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Department
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European Social Fund Operational Programme 2014-2020



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August 2015

ISBN: 978-1-78425-564-0

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SECTION 1: STRATEGY

The European Social Fund (ESF) Operational Programme is part of the European Structural and Investment Funds Growth Programme for England in 2014-2020. It will deliver the Programme's priorities to increase labour market participation, promote social inclusion and develop the skills of the potential and existing workforce. It will incorporate Youth Employment Initiative (YEI) money for areas with very high rates of youth unemployment.

Programme Objectives

The programme will contribute to the Europe 2020 Strategy, primarily focusing on the **inclusive** growth dimension. The relevant objectives from that strategy are:

- Employment: 75% of the population aged 20-64 should be in employment.
- Social inclusion: 20 million less people across the EU should be at risk of poverty.
- Education: The share of early leavers from education and training should be under 10%; and at least 40% of 30-34 year-olds should complete third level education.

It will also contribute to the achievement of the relevant parts of the 2014 Country Specific Recommendations (CSRs) which are:

- Maintain commitment to the Youth Contract, especially by improving skills that meet employer needs. Ensure employer engagement by placing emphasis on addressing skills mismatches through more advanced and higher level skills provision and furthering apprenticeship offers. Reduce the number of young people with low basic skills;
- Continue efforts to reduce child poverty in low income households, by ensuring that the Universal Credit and other welfare reforms deliver adequate benefits with clear work incentives and support services. Improve the availability of affordable quality childcare.

The ESF and YEI funds for England are significant but are modest in the context of public expenditure on employment¹², social inclusion³ and skills⁴⁵. For example, the Adult Skills Budget spend in 2013/14 was £2,475m and the DWP spend on employment programmes was £1,037m. The ambitions for what the ESF and YEI funding can achieve must therefore be realistic, and concentrated on issues where it can help tackle barriers and achieve real benefits for individuals, enterprises and local communities. It must only be used where there is a demonstrable need (e.g. where there is market failure or where ESF will add value to and not duplicate existing provision).

¹ Department of Work and Pensions Annual Report and Accounts 2013-2014: Year ending 31 March 2014

² Work Programme – Programme Costs to 31 March 2014

³ Social Justice: Transforming Lives: One Year On: April 2013

⁴ Department for Business Innovation & Skills Annual Reports and Accounts 2013 - 2014

⁵ Department for Business Innovation & Skills: Skills funding Agency Statement 2013-2016

The programme will contribute to policies to increase the employment rate, by increasing the numbers of unemployed and economically inactive people entering sustainable jobs. The strong focus on those at a disadvantage in the labour market will improve social inclusion. It will support efforts to reduce the gender employment gap by ensuring an appropriate proportion of participants are women. It will also help tackle areas of relatively high youth unemployment, by preparing young people for working life, in particular by reducing the number of young people not in education, employment or training (NEET) or at risk of becoming NEET.

The programme will also contribute to policies to develop a skilled and adaptable workforce and to increase productivity, by helping people tackle their basic skills needs and develop the intermediate and higher level skills they and their employers need.

Priorities

The programme is structured around 3 priority axes, which are built up from the Thematic Objectives and Investment Priorities we have chosen from the regulations:

- Inclusive Labour Markets, which combines activities to address employment and social inclusion issues;
- Skills for Growth;
- Technical Assistance.

Table 1 sets out in more detail the justification for the thematic objectives and investment priorities which have been selected.

Within these priorities, we have identified a range of groups on whom we will focus since they face relative disadvantages in the labour market:

- people who are unemployed or economically inactive, especially disadvantaged groups such as people with disabilities, lone parents, older workers and ethnic minorities;
- women returners and other groups of women currently outside the labour market;
- young unemployed people, and especially those who are NEET;
- people who lack basic skills whether they are unemployed or already in the workforce.

Our skills investments will aim to tackle the weaknesses in intermediate and higher level skills identified in the country specific recommendations.

Programme Architecture

The Operational Programme covers all 3 categories of region (less developed, transition and more developed), in order to bring a coherent strategic approach to tackling the needs of individuals. These do not tend to vary by category of region: there are often greater variations within each category than between each category. For example, the highest rates of unemployment are in areas that include major cities, either within transition or more developed regions; and pockets of deprivation are found in rural areas that are otherwise relatively affluent.

The variations in GDP and productivity across England, and the complex reasons for these variations, has prompted the Government to take a new approach to growth policy in England, shifting power away from the centre. The Government believes in local solutions for local growth, designed by those who best know their local areas.

At the heart of this new approach are Local Enterprise Partnerships (LEPs) - private sector-led partnerships between local authorities and local businesses which set local strategies for economic growth. There are 39 LEPs in England, formed around functional economic areas. The Government invited LEPs and partners to develop European Structural and Investment Funds strategies that set out their priorities within a national framework, developed by Government to address key issues in England. These local strategies have been used as the basis for the analysis for and the structure of the programme.

Disparities across different areas in England are often illustrated using Local Enterprise Partnership (LEP) level data. Where LEP-level data is not available for key indicators, the geographical unit selected is the most appropriate to illustrate the point made in the narrative.

Thematic Objective 8 - Employment

Analysis of need

England represents about 85% of the UK's output and workforce. The UK economy is recovering from the biggest financial crisis in generations, which led to one of the deepest recessions of any major economy. Recovery is strengthening, with positive growth in 2013 and GDP growth of 3% in the third quarter of 2014 compared to a year ago. Growth is expected to continue; the Office for Budgetary Responsibility's economic and fiscal outlook is forecasting steady growth, with a rate of 2.4% of GDP expected in 2017.

Overall employment rate including gender differences

There are currently 26.2m people employed in England; and 2015 has seen employment reach the highest figure on record since 1992. Although the headline employment rate for those aged 16-64 fell in England during the recession, the current rate has since recovered to hit an all-time high of 73.8% in early 2015. The rate for 20-64 year olds (which is how the Europe 2020 objective is framed) is 75.73% (above the 75% target). The male employment rate for this age group is 81.63% and the female employment rate is 69.94.

The number of female full-time employees has been rising (though numbers fell in the recession period) as has the level of women in part-time work. Currently, 58% of women in employment work full-time which has stayed largely unchanged in the past decade. A higher proportion of women work part-time (42%) than men (11%) in England, but over 80% of people work part-time because it suits them. Before the recession this percentage was around 90% and as the recovery strengthens we expect it to return to that level.

The employment rate for lone parents has increased by 20 percentage points since 1996, when comparable figures began, to more than 63% in 2014. Around 1.25 million lone parents are in work, of which 90% are women. Lone parents with a younger child aged 3

or 4 are now required to prepare for work; they have access to the Jobcentre Plus offer and the Work Programme.

There has been progress in reducing the gender pay gap and legislation has been strengthened. The gender pay gap in April 2014, based on median hourly earnings excluding overtime, has narrowed for full-time employees, to 9.4% compared with 10.0% in 2013. This is the lowest on record, and despite a relatively large increase between 2012 and 2013, there is an overall downward trend, from 17.4% in 1997. For full-time workers under 40, the gap is almost eliminated. The gap for all employees (full-time and part-time) was also the lowest on record at 19.1%, down from 19.8% in 2013. The gap has also decreased in the long-term, from 27.5% in 1997.

Unemployment

The rise in employment has been accompanied by falls in unemployment and this trend has continued in recent months. The unemployment rate for those aged 16 and over in England is 5.4% (LFS, February to April 2015), lower than the overall UK rate of 5.5% and lower than the EU average of 9.7%⁶. The number of people unemployed in England is 1,501,000, a decrease of 320,000 over the past year. Long-term unemployment is also falling. At a UK level, there are currently 574,000 people who have been unemployed for over a year, down 219,000 on the year.

Economic inactivity

Currently 22.6% of people aged between 16 and 64 in England are not active in the labour market, slightly under the UK rate of 22.9% (February to April 2015).⁷ The inactivity rate has been relatively stable - in the past year it has risen 0.25 percentage points, and the number of economically inactive has increased by 84,000. There are many reasons why an individual is inactive in the labour market, and not all are problematic. This can include looking after family and home, full-time education, long-term sickness and retirement. Increasing the number of inactive people who begin actively seeking work should help to boost the employment rate, and contribute to efforts to reduce the employment rate gap.

The fall in unemployment is happening alongside welfare reform, where some claimants are being moved off 'inactive' benefits (with no requirement to seek work) and moved onto 'active' benefits such as Jobseeker's Allowance (where they are obliged to seek work). Employment is lower among groups at a disadvantage in the labour market, including young people, disabled people, people from some ethnic minorities and older people which are described in more detail below.

Young people

The overall youth unemployment rate across England peaked in the period July 2011-June 2012 at 21.4%. At that time, youth unemployment in some NUTS2 areas⁸ exceeded 25%, and in some NUTS3 areas⁹ it was over 30%. Based on these figures, the NUTS2 areas

⁶ ONS, *Labour Market Statistics*, June 2015

⁷ *ibid*

⁸ West Midlands, Merseyside, Inner London, Tees Valley & Durham

⁹ Leicester, Nottingham, Kingston upon Hull, Thurrock.

automatically qualify for the Youth Employment Initiative and we have used the limited flexibility in the regulations to extend it to the relevant NUTS3 areas.

Youth unemployment is reducing. The overall 16-24 youth unemployment rate for England for the period April 2014 – March 2015 was 16.2%. The rate for 16-24 males reduced from a peak of 24.2% to 17.7%; the rate for females reduced from a peak of 18.5% to 14.5%¹⁰. The rate in Cornwall and the Isles of Scilly is currently 13.1%. The unemployment rate of low skilled (below Level 2) 15-25 year olds is 29.4%.

We remain concerned about the transition from school to the labour market: most young people continue in education or training when they leave school, and make a successful transition to either further or higher education or employment. But there is still a group who either 'drop out' or struggle to make the transition to the labour market at age 18-19. As a result, the proportion of young people NEET in England rises sharply at age 18. At the end of 2013 4.0% were NEET at age 16, 6.1% at age 17, and 12.5% at age 18.¹¹

In Q1 2015 738,000 16-24 year olds were classed as NEET in England. The proportion of those aged 16-18 NEET was 7.1%. The proportion of 19-24 year olds who are NEET is currently 14.7%.¹²

In England, 89.7% of 16 and 17 year olds participate in education or training. The lowest participation rates among 16-17 year olds are among white and mixed race people, and the rate for males is slightly lower than for females. The following local authorities have participation rates below 85% at age 16/17: Reading, Poole, Birmingham, Wokingham, West Sussex, Blackpool, Liverpool and Bristol.¹³

Lack of skills, particularly basic skills (English, maths and ICT) is a key barrier for many young people who are NEET. Despite some progress in recent years, a significant minority of young people do not have the necessary skills and qualifications to find work and/or progress to higher skills.

Disadvantaged groups

People with **disabilities** and health conditions face particular discrimination and disadvantage in the labour market. About half (54%) of disabled people of working age are not in employment. In January-March 2015, there were around 7 million people in the UK with a long-term health problem or disability who were in employment; while around 4.2 million were economically inactive and around 0.6 million were unemployed (age 16-64).¹⁴

Out of the 3.7m disabled people of working age that are not in employment 3.3m are inactive (89%). Of the 3.3m inactive disabled, 0.9m want to work (29%) and 2.3m (71%) do not want to work.¹⁵

¹⁰ Annual Population Survey

¹¹ DfE, *Statistical First Release 18/2014*, Participation in education, training and employment, age 16 to 18

¹² DfE/BIS NEET statistics: quarterly brief January to March 2015

¹³ Proportion of 16-17 year olds recorded in education and training, June 2014. DfE based on Local Authority client databases (CCIS)

¹⁴ LFS Q1 2015

¹⁵ *ibid*

Research shows that although the majority of disabled claimants want to work (56%) and believe that having a job would make them better off financially (65%), very small proportions think they are able to work (15%) or that having a job would be beneficial for their health (23%)¹⁶.

Disabled people are more than twice as likely to lack formal qualifications than non-disabled people. They are also less likely to participate in adult learning. In the last 3 months of 2013 about 39.6% of non disabled people aged 16-64 participated in adult learning compared with 30.2% of disabled people.¹⁷

Certain **ethnic minorities**¹⁸ (especially people from Pakistan, Bangladesh and Black African backgrounds) face greater difficulties in accessing work. The employment rate for people (aged 16-64) of white ethnic origin in England is 74.8% and the rate for all ethnic minorities is 61.4%. Among ethnic minorities the lowest employment rate is for people of Pakistani or Bangladeshi ethnic origin at 51.8%, and the highest is for people of Indian ethnic origin at 71.6%. The employment rate for ethnic minority women is 53.1%, and it is particularly low for women of Pakistani or Bangladeshi origin at 31.0%, although this has risen every year since 2008.

The unemployment rate for people (aged over 16) of White ethnic origin in England is 5.5%. The unemployment rate (ILO definition) for all ethnic minorities is 11.3%. Among ethnic minorities the highest unemployment rates are for people of Pakistani or Bangladeshi ethnic origin at 14.7% and Black or Black British groups at 15.4%. The rates are particularly high for Black or Black British men at 16.6% and women of Pakistani or Bangladeshi origin at 21.1%.

The proportion of people of white ethnic origin who are economically inactive is 20.7% and the proportion of ethnic minorities is 30.8%. Among ethnic minorities the highest rate of economic inactivity is for people of Pakistani or Bangladeshi ethnic origin 39.3% with a high rate among women of Pakistani or Bangladeshi origin 60.7%.

Amongst 16-64 year olds, the lowest employment rates are faced by young people (who are considered separately). However, **older people over 50** face lower than average employment rates and face particular difficulties re-engaging in the labour market if they become unemployed or economically inactive.

The employment rate for people aged 50-64 is 68.8%, the unemployment rate is 4.7%, and the proportion economically inactive is 28.4%. The employment rate for men aged 50-64 is 74.5% and for women is 63.3%. The unemployment rate for men is 4.2% and for women is 3.4%. The proportion of men aged 50-64 who are economically inactive is 22.2% and for women it is 34.4%. (ONS, Annual Population Survey, January – December 2014)

¹⁶ A survey of disabled working age benefit claimants July 2013

¹⁷ ONS, *Annual Population Survey*, Quarter 3 2013

¹⁸ Labour Market Status by Ethnic Group April 2015. Metcalf, H. (2009) Pay Gaps Across the Equality Strands: A Review, Equality and Human Rights Commission; Bell, L. and Casebourne, J (2008) Increasing Employment for Ethnic Minorities: A Summary of Research Findings, National Audit Office

Lack of qualifications and skills is a major barrier to work. Since the economic downturn in 2008, the employment rate has decreased most for those with qualifications at level 2 or below. Individuals with no qualifications have an employment rate of around 40%. Those with an additional disadvantage fare worst: e.g. 26% of disabled people without a level 2 qualification are employed, compared to 57.4% of disabled people with a qualification at level 2 or higher.

Territorial variations

Improving labour market participation is relevant across England, but in some areas the issues are more significant. The LEP areas with the lowest rates below do tend to be northern or midland urban areas: the national employment rate are Liverpool City Region 65.1%, Black Country 66.7%, Tees Valley 67.1%, Greater Birmingham and Solihull 67.4%, Lancashire 68.7%, Greater Manchester 68.9%, and North Eastern 69.0%. The one southern LEP area performing below the English average of 72.5% is London (71.2%). Northern, midlands, London and Cornwall and the Isles of Scilly. Those with the lowest rates are also mainly urban (Tees Valley 66.7%, Greater Birmingham and Solihull 66.4%, Black Country 65.2%, North Eastern 66.5%, Liverpool City Region 66.8%, Greater Manchester 67.4%)¹⁹.

The highest rates of unemployment (7.59% or more) are in urban northern LEP areas (Tees Valley LEP 9.9%, Liverpool City Region 9.4%, North Eastern LEP 8.0%, Humber LEP 9.7%, Sheffield City Region 8.1%, Liverpool City Region 9.6%, Greater Manchester LEP 7.8% and North Eastern LEP 9.8%) and some midlands LEP areas (Black Country LEP 9.3%, Greater Birmingham and Solihull LEP 8.4%, Black Country LEP 11.2%).²⁰ The other areas with above average unemployment rates are again mostly northern LEPs, with the exception of London LEP and the Derby, Derbyshire, Nottingham & Nottinghamshire LEP.

Across England, there are significant variations in rates of economic inactivity. The lowest levels are mainly located in the southern LEPs. The higher levels of inactivity are mainly in areas affected by a significant decline in heavy industries.

National policies and programmes

The employment rate will increase primarily through job creation, as a result of action to facilitate economic growth. Low levels of taxation and a carefully balanced approach to labour market regulation increase incentives to create new jobs for new business opportunities. Also, flexible working arrangements help with recruitment, retention and productivity.

To help unemployed people access employment, welfare reforms ensure that work pays and jobseekers are supported in finding work. The National Reform Programme²¹ describes measures to help unemployed people move quickly into work and to address longer-term detachment from the labour market. They include:

¹⁹ ONS, Annual Population Survey, October 2012-September 2013/January-December 2014, Employment rate for people aged 16-64

²⁰ ONS, Annual Population Survey, January-December 2014, Unemployment rate for those aged 16 and over.

²¹ HM Government, 2015, *UK National Reform Programme*

- strengthening work incentives whilst maintaining appropriate levels of income protection by withdrawing benefit at a transparent, constant rate as earnings are increased, especially through the implementation of Universal Credit.
- activation strategies, including conditionality of benefit payment on activity to maintain labour market attachment
- provision of free job broking support for employers and jobseekers, improving transparency and speeding up matches and increasing mobility and flexibility, including through the Universal Jobmatch online vacancies
- implementing active labour market policies to improve the employability of disadvantaged groups by providing work focused skills provision and employability support to equip individuals to compete and take up available opportunities, for example through the Work Programme
- encouraging job creation by supporting entrepreneurship, including through the New Enterprise Allowance – with 60,480 new businesses set up thanks to the scheme from April 2011 up to and including September 2014
- increasing labour market skills and improving the match with employer skills demands, including through Traineeships and Apprenticeships.

Reforms to shared parental leave and flexible working schemes mean that more women who want to work are able to. In June 2014, all workers gained the right to request flexible working. Shared parental leave was introduced in April 2015.

The CSR on affordability of childcare is addressed by plans to help families meet the costs of childcare and to increase the amount of affordable provision, detailed in *More Affordable Childcare*²². In addition, we will ensure that childcare is not a barrier to participation in ESF, by providing participants with childcare support where they need it. This is reflected in specific objectives and targets in the appropriate investment priorities.

National policies to help young people who are NEET, to tackle youth unemployment and equip them with the skills that employers need, are in the National Reform Programme and the 'Building Engagement, Building Futures' paper²³.

The participation age has been raised so that all young people in England are required to continue in education or training for longer. Young people can participate through full-time education, work/volunteering combined with part-time education or training, or by undertaking a traineeship or apprenticeship. As part of a phased implementation, one year group of young people, those who left year 11 in summer 2013, were required to participate for just one further year. Phase 2 of RPA came into place in June 2015 but affects those who left year 11 in summer 2014 requiring them to continue until their 18th birthday.

The Youth Contract provided a flexible package of support for 18-24 year olds between April 2012 and March 2015. It built on existing support to provide young people with more intensive advisor support and work experience, and to give employers wage incentives and apprenticeship grants to encourage them to recruit young people. UK Government expenditure on the Youth Contract in 2014-15 was £131.4m. DWP is continuing to support young people through additional Jobcentre Plus advisor support, extra work experience

²² HM Government, 2013, *More Affordable Childcare*

²³ Building Engagement, Building Futures December 2011

and sector-based work academy places. There is also a 16 and 17 year old element to the Youth Contract which is designed to provide additional support to those 16 and 17 year olds who are classified as not being in education, employment or training (NEET) and who have low levels of attainment i.e. no GCSEs at A* - C. The UK Government expenditure on the Youth Contract for 16 and 17 year olds in the financial years 2012–13 to 2014–15 was £33.4m

Traineeships, launched in August 2013, give new training opportunities for young people aged 16 to 24, to develop the skills and attributes they need to compete for an apprenticeship or a good job. Traineeships have 3 elements: a focused period of work preparation training; a high quality work placement with an employer; and English and maths for those without a level 2 in the subjects. They last up to 6 months.

Careers guidance is being improved, by challenging employers, schools, colleges, social enterprises, local authorities and others to do more to inspire young people about the world of work. To support this work, the Secretary of State for Education announced on 10 December the creation of a new employer-led careers and enterprise company. The company will operate independently of government and will be tasked with supporting engagement between employers on the one hand, and schools and colleges on the other, ensuring that young people aged 12-18 get the inspiration and guidance they need for success in working life. It will work closely with the National Careers Service, which will continue to support adults and young people and help the company bring employers and schools together.

Use of ESF

ESF will focus on the most disadvantaged, since as the recovery strengthens, it is likely that those already closest to the labour market will find work more easily, but there is a risk that the most disadvantaged will find it difficult to secure work. We have set specific objectives focused on long-term unemployed people and people facing disadvantages, and have set output targets for **over 50s, ethnic minorities, disabled people and lone parents**.

ESF will be used to help ensure that these disadvantaged groups are provided with the right level of support, tailored to the needs of individuals and local businesses. The main result targets are the proportion of unemployed participants entering employment (including self-employment) on leaving, and the proportion of participants in employment or self-employment 6 months after leaving.

Some groups are already supported through national programmes; e.g. all long-term (12 months plus) Jobseeker's Allowance claimants are helped through the Work Programme. But those with the most entrenched problems, even if they access these programmes, can find it difficult to benefit from them. ESF will be used to provide additional support, aligned with and building on national programmes.

Working age people who are receiving welfare benefits and not active in the labour market have access to help but take-up is low. We have therefore set a specific objective focused on getting **economically inactive** people to participate in the labour market and improve their employability and have set an output target for the number of inactive people we help.

For these groups, ESF will tackle the barriers they face, providing support and advice so they move closer to the labour market. Some will then utilise national programmes. Amongst those who are economically inactive, the priority will be those receiving benefits.

There is also a risk that, as the economy recovers, unemployed people will lack the skills which employers need and skills shortages will emerge. ESF will therefore help unemployed people acquire the skills they need to compete for new jobs created by economic growth. Addressing **basic skills** is a priority so we have set a specific objective to improve basic skills, backed up by an output and a result target.

ESF will help in our efforts to close the **gender employment gap** by providing help to women returners to the labour market, women in low skilled and/or part-time work who want to progress or work more hours, and by promoting careers in occupations where women are under-represented.

The availability of **childcare** can affect an individual's ability to participate in ESF provision, so it will be a contractual requirement for providers to make a contribution to childcare costs where it is a barrier to participation (this will not apply to NOMS provision, since most participants are likely to be in custody). Childcare support will be monitored and evaluated, and will take account of provision via Universal Credit and tax-free Childcare. We have set a result target to ensure that childcare support is provided where it is required.

ESF will also be used for preventative measures, to work with those at risk of redundancy and ensure that they can move into work with another employer (or set up in self-employment) instead of becoming unemployed.

The main activities include:

- additional and innovative approaches to pre-employment training;
- additional support for long-term unemployed people, including those who have left the Work Programme, and including new approaches to work experience and training;
- improving the employability and transferable skills of unemployed, inactive and disadvantaged people;
- training workless people and those facing redundancy, to upgrade their skills or learn new skills (including basic skills and English for speakers of other languages);
- responding flexibly to employer demand in local labour markets where specific needs are identified;
- as part of wider support, using self-employment as a route out of worklessness;
- activities to encourage the unemployed to start and grow businesses (including social enterprises).

Activities to help more unemployed and inactive people into work will be supported through the access to employment investment priority under thematic objective 8 (employment). This may include activities for some disadvantaged groups. Those who are furthest from the labour market and have significant barriers to address will be supported through the active inclusion investment priority under thematic objective 9 (social inclusion). These

activities will contribute to achieving the Europe 2020 employment objective. Further detail is set out in the section on each Investment Priority.

The ESF and YEI will support young people aged 15 to 29 through the sustainable integration of young people investment priority under thematic objective 8 (employment). We decided to use this investment priority rather than the one on early school leaving, since this issue will be addressed through existing national interventions, i.e. Raising the Participation Age.

Unemployment can have a long-term scarring effect on young people, so they are a high priority. ESF will also provide more intensive, specialised support for the most marginalised and disadvantaged young people (e.g. care leavers). We have set specific objectives focused on marginalised 15-18 year olds and lone parents, and have set output targets for ethnic minorities, disabled people and lone parents.

Help is already available, so ESF and YEI will support additional and complementary measures to reduce the number who are NEET or at risk of being NEET. The YEI will be targeted on areas with very high rates of youth unemployment. Where some of the NEET population are disconnected from the available mainstream activity, a challenge for ESF will be to find and engage them (e.g. through outreach work), and we have set an output target for inactive young people.

To improve skills levels we have set specific objectives on increasing the number of people undertaking apprenticeships and traineeships, and tackling basic skills, and have set output and result targets for basic skills. The ESF and YEI will therefore fund additional basic skills provision, e.g. in literacy and numeracy, help disadvantaged young people into traineeships and apprenticeships and support them to stay there; and where relevant, will help them to gain intermediate and advanced skills at level 3 and above, equipping them with skills needed by employers.²⁴ This will directly address the CSR.

The ESF can enhance local services to help young people make a successful transition from education to working life, by increasing the provision of careers advice and guidance, and strengthening engagement with employers. We have set a specific objective about ensuring access to work experience and pre-employment training opportunities. It will require close coordination with local authorities, to ensure it complements existing provision.

ESF will not support general education in schools, but can provide additional support, through the sustainable integration of the young people investment priority, for young people from age 15 who are at risk of becoming NEET. This approach was used successfully in the 2007-13 programme.

²⁴ Advanced level skills are usually known as higher level skills in England and are generally at level 3 and above.

Thematic objective 9 - Social Exclusion and Poverty

Analysis of need

In 2013, 24.8% of the UK population were considered to be at risk of poverty or social exclusion according to the EU definition.²⁵ A person is considered to have a relative low income if their household income is less than 60% of the median equivalised household income. The areas with the highest rates of poverty in the UK are Northern Ireland and Wales²⁶.

Poverty is often a symptom of deeper, more complex problems. Many problems are passed on to the next generation. The Government's Social Justice Strategy sets out the scale of the challenge, looking at disadvantage in terms of: worklessness, family problems, low educational attainment, drug and alcohol dependency, and debt and crime.²⁷ These disadvantages often interact and the most severely disadvantaged individuals often lack the systematic, wrap-around support needed to overcome their problems.²⁸

Analysis of Household Survey data found that 11% of adults experience, at any time, 3 or more of 6 areas of disadvantage (education, health, employment, income, social support, housing and local environment).²⁹ This population is constantly changing, with people moving in and out of disadvantage and poverty according to the impact of economic, social, and environmental factors.

Workless households are more likely to be in poverty and be dependent on benefit. Research suggests that growing up in a workless household has a negative effect on children's future labour market outcomes.³⁰ The number of households in the UK (including at least one person aged 16 to 64) where no-one works stands at around 3.3 million, in which about 1.5 million children under the age of 16 are present.³¹ Children are around 3 times as likely to be in poverty if they live in a workless family compared to families where at least 1 adult is in work.

Offenders have high levels of unemployment whilst on Licence following release from prison or whilst serving sentences in the community. In the year after being released from prison in 2010/11, 74% of offenders made at least one claim³² to an out-of-work benefit. Evidence suggests³³ that prison leavers spend longer on benefits than other JSA claimants, with more barriers to employment, and that having a job is a major factor in

²⁵ Eurostat, 2014, *People at risk of poverty or social exclusion*.

²⁶ Households Below Average Income, June 2015. An analysis of the income distribution 1994/95 – 2013/14.

²⁷ HM Government, 2013, *Social Justice: Transforming Lives - One year on*

²⁸ HM Government, 2013, *Social Justice: Transforming Lives – One Year On*

²⁹ Analysis using BHPS 2007 data cited in HM Government, 2010, *State of the nation report: poverty, worklessness and welfare dependency in the UK*.

³⁰ National Audit Office, 2007, *Helping people from workless households into work*.

³¹ ONS, 2014 *Working and workless households, 4th Quarter 2004 to 2014*.

³² Experimental statistics from the 2013 MoJ/DWP/HMRC data share

³³ Offending employment and benefits: Findings from the data linkage project November 2011

preventing future offending³⁴. Yet many offenders face significant barriers to entering the labour market, even when they are committed to changing their lives.

National policies and programmes

The Government has introduced measures to support families including those on low incomes:

- Increasing the National Minimum Wage rate to £6.50 from October 2014,
- Increasing the income tax personal allowance, to £10,600 from April 2015,
- Providing funding for successive council tax freezes
- Support with childcare costs - essential to improving children's life chances and supporting parents who want to return to work.
- 'Social Justice: Transforming Lives', sets out the Government's commitment to giving individuals and families facing multiple disadvantages the help they need to change their lives. A new set of principles inform this approach:
 - a focus on prevention and early intervention;
 - where problems arise, concentrating interventions on recovery and independence, not maintenance;
 - promoting work for those who can as the most sustainable route out of poverty, while offering unconditional support to those who are severely disabled and cannot work;
 - recognising that the most effective solutions will often be designed and delivered at a local level;
 - ensuring that interventions provide a fair deal for the taxpayer.

The 'Social Justice Outcomes Framework' (October 2012) explains what the Government wants to achieve. In April 2013 'Social Justice: Transforming Lives – One Year On' was published; it looks at how social justice principles have started to influence services. The Government published a consultation on its latest Child Poverty Strategy in February 2014. Universal Credit will help to reduce child poverty through ensuring work incentives in the benefit system, by making work pay and providing a route out of poverty. Work with local authorities is helping troubled families, including those causing problems to the community and incurring high costs for the public sector. This includes: expanding the Troubled Families programme from April 2015 to support 400,000 families, improving employment and work outcomes by increasing the number of Troubled Families Employment Advisers from 150 to 300 by April 2015, getting children back into school, reducing youth crime and anti-social behaviour and putting adults on a path back to work.

The Government's approach to supporting offenders with rehabilitation includes:

- improved training where employers and education providers work closely with prison managers to tailor their training to the needs of the labour market;
- IT-based individualised learning and employment services for prisoners that can also be available after their release;
- a greater number of employer-led training workshops;

³⁴ MoJ Analysis of the impact of employment on re-offending following release from custody using Propensity Score Matching March 2013

- immediate access to the Work Programme on release.

Use of ESF

Under Thematic Objective 9, ESF will focus on the **most disadvantaged**. We have set specific objectives on people with multiple and complex barriers and marginalised individuals. We have set output targets on **economically inactive** people, **disabled people, over 50s**, and **ethnic minorities**. We have also set a specific objective and an output target focused on offenders. Result targets focus on participants entering employment on leaving, being in employment 6 months after leaving, and particularly for those furthest from the labour market, entering education or training or starting jobsearch.

Thematic Objective 9 will have a stronger focus on the inactive since they are by definition further from the labour market. ESF will help to address barriers to work, helping more people move closer or into employment. To ensure value for money and a fair deal for the taxpayer, ESF will not fund existing provision but will support additional and more intensive actions contributing to the national Social Justice Strategy, and complement the Work Programme, implementation of Universal Credit and local authority services.

ESF will finance integrated support, to address gaps in provision and reach those who are not currently supported. They could include: caring responsibilities, debt, digital exclusion, drug and alcohol dependency, poor basic skills and life skills, lack of motivation and confidence, family, parenting and relationship problems, health and well-being problems, homelessness, learning difficulties and disabilities, offending, access to transport - an issue in rural areas, and help with childcare where needed. Support will include early intervention before problems become entrenched, needs assessment so that effective tailored support can be offered, and outreach activities.

In some of the most deprived areas of England we will also be using the new Community Led local Development tool to address persistent levels of unemployment, economic inactivity and poverty, particularly in urban areas.

ESF will be used to complement reforms, such as Universal Credit, by enhancing services for those with complex barriers. ESF will contribute to the response to the 2014 CSR, to enhance support to low-income households and reduce child poverty. Activities include:

- tackling barriers faced by people in workless households and troubled families or with multiple disadvantages, so they move towards, enter and make progress at work;
- helping inactive people with potential to enter the labour market but needing considerable support to enter work;
- targeting people facing barriers - homelessness, debt, drug or alcohol problems, and mental health issues;
- targeting disadvantaged communities and deprived areas;
- tackling discrimination and barriers faced by ethnic minorities and disabled people;
- integrating offenders into the labour market;
- supporting the development and growth of social enterprises;

- tackling barriers faced by disadvantaged people in rural communities, lacking access to services;
- supporting community-based action including Community Grants, community learning and community led local development.

Further detail is set out in the sections on each investment priority.

Thematic Objective 10 - Skills

Analysis of need

Productivity is a key driver of growth and UK productivity has lagged behind that of other advanced economies, in particular the US, Germany and France. UK productivity has been particularly poor since the financial crisis (falling over 3%) and has shown little sign of recovery. Productivity is strongly linked with skills levels and the UK underperforms internationally, particularly in relation to intermediate skills (upper secondary and post-secondary non-tertiary) and also higher level skills. ESF will be used to address skills gaps and shortages in England, responding to local employer needs including intermediate, more advanced and higher level skills and furthering apprenticeship offers (in response to CSR 2014.) Young NEETs and the lowest skilled and most disadvantaged remain a priority, but we recognise that it takes time to cover the range of skills levels and gaps and thereby improve growth

Basic and lower level skills

Literacy and numeracy skills have been weak in England, though recent improvements in literacy are welcome. The 2013 OECD PIACC survey of adult skills showed England ranked 11th in literacy and 17th in numeracy out of 24 countries. The skills of the youngest adults compare badly; for 16-24 year olds England ranks 22nd in literacy and 21st in numeracy.³⁵ In 2012, 9.5% of 16-64 year olds in England had no qualifications³⁶ - a key barrier to entering and progressing at work. These skills are also often required to upskill or re-skill those in the labour market, who are made redundant or are at risk of redundancy.

Skills levels vary across England; with higher school achievement in southern areas (particularly the South East) and probably a net movement of graduates into London (inability to retain graduates was noted by many LEPs outside London). Some variation in the level and type of skills is also likely to reflect differences in specialisation between areas. People move to where their skills are most needed, especially those with relatively high skills. Higher proportions of people with low or no qualifications are mainly concentrated in large urban and some rural LEP areas.

National trends mask large differences in skills disparities across and within LEP areas. Local solutions are needed to complement existing national programmes, to address pockets of low skills and the most disadvantaged that may require additional help and support.

³⁵ International Survey of Adult Skills 2012

³⁶ ONS

Improving skills can contribute to breaking the deprivation cycle. The English Indices of Deprivation show that there is a high degree of correlation between skills levels and other indicators of deprivation, particularly income, employment, and health. The proportion of children in poverty from families where at least one adult is in work has increased over the last decade; level of parental education is often cited as a factor in child poverty.³⁷

Intermediate Technical Skills

England has weak intermediate technical skills.³⁸ Almost 3 in 10 vacancies are reported as hard to fill. Skilled trades show the greatest shortages, followed by machine operatives, managerial and professional roles, caring, leisure and other services.³⁹ 20% of manufacturers reported skills gaps, while 31% of high tech manufacturers have recruited from outside the UK because of a lack of suitably qualified people.⁴⁰

Higher level skills

The Allas Report (2014)⁴¹ showed our relative underperformance in global terms on measures of higher level skills. Higher level skills include vocational and technical, as well as academic qualifications which are delivered by further education providers, as well as the HE system. Particular concerns include the number of science and engineering qualifications. While the number of students studying STEM subjects to first degree level has been consistent, it is low against our comparator group, and the number progressing to further study is falling. There is also evidence of lower participation by women in STEM subjects. The UK is only slightly above the EU28 average for the number of researchers per 1000 in employment, and low scores on management skills will limit our ability to capture economic value from science and innovation.

Businesses value the high level skills, subject specific knowledge and innovative approaches that individuals with postgraduate qualifications bring. Some employers are choosing to finance postgraduate education to develop their workforce and retain employees.⁴²

Overall participation in HE is relatively high, and above the EU2020 target, and so is not a priority for ESF funding. However, in some parts of England it is very low. The new Cold Spot database published by HEFCE (October 2014) provides evidence that, at very local levels, HE participation in many rural, coastal and some inner city areas is very low, even where a university is nearby. There are also disparities in performance between different socio-economic groups and students from disadvantaged areas or backgrounds (e.g. disabled students) also tend to do less well in higher education than those from more advantaged areas with the same prior attainment.

National policies & programmes

³⁷ DWP/ONS, 2013, *Households Below Average Income: An analysis of the income distribution 1994/95 – 2011/12*

³⁸ BIS, 2010, *Skills for Sustainable Growth*

³⁹ UK Commission for Employment and Skills, 2014, *Employer Skills Survey 2013*

⁴⁰ UK Commission for Employment and Skills, 2010, *National employers skills survey for England 2009*

⁴¹ Department for Business Innovation & Skills: Insight from the international benchmarking of the UK science and innovation system: A report by Tera Allas January 2014

⁴² CIHE, 2010, *Talent Fishing: What businesses want from postgraduates*

One of the key aims of the Government's 'Plan for Growth' is to 'create a more educated workforce that is the most flexible in Europe'. The objective of national skills support therefore is to secure high quality and diverse skills provision that responds to the needs of individuals and enterprises. To achieve this, the further education skills system is being reformed in terms of the skills offer at all levels, the structure and in the nature of qualifications.

In March 2014, "Getting the Job Done: The Government's Reform Plan for Vocational Qualifications"⁴³ was published, building on reports from Alison Wolf (on vocational education at 14-19), Doug Richard (on apprenticeships) and Nigel Whitehead (on adult vocational qualifications). In July 2014 Ofqual launched a consultation on improving the way qualifications in England are developed and regulated⁴⁴.

There is already a range of initiatives, including: traineeships to improve young people's chances in gaining employment; a core offer of apprenticeships to all young adults and English and maths learning, up to GCSE grade C or better standard (Level 2). Business-backed local skills training schemes and an additional focus by Jobcentre Plus, including making changes to the benefit system rules, has helped to increase by almost 40% the number of benefit claimants in England who start training.

To address literacy and numeracy skills issues, a pilot was launched in November 2014 for new 18-21 year old JSA claimants without level 2 qualifications in English and maths, to be mandated to learning for up to 6 months. The aim is to improve claimants' skills in English and maths by at least one level and enhance their employability. It is also piloting skills funding direct to a charity (for the homeless) and plans to test new approaches to funding and support for those furthest from the labour market. The pilots will complement and help inform LEPs' local ESF activities, and could influence the way national support is delivered in future.

New contracts for the National Careers Service (NCS) incentivise contractors to work with customers from the following priority groups:

- Low skilled adults without a level 3 qualification
- Young adults aged 18-24 not in education, employment or training
- Adults facing redundancy, newly redundant or distant from the labour market (have not been in any type of work for two years or more)
- Jobcentre plus customers on Jobseekers Allowance (JSA), Employment and Support Allowance (ESA) and in the work related activity group (WRAG) who are unemployed, people who are claiming universal Credit who are looking for work and are at least 18 years old
- Adults in custody or formerly in custody aged 18 years or over
- Adults with learning difficulties and/or disabilities.

It is a national priority to create an employer led system of higher vocational education in England and to increase the numbers attaining vocational qualifications at post-secondary

⁴³Department for Business Innovation & Skills: Getting the job done. The Government's reform plan for vocational qualifications. March 2014

⁴⁴Ofqual: Withdrawing the Regulatory Arrangements for the Qualifications and Credit Framework: Outcome Summary. Dec 2014

level. Apprenticeships are being reformed, to increase quality and relevance; employers will have responsibility for designing content and assessment.

There has been significant growth in numbers of intermediate and advanced apprentices, and there will be advanced apprenticeships in new areas, such as law and actuary. Additional funding for Higher Apprenticeships, up to degree and master's level, was announced in 2013 (£40m) and in the 2014 Budget (£20m), with a target to deliver 20,000 Higher Apprenticeship starts during 2013/14 and 2014/15. The Government announced in December 2015 plans for new national colleges to fill employers' higher level technical skills gaps.

Use of ESF

ESF can be used to support skills at any level, but it must not duplicate existing provision. ESF should not displace the investment that employers and individuals make in training and will focus on areas where the market is not delivering skills needs. The specific objectives focus on improving **basic skills**, increasing the number of people with **technical and job specific skills**, and **supporting progression** in work particularly for women. Output and result targets have been set for basic skills. Other output targets (for over 50s, lone parents, ethnic minorities and women) will ensure a focus on those most in need of help. The result targets focus on qualifications gained and women progressing in work. ESF will not subsidise training that would otherwise be funded by business or Government. ESF will focus on reducing the proportion of people, especially young people, with low levels of qualifications/skills and ensure employer engagement, by placing emphasis on addressing skills mismatches and improving skills to meet their needs. It will primarily fund lower, intermediate and technical skills, in the following activities:

- support for improving the skills levels and employability, of people with low or no qualifications, particularly young people NEET;
- support for disadvantaged groups who have no or low qualifications, to improve their skills and employability;
- training for people facing in work poverty, to help them progress and increase their pay/working hours or obtain better quality higher paid jobs;
- skills support for those made redundant or unemployed;
- expanding and enhancing traineeships.
- expanding and enhancing apprenticeships;
- support for intermediate and technical skills for local industries and sectors, especially in STEM, new and emerging technologies, such as those which support a low carbon and climate resilient economy, and in support of other thematic objectives;
- promoting and developing better links between business and educators;
- improving or increasing provision of adult careers advice, complementing the NCS and adding value but not substituting its services;
- activities to inspire and encourage lifelong learning and the consequent benefits of learning.

ESF will also be used for higher level skills in response to the Country Specific Recommendation, where: it supports growth; there is market failure; it contributes to

programme objectives; and cannot be provided by the mainstream system. It will fund the following types of activities:

- expanding and enhancing apprenticeships;
- activities to help start and grow a business and support for local SMEs' skills needs (especially management and leadership) particularly in new and growth sectors and to encourage diversification in rural and coastal areas;
- activities to increase the STEM skills base of individuals most in need;
- promoting links between employers and educators to expand and enhance skills provision, to improve information, advice and guidance and to encourage entrepreneurship.

However, full qualifications at level 3 and above are generally provided for by grants and loans to individuals which are easily available and it is not usually possible for ESF to replace this funding. However, where there is an identified gap in available or suitable support, and it can be demonstrated as falling within ESF priority objectives, funding may be possible. Such circumstances are likely to be exceptional and should not include reluctance by learners to take up loans. ESF will instead be able to tackle the weaknesses identified in the Country Specific Recommendations by funding units of qualifications, rather than full ones, where that meets the individual's needs.

Since the proportion of young people going onto higher education is already high, projects in this area will only be considered to help individuals from the most disadvantaged backgrounds, as part of our efforts to tackle disadvantage and create a fairer society.

The Less Developed Region has specific needs as a result of an historic lack of investment in higher education which means a lower proportion of the population have NVQ4 and above qualifications. Investment in this region will be more likely but will still only be considered where market failure can be demonstrated and where all other funding options have been considered. For example, where support for higher skills qualifications (including post graduate) is specifically linked to local business growth ambitions, key local societal issues or where ESF funded intervention could encourage additional participation from disadvantaged individuals and where existing mechanisms cannot achieve this. This approach will build upon the 2007-13 ESF Programme provision in Cornwall and the Isles of Scilly with the development of a local process to establish the local specific need, market failure or individual support requirement.

Activities to improve skills will be supported within the access to lifelong learning investment priority under thematic objective 10. Activities to improve partnership working between business and providers will be supported within the labour market relevance investment priority under thematic objective 10. Further detail is set out in the sections on each investment priority.

Other Thematic Objectives

Although all ESF will be invested in the employment, social inclusion and skills objectives, it will contribute to other thematic objectives by increasing the supply of labour and improving workforce skills relevant to these thematic objectives. In certain specific cases ESF could make a limited contribution as follows:

Objective 1: strengthening research, technological development and innovation) - develop science and technology skills, including by creating centres of excellence in key sectors and stronger links between HE and business.

Objective 2: enhancing access to, and use and quality of, ICT - improve ICT skills, and develop and deliver skills provision for the use and exploitation of digital technology.

Objective 3: enhancing the competitiveness of SMEs - through skills programmes aimed at SMEs e.g. leadership and management training; mentoring/coaching initiatives; advice, guidance and information; and placement or internship opportunities. It can help to foster a more entrepreneurial society, by reducing barriers to entrepreneurship and self employment.

Objective 4: supporting the shift towards a low-carbon economy in all sectors - developing skills to deliver innovation and adoption of low carbon technologies; developing more training provision for low carbon transition; and developing new and alternative skills for construction. Unemployed and inactive people can be trained in skills needed for jobs in a low carbon economy, so they benefit from employment opportunities generated by thematic objective 4.

Objective 5: promoting climate change adaptation, risk prevention and management - developing skills and pathways to employment, e.g. by supporting skills and employment activities that complement new community flood risk management approaches and sustainable land management and drainage. Also, other activities supporting adaptation, risk prevention and management in relation to climate change.

Objective 6: preserving and protecting the environment and promoting resource efficiency - supporting complementary training and employment activities, e.g. to create, restore and manage blue-green infrastructure; activities to support the environment whilst also using it as a resource to help promote social inclusion; the rehabilitation and regeneration of brownfield sites; and complementary skills and training activities that help improve SME business resource efficiency. ESF will complement the other Structural Investment Funds, especially the European Regional Development Fund, where we will take a joint programme management approach.

1.1.2 SELECTION OF OBJECTIVES & PRIORITIES

Table 1: Justification for the selection of thematic objectives and investment priorities

Selected thematic objective	Selected investment priority	Justification for selection
(8) Promoting sustainable and quality employment and supporting labour mobility	Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	<ul style="list-style-type: none"> • Although unemployment is falling, we still have challenges: employment is lower among groups at a disadvantage in the labour market, including young people, disabled people, people from some ethnic minorities, people with low or no qualifications, people with caring responsibilities and older people. As the recovery strengthens there is a risk that the most disadvantaged will be unable to compete for work. • Inactivity levels have not fallen as far as unemployment levels. • There is still a gender gap in employment rates and women are more likely to work part time.
(8) Promoting sustainable and quality employment and supporting labour mobility	Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through implementation of the Youth Guarantee	<ul style="list-style-type: none"> • Commission position paper (CPP) highlights need to tackle high levels of youth unemployment. • Supports Country Specific Recommendation (CSR) 2014: maintain commitment to the Youth Contract, especially by improving skills that meet employer needs; reduce the number of young people with low basic skills. • Youth unemployment still too high, with concentrations in particular local areas. • UK Partnership Agreement identifies need to focus on young people not in education, employment or training (NEET). • Lack of skills, especially basic skills (English, maths and ICT) is a key barrier for many young people who are NEET. • Most marginalised and disadvantaged (e.g. care leavers) require more intensive, specialised support.

Selected thematic objective	Selected investment priority	Justification for selection
		<ul style="list-style-type: none"> • ESF projects can enhance and complement local services, increasing provision of careers advice and strengthening engagement with local employers
(8) Promoting sustainable and quality employment and supporting labour mobility	Sustainable integration into the labour market of young people (YEI), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through implementation of the Youth Guarantee	<ul style="list-style-type: none"> • UK has specific YEI allocation in order to tackle high youth unemployment in specific regions. • Commission position paper (CPP) highlights need to tackle high levels of youth unemployment. • Supports Country Specific Recommendation (CSR) 2014: maintain commitment to the Youth Contract, especially by improving skills that meet employer needs; reduce the number of young people with low basic skills. • Youth unemployment still too high, with concentrations in particular local areas. • UK Partnership Agreement identifies need to focus on young people not in education, employment or training (NEET). • Lack of skills, especially basic skills (English, maths and ICT) is a key barrier for many young people who are NEET. • Most marginalised and disadvantaged (e.g. care leavers) require more intensive, specialised support. • YEI projects can enhance and complement local services, increasing provision of careers advice and strengthening engagement with local employers
(9) Promoting social inclusion, combating poverty and any discrimination	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	<ul style="list-style-type: none"> • Supports Europe 2020 objective on social inclusion. • CPP places employability, exclusion and poverty at the core of the ESI funds and emphasises the need to reduce poverty and exclusion through employability. • CSR 2014: continue efforts to reduce child poverty in low income households through Universal Credit and other welfare reforms. • UK Partnership Agreement identifies need to increase employment with a focus on those at a disadvantage in the labour market. • Sustainable employment is regarded as the best route out of poverty.

Selected thematic objective	Selected investment priority	Justification for selection
		<ul style="list-style-type: none"> • Growing up in a workless household has a negative effect on children’s future labour market outcomes. • People with multiple disadvantages face greatest barriers to work. • Offenders experience high levels of unemployment after release from prison or whilst serving sentences in the community. •
	Community-led local development strategies	<ul style="list-style-type: none"> • Supports Europe 2020 objective on social inclusion. • In line with CSR 2014: reducing child poverty in low income households and providing support services. • Aligns with UK Partnership Agreement by focusing resources in the most deprived areas, and it mobilises local actors, assets and resources to provide long term, coherent and sustainable interventions in support of growth and that add value to mainstream programme activity. • Supports Government’s localism agenda, e.g. by encouraging local communities to stimulate local economies to deliver jobs and growth and by providing individual pathways for people from disadvantaged groups to integration and re-entry into employment.
(10) Investing in education, training and vocational training for skills and life-long learning	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	<ul style="list-style-type: none"> • CPP highlights the need to invest in quality and relevant skills and lifelong learning to help support individuals and enterprises and to drive growth. • Supports CSR 2014 - addressing skills mismatches through more advanced and higher level skills provision, furthering apprenticeship offers and reducing the number of young people with low basic skills. • UK Partnership Agreement identifies need to focus on increasing the productivity of those in work by improving skill levels. • Increasing skills levels seen is a key driver to economic growth and will underpin investment across ESI funds.
	Improving the labour market	<ul style="list-style-type: none"> • CPP highlights need to invest in quality and relevant skills and lifelong

Selected thematic objective	Selected investment priority	Justification for selection
	<p>relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes</p>	<p>learning, to help support individuals and enterprises and to drive growth.</p> <ul style="list-style-type: none"> • CSR 2014 - improve skills to meet employer needs and ensure employer engagement by addressing skills mismatches through more advanced and higher level skills provision. Reduce the number of young people with low basic skills. • UK Partnership Agreement identifies need to focus on increasing the productivity by improving skill levels. • Increasing skills levels is a key driver to economic growth and will underpin investment across ESI funds. •

1.2 Financial Allocation

The financial allocation to each thematic objective and investment priority reflects the potential of ESF to address development needs identified in the Partnership Agreement and the programme strategy to complement national policies and address relevant CSRs, as set out in this strategy section. The split of the allocation between thematic objectives is based on the needs identified by local partners in their European Structural and Investment Fund strategies, which were developed within a national policy framework. The allocations are in line with the 2007-13 split (approximately 60% on employment and social inclusion measures and 40% on skills).

Overall the allocation to thematic objectives is:

- Thematic Objective 8 (employment): €1,008 million ESF. This reflects the important contribution that improving labour market participation will make both to growth and to social inclusion. In addition €160m from the Youth Employment Initiative, plus an equivalent amount of ESF money, will address the challenge of youth unemployment in areas with highest rates.
- Thematic Objective 9 (social inclusion): €703 million. Of this €136 million will be allocated to National Offender Management Service activity and up to €55 million will be available for Community Led Local Development, reflecting the requirement that 20% of ESF at Member State is allocated to this objective.
- Thematic Objective 10 (skills): €1,305 million. The highest proportion is allocated to the skills thematic objective. This reflects the potential of ESF to support additional provision at all skills levels to help individual progression and promote local growth.

In addition, 4% of the ESF allocation will be available as Technical Assistance, representing about €132 million.

Most of the ESF financial allocation - in all 3 categories of region – is concentrated on up to 5 investment priorities.

In more developed regions, 94% will be concentrated on 5 investment priorities:

- Access to employment for jobseekers and inactive people
- Sustainable integration into the labour market of young people
- Active inclusion
- Enhancing equal access to lifelong learning
- Improving the labour market relevance of education and training systems.

In transition regions, 95% will be concentrated on 5 investment priorities:

- Access to employment for jobseekers and inactive people
- Sustainable integration into the labour market of young people
- Active inclusion
- Enhancing equal access to lifelong learning
- Improving the labour market relevance of education and training systems.

In the less developed region, 91% will be concentrated on 5 investment priorities:

- Access to employment for jobseekers and inactive people
- Sustainable integration into the labour market of young people
- Active inclusion
- Enhancing equal access to lifelong learning
- Improving the labour market relevance of education and training systems.

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Table 2: Overview of the investment strategy of the operational programme

Priority Axis	Fund	Union support (€)	Proportion of total union support for the operational programme	Thematic objectives / Investment priority / Specific Objective	Common and programme-specific indicators for which a target has been set
1	ESF	1,711,626,420.00	49.34%	<p>08 Promoting sustainable and quality employment and supporting labour mobility</p> <p>8i Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility</p> <p>1.1.1 To improve the employability of long-term unemployed people, so that they can compete effectively in the labour market.</p> <p>1.1.2 To provide individuals from groups which face particular labour market disadvantage with additional support so that they can compete effectively in the labour market.</p> <p>1.1.3 To encourage inactive people to participate in the labour market and to improve their employability.</p> <p>1.1.4 To address the basic skills needs of unemployed and inactive people so that they can compete effectively in the labour market.</p> <p>1.1.5 To provide support for women at a disadvantage in the labour market, and particularly those who are currently inactive, to contribute to our efforts to reduce the gender employment gap.</p> <p>8ii Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through</p>	[CR01, CR02, CR03, CR04, CR05, CR06, CR07, CR08, CR09, CR10, CR11, CR12, R1, R2, R3, R4, R5]

				the implementation of the Youth Guarantee	
				1.2.1 To support the rise in the participation age by providing additional traineeship and apprenticeship opportunities.	
				1.2.2 To engage marginalised 15-18 year olds and support them to re-engage with education or training.	
				1.2.3 To address the basic skills needs of young NEETS so that they can compete effectively in the labour market.	
				1.2.4 To provide additional work experience and pre-employment training opportunities to unemployed 18-24 year olds	
				1.2.5 To support young lone parents to overcome the barriers they face in participating in the labour market (including childcare).	
				09 Promoting social inclusion, combating poverty and any discrimination	
				9i Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	
				1.4.1 To support people with multiple and complex barriers to participation to address these underlying issues and to move closer to or into the labour market.	
				1.4.2 To support prisoners in custody and on release, and those without work who are serving sentences in the community, to improve their employability.	
				1.4.3 To engage marginalised individuals and support them to re-engage with education, training, or in employment.	
				9vi Community-led local development strategies	
				1.5.1 To deliver additional, localised support to people in particularly deprived areas, so that they move towards or into employment	
1	YEI	319,576,848.00	9.21%	08 Promoting sustainable and quality employment and	[CR01, CR02,

				<p>supporting labour mobility</p> <p>8ii Sustainable integration into the labour market of young people (YEI), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee</p> <p>1.3.1 To support the rise in the participation age by providing additional traineeship and apprenticeship opportunities in YEI areas.</p> <p>1.3.2 To engage marginalised 15-18 year olds in YEI areas and support them to re-engage with education or training.</p> <p>1.3.3 To address the basic skills needs of young NEETS in YEI areas so that they can compete effectively in the labour market.</p> <p>1.3.4 To provide additional work experience and pre-employment training opportunities to unemployed 18-24 year olds in YEI areas.</p> <p>1.3.5 To support young lone parents in YEI areas to overcome the barriers they face in participating in the labour market (including childcare).</p>	CR03, CR04, CR05, CR06, CR07, CR08, CR09, CR10, CR11, CR12, R1, R2, R3, R4, R5]
2	ESF	1,305,135,911.00	37.63%	<p>10 Investing in education, training and vocational training for skills and lifelong learning</p> <p>10iii Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences</p> <p>2.1.1 To address the basic skills needs of employed people, particularly in SMEs and Micro businesses.</p> <p>2.1.2 To increase the skills levels of employed people from the existing level to the next level up, to encourage progression in employment.</p> <p>2.1.3 To increase the number of people with technical and job specific skills, particularly at level 3 and above and into higher and advanced level apprenticeships, to support business</p>	[R3, R6, R7, R8, R9]

				growth.	
				2.1.4 To increase the skills levels of employed women to encourage progression in employment help address the gender employment and wage gap.	
				10iv Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes	
				2.2.1 To promote improvements in the labour market relevance of skills provision through active engagement with relevant institutions and employers, particularly SMEs and Micro businesses.	
3	ESF	132,356,281.00	3.82%	3.1 To ensure that the activities which fall within the scope of the programme are managed, monitored and evaluated in line with the Common Provisions Regulation, European Social Fund Regulation and the Commission's delegated and implementing regulations.	[TAR1, TAR2, TAR3]

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SECTION 2: PRIORITY AXES

Priority Axis 1: Inclusive Labour Markets

This priority axis aims to increase participation in the labour market and thereby improve social inclusion and mobility. It will support the following investment priorities:

- **Access to employment for jobseekers and inactive people (1.1)** - to help those who are disadvantaged but still relatively close to the labour market to tackle their barriers to work, and enter and sustain employment.
- **Sustainable integration of young people (1.2)** - to focus on helping young people, particularly those who are NEET or at risk of NEET, to participate in the labour market and learning in areas.
- **Youth Employment Initiative (YEI) (1.3)** - to focus on helping young people, who are NEET, to participate in the labour market and learning in areas eligible for the YEI.
- **Active inclusion (1.4)** - to help people who are more distant from the labour market and may face multiple disadvantages to tackle their multiple, complex and profound barriers to work and to move towards or into employment, or to sustain employment.
- **Community Led Local Development (1.5)** - to support activities initiated by local action groups.

This priority axis brings together ESF investment priorities from thematic objectives 8 (employment) and 9 (social inclusion). It reflects the fact that our overall aim is to help people into work, or to begin the journey towards work. There is a spectrum of need, and a spectrum of activities which are required, and these span thematic objectives 8 and 9. The programme will help to promote pathways to sustainable employment for people who are distant from the labour market and experience social exclusion and multiple disadvantages.

It is important that the programme has a priority axis that will both tackle the deep seated barriers that these people face and move them closer to or into employment. Employment and social inclusion investment are therefore grouped within this single priority axis, to improve the effectiveness and impact of the programme on the most disadvantaged people. A single priority axis also recognises that the sources of national co-financing often do not make a distinction between employment and social inclusion activities and so cannot be disaggregated into separate priority axes.

At least 20% of the programme's total resources will be allocated to investment priorities under the social inclusion thematic objective. Although it does not include investment priorities from thematic objective 10, it will contribute to this objective indirectly through skills activities to tackle barriers to work and inclusion.

The priority axis covers all three categories of region in order to improve the effectiveness of the programme by simplifying the programme and to make it easier for potential applicants and the wider public to understand what ESF exists to achieve. Many of the needs of individuals who are out of work or at risk of social exclusion are broadly similar across different areas. The categories are defined on the basis of GDP, but in many cases

the employment and social exclusion challenges in more developed regions are the same or more significant than those in other categories.

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INVESTMENT PRIORITY 1.1: ACCESS TO EMPLOYMENT FOR JOB-SEEKERS AND INACTIVE PEOPLE

Investment priority: 1.1 - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility

ID	Specific Objective	Results that the Member States seek to achieve with Union support
1.1.1	To improve the employability of long-term unemployed people, so that they can compete effectively in the labour market.	This specific objective is focused on those who are long-term unemployed and who are less likely to move back into work than people who have been unemployed for less time. The additional support from this investment priority will help long-term unemployed people to tackle their barriers to work and move into sustainable employment. The main result target focuses on moving participants into employment (including self-employment) on leaving. There will be a quantified result target set for this result indicator in each category of region.
1.1.2	To provide individuals from groups which face particular labour market disadvantage with additional support so that they can compete effectively in the labour market.	This objective is focused on those who are unemployed but have more than one major barrier to progressing into employment (including self-employment) and sustaining employment. This client group will be more challenging to help and will often require intensive ongoing support to address complex barriers, which will be reflected in the targets. Support will be tailored to individual needs. Participants will include individuals who are over 50, lone parents, disabled or have health problems, from ethnic minorities or who lack basic skills. The main result targets focus on moving participants into employment or into education/training or getting them involved in active jobsearch. Output targets will ensure we are reaching appropriate numbers of participants from these groups.
1.1.3	To encourage inactive people to participate in the labour market and to improve their employability.	This objective is focused on individuals who are distant from the labour market and who need additional support to give them the skills and/or confidence to enable them to move towards employment (including self-employment). Participants will include individuals who are lone parents, disabled or who have health problems, are over 50 or who are from ethnic minorities. The priority will be on those who are receiving inactive benefits. The main result that will be achieved is that inactive participants

ID	Specific Objective	Results that the Member States seek to achieve with Union support
		will engage more in the labour market. A specific output target will ensure we are targeting inactive people, and we have result targets to measure movement into work and increases in activity.
1.1.4	To address the basic skills needs of unemployed and inactive people so that they can compete effectively in the labour market.	This objective is focused on individuals who lack the basic skills required by employers, such as IT, literacy and numeracy. Participants will have the opportunity to gain basic skills relevant to labour market needs or to enable them to progress towards gaining further skill skills. The main result will be that those without basic skills will be helped to gain them. This will enable them to play a fuller part in the labour market. There is an output target for participants without basic skills and a result target for participants gaining basic skills.
1.1.5	To provide support for women at a disadvantage in the labour market, and particularly those who are currently inactive, to contribute to our efforts to reduce the gender employment gap.	The additional support from this investment priority will help more unemployed and inactive women to complete effectively in the labour market. It will be focused on engaging and providing additional support to women who have barriers to entering the labour market, including language, skills, age and caring responsibilities. Participants could include older women wishing to return to work after caring for children, lone parents or women from ethnic minorities who have never worked. The main result will be achieved is that more participants will be in sustainable employment (including self-employment) or engaged in active job search on leaving. There is a stretching output target for female participation and a result target for participants with childcare needs receiving childcare support.

Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)

Priority axis: 1 - Inclusive Labour Markets														
Investment priority: 8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility.														
Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)														
ID	Indicator	Measurement unit for indicator	Category of region	Common output indicator used as basis for target setting	Total baseline value	Men Baseline Value	Women Baseline Value	Measurement unit for baseline and target	Baseline year	Target value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
R1	Unemployed participants into employment (including self-employment) on leaving	Percentage	Less developed		15%			Ratio (%)	2014	22%			Monitoring Data	AIR and PMCs
R1	Unemployed participants into employment (including self-employment) on leaving	Percentage	Transition		16%			Ratio (%)	2014	22%			Monitoring Data	AIR and PMCs
R1	Unemployed participants into employment (including self-employment) on leaving	Percentage	More developed		16%			Ratio (%)	2014	22%			Monitoring Data	AIR and PMCs
R2	Inactive participants	Percentage	Less developed		29%			Ratio (%)	2014	33%			Monitoring Data	AIR and PMCs

	into employment , or job search on leaving													
R2	Inactive participants into employment , or job search on leaving	Percentage	Transition		29%			Ratio (%)	2014	33%			Monitoring Data	AIR and PMCs
R2	Inactive participants into employment , or job search on leaving	Percentage	More developed		29%			Ratio (%)	2014	33%			Monitoring Data	AIR and PMCs
R3	Participants gaining basic skills	Percentage	Less developed		3%			Ratio (%)	2014	4%			Monitoring Data	AIR and PMCs
R3	Participants gaining basic skills	Percentage	Transition		4%			Ratio (%)	2014	4%			Monitoring Data	AIR and PMCs
R3	Participants gaining basic skills	Percentage	More developed		4%			Ratio (%)	2014	4%			Monitoring Data	AIR and PMCs
R4	Participants with childcare needs receiving childcare support	Percentage	Less developed		18%			Ratio (%)	2014	36%			Survey	Twice
R4	Participants with childcare needs receiving childcare support	Percentage	Transition		18%			Ratio (%)	2014	36%			Survey	Twice

R4	Participants with childcare needs receiving childcare support	Percentage	More developed		18%			Ratio (%)	2014	36%			Survey	Twice
ESF-CR06	Participants in employment , including self-employment , 6 months after leaving	Number	Less developed	Unemployed including long-term unemployed	31%			Ratio (%)	2014	31%			Survey	Twice
ESF-CR06	Participants in employment , including self-employment , 6 months after leaving	Number	Transition	Unemployed including long-term unemployed	34%			Ratio (%)	2014	34%			Survey	Twice
ESF-CR06	Participants in employment , including self-employment , 6 months after leaving	Number	More developed	Unemployed including long-term unemployed	34%			Ratio (%)	2014	34%			Survey	Twice

Actions to be supported under the investment priority

The Government is promoting employment for all by providing support mechanisms and benefits that incentivise work and reduce worklessness, to ensure that individuals can fulfil their potential within the labour market. National policies to help people move from welfare to employment are designed to ensure that jobseekers get the support they need to find a job and, in return, jobseekers are expected to do all they can to find work.

As the recovery strengthens, it is likely that those closest to the labour market will find it easier to find work, but there is a risk that the most disadvantaged will be left behind and find it increasingly difficult to compete effectively for work. ESF will therefore be used to ensure that these disadvantaged groups are provided with the right level of support, tailored to the needs of individuals and businesses in local labour markets. This will be the primary added value for ESF. Activities include help to identify the barriers individuals face in moving into work (for example: confidence, lack of recent work experience, basic skills, job-related skills, jobseeking skills, or other material barriers like debt or transport difficulties) and working with them to tackle these barriers.

Some groups are already well catered for through national programmes – e.g. all long-term (12 months plus) Jobseeker's Allowance claimants are currently provided with help through the Work Programme. But those with more entrenched problems, even if they have access to these programmes, can find it difficult to get the most from them. For these people ESF will be used to provide additional locally designed support, which is aligned to and builds on national programmes.

Those on inactive benefits have access to help from national programmes but take-up tends to be low. People with disabilities and health conditions are more likely to be unemployed. For these groups, ESF will be used to tackle the barriers they face and provide them with the support and advice they need to move closer to the labour market. For some, ESF support will then lead to accessing national programmes. In all cases, it is important to address transitions between unemployment and work, to improve retention.

There is also a risk that, as the economy recovers, unemployed people will lack the skills which employers need and skills shortages will emerge. ESF will therefore help unemployed people acquire the skills they need to compete for new jobs created by economic growth.

ESF will not support activities that duplicate or replace existing support within national programmes, but may be used to support additional activities or target groups, including provision co-designed with local partners. This could range from additional early interventions for people who are newly unemployed, to support for very long-term unemployed or inactive people. It may include piloting new approaches to improving access to employment, alongside mainstream provision.

Examples of actions which may be supported for all unemployed and inactive people include:

- additional and innovative approaches to pre-employment training, to ensure individuals have the core work-related skills that employers require, including preparation for apprenticeships;

- support for those who need pre-traineeship and pre Work Programme assistance, to prepare them for the next step.

The investment priority will focus on providing extra support for long-term unemployed people, including those who have completed the Work Programme. When a person is still unemployed after many efforts to help them, innovative solutions are required, including new approaches to work experience and training, intermediate labour market activity and volunteering opportunities.

The investment priority will focus on giving extra support to specific target groups, whose circumstances mean they face particular challenges in getting back to work. These include people with disabilities or health barriers (including mental health issues), older workers, people with caring responsibilities, lone parents, ethnic minorities, ex-service personnel, care leavers, those with chaotic lives, third country nationals and migrants with the right to work in the UK, people who have difficulty accessing support because they live in isolated rural areas; and those from jobless households. The investment priority will respond flexibly to employer demand in local labour markets where LEPs and their partners identify specific needs, so employers will be engaged to establish their needs. This may include needs highlighted by Universal Credit Local Support Service partnerships and health and wellbeing boards to help Universal Credit claimant's progress into the labour market and move from the hidden economy to legitimate work.

Activities will usually target both men and women. There will also be some activities targeted at women to increase their participation, particularly in occupations or sectors where women are under-represented. This investment priority includes additional support for inactive lone parents (most of whom are female); support for older unemployed women; and support to help activate economically inactive women who want to work.

In exceptional circumstances (and excluding traineeships and apprenticeships) wage subsidies and work incentives will be used, but they must be additional to support provided through government programmes. Any proposals for wage subsidies and work incentives must provide an evidence base for using them locally and ensure that deadweight is avoided. They should be targeted on disadvantaged individuals and groups where there is evidence that they are cost effective and can have an impact in terms of sustainable employment. In addition, ESF can be used to support people into work in SMEs that are experiencing recruitment difficulties in sectors where market failure can be demonstrated. For example, ESF could support them through skills training and engaging with disadvantaged individuals, to help them access traineeships and apprenticeships. The direct funding of training or wage costs for traineeships or apprenticeships will not be supported.

The investment priority will also help overcome the challenges brought about by the limited range of employment in some rural areas, complementing actions supported by the European Agricultural Fund for Rural Development. It will also support activities to support labour mobility, including national EURES activities. These activities are relevant across all types of territory, with the exception of those specific to rural areas.

Guiding principles for selection of operations

The Programme Monitoring Committee will approve criteria for the selection of projects that the Managing Authority and the Intermediate Body will apply to the assessment and

appraisal of all applications. As required by the Common Provisions Regulation, the criteria will take into account the general principles of sustainable development and promotion of equality between men and women and non-discrimination.

Operations must take into account the development needs set out in the ESF Operational Programme. Within the context of the Operational Programme and in line with the overarching strategy described in section 1, the specific territorial development needs described in local ESI Funds strategies will be considered in the selection of operations.

The Government estimates that about 70% of the Operational Programme will be delivered through the co-financing arrangements which have operated in England for the last 10 years. Local areas have been asked whether they wish to 'opt-in' to these arrangements.

Existing Co-financing Organisations have applied for selection, and been assessed by the Managing Authority against a range of criteria including their previous performance. If any other eligible organisation wishes to apply, it will have to meet similar criteria to those used for Co-financing Organisations in the 2007-2013 programme. Co-financing organisations will submit funding applications at LEP level which will be assessed against the agreed core selection criteria. The National Offender Management Service will submit a national application.

Whilst the majority of ESF provision will be delivered through co-financing, a significant minority will be delivered through the provision of grants to applicants responding to open bidding calls. The Managing Authority will ensure there is no duplication of provision. This will apply to both opt-in and non-opt-in provision. In addition the Managing Authority will actively promote and encourage cross LEP area partnership communications in order to encourage the sharing of good practice, encourage cross LEP applications and support strategic cohesiveness.

Planned use of financial instruments (where appropriate)

The use of financial instruments is not planned in this investment priority.

Planned use of major projects (where appropriate)

Not applicable to ESF

Table 5: Common and programme-specific output indicators

Priority axis: 1 - Inclusive Labour Markets									
Investment priority: 8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility.									
2.A.6.5 Output indicators by investment priority and, where appropriate by category of region									
Table 5: Common and programme-specific output indicators									
ID	Indicator	Measurement unit	Fund	Category of region	Total Target Value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
O1	Participants	Number	ESF	Less developed	21,600	11,000	10,600	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	Less developed	11,900			Monitoring Data	AIR and PMCs
ESF - CO03	Inactive	Number	ESF	Less developed	8,600			Monitoring Data	AIR and PMCs
O4	Participants over 50 years of age	Number	ESF	Less developed	5,500			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	Less developed	240			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	Less developed	6,500			Monitoring Data	AIR and PMCs
O6	Participants without basic skills	Number	ESF	Less developed	4,500			Monitoring Data	AIR and PMCs
ESF - CO14	Participants who live in a single adult household with dependent children	Number	ESF	Less developed	2,400			Monitoring Data	AIR and PMCs
O1	Participants	Number	ESF	Transition	149,000	80,000	69,000	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	Transition	104,300			Monitoring Data	AIR and PMCs

ESF - CO03	Inactive	Number	ESF	Transition	37,200			Monitoring Data	AIR and PMCs
O4	Participants over 50 years of age	Number	ESF	Transition	29,300			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	Transition	11,500			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	Transition	38,400			Monitoring Data	AIR and PMCs
O6	Participants without basic skills	Number	ESF	Transition	26,200			Monitoring Data	AIR and PMCs
ESF - CO14	Participants who live in a single adult household with dependent children	Number	ESF	Transition	21,700			Monitoring Data	AIR and PMCs
O1	Participants	Number	ESF	More Developed	594,300	325,800	268,500	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	More Developed	416,000			Monitoring Data	AIR and PMCs
ESF - CO03	Inactive	Number	ESF	More Developed	148,600			Monitoring Data	AIR and PMCs
O4	Participants over 50 years of age	Number	ESF	More Developed	116,900			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	More Developed	130,800			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	More Developed	153,300			Monitoring Data	AIR and PMCs
O6	Participants without basic skills	Number	ESF	More Developed	104,600			Monitoring Data	AIR and PMCs
ESF - CO14	Participants who live in a single adult household with dependent children	Number	ESF	More Developed	76,500			Monitoring Data	AIR and PMCs

INVESTMENT PRIORITY 1.2: SUSTAINABLE INTEGRATION OF YOUNG PEOPLE

Investment priority: 1.2 - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee

ID	Specific Objective	Results that the Member States seek to achieve with Union support
1.2.1	To support the rise in the participation age by providing additional traineeship and apprenticeship opportunities.	<p>The additional support from this investment priority will help more young people enter traineeships and apprenticeships (in areas that do not qualify for the Youth Employment Initiative up to 2018)It will improve the quality of what is offered to individuals by improving recruitment and assessment and engagement with employers.</p> <p>By helping more young participants aged 15 to 24, male and female, who were NEET or at risk of NEET, to take up traineeships or apprenticeships, we will improve movements into work.</p>
1.2.2	To engage marginalised 15-18 year olds and support them to re-engage with education or training.	<p>The additional support from this investment priority will help to find and engage young people who are disconnected from mainstream activity in areas that do not qualify for the Youth Employment Initiative. Participants could, for example, be members of gangs, care leavers, young lone parents, ex-offenders or young people with learning difficulties. They are likely to require more intensive and tailored interventions.</p> <p>The main result that will be achieved is that more participants will be engaged with education or training on leaving, and this will be measured by the result target.</p>
1.2.3	To address the basic skills needs of young NEETS so that they can compete effectively in the labour market.	<p>The additional support from this investment priority will help young NEETs (in areas that do not qualify for the Youth Employment Initiative up to 2018) to acquire the basic skills necessary to enable them to progress into an apprenticeship, traineeship or other employment.</p> <p>The main result that will be achieved is that more participants will have gained basic skills. There is an output target for participants without basic skills and a result target for participants gaining basic skills.</p>

ID	Specific Objective	Results that the Member States seek to achieve with Union support
1.2.4	To provide additional work experience and pre-employment training opportunities to unemployed 18-24 year olds	The additional support from this investment priority will help unemployed 18-24 year olds (in areas that do not qualify for the Youth Employment Initiative up to 2018) to transition into training or sustainable employment (or self-employment). The main result will be achieved is that more participants will enter traineeships, apprenticeships or sustainable employment (including self-employment) on leaving.
1.2.5	To support young lone parents to overcome the barriers they face in participating in the labour market (including childcare).	The additional support from this investment priority will help young lone parents (in areas that do not qualify for the Youth Employment Initiative up to 2018) to move closer to and into sustainable employment (including self-employment). Support will include assistance with childcare when this has not been covered by public provision, such as Universal Credit. It will also help participants to overcome other barriers, such as low basic skills or lack of confidence. The main result will be achieved is that more participants will move into sustainable employment (including self-employment). There is an output target for the number of lone parents.

Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)

Priority axis: 1 - Inclusive Labour Markets														
Investment priority: 8ii - Sustainable integration into the labour market of young people (ESF) in particular those not in employment, education or training, including young people at risk of social exclusion and you people from marginalised communities, including through the implementation of the Youth Guarantee.														
Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)														
ID	Indicator	Measurement unit for indicator	Category of region	Common output indicator used as basis for target setting	Total baseline value	Men Baseline Value	Women Baseline Value	Measurement unit for baseline and target	Baseline year	Target value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
R3	Participants gaining basic skills	Percentage	Less developed		3%			Ratio (%)	2014	4%			Monitoring Data	AIR and PMCs
R3	Participants gaining basic skills	Percentage	Transition		4%			Ratio (%)	2014	4%			Monitoring Data	AIR and PMCs
R3	Participants gaining basic skills	Percentage	More developed		4%			Ratio (%)	2014	4%			Monitoring Data	AIR and PMCs
R5	Participants (below 25 years of age) in employment, including self-employment, or education/training upon leaving	Percentage	Less developed		87%			Ratio (%)	2014	55%			Monitoring Data	AIR and PMCs

R5	Participants (below 25 years of age) in employment, including self-employment, or education/training upon leaving	Percentage	Transition		72%			Ratio (%)	2014	43%			Monitoring Data	AIR and PMCs
R5	Participants (below 25 years of age) in employment, including self-employment, or education/training upon leaving	Percentage	More developed		72%			Ratio (%)	2014	43%			Monitoring Data	AIR and PMCs
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	Number	Less developed	Unemployed including long-term unemployed	31%			Ratio (%)	2014	31%			Survey	Twice
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	Number	Transition	Unemployed including long-term unemployed	34%			Ratio (%)	2014	34%			Survey	Twice
ESF-CR06	Participants in employment, including self-employment, 6 months after leaving	Number	More developed	Unemployed including long-term unemployed	34%			Ratio (%)	2014	34%			Survey	Twice

Actions to be supported under the investment priority

Unemployment can have a long-term scarring effect on young people, so this group remain a high priority as the recovery strengthens. A range of help is already available, but ESF will be used to support additional and complementary measures to increase the number of young people who are in education, employment and training, and to reduce the number who are NEET or at risk of being NEET. This investment priority will not support activities that duplicate or replace existing provision.

Of particular concern is that some of the NEET population are marginalised and disconnected from the mainstream activity which is available. One of the challenges for ESF will be to find and engage these young people (e.g. through outreach work) so they can benefit from the support on offer. Innovative approaches, customised training and support and volunteering activities can be provided. Where necessary specific activities will be designed to address the needs of target groups such as: young lone parents; looked after children and care leavers; carers; ex-offenders; those involved in gangs; and young people with learning difficulties and disabilities.

Traineeships and apprenticeships are an important part of the offer for young people, and ESF can help make them more successful. ESF will be able to support traineeships so long as it is not displacing already planned (and funded) provision and it adheres to the traineeship Framework for Delivery. Any activity on apprenticeships must comply with relevant legislation. The investment priority will be able to complement apprenticeships including supporting improvements to recruitment, assessment and training (but not provide direct funding of training or wage costs).

Actions in this investment priority will be able to complement traineeships by enhancing or building on existing and planned traineeship provision through wrap-around activity. It will also be able to provide additional support for disadvantaged young people beyond the core elements of training (work preparation, English and maths) and work experience. Support for both traineeships and apprenticeships may include increasing uptake through dedicated marketing or outreach work and supporting individuals to remain on the programme (e.g. mentoring and paying trainees' costs such as transport).

Actions in this investment priority will enhance local careers guidance services for young people, including where appropriate providing education, training and careers guidance professionals with information on local job options, business developments and local skills shortages. This will help ensure that young people's choices (e.g. about their training) are informed by the available jobs; and that their expectations about types of jobs and wages are realistic.

It will broker opportunities with local employers to take on young people who are NEET (including those with complex barriers) e.g. through traineeships, apprenticeships, work experience, supported internships for young people with learning difficulties, and support for employers to take on young people NEET.

ESF funding for young people can be used to help those aged 15 to 24 on starting provision, including providing more advice to women to enable them to make important career choices. Any interventions targeting young people still at school must not substitute

for provision that schools or local authorities would be expected to provide and must be targeted at those who are at risk of being NEET.

Guiding principles for selection of operations

See text at Investment priority 1.1

Planned use of financial instruments (where appropriate)

The use of financial instruments is not planned in this investment priority.

Planned use of major projects (where appropriate)

Not applicable to ESF

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Table 5: Common and programme-specific output indicators

Priority axis: 1 - Inclusive Labour Markets									
Investment priority: 8ii - Sustainable integration into the labour market of young people (ESF) in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.									
2.A.6.5 Output indicators by investment priority and, where appropriate by category of region									
Table 5: Common and programme-specific output indicators									
ID	Indicator	Measurement unit	Fund	Category of region	Total Target Value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
O2	Participants (below 25 years of age) who are unemployed or inactive	Number	ESF	Less developed	5,400	2,700	2,700	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	Less developed	3,300			Monitoring Data	AIR and PMCs
ESF - CO03	Inactive	Number	ESF	Less developed	1,900			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	Less developed	60			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	Less developed	850			Monitoring Data	AIR and PMCs
O6	Participants without Basic Skills	Number	ESF	Less developed	1,130			Monitoring Data	AIR and PMCs
ESF - CO14	Participants who live in a single adult household with dependent children	Number	ESF	Less developed	360			Monitoring Data	AIR and PMCs
O2	Participants (below 25 years of age) who are unemployed or inactive	Number	ESF	Transition	21,200	11,400	9,800	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	Transition	14,800			Monitoring Data	AIR and PMCs
ESF - CO03	Inactive	Number	ESF	Transition	5,300			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	Transition	1,600			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	Transition	2,100			Monitoring Data	AIR and PMCs
O6	Participants without Basic Skills	Number	ESF	Transition	3,730			Monitoring Data	AIR and PMCs

ESF - CO14	Participants who live in a single adult household with dependent children	Number	ESF	Transition	1,300			Monitoring Data	AIR and PMCs
O2	Participants (below 25 years of age) who are unemployed or inactive	Number	ESF	More developed	153,400	84,100	69,300	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	More developed	107,400			Monitoring Data	AIR and PMCs
ESF - CO03	Inactive	Number	ESF	More developed	38,400			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	More developed	30,700			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	More developed	15,300			Monitoring Data	AIR and PMCs
O6	Participants without Basic Skills	Number	ESF	More developed	27,000			Monitoring Data	AIR and PMCs
ESF - CO14	Participants who live in a single adult household with dependent children	Number	ESF	More developed	6,900			Monitoring Data	AIR and PMCs

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INVESTMENT PRIORITY 1.3: YOUTH EMPLOYMENT INITIATIVE

Investment priority: 1.3 - Sustainable integration into the labour market of young people (YEI), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee

ID	Specific Objective	Results that the Member States seek to achieve with Union support
1.3.1	To support the rise in the participation age by providing additional traineeship and apprenticeship opportunities in YEI areas.	<p>The additional support from this investment priority will help more young people enter traineeships and apprenticeships. It will be focused on young people in YEI. The additional support from this investment will support investment in traineeships and apprenticeships, including improvements to recruitment and assessment and engagement with employers.</p> <p>The main result will be that more young participants aged 15 to 29, male and female, who were NEET are in traineeships or apprenticeships as a result of ESF interventions, and this will support movements into work.</p>
1.3.2	To engage marginalised 15-18 year olds in YEI areas and support them to re-engage with education or training.	<p>The additional support from this investment priority will help to find and engage young people in YEI areas who are disconnected from mainstream activity. Participants could, for example, be members of gangs, care leavers, young lone parents, ex-offenders or young people with learning difficulties. They are likely to require more intensive and tailored interventions.</p> <p>The main result that will be achieved is that more participants will be engaged with education or training on leaving.</p>

1.3.3	To address the basic skills needs of young NEETS in YEI areas so that they can compete effectively in the labour market.	<p>The additional support from this investment priority will help young NEETs in YEI areas to acquire the basic skills necessary to enable them to progress into an apprenticeship, traineeship or other employment.</p> <p>The main result that will be achieved is that more participants will have gained basic skills. There is an output target for participants without basic skills and a result target for participants gaining basic skills.</p>
1.3.4	To provide additional work experience and pre-employment training opportunities to unemployed 18-24 and 25--29 year olds in YEI areas.	<p>The additional support from this investment priority will help unemployed 18-24 and 25-29 year olds in YEI areas to transition into training or sustainable employment (or self-employment).</p> <p>The main result that will be achieved is that more participants will enter traineeships, apprenticeships or sustainable employment (including self-employment) on leaving.</p>
1.3.5	To support young lone parents in YEI areas to overcome the barriers they face in participating in the labour market (including childcare).	<p>The additional support from this investment priority will help young lone parents in YEI areas to move closer to and into sustainable employment (including self-employment). Support will include assistance with childcare when this has not been covered by public provision, such as Universal Credit. It will also help participants to overcome other barriers, such as low basic skills or lack of confidence.</p> <p>The main result will be achieved is that more participants will move into sustainable employment (or self-employment). There is an output target for the number of lone parents.</p>

Table 4a: YEI result indicators and programme-specific result indicators corresponding to the specific objective

Priority axis: 1 - Inclusive Labour Markets													
Investment priority: 8ii - Sustainable integration into the labour market of young people (YEI) in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.													
Table 4a: YEI result indicators and programme-specific result indicators corresponding to the specific objective													
ID	Indicator	Measurement unit for indicator	Common output indicator used as basis for target setting	Total baseline value	Men Baseline Value	Women Baseline Value	Measurement unit for baseline and target	Baseline year	Target value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
YEI - CR01	Unemployed participants who complete the YEI supported intervention	Percentage	unemployed, including long-term unemployed	70%			Ratio (%)	2009	70%			Monitoring Data	AIR and PMCs
YEI - CR02	Unemployed participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	Percentage	unemployed, including long-term unemployed	48%			Ratio (%)	2012	48%			Monitoring Data	AIR and PMCs
YEI - CR03	Unemployed participants who are in education/training, gaining a qualification, or in employment, including self-employment, upon leaving	Percentage	unemployed, including long-term unemployed	48%			Ratio (%)	2012	48%			Monitoring Data	AIR and PMCs
YEI - CR04	Long-term unemployed participants who complete the YEI supported intervention	Percentage	long-term unemployed	60%			Ratio (%)	2009	60%			Monitoring Data	AIR and PMCs

YEI - CR05	Long-term unemployed participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	Percentage	long-term unemployed	38%			Ratio (%)	2012	38%			Monitoring Data	AIR and PMCs
YEI - CR06	Long-term unemployed participants who are in education/training, gaining a qualification, or are in employment, including self-employment, upon leaving	Percentage	long-term unemployed	38%			Ratio (%)	2012	38%			Monitoring Data	AIR and PMCs
YEI - CR07	Inactive participants not in education or training who complete the YEI supported intervention	Percentage	inactive, not in education or training	60%			Ratio (%)	2009	60%			Monitoring Data	AIR and PMCs
YEI - CR08	Inactive participants not in education or training who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	Percentage	inactive, not in education or training	33%			Ratio (%)	2012	32%			Monitoring Data	AIR and PMCs
YEI - CR09	Inactive participants not in education or training who are in education/training, gaining a qualification, or are in employment, including self-employment, upon leaving	Percentage	inactive, not in education or training	33%			Ratio (%)	2012	32%			Monitoring Data	AIR and PMCs
YEI - CR10	Participants in continued education, training programmes leading to a qualification, an	Percentage	below 25 years of age	15%			Ratio (%)	2014	15%			Survey	Once

	apprenticeship or a traineeship six months after leaving												
YEI - CR11	Participants in employment six months after leaving	Percentage	below 25 years of age	34%			Ratio (%)	2014	30%			Survey	Once
YEI - CR12	Participants in self-employment six months after leaving	Percentage	below 25 years of age	3%			Ratio (%)	2014	3%			Survey	Once

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Actions to be supported under the investment priority

This investment priority will implement the actions supported by YEI resources, which are targeted on NUTS 2 regions with youth unemployment rates above 25% in 2012. There are four in England, Inner London, Merseyside, Tees Valley and Durham, and West Midlands.

In agreement with the Commission (Article 16 ESF Regulations), Member States may decide to allocate a limited amount, not exceeding 10% of the funds under YEI to young persons residing in sub regions which experience high youth unemployment levels and which are outside eligible NUTS 3 regions.

The UK has decided to use this flexibility in England only. Therefore Inner London, Merseyside, Tees Valley & Durham and the West Midlands will receive 90% of the total YEI funding potentially available to them, and the remaining 10% will be allocated to English NUTS3 regions outside the core qualifying regions with a youth unemployment rate in 2012 above 30% in proportion to the numbers of unemployed youth. This applies to Kingston upon Hull, Nottingham, Leicester and Thurrock.

Since these areas also often face higher unemployment amongst the 25-29 year old group, we have decided to use the flexibility in the regulations to extend the eligible age range for YEI. This will also ensure that we can use the fixed YEI budget cost effectively despite the falls in youth unemployment since it was calculated. We have added an additional output target for this older age range. The other output and result targets all cover the full age range but we will separate the two age groups in our reporting and monitoring.

Participants in YEI provision must be aged 15 to 29 and be residing in an area eligible for the initiative. Participants must be NEET (i.e. not in employment, education or training). They could be unemployed or inactive. Full time students are not eligible for YEI support.

This investment priority will support additional provision that complements existing government programmes to tackle youth unemployment and reduce the number of young people NEET.

The YEI will support additional and more intensive provision that meets the needs of individuals and local labour markets. It will not support activities that duplicate or replace existing provision.

Actions in this investment priority will help to re-engage marginalised young people NEET, including through innovative approaches, customised training and support and volunteering activities. Activities may be focused on specific target groups such as: young lone parents; looked after children and care leavers; carers; ex-offenders; those involved in gangs; and young people with learning difficulties and disabilities.

YEI will be able to support traineeships if it is not displacing already planned (and funded) provision and it adheres to the Traineeship Framework for Delivery. For apprenticeships, any activity must comply with the apprenticeship legislation.

Actions in this investment priority will complement traineeships by enhancing or building on existing and planned traineeship provision through wrap-around activity. It will also be able to provide additional support for disadvantaged young people beyond the core elements of

training (work preparation, English and maths) and work experience. It will be able to complement apprenticeships (but not provide direct funding of training or wage costs). This will include supporting improvements to recruitment, assessment and training.

Support for both traineeships and apprenticeships may include increasing uptake through dedicated marketing or outreach work and supporting individuals to remain on the programme (for example mentoring and paying trainees' costs, such as transport).

Actions in this investment priority will enhance local careers guidance services for young people, including, where appropriate, supplying education and training providers and careers guidance professionals with information on local job options, business developments and local skills shortages. It will broker opportunities with local employers to take on young people who are NEET (including those with complex barriers) - including through traineeships, apprenticeships, work experience, supported internships for young people with learning difficulties, and support and information for employers, to establish their requirements and encourage them to take on young people who are NEET.

Guiding principles for selection of operations

Planned use of financial instruments (where appropriate)

The use of financial instruments is not planned in this investment priority.

Planned use of major projects (where appropriate)

Table 5: Common and programme-specific output indicators

Priority axis: 1 - Inclusive Labour Markets									
Investment priority: 8ii - Sustainable integration into the labour market of young people (YEI) in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.									
2.A.6.5 Output indicators by investment priority and, where appropriate by category of region									
Table 5: Common and programme-specific output indicators									
ID	Indicator	Measurement unit	Fund	Category of region	Total Target Value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
YEI - O8	Participants (below 25 years of age) who are unemployed OR inactive (not in education or training)	Number	YEI		84,000	44,500	39,500	Monitoring Data	AIR and PMCs
YEI - O3	Participants (aged 25-29) who are unemployed OR inactive (not in education or training)	Number	YEI		28,000	14,900	13,100	Monitoring data	AIR and PMCs
YEI - O9	Unemployed (including long term unemployed) participants (YEI)	Number	YEI		84,000			Monitoring data	AIR and PMCs
YEI – O10	Long-term unemployed participants (YEI)	Number	YEI		28,000			Monitoring data	AIR and PMCs
YEI – O11	Inactive participants not in education or training (YEI)	Number	YEI		28,000			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	YEI		33,600			Monitoring Data	AIR and PMCs
YEI – O12	Participants with disabilities (YEI)	Number	YEI		11,200			Monitoring Data	AIR and PMCs
YEI – O13	Participants who live in a single adult household with dependent children (YEI)	Number	YEI		5,000			Monitoring Data	AIR and PMCs

INVESTMENT PRIORITY 1.4: ACTIVE INCLUSION

Investment priority: 1.4 - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

ID	Specific Objective	Results that the Member States seek to achieve with Union support
1.4.1	To support people with multiple and complex barriers to participation to address these underlying issues and to move closer to or into the labour market.	<p>The additional support for this investment priority will help people who are distant from the labour market and require intensive support in addressing their multiple, profound and complex barriers to participation in the labour market.</p> <p>The main result will be that people address their complex needs and therefore are better able to engage in labour market activity. There are output targets for disadvantaged sub-groups and result targets for movement into work and increased labour market activity.</p>
1.4.2	To support prisoners in custody and on release, and those without work who are serving sentences in the community, to improve their employability.	<p>The additional support from this investment priority will help to improve employability through basic skills provision, work experience, and addressing chaotic lifestyles, substance abuse and employer discrimination. They will require specialist tailored support which recognises their particular circumstances.</p> <p>There is an output target for offenders. The main result that will be achieved is that more participants will be in sustainable employment (including self-employment) education, training or active job search upon leaving.</p>

ID	Specific Objective	Results that the Member States seek to achieve with Union support
1.4.3	To engage marginalised individuals and support them to re-engage with education, training, or in employment.	<p>The additional support from this investment priority will help participants to move into employment, education or training. They will have a range of barriers and will be distant from the labour market or education/training. They will require intensive, tailored support.</p> <p>The main result that will be achieved is that more participants will be in education, training or employment upon leaving.</p>

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Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)

Priority axis: 1 - Inclusive Labour Markets														
Investment priority: 9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability.														
Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)														
ID	Indicator	Measurement unit for indicator	Category of region	Common output indicator used as basis for target setting	Total baseline value	Men Baseline Value	Women Baseline Value	Measurement unit for baseline and target	Baseline year	Target value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
ESF - CR02	Participants in education or training on leaving	Number	Less developed	Inactive not in education or training	17%			Ratio (%)	2014	17%			Monitoring Data	AIR and PMCs
ESF - CR02	Participants in education or training on leaving	Number	Transition	Inactive not in education or training	16%			Ratio (%)	2014	17%			Monitoring Data	AIR and PMCs
ESF - CR02	Participants in education or training on leaving	Number	More developed	Inactive not in education or training	16%			Ratio (%)	2014	17%			Monitoring Data	AIR and PMCs
ESF - CR06	Participants in employment, including self-employment, 6 months after leaving	Number	Less developed	Unemployed including long-term unemployed	27%			Ratio (%)	2012	20%			Survey	Twice

ESF - CR06	Participants in employment, including self-employment, 6 months after leaving	Number	Transition	Unemployed including long-term unemployed	30%			Ratio (%)	2012	22%			Survey	Twice
ESF - CR06	Participants in employment, including self-employment, 6 months after leaving	Number	More developed	Unemployed including long-term unemployed	30%			Ratio (%)	2012	22%			Survey	Twice
R1	Unemployed participants into employment, including self-employment on leaving	Percentage	Less developed		17%			Ratio (%)	2014	14%			Monitoring Data	AIR and PMCs
R1	Unemployed participants into employment, including self-employment on leaving	Percentage	Transition		16%			Ratio (%)	2014	14%			Monitoring Data	AIR and PMCs
R1	Unemployed participants into employment, including self-employment on leaving	Percentage	More developed		16%			Ratio (%)	2014	14%			Monitoring Data	AIR and PMCs
R2	Inactive participants into employment, or jobsearch on leaving	Percentage	Less developed		29%			Ratio (%)	2014	27%			Monitoring Data	AIR and PMCs

R2	Inactive participants into employment, or jobsearch on leaving	Percentage	Transition		29%			Ratio (%)	2014	27%			Monitoring Data	AIR and PMCs
R2	Inactive participants into employment, or jobsearch on leaving	Percentage	More developed		29%			Ratio (%)	2014	27%			Monitoring Data	AIR and PMCs
R4	Participants with childcare needs receiving childcare support	Percentage	Less developed		18%			Ratio (%)	2012	36%			Survey	Twice
R4	Participants with childcare needs receiving childcare support	Percentage	Transition		18%			Ratio (%)	2012	36%			Survey	Twice
R4	Participants with childcare needs receiving childcare support	Percentage	More developed		18%			Ratio (%)	2012	36%			Survey	Twice

Actions to be supported under the investment priority

Instead of simply treating the symptoms, ESF will help to address the root causes of poverty that are barriers to work, and so help more people move closer or into employment. The nature of the issues faced by the most disadvantaged means that barriers to work have to be tackled in a holistic and integrated way, including through supporting early action before problems become entrenched. Outreach activities will be particularly important since some of this group are, by definition, disconnected from existing Government services.

ESF will finance integrated packages of support that address gaps in provision to disadvantaged groups and reach those who are not currently receiving support. Investments will help to tackle inactivity particularly by helping disadvantaged groups overcome barriers, improve their employability and move towards employment. There will be a particular focus on workless households, including working through local authority partnerships delivering the extended Troubled Families programme.

The investment priority will help address a range of issues, and any other barriers to work which individuals face. Many face multiple disadvantages and as a result have chaotic lifestyles which make engaging with support and addressing barriers all the more difficult. But if the underlying issues are not addressed, they will struggle always to move on.

The investment priority will complement and add value to other services and funds, especially helping those with more complex barriers move closer to employment. This may include helping those in greatest need of a more consistent service offer and who may require extra support. It may provide additional and more intensive and flexible support identified by Universal Credit Local Support Service partnerships and health and wellbeing boards. This may include actions to help Universal Credit claimants progress into the labour market, support their career progression (better pay/work/hours), and move from the hidden economy to legitimate work.

Activities at a local level may target specific communities or ethnic minorities with high levels of poverty and social exclusion. This may include spatial targeting in key neighbourhoods where worklessness is persistently high and inter-generational. These actions should raise aspirations and tackle core economic barriers.

The investment priority will promote equal opportunities and combat discrimination in the labour market. It includes support for economically inactive women from ethnic minorities, including those with child or elder care responsibilities, and who often face multiple disadvantages. Activities should be designed to respond to the specific needs of participants with disabilities or health conditions, care leavers, migrants, older workers, participants from ethnic minorities and women. Some participants will experience multiple disadvantages, for example older workers with a disability and individuals with mental health issues may face barriers related to their age and disability. Providers should take such multiple disadvantages into account when assessing the needs of participants from all backgrounds when they are designing and delivering activities. They should also work with employers to help integrate people with disabilities and ethnic minorities, and other disadvantaged groups, into the workplace.

The investment priority will also provide additional support through the National Offender Management Service to prisoners in custody and on release, and to those without work

who are serving sentences in the community, especially from very hard to help groups. These groups often face a range of barriers (low skills, limited work experience, chaotic lifestyles, substance abuse, employer discrimination), which mean they require specialist tailored support which recognises their particular circumstances.

The investment priority may also help to tackle specific barriers faced by refugees and migrants and to integrate them into the labour market.

The investment priority may also support individuals by supporting the development and growth of social enterprises.

The investment priority may also help disadvantaged people access volunteering or job placements in sectors such as low carbon and those dealing with climate change mitigation with the aim of either helping them access any new jobs which emerge in these sectors or use the volunteering or job placements as motivational tools to help people get back to work in other sectors.

Examples of activities that may be supported include:

- basic skills and ESOL training, including additional support with basic skills in preparation for apprenticeships;
- support for those who need pre-traineeship and pre Work Programme assistance, to prepare them for the next step;
- support complementing other skills provision, such as crosscutting and 21st century skills, including team working, effective communication, problem solving, critical thinking and self-direction;
- money management support and advice and financial literacy programmes in order to address deep seated debt issues which make moving from benefit into work more challenging;
- digital and internet literacy courses to aid job searching, access to benefits and progress in work;
- volunteering and training opportunities (as a pathway back to work) for marginalised individuals / groups / communities to help them access jobs in low carbon sectors or land drainage flood risk management or work that supports property level protection against flooding;
- local 'Community Grant' type activity to support small scale voluntary sector activity which can be crucial to reaching out to these groups;
- first contact engagement activities (for example, arranging events in places that people feel comfortable to visit);
- local networks and groups to support people to get a job or access learning (for example, Jobs Club or Learning Champion type activity) to provide people with a safe environment and peer support;

- softer skills development (for example, assertiveness, anger management and motivation);
- volunteering, which is recognised in general terms as a good way to re-engage those furthest from the labour market.

The investment priority may also encourage Social Investment models (e.g. social impact bonds) by providing outcome funding that enables payment by results programmes to be established to support the Government's agenda on Social Justice and encourage innovative delivery models within local communities. The focus would be on disadvantaged individuals and families, e.g. in areas such as employment, training, drug addiction and other issues which are usually part of the cycle of deprivation.

To complement other thematic objectives, the investment priority may support activities that are designed to promote social inclusion whilst also tackling environmental issues such as environmental protection, waste recycling, energy efficiency, and renewable energy. These activities are relevant across all types of territory.

Complementarity with Local Impact Funds

The active inclusion investment priority will be able to use ESF to complement European Regional Development Fund (ERDF) financed Local Impact Funds. The ESF would provide support in the form of grants and would not be part of the Local Impact Fund financial instrument.

The Growth Programme provides the opportunity to promote investment in the social economy to deliver social and environmental as well as economic benefits. The term 'social economy' covers a diverse range of organisations delivering social, environmental and economic benefits such as community organisations, charities, social enterprises, co-operatives and mutuals. As with private businesses such organisations require access to affordable finance to build resilience.

The Local Impact Funds model can unblock projects that would otherwise not proceed whilst leveraging private and social sector expertise and investment. Social investment approaches can support the successful delivery of EU investments by redirecting the power of mainstream financial markets to help grow a sustainable social economy. This aligns with the Government's ambitions for creating a devolved, localised and empowered society.

The proposal for Local Impact Funds includes a mix of investment in the social economy together with a programme of tailored business and investment readiness support to ensure that organisations are able to take on and manage repayable finance, and thereby achieve sustainable social, environmental and economic outcomes for their areas.

Investing in the social economy helps deliver local regeneration: social enterprises for instance have their greatest concentration in areas of the greatest deprivation, with almost 40% of social enterprises working in the 20% most deprived communities in the UK

Each Local Impact Fund could be a revolving a mix of loan, equity and grant finance, managed by a private or voluntary, community and social enterprise sector fund manager,

but with Local Enterprise Partnership and public sector involvement in the governance structures.

The loan or equity would be delivered through the ERDF financial instrument whilst the ESF contribution, in the form of a grant, would provide complementary 'investment readiness' actions. This would include support tailored to the needs of future investees to ensure they are equipped with the business, financial and managerial skills needed to access, manage and repay the investment.

Local Impact Funds will be funded by a range of national and local investors and national and local grant makers and, when combined with the appropriate 'wrap around', investment readiness support, will enable:

- start up, incubation, scale up and growth of Social Sector Organisations in deprived areas;
- communities to invest in local assets;
- investment readiness support for individuals, teams and organisations;
- learning from two pilots launched in 2014 will shape the future design of future planned Local Impact Funds.

Guiding principles for selection of operations

See text at Investment priority 1.1

Planned use of financial instruments (where appropriate)

The use of financial instruments is not planned in this investment priority.

Planned use of major projects (where appropriate)

Table 5: Common and programme-specific output indicators

Priority axis: 1 - Inclusive Labour Markets									
Investment priority: 9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability.									
2.A.6.5 Output indicators by investment priority and, where appropriate by category of region									
Table 5: Common and programme-specific output indicators									
ID	Indicator	Measurement unit	Fund	Category of region	Total Target Value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
O1	Participants	Number	ESF	Less developed	11,900	6,000	5,900	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	Less developed	3,600			Monitoring Data	AIR and PMCs
ESF - CO03	Inactive	Number	ESF	Less developed	7,800			Monitoring Data	AIR and PMCs
O4	Participants over 50 years of age	Number	ESF	Less developed	2,400			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	Transition	130			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	Less developed	4,200			Monitoring Data	AIR and PMCs
O1	Participants	Number	ESF	Transition	62,200	40,500	21,700	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	Transition	28,600			Monitoring Data	AIR and PMCs
ESF - CO03	Inactive	Number	ESF	Transition	30,500			Monitoring Data	AIR and PMCs
O4	Participants over 50 years of age	Number	ESF	Transition	8,700			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	Transition	6,800			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	Transition	13,700			Monitoring Data	AIR and PMCs
O7	Participants who are offenders or ex-offenders	Number	ESF	Transition	20,700			Monitoring Data	AIR and PMCs
O1	Participants	Number	ESF	More developed	228,500	150,700	77,800	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	More developed	105,000			Monitoring Data	AIR and PMCs
ESF - CO03	Inactive	Number	ESF	More developed	112,100			Monitoring Data	AIR and PMCs
O4	Participants over 50 years of age	Number	ESF	More developed	32,000			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	More developed	52,800			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	More developed	50,300			Monitoring Data	AIR and PMCs
O7	Participants who are offenders or ex-offenders	Number	ESF	More developed	75,800			Monitoring Data	AIR and PMCs

INVESTMENT PRIORITY 1.5: Community-led local development (CLLD)

Investment priority: 1.5 - Community-led local development strategies

Specific Objective	Results that the Member States seek to achieve with Union support
<p>To deliver additional, localised support to people in particularly deprived areas, so that they move towards or into employment</p>	<p>The additional support from this investment priority will help people in deprived areas who are unemployed or inactive to tackle their barriers to work and move towards employment.</p> <p>The main result that will be achieved is that more participants will be in sustainable employment (or self-employment) education, training or actively engaged in job search upon leaving.</p> <p>The additional support from this investment priority will help local communities to devise and deliver innovative solutions to local labour market challenges. Participants will be unemployed or inactive and they could face a range of barriers to employment, including age or disability.</p> <p>All results and output values will need to be reviewed and confirmed following receipt and assessment of the Community-Led Local Development Strategies from Local Action Groups.</p>

Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)

Priority axis: 1 - Inclusive Labour Markets														
Investment priority: 9vi - Community-led local development strategies.														
Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)														
ID	Indicator	Measurement unit for indicator	Category of region	Common output indicator used as basis for target setting	Total baseline value	Men Baseline Value	Women Baseline Value	Measurement unit for baseline and target	Baseline year	Target value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
ESF - CR02	Participants in education or training on leaving	Number	Less developed	all participants	-			Ratio (%)	-	20%			Monitoring Data	AIR and PMCs
ESF - CR02	Participants in education or training on leaving	Number	Transition	all participants	-			Ratio (%)	-	19%			Monitoring Data	AIR and PMCs
ESF - CR02	Participants in education or training on leaving	Number	More developed	all participants	-			Ratio (%)	-	19%			Monitoring Data	AIR and PMCs
R1	Unemployed participants in employment , including self-employment on leaving	Percentage	Less developed	unemployed, including long term unemployed	17%			Ratio (%)	2014	17%			Monitoring Data	AIR and PMCs
R1	Unemployed participants in employment , including	Percentage	Transition	unemployed, including long term unemployed	16%			Ratio (%)	2014	16%			Monitoring Data	AIR and PMCs

	self-employment on leaving													
R1	Unemployed participants in employment , including self-employment on leaving	Percentage	More developed	unemployed, including long term unemployed	16%			Ratio (%)	2014	16%			Monitoring Data	AIR and PMCs
R2	Inactive participants into employment , or jobsearch on leaving	Percentage	Less developed	inactive participants	29%			Ratio (%)	2014	29%			Monitoring Data	AIR and PMCs
R2	Inactive participants into employment , or jobsearch on leaving	Percentage	Transition	inactive participants	29%			Ratio (%)	2014	29%			Monitoring Data	AIR and PMCs
R2	Inactive participants into employment , or jobsearch on leaving	Percentage	More developed	inactive participants	29%			Ratio (%)	2014	29%			Monitoring Data	AIR and PMCs

In line with the approach outlined in section 4 of this Operational Programme and the Government's approach to integrated territorial development, the use of Community-Led Local Development (CLLD) within the European Social Fund Operational Programme allows for the targeting of activity on specific geographic areas in support of local economic growth.

CLLD will contribute to EU2020 objectives by helping to address the following key issues:

- embedding access to opportunities for growth for all areas and groups;
- addressing persistent levels of unemployment, economic inactivity and poverty, particularly in urban areas;
- promotion of entrepreneurship and access to local services and amenities.

The CLLD arrangements below align with the integrated ESIF CLLD delivery approach set out in the 2014-2020 UK ESIF Growth Programme Partnership Agreement (England Chapter); and the 2014-2020 England European Regional Development Fund Operational Programme.

The CLLD model and EU guidance issued to MAs and stakeholders recognises that such investment is complementary to mainstream programme investment in other Investment Priorities and will require accompanying measures to build community capacity and to ensure that economic opportunities are accessed and embedded locally.

The use of the CLLD instrument is intended to contrast with, add value to and complement mainstream programme provision by facilitating integrated multi-fund investment strategies comprising ESF and ERDF actions in support of investment priorities identified by communities themselves in a bottom-up approach. This approach is intended to enable the community to sustain bottom-up regeneration and economic development capacity over a longer period of time than is typically possible through the use of top down programme delivery activity.

As identified in EU Guidance, the use of the CLLD model itself - involving as it does integrated CLLD strategies and Local Action Groups in decision making and implementation directly - presents the essential 'niche' or added value over and above provision under other Investment Priorities. Further information on the proposed implementation of CLLD in England is provided in section 4 of this Operational Programme document.

In terms of specific territories targeted in Transition and More Developed areas CLLD will prioritise the needs of areas as identified by reference to the 20% most deprived areas using the England Index of Multiple Deprivation (IMD). Areas not within the 20% IMD most deprived may be considered for incorporation in the CLLD area only if adjacent to areas within 20% IMD, and where their incorporation links need with opportunity or presents a more coherent functional economic area.

In the Less Developed area the use of IMD is modulated to ensure 70% of CLLD resource targets areas within 30% IMD most deprived areas. As above, the remaining 30% of resource may target areas outside of 30% IMD most deprived only where they are adjacent, where their incorporation links need with opportunity or presents a more

coherent functional economic geography. This modulation reflects the specific challenges and opportunities faced in Cornwall and the Isles of Scilly. This will involve close analysis of CLLD investment strategies in Cornwall and the Isles of Scilly and underpinning intervention logic with reference to the IMD.

The Government requires that Community-Led Local Development under the England Growth Programme must:

- Focus upon sub-regional areas at a level below LEP area boundaries with a population of not less than 10,000 and not more than 150,000;
- Prioritise areas identified as being in the most deprived 20% areas by reference to the Index of Multiple Deprivation 2010 in More Developed and Transition Areas;
- Prioritise those areas identified in Cornwall and the Isles of Scilly as being in the 30% most deprived areas by reference to the Index of Multiple Deprivation 2010;
- Be led by Local Action Groups representing public, private and local socio-economic interests;
- Complement but not duplicate LEADER LAG and EMFF FLAG activity;
- Adopt integrated and multi-sectoral strategies with a minimum threshold per CLLD strategy of EUR 3m public sector contribution;
- Be driven by local needs and potential as identified by the community through the Local Action Group;
- Be innovative at local level.

Community-Led Local Development will employ a bottom-up approach to identifying both need and solutions. Most activity is expected to take place within urban areas, which face the most serious disadvantage. Further information on implementation will necessarily follow from CLLD strategies developed by Local Action Groups over the course of 2016. LAGs will comprise partnerships of public, private and civil society sectors that come together, develop and drive the delivery of a CLLD Local Development Strategy. These must support the delivery of the local ESI Fund(s) and the respective Operational Programmes.

In line with European Commission Regulations 1303/2013 and 1304/2013, ESF support for CLLD in England will be programmed using Thematic Objective 9 resource and therefore will directly address issues of social exclusion and poverty.

However, in line with the Common Provision Regulation and in particular Articles 32-35 of European Commission Regulation 1303/2013, CLLD Local Development Strategies will be able to deliver activities under Thematic Objectives 8 and 10. All activities must be justified in the context of the ESF Operational Programme in pursuit of coherent, social, economic and sustainable growth, and add value to mainstream and ESF activity being delivered locally.

The main objective of ESF CLLD activity is to deliver additional, localised support to people in particularly deprived areas, so that they move towards or into employment. This will generally be in the context of support for marginalised groups and individuals from disadvantaged backgrounds.

ESF funded CLLD activity is expected to be delivered through either a single ESF mono-fund Local Action Group (LAG) strategy or a multi-fund LAG strategy which incorporates ESF alongside the ERDF programme. This does not preclude single ESF Mono-fund LAG proposals from being submitted. CLLD strategies will be considered and approved at a local LEP area level.

Within either option it is expected that through local community driven approaches, ESF CLLD LAG activity will tackle a broad range of issues that are barriers to labour market participation. These include for example: caring responsibilities; debt; digital exclusion; drug and alcohol dependency; poor basic skills; as well as life skills; lack of motivation and confidence; family, parenting and relationship problems; health, mental health and well-being problems; homelessness; learning difficulties and disabilities; offending; isolation issues faced by individuals and where needed support for childcare.

All activity must address specific locally identified needs in support of growth at community level. This will be required to focus on interventions that add value to local strategies which cannot adequately be met through mainstream ESI Fund programme provision and are more tailored to local area characteristics and need, empowering people across the community and providing longer term sustainable outcomes.

ESF CLLD activity will also focus on delivering clear added value to any other ESI Fund provision managed by the LAG; and through appropriate local governance structures and delivery mechanisms - complementing other local area growth focused interventions from within the Growth programme and beyond.

CLLD priorities and activities will be determined locally from the communities themselves. Examples of ESF CLLD activities include inter alia:

- stimulating local economies to deliver jobs and growth, including innovative activity to tackle multiple deprivation and specific local barriers to accessing employment and skills faced by groups and individuals farthest from the labour market;
- providing individual pathways to integration and re-entry into employment, for example through developing links between disadvantaged groups and local employers, the social economy, social enterprises and intermediaries able to provide information, advice and guidance on employment and self employment options;
- improving the integration of marginalised families and communities;
- combating discriminations in local areas that are based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation;
- reducing employment barriers linked to social and economic isolation, for example by addressing health and transport issues and increasing access to information and sources of advice on issues such as debt and money management;
- improving low level skills amongst young people NEET and adults, including communication, ICT and digital skills;
- facilitating community participation and engagement, including community leadership and peer support programmes;
- stimulating local economies to deliver jobs and growth in areas often affected by industrial decline - e.g. ex-mining communities;
- support for the development of community and social capacity building,

- including social enterprise and through investment in developing high growth start-ups;
- stimulating local level collaboration amongst citizens, small businesses and other local economic bodies;
- addressing poor linkages between areas of deprivation with nearby areas of high economic growth and job opportunities.

The European Social Fund activities listed above will in Multi-fund LAG areas be complemented by integrated use of the European Regional Development Fund within the local CLLD strategy itself. Whilst European Social Fund investment broadly delivers additional, localised support to people in particularly deprived areas, so that they move towards or into employment; revenue and capital focused European Regional Development Fund investment targets broadly the needs of the community and small and medium enterprises. For example:

- small equipment grants
- tailored business support activity, mentoring, coaching, information, advice and guidance.

Guiding Principles for the Selection of Operations

CLLD will not represent a simple mechanism for pre-allocation or financial redistribution at sub-LEP geographies as resources will only be awarded following selection through a competitive process and the approval of a CLLD investment strategy - and associated financial allocation - as part of that selection process. The Managing Authorities will specifically assess this aspect to ensure the principle is respected.

CLLD will prioritise the needs of targeted areas as identified by reference to the 20% most deprived areas using the Index of Multiple Deprivation (IMD), in Transition and More Developed areas and 30% in the Less Developed area to reflect the specific challenges and opportunities faced in Cornwall and the Isles of Scilly.

The use of IMD 20% in More Developed and Transition regions will primarily focus ERDF/ESF CLLD activity in deprived urban areas, and will therefore complement but not duplicate LEADER or FLAG actions which will focus EAFRD and EMFF investment in rural and coastal areas. The ITI for Cornwall and Isles of Scilly will require the use of CLLD supported by ERDF to be complementary to activities undertaken through LEADER and FLAGs.

The Government's approach to implementation of the Community-Led Local Development instrument will seek to build capacity, empower communities and devolve decision-making to the lowest level to act as a foundation for economic growth.

To complement mainstream provision under other Investment Priorities it will facilitate long-term, integrated, place based approaches that seek to address economic disparities and unlock growth and jobs potential in deprived areas and involve the community directly in delivery.

In operationalising CLLD from 2015 the Managing Authority will (where proposals for the use of CLLD in locally determined European Structural and Investment Fund strategies

have been agreed by the Managing Authority), invite competitive outline proposals from communities to commence preparatory work to establish Local Action Groups and explore preparation of CLLD strategies taking into account the following key high level principles:

- The need to identify a clear added value, rationale and need justifying the adoption of the Community-Led Local Development instrument;
- The targeting of deprived areas (in particular prioritising the 20% most deprived areas by reference to the 2010 Indices of Multiple Deprivation in More Developed and Transition regions and the targeting of 70% of CLLD resource at areas within 30% of IMD Most deprived areas in Cornwall and the Isles of Scilly);
- That any case for flexibility with respect to areas to be incorporated must demonstrate that non 20% or 30% IMD areas are adjacent to the 20% or 30% most deprived areas, provide a link between need and opportunity and/or present a more coherent functional economic geography;
- That a value for money justification resulting from use of CLLD in preference to mainstream programme interventions is provided;
- That clear evidence of baselines, demand, engagement and capacity at local community level is demonstrated.

These broad principles will underpin the approach taken by the Managing Authority to assess outline applications for support on a competitive basis and to identify those areas that will then be selected to develop and submit full CLLD strategies and to progress to constitute Local Actions Groups in line with the provisions set out in Articles 33 and 34 of European Union Regulation No 1303/2013.

Further detail on co-ordination and administrative set up of CLLD is provided in section 4 of this Operational Programme but, in line with the Common Provisions Regulation, it will be for the LAG to provide further details of the selection procedures and criteria at the level of the operation.

Planned use of financial instruments (where appropriate)

The use of financial instruments is not planned in this investment priority.

Planned use of major projects (where appropriate)

Not applicable to ESF

Table 5: Common and programme-specific output indicators

Priority axis: 1 - Inclusive Labour Markets									
Investment priority: 9vi - Community-led local development strategies.									
2.A.6.5 Output indicators by investment priority and, where appropriate by category of region									
Table 5: Common and programme-specific output indicators									
ID	Indicator	Measurement unit	Fund	Category of region	Total Target Value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
O1	Participants	Number	ESF	Less developed	3,100	1,600	1,500	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	Less developed	1,700			Monitoring Data	AIR and PMCs
ESF - CO03	Inactive	Number	ESF	Less developed	1,300			Monitoring Data	AIR and PMCs
O4	Participants over 50 years of age	Number	ESF	Less developed	740			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	Less developed	30			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	Less developed	900			Monitoring Data	AIR and PMCs
O1	Participants	Number	ESF	Transition	7,000	3,800	3,200	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	Transition	4,900			Monitoring Data	AIR and PMCs
ESF - CO03	Inactive	Number	ESF	Transition	1,800			Monitoring Data	AIR and PMCs
O4	Participants over 50 years of age	Number	ESF	Transition	1,200			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	Transition	770			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	Transition	1,600			Monitoring Data	AIR and PMCs
O1	Participants	Number	ESF	More Developed	32,000	17,500	14,500	Monitoring Data	AIR and PMCs
ESF - CO01	Unemployed, including long-term unemployed	Number	ESF	More Developed	22,400			Monitoring Data	AIR and PMCs
ESF - CO03	Inactive	Number	ESF	More Developed	8,000			Monitoring Data	AIR and PMCs

O4	Participants over 50 years of age	Number	ESF	More Developed	5,800			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	More Developed	7,400			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	More Developed	7,400			Monitoring Data	AIR and PMCs

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2.A.7 – Social Innovation, transnational co-operation and contribution to other thematic objectives

Social Innovation

The Operational Programme will promote social innovation, in particular with the aim of testing, evaluating and scaling up innovative solutions, including at local or regional level, to address societal challenges in partnership with all the relevant partners from the private, public and VCSE sectors. Social innovation may be implemented within priority axis 1 or 2, rather than through a dedicated priority axis.

Examples of themes for social innovation which may be supported within this priority axis are:

- Supporting activities and initiatives to reduce the number of people at risk of poverty and exclusion by helping unemployed and inactive enter sustainable employment and providing support to low skilled workers to increase their opportunities for better paid employment;
- Developing provision and new opportunities for vulnerable and disadvantaged groups;
- Developing innovative approaches to integrating young people into the labour market, especially those who are NEET;
- Addressing labour market issues related to demographic change and health;
- Promoting gender equality;
- Supporting community-based approaches to promoting employment and social inclusion, including approaches focused specifically on rural or urban areas;
- Creating new tools, services, techniques and business models to increase labour market participation and promote social inclusion;
- Support innovations in procurement in line with the Social Value Acts;
- Creating new tools, services, techniques and business models to improve workforce skills;
- Developing new approaches to delivering basic skills in a way that meets individual and business needs;
- Developing new approaches to address the intermediate, advanced and higher skills needs of businesses;
- Developing the local skills base;
- Addressing the skills needs of an ageing population;
- Supporting entrepreneurs, developing social enterprise, promoting self-employment and encouraging a culture of entrepreneurship.

Other themes, within the scope of the priority axis, may emerge during the life of the programme.

Contribution to thematic objectives 1-7

This priority axis will contribute to thematic objectives 1 – 7 by increasing the supply of labour available to the sectors covered by these thematic objectives, through actions to

improve the employability and skills of unemployed, inactive and disadvantaged people. For example, ESF will be able to train unemployed and inactive people in skills needed for jobs in a low carbon economy which would enable them to benefit from employment opportunities generated by thematic objective 4.

Transnational co-operation

Arrangements for transnational co-operation are described in section 4.

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Table 6: Performance framework of the priority axis

Priority axis	ID	Fund	Category of region	Key implementation step or indicator	Measurement unit	Milestone total for 2018	Milestone men for 2018	Milestone women for 2018	Final men target (2023)	Final women target (2023)	Final target (2023)
1	1	ESF	Less developed	Amount of spend	Euros	28,000,000					145,618,479
1	O1	ESF	Less developed	Participants	Number	7,300	3,700	3,600	19,700	19,200	38,900
1	1	ESF	Transition	Amount of spend	Euros	113,000,000					604,777,671
1	O1	ESF	Transition	Participants	Number	43,600	24,700	18,900	131,900	100,500	232,400
1	1	ESF	More developed	Amount of spend	Euros	462,000,000					2,464,530,068
1	O1	ESF	More developed	Participants	Number	183,500	105,300	78,200	560,600	415,600	976,200
1	1	YEI		Amount of spend	Euros	461,099,386					461,099,386
1	O1	YEI		Participants	Number	112,000	59,400	52,600	59,400	52,600	112,000

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2.A.8 Additional qualitative information on the establishment of the performance framework (optional)

Approach to Financial indicators

The 2023 target values are simply equal to the total funding available in the priority axis by category of region.

The 2018 target value for the YEI line is the total available funding (YEI specific allocation plus corresponding ESF allocation plus the public contribution), since it is front-loaded and needs to be spent by the end of 2018.

For the other lines, we have looked at the rate of spend in the 2007-13 programme. We have assumed that the Operational Programme will be adopted at the end of September 2015 and that the Certifying Authority will be able to certify spending by projects up to the end of August 2018 for a declaration to the Commission by the end of December 2018. This is based on current experience of the time taken to conduct the Managing Authority's verification work. This means that there will be 2 years and 11 months between the date of adoption and the last spending which can be included. In 2007-13 the OP was adopted at the end of August 2007. We have therefore looked at spend up to the end of July 2010.

The spend in this period was €656,830,331. This is 21% of the programme value - €3,089,886,379.

We intended to apply that rate (21%) to the main allocation (i.e. excluding the performance reserve which we cannot assume we have access to) in the 2014-20 programme, to calculate the spend by 2018, rounding to the nearest €1m. The ex-ante evaluator's advice was that we should apply a percentage reduction to take account of the fact that there is more change in our delivery arrangements between 2007-13 and 2014-20 than there was between 2000-06 and 2007-13, which will mean a slightly slower start. We don't have firm evidence on which to base this, so have applied a modest reduction by 1 percentage point to 20%.

The ex-ante evaluator also asked whether it was sensible to assume the same rate of spend in all priorities. We have concluded that the changes in programme structure (e.g. 3 TOs, 7IPs, 3 CoRs) make such refined comparisons impossible so have stuck with this assumption.

We have then compared that to the amount required to meet N+3 targets, taking into account the pre-financing payments. Outside YEI, the ESF element of the financial indicators in the Performance Framework add up to €566m. This is comfortably above the €472m which we would need to spend in these priorities in order to meet the 2018 N+3 target.

Approach to output indicators

In line with the guidance that the output indicators have to relate to operations representing the majority of the resources in the priority axis and should be as few as

possible, we have chosen to use “total participants” as the output indicator for each priority axis in each category of region.

The 2023 target values are a sum of the total participant target values set out in the Operational Programme against each investment priority. In priority axis 1 we have excluded the participants in investment priority 9vi (community led local development). This is a new instrument and we have less evidence on which to base our target setting, and are therefore less confident at this stage (in advance of agreeing local development strategies) in the output target we have proposed.

This exclusion means that the output indicator for Priority Axis 1 covers 96% of the allocation. These percentages vary by category of region, but the proportion covered by the performance framework output indicator exceeds 50% in all cases.

For the 2018 target values we have simply assumed that there will be a correlation between spend and participants, and have therefore followed the logic of the financial assumptions. We have therefore first reduced the 2023 targets to take account of the performance reserve (deducting 6%), and then assumed we will achieve 20% of that target by the end of 2018.

The ex-ante evaluator suggested we also look at the rate at which participants were recorded in the 2007-13 programme. We have looked back at the first 2-3 years of the programme, and realised that these were the years when the programme was most affected by the recession and the participant figures were therefore distorted by our move to a greater quantity of lower unit costs provision. We have therefore decided that using this evidence would be inappropriate for the 2014-20 programme.

For YEI, the 2018 output target is equal to the total participant target set out in the OP, since it is front-loaded and needs to be spent by the end of 2018.

Table 7: Dimension 1 - Intervention field

Fund	Category of region	Code	€ amount
ESF	Less developed	102. Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility.	36,442,452.00
ESF	Transition	102. Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility.	182,173,907.00
ESF	More developed	102. Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility.	597,715,766.00
ESF	Less developed	103.Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and you people from marginalised communities, including through the implementation of the Youth Guarantee.	13,296,893.00
ESF	Transition	103.Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and you people from marginalised communities, including through the implementation of the Youth Guarantee.	25,664,409.00
ESF	More developed	103.Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and you people from marginalised communities, including through the implementation of the Youth Guarantee.	152,943,257.00
ESF	Less developed	109.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability.	59,200,438.00
ESF	Transition	109.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability.	144,311,287.00
ESF	More developed	109.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability.	441,515,011.00
ESF	Less developed	114.Community-led local development strategies	7,555,000.00
ESF	Transition	114.Community-led local development strategies	10,717,000.00
ESF	More developed	114.Community-led local development strategies	40,091,000.00

Total ESF			1,711,626,420.00
YEI		103.Sustainable integration into the labour market of young people (YEI) in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.	319,576,848.00
Total YEI			319,576,848.00

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Table 8 Dimension 2 Form of finance

Fund	Category of region	Code	€ amount
ESF	Less developed	01.Non-repayable grant	116,494,783.00
ESF	Transition	01.Non-repayable grant	362,866,603.00
ESF	More developed	01.Non-repayable grant	1,232,265,034.00
YEI		01.Non-repayable grant	319,576,848.00

Table 9: Dimension 3 - Territory type

Fund	Category of region	Code	€ amount
ESF	Less developed	07.Not applicable	116,494,783.00
ESF	Transition	07.Not applicable	362,866,603.00
ESF	More developed	07.Not applicable	1,232,265,034.00
YEI		07.Not applicable	319,576,848.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Fund	Category of region	Code	€ amount
ESF	Less developed	03.Integrated Territorial Investment - Other	108,939,783.00
ESF	Less developed	06.Community-led local development initiatives	7,555,000.00
ESF	Transition	06.Community-led local development initiatives	10,717,000.00
ESF	More developed	06.Community-led local development initiatives	40,091,000.00
ESF	Transition	07.Not applicable	352,149,603.00
ESF	More developed	07.Not applicable	1,192,174,034.00
YEI		07.Not applicable	319,576,848.00

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

Fund	Category of region	Code	€ amount
ESF	Transition	01.Supporting the shift to a low-carbon, resource efficient economy	1,167,951.00
ESF	Transition	02.Social innovation	10,978,743.00
ESF	Transition	03.Enhancing the competitiveness of SMEs	1,167,951.00
ESF	More developed	07.Gender equality	753,329.00
ESF	Less developed	08.Not applicable	116,494,783.00
ESF	Transition	08.Not applicable	349,551,958.00
ESF	More developed	08.Not applicable	1,231,511,705.00
YEI		08.Not applicable	319,576,848.00

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Priority Axis 2: Skills for Growth

This priority axis aims to support skills for growth. It will support the following investment priorities:

- Enhancing equal access to lifelong learning (2.1). This focuses on improving the skills of individuals to meet their goals and the needs of the local economy, primarily training, advising or supporting individuals, including those in work but at risk due to skills deficiencies or facing redundancy;
- Improving the labour market relevance of education and training systems (2.2). This focuses on improving employer participation and engagement in learning so that it is responsive to the needs of the local economy and more individual's progress into or within learning. This is primarily about improving partnerships and systems.

These investment priorities are from thematic objectives 10 (skills). However the priority axes will contribute indirectly to thematic objectives 8 and 9 by training people in skills that sustain and enhance their employment and reduce their risk of social exclusion.

The priority axis covers all three categories of region in order to improve the effectiveness of the programme by simplifying the programme and to make it easier for potential applicants and the wider public to understand what ESF exists to achieve. Many of the skills needs of individuals are broadly similar across different areas. The categories are defined on the basis of GDP, but in many cases the skills challenges in more developed regions are the same or more significant than those in other categories.

INVESTMENT PRIORITY 2.1: ENHANCING EQUAL ACCESS TO LIFELONG LEARNING

Investment priority: 2.1- Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences

ID	Specific Objective	Results that the Member States seek to achieve with Union support
2.1.1	To address the basic skills needs of employed people, particularly in SMEs and Micro businesses.	The additional support from this investment priority will help employed people to gain basic skills. It will also improve the capacity of SMEs and micro businesses and support business growth. We have set an output target for the number of participants without basic skills and a result target for participants gaining basic skills.
2.1.2	To increase the skills levels of employed people from the existing level to the next level up, to encourage progression in employment.	The additional support from this investment priority will help employed people to progress at work through achieving higher skills, and it will drive growth in their organisation by improving productivity. We have set result targets for participants gaining qualifications or units – separate targets for level 2 and level 3.
2.1.3	To increase the number of people with technical and job specific skills, particularly at level 3 and above and into higher and advanced level apprenticeships, to support business growth.	The main result will be achieved is that more participants will have gained a qualification or a unit of qualification. This investment priority will also support business growth through the development of a more highly skilled workforce. We have set a result target for participants gaining qualifications or units at level 3 or above.

ID	Specific Objective	Results that the Member States seek to achieve with Union support
2.1.4	To increase the skills levels of employed women to encourage progression in employment help address the gender employment and wage gap.	<p>The additional support from this investment priority will support women in raising the level of their skills, helping them to progress in employment or self-employment and achieve higher earnings.</p> <p>There is a result target about progression in work. This investment priority will also contribute to supporting business growth through the development of a more highly skilled workforce.</p>

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Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)

Priority axis: 2 - Skills for Growth														
Investment priority: 10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences.														
Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)														
ID	Indicator	Measurement unit for indicator	Category of region	Common output indicator used as basis for target setting	Total baseline value	Men Baseline Value	Women Baseline Value	Measurement unit for baseline and target	Baseline year	Target value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
R3	Participants gaining basic skills	Percentage	Less developed		11%			Ratio (%)	2014	11%			Monitoring Data	AIR and PMCs
R3	Participants gaining basic skills	Percentage	Transition		11%			Ratio (%)	2014	11%			Monitoring Data	AIR and PMCs
R3	Participants gaining basic skills	Percentage	More developed		11%			Ratio (%)	2014	11%			Monitoring Data	AIR and PMCs
R6	Participants gaining level 2 or below or a unit of a level 2 or below qualification (excluding basic skills)	Percentage	Less developed		21%			Ratio (%)	2014	25%			Monitoring Data	AIR and PMCs
R6	Participants gaining level 2 or below or a unit of a level 2 or below qualification	Percentage	Transition		21%			Ratio (%)	2014	25%			Monitoring Data	AIR and PMCs

	(excluding basic skills)												
R6	Participants gaining level 2 or below or a unit of a level 2 or below qualification (excluding basic skills)	Percentage	More developed		21%		Ratio (%)	2014	25%			Monitoring Data	AIR and PMCs
R7	Participants gaining level 3 or above or a unit of a level 3 or above qualification	Percentage	Less developed		8%		Ratio (%)	2014	8%			Monitoring Data	AIR and PMCs
R7	Participants gaining level 3 or above or a unit of a level 3 or above qualification	Percentage	Transition		8%		Ratio (%)	2014	8%			Monitoring Data	AIR and PMCs
R7	Participants gaining level 3 or above or a unit of a level 3 or above qualification	Percentage	More developed		8%		Ratio (%)	2014	8%			Monitoring Data	AIR and PMCs
R8	Employed females gaining improved labour market status	Percentage	Less developed		35%		Ratio (%)	2014	35%			Survey	Twice
R8	Employed females gaining improved labour market	Percentage	Transition		35%		Ratio (%)	2014	35%			Survey	Twice

	status													
R8	Employed females gaining improved labour market status	Percentage	More developed		35%			Ratio (%)	2014	35%			Survey	Twice

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Actions to be supported under the investment priority

ESF will be used to tackle the need to improve skills in England at all levels including basic, intermediate and higher levels according to the needs of the local area, to drive and support productivity and growth. ESF can be used to support skills at any level, but it is important that it complements and does not duplicate existing policies and provision. It should not displace the investment that employers and individuals make in training and ESF will not subsidise training that would otherwise be funded by business or Government.

Full qualifications at level 3 and above are generally provided for in mainstream policy by grants and loans for individuals. It is not appropriate for ESF to be used to replace Government funded loans and grants, to meet the requirement that ESF should not be used to replace Government funding. However, in exceptional circumstances there may be a case for allowing such an investment to take place, e.g. where a local specific need and/or market failure has been demonstrated and where it falls within the ESF priority objectives. Any case submitted for consideration will be assessed on its individual merits but exemptions are expected to be very limited.

ESF funding must be targeted where there is clear justification for intervention financed by public expenditure. Targeting should take account of the existing mainstream funding of skills and how ESF can effectively support and provide additionally to significant levels of public funding in this area. This may include:

- skills shortages or needs in particular sectors or local areas which are not currently being addressed by employers or individuals;
- leadership and management training in small and medium size enterprises (up to 250 employees);
- training and support for people at all levels, in particular addressing the needs of disadvantaged groups in and out of the workplace;
- access to learning; information about learning and skills;
- brokerage of opportunities between learners and employers.

ESF will not substitute for investment in training that would otherwise be funded by employers or individuals, or is a statutory requirement. The specific need for intervention in each local area is set out in LEP area European Structural and Investment Funds strategies. Examples of activities that will be supported within this investment priority are set out below:

Basic and low level skills

- Basic skills interventions for the existing workforce to support progression and generate opportunity;
- additional or innovative approaches to training in a vocational context for those with low level skills in Maths, English and ICT, to support them in finding work or progressing in work; and to enable them to achieve vocational qualifications and continue to upskill;
- skills training for people facing in work poverty to help them progress and increase their pay and working hours or obtain better quality higher paid jobs and move out of poverty (includes support for part-time workers -

mostly female – who wish to upskill to work longer hours and/or progress within work);

- support for generic skills such as customer handling, team working, and communication;
- tailored training and lifelong learning opportunities for older people;
- skills support for traineeships and apprenticeships (but not direct funding of employers' training or wage costs) including improvements to recruitment and assessment;
- support for informal learning and community based learning.

Support for progression in work

- support for part-time workers, most of whom are female, who want to upskill in order to access jobs/careers which offer longer working hours;
- training to support the career progression of women including to leadership and management roles, especially in SMEs;
- support for intermediate, technical and advanced vocational provision for career progression;
- funding development costs and contributing to delivery costs of vocational short courses designed to help low skilled employees to progress to higher value employment (particularly where this targets groups under-represented in higher skill roles).

Tackling disadvantage

- funding outreach activity, including taster courses to disadvantaged individuals to help improve take up and retention. This might include the cost of participation in summer schools or work-based access courses;
- funding development of new outreach activity, including taster or access courses, particularly where this is being co-designed with intermediaries or representatives of target groups and/or involves innovative approaches;
- funding development of new methods of delivering learning to reach remote learners (including e-learning and local delivery in non traditional venues) where this does not duplicate mainstream activity;
- financial/bursary support targeted at disadvantaged individuals , specifically for course related costs demonstrated as being a barrier to accessing learning (but not tuition fees, or costs covered by Government grants and loan schemes or learning/learner support packages);
- support for the most disadvantaged recipients of advanced skills provision by funding additional learning support for under-represented groups where this activity can be demonstrated to enhance retention and attainment;
- increase participation where there are current or predicted skills shortages, particularly to address the needs of SMEs with growth potential or to target under-represented groups;
- funding costs of specific modules (additional to the core credit-bearing element of higher education programmes) designed to prepare under-

- graduates and graduates for employment or self-employment;
- funding specific activity (development or delivery) targeted at increasing the employability of particular groups which have lower employment rates and face particular barriers to gaining employment (e.g., those with a disability).

Support for wider career choices

- additional advice and guidance with a focus on improving understanding of employment opportunities in the local labour market, e.g. providing more targeted advice to women that helps them make important career choices;
- initiatives to promote participation by women in science, technology, engineering and mathematics (STEM) provision.

Intermediate and advanced (higher level) skills

- support for intermediate, technical and advanced skills for specific industries and sectors identified as driving growth in local economies in support of other relevant thematic objectives;
- skills and training packages in response to redundancies (including earlier support to companies, as well as when redundancy occurs);
- skills support, especially for low paid workers to help them learn new low carbon skills, including retrofitting for the low carbon sectors;
- funding development costs and contributing to delivery costs of vocational short courses designed to enable progress onto advanced courses or access good quality employment;
- supporting activity to develop self-employment or entrepreneurial skills to start and grow a business or social enterprise;
- develop skills to meet future needs (for example, in relation to new technology, construction or production methods or responding to restructuring/diversification).

Where appropriate, training may complement activities delivered within the thematic objectives relating to innovation, low carbon, climate change, ICT and SME competitiveness, especially where improving intermediate, technical and advanced skills can contribute to these thematic objectives.

Guiding principles for selection of operations

See text at Investment Priority 1.1

Planned use of financial instruments (where appropriate)

The use of financial instruments is not planned in this investment priority.

Planned use of major projects (where appropriate)

Not applicable to ESF

Table 5: Common and programme-specific output indicators

Priority axis: 2 - Skills for Growth									
Investment priority: 10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences.									
2.A.6.5 Output indicators by investment priority and, where appropriate by category of region									
Table 5: Common and programme-specific output indicators									
ID	Indicator	Measurement unit	Fund	Category of region	Total Target Value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
O1	Participants	Number	ESF	Less developed	13,500	6,300	7,200	Monitoring Data	AIR and PMCs
O4	Participants over 50 years of age	Number	ESF	Less developed	3,000			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	Less developed	300			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	Less developed	1,400			Monitoring Data	AIR and PMCs
ESF - CO14	Participants who live in a single adult household with dependent children	Number	ESF	Less developed	540			Monitoring Data	AIR and PMCs
O6	Participants without Basic Skills	Number	ESF	Less developed	2,830			Monitoring Data	AIR and PMCs
O1	Participants	Number	ESF	Transition	204,700	100,300	104,400	Monitoring Data	AIR and PMCs
O4	Participants over 50 years of age	Number	ESF	Transition	40,900			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	Transition	13,500			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	Transition	15,500			Monitoring Data	AIR and PMCs
ESF - CO14	Participants who live in a single adult household with dependent children	Number	ESF	Transition	10,200			Monitoring Data	AIR and PMCs
O6	Participants without basic skills	Number	ESF	Transition	36,000			Monitoring Data	AIR and PMCs
O1	Participants	Number	ESF	More	709,100	347,400	361,700	Monitoring	AIR and PMCs

				developed				Data	
O4	Participants over 50 years of age	Number	ESF	More developed	141,800			Monitoring Data	AIR and PMCs
O5	Participants from ethnic minorities	Number	ESF	More developed	124,800			Monitoring Data	AIR and PMCs
ESF - CO16	Participants with disabilities	Number	ESF	More developed	55,900			Monitoring Data	AIR and PMCs
ESF - CO14	Participants who live in a single adult household with dependent children	Number	ESF	More developed	35,500			Monitoring Data	AIR and PMCs
O6	Participants without basic skills	Number	ESF	More developed	124,800			Monitoring Data	AIR and PMCs

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INVESTMENT PRIORITY 2.2: IMPROVING THE LABOUR MARKET RELEVANCE OF EDUCATION AND TRAINING SYSTEMS

Investment priority 2.2: Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes

ID	Specific Objective	Results that the Member States seek to achieve with Union support
2.2.1	To promote improvements in the labour market relevance of skills provision through active engagement with relevant institutions and employers, particularly SMEs and Micro businesses.	The additional support from this investment priority will enable the design of skills provision which will help individuals gain skills and qualifications relevant to the needs of the labour market.

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Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)

Priority axis: 2 - Skills for Growth														
Investment priority: 10iv - Improving the labour market relevance of education and training systems facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes.														
Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF)														
ID	Indicator	Measurement unit for indicator	Category of region	Common output indicator used as basis for target setting	Total baseline value	Men Baseline Value	Women Baseline Value	Measurement unit for baseline and target	Baseline year	Target value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
R9	Small and Medium Enterprises successfully completing projects (which increase employer engagement; and/or the number of people progressing into or within skills provision)	Percentage	Less developed							75%			Monitoring Data	AIR and PMCs
R9	Small and Medium Enterprises successfully completing projects (which increase employer engagement; and/or the number of people progressing into or within skills provision)	Percentage	Transition							75%			Monitoring Data	AIR and PMCs

R9	Small and Medium Enterprises successfully completing projects (which increase employer engagement; and/or the number of people progressing into or within skills provision)	Percentage	More developed							75%			Monitoring Data	AIR and PMCs
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Actions to be supported under this investment priority

To maximise its contribution to smart, sustainable and inclusive growth, ESF will support projects that make education and training provision more responsive to the needs of the economy, so that employers' skills needs are more quickly and more effectively met, and individuals receive better designed skills provision which equips them for the world of work.

ESF will not fund activity that duplicates or cuts across national policy on grants and loans for tuition for skills activities. Exemptions to this principle will be considered only where a market failure has been demonstrated and where the activity falls within the scope of the Operational Programme.

Activities to be supported within this investment priority include:

- support for collaborative projects, placements, internships or other activities with SMEs that enable students and graduates to gain industry relevant experience and skills;
- building capacity in SMEs to provide project/placement/internship opportunities and enhance the contribution of advanced skills to SME growth, including programmes to specifically engage the most disadvantaged groups or those who face particular local disadvantages in utilising advanced skills;
- brokering opportunities to encourage and increase work experience, work placements, traineeships, apprenticeships, and graduate placements particularly through wider employer engagement and involving supply chains;
- promoting apprenticeships (especially at advanced levels in manufacturing and other priority sectors) by developing a supportive environment for employer engagement;
- developing better links with business to equip students with the skills to start and grow a business to meet local business needs.

Where appropriate, training may complement activities delivered within the thematic objectives relating to innovation, low carbon, climate change, ICT and SME competitiveness, especially where improving intermediate and advanced skills can contribute to these thematic objectives. The focus on SMEs complements ERDF priorities, reflects the lower level of leadership, management and enterprise skills in smaller businesses and takes account of the fact that larger businesses in the UK are already eligible for skills support through the Employer Ownership Fund (EOF).

Guiding principles for selection of operations

See text at Investment Priority 1.1

Planned use of financial instruments (where appropriate)

The use of financial instruments is not planned in this investment priority.

Planned use of major projects (where appropriate)

Not applicable to ESF

Table 5: Common and programme-specific output indicators

Priority axis: 2 - Skills for Growth									
Investment priority: 10iv - Improving the labour market relevance of education and training systems facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes.									
2.A.6.5 Output indicators by investment priority and, where appropriate by category of region									
Table 5: Common and programme-specific output indicators									
ID	Indicator	Measurement unit	Fund	Category of region	Total Target Value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
CO23	number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	Number	ESF	Less developed	1,800			Monitoring Data	AIR and PMCs
CO23	number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	Number	ESF	Transition	3,500			Monitoring Data	AIR and PMCs
CO23	number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	Number	ESF	More developed	12,600			Monitoring Data	AIR and PMCs

Social Innovation

The ESF will promote social innovation, in particular with the aim of testing, evaluating and scaling up innovative solutions, including at local or regional level, to address social needs, in partnership with the relevant partners and, in particular, social partners. Social innovation may be implemented within priority axis 1 or 2, rather than through a dedicated priority axis.

Examples of themes for social innovation which may be supported within this priority axis are:

- creating new tools, services, techniques and business models to improve workforce skills;
- developing new approaches to delivering basic skills in a way that meets individual and business needs;
- developing new approaches to address the intermediate, advanced and higher skills needs of businesses;
- developing the local skills base;
- addressing the skills needs of an ageing population;
- supporting entrepreneurs, developing social enterprise, promoting self-employment and encouraging a culture of entrepreneurship.

These apply to all categories of region. Other themes, within the scope of the priority axis, may emerge during the life of the programme.

- developing leadership and management skills;
- developing intermediate and higher level skills;
- supporting the delivery of employer owned training solutions;
- enhancing access to Apprenticeships and Traineeships;
- promoting opportunities for entrepreneurship, business start up, self employment and social enterprise; and
- developing better links between education/training providers and business.

In relation to thematic objective 1 (strengthening research, technological development and innovation), ESF could contribute specifically by developing science and technology skills, including by creating centres of excellence in key sectors and strengthening links with business.

In relation to thematic objective 2 (enhancing access to, and use and quality of, ICT) ESF could contribute specifically by improving ICT skills, and developing and delivering skills provision relevant to the use and exploitation of digital technology.

In relation to thematic objective 3 (enhancing the competitiveness of SMEs), ESF could contribute specifically through skills programmes aimed at SMEs: leadership and management training; mentoring/coaching initiatives; advice, guidance and information; and providing placement or internship opportunities.

In terms of thematic objective 4 (supporting the shift towards a low-carbon economy in all sectors), ESF could contribute specifically by developing skills to deliver innovation and adoption of low carbon technologies; developing more training provision for low carbon transition; and developing new and alternative skills for construction.

In terms of thematic objective 5 (promoting climate change adaptation, risk prevention and management) and 6 (preserving and protecting the environment and promoting resource efficiency) ESF could contribute specifically through skills training for green jobs and technologies.

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Performance Framework

Table 6: Performance framework of the priority axis

Priority axis	ID	Fund	Category of region	Key implementation step or indicator	Measurement unit	Milestone total for 2018	Milestone men for 2018	Milestone women for 2018	Final men target (2023)	Final women target (2023)	Final target (2023)
2	1	ESF	Less developed	Amount of spend	Euros	11,000,000					62,174,183
2	O1	ESF	Less developed	Participants	Number	2,500	1,200	1,300	6,300	7,200	13,500
2	1	ESF	Transition	Amount of spend	Euros	98,000,000					524,126,441
2	O1	ESF	Transition	Participants	Number	38,400	18,800	19,600	100,300	104,400	204,700
2	1	ESF	More developed	Amount of spend	Euros	352,000,000					1,881,841,400
2	O1	ESF	More developed	Participants	Number	133,300	65,300	68,000	347,400	361,700	709,100

2.A.8 Additional qualitative information on the establishment of the performance framework (optional)

Approach to Financial indicators

The 2023 target values are simply equal to the total funding available in the priority axis by category of region.

We have looked at the rate of spend in the 2007-13 programme. We have assumed that the Operational Programme will be adopted at the end of September 2015 and that the Certifying Authority will be able to certify spending by projects up to the end of August 2018 for a declaration to the Commission by the end of December 2018. This is based on current experience of the time taken to conduct the Managing Authority's verification work. This means that there will be 2 years and 11 months between the date of adoption and the last spending which can be included. In 2007-13 the OP was adopted at the end of August 2007. We have therefore looked at spend up to the end of July 2010.

The spend in this period was €656,830,331. This is 21% of the programme value - €3,089,886,379.

We intended to apply that rate (21%) to the main allocation (i.e. excluding the performance reserve which we cannot assume we have access to) in the 2014-20 programme, to calculate the spend by 2018, rounding to the nearest €1m (Table 2 shows both ESF only and total expenditure figures). The ex-ante evaluator's advice was that we should apply a percentage reduction to take account of the fact that there is more change in our delivery arrangements between 2007-13 and 2014-20 than there was between 2000-06 and 2007-13, which will mean a slightly slower start. We don't have firm evidence on which to base this, so have applied a modest reduction by 1 percentage point to 20%.

The ex-ante evaluator also asked whether it was sensible to assume the same rate of spend in all priorities. We have concluded that the changes in programme structure (e.g. 3 TOs, 7IPs, 3 CoRs) make such refined comparisons impossible so have stuck with this assumption.

We have then compared that to the amount required to meet N+3 targets, taking into account the pre-financing payments. Outside YEI, the ESF element of the financial indicators in the Performance Framework add up to €566m. This is comfortably above the €472m which we would need to spend in these priorities in order to meet the 2018 N+3 target.

Approach to output indicators

In line with the guidance that the output indicators have to relate to operations representing the majority of the resources in the priority axis and should be as few as possible, we have chosen to use "total participants" as the output indicator for each priority axis in each category of region.

The 2023 target values are a sum of the total participant target values set out in the Operational Programme against each investment priority. In priority axis 2, we have excluded investment priority 10iv since the output measure here is enterprises rather than participants.

This exclusion means that the output indicator for Priority 2 covers 82% of the allocation. These percentages vary by category of region, but the proportion covered by the performance framework output indicator exceeds 50% in all cases.

For the 2018 target values we have simply assumed that there will be a correlation between spend and participants, and have therefore followed the logic of the financial assumptions. We have

therefore first reduced the 2023 targets to take account of the performance reserve (deducting 6%), and then assumed we will achieve 20% of that target by the end of 2018.

The ex-ante evaluator suggested we also look at the rate at which participants were recorded in the 2007-13 programme. We have looked back at the first 2-3 years of the programme, and realised that these were the years when the programme was most affected by the recession and the participant figures were therefore distorted by our move to a greater quantity of lower unit costs provision. We have therefore decided that using this evidence would be inappropriate for the 2014-20 programme.

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2.A.9 Categories of intervention

Table 7: Dimension 1 - Intervention field

Fund	Category of region	Code	€ amount
ESF	Less developed	117. Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences.	26,380,318.00
ESF	Transition	117. Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences.	269,181,541.00
ESF	More developed	117. Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences.	777,179,969.00
ESF	Less developed	118. Improving the labour market relevance of education and training systems facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes.	23,359,028.00
ESF	Transition	118. Improving the labour market relevance of education and training systems facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes.	45,294,324.00
ESF	More developed	118. Improving the labour market relevance of education and training systems facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes.	163,740,731.00
Total ESF			1,305,135,911.00

Table 8: Dimension 2 – Form of finance

Fund	Category of region	Code	€ amount
ESF	Less developed	01.Non-repayable grant	49,739,346.00
ESF	Transition	01.Non-repayable grant	314,475,865.00
ESF	More developed	01.Non-repayable grant	940,920,700.00

Table 9: Dimension 3 - Territory type

Fund	Category of region	Code	€ amount
ESF	Less developed	07.Not applicable	49,739,346.00
ESF	Transition	07.Not applicable	314,475,865.00
ESF	More developed	07.Not applicable	940,920,700.00

Table 10: Dimension 4 – Territorial delivery mechanisms

Fund	Category of region	Code	€ amount
ESF	Less developed	03.Integrated Territorial Investment - Other	49,739,346.00
ESF	Transition	07.Not applicable	314,475,865.00
ESF	More developed	07.Not applicable	940,920,700.00

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

Fund	Category of region	Code	€ amount
ESF	Transition	01.Supporting the shift to a low-carbon, resource efficient economy	2,335,903.00
ESF	More developed	01.Supporting the shift to a low-carbon, resource efficient economy	4,787,830.00
ESF	Transition	03.Enhancing the competitiveness of SMEs	28,684,887.00
ESF	More developed	03.Enhancing the competitiveness of SMEs	71,986,685.00
ESF	Less developed	04.Strengthening research, technological development and innovation	5,839,757.00
ESF	Transition	04.Strengthening research, technological development and innovation	4,087,830.00
ESF	More developed	04.Strengthening research, technological development and innovation	2,820,603.00

ESF	Transition	05.Enhancing the accessibility, use and quality of information and communication technologies	5,232,422.00
ESF	More developed	05.Enhancing the accessibility, use and quality of information and communication technologies	1,167,951.00
ESF	Less developed	08.Not applicable	43,899,589.00
ESF	Transition	08.Not applicable	274,134,823.00
ESF	More developed	08.Not applicable	860,157,631.00

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PRIORITY AXIS 3: TECHNICAL ASSISTANCE

This priority axis covers all three categories of region because the Operational Programme and other priority axes cover all three categories of region, and therefore Technical Assistance actions will need to be taken across the whole of the programme territory. A single priority axis responds to the need to set up a single IT system together with single managing and audit authorities that will work across categories of regions in order to enhance operational efficiency. Activities such as evaluation, information and communication are also better handled across all types of regions.

ID	Specific Objective	Results that the Member States seek to achieve with Union support
3.1	To ensure that the activities which fall within the scope of the programme are managed, monitored and evaluated in line with the Common Provisions Regulation, European Social Fund Regulation and the Commission's delegated and implementing regulations.	This specific objective aims to ensure that the programme is delivered efficiently and effectively. The key measure evidenced through the annual audit authority control report is an unqualified audit opinion from the Audit Authority, which is accepted without reservation by the European Commission. Our objective is to keep the error rate below a threshold of 2%, on both an annual and cumulative basis.

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Table 12 Programme specific result indicators

Priority axis: 3 - Technical Assistance											
Specific objective: 3.1 - To ensure that the activities which fall within the scope of the programme are managed, monitored and evaluated in line with the Common Provisions Regulation, European Social Fund Regulation and the Commission's delegated and implementing regulations.											
2.B.5 Result indicators											
Table 12: Programme-specific result indicators (by specific objective)(for ERDF/ESF/Cohesion Fund)											
ID	Indicator	Measurement Unit	Total Baseline Value	Men Baseline Value	Women Baseline Value	Baseline year	Total target value (2023)	Men target value (2023)	Women target value (2023)	Source of data	Frequency of reporting
TAR1	Programme error rate	Percentage	4.89			2014	2			Audit Authority Annual Control Reports	Annual
TAR2	Proportion of expenditure checked by management verifications	Percentage					10			Managing Authority	Annual
TAR3	Proportion of MA and IB staff completing training in relevant regulatory requirements.	Percentage					100			Managing Authority	Annual

Actions to be supported and their expected contribution to the specific objectives

Technical Assistance actions will support the delivery of priority axes within the Operational Programme across all categories of region. The indicative actions below support both specific objectives. Salary costs will be incurred within all activities below, enhancing the capacity to achieve the overall objectives. The Growth Programme represents a new approach in the delivery of the European Structural and Investment Funds in England. The Government proposes to make up to half of the ESF and ERDF Technical Assistance available to LEPs and local partners to support the delivery of European Structural and Investment Funds strategies in 2014-2020 subject to the requirements set out in EU regulations. The Government's intention is that Technical Assistance should be available to partners to support activities which they undertake and which are eligible for Technical Assistance. It should be made available by means of open calls and will be appraised in the same way as other European Structural and Investment Funds.

Programme management

Effective Programme management requires that the programme organisation and structure, roles and responsibilities and reporting arrangements are well defined and implemented. Examples of activities include:

- preparation, management, monitoring and implementation of the programme, including appraisal, contract management, monitoring and verification, audit;
- specialist advice and support including legal and financial expertise;
- provision of secretariat support and coordination of the PMC (Growth Programme Board), the thematic, technical and local sub committees, and relevant ad hoc groups established to support the delivery of the programme;
- provision of advice and support to help embed the horizontal principles of sustainable development, equal opportunities and gender equality using appropriate expertise to grow the understanding, commitment and capacity of management bodies and beneficiaries;
- acquisition, installation and maintenance of the necessary IT hardware and software to support programme and project management which complies with EU and UK e-cohesion requirements;
- production of high quality programme management information to facilitate monitoring, decision making and programme operation;
- preparation of reports, including annual implementation reports, to the Commission.

Programme Development and Capacity Building

Robust governance, accountability and partnership engagement are key elements of programme management good practice. Technical Assistance will be used to ensure that the Programme develops effectively and that management bodies, staff, partners, applicants and suppliers are aware of their responsibilities. Possible activities include:

- technical advice and support for project development activity to help ensure that the requirements of EU regulations and national guidance are incorporated within project design;

- training and development of MA, IB and beneficiary staff, and relevant partners including members of the PMC and of the sub committees;
- support for Civil Society networks to assist participation of voluntary, community and social enterprise sector in the programme;
- support and advice to LAGs and local partners on development and delivery of CLLD Local Development Strategies.

Programme Analysis, Monitoring and Evaluation

Robust governance and accountability requires that programme related analysis, monitoring and evaluation form an integral part of programme delivery. Examples of activities include:

- baseline data provision to measure programme performance, particularly results and output indicators and value for money;
- policy and socio-economic analysis updates to facilitate production of the Annual Implementation Reports;
- cohort surveys to measure long-term indicators;
- evaluation studies at suitable intervals, including at mid-term and programme completion, and implementing the relevant findings;
- development of research and evaluation expertise through training;
- an independent impact assessment of the programme's horizontal principles and to update the equality analysis as required during the lifetime of the programme;
- studies to support the preparation or impact assessment of specific projects as necessary;
- implementation and impact evaluations linked to the monitoring of the programme;
- additional monitoring support, if required, to comply with EU regulations;
- on-going review and refinement of European Structural Investment Fund strategies by relevant partners.

Information and Publicity

Publicity forms an integral part of the programming strategy and the Managing Authority will ensure that the activities and benefits of the funds are communicated to the wider public. To help achieve this, a joint ESF/ERDF communication strategy will be established for the ESI Fund programmes, to be ratified by the PMC. The delivery of the strategy within the ESF programme will be led by the Managing Authority with support from Intermediate Bodies, Opt-In Organisations, the National Offender Management Service and other national and local partners (who will have a key role to play in contributing to its implementation). All projects will be required to comply with the publicity requirements of EU regulations. Examples of activities to reach a wide range of target audiences at national and local level and that could be supported by ESF Technical Assistance include:

- developing and maintaining a website portal or bespoke/enhanced website content to help publicise the activities, achievements and impact from the ESF funding stream;
- developing effective channels for communication and publicity, such as

- booklets, marketing material, bespoke newsletters, films, media content and social media feeds, to be used to target and engage a range of audiences;
- guidance and pro-active monitoring to ensure all projects adhere to the publicity requirements;
 - promotional events and activities to launch the programme, publicise calls for proposals, recognise programme milestones, showcase ESF activities and achievements at different levels of delivery, and disseminate best practice;
 - supporting partners in communicating programme and project activities in their own and across other areas;
 - promoting cooperation, networking and exchange of best practice which could include sharing of best practice between Local Enterprise Partnership areas as well as other European Union funding programmes.

The above activities may potentially be aligned with similar activities being funded through ERDF Technical Assistance.

Preparation for the 2021-2027 Programming Period

To develop a robust Programme compliant with EU regulations, technical assistance will be used specifically but not exclusively to support the following types of activities:

- Support for the completion of the ex-ante evaluation, alongside the development, preparation and negotiation of Operational Programme(s);
- The review of current IT provision;
- Research and evaluation to strengthen the evidence base and rationale of future ESI Fund priorities and analyse options, as well as the business processes and management arrangements required to administer the Programme(s);
- Administrative support to develop 2021-2027 Programme development as appropriate.

Table 13: Output indicators (by priority axis for ERDF/ESF/Cohesion Fund)

Priority axis: 3 - Technical Assistance						
2.B.6.2 Output indicators expected to contribute to results (by priority axis)						
Table 13: Output indicators (by priority axis)(for ERDF/ESF/Cohesion Fund)						
ID	Indicator	Measurement Unit	Target Value (2023)	Men target value (2023)	Women target value (2023)	Source of data
TAO1	Number of training events held by the Managing Authority	Number	50			Managing Authority
TAO2	Number of PMC, sub-committee and local ESIF committee meetings supported	Number	2,000.00			Managing Authority
TAO3	Number of evaluations completed	Number	5			Managing Authority
TAO4	Number of employees (FTEs) whose salaries are co-financed by TA	Number				Managing Authority

Table 14: Dimension 1 - Intervention field

Fund	Category of region	Code	€ amount
ESF	Less developed	121.Preparation, implementation, monitoring and inspection	5,541,137.00
ESF	Transition	121.Preparation, implementation, monitoring and inspection	24,404,669.00
ESF	More developed	121.Preparation, implementation, monitoring and inspection	75,939,219.00
ESF	Less developed	122.Evaluation and studies	692,642.00
ESF	Transition	122.Evaluation and studies	3,050,584.00
ESF	More developed	122.Evaluation and studies	9,492,402.00
ESF	Less developed	123.Information and communication	692,642.00
ESF	Transition	123.Information and communication	3,050,584.00
ESF	More developed	123.Information and communication	9,492,402.00

Table 15: Dimension 2 - Form of finance

Fund	Category of region	Code	€ amount
ESF	Less developed	01.Non-repayable grant	6,926,421.00
ESF	Transition	01.Non-repayable grant	30,505,837.00
ESF	More developed	01.Non-repayable grant	94,924,023.00

Table 16: Dimension 3 - Territory type

Fund	Category of region	Code	€ amount
ESF	Less developed	07.Not applicable	6,926,421.00
ESF	Transition	07.Not applicable	30,505,837.00
ESF	More developed	07.Not applicable	94,924,023.00

SECTION 3: FINANCING PLAN

3.1 Financial appropriation from each fund and amounts for performance reserve

Table 17 – Part 1

Table 17									
Fund	Category of region	2014 Main Allocation	2014 Performance Reserve	2015 Main Allocation	2015 Performance Reserve	2016 Main Allocation	2016 Performance Reserve	2017 Main Allocation	2017 Performance Reserve
ESF	Less developed	0.00	0.00	44,225,485.00	2,822,903.00	22,778,914.00	1,453,973.00	23,234,820.00	1,483,074.00
ESF	Transition	0.00	0.00	198,068,875.00	9,144,971.00	100,324,509.00	6,403,692.00	102,332,441.00	6,531,858.00
ESF	More developed	0.00	0.00	612,393,167.00	32,387,387.00	312,176,498.00	19,926,159.00	318,424,512.00	20,324,969.00
Total ESF		0.00	0.00	854,687,527.00	44,355,261.00	435,279,921.00	27,783,824.00	443,991,773.00	28,339,901.00
YEI		0.00	0	159,788,424.00	0	0	0	0	0
Total		0.00	0.00	1,014,475,951.00	44,355,261.00	435,279,921.00	27,783,824.00	443,991,773.00	28,339,901.00

Table 17 – Part 2

Table 17									
Fund	Category of region	2018 Main Allocation	2018 Performance Reserve	2019 Main Allocation	2019 Performance Reserve	2020 Main Allocation	2020 Performance Reserve	TOTAL Main Allocation	TOTAL Performance Reserve
ESF	Less developed	23,699,801.00	1,512,753.00	24,174,086.00	1,543,027.00	24,657,811.00	1,573,903.00	162,770,917.00	10,389,633.00
ESF	Transition	104,380,344.00	6,662,575.00	106,469,223.00	6,795,908.00	108,599,672.00	6,931,894.00	720,175,064.00	42,470,898.00
ESF	More developed	324,796,905.00	20,731,717.00	331,296,804.00	21,146,605.00	337,926,053.00	21,569,748.00	2,237,013,939.00	136,086,585.00
Total ESF		452,877,050.00	28,907,045.00	461,940,113.00	29,485,540.00	471,183,536.00	30,075,545.00	3,119,959,920.00	188,947,116.00
YEI		0	0	0	0	0	0	159,788,424.00	0
Total		452,877,050.00	28,907,045.00	461,940,113.00	29,485,540.00	471,183,536.00	30,075,545.00	3,279,748,344.00	188,947,116.00

3.2 Total financial appropriation by fund and national co-financing (€)

Table 18a: Financing Plan

Priority Axis	Fund	Category of region	Basis for calculation of union support	Union support (a)	National counterpart (b) = (c) + (d)	National public funding (c)	National private funding (d)	Total funding (e) = (a) + (b) or (a) + (c)	Co-financing rate (f) = (a) / (e)	EIB contributions	Main union support (h) = (a) - (j)	Main National Counterpart (i) = (b) - (k)	Performance reserve Union support (j)	Performance Reserve National Counterpart (k) = (b) * ((j) / (a))	Performance Reserve Amount as proportion of Total Union Support (l) = ((j) / (a)) * 100
1	ESF	Less developed	Total	116,494,783	29,123,696	27,923,696	1,200,000	145,618,479	80%		109,213,859	27,303,465	7,280,924	1,820,231	6.25%
1	ESF	Transition	Total	362,866,603	241,911,068	236,327,068	5,584,000	604,777,671	60%		340,114,050	226,742,699	22,752,553	15,168,369	6.27%
1	ESF	More developed	Total	1,232,265,034	1,232,265,034	1,218,329,034	13,936,000	2,464,530,068	50%		1,155,099,637	1,155,099,637	77,165,397	77,165,397	6.26%
1	YEI		Total	319,576,848	141,522,538	135,414,163	6,108,375	461,099,386	69%		319,576,848	141,522,538			
2	ESF	Less developed	Total	49,739,346	12,434,837	11,945,277	489,560	62,174,183	80%		46,630,637	11,657,660	3,108,709	777,177	6.25%
2	ESF	Transition	Total	314,475,865	209,650,576	195,371,904	14,278,672	524,126,441	60%		294,757,520	196,505,013	19,718,345	13,145,563	6.27%
2	ESF	More developed	Total	940,920,700	940,920,700	887,512,530	53,408,170	1,881,841,400	50%		881,999,512	881,999,512	58,921,188	58,921,188	6.26%
3	ESF	Less developed	Total	6,926,421	1,731,606	1,731,606	0	8,658,027	80%		6,926,421	1,731,606			
3	ESF	Transition	Total	30,505,837	20,337,225	20,337,225	0	50,843,062	60%		30,505,837	20,337,225			
3	ESF	More developed	Total	94,924,023	94,924,023	94,924,023	0	189,848,046	50%		94,924,023	94,924,023			
Total	ESF	Less developed		173,160,550	43,290,139	41,600,579	1,689,560	216,450,689	80%		162,770,917	40,692,731	10,389,633	2,597,408	6.00%
Total	ESF	Transition		707,848,305	471,898,869	452,036,197	19,862,672	1,179,747,174	60%		665,377,407	443,584,937	42,470,898	28,313,932	6.00%
Total	ESF	More developed		2,268,109,757	2,268,109,757	2,200,765,587	67,344,170	4,536,219,514	50%		2,132,023,172	2,132,023,172	136,086,585	136,086,585	6.00%
Total	YEI			319,576,848	141,522,538	135,414,163	6,108,375	461,099,386	69%		319,576,848	141,522,538	0		
Grand total				3,468,695,460	2,924,821,303	2,829,816,526	95,004,777	6,393,516,763	54%	0	3,279,748,344	2,757,823,378	188,947,116	166,997,925	

Table 18b: Youth Employment Initiative - ESF and YEI specific allocations (where appropriate)

Priority axis	Fund	Category of region	Basis for calculation of union support	Union support (a)	National counterpart (b) = (c) + (d)	National public funding (c)	National private funding (d)	Total funding (e) = (a) + (b) or (a) + (c)	Co-financing rate (f) = (a) / (e)
1	ESF	Less developed	Total	0	0	0	0	0	0.00%
1	ESF	Transition	Total	54,797,657.00	36,531,771.00	32,925,095.00	3,606,676.00	91,329,428.00	60.00%
1	ESF	More developed	Total	104,990,767.00	104,990,767.00	102,489,068.00	2,501,699.00	209,981,534.00	50.00%
1	YEI		Total	159,788,424.00				159,788,424.00	100.00%
1	Total			319,576,848.00	141,522,538.00	135,414,163.00	6,108,375.00	461,099,386.00	69.31%
Total				319,576,848.00	141,522,538.00	135,414,163.00	6,108,375.00	461,099,386.00	69.31%

Ratio	%
Ratio of ESF for less developed regions	0.00%
Ratio of ESF for transition regions	34.29%
Ratio of ESF for more developed regions	65.71%

Table 18c: Breakdown of the financial plan by priority axis, fund, category of region and thematic objective

Priority axis	Fund	Category of region	Thematic objective	Union support	National counterpart	Total
1	ESF	Less developed	Promoting sustainable and quality employment and supporting labour mobility	49,739,345.00	12,434,836.00	62,174,181.00
1	ESF	Less developed	Promoting social inclusion, combating poverty and any discrimination	66,755,438.00	16,688,860.00	83,444,298.00
1	ESF	Transition	Promoting sustainable and quality employment and supporting labour mobility	207,838,316.00	138,558,877.00	346,397,193.00
1	ESF	Transition	Promoting social inclusion, combating poverty and any discrimination	155,028,287.00	103,352,191.00	258,380,478.00
1	ESF	More developed	Promoting sustainable and quality employment and supporting labour mobility	750,659,023.00	750,659,023.00	1,501,318,046.00
1	ESF	More developed	Promoting social inclusion, combating poverty and any discrimination	481,606,011.00	481,606,011.00	963,212,022.00
Total				1,711,626,420.00	1,503,299,798.00	3,214,926,218.00

Table 19: The indicative amount of support to be used for climate change objectives

Priority Axis	Indicative amount of support to be used for climate change objectives (€)	Proportion of the total allocation to the operational programme (%)
1	1,167,951.00	0.03%
2	7,123,733.00	0.21%
Total	8,291,684.00	0.24%

SECTION 4: INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

As described in the UK Partnership Agreement, the Government's localism agenda encourages communities to take control of their own issues and shape their own solutions. In relation to the wider economic growth agenda the Government is further committed to ensuring that local partners are at the centre of efforts to drive forward economic growth in England.

This is evidenced by the central role that local partners and LEPs will play in shaping and then supporting the delivery of the European Structural and Investment Fund (ESIF) Growth Programme Strategies in the period 2014-2020. LEP territories have been established to reflect actual economic footprints and the economic assets of areas, driven by enterprise, employment, education, civic and civil society and environmental and social partners. For these areas to function optimally, the ESF and ERDF Operational Programmes each have a territorially flexible investment approach, which focus on responding to needs and are unfettered by artificial boundaries.

The Europe 2020 strategy's pursuit of smart, sustainable and inclusive growth also provides a clear framework within which the Growth Programme will seek to align the ESI Funds in order to strengthen economic, social and territorial cohesion. Moreover, in the context of a national approach the England ESF Operational Programme will contribute towards the objective of strengthening economic and social cohesion through the following complementary place based initiatives:

- the lead role that LEPs and wider local partnerships have in developing integrated and coherent territorial strategies at local level through local ESIF strategies;
- the use of the Community-Led Local Development (CLLD) instrument within ESF and ERDF programmes in a way that complements and does not duplicate actions covered by LEADER funded Local Action Groups (LAGs) and European Maritime and Fisheries Fund LAGs (FLAGs); and provides an opportunity for a greater local level determination of issues and solutions that leads to outputs and results that would not otherwise be realised;
- an Integrated Territorial Investment in Cornwall and the Isles of Scilly.

Co-ordinated territorial investments through a range of different funding sources are shown to have a genuine impact. New territorial based partnerships such as CLLD LAGs are described in the UK Partnership Agreement. These locally integrated partnership approaches will have potential to generate innovative solutions, for instance in deprived areas and for marginalised groups. Very locally, CLLD will promote partnerships of public, private and civil society sectors in LAGs in communities of shared interest who will design and drive spatially specific development.

4.1 Community-led local development

The Government's Plan for Growth and localism agenda encourage communities in England to take, own and design solutions to local issues.

In line with EU Guidance to Managing Authorities and stakeholders, all CLLD activity will be financed within thematic objective 9 (social inclusion); but can also support relevant activities that fall within the scope of objectives 8 (employment) and 10 (skills), as long as justified in the context of the ESF Operational Programme and local level ESIF plans.

All activities must be justified in the context of the ESF Operational Programme in pursuit of coherent, social, economic and sustainable growth, and add value to mainstream and ESF activity being delivered locally.

Co-ordination of and assessment and administrative set up for CLLD

Within the ESF Operational Programme the main focus of CLLD will be on delivering additional, localised support to people in particularly deprived areas, so that they move towards or into employment.

CLLD will focus on the specific needs and opportunities of a particular area, typically much smaller than that of the average Local Enterprise Partnership territory and be based on communities with a population size of between 10,000 and 150,000.

In Transition and More Developed areas CLLD will prioritise deprived communities in primarily urban areas identified by reference to 20% most deprived LSOA[1] areas in the Index of Multiple Deprivation (IMD). Areas outside the 20% IMD most deprived areas will be considered at the margin for inclusion into the eligible CLLD area only if they are adjacent and if their incorporation links areas of need to opportunity or makes the area covered by the local development strategy more coherent in terms of presenting a functional economic geography.

In Cornwall and Isles of Scilly the use of IMD will be modulated to reflect the specific challenges faced as a less developed region. This will result in 70% of CLLD resource being focused upon areas identified with reference to the 30% IMD most deprived areas, the remaining 30% of resource will target areas adjacent to the IMD 30% areas for the purposes of linking need to opportunity or presenting a more coherent functional economic geography.

CLLD will be based on a partnership of public, private and civil society sectors coming together to form a Local Action Group (LAG) that will develop and drive the delivery of a CLLD strategy with a minimum threshold of at least €3m public sector contribution to ensure critical mass. The LAG is an essential feature of CLLD and its responsibilities are set out in European Commission regulation 1303/2013 – Article 34.

Circumstances in which a community driven ESF CLLD approach might apply include:

- tackling multiple deprivation and specific work-related barriers faced by those furthest from the labour market;
- reducing employment barriers linked to social and economic isolation, for example by addressing health, debt and money management issues and increasing access to information and advice sources;
- facilitating community participation and engagement and support to address specific issues within local economies – such as low level skills.

More detailed examples of types of ESF CLLD activity that can be supported are set out within Section 2 (Priority Axis 1 - Investment Priority 1.5 – Community-Led Local Development).

The Government is seeking an integrated, multi-fund approach at local level using ESF and ERDF), to be taken forward by LAGs. In a multi-fund LAG, in line with EU guidance to the MA and where justified, Government will support the identification of a lead ESI fund arrangement for the management and administration costs of a CLLD strategy. This will be up to 25% of total investment identified by the LAG for CLLD.

Guiding principles for the Selection of Operations

The guiding principles for the Selection of CLLD Operations are set out in Chapter 2 - Investment Priority 1.5 – Community-Led Local Development.

These will underpin the approach taken by the Managing Authority to assess outline applications for support on a competitive basis and to identify those areas that will then be selected to develop and submit full CLLD strategies and to progress to constitute Local Actions Groups in line with the provisions set out in Articles 33 and 34 of European Union Regulation No 1303/2013.

For the Multi-fund CLLD strategies, the Managing Authorities for ESF and ERDF will work collaboratively to call for and appraise proposals for integrated CLLD strategies.

ESF CLLD activity will complement but not displace LEADER and FLAG actions across all categories of region.

4.2 Sustainable urban development

In England, the Government is giving England's cities new powers and freedoms through City Deals. These are agreements between government and a city that give the city control to take charge and responsibility of decisions that affect its area.

Building on this devolution of responsibility, England's cities are playing a leading role within LEP areas in the development of European Structural and Investment Funds strategies. These strategies include many examples of integrated investments in city regions.

Sustainable urban development will be financed through the ERDF. It will be possible to align the ESF with ERDF support for sustainable urban development where there is a clear need and intervention logic at local level. Where appropriate, and with agreement of the Managing Authority, mainstream ESF may complement and be aligned with SUD proposals contained within ERDF OP.

Table 20: Integrated actions for sustainable urban development – indicative amounts of ERDF and ESF support

N/A

4.3 Integrated territorial development (ITI)

Cornwall and the Isles of Scilly (C&IoS), as the only Less Developed region in England, will benefit from an Integrated Territorial Investment (ITI) to ensure the implementation and delivery of a targeted programme of investment for the territory. C&IoS is a territory which is principally thinly populated but also has some areas of intermediate density. It has a long coastline. This is the only ITI we have planned.

The C&IoS ITI will combine ERDF and ESF in an integrated strategy. It will address the multi-dimensional and interconnected nature of development needs in the Less Developed territory. The ITI will align with EAFRD and EMFF to reflect the rural and coastal features of the territory. Similarly, domestic policy and financial resources which reflect and match fund ESI Funds priorities will also be set out and planned for in the C&IoS ITI. Implementation of ITI will be overseen by a Cornwall and Isles of Scilly ITI Board. The role will reflect the roles of the Local ESIF Committees described in section 7.2.

Table 21: Indicative financial allocation to ITI other than those mentioned under point 4.2 (aggregate amount)

Priority axis	Fund	Indicative financial allocation (Union support) (€)
1. Inclusive Labour Markets	ESF	116,494,783.00
2. Skills for Growth	ESF	49,739,346.00
3. Technical Assistance	ESF	2,000,000.00
TOTAL		168,234,129.00

4.4 The arrangements for inter-regional and transnational actions, within the OP, with beneficiaries located in at least one other Member State

The Operational Programme will support transnational co-operation with the aim of promoting mutual learning and thereby increasing the effectiveness of policies supported by the ESF. Transnational co-operation activities will involve partners from at least one other Member State as well as the UK. Transnational co-operation may be implemented within priority axis 1 or 2; there will not be a specific priority axis dedicated solely to transnational co-operation.

In principle, transnational co-operation may be part of any operation within Priorities 1 or 2, subject to the agreement of the Managing Authority. The Managing Authority will decide whether to participate in co-ordinated or joint action at EU-level including the common implementation framework. If it does take part in the common framework, it will consult the relevant sub-committee of the Programme Monitoring Committee on the themes in which the programme will participate.

4.5 The contribution of the planned actions under the programme to macro-regional and sea-basin strategies, subject to the needs of the programme area as identified by the Member State

Not applicable.

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SECTION 5: SPECIFIC NEEDS OF GEOGRAPHICAL AREAS MOST AFFECTED BY POVERTY OR TARGET GROUPS AT HIGHEST RISK OF DISCRIMINATION OR SOCIAL EXCLUSION

ESF in England, particularly in Priority Axis 1, will focus on target groups at highest risk of discrimination or social exclusion. Section 1 shows that these groups are not confined to discrete geographical areas – they can be found in urban and rural locations and in different LEP areas across the country.

5.1 Geographical areas most affected by poverty or target groups at highest risk of discrimination or social exclusion

The target groups who are at highest risk of discrimination or social exclusion include:

- People in households where no one works. Workless households are more likely to be in poverty and dependent on benefit;
- Long-term unemployed people;
- Young people not in education, employment or training (NEET) or at risk of becoming NEET. 3.2% of 16 year olds are NEET, 4.9% of 17 year olds, 14.2% of 18 year olds and 17.2% of those aged 19-24. Young people who are particularly likely to be marginalised including care leavers, offenders and those learning difficulties or disabilities;
- Disabled people. They are more than twice as likely not to hold any formal qualifications as are non-disabled people. Around half of disabled people of working age are not in employment;
- Certain ethnic minority groups. People of Pakistani and Bangladeshi ethnic origin have the lowest employment rates;
- Offenders and ex-offenders. Almost half of prisoners have no qualifications and 13% have never had a job;
- Older people aged 50 and above who are unemployed or inactive and need to update their skills to re-engage in the labour market;
- People with multiple disadvantages. About 11% of adults in England experience, at any one time, three or more of six areas of disadvantage (education, health, employment, income, social support, housing and local environment).

There are people in these groups across the whole of England. The highest concentrations are urban areas in the north and midlands of England and in inner London.

5.2 Strategy to address the specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or social exclusion, and where relevant, the contribution to the integrated approach to poverty set out in the Partnership Agreement

The programme will aim to tackle the root causes of poverty and barriers that prevent these groups from entering the labour market and accessing employment opportunities. This will include integrated packages of support tailored to the needs of disadvantaged people in local areas. Each person needs to be treated as an individual who may face a number of disadvantages or barriers. There is no single model for helping all people who face a particular disadvantage. The most effective interventions will often be designed at a local level.

Integrated approaches will be able to include: early intervention to tackle problems before they become entrenched; thorough needs assessment so that effective tailored support can be offered; outreach activities; employability support and skills training; and community-based provision. They will tackle a range of issues and barriers including: caring responsibilities; debt; digital exclusion; drug and alcohol dependency; poor basic skills (including life skills); lack of motivation and confidence; family, parenting and relationship problems; health and well-being problems; homelessness; learning difficulties and disabilities; offending; and access to transport (a key issue in rural areas). Activities should involve close coordination between local services and align with or enhance with other national or local provision.

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Table 22: Actions to address the specific needs of geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	INVESTMENT PRIORITY	Fund	Category of region
Disabled people	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i. Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Less developed
Disabled people	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i. Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Transition
Disabled people	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i. Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	More developed
Disabled people.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i. Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Less developed
Disabled people.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i. Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Transition
Disabled people.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i. Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	More developed
Ethnic minority groups.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i. Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Less developed
Ethnic minority groups.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i. Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Transition
Ethnic minority groups.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i. Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	More developed

Ethnic minority groups.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Less developed
Ethnic minority groups.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Transition
Ethnic minority groups.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	More developed
Long-term unemployed people.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Less developed
Long-term unemployed people.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Transition
Long-term unemployed people.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	More developed
Long-term unemployed people.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Transition
Long-term unemployed people.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	More developed
Long-term unemployed people.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Less developed
Offenders and ex-offenders.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Less developed
Offenders and ex-offenders.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Transition

Offenders and ex-offenders.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	More developed
People in households where no one works.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Less developed
People in households where no one works.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Transition
People in households where no one works.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	More developed
People in households where no one works.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Less developed
People in households where no one works.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Transition
People in households where no one works.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	More developed
People over 50	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Less developed
People over 50	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	Transition
People over 50	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8i.Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	ESF	More developed
People over 50	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Less developed

People over 50	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Transition
People over 50	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	More developed
People with multiple disadvantages	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Less developed
People with multiple disadvantages	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	Transition
People with multiple disadvantages	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	9i.Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	ESF	More developed
Young people not in education, employment or training (NEET) or at risk of becoming NEET.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8ii.Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee	ESF	Less developed
Young people not in education, employment or training (NEET) or at risk of becoming NEET.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8ii.Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee	ESF	Transition
Young people not in education, employment or training (NEET) or at risk of becoming NEET.	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8ii.Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee	ESF	More developed
Young people not in education, employment or training (NEET)	Employment, skills and social inclusion actions.	1 - Inclusive Labour Markets	8ii.Sustainable integration into the labour market of young people (YEI), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee	YEI	

Disabled people.	Employment, skills and social inclusion actions.	2 - Skills for Growth	10iii.Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	ESF	Less developed
Disabled people.	Employment, skills and social inclusion actions.	2 - Skills for Growth	10iii.Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	ESF	Transition
Disabled people.	Employment, skills and social inclusion actions.	2 - Skills for Growth	10iii.Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	ESF	More developed
Ethnic minority groups.	Employment, skills and social inclusion actions.	2 - Skills for Growth	10iii.Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	ESF	Less developed
Ethnic minority groups.	Employment, skills and social inclusion actions.	2 - Skills for Growth	10iii.Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	ESF	Transition
Ethnic minority groups.	Employment, skills and social inclusion actions.	2 - Skills for Growth	10iii.Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	ESF	More developed
People over 50	Employment, skills and social inclusion actions.	2 - Skills for Growth	10iii.Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and	ESF	Less developed

			validation of acquired competences		
People over 50	Employment, skills and social inclusion actions.	2 - Skills for Growth	10iii.Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	ESF	Transition
People over 50	Employment, skills and social inclusion actions.	2 - Skills for Growth	10iii.Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	ESF	More developed

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SECTION 6. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS WHICH SUFFER FROM SEVERE AND PERMANENT NATURAL OR DEMOGRAPHIC HANDICAPS (WHERE APPROPRIATE)

England has no special territorial features as defined in Article 174 of the Treaty.

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SECTION 7: AUTHORITIES AND BODIES RESPONSIBLE FOR MANAGEMENT, CONTROL AND AUDIT AND THE ROLE OF RELEVANT PARTNERS.

7.1 Relevant authorities and bodies

Table 23: Relevant authorities and bodies

Authority	Name of the authority	Head of the authority	Address	Email
Managing authority	Department for Work and Pensions	Angus Gray, Head of European Social Fund Division	Rockingham House, 123 West Street, Sheffield S1 4ER	angus.gray@dwp.gsi.gov.uk
Certifying authority	Department for Work and Pensions	Jon Trott, Head of Certifying Authority, ESFD, Department for Work and Pensions	Rockingham House, 123 West Street, Sheffield S1 4ER	jon.trott@dwp.gsi.gov.uk
Audit authority	Cross Departmental Internal Audit Service (XDIAS), jointly hosted by DCLG, BIS, DfE, DfT and HMT.	Mike Reed, Deputy Director of Cross Departmental Internal Audit Service (XDIAS), jointly hosted by DCLG, BIS, DfE, DfT and HMT		mike.reed@communities.gsi.gov.uk
Body to which Commission will make payments	Department for Work and Pensions	Angus Gray, Head of European Social Fund Division		angus.gray@dwp.gsi.gov.uk

7.2 Involvement of relevant partners

7.2.1 Actions taken to involve the relevant partners in the preparation of the operational programme, and the role of those partners in the implementation, monitoring and evaluation of the operational programme

The Government engaged extensively with partners at national and local level during the development of the England European Structural and Investment (ESI) Funds Growth Programme that includes the ESF OP.

This process started in April 2012 with the publication of an informal consultation on design principles for the ESF OP alongside the other ESI Funds in England. A series of meetings then took place to consider ESI Funds Growth programme options and agree a final model.

This was tested through a series of road shows with a number of established contacts and in consultation with the Department of Communities and Local Government, and Local Enterprise Partnerships (LEPs). A wide range of internal and external stakeholders, including all members of the 2007 to 2013 ESF PMC, were invited to participate. Involvement was also sought from appropriate representatives of organisations with relevant knowledge and expertise on: the target groups, social inclusion, education and training as well as on equality issues and the other horizontal themes, and from representatives of economic and social partners such as the CBI and the TUC.

These roadshows provided opportunity for Government officials to talk with local partners about the outline content of the ESF OP as part of a proposal for an ESI Funds Growth Programme. The ESI Funds Growth Programme encompasses ERDF and ESF and part of the European Agricultural Fund for Regional Development in a delivery model organised around Local Enterprise Partnership territories across the country. Discussions and

informal meetings continued throughout 2013 as the model was further tested and discussed with the European Commission.

In 2013 Government issued outline and supplementary guidance to partners in line with the Code of Conduct on Partnership, the draft UK Partnership Agreement and draft EU regulations as they then stood. The guidance commissioned further local evidence in each LEP territory that provided important complementary data within an EU and national strategic framework.

The guidance made it clear that LEPs should consult with as wide a range of stakeholders as possible, particularly providers with specialised knowledge of working with groups that experienced disadvantage in the labour market such as ethnic minorities, disabled people, young people NEET, women and people with low skills. The LEPS are comprised of representatives of local and regional authorities as well as representatives of business and civil society organisations based within the LEP area.

Government worked with partners to hold extensive consultations in each Local Enterprise Partnership territory as plans were developed. This included Cornwall and the Isles of Scilly, the focus of an integrated territorial investment. Partners from the business, education, voluntary and environmental sectors were engaged in a wide variety of local meetings, workshops and via published and online media. This process and resulting data provided important complementary information and analysis that has ensured a strong territorial dimension within a national Operational Programme.

In addition to the consultations and roadshows the MA set up the Operational Programme Working Group to assist in developing the 2014 – 2020 Operational Programme. The membership of the group was drawn from both public and private sector as well as civil society, trade union, CBI and LEPs. The group met twice over a twelve month period and provided valuable input which informed the OP development.

The official consultation on the ESF OP was launched on Monday 14 April 2014 and stakeholders and partners were notified. The consultation documents were made available for online viewing on GOV.UK together with a series of questions to guide partner responses. The consultation ran for four weeks closing on Friday 9 May 2014. To support the consultation, two partner events were held in London at the end of March 2014 where detailed discussions on key themes and areas contained within the Operational Programme took place. Feedback from these discussions was used to further refine the OP. Key themes included: match funding, support for higher level skills, the role of LEPs in the ESF governance structure, the business process and the Youth Employment Initiative. There were 49 responses to the consultation, including 12 from local authorities 11 from LEPs as well as organisations representing groups affected by poverty and social exclusion.

The OP was drafted to enable support for a broad range of disadvantaged groups, and activities will be decided according to local needs. There was broad support for the draft OP and several respondents' comments were reflected in the revised OP. Where comments were not taken forward this was because they sought to target very specific target groups, or because they sought greater flexibilities than the ESF regulations permitted, including activities which would duplicate other public funding.

There were a few requests for greater clarity which we have responded to in the revised draft; and a few requests for additional detail which we concluded was not appropriate for the OP.

We have produced an extensive equality survey alongside the OP and received a positive opinion on it from the Equality and Human Rights Commission. This work helped plug a gap in our earlier development work, which was commented on by the ex-ante evaluator.

Partnership working

Subject to the formal designation procedure set out in the Common Provisions Regulation and EAFRD Regulations, Government Departments will act as MAs.

A national ESI Funds Programme Monitoring Committee (PMC) has been set up in shadow form. This will be formalised once the OP's for which it is responsible have been adopted. It will be the PMC for the Operational Programmes for the ERDF and the ESF in England and be known as the ESI Funds Growth Programme Board (GPB). Agendas will be structured so that sufficient time is allocated to discuss ESF items. The EAFRD PMC will be the PMC for EAFRD funds within the European Growth Programme. Defra, as EAFRD Managing Authority, will be represented both on the national PMC for ERDF and ESF.

The GPB will be chaired by a representative of the Managing Authorities and the secretariat will also be provided by the Managing Authorities. Membership will be drawn from representatives of a wide range of national and local partners across the public, private, business, social, voluntary and environmental sectors, in line with the requirements in the Code of Conduct on Partnership. It will ensure an appropriate balance between different sectors, taking into account the nature of the funds. Appropriate organisations representing equalities issues and civil society organisations with an equality remit will be identified and actively involved as members of the PMC and its national sub-committees.

Managing Authorities are responsible for ensuring that the programmes are delivered in line with applicable law and represent good value for money, and they are ultimately accountable to the European Commission. The MA's will manage the Operational Programmes in accordance with the principle of sound financial management.

The GPB will be supported by a number of sub-committees advising it on relevant policy and operational matters. These sub-committees, which will provide supporting advice in specific policy areas such as innovation, skills and aspects of implementation, will bring in leading experts from their fields and provide an important resource for the GPB and ESI Funds Growth Programme. All sub-committees will report to the GPB, to ensure transparency of proceedings. The GPB will not delegate decisions to these national sub-committees though their advice will be important in informing the GPB's perspective, advice and decisions.

The Common Provisions Regulation foresees that partners will be involved in the preparation of progress reports and throughout the preparation and implementation of programmes, including participation in the PMC and its governance structures. For the first

time the EU has agreed a protocol for this - the Code of Conduct on Partnership, which sets out the main principles and good practices for the involvement of partners.

Accordingly, the MA's will work in partnership with economic, environmental, equality, social and civil society partners at national, regional and local levels throughout the programme cycle, consisting of preparation, implementation, monitoring and evaluation.

To ensure that the strong territorial basis of EU Cohesion policy is implemented in a way that best capitalises on national arrangements and local strengths, local ESIF Committees have been set up in each LEP Territory. This partnership model will provide an effective territorial balance within a national OP and will ensure that the programme's intervention logic is optimally delivered at national, pan-local and local level.

Local promotion of ESI Funds projects and their impact will be a priority for these local ESIF Committees, as will local leadership of this amongst citizens. This will complement the functions of the MA but not substitute for them. Each local ESIF committee will be therefore chaired by a local partner who, along with other members drawn from business, public, environmental, voluntary and civil society sectors, will be advocates for the opportunities and impact of the ESI Funds. Membership will be inclusive and in line with EU regulations and the wide scope of ESI Funds priorities. The MA will be the Deputy Chair of the local ESIF Committee, except in London.

The role and purpose of these local ESIF Committees will be clearly defined. They will not be responsible for any tasks set out in EU regulations for which MA's are responsible in relation to management of the ESI Funds They will exist to:

- Provide advice to the MA's on local development needs and opportunities to inform Operational Programmes and ESI Funds Strategies
- Work with sectors and organisations they represent so that they engage with and understand the opportunities provided by the ESI Funds to support OP and local economic growth
- Promote active participation amongst local economic, environmental and social partners to help bring forward activities which meet local needs in line with the OP's and local ESI Funds strategies and Implementation plans
- Provide practical advice and information to the MA's to assist in the preparation of local plans that contribute towards OP priorities and targets. Similarly, provide local intelligence to the MA's in the development of project calls decided by the MA's that reflect OP and local development needs as well as match funding opportunities
- Provide advice on local economic growth conditions and opportunities within the context of OP and the local ESI Funds Strategy to aid the Managing Authority's assessment at outline and full application stage
- Contribute advice, local knowledge and understanding to the Managing Authority to aid good delivery against spend, milestones, cross-cutting themes, outputs and results set out in the OP and local ESI Funds strategies.

In this way partners will play the important role foreseen in the Common Provisions Regulation and the main principles and good practices set out in the European Code of Conduct on Partnership. Managing Authorities will ensure that partner roles and responsibilities are clearly set out at all levels and that conflicts of interest are avoided. To ensure that this is compliantly managed, local ESIF Committee members will be required to complete a “declarations of interest” register which will be updated at each meeting. The Managing Authority will be responsible for maintaining and monitoring the register and its application at each meeting.

The role of the local ESIF committees will be to advise the Managing Authorities and help ensure that ESI Funds’ investments are complementary to interventions funded through local public and private sector funding. Partners are close to the practical implementation and understand local economic needs and are therefore very well placed to advise on this complementarity, as well as assisting Managing Authorities to reach the broadest range of stakeholders and informing potential beneficiaries about funding opportunities. The advisory role of local ESIF committees will not interfere in the Managing Authority tasks and functions.

The Greater London Authority (GLA) will be designated as an Intermediate Body for 100% of the ESF in London with a wide range of tasks delegated to it.

Community-Led Local Development (CLLD)

The MA will seek proposals for Local Development Strategies that implement CLLD in conformity with the strategy and selection criteria set out in priority axis 1, Investment Priority 1.5 and section 4.1

The MA will have the following responsibilities:

- Publish a call for Local Development Strategies
- Set up committees to select Local Development Strategies submitted by Local Action Groups with advice from partners as appropriate
- Oversee the implementation of CLLD in each area covered by an approved Local Development Strategy and for England as a whole

The leads partner/agreed body for each Local Action Group will have the following responsibilities which will conform to Article 34 of the Common Provisions Regulation:

- Set up a Local Action Group that represents the community interests of a proposed Local Development Strategy with a minimum 50% non-public body partners and select a lead partner/agreed body
- Prepare and submit a Local Development Strategy to the Managing Authority
- Draw up selection procedures and criteria
- Prepare and publish calls for proposals
- Assess applications which the Local Action Group will consider and select according to those operations that best contribute to the Local Development Strategy and are compliant with EU regulations.

Preparatory support will be made available.

7.2.2 Global Grants

There are no plans to use Global Grants in the ESF Operational Programme.

7.2.3 Earmarking for capacity building

Support for capacity building will come from Technical Assistance. Any requests for Technical Assistance must take the form of concrete proposals which demonstrate a clear contribution to the objectives of the TA priority axes, and are directly linked to the administration and use of the funds.

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SECTION 8. COORDINATION BETWEEN THE FUNDS, THE EAFRD, THE EMFF AND OTHER UNION AND NATIONAL FUNDING INSTRUMENTS, AND WITH THE EIB - ARTICLE 87(6) (A) CPR

Coordination between the European Structural and Investment Funds is an overarching principle of the Growth Programme which will combine the ESF and the European Regional Development Fund (ERDF). It will also include part of the European Agricultural Fund for Rural Development (EAFRD), and will be aligned with the objectives of the European Maritime and Fisheries Fund. Bringing the funds together in this way will allow much greater flexibility in the way money is spent.

Closer alignment will be achieved in three main ways:

- Integrated strategies. The strategies which have been produced at LEP level have been built on an integrated view of the needs of the local area, which have then informed the priorities of how the funds should be used at local level. This means that the funds will be used in a complementary way to drive local growth;
- Integrated oversight. At national and local levels single committees will oversee the implementation of the funds, and will be supported by Managing Authority teams working closely together;
- Integrated business processes. We have designed business processes which apply across ESF and ERDF, which will make it easier for any project which needs to apply for money from both funds.

ESF will be able to provide support for skills and jobs which help to directly complement ERDF, EMFF (and some) EAFRD activities such as:

- skills and jobs in low carbon sectors;
- skills for workers in the renewable energy sectors;
- skills and jobs for retro-fitting and low carbon heating;
- skills and jobs related to flood prevention / climate change mitigation including property level protection and land drainage;
- support for skills related to brown-field sites including decontamination; and recycling training programmes, including re-use and maintenance;
- skills and jobs in the fishing industry.

There is also scope to coordinate between the European Structural and Investment Funds and the EU's other sources of funding for research, development and innovation (ERASMUS for All, EURES, the Programme for Employment and Social Innovation, Horizon 2020 and the Marie Skłodowska-Curie Co-Fund). The general approach to coordination is set out in the Partnership Agreement.

ERASMUS for ALL

Within the Growth Programme, LEPs and partners have identified that ERASMUS for All has the potential to complement the skills thematic objective by supporting the development of STEM (science, technology, engineering and maths) skills identified by

employers as crucial for future prosperity. Other activities identified include: developing projects to support staff mobility across all sectors of lifelong learning; tapping into the programme's knowledge alliances between higher education institutions and employers; sector skills alliances to promote creativity, innovation and entrepreneurship; mobility for students; youth exchanges and youth volunteering.

To complement the employment thematic objective, LEPs and partners have identified how ERASMUS for All can improve employability through improving the links between education and training providers and businesses, and improving the skills and employment prospects for young people and the long term unemployed.

The ERASMUS for All knowledge alliance initiative is an area which could be explored to see if there is potential to make effective linkages to social inclusion activities to add value and greater impact.

EURES

Within the Growth Programme, some LEP areas plan to utilise the EURES job matching initiative to complement activities around advice and guidance towards employment and skills. In addition, EURES has been identified as a programme to support initiatives and projects to assist activities to promote the mobility of workers.

Programme for Employment and Social Innovation

LEP areas have identified the potential for complementarity in areas such as skills and employment for young people, improving working conditions, addressing gender/age imbalances and tackling barriers faced by vulnerable people. It is possible that local partners may wish to use ESF to test new approaches to employment and social inclusion developed through the Programme for Employment and Social Change, and to disseminate good practice.

Horizon 2020 and - Marie Skłodowska-Curie Co Fund

A practical and targeted approach will be taken to identify links and coordinate activities between Horizon 2020 and other EU programmes over the course of the programme period. LEPs and partners, such as universities and other research centres, will be asked to work with the Managing Authority to identify appropriate opportunities to develop synergies within their implementation plans, ensuring they are fully compliant with both sets of regulations. The scope of these opportunities will vary across the programme area, and the number and range of the proportionate to the potential scale of alignment. The Managing Authority and partners, such as academic and research institutions, will also work together to identify and encourage appropriate projects that support our ESF objectives and could benefit from assistance from the Marie Skłodowska-Curie Co-Fund.

Asylum, Migration and Integration Fund

The ESF Managing Authority will continue to work closely with the Managing Authority for the UK National programme for the Asylum, Migration and Integration Fund (AMIF) to ensure that the two programmes complement each other. In particular, ESF will fund support which has a very specific job / vocational focus (including vocationally-focused ESOL). The ESF support will, as far as possible, aim to build on the more general support activities funded under the AMIF programme. (AMIF will fund language, basic life skills,

civic orientation, and other support to help individuals gain access to ESF / vocational support).

To -reduce any risk of double-funding from EU sources, AMIF supported projects will be asked to sign an undertaking that they will not utilise funding from any other EU source as co-financing for an AMIF project. In order to further support complementarity, the two Managing Authorities will also explore ways of developing a more joined up approach to future, for example, by exploring ways of linking the Strategic Migration Partnerships and Local Enterprise Partnerships.

National Funds

National Government-funded programmes have historically been a key source of match funding for, and draw down of, significant EU funds. The programme will retain the delivery of ESF through Co-financing which was introduced in 2000-2006 and further developed in the 2007-2013 programme. Co-financing has enabled public bodies such as the Skills Funding Agency, Department for Work and Pensions and National Offender Management Service to manage ESF and national funding together.

Co-financing has proved an effective means of delivering ESF investment, and the programme intends to build on this success by allowing local partners to 'opt-in' to Co-financing in 2014-2020. This will allow LEPs and local partners to access match funding and administrative support from key national delivery organisations while retaining influence and strategic control of how services funded by European funds are delivered locally. The model provides a mechanism for national bodies to deliver policy priorities that are part-funded by the European Structural and Investment Funds and which are tailored to local conditions.

The National Offender Management Service will continue as a Co-financing Organisation and because of the complex nature of its client group, will receive a national allocation from the ESF.

SECTION 9: EX-ANTE CONDITIONALITIES

These are technical tables for the Commission and are therefore not included here.

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SECTION 10: REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES

This section outlines the action that is being taken to reduce the administrative burden on beneficiary organisations.

The key focus of the approach to simplification has been to review and apply the lessons learned from the 2007-2013 programmes and to introduce measures that reduce the administrative burden on beneficiaries. Beneficiary feedback has indicated that partners wish the Managing Authorities to develop a process and approach that includes the following features:

- clearly defined roles and responsibilities;
- approach aligned across different funds;
- standard documentation within a single business process, where possible;
- clear and unequivocal guidance;
- better access to information.

The Managing Authority has taken this feedback into account and designed the business process to be employed for the 2014-2020 programme on the following principles:

- a single process for structural Funds (the ERDF and ESF) including a single point of access, single application documentation/process whilst maintaining separate management of funds;
- the customer journey is at the heart of the process design – keeping things clear, simple and as accessible as possible. The emphasis is on clear and explicit information and guidance so that there are no surprises for the applicant/beneficiary;
- doing the right things at the right time and doing it well. Avoiding duplication and focusing resources and effort where they deliver most impact/benefit;
- reducing compliance risk through clear guidance and early and robust testing;
- digital by default - design and implementation of a single accessible IT system holding all relevant information and operating on the principle of 'collect once, use often'.

The process design reflects the valuable learning from the 2007-2013 and previous programmes resulting in a process that incorporates:

- clearly defined roles and responsibilities at all stages of the process;
- an IT system designed around the needs of the business process, and capable of meeting the varying needs of the programme life cycle;
- review and continuous improvement a key component of the process;
- systems designed to survive possible structural and organisational changes.

Specific examples of how the process will help reduce administrative burden on beneficiaries whilst maintaining robustness in approach are:

Standardisation of management arrangements

A standard business processes will apply across ERDF and ESF from the beginning of the programmes. Applicants will have a single, clear route of entry into the European Structural and Investment Funds avoiding confusion and duplication.

Application and appraisal process

The application and appraisal process has been designed to focus on relevant and essential information appropriate to each stage in the application/approval process. Applications will be submitted through a single portal. Information should be provided once and tested at the appropriate time. The process has a strengthened focus on identifying and addressing potential compliance risk at the earliest stages. This will help mitigate risk to both the beneficiary and Managing Authority and ensure potential beneficiaries consider compliance more fully in developing applications.

Information Technology

A single IT system will underpin the new business process. The Managing Authority, the Certifying Authority, Intermediate Bodies and beneficiaries will all have access and use the same system as the primary source of data and reporting. Wherever possible all transactions will be done electronically. This will ensure greater transparency, greater and faster access to information and simplify reporting.

Support for applicants

The Managing Authority will provide information, advice and support to local partners and applicants to ensure that all players are very clear of the requirements early in the process and are empowered to bring forward robust compliant applications capable of delivering the ambition of the Operational Programme.

Regulations, guidance and procedures

Guidance and information will be available from a single accessible portal. A single national set of controlled documents will be produced for the ERDF and ESF. The guidance will draw directly from the EU regulations and guidance as a minimum. Additional requirements will only be established where there is clear evidence from the lessons learned that additional requirements should be added. Guidance will be concise, clear and will avoid use of jargon.

Monitoring and audit

The scheduling of monitoring and verification visits will be co-ordinated across the ERDF and ESF. This is intended to reduce the number of individual visit requests and promote greater consistency. Standardised documents will be used for all monitoring and the Audit Authorities will use a shared set of criteria for ERDF and ESF audits. This will enable beneficiaries to better plan for and understand the requirements of monitoring and verification visits.

Simplified costs

Simplified costs will be the default approach for all indirect costs. This will provide greater clarity for applicants and beneficiaries and reduce the requirement for complex apportionment methodologies. This approach will also help reduce the risks of non compliance for beneficiaries.

Opt-in model

The 'opt-in' model has been developed to allow local partners to access national 'match' funding and administrative support from key national delivery organisations. The model provides a mechanism for national bodies to deliver policy priorities that are part-funded by the European Structural and Investment Funds and which are tailored to local conditions. The 'opt-in' model builds on Co-financing which was introduced in the 2000-2006 European Social Fund programme and further developed in the 2007-2013 programme. Co-financing has enabled public bodies to manage ESF and public match funding together, and has proved an effective means of delivering European Social Fund investment. By providing and accounting for 'match' funding, the 'opt-in' model will reduce administrative burdens on providers. It will also allow providers who do not have 'match' funding to access European Structural and Investment Funds, thus removing a major barrier to participation.

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SECTION 11: HORIZONTAL PRINCIPLES

The Partnership Agreement sets out the overall approach to the horizontal principles of sustainable development and equal opportunities. This section describes the specific actions that will be taken to promote these principles within the England ESF Operational Programme.

11.1 Sustainable development

The objectives of the ESF programme will be pursued in line with the principle of sustainable development, including the aim of preserving, protecting and improving the quality of the environment as well as the need to prepare for expected changes to the environment and climate. The programme will build on the approach adopted in the 2007-2013 ESF programme and the lessons learned during that programme.

The ESF will support complementary activity, where possible, through skills enhancement and training, for sustainable development projects directly supported by other programmes such as the ERDF.

The Managing Authority will prepare a sustainable development mainstreaming plan in consultation with the relevant Programme Monitoring Committee (PMC) sub-committee. The plan will be monitored and reviewed on a regular basis by appropriate partners / experts.

The Managing authority will build on good practice identified in the 2007-2013 programme. The Managing Authority produced a brief report which looked back at lessons learned and which identified good practice examples of projects which had a specific environmental content. It also considered what types of project can be funded in the 2014-2020 period and recommended that specialist environmental projects that help promote jobs, skills, or tackling social inclusion should be encouraged. Examples include:

- The therapeutic use of farm-type projects to provide support and motivational help to vulnerable people. This approach is particularly effective when traditional 'classroom' environments have failed;
- Merseyside Probation Trust's Merseystride project - an innovative social enterprise project for community payback offenders who are furthest away from the labour market. Participants are trained to recycle, repair and assemble flat-pack furniture that is then sold through their retail showroom;
- River stewardship projects, as highlighted in the report, have enabled young people to develop skills, acquire a qualification in environmental conservation, or move into or towards employment.

The Managing Authority and Co-financing Organisations⁴⁵ will require all programme providers to have sustainable development governance, policies and implementation plans which explain: a) their commitment to promoting sustainable development and complying with relevant EU and domestic environmental legislation; and b) how the commitment will be turned into action at project level. The Managing Authority will put in place a monitoring mechanism to assess implementation and compliance beyond the application stage of the projects.

⁴⁵ The Co-financing Organisations will include Opt-In Organisations and the National Offender Management Service.

The Managing Authority will require all Co-financing Organisations, Intermediate Bodies and Local Action Groups to ensure that sustainable development requirements are covered in their overall aims and decision making, project selection/procurement arrangements, contract management and monitoring (for both ESF and match funding). This requirement will also apply to the selection and management of projects which contract directly with the Managing Authority.

The Managing Authority will use ESF technical assistance funding to part-fund a sustainable development awareness training programme for Managing Authority, Intermediate Body and Co-financing Organisation procurement, contract management and monitoring staff during 2014-2020.

Provider contracts will be monitored. This will include basic checks such as ensuring that sustainable development policies and implementation plans are in place and that appropriate action is being taken to implement them.

The Managing Authority and Co-financing Organisations will ensure that sustainable development requirements are embedded into the specifications and contracts for ESF-funded and match-funded support.

The Managing Authority and Co-financing Organisations will ensure that relevant calls for proposals will, wherever possible, actively and visibly encourage applications which support ESF activities that have a specific environmental focus (whilst also supporting jobs or skills) and provide complementary training support for specialist sustainable development activities delivered by other programmes such as ERDF.

The Managing Authority will monitor the extent to which projects and providers are using sustainable development policies and plans, the programme is supporting specialist environmental projects and the programme is providing specialist complementary support for specialist sustainable development projects that are being delivered by other programmes such as the ERDF. Sustainable development mainstreaming will be covered in the evaluation strategy.

11.2 Equal opportunities and non-discrimination

The programme will promote equal opportunities and non-discrimination. The MA and all delivery partners will adhere to the principles and processes set out in EU and UK equality legislation.

The UK Government has adopted the following principles to further integrate promotion of equality into the preparation, implementation, monitoring and evaluation actions of the programme:

- no exclusion on the grounds of protected characteristics;
- projects are designed to meet the needs of all potential participants;
- services are responsive to the needs of all communities and under-represented groups;
- support is targeted towards under-represented communities where relevant;
- responsiveness to, and inclusiveness of, under-represented groups in delivery

and management.

The 2014-20 programme will build on the lessons learned from the 2007-13 programmes, including the findings of an evaluation of the mainstreaming of gender equality and equal opportunities within the ESF in England in 2010⁴⁶, a research report on engaging women in ESF provision published in 2011⁴⁷ and an evidence report⁴⁸ published in August 2013 on helping disabled people.

The Managing Authority will prepare a programme-level equal opportunities and gender equality mainstreaming plan in consultation with the relevant Programme Monitoring Committee (PMC) sub-committee - performance will be regularly reported.

The Managing Authority will ensure that equality is embedded in all relevant ESF guidance manuals, cross referring to existing good practice guidance and key lessons learned from the 2007-2013 programme. The Managing Authority will, from time to time, seek advice from disability and other equality organisations when preparing calls for proposals to help ensure that any calls/specifications will help meet the needs of people with relevant protected characteristics.

The good practice guidance in promoting gender equality includes a checklist which will be used to help inform core criteria for project selection along with other equality-related criteria.

The Managing Authority will require all Co-financing Organisations, Intermediate Bodies and Local Action Groups to ensure that the principle of equal opportunities is embedded in project selection/procurement arrangements, contract management and monitoring. This requirement will also apply to the selection and management of projects which contract directly with the Managing Authority.

The Managing Authority will use ESF technical assistance funding to part-fund an equal opportunities awareness training programme for Managing Authority, Intermediate Body and Co-financing Organisation procurement, contract management and monitoring staff during 2014-2020. Key staff from local partners, including LEPs and projects, will also be invited to the workshops. Workshop material will be made available to staff who are unable to attend the workshops.

The groups we are targeting through the 2014-20 programme include long term unemployed people, inactive people, lone parents, disabled people, people from ethnic minorities, ex-offenders, young people and older people, and we have set output targets to ensure that we help appropriate numbers of these people. The strategy section makes clear that as the economy improves our focus will increasingly be on those who face multiple disadvantages.

All ESF activities should be accessible to disabled people and responsive to their needs. The investment priorities on access to employment and active inclusion can support activities focused on improving the employability of disabled people and those with health conditions. The active inclusion investment priority will help those furthest from employment and who often experience other disadvantages. The investment priority for

⁴⁶ Evaluation of Gender Equality & Equal Opportunities within the European Social Fund by Carol McNaughton Nicholls, Martin Mitchell, Ashley Brown, Nulifer Rahim, Emma Drever and Cheryl Lloyd

⁴⁷ Skills Funding Agency: Engaging unemployed women in ESF funded training: research by National Institute of Adult Continuing Education for the Skills Funding Agency. September 2011

the sustainable integration of young people will help those who are NEET or at risk of being NEET and have learning difficulties and disabilities.

People from ethnic minorities should be able to access ESF provision in all investment priorities. Interventions must be tailored to the needs of people from different ethnic minority groups in each locality, and where appropriate targeted on specific groups. There is a strong case for interventions targeted at groups with low employment and high inactivity rates in the access to employment and active inclusion investment priorities, e.g. women of Pakistani and Bangladeshi origin, especially in areas with high concentrations of people from ethnic minorities.

Activities in the access to employment, active inclusion and access to lifelong learning investment priorities will respond to the needs of older people. Specific activities will be delivered to help improve the participation of older women, depending on local needs.

11.3 Equality between men and women

Although female participation in the English labour market has increased, there is still a gender gap in employment of 11.7% with a male employment rate of 81.6 % and a female rate of 69.9% (for those aged 20-64). Part of the gap can be attributed to different levels of inactivity in the labour market (26.1% for women and 13.5% for men, aged 20-64 in England). LFS data show that, at a UK level, 25% of inactive women would be interested in working.

The ONS report 'Women in the Labour Market' (2013) explained that the low ranking for female employment rates in London and Birmingham was linked to the diverse ethnic population with some women not in work due to looking after families. Looking at the most recent city data, Birmingham has the lowest employment rate for women (55.9% for women aged 16-64). Help should be aimed at inactive women from ethnic minorities in England's cities, including those with caring responsibilities (child or elder care) and who are multiply disadvantaged.

The extension of the state pension age for women has increased the number of older women in the scope of unemployment. Since 2010 there are more older (over 50) women in work and more looking for work – employment is up 655,000 and unemployment up 14,000 (UK figures). Disadvantaged older women should be targeted for support if they wish to find work (or stay in work).

Some women want to work longer hours. There are 4.8 million females in England who work part-time and 1.5 million males. The majority work part-time because they want to – figures are not available for England but at a UK level, only 743,000 out of 6.07 million women (12.2%) work part-time because they couldn't find a full-time job.

ESF will be used to help address these issues. The types of activities and specific groups we envisage include:

- Inactive women from ethnic minorities, including those with child or elder care responsibilities, and who are often multiply disadvantaged. Barriers include: childcare; lack of skills or work experience due to starting family at a young age; no opportunity to acquire skills before starting a family; possible cultural / psychological

issues. Activities for ESF support include innovative outreach support to help people connect with mainstream support and also holistic support with a vocational focus. (IP 1.4).

- Lone parents. Barriers include: inflexible jobs/employers (poor work/life balance), concerns about possible financial instability and lack of skills/recent skills. Examples of activities to be supported include job search skills, vocational training, remedial training and basic skills support. (IP 1.1).
- Disadvantaged older unemployed women. Barriers include age discrimination, low confidence and elder care responsibilities. Activities to be supported include job search training, skills refresher training and mentoring/ confidence building. (IP 1.1)
- Women who are inactive but who would be interested in working. Barriers include lack of motivation and confidence, lack of skills, outdated skills and difficulties in travelling to work. Activities to be supported include confidence building support, job-search training, job-specific training, work experience and mentoring support. (IP 1.1)
- Women seeking career advancement and/or progressing from part-time to full-time work, or at least increasing their hours at work. Barriers include seasonal work, sectors with a high concentration of part-time work and age (younger people are more likely to be underemployed). Activities to be supported include upskilling/vocational qualifications and identifying progression routes. (IP 2.1)

The Managing Authority, Co-financing Organisations, Intermediate Bodies and Local Action Groups will be required to promote gender equality when preparing their calls for proposals or procurement rounds. Project applicants submitting tenders or applications will be required to explain how they will actively promote gender equality through the design and delivery of their projects. For example, a tender specification for in-work training should require the applicant organisation to explain how it will ensure that female employees will have access to support, including those who may be working part-time and/or have childcare needs.

Providers targeting disadvantaged people and other groups in the programme are also required under the Equality Act 2010 to do so with a corresponding gender focus. This will include actively encouraging more women to take part in the programme, as well as making sure that the type and nature of support offered is appropriate and helps meet the needs of women, including disadvantaged women.

Programme providers will be expected to consider the needs of women in a number of key areas of design and delivery of their services, for example by:

- promoting gender equality throughout their recruitment process;
- offering information, advice and guidance;
- providing or procuring childcare support where this might be a barrier to participation;
- ensuring that the structure and content of the activities delivered are suitable and appropriate for women and men;

- ensuring that provision is accessible, flexible and gender-sensitive where necessary.

The Managing Authority will ensure that there is regular monitoring of the participation rates for women and men. Results data will also be monitored and the Managing Authority will report on performance to the PMC and local ESIF committees.

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SECTION 12: SEPARATE ELEMENTS

12.1 Major projects to be implemented during programming period

Table 27: List of major projects (n/a)

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12.2 Performance framework of operational programme

Table 28: Performance framework by fund and category of region (summary table)

Priority axis	ID	Fund	Category of region	Key implementation step or indicator	Measurement unit	Milestone total for 2018	Milestone men for 2018	Milestone women for 2018	Final men target (2023)	Final women target (2023)	Final target (2023)
1	1	ESF	Less developed	Amount of spend	Euros	28,000,000					145,618,479
1	O1	ESF	Less developed	Participants	Number	7,300	3,700	3,600	19,700	19,200	38,900
1	1	ESF	Transition	Amount of spend	Euros	113,000,000					604,777,671
1	O1	ESF	Transition	Participants	Number	43,600	24,700	18,900	131,900	100,500	232,400
1	1	ESF	More developed	Amount of spend	Euros	462,000,000					2,464,530,068
1	O1	ESF	More developed	Participants	Number	183,500	105,300	78,200	560,600	415,600	976,200
1	1	YEI		Amount of spend	Euros	461,099,386					461,099,386
1	O1	YEI		Participants	Number	112,000	59,400	52,600	59,400	52,600	112,000
2	1	ESF	Less developed	Amount of spend	Euros	11,000,000					62,174,183
2	O1	ESF	Less developed	Participants	Number	2,500	1,200	1,300	6,300	7,200	13,500
2	1	ESF	Transition	Amount of spend	Euros	98,000,000					524,126,441
2	O1	ESF	Transition	Participants	Number	38,400	18,800	19,600	100,300	104,400	204,700
2	1	ESF	More developed	Amount of spend	Euros	352,000,000					1,881,841,400
2	O1	ESF	More developed	Participants	Number	133,300	65,300	68,000	347,400	361,700	709,100

12.3 Relevant partners involved in preparation of programme

List of Stakeholders that attended ESF Consultation event 31 March 2014

Type of organisation	Organisation
Civil Society	VCSE, Red Cross, Prince's Trust, Workers Education Association, National Autistic Society, National Trust, NCVO, Pocklington Trust, Disabled Action Alliance, Vonne – Voluntary,
Environmental partner	Climate UK, Environment Agency,
Further Education	Rotherham College of Arts, National Institute of Adult Continuing Education , EMFEC
Local Enterprise Partnership	SEMLEP, Liverpool LEP, West of England LEP, Sheffield City LEP, East Riding LEP, London LEP, Thames Valley LEP, Wiltshire LEP, Staffordshire LEP, Lancashire LEP, Hertfordshire LEP, New Anglia LEP, Marches and Worcestershire LEP, Cornwall and Isles of Scilly LEP, Cheshire and Warrington LEP, Leeds LEP, SELEP, Birmingham LEP, NELEP, GCGP LEP, Cumbria LEP, Tees Valley Unlimited LEP, North Yorkshire and East Riding LEP, Enterprise M3 LEP, Gfirst LEP,
Local Authority	London Council, Tees Valley Rural Community Council, Barnsley Metropolitan Borough Council, Preston City Council, Wolverhampton City Council, Norfolk County Council, Plymouth City Council, Local Government Association, Hertfordshire Council, Walsall MBC, Durham County Council, Hampshire County Council, Gloucester Rural Community Council, Suffolk County Council, Somerset County Council, Oxfordshire Rural CC, Lincolnshire County Council, Gloucester Rural Community Council, Cornwall Rural Community Council, Lincolnshire County Council, Essex Council, Greater London Authority, Black Country Consortium
Private Business	East of England Business Group, British Chambers of Commerce,
Social Partners	TUC,
Other	North East Finance, Northamptonshire Probation, Network for Europe, New Economy Manchester, Land Use Consultants, ECORYS, PERA Consulting, University of Hull and Humber TA Partnership, Regeneris, NHS, Birmingham Science City, UKTI, Coventry University,

List of Stakeholders that responded to the formal consultation

Type of respondent	Number of responses	Respondents' organisation
Civil Society	10	Conservation volunteers, NCVO, National Federation of Gypsy Liaison Groups, St Mungos Broadway, Fair Play, Social Enterprise Network, SUSTRANS, TAEN, Network for Europe, Voluntary Service North West
Environmental partner	2	Natural England, Environment Agency
Further Education	2	Serco/Peterborough Council, Cornwall College
LEP	11	Tees Valley Unlimited, Humber, Lancashire, North East, SE Midlands, Cheshire and Warrington, Leeds City, Worcestershire, Liverpool, Cambridgeshire, Coast 2 Capital
Local Authority	12	GLA, London Borough of Waltham Forest, Worcestershire, Kent, Somerset, Solihull, Cornwall, Central Bedfordshire, Wakefield, Milton Keynes, Nottingham, Norfolk
Opt-In	1	Skills Funding Agency
Private Business	3	A4E, Winning Pitch, Disability Dynamics
Social Partners	3	TUC, Working for women's economic development, Shared Ltd
Other	5	Public Health England, Greater Manchester Partners, HEFCE, Local Government Association, North West Universities
Chambers of Commerce, Core Cities, Growth Programme Board Member, Local Action Group, Rural Community Groups, university	0	
Total	49	