the understanding that it will add value to the provisions already in place. DWP therefore acknowledges its responsibility to ensure that ESF monies are used to add value to the provisions already in place.

2.4.2 Mainstream DWP/Jobcentre Plus employment programmes and initiatives include:

Mainstream Provision	Target Client Group
New Deal for Young People (NDYP) is a 'Welfare to Work' programme designed to address the problems of long term unemployment. It aims to move people into sustainable work as quickly as possible and provide those who need it with extra help to improve their employability.	Customers aged between 18 and 24 who have had a continuous claim to JSA for 26 weeks or more.
New Deal 25 plus (ND25 plus) is a 'Welfare to Work programme' designed to address the problems of long term unemployment. Its 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.	Customers aged 25 and over who have had a continuous claim to JSA for 18 months or more or who have been unemployed for 18 of the last 21 months.
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.	People aged 50 or over who have been claiming benefits for 26 weeks or more.

Mainstream Provision	Target Client Group
<p>New Deal for Disabled People (NDDP) supports the Government’s commitment of “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 receiving a disability or health-related benefit.</p>
<p>Pathways to Work consists of:</p> <ul style="list-style-type: none"> • an intensive work focused interview • services of an Incapacity Benefits Personal Adviser to directly support the customer to move closer to or into work • completion and review of an action plan detailing the steps the customer needs to move towards or return to work • in-work support to help sustain employment. 	<p>Customers in the Pathways to Work areas and claiming incapacity benefit or other related benefits.</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 increase their employment opportunities.</p>	<p>Lone parents whose youngest child is under 16 years, who are not working, or who are working less than 16 hours per week.</p>
<p>Programme Centres help participants to acquire and/or update job search skills to enable them to get a job. Participants should be able to demonstrate to potential employers that they are capable of undertaking and sustaining paid work.</p>	<p>Job-ready customers claiming a working-age benefit who have been looking for work for at least 26 weeks.</p>

2.4.3 ESF provision will add value to these programmes by:

- extending the amount or range of provision available – providing additional facilities already shown to be working in other parts of the region;
- providing different or more intensive support to people alongside their involvement in our mainstream programmes;
- providing additional support in key locations where additional barriers exist;
- targeting people who might not otherwise come forward to existing provision – helping them to engage with mainstream DWP provision by supporting them initially to overcome barriers, and develop confidence and understanding of their own potential;
- supporting people, particularly the most disadvantaged, after they enter a job, to assist job retention;
- supporting employers, via Local Employment Partnerships, to work with the to recruit and retain long-term unemployed people;
- focusing on specific localities where there are particular difficulties for people wanting to return to work;
- providing different or more intensive support to people facing greater barriers, alongside their involvement in the main domestic programme;

2.4.4 DWP will be seeking to deploy projects which increase the quantity of support provided, either in terms of numbers of participants and/or training hours on an existing training course and produce additional outputs or outcomes.

3. PROJECT SELECTION AND TENDERING ARRANGEMENTS

3.1 Methods of Tendering – DWP Procurement Process

- 3.1.1 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'.
- 3.1.2 Contracts will be awarded to prime contractors, who will be responsible for delivering and managing provision across each of the three Jobcentre Plus districts in the North East 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.
- 3.1.3 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.

NB A detailed timetable for procurement is provided at Section 6.1.

- 3.1.4 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.
- 3.1.5 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.
- 3.1.6 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.

3.1.7 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.

3.2 Compliance with National Legislation

3.2.1 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.

3.2.2 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.

3.2.3 Procurement will be undertaken by appropriately qualified staff. For all procurements Commercial Employment Provision (CEP) staff will 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.

4. PROVIDER FUNDING AND MONITORING

4.1 Formulation of Contract Costs

- 4.1.1 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)
 - either one or two job outcome payments 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 Provider Payment Arrangements

- 4.2.1 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

- 4.3.1 We will not reimburse providers on actual costs in any circumstances.

4.4 Monitoring Arrangements for ESF Providers

- 4.4.1 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.
- 4.4.2 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.

4.4.3 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, including how OFSTED recommendations will be addressed

4.5.1 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.

4.5.2 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.

4.5.3 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.

4.5.4 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.

4.5.5 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.

4.5.6 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

4.6.1 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.

4.6.2 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

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

4.7.2 In an audit Providers are asked to complete a self-review of their systems in place for submitting valid and accurate claims. FAM verify the information given by selecting a sample of recent claims, ensuring that all the payment triggers specified in the Contracts are examined, checking the validity of the payments. Where payments are found to be unsubstantiated we would recover the funds from the Provider, informing the regional ESF management team of the amounts recovered. An Assurance level is awarded based on the findings of the audit. The Assurance levels awarded are reviewed in accordance with the FAM planning strategy.

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

4.7.4 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

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

4.8.2 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

4.9.1 Financial and management performance information 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 which have been set and agreed.

5. CROSS-CUTTING THEMES

5.1 Promoting Equality and Diversity and building equal opportunity into implementation

5.1.1 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 on incapacity benefits – particularly those with children
- Lone Parents
- other people with children
- people with disabilities or health conditions
- people aged 50 or over
- those most disadvantaged in the labour market (eg ex-offenders, homeless, or those with a history of substance abuse)

5.1.2 Geographically, whilst all activities will be delivered across the region according to local need, we intend to target resources particularly in the most deprived wards in each District, listed in Annexe E, because we know that the majority of our region's disadvantaged groups, as detailed in 5.1.1 above, live in these areas.

5.1.3 Our plan also includes specific provision for clients in the disadvantaged groups mentioned in paragraph 5.1.1, such as:

- **Customer engagement through community outreach**, particularly for those on Incapacity Benefit, young people, and people aged 50 or over;

and, for all disadvantaged customers, including those above:

- **Mentoring and aftercare** – for those who have been economically active, providing individual support to ensure employment is sustained;
- **Employer- or sector-specific routeways** providing tailor-made learning to help more disadvantaged people into work;
- **Jobsearch programmes**;
- **Childcare, dependent and transport costs**, helping eg those with children to access support;
- **Basic Skills** training, which will be incorporated in all provision, according to individuals' needs.

5.1.4 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.

- 5.1.5 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.
- 5.1.6 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.
- 5.1.7 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.
- 5.1.8 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.
- 5.1.9 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.
- 5.1.10 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 Sustainable Development

5.2.1 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.

5.2.2 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.

5.2.3 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.

5.2.4 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.

5.2.5 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.

5.2.6 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.

5.2.7 Our proposal to provide mentoring and intensive support workers (see

paragraph 1.3.8) to help disadvantaged customers to maximise their opportunities of remaining in work will also contribute to the achievement of the sustainable development aims outlined in para 5.2.3.

6 IMPLEMENTATION OF THE PROGRAMME

6.1 Key Milestones

6.1.1 The milestones and activities for the first six months of the first operating year will be directly linked to procurement activities. A full timetable covering all associated activities is provided in Annexe A.

6.1.2 It is intended that participants will start entering programmes from late June 2008, after Providers have set up provision and are prepared to engage and deliver support. The anticipated profiles for participant starts and progress towards results are shown below.

6.1.3 Projected Progress – Quarterly

ESF and Match combined

Quarter Ending	June 08	Sept 08	Dec 08	Mar 09	June 09	Sept 09
Starts Cumulative	0	1078	2749	4420	6091	7762
Outcomes Cumulative	0	237	604	971	1339	1707

Quarter Ending	Dec 09	Mar 10	June 10	Sept 10	Dec 10	Mar 11
Starts Cumulative	9433	11104	12776	14448	16120	17792
Outcomes Cumulative	2075	2443	2811	3179	3547	3914

NB Please note the numbers shown above are provisional and subject to change. More accurate estimates will be forwarded to GO-NE when contracts and profiles have been agreed with the successful providers.

7. FINANCE AND TARGETS

7.1 ESF and Match funding expenditure by year

7.1.1 Please see Annexe B for the agreed ESF and Match funding expenditure by year.

7.2 Outputs and Results

7.2.1 Please see Annexe C for the agreed outputs and results targets

CFO/Procurement Activities – Summary

	ESF High Level Procurement Plan Activity	Date
1	PQQ published	3.10.07
2	Briefing events held	End Sept/Oct 07
3	Return of PQQ	2.11.07
4	Bid assessments complete	30.11.07
5	Short-listed bidders announced	3.12.07
6	ITT published	3.12.07
7	Provider workshops held	December 07
8	Tenders returned	4.2.08
9	Tender assessments complete	14.3.08
10	Preferred bidders announced	17.3.08
11	PTC and contract award	7.4.08
12	Delivery commences	23.6.08

ESF and Match funding expenditure by year to December 2010**Priority 1**

Calendar Year	ESF (£)	Public Match (£)	ESF and Match (£)
2007	NIL	NIL	NIL
2008	£1,752,443	£1,752,443	£3,504,886
2009	£10,952,766	£10,952,766	£21,905,532
2010	£10,952,766	£10,952,766	£21,905,532
TOTAL	£23,657,975	£23,657,975	£47,315,950

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Outputs and Results Targets – Priority 1

Target	Quantification
Outputs	
1.1 Total number of participants (on DWP provision)	17,792
1.2 Number and % of participants who are unemployed (a) Number (b) Percentage	(a) 9,792 (b) 55%
1.3 Number and % of participants who are inactive (a) Number (b) Percentage	(a) 8,000 (b) 45%
1.4 Number and % of participants who are age 14-19 who are NEET or at risk of becoming NEET (a) Number (b) Percentage	Not applicable to DWP provision
1.5 % of participants with disabilities or health	22%
1.6 % of participants who are lone parents	12%
1.7 % of participants aged 50 and over	18%
1.8 % of participants from ethnic minorities	8%
1.9 % of female participants	51%
Results	
1.10 Number and % of participants in work on leaving (a) Number (b) Percentage	(a) 3,914 (b) 22%
1.11 Number and % of participants in work six months after leaving (a) number (b) Percentage	Agreed with ESFD we will not be able to provide this data
1.12 Number and % of economically inactive participants engaged in jobsearch activities or further learning (a) Number (b) Percentage	8000 45%
1.13 Number and % of 14 –19 year old NEETS or at risk in education, employment or training on leaving (a) Number (b) Percentage	Not applicable to DWP provision

Assumptions Made in Calculating Indicative Targets, Outputs and Funding

The targets and financial projections in the attached Co-Financing Plan are, at this stage, indicative, and will be subject to change as activities are developed. The rationale and assumptions used in calculating these indicative figures are as follows.

- The provision listed in the Plan was agreed between Jobcentre Plus and the LSC on 10 August 07
- The Plan assumes that Jobcentre Plus and the LSC will be the Co-financing Organisations. If other organisations are successful in becoming CFOs, this Plan will need to be amended to reflect this, and figures for expenditure, targets and outcomes will need to be reviewed.

Table in Annexe C

- The indicative figures for starts and outcomes were calculated by establishing the percentage share of the funding available (ie £23,657,975), divided by the total funds available in the programme (£74,939,908) – ie 32%. To date, GO has not advised of any top-slicing from this figure, but details will need to be revised if top-slicing takes place.
- For 2008, it is assumed that expenditure will not be incurred until the second quarter, and that only two months' expenditure will be captured at that stage. Spend has been calculated by dividing the number of available months (27) by two.
- For 2009 and 2010, it is assumed that the balance of funds would be spent evenly over the two years.

Table in Section 6.1

- First-year profiles – this assumes that providers and JCP are ready to begin taking participants from day one (ie the beginning of June 08), given the length of provider lead-in time allocated. Figures for Quarter Ending September 08 reflect two-thirds of the average monthly number of participants, as providers build up to full average monthly occupancy at the end of the quarter.
- Period ending September 08 – assumes that Programme Centres are used as match.
- Period ending December 08 – assumes three months' activity during the quarter, and figures are shown cumulatively, ie reflecting five months' full average monthly occupancy in total.
- Budgetary data is not yet available for 2009-10 and 2010-011, but is expected to equal, and possibly exceed, that allocated for 2008-09.

DEPRIVED WARDS, BY DISTRICT**Northumbria District**

Cowpen	Felling	Monkchester	Riverside
Cramlington West	High Fell	Moorside	Hirst
Croft	Leam	Scotswood	Newbiggin East
Isabella	Saltwell	Walker	Newbiggin West
Plessey	Teams	West City	Park
Lynemouth	Benwell	Woolsington	Sleekburn
Bede	Byker	Chirton	
Bensham	Elswick	Howdon	
Deckham	Fawdon	Longbenton	

South Tyne & Wear Valley District

Chester Central	Murton West	Monkton
Pelton Fell	Passfield	Primrose
Consett South	Seaham Harbour	Rekedyke
Craghead & South Stanley	Thornley & Wheatley Hill	Tyne Dock & Simonside
South Moor	Wingate	Whiteleas
Stanley Hall	Ferryhill	Castletown
Acre Rigg	Sunnydale	Grindon
Blackhalls	Thickley	Hendon
Dawdon	West	Hetton
Dene House	All Saints	South Hylton
Deneside	Beacon and Bents	Southwick
Easington Colliery	Bede	Thorney Close
Easington Village & S Hetton	Biddick Hall	Town End Farm
Eden Hill	Cleadon Park	Coundon
Haswell and Shotton	Fellgate & Hedworth	Dene Valley
Hornden North	Harton	West Auckland
Hornden South	Hebburn Quay	Wheatbottom & Helmington Row
Howletch	Hebburn South	Willington Central
Murton East	Horsley Hill	Woodhouse Close

Tees Valley District

Central	Beechwood	Kirkleatham
Cockerton West	Clairville	South Bank
Brinkburn	Gresham	Blue Hall
Brus	Hemlington	Charltons
Dyke House	North Ormesby & Brambles Farm	Hardwick
Jackson	Middlehaven	Mile House
Owton	Pallister	Newtown
Rossmere	Park End	Parkfield
St. Hilda	Thorntree	Portrack & Tilery
Stranton	University	Roseworth
Ayresome	Coatham	Stainsby
Beckfield	Grangetown	Victoria