
[^{\(1\)}](#) The appendix will be uploaded as a separate document in SFC2014.

ANNEX V

Model for the annual and final implementation reports for the Investment for growth and jobs goal

PART A

DATA REQUIRED EVERY YEAR ('LIGHT REPORTS') (Article 50(2) of Regulation (EU) No 1303/2013)

1. IDENTIFICATION OF THE ANNUAL/FINAL IMPLEMENTATION REPORT

CCI	2014UK05M9OP001
Title	European Social Fund England, Annual Implementation Report
Version	1.0
Reporting year	2016
Date of approval of the report by the monitoring committee	DD/MM/YYYY

2. OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME (Article 50(2) and 111(3)(a) of Regulation (EU) No 1303/2013)

Key information on the implementation of the operational programme for the year concerned, including on financial instruments, with relation to the financial and indicator data.

Throughout this report all commitment by the Managing Authority (MA) and spend is quoted in Sterling (£) and all commitment and spend against the Performance Framework is reported in Euros (€). All Euro values in this part of the report are as transmitted to the European Commission in January 2017 and are therefore converted using the EUR exchange rate of 0.853.

Additionally, we are referring to the National Offender Management Service (NOMS) and Skills Funding Agency (SFA) by the names used during 2016; they are now known as Her Majesty's Prison and Probation Service (HMPPS) and as the Employment and Skills Funding Agency (ESFA) respectively.

The Operational Programme was formally adopted by the European Commission in September 2015 and launched by the then Minister for Employment in January 2016.

At the end of 2016, overall committed spend was £1.39bn. This was broken down in to Direct Bid Funding Agreements with a total value of £244m and Memoranda of Understanding for the four National CFOs valued at £1.15bn.

In terms of progress against Performance Framework milestones, for Priority Axes 1 and 2, the Programme was committed to 158% against the spend target for 2018 (€2.5m committed spend against a 2018 milestone target of €1.5m).

Progress towards the Performance Framework targets was positive. The data below demonstrates positive commitments across all Categories of Region in achieving the 2018 milestones as follows:

Priority Axis 1:

- Less Developed 17,779 committed participants against 2018 target of 7,300
- Transition 143,531 committed participants against 2018 target of 43,600
- More Developed 808,031 committed participants against 2018 target of 183,500

Priority Axis 2:

- Less Developed 5,334 committed participants against 2018 target of 2,500
- Transition 37,348 committed participants against 2018 target of 38,400
- More Developed 140,982 committed participants against 2018 target of 133,300.

At end of 2016, More Developed and Transition regions were on target to meet 2018 spend targets, based upon the following commitment levels:

- More Developed: commitment to Q2 2018 of €895.3m against a 2018 target of €612.3m;
- Transitional: commitment to Q2 2018 of €305.8m against a 2018 target of €198m.

The Less Developed Region was not on target to meet the 2018 N+3 spend target. At end of 2016, the region had commitment to Q2 2018 of €36.9m against a target of €44.2m. Detailed analysis carried out by the MA on available data was used to form a picture of performance of the Programme. This analysis allowed the MA to identify expected progress over time which, in turn, has been used to inform programme design going forward, including consideration of future call developments into 2017. Data is also being used to support contract management of projects and will in turn drive performance.

A significant percentage of the ESF England Programme is delivered through co-financing arrangements with four partner organisations. At the end of 2016 all four Co-Financing Organisations (CFOs) had committed the entirety of their allocations:

- **National Offender Management Service (NOMs)**
£131m committed with contracts signed for the duration of the Operational Programme
- **Department for Work and Pensions (DWP)**
£119.3m committed. Two contracts went live from 22 August 2016 and a further 10 contracts from 21 November 2016. The remainder of the contracts were expected to go live early 2017
- **Big Lottery Fund (BLF)**
£173m committed
- **Skills Funding Agency (SFA)**
£725m committed. As at end 2016, the MA was aware of the SFA intention to reduce commitment by approximately £200m as an impact of the devolution of the Adult Skills Budget to local areas. The reduction is being managed by the MA through a series of Project Change Requests raised by the SFA. The MA anticipates the changes to be complete during summer 2017.

3. IMPLEMENTATION OF THE PRIORITY AXIS (Article 50(2) of Regulation (EU) No 1303/2013)

3.1 Overview of the implementation [\(1\)](#)

ID	Priority axis	Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems
1	Inclusive Labour Markets	<p>At end of 2016:</p> <p>IP 1.1: Funding Agreements (FAs) to the value of £83.9m were in place. Memoranda of Understanding (MoUs) were signed with the Skills Funding Agency (SFA) to the value of £293.2m and with the Department for Work and Pensions (DWP) CFO to the value of £189.4m. Calls to the value of £5m were issued at the end of 2016.</p> <p>IP 1.2: FAs to the value of £21.9m were in place. MoUs were signed with SFA to the value of £283.7m and with the Big Lottery Fund (BLF) to the value of £3.2m. Calls to the value of £2m were issued at the end of 2016.</p> <p>IP 1.3: FAs to the value of £143.5m were in place. Calls to the value of £1.6m were issued at the end of 2016.</p> <p>IP 1.4: FAs to the value of £32.2m were in place. MoUs were signed with SFA to the value of £57.8m, with BLF to the value of £317.5m, with DWP to the value of £33.5m and with the National Offender Management Service (NOMS) to the value of £247.3m. Calls to the value of £6.5m were issued at the end of 2016.</p> <p>IP 1.5: FAs to the value of £610k were in place.</p> <p>The MA identified a potential risk in achieving OP targets due to high DWP CFO unit costs. The MA has introduced conditions into the DWP CFO MOUs ensuring costs and deliverables are reviewed post procurement to secure improvements.</p>
2	Skills for Growth	<p>At end of 2016:</p> <p>IP 2.1: FAs to the value of £6m were in place. MoUs were signed with SFA to the value of £684.9m. Calls to the value of £25.5m were issued at the end of 2016.</p> <p>IP 2.2: FAs to the value of £4.4m were in place. MoUs were signed with SFA to the value of £60.5m. Calls to the value of</p>

		£13.1m were issued at the end of 2016.
3	Technical Assistance	At end of 2016: ESF Full Applications for Technical Assistance were valued at £11.4m.

3.2 Common and programme specific indicators (Article 50(2) of Regulation (EU) No 1303/2013) [\(2\)](#)

Data for common and programme-specific indicators by investment priority transmitted using Tables 1 to 4 below.

Table 2A **Table in Excel**

Common result indicators for ESF (by priority axis, investment priority, and by category of region). Data on all common ESF result indicators (with and without target) shall be reported broken down by gender. For a Technical Assistance priority axis only those common indicators shall be reported for which a target has been set [\(4\)](#) [\(5\)](#)

Investment priority:

Table 2B **Table in Excel**

Result indicators for the YEI by priority axis or part of priority axis (Article 19(3), Annex I and II of the ESF Regulation) [\(7\)](#)

Table 2C **Table in Excel**

Programme specific result indicators for ESF (by priority axis, investment priority and by category of region, where applicable); applies also to Technical Assistance priority axis

(For the YEI programme specific indicators: for each priority axis or part thereof supporting the YEI a breakdown by category of region is not required) [\(10\)](#)

Investment priority:

Table 4A **Table in Excel**

Common output indicators for the ESF (by priority axis, investment priority, by category of region. For the YEI, for each priority axis or any part thereof, a breakdown by category of region is not required [\(13\)](#)

Investment priority:

Table 4B **Table in Excel**

Programme specific output indicators for the ESF (by priority axis, investment priority, by category of region; applies also to technical assistance priority axes.) For the YEI, for each priority axis or any part thereof, a breakdown by category of region is not required [\(16\)](#)

Investment priority:

3.3. Milestones and targets defined in the performance framework (Article 50(2) of Regulation (EU) No 1303/2013) — submitted in annual implementation reports from 2017 onwards [\(17\)](#)

Reporting on financial indicators, key implementation steps, output and result indicators to act as milestones and targets for the performance framework (submitted starting with the report in 2017).

Table 5 **Table in Excel**

Information on the milestones and targets defined in the performance framework

3.4. Financial data (Article 50(2) of Regulation (EU) No 1303/2013) [^{\(19\)}](#)

Table 6 **Table in Excel**

Financial information at priority axis and programme level

(as set out in Table 1 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 [^{\(20\)}](#) [Model for the transmission of financial data] [^{\(21\)}](#))

Table 7 **Table in Excel**

Breakdown of the cumulative financial data by category of intervention for the ERDF, the ESF and the Cohesion Fund (Article 112(1) and (2) of Regulation (EU) No 1303/2013 and Article 5 of Regulation (EU) No 1304/2013)

(as set out in Table 2 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 [Model for the transmission of financial data])

Table 8 **Table in Excel**

The use made of cross-financing [^{\(22\)}](#)

Table 9 **Table in Excel**

Cost of operations implemented outside the programme area (the ERDF and the Cohesion Fund under the Investment for growth and jobs goal)

Table 10 **Table in Excel**
Expenditure incurred outside the Union (ESF) [\(26\)](#)

Table 11 **Table in Excel**
Allocation of YEI resources to young people outside the eligible NUTS level 2 regions (Article 16 of Regulation (EU) No 1304/2013) [\(27\)](#)

4. SYNTHESIS OF THE EVALUATIONS (Article 50(2) of Regulation (EU) No 1303/2013)

Synthesis of the findings of all evaluations of the programme that have become available during the previous financial year, with reference of name and reference period of the evaluation reports used

Youth Employment Initiative (YEI) Process Evaluation

The Youth Employment Initiative (YEI) process evaluation was commissioned to Ecorys UK Ltd in May 2016. The cost of the evaluation was £62,602.00 (excluding VAT). Fieldwork for the evaluation was carried out between August and November 2016.

The evaluation aimed to assess the strategic fit, design and early implementation of the YEI in England. The YEI was evaluated using a combination of primary and secondary data collection and analysis. The evaluation began with a document review, followed by telephone interviews with stakeholders. 56 interviews were undertaken:

- 5 with ESF Managing Authority and European Commission representatives;
- 11 with European Structural and Investment Funds (ESIF) sub-committee representatives in YEI-eligible areas; and,
- 40 with YEI provider representatives. The fieldwork also included two workshops with stakeholders in preparation for the YEI impact evaluation.

In terms of strategic fit, the results from the fieldwork and desk research found YEI objectives were largely coherent at EU, national and local levels. Findings suggested YEI projects were developed in line with EU and national guidance and were designed to complement existing provision, as stated in the Operational Programme.

Key Findings

A number of key findings emerged regarding the design and development of YEI. Although only a few stakeholders interviewed had an awareness of the YEI's development at the programme level, those that did expressed positive views. It was noted that the European Commission had been responsive during the YEI's development and had tried to enable flexibility where possible. The evaluation found that generally partnership working between DWP, as the ESF Managing Authority, and local partners had functioned well in the design phase. Collaboration between project partners at this initial stage was also common and said to be working well.

Some design challenges were encountered, in particular: the mismatch between the boundaries of Local Enterprise Partnership (LEP) areas and YEI-eligible areas; the perceived restrictiveness of the YEI; and, the requirement to source local match funding. In many cases interviewees felt these issues had been overcome. In some cases, however, respondents did not feel the issues had been overcome; two LEP areas stated a combination of these challenges as the reasons they were not able to take up YEI funding. The length of the YEI procurement process was also noted as a challenge to delivery. Interviewees reported this as having a significant impact on their delivery plans, potentially leading to underspending and time-pressure to meet targets.

In terms of what aspects were considered in the development of YEI, findings showed that localism, value for money and cross-cutting themes were all taken into account. Interviewees generally felt the main consideration was developing provision to meet participants' needs.

To assess early implementation, the evaluation looked at YEI provision, governance and partnerships as well as engagement, delivery and overall plans for implementation. The provision examined closely mirrored what was anticipated in the ESF OP. All YEI projects adopted governance arrangements which sought to inform, oversee and guide provision at both strategic and operational levels. While governance arrangements were seen as positive by provider staff, several local ESIF sub-committee representatives noted that they would like more feedback on the projects in their area.

The evaluation found that the partnerships developed had remained fairly stable from the design and procurement stages through to implementation. YEI delivery was often built on pre-existing partnerships, but it was noted that YEI provided a chance to formalise these partnerships in some places. In general, interviewees felt that it was too early to make strong judgements around how well delivery partnerships were functioning in this programme. There was also little indication from the fieldwork that processes to identify and share good practice had been implemented. Of those projects that have been sharing good practice, this was mainly through partnership meetings.

Engagement processes - including referrals from Jobcentre Plus, housing authorities and other local support organisations - were generally reported as functioning well. Many provider representatives felt, however, that YEI eligibility criteria were contributing to lower-than-anticipated numbers being supported. A common theme was that eligibility evidence requirements were challenging in the context of the target group. Despite there being some flexibility in these requirements, it appeared that such an understanding was not always present amongst provider staff.

Overall implementation was in its early stages during the process evaluation. Projects were generally affected by delays in procurement and contracting but, provider representatives reported having positive experiences with DWP's ESF contract managers.

Across the stakeholders interviewed, YEI delivery was described as going broadly to plan, though in many cases it was seen as being too early to offer a detailed assessment of what was working well or less well. Among those who did comment, the case-worker function and flexibility of a range of YEI provision were cited as important factors in implementation so far.

Key issues for consideration arising from the evaluation were as follows:

1. In light of potential additional YEI calls for proposals, it is important to review the existing position in eligible areas to ensure that there is a need for additional funding (i.e. numbers requiring support and able to be engaged are sufficient), and that projects are not currently struggling to spend existing allocations.
2. To avoid delays and knock-on issues for providers, it is worth exploring any ways to reduce the time needed from the submission of bids to the signing of contracts.
3. There is a potential need to review evidence requirements for eligibility in light of the nature of the YEI target group, and/or ensure that provider staff are aware of any potential flexibilities in the evidence required where these exist.
4. There could be possible benefits in reviewing the guidance for providers, ensuring this is consistent across areas, and ensuring that the guidance is collated in a single, easily accessible place.
5. It may be worth considering how further engagement with local partners, including LEPs and other ESIF sub-committee members, can be facilitated on the part of the ESF MA, accepting the programme governance arrangements.
6. Consideration should be given to the stakeholder request that a representative from ESF MA should attend any future national provider meetings.
7. Ongoing monitoring should be used to ensure that the YEI projects are taking as full an account as possible of the ESF cross-cutting themes in their delivery.

The expected publication date for the evaluation report is summer 2017.

ESF / YEI Participant Leavers Survey 2016-2018

The ESF Leavers' Survey 2016-18 was externally commissioned. The contract was awarded to IFF Research Ltd, via a competitive tender process in summer 2016; the contract commenced on 17th October 2016.

Due to the uncertainty around the final number of interviews that will be required and achieved across the lifetime of the programme, the survey was costed on a minimum and maximum capped costs basis. The maximum cost is £1,432,219 (excluding VAT) and the minimum cost is £730,264 (excluding VAT). The minimum costs are based on 29,480 telephone interviews (18,700 with ESF participants and 10,780 with YEI participants); the maximum costs are based on 49,000 telephone interviews (28,000 with ESF participants; 21,000 with YEI participants; 2,500 face to face interviews; and 25,000 postal/online questionnaires).

The primary aim of the ESF Leavers' Survey 2016-18 is to collect the data required for the ESF & YEI LTRI (Longer-Term Results Indicator) data. The survey will ask about participants' situation 6 months after they have left ESF/YEI provision. The secondary aim of the survey is to produce data on the effectiveness of ESF and YEI provision, including participants' perspectives.

In the first six months of the contract, the inception meeting has taken place, the research approach and methodology has been agreed with the contractor and the research tools and questionnaire signed off. A pilot has been conducted, which included cognitive testing of the questionnaire. Wave 1 of the main stage fieldwork has been completed; wave 2 fieldwork is due to start in June 2017.

From the pilot and wave 1 we have achieved 131 completed interviews (a response rate of 19%). The response rate is slightly lower than expected, but it is thought this response rate will improve as fieldwork continues. In part this reflects the large proportion of participants from the National Offender Management Service (NOMS) Co-Financing Organisation (CFO) in the early wave of fieldwork, who have been found to be difficult to contact; DWP are working with NOMS CFO to improve the quality of contact details to try and improve the response rate, and over time the share of participants from NOMS CFO as a portion of the total leavers is expected to fall.

Fieldwork will continue on an on-going rolling quarterly basis, with 10 waves of fieldwork to be completed in total. The first set of data tables covering the pilot and wave 1 data will be received in summer 2017, and the first interim dataset will be received in autumn 2017. YEI LTRI data will first be reported in AIR 2018 (covering calendar year 2017).

Plans and research tools for a YEI 12 month follow-up survey to collect data on the sustainability of employment outcomes for YEI participants who were employed at 6 months will be finalised by summer 2017.

5. INFORMATION ON THE IMPLEMENTATION OF THE YOUTH EMPLOYMENT INITIATIVE, WHERE APPLICABLE (Article 19(2) and 19(4) of Regulation (EU) No 1304/2013)

A general description of the implementation of the YEI, including how the YEI has contributed to the implementation of the Youth Guarantee and also including concrete examples of interventions supported in the framework of YEI.

A description of any problems encountered in the implementation of the YEI and measures taken to overcome these problems.

The report submitted in 2016 shall set out and assess the quality of employment offers received by YEI participants, including disadvantaged persons, those from marginalised communities and those leaving education without qualifications. The report shall also set out and assess their progress in continuing education, finding sustainable and decent jobs, or moving into apprenticeships or quality traineeships.

The report shall set out the main findings of evaluations assessing the effectiveness, efficiency and impact of joint support from the European Social Fund and the specific allocation for YEI including for the implementation of the Youth Guarantee.

In the calendar year 2016, significant progress was made in respect of Youth Employment Initiative (YEI), with a high number of bids appraised and Funding Agreements signed.

The Managing Authority (MA) worked with Local Enterprise Partnerships (LEPs) on the initiative and continues to do so. YEI provision will run until mid-2018. The MA and its partners recognise that YEI (Investment Priority 1.3 of the England Operational Programme) is strictly for those aged 15-29 and Not in Education, Employment or Training, and that it must operate in specific areas which had high youth unemployment at the time the initiative was conceived.

In England its focus is help for marginalised participants into traineeships, apprenticeships and work. Participants might, 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. They must reside in an eligible area.

Examples of the sort of activity developed in 2016 and currently taking place under YEI in England include:

- **Impact:** a Black Country programme that addresses barriers faced by participants, supporting them to secure positive outcomes including employment, apprenticeships, training and further education. The project provides individual access to trusted advice and support, working alongside partners including housing, health, transport bodies and employers. It expects to engage with over 16,000 participants through its lifetime with the aim of gaining positive outcomes like a job offer or continued education. The total funding value is £51m, split equally between ESF, Youth Employment Initiative and match funding.
- **Merseyside Enterprising Young People:** a Liverpool City Region YEI project comprising funding of up to £105.9k YEI and £105.9k ESF. The project aims to support 150 young people aged 15-29 Not in Education, Employment or Training (NEET) into enterprising

activity achieving 64 new businesses in a wide range of sectors. Participants will be provided with a variety of support both pre and post start up, including a business mentor to help them pursue the achievement of their goals.

The table below details the committed spend for the two YEI Project examples provided above:

Project	COR	YEI	ESF	Match	Total
Impact	More-Developed	£17m	£17m	£17m	£51m
Merseyside Enterprising Young People	More-Developed	£4.7k	£4.7k	£4.7k	£14.1k
	Transitional	£101.1k	£101.1k	£67.5k	£269.7k

Problems identified and measures taken to address them

YEI in England is expected to underspend owing to lack of take up. The reasons for this include restrictive eligibility, limited available time and inherent geographical limits. The MA has been working with Local Enterprise Partnership (LEP) areas in 2016 and beyond to seek to maximise commitment, acknowledging that there will remain a level of underspend, given the relatively short time available in which to spend it. YEI calls were issued ahead of the Operational Programme publication to help speed the process. Funding Agreements were not issued until 2016, and the time restrictions on YEI meant that the window for committing the spending to the available funding was narrowed.

The total budget must be spent by the end of 2018. In 2016 the MA encouraged a number of the eligible LEP areas to commit further funding under YEI through the issue of new calls and through increasing the value, and Outputs and Results, of existing Funding Agreements, where this would represent Value for Money. This work is currently underway and therefore outside the scope of this AIR.

It might be noted that the evidence requirements for people who are not in training (as opposed to unemployed) have proved challenging. The MA engaged with the European Commission to establish the extent to which 'self-declaration' could be used. Auditors indicated in 2016 that in the absence of third party/independent confirmation of status, 'self-declaration', following suitable challenge by providers, would be acceptable. As a result, and in response to the audit of YEI implementation, the MA has developed a pro-forma to ensure standards are met in this respect.

A number of eligible areas, notably Inner London, which had the largest allocation, were unable to utilise the funding, owing to a shift in patterns of youth unemployment. In addition, the Co-Financing Organisations did not participate in the initiative, in large part owing to the narrow definitions on eligibility of people and locations. The MA agreed with the Commission that, provided eligible areas were not in need and hence 'losing out', funding could be moved to eligible areas where it might be used. The methodology to do so was through a combination of new calls and increases to existing contract values. Work to identify demand was undertaken in 2016 with additional/transfer commitment taking place during 2017.

The United Kingdom took the decision not to implement the Youth Guarantee, instead continuing to tackle youth unemployment by offering individualised support, in line with local circumstances, focusing resources flexibly where they are most needed.

Evaluation progress

In line with Commission requirements, independent evaluation of the initiative is under way. A critical part of the evaluation of the YEI in England was undertaken by Ecorys between July and November 2016 and analysts are currently in the process of publishing it. This part of the evaluation focused on assessing strategic fit, design and early implementation.

6. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN (Article 50(2) of Regulation (EU) No 1303/2013) ⁽²⁸⁾

(a) Issues which affect the performance of the programme and the measures taken

The Programme made significant progress during 2016, with a high volume of commitment through Funding Agreements and the achievement of designation. There was a slight slowing of pace in making new commitments in the period of time around the EU referendum. Following the referendum, the pace of commitment increased and was supported by an announcement made by the Chancellor of the Exchequer which confirmed that the government “will guarantee EU funding for structural and investment fund projects signed after the Autumn Statement and which continue after we have left the EU.” The announcement further confirmed that “funding for projects will be honoured by government if they meet the following conditions:

- they are good value for money;
- they are in line with domestic strategic priorities.”

At the end of 2016, overall committed spend was £1.39bn. This was broken down in to Direct Bid Funding Agreements with a total value of £244m and Memoranda of Understanding for the four National CFOs valued at £1.15bn.

In terms of progress against Performance Framework milestones, for Priority Axes 1 and 2, the Programme was committed to 158% against the spend target for 2018 (€2.5m committed spend against a 2018 milestone target of €1.5m.)

In terms of the YEI funding, the decisions taken by the Co-Financing Organisations (CFOs) and Greater London Authority (GLA) not to utilise this funding have created some issues, with the Programme now unlikely to be able to draw down the full allocation. At end 2016

the total commitment in Funding Agreements for YEI, including the ESF element, was £155.2m. There are proposals for further spend which have the potential to increase that commitment by up to £32m (including match). Some LEP areas would be able to draw this from their existing allocations. The MA has committed to support those areas exceeding their YEI allocation, through a 'reallocation' of YEI funds from those YEI areas which are not utilising their full allocation. This will be done through the first quarter of 2017 by working with these areas to develop additional calls, as well as working with existing beneficiaries to assess their ability to increase their activities to absorb more funding.

The MA's ability to collect and analyse data, including actual performance information, was impacted by the relatively low numbers travelling through the programme in 2016 and the consequent slow pace of Claims. In June 2016 the MA introduced the E-claims IT system. However, as the Jaspersoft reporting tool was not fully developed at that point, the MA introduced a contingency system to ensure performance could be monitored. This has enabled the MA to identify areas upon which to focus attention to raise performance.

Evaluation of YEI implementation and an early YEI audit concluded in November/December 2016. The MA took early feedback from the audit to inform plans for improvement and is currently working through the audit recommendations. A formal audit report was received by the MA in April 2017; the MA is on track to formally report progress against each recommendation by mid June 2017.

7. CITIZEN'S SUMMARY (Article 50(9) of Regulation (EU) No 1303/2013) [\(21\)](#)

A citizen's summary of the contents of the annual and the final implementation reports shall be made public and uploaded as a separate file in the form of annex to the annual and the final implementation report

The Citizens Summary is provided as a separate document to be uploaded to SFC2014

10.2. Joint action plans

Progress in the implementation of different stages of joint action plans

<type='S' maxlength=3500 input='M'> **Table in Excel**

There are no Joint Action Plans in the ESF England 2014-2020 Programme

Table 13 **Table in Excel**

Joint action plans (JAP)

Significant problems encountered and measures taken to overcome them

<type='S' maxlength=3500 input='M'> **Table in Excel**

N/A

PART B

REPORTING SUBMITTED IN YEARS 2017, 2019 AND FINAL IMPLEMENTATION REPORT

(Article 50(4), 111(3) and (4) of Regulation (EU) No 1303/2013)

11. ASSESSMENT OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME (Articles 50(4) and 111(4) of Regulation (EU) No 1303/2013)

11.1. Information in Part A and achieving objectives of the programme (Article 50(4) of Regulation (EU) No 1303/2013)

FOR EACH PRIORITY AXIS — Assessment of the information provided above and progress towards achieving the objectives of the programme, including the contribution of the European Structural and Investment Funds to changes in the value of result indicators, when evidence is available from evaluations.

Throughout this report all commitment by the Managing Authority (MA) and spend is quoted in Sterling (£) and all commitment and spend against the Performance Framework is reported in Euros (€). All Euro values in this part of the report are as transmitted to the European Commission in January 2017 and are therefore converted using the EUR exchange rate of 0.853.

Commitment

At the end of 2016, overall committed spend was £1.39bn. This was broken down in to Direct Bid Funding Agreements with a total value of £244m and Memoranda of Understanding for the four National CFOs valued at £1.15bn.

In terms of progress against Performance Framework milestones, for Priority Axes 1 and 2, the Programme was committed to 158% against the spend target for 2018 (€2.5m committed spend against a 2018 milestone target of €1.5m).

Performance Framework Spend Targets

At end of 2016, the More Developed and Transitional regions had 46% and 50% commitment respectively and were on track to meet the target for the final performance reserve. The Less Developed region was below the level of commitment anticipated (34% committed). This will be impacted by the movement of funding of €15.3m to the More Developed region.

Overall the programme was 47% committed (not including TA) with variances across each category of region. Apart from YEI (further detail provided below and in Part A Section 5 of this report), the MA assesses the Programme to be on track for the 2018 milestones. The MA will keep

PA1 in the Less Developed region under close scrutiny as claims and actual performance are submitted.

2018 N+3 spend targets

Both Transitional and More Developed regions were on target to meet the 2018 N+3 spend targets, based upon their commitment levels:

- Transitional:
 - Target €198m
 - Commitment €305.8m
- More Developed:
 - Target €612.3m
 - Commitment €895.3m.

The Less Developed region was not on target to reach the 2018 N+3 spend target based on commitment at end of 2016. The spend target for this region is €44.2m; commitment was €36.9m.

Based on this the MA's assessment is, that despite the currency fluctuation in 2016, the Programme was in a relatively healthy position with enough commitment in both the More Developed and Transition Categories of Region to meet the requirements of both the 2018 N+3 spend targets and the Performance Reserve. Based on current commitment, Transitional and More Developed regions are on target to meet the 2018 N+3 spend targets by 31 December 2018.

The MA is working proactively with the Cornwall & Isles of Scilly Integrated Territorial Investment in order to bring forward more calls and activity and is confident that the commitment levels in this area will increase significantly over the next quarter, thus ensuring that we can meet, with proactive contract management, the targets in this area of the Programme as well.

We are also working to establish capacity with existing grant recipients to draw down more YEI funding, and are in the process of requesting Project Change Requests (PCRs) to increase funding and outputs/results where appropriate. In addition, we have also launched additional YEI calls, with some applications already received and others due in April 2017. However, despite activity to commit additional YEI, we cannot reasonably expect to commit the whole of the YEI allocation.

Overall Progress - Outputs

Given the relatively low level of claims and the reliance upon input to and reporting from the contingency system, there is limited information available on Actuals. Committed total participants were 42% of final target.

Across England, commitment varied throughout the sub groups. The 'Over 50s' and 'Unemployed' sub-groups were relatively undercommitted compared to the budget committed as was the 'Ethnic Minorities' sub-group. The MA's analysis of commitments made so far is being used to

inform the development of future calls at local level.

Overall Progress - Results

Across England, the level of committed results was positive and represented a strong ratio of participant to result.

Overall Progress - Category of Region

At this stage in the Programme the MA had anticipated an overall commitment of around 50%. Though the Programme was close to that at a National Level, there was variance among Categories of Region, IP and LEP areas.

Committed spend:

- Less Developed €70m (34% of allocation)
- Transitional €564.8m (46% of allocation)
- More Developed €2bn (50% of allocation).

Please find below breakdown for each category of region showing commitment, variances and actions being taken to address these:

Less Developed

Overall ESF commitment 34%. The percentage of commitment varies by IP:

IP 1.1	P1.2	IP1.4	IP 1.5	IP2.1	IP2.2
41%	50%	30%	1%	63%	5%

Transitional

Overall ESF commitment 54%. The percentage of commitment varies by IP:

IP 1.1	P1.2	IP1.3	IP1.4	IP 1.5	IP2.1	IP2.2
40%	111%	75%	73%	1%	46%	14%

The MA anticipates the apparent over-commitment in IP1.2 to fall below 100% of allocation following implementation of the Skills Funding Agency Project Change Requests.

More Developed

Overall ESF commitment 48%. The percentage of commitment varies by IP:

IP 1.1	P1.2	IP1.3	IP1.4	IP 1.5	IP2.1	IP2.2
44%	100%	48%	69%	1%	37%	19%

At end of 2016 there was a call for IP2.2 valued at £1.07m and applications valued at £2.76m in the More Developed region. Applications for IP1.5 (CLLD) in the More Developed region were valued at £15.8m.

The MA will continue to work with LEP areas to manage levels of commitment in accordance with the performance framework and OP targets. We will also use these data to inform potential adjustments to the OP, if, for example, reasons for low uptake indicate a strategic shift or diminished demand.

Overall Progress - YEI

At end 2016 the total commitment in Funding Agreements for YEI, including the ESF element, was £155.2m. The MA has closely monitored progress in this particular IP and has worked with the relevant LEP areas to explore ways to increase spend. For example:

- Call to the value of £7.6m call issued in the Liverpool LEP area;
- Three calls to the value of £2.9m in Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) LEP, Leicester and Leicestershire (LLEP) LEP and Black Country LEP.

In the remaining YEI areas, further calls are under consideration, along with our reviewing the capacity of beneficiaries, to expand existing contracts.

Potential commitments include:

- Tees Valley £8m;
- Humber £420k;
- North East £1.3m;
- South East £300k.

Claims

At the point of writing, the MA has paid claims to a value of £10.4m, against an expected value of £19.9m. A key reason for the lower amount is that many projects started later than expected and as such have submitted Project Change Requests to re-profile expenditure and indicator profiles.

In addition, a claim from National Offender Management Service has been received to the value of £25m. Claims from DWP CFO, the Skills

Funding Agency (SFA) and the Big Lottery Fund (BLF) are expected by June 2017.

Many Grant Recipients are new to the obligations of operating as an ESF grant recipient. This has resulted in the gathering of evidence for claims checks to be slower than expected. The MA has actively worked with Grant Recipients to ensure more accurate completion of claims in line with the Claims Schedule.

European Commission Audit of Youth Employment Initiative (YEI)

The European Commission Audit carried out an audit of YEI in November and December 2016; the formal report was received by the MA in April 2017. The audit was conducted prior to formal designation being achieved. The MA is currently working through the audit recommendations and is on track to formally respond to the recommendations in accordance with the allocated timeframe. Measures put in place by the MA have already addressed a number of the recommendations made.

11.2. Specific actions taken to promote equality between men and women and to prevent discrimination, in particular accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the operational programme and operations (Articles 50(4) and 111(4), second subparagraph, (e) of Regulation (EU) No 1303/2013)

An assessment of the implementation of specific actions to take into account the principles set out in Article 7 of Regulation (EU) No 1303/2013 on promotion of equality between men and women and non-discrimination, including, depending on the content and objectives of the operational programme, specific actions taken to promote equality between men and women and to prevent discrimination, in particular accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the operational programme and operations.

Section 11.2 of the ESF England Operational Programme (OP) explains that equality, including gender equality, will be promoted and integrated into all of the key stages of the programme, such as planning, implementation, monitoring and evaluation. The OP has been informed by an 'ex-ante' Equality Survey undertaken by the Managing Authority in consultation with the Equality and Human Rights Commission.

Progress has been made towards a number of mainstreaming commitments made in the Operational Programme.

Firstly equality has been embedded into all the relevant programme guidance such as: 'outline' and 'full' Project Applications Guidance; the Scoring Frameworks; CFO Applications and Guidance; Project Inception Visits Guidance; and MI Indicator Guidance.

The project selection process rewards providers who aim to support equality, including equality between men and women. Providers are required to tailor support to meet the needs of the individual. For example, the programme has made it a contractual requirement for providers to make a contribution to childcare costs in IP 1.4 where it is a barrier to participation. The application guidance also encourages providers to use gender sensitive approaches to support.

The Programme has built upon lessons learned in the previous programme. Now, all providers must have equality policies and implementation plans from 'day one' of provision. Previously, they had been allowed up to 26 weeks to get their policy and plan in place. Good Practice guidance from the 2007-2013 Programme relating to gender and disability equality has also been incorporated in the Full Application Guidance - with applicants being encouraged to refer to the good practice when designing their delivery.

The Equality and Diversity National Sub-Committee (of the PMC) met in February, July and November 2016. The Sub-Committee agreed the ESIF Equality Mainstreaming plan in November, which includes key aims such as: setting up a reporting and monitoring mechanism; sharing good practice; and, setting up an equality training project to support key staff.

The Managing Authority launched the ESF Leader Awards during June 2016 which covered gender equality and equal opportunities. These awards aimed to help share good practice. The awards ceremony was held at the Birmingham National Exhibition Centre on 17 November.

Women and disabled people have been supported through a range of ESF funded projects. For example, £18.3m has been allocated to the NOMS Achieve North West Contract under ESF (IP 1.4). The project includes support for female offenders experiencing multiple disadvantages including complex issues such as mental health, domestic violence, learning difficulties and homelessness.

Gingerbread, a voluntary sector organisation in Liverpool, has been allocated £724k of ESF funding (IP 1.1) to help single parents (most of who are women). The aim is to help the participants re-connect with the labour market by offering one-to-one information advice and guidance followed by pathway support to volunteering and employment.

The NOMS (South West contract) has been allocated £8.7m (IP 1.4) to help support a range of projects, including the 'Genius Within' social enterprise that supports young people with learning difficulties. They receive employability and skills training and are encouraged to develop strategies to help them engage with mainstream provision.

11.5. Role of partners in the implementation of the programme (Articles 50(4) and 111(4), first subparagraph, (c) of Regulation (EU) No 1303/2013)

Assessment of the implementation of actions to take into account the role of partners referred to in Article 5 of Regulation (EU) No 1303/2013, including, involvement of the partners in the implementation, monitoring and evaluation of the operational programme.

The MA engaged extensively with partners at national and local level during the development of the ESF England Operational Programme (OP).

A consultation on design principles for the ESF OP was published in April 2012. This resulted in a final model for the OP which was tested through a number of established contacts and in consultation with the Department of Communities and Local Government and Local Enterprise Partnerships (LEPs).

Internal and external stakeholders, including all members of the 2007-2013 ESF PMC, and organisations with relevant knowledge and expertise on the target groups, social inclusion, education and training, equality issues and the other horizontal themes were invited to participate.

Representatives from economic and social partners such as the CBI and the TUC were also involved. LEPs consulted a wide range of stakeholders with specialised knowledge of the target groups and partners from the business, education, voluntary and environmental sectors were also engaged. This produced important complementary information and analysis that ensured a strong territorial dimension within the OP.

The ESF programme is governed through the national ESI Funds Programme Monitoring Committee (PMC) which is also responsible for the England ERDF programme. The committee is known as the ESI Funds Growth Programme Board (GPB).

In accordance with Article 5, the GPB comprises representatives from:

- local authorities - city and county councils, including the Greater London Authority;
- urban and other public authorities - LEPs, educational establishments;
- economic and social partners - chambers of commerce, local representative groups;
- organisations, including the Trades Union Congress and those representing equality and environmental issues, small businesses and the voluntary and community sector.

In addition to partnership working through the GPB, the ESF programme is further supported through partners who make up the suite of GPB sub committees. The sub-committees comprise representatives from relevant organisations who advise and challenge policy approaches to ensure the ESI programmes respond to emerging needs and issues.

The role of partners is also embedded at the local level through local ESIF Committees which complement the functions of the MA. Committees

comprise members from business, public, environmental, voluntary and civil society sectors.

The role and purpose of the ESIF Committees can be summarised as:

- to provide advice to the MA on local development needs and opportunities to inform OP strategies;
- to work with local sectors and organisations to understand the opportunities provided by the ESF to support OP and local economic growth;
- to provide practical advice and information to the MA to assist in the preparation of local plans that contribute towards the ESF OP priorities and targets.

Through this, partners deliver the role foreseen in the Common Provisions Regulation and the main principles and good practices set out in the European Code of Conduct on Partnership.

12. OBLIGATORY INFORMATION AND ASSESSMENT ACCORDING TO ARTICLE 111(4), FIRST SUBPARAGRAPH, (a) AND (b), OF REGULATION (EU) No 1303/2013

12.1 Progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations

The ESF 2014-2020 Programme Evaluation Strategy was formally approved by the Growth Programme Board (GPB) in June 2016 following its formal presentation to Board members on the 6th June 2016.

The DWP ESF Evaluation Team has made significant progress in delivering its evaluation commitments for the ESF 2014-2020 Programme. Between 1st January and 31st December 2016, the following evaluation studies have been progressed in line with our evaluation strategy.

Youth Employment Initiative (YEI) Process Evaluation

The YEI is part of the European Social Fund Operational Programme 2014-2020 and aims to help young people who are not in employment, education or training towards sustainable employment. This is the first of two evaluations of the YEI in England. The evaluation looks into three key elements:

- **Strategic fit** – how the YEI programme fits with EU, national and local objectives;
- **Design** – how the YEI programme was developed by different partners;
- **Implementation** – how the delivery of the programme has progressed in its early stages.

This evaluation was commissioned through a competitive tender exercise in May 2016 with the final report delivered in November 2016. A presentation of findings was delivered to the GPB in December 2016. The final report will be published in summer 2017.

ESF / YEI Participant Leavers Survey 2016-2018

The ESF and YEI Leavers' survey will meet the European Commission (EC) requirements to report against longer-term results indicators (LTRIs) for ESF and YEI. LTRIs measure an ESF or YEI participant's situation six months after they have left the provision. The ESF and YEI Leavers' survey will also provide data to inform the effectiveness, efficiency and impact evaluation for ESF and YEI.

Data from the ESF and YEI Leavers' survey will be used by the England Managing Authority to assist them in the continuous development of ESF and YEI provision. The data will also be formally reported to the European Commission through Annual Implementation Reports. The survey was commissioned in October 2016 through the completion of a competitive tender exercise. The 2016-2018 survey includes quarterly fieldwork waves and will run until mid-2018.

Since the 1st January 2017, a further two evaluations have been progressed in line with our ESF 2014-2020 Evaluation Programme commitments.

Youth Employment Initiative (YEI) Impact Evaluation

The YEI impact evaluation is the second requirement for the YEI Programme. The aim of the evaluation is to explore the efficiency, effectiveness and impact of YEI and will include a cost benefit analysis.

The aims of the evaluation are:

- to assess the extent to which the YEI has achieved its objectives (sustainable integration into the labour market of young people not in employment, education or training, including those at risk of social exclusion and young people from marginalised communities);
- to evaluate how efficient the YEI has been (in terms of achieving its objectives at the minimum cost and without duplicating existing provision) and which elements of the programme were most cost-effective;
- to gather evidence on the impact of the YEI and the extent to which observed outcomes can be considered an effect of the programme.

This evaluation was commissioned through a competitive tender exercise in April 2017. The evaluation will report in 2018 in line with the deadline set by the European Commission.

ESF Impact Evaluation: Research design and scoping phase

As part of the ESF 2014-20 Operational Programme, the DWP (as Managing Authority) is required to monitor and evaluate the programme. One of the evaluation requirements is a programme level impact evaluation, which must assess to what extent the objectives under each Priority Axis have been achieved.

The ESF impact evaluation research design and scoping project will be used to inform the design of a programme-level impact evaluation for the ESF 2014-2020 programme. The outputs of this project will enable the ESF evaluation team to design a robust and cost-effective impact evaluation for the ESF programme.

The aims of the research project are:

- To develop and refine an intervention logic model(s) for the ESF 2014-20 Programme (covering both Priority Axis 1 and Priority Axis 2);
- To provide advice on the feasibility of impact evaluation design options, including: the possible scope of the evaluation, the evaluation questions it should seek to answer, and possible outcome measures;
- To outline the methodological approaches which could feasibly be used to conduct an impact evaluation and the pros, cons, requirements and risks of each method.

The invitation to tender for the ESF research design and scoping phase was issued in April 2017. DWP received a number of research proposals

which it will be assessing during May and it is anticipated that the contract for this evaluation will be signed in summer 2017.

The ESF impact evaluation will be commissioned through a competitive tender exercise on completion of the research design and scoping project. It is anticipated that the impact evaluation will be commissioned in early 2018.

Follow up to evaluation findings

The table below sets out action taken to follow-up evaluation recommendations.

FOLLOW-UP TO EVALUATION RECOMMENDATIONS 2014-2020		
Evaluation Report	Main suggestions or recommendations	Action taken
Youth Employment Initiative (YEI): Process Evaluation	The evaluation made a number of suggestions for improving the future delivery of YEI.	<p>The evaluation report was considered by the England Managing Authority and ESF Policy colleagues at a findings workshop in November 2016. The following action is being taken forward by the Managing Authority:</p> <ol style="list-style-type: none">1. The Managing Authority will be undertaking a gap analysis to ensure future YEI funding allocations are focusing on the right type of provision in the YEI eligible areas.2. The Managing Authority is undertaking a review of the funding application process to ensure it is streamlined whilst remaining robust.3. There is an ongoing review of the suite of guidance provided for grant recipients and a number of improvements introduced including: clarity of participant eligibility evidence requirements, consistent messaging across all guidance and improving accessibility of guidance.

12.2 The results of the information and publicity measures of the Funds carried out under the communication strategy

Communications Strategy

The role of the Department for Work and Pensions (DWP) in relation to ESF communication and information activities, as the Managing Authority

for ESF England 2014-2020 Programme, is set out in the ERDF and ESF Communications Strategy. Some communication channels and activities are shared with the ERDF programme. The Managing Authorities draft a joint ESIF Communications Strategy and a separate joint 2016 Communications Activity Plan, which were formally adopted late in 2015 following Growth Programme Board (GPB) approval.

2016 Communications Annual Activity Plan and activities

The 2016 Communications Activity Plan set out a range of communication activities for the year, including expected results and success measures.

In late spring/early summer 2016 external communications (across Government) were limited due to local elections and the referendum on the UK's Membership of the European Union. In late summer the Managing Authorities (working with the national communications sub-committee) reviewed and partially re-drafted the Activity Plan and gained GPB approval in early October. Core external and internal ESF communication activities and outputs set out in the plan were delivered and regulatory requirements met. Some supporting measures were deferred into 2017, these include: production of a case study booklet; Technical Assistance (TA) project engagement; and, introduction of new communications to Grant Recipients.

2016 communications priorities included promoting the purpose, priorities and availability of ESF and how potential applicants can access it. Activities and early outcomes of projects contracted under ESF were also publicised to partners, interested parties, potential applicants and members of the public.

Specific examples of 2016 ESF communication activities are below.

ESF Programme Launch event

The official programme launch took place in January at Clink restaurant in the grounds of HMP Styal prison – the location of an ESF project funded by the National Offender Management Service Co-financing Organisation (CFO). The ESF funding focuses on improving the employability of offenders in custody and the community. Key ESF partners and stakeholders, including a representative from the European Commission and ESF projects, heard from the Right Honorable Priti Patel MP (then Minister of State for Employment) and the Head of the ESF England Managing Authority. The event was supported by press and social media activity.

ESF major annual information activity

The ESF Managing Authority and ESF partners actively participated at The Skills Show 2016 – the nation's largest skills and careers event, held

at the NEC, Birmingham from 17-19 November (attended by over 72,000 people). As part of an ESF TA project, the activities and early achievements of the England ESF Programme were promoted to a wide audience.

Main activities included:

- a designated ESF exhibition zone of six ESF stands, including the Managing Authority; visitors sought expert guidance about careers, skills and ESF provision and tried out some interactive activities;
- a workshop, chaired by the Head of the ESF England Managing Authority, focusing on preparing young people for work;
- an ESF Equal Opportunities and Sustainable Development award ceremony showcasing ESF project achievements in these areas;
- ESF messaging across the event;
- the use of social media, e-newsletters and other measures by the Managing Authority, TA project and ESF partners.

A separate national TA project promoted ESF support for skills throughout the national 2016 'Festival of Learning' campaign. Main outputs included two ESF award winners (awards presented by the Head of the ESF England Managing Authority at the national celebration event in Birmingham, in September) and two runners up. These were extensively publicised through press releases, films, social media and other measures.

Formal Communications Partner Survey

This was first carried out in early 2016 and received 137 responses; survey responses benchmark and shape/modify communication activities. Where possible future surveys will contain the same questions to enable comparisons and assess progress. Where relevant, results and responses are included in the activities set out below.

Ongoing development and promotion of ESIF pages on GOV.UK

The official website portal for the programme (www.gov.uk/european-growth-funding) is built into the existing GOV.UK website structure.

It contains:

- an overview of what the programme is/does;
- important programme documents;
- comprehensive guidance;
- useful resources; and,
- governance/partner related information.

It also hosts a fully searchable 'funding finder' tool where project calls for the ESIF programme are located and provides access to funding opportunities from ESF CFOs. Two lists of ESF funded beneficiaries were published on GOV.UK – in April and October. The full list covers ERDF and ESF programmes.

The portal received 491,787 page views in 2016 (target - 30,000 page views per month). 60% of survey respondents saw website pages as easy to locate/access and 79% felt information provided on the pages is useful/helpful.

Measures to communicate ESF and ERDF programme publicity requirements

The 2014-2020 ERDF and ESF Programme Branding and Publicity requirements are published on the GOV.UK website. This is developed to support partners and projects in the delivery of compliant communications and also incorporates resources including downloadable logos and poster templates.

ESIF monthly Programme Bulletins

Distributed monthly (except during periods of sensitivity) to a partner database of approximately 2,000, the Programme Bulletin provides latest news on ESIF programmes, including: latest government announcements; call updates; key events; project case studies; and, latest programme guidance. 83% of survey respondents found the content informative and interesting.

Social media activity

Regular updates and news are shared (except during periods of sensitivity) via Twitter; there were around 200 ESIF tweets by the end of 2016, with 862 followers and following 983. Following survey feedback more extensive use was made of images/graphics. 28% of survey respondents have re-tweeted ESIF tweets. The dedicated ESIF YouTube channel comprises a mix of ESF and ERDF focused films.

ERDF and ESF Communications Sub-Committee

Established in early 2016 and made up of communications practitioners from a range of programme partner groups, the sub-committee supports managing authorities in development and delivery of annual communications activity plans. It met formally in March and October, with other regular contact during the year.

Other ESF communication activities include close working with ESF CFOs on a range of communications measures; each CFO's own communication measures (websites, funding calls, events, e-newsletters, etc.) and managing authority participation in the European

Commission's ESF network of communication officers (known as INIO).

13. ACTIONS TAKEN TO FULFILL EX-ANTE CONDITIONALITIES (Article 50(4) of Regulation (EU) No 1303/2013) (May be included in report to be submitted in 2016 (see point 9 above). Required in report submitted in 2017) Option: progress report

Table 14

Actions taken to fulfil applicable general ex-ante conditionalities

Not required as ex-ante conditionalities were fulfilled on Designation

Table 15

Actions taken to fulfil applicable thematic ex-ante conditionalities

Not required – as above

14. ADDITIONAL INFORMATION WHICH MAY BE ADDED DEPENDING ON THE CONTENT AND OBJECTIVES OF THE OPERATIONAL PROGRAMME (Article 111(4), second subparagraph, (a), (b), (c), (d), (g) and (h), of Regulation (EU) No 1303/2013)

14.1 Progress in the implementation of the integrated approach to territorial development, including development of regions facing demographic challenges and permanent or natural handicaps, sustainable urban development, and community led local development under the operational programme

Progress in the Implementation of Community Led Local Development

Investment Priority 1.5 (and section 4/4.1) of the ESF Operational Programme sets out how Community Led Local Development (CLLD) will be used for targeting activity on specific geographic areas in support of local economic growth. The objective being to deliver additional, localised support to people in particularly deprived areas, so that they move towards or into employment.

In the main CLLD is being implemented as part of an integrated ESF/ERDF co-dependent operation in local areas, but can also be ESF mono-funded.

Eight open calls were launched in 2015 for bids to secure stage 1 CLLD development funding. In response, 31 organisations submitted ESF applications for development funding. 27 of these were for Joint ERDF/ESF CLLD operations and four were ESF only proposals.

Main 2016 milestones and activities were as follows:

- following Managing Authority appraisal and moderation, 30 applicants were awarded small amounts of ESI funding to develop a local CLLD strategy and confirm the identity of the Local Action Group (LAG) and the Accountable Body for the LAG. Full Application was for up to £40,000 total cost per LAG area and CLLD Strategy. The £40,000 total cost is per LAG, comprising both ESIF resource **and** match funding. EU rules allowed ESF applicants to be funded on a 'Lump Sum' basis, reducing the administrative requirements for this phase.
- by the deadline for response of 31 August, 28 applicants had submitted strategies (plus the supporting information), with two areas electing not to submit a strategy.
- in line with agreed milestones; following ESF (and ERDF) Managing Authority assessment/moderation and subsequent consideration by the national CLLD selection panel (both taking into account agreed CLLD criteria, including as set out in the UK Partnership Agreement and ESF and ERDF Operational Programmes) 24 strategies were approved. Four strategies did not meet the agreed criteria, specifically in respect of Value for Money and the demonstration of a coherent and functional socio-economic area, so were therefore rejected.
- by 31 October, 24 invitations to submit Full Applications to implement approved strategies were issued, with assessment and approval planned for 2017. Three of these are ESF only and 21 are to be submitted alongside an ERDF CLLD Full Application as

part of an integrated co-dependent CLLD operation. The majority were approved with conditions to be met in the Full Application.

The strategies agreed in October amount to a potential commitment of £37.148m (including £338k for stage 1 activity to develop the strategies). However, funding allocations and planned outputs and results will be subject to change when Full Applications are submitted and appraised, and Agreements entered into in 2017; including in relation to how applicants have addressed conditions on outputs/results raised by the Managing Authority in invitation letters.

Category of Region	Number of CLLD local strategies approved in October 2016	
	ESF Only	Joint ESF/ERDF
More Developed	3	12.5*
Transition	-	4.5*
Less Developed	-	4
Total	3	21

*1 strategy covers both the More Developed and Transition Categories of Region

No substantive problems have been encountered. This is considered attributable to clear and detailed published guidance and strong communications with applicants.

There are currently no plans for any further Investment Priority 1.5 CLLD calls.

14.2 Progress in the implementation of actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the Funds

IT System

ECLAIMS is a new Digital Service being developed to support the delivery of both ESF and ERDF. ECLAIMS will support Grant Recipients (GRs) to submit compliant Claims through a series of validation checks, as well as supporting the performance of contracts by both GRs and the Managing Authority (MA) through an effective reporting mechanism.

The service is being developed using Agile methodology; incremental development with regular new functionality releases. The core service went live for internal users in April 2016. Development work since April 2016 focussed solely on what was required for MA Designation. A workshop was held with the Audit Authority in November 2016 where it was confirmed it met the Designation criteria.

Since then, development has had two focuses: firstly the design and usability to meet Government Digital Services (GDS) service standards, allowing us to present the service to a GDS assessment panel in 2017. If successful, and the service passes its BETA assessment, the service can be opened to external users. Secondly focus on developing the service to meet the needs of the business, including: developing stories to meet the EC e-cohesion requirements; additional validation to support Eligibility Rules, and additional functionality to support Project Change Requests.

The MA has also been building reporting capability and designing and developing a suite of reports to enable effective management of the Programme.

The MA continues to test the service with internal and external users, obtaining feedback to enable us to deliver a service that meets all users' needs.

MA Technical Assistance (TA)

The MA has worked, and continues to work, with partners including LEPs, DCLG and Department for Business, Energy and Industrial Strategy (BEIS) to develop the ESF 2014-2020 Programme and provide advice and support to delivery partners at LEP level. We ensure that all partners and stakeholders are aware of the technical requirements and regulations in relation to delivery through regional delivery teams.

Local MA delivery teams are responsible for the initial assessment of bids and then contract management of successful bids for both TA and ESF monies so therefore have the knowledge to ensure that there is no overlap of projects at national or local level.

Required actions to notify staff of TA support, instigate displaying posters at local offices and issue guidance on use of the ESF logo have been undertaken. Examples of TA funded projects include:

- A project in South East Midlands LEP which provides local support and advice for potential applicants for ESF to enable them to develop robust and compliant projects proposals, including support to enable organisations to apply for and deliver ESF co-funded projects to support residents and small/medium enterprises across the LEP area;
- The Festival of Learning which established a targeted national and regional promotion and engagement campaign and fostered partnerships across City and LEP boundaries to promote and publicise ESF funded provision and outcomes achieved by learners and employers.

14.3 Progress in the implementation of any interregional and transnational actions

There are no interregional or transnational projects within ESF England 2014-2020 Programme

14.5 Progress in the implementation of actions in the field of social innovation, where appropriate

The ESF England Operational Programme refers to the Programme promoting social innovation to test and develop innovative solutions at local or regional level. The overarching approach is to work with partners from the private, public and VCSE sectors with the aim of addressing societal challenges. Social innovation can be implemented within Priority Axes 1 or 2. Examples of themes for social innovation which may be supported include:

- Supporting activities and initiatives to reduce the number of people at risk of poverty and exclusion;
- 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, promote social inclusion and improve workforce skills;
- Addressing the skills needs of an ageing population; and,
- Supporting entrepreneurs, developing social enterprise, promoting self-employment and encouraging a culture of entrepreneurship.

The National Offender Management Service (NOMS) has been proactive in delivering projects which support the aims of the Social Innovation theme. NOMS established a specific operation (total value £16m in 2016) to target and support offenders categorised as hard to reach. The operation ran across England targeting offenders with specific needs with the overarching aim of moving participants closer to the labour market via ESF provision.

Examples of projects delivered in 2016 include:

- A project in the North West supporting women with mental health needs. Activities included engaging participants in craft workshops with the aim of removing women from the pressures they face, helping them to express their feelings and develop communication skills;
- A project in the East Midlands supporting offenders with personality disorders. The project delivered end to end management of sex offenders on a personality disorder pathway and provided specialist support in family interventions in custody and the community. The project focussed on participants' strengths to change behaviour and reduce harm and to influence participants to take responsibility and move forward in their lives.
- A project in the East of England providing specialist interventions for sex offenders. The project aimed to challenge and overcome barriers to employment, education and housing for offenders with a previous sexual offence. Support included operating a Personal Sponsor scheme and identifying appropriate and supportive links in the community, including participants' families and friends.

By the end of 2016 no formal evaluation of the projects had been carried out. All projects were monitored and providers submitted progress reports on a regular basis. Updates were provided through quarterly Provider Forum where good practice was shared and further potential project developments identified.

14.6 Progress in the implementation of measures to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of poverty discrimination or social exclusion, with special regard to marginalised communities and persons with disabilities, long term unemployment and young people not in employment including, where appropriate, the financial resources used

The ESF Operational Programme (OP) has been designed to enable a wide range of support to be offered to the most disadvantaged people in the labour market. LEP area committees provide a local strategic steer for how ESF can best be used to support local communities and target groups in the local areas covered by the programme. Examples of support include:

In London almost £232m ESF has been committed across Investment Priorities 1 & 2, to the end of 2016. As well as providing universal support to individuals to improve their employment opportunities, ESF programmes in London focus on providing tailored support to a number of specific target groups. For example, the Skills Funding Agency was allocated £1.3 million (IP 1.2) to Reed In Partnership to support workless young people (aged 18-24) who experience mental health conditions, drug/alcohol abuse problems, or homelessness. The service is focused on reducing the number of participants who are NEET for extended periods and are therefore more likely to suffer from reduced opportunities. The project operates across West, Central and South London with advisers working from Reed offices and community locations to engage and work with young people. Other examples of projects include Employment Support for:

- Long term unemployed and economically inactive BAME Women (Big Lottery Fund);
- People with Multiple and Complex Needs (Big Lottery Fund);
- People with common mental health conditions (Big Lottery Fund);
- Carers (Big Lottery Fund);
- Older Workers (DWP).

In the West Midlands £13.5m (IP 1.4) was allocated to the NOMS contract to support IXION who work with a sub-contractor (PACT) to provide intensive training and relationships' support for disadvantaged offenders in the Birmingham, Coventry, Worcestershire and Black Country areas. The training aims to help offenders contribute to society via the labour market.

In the East of England NOMS (Shaw Trust/Realise Future) was allocated £18.3m (IP 1.4). The Realise Futures project is an award winning Social Enterprise that aims to help long-term unemployed, disabled, disadvantaged ex-offenders, including those who are army veterans, with support to help them get back into society.

In the East Midlands, the Nottingham City Council's 'Nottingham Works' project was allocated £2.29m of ESF and £2.29m YEI (IP 1.3) to help young people who are NEET and who have additional disadvantages (e.g. lone parent, a BME, disabled / mental health condition). Participants are provided with high quality, specialised and locally-driven support to help them get back into work and learning.

In Leicester, the Big Lottery Fund CFO allocated just under £2m to help fund the Reaching People / Moneywise Plus project. The project aims to work with participants furthest from the labour market. They aim to move them closer towards education, employment or training opportunities by developing their digital and financial skills. Moneywise Plus builds on existing financial inclusion work and consultation with service users and local agencies to ensure that participants have:

- Increased financial confidence and greater capacity to manage their daily budgets;
- Increased digital confidence;
- Greater levels of confidence and reduced isolation through financial and digital skills management and opportunities to volunteer that will support their moving towards employment, education, or training.

15. FINANCIAL INFORMATION AT PRIORITY AXIS AND PROGRAMME LEVEL (Articles 21(2) and 22(7) of Regulation (EU) No 1303/2013)

For the purpose of assessing progress towards the achievement of milestones and targets set for financial indicators in the years 2018 and 2023, table 6 of Part A of this Annex shall have the following two additional columns:

13	14
Data for the purpose of the performance review and performance framework	
Only for report submitted in 2019: Total eligible expenditure incurred and paid by beneficiaries and certified to the Commission by 31/12/2018 Article 21(2) of Regulation (EU) No 1303/2013	Only for final implementation report: Total eligible expenditure incurred and paid by beneficiaries by 31/12/2023 and certified to the Commission Article 22(7) of Regulation (EU) No 1303/2013