

## **Citizen Summary**

The England European Social Fund Programme (ESF) was formally adopted by the European Commission in September 2015 and launched by the then Minister for Employment in January 2016.

An extensive consultation process was launched in April 2012. This resulted in a final model for the Programme 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 and organisations with relevant knowledge and expertise on the target groups, social inclusion, education and training, equality issues and other Programme themes were invited to participate. Representatives from economic and social partners such as the CBI and the TUC were also involved. LEPs consulted with a wide range of stakeholders with specialised knowledge of the target groups and partners from the business, education, voluntary and environmental sectors. This produced important information and analysis that ensured a strong local emphasis for the Programme.

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

The total value of the Programme is approximately €3.5bn.

At the end of 2016, significant progress had been made with £1.39bn already committed. This comprised Funding Agreements with organisations contracting directly with the ESF Managing Authority with a total value of £244m and Memoranda of Understanding with four national Co-Financing Organisations (DWP, National Offender Management Service, The Skills Funding Agency and The Big Lottery Fund) with a total value of £1.15bn.

In terms of progress against the Performance Framework targets, the two main funding priorities (Priority Axes) were well committed. Within both Priority Axes 1 and 2, the programme had commitment of 158% of 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 target of 7,300
Transition	143,531 committed participants against target of 43,600
More Developed	808,031 committed participants against target of 183,500.

Priority Axis 2:

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

As mentioned above, a significant percentage of the England ESF Programme is delivered through co-financing arrangements with four partner organisations. At the end of 2016 all four Co-Financing Organisations (CFOs) had onward procurement covering 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.

## **Social Innovation**

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. 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;
- Addressing labour market issues related to demographic change and health;
- Promoting gender equality;
- Addressing the skills needs of an ageing population.

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. 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 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.

## **Addressing specific needs**

The ESF Programme 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, a project to support workless young people (aged 18-24) who experience mental health conditions, drug/alcohol abuse problems or homelessness. The service focused on reducing the number of participants who are NEET for extended periods and are therefore more likely to suffer from reduced opportunities;

- In the East of England, a Social Enterprise project to help long-term unemployed, disabled and disadvantaged ex-offenders (including those who are army veterans) with support to help them get back into society;
- In the East Midlands, a project to help young people who are NEET and with additional disadvantages such as being a lone parent or a disability. Participants were provided with high quality, specialised and locally-driven support to help them get back into work and learning.

## **Governance of the Programme**

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 of the ESF Regulations, the GPB comprises representatives from:

- local authorities - city and county councils including the Greater London Authority;
- urban and other public authorities - LEAs, educational establishments;
- economic and social partners - chambers of commerce, local representative groups;
- organisations including the Trade 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 European Structural and Investment Funds Common Provisions Regulation and the main principles and good practices set out in the European Code of Conduct on Partnership.

### **Impact of the EU Referendum**

Following the referendum, the Chancellor of the Exchequer 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.”