

REPORT TO D2N2

ESF PROGRAMME REVIEW FINAL REPORT



August 2017



and



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EXECUTIVE SUMMARY

The Study:

Our task was to review and provide insight into the effectiveness and strategic alignment of the D2N2 ESF Programme, highlighting opportunities for further improvement to inform future D2N2 strategy and commissioning.

We were tasked to consult on the usefulness of the pre-events to potential bidders and support given at the pre-bidding and commissioning stage; to gather opinion on gaps, strengths and weaknesses in current provision; to gain an understanding of what aspects are working well and what would benefit from improvements - to help inform future commissioning; and get a sense of the appetite for (and availability of) match funding.

Within the four weeks available, we managed to secure feedback from 61 key contacts (all prime contractors, some non-contracted providers, schools, employers, individual beneficiaries, Local Authorities and Enterprise Co-ordinators). In the main, these were obtained through in-depth face to face consultations but supported by online formats of all consultative tools, which were available for self-completion and for inputting feedback obtained in person.

Key Findings:

The key findings from our research are grouped into the main issues as set out in the brief:

Commissioning: There was strong endorsement for the LEP's support provided at pre-bidding stage with information and awareness raising events well regarded. The feedback from the prime providers indicated that the LEP was responsive to their needs and the communication processes added value to their approach towards partnership development, networking and the development of their proposed solutions. We would advise on similar support for any future commissioning process, with more opportunity to consult with the provider base in advance of planned events to capture views and commentary in order to maximise the impact.

Strategic alignment: There was clear recognition that ESF commissioning has been aligned to D2N2 strategic plans. When consulted providers were able to corroborate that their response to tender and the specifications they worked to were part of a joined up 'strategic thread'. The feedback from the Local Authorities however highlighted some concern about the demonstration of need within the final commissioned activity, citing that due to the length of time to develop and commission the programme overall, the local economic and labour market condition had changed considerably. In addition, there are limitations to utilising funds to meet some higher-level skills needs that would be more aligned to the business growth agenda, however the significant proportion of the overall programme - its design,

planned cross-referral interaction between programmes and output targets- were clearly focused on delivering D2N2's social inclusion framework.

Gaps/Needs/Targeting: Overall, there was a sense that the opportunity to deliver at more localised levels and respond to specific issues at sub-LEP levels of geography would be welcomed, to reflect different urban/rural issues.

Whilst the scope of this study did not include any in depth project evaluation work, to objectively assess impact, and many are still in the early stages of delivery, there was feedback from contractors and beneficiaries (businesses and individuals) that positive impacts were being achieved. There were some concerns over potential “overlap” and a lot of provision for young people who are NEET (Not in Employment, Education or Training). Person-centred, holistic type approaches to supporting individuals were well regarded but there are requests for more “joining up” of activity between projects and across the overall ESF programme and some clarity / support on cross-referral procedures.

Some issues where requests for additional support could be considered included: digital literacy for older people; support for homeless people; mentoring in the workplace; advisory support on the impact of recent benefit changes, amongst others.

Match funding: This is a real issue with no easy solutions and one which will be discussed further by LEP partners in the coming weeks. Opt-in funded projects clearly provided the advantage of a “fully funded” package for delivery partners and whilst there is strong support for more “open call” opportunities, identifying and procuring match is likely to be a difficult challenge.

Administrative issues: There were a number of concerns expressed in relation to the very heavy administrative burden that comes with ESF and evidencing for audit trails etc. Most primes feel equipped to deal with this, and have experience, but for sub-contractors at the “frontline”, this can be a barrier as their focus should be on project delivery and they have less technical expertise or access to in-house support. Furthermore, issues raised such as targets being re-adjusted post contract-award and changing guidance from contract managers, to the stage where some primes are reticent to bid for future ESF contracts.

Contract Management: Many of the concerns expressed by consultees relate to contract managers and decision making at a national level over which the LEP and its partners have limited influence. We advocate attempts to bring the ESFA, DWP and Lottery into discussions at the commissioning stage (with advice, guidance and providing prospective bidders on clarity (with regard to information requirements, targets, administrative needs etc.) but also then for contract managers to provide a communication channel to D2N2 at bid assessment stage and a longer term relationship throughout implementation stages. We recognise that national agents may have limited resource to deploy at a local level, but the local partners are, in

effect, side-lined beyond the commissioning stage. They rely on good working relationships with project leads to bring together information.

The evaluation has, however, captured a significant amount of feedback from prime providers and Local Authorities regarding the issues raised relating to the contract management processes led by DWP and the ESFA. Much of the consultation with the prime providers centred on the complexity of the eligibility, claim evidence and administration, and overall audit requirements placed upon them. Furthermore, providers indicated that delayed payment/claim processes, exacerbated by changing guidance, had created significant financial and operational stress, with at least two providers indicating that the overall financial risk was too high. Providers gave several examples of how definition of eligibility against key outputs and a variation on the output targets compared to the specification, was creating significant operational pressure; with the belief that many of the issues raised were from either misinterpretation of the original specification outputs or lack of planning of how the contract management and payment processes would impact on smaller providers.

Coupled with this were concerns raised by the Local Authorities that there was very little available information regarding the impact each programme was having and for the overall ESF programme across D2N2. Local Authorities raised concerns regarding how this impinged their ability to understand how the social and economic needs of their communities were being effectively addressed. Both providers and Local Authorities were looking to the LEP for ‘advocacy’ and potential facilitation with the co-financing Managing Agents. The technical assistance role the LEP performed was well received and made a significant difference in enabling providers with less ESF experience but with the appropriate strategic capabilities to engage with the programme. Technical Assistance however, is limited up to the point of contract award. Given the significant challenges highlighted beyond this point, the conclusion must focus on what else the LEP can develop in partnership to resolve operational issues and mitigate future risks. This can be summarised as:

- Lobbying for a post contract award “technical assistance” role for the LEP, which can focus on addressing specific technical issues and risks raised individually and collectively across the programme’s delivery partnership
- Facilitating the “embedding” of the strategic aims and specification details consistently – again, individually and collectively across the delivery partnership and
- Working with the Managing Agents and the providers to design and share a core impact management information “pack” that is sharable across the Local Authority areas and helps create a more dynamic understanding of how future ESF delivery is responding to changing economic needs.

1: INTRODUCTION – BRIEF, METHODOLOGY AND CONTEXT

1.1 Consultancy brief

In June 2017, D2N2 LEP (Local Enterprise Partnership) issued an Invitation to Tender (ITT) brief, to carry out an intensive, qualitative piece of evaluation research to review its ESF programme.

Specifically, this work was designed to support the LEP and the ESF Technical Assistance Programme by providing insight into the effectiveness of existing provision, through European Social Fund contracts, and highlight opportunities for further improvement. Findings from the research would help inform future D2N2 strategy and commissioning. The over-arching aim was to improve the alignment between the supply of skills in D2N2 and employers' demands and needs within the context of the LEP's ESF (European Social Fund) programme.

The evaluation work aimed to capture opinion on:

- The usefulness of the pre-events to potential bidders.
- The effectiveness of local activities, which have supported collaboration and partnership working (between stakeholders and providers and what in the future could be done differently or introduced).
- What improvements and or changes can be applied when procuring and commissioning the future programme (2018-2020).
- The usefulness of the local information contained in the specifications and how this could be changed.
- The appetite and or availability of match funding to support the future programme (e.g. where opt-ins may not be available).
- Gaps, strengths and weaknesses in current provision at individual programme and overall programme level. What these are and what changes can be incorporated into the future programme, including the added value they would bring.
- Capture information relevant to urban and rural needs.
- Significant under or over provision against any identified delivery objective / target beneficiary group.
- Changes nationally / locally and the impact on future commissioning these may have, and what measures the D2N2 LEP should take in view of future procurements and commissioning.

Our submitted proposal was selected and an Inception Meeting was convened for 4th July to kick start the study, with "fieldwork" completed by Friday 28th July.

1.2 Methodology

Our methodology was designed to meet the challenge of consulting and obtaining feedback from a high volume and wide range of organisations, businesses and individuals involved in the process within a one-month timeframe (July 2017).

The ambition, as set in the brief, was to consult:

- All “prime” contractors – the thirteen service delivery organisations holding ESF contracts across D2N2
- Representatives from the two City Councils and two County Councils plus a sample of other Local Authorities across D2N2
- Ten providers not currently managing ESF contracts
- Twenty employers that have accessed support through the ESF programmes, and
- Forty individual beneficiaries.

To attempt to meet these ambitious targets within a four week period, we adopted a mixed methods approach: one to one “in person” interviews with prime contractor and some other key consultees; telephone interviews as a contingency; and we created self-completion questionnaires (via weblink) in three formats (for providers, businesses and beneficiaries) which were circulated via email. We also convened a workshop session, with all Local Authorities invited, as the most efficient format for consulting a high volume of contacts.

We developed questions in line with the key issues to be explored as set out in the brief. In summary, these issues are highlighted under Section 1.1 above. We were reliant upon prime contractors to act as our “conduit” to employers and individual beneficiaries. Not all contractors were appropriate for this – for example, the main route through to employers was through the “EMPLOY Local” programme and some attempts to arrange one to one or group consultations with beneficiaries were more successful than others. The survey was also widened out to include Enterprise Co-ordinators.

1.3 Responses

We managed to obtain interviews with/feedback from 61 consultees:

- All 13 prime contractors
- 22 individual beneficiaries
- 7 businesses and 6 Enterprise Co-ordinators
- Local Authorities: 13 attended the workshop representing 6 Borough/District Councils, Derby and Nottingham City and Derbyshire and Nottinghamshire County Councils.
- Furthermore, one university provided input into the consultation programme.

1.4 ESF context

The European Social Fund (ESF) Operational Programme is part of the European Structural and Investment Funds Growth Programme for England in 2014-2020. It is a seven-year programme whose objectives remain constant throughout the period of operation.

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

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

National context: Since the D2N2 ESIF Strategy was published in October 2014 there have been significant and fundamental changes in the external environment that may prompt further consideration on future commissioning activity. Foremost of these was the decision taken by the British Electorate on 23rd June 2016 to leave the European Union. The ramifications of this decision are still being felt and formulated so it is best to leave this outside of the remit of this report.

Unemployment levels both regionally and nationally have continued to fall since 2014. The overall unemployment rate currently sits at 4.4%, its lowest level since 1975¹. Youth unemployment at 12.2%² is 4% lower than at the start of the spending period and at 75.1%, the proportion of people in work is the highest it has been since 1971³. There have been changes to health-related economic inactivity too, with a greater focus on work capability assessments resulting in less people defined as “economically inactive” by DWP. Despite a strong economic recovery driven by net job creation and earnings growth, more people than ever are deciding to opt for self-employment, suggesting that we are witnessing a sustained cultural shift towards entrepreneurialism rather than a short-term response to the financial crisis and a poor job market. The number of UK Business births increased by 9.3% to 383,000 between 2014 and 2015, a birth rate of 14.3% compared with a rate of 13.7% in 2014. The 383,000 business births in 2015 were the highest recorded since comparable records began in 2000⁴.

D2N2 context: This is a situation replicated locally. In the D2N2 area there was an increase in business births of 28.4% in 2015 over levels in 2014, this resulted in 2,520 new business births in the year⁵. Given the changing externally environment it may be that future ESF activities

¹ <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment>

² <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN05871>

³ <http://www.bbc.co.uk/news/business-40947087>

⁴ <https://www.ons.gov.uk/businessindustryandtrade/changestobusiness/businessbirthsdeathsandsurvivalrates>

⁵

<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/businessdemographyreferencetable>

would benefit from having a greater focus upon the Skills for Growth priority with increasing support for those new and prospective businesses to give them the skills they need to survive and the support they need to grow their businesses. This would reflect recent changes in the external environment since the start of the spending period.

Commissioning activities over the first period of project activity has followed one of two models; that of a “co-financed model” where the co-financing requirement of ESF funding is already in place; or an ‘open-call’ where the co-financing element is required through the application process. Each model has its advantages and disadvantages. Feedback from the research conducted has indicated that where levels of dissatisfaction exist, these are largely a result of the co-financing model and the differing priorities and expectations that parties involved in the co-financing process have. Many Primes and sub-contractors to Primes pointed to this as an issue that they would like to see improved.

The ‘open-call’ model would be one way of ‘improving’ this situation, however, that then poses a further problem, that of where the co-financing element would be drawn from. With projects of the size of scale of those seen during the first period of spending there are likely very few organisations with the capacity to supply the required levels of co-financed funding.

A potential solution would be to commission smaller projects focused around specific localities, sectors or issues. Research has indicated that these would be attractive to the kind of providers who have direct interactions with the hardest to reach populations within D2N2.

Employment and skills is a cornerstone of D2N2’s Strategic Economic Plan and the LEP is committed to ensuring businesses can access the skilled workers and support the jobs growth agenda. Over the first three years of the 2014-2020 ESIF Programme, some £43 million of ESF has been committed through seven programmes:

- Building Better Opportunities
- INSPIRE Local
- CAREERS Local
- Youth Engagement (in D2N1)
- Youth Engagement (Nottingham City)
- EMPLOY Local
- SKILLS Local.

With additional ESF resource available, D2N2 is looking to a fresh round of commissioning (likely to be Autumn 2017) and this short study is intended to help provide an evidence base for “what is working?”, “what needs improving?” and what the focus of activity should “look” like.

1.5 Limitations

With more time and resource, a wider and more in-depth review of D2N2's ESF programme could be achieved. During the course of our consultation programme it became clear that other considerations would be helpful to inform future commissioning decision making. For example:

- **Project impact** - an assessment of “what is working well?”, by learning from independent evaluations of each project, would be useful to inform the future commissioning process. We understand some (e.g. BBO) schemes are undertaking an external evaluation. Results providing an indication of impact and success, or otherwise, would serve to build the evidence base for further ESF commissioning. We had to be guided by feedback from those directly involved and this has its limitations in being able to judge how effectively and successfully they are meeting the needs they set out to address.
- **Gap and needs analysis** – identifying “gaps in provision” that would align with D2N2 ESIF priorities, ideally requires more wide-ranging research to inform the evidence base. Much of this may be available to D2N2 and partners but with the ever-changing labour market and issues affecting beneficiaries' circumstances (such as benefit changes). Some ideas were put forward by consultees, notably Local Authorities (see Section 5.4).
- **Consultation scope** – with more time, a wider array of “stakeholders” could have been interviewed as part of the review process. Local Authorities, for example, expressed a wish to enable senior colleagues and appropriate elected members to comment and were concerned by the tight timescale of this study. Furthermore, additional businesses, individual beneficiaries and non-contracted providers could have been approached with more time and resource.

That said, we achieved significant response rates to the call for consultations and obtained highly valuable, candid feedback. We have aimed to reflect the balance of views from our consultation programme within this report.

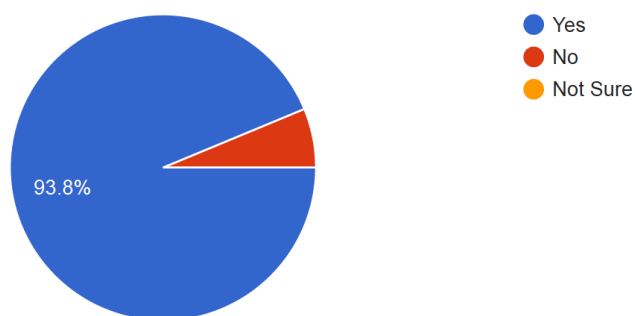
2: FEEDBACK ON COMMISSIONING PROCESS

Our consultations with providers, posed a series of questions. Included in those, we sought to gain feedback on their experiences of the commissioning process, the support and advice provided at events, strategic alignment, key challenges and an indication of interest in future bidding amongst other issues.

There was a strong level of endorsement for the pre-commissioning information events and the level of support provided by D2N2 and partners. We highlight the following responses:

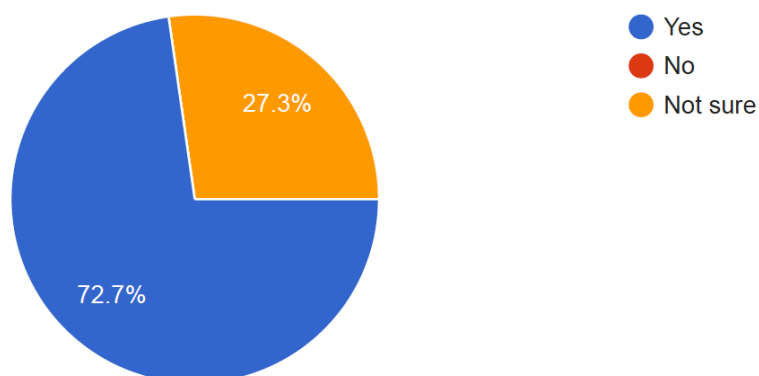
Were you able to fully understand the strategic aims of the ESF Programme?

16 responses



Did the engagement with the LEP help overall?

11 responses



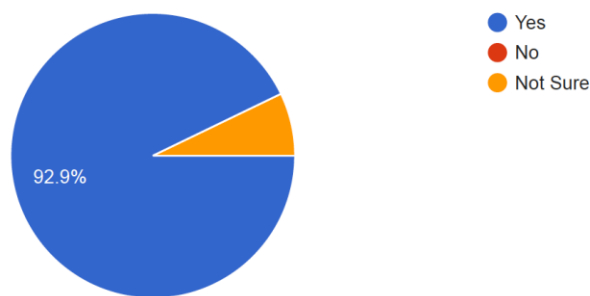
The approach taken by D2N2 to communicate with prospective bidders at the pre-bidding stage through events, was widely recognised and welcomed and any future commissioning should provide similar, perhaps with co-funding agencies (DWP, ESFA and Lottery) also providing a steer and guidance.

In addition, prime contractors welcomed the fact that D2N2 had started to co-ordinate group meetings (ESF Provider Delivery Group) to help them discuss / share information and raise issues.

GIVE AN EXAMPLE

Were you able to develop your networks during the design and procurement stages?

14 responses



3: KEY MESSAGES

3.1 Introduction

Below, we have grouped together the key messages that were consistently highlighted during our consultations. Not all consultees expressed the same views on each issue, but these represent the fundamental topics discussed and are in line with the brief.

We have set out the tone of the key messages and potential considerations to help address concerns and enable D2N2 and partners to maximise the impact of future ESF procurement.

3.2 Commissioning Process / LEP support

- The commissioning and pre-commissioning process was generally well received by all those consulted
- Support and guidance given from LEP has been valued by all contract holders
- The evaluation captured a significant amount of feedback from prime providers and Local Authorities regarding the issues raised relating to the contract management processes led by DWP and the ESFA. Much of the consultation with the prime providers centred on the complexity of the eligibility, claim evidence and administration, and overall audit requirements placed upon them. Furthermore, providers indicated that delayed payment/claim processes, exacerbated by changing guidance had created significant financial and operational stress, with at least two providers indicating that the overall financial risk was too high. Providers gave several examples of how definition of eligibility against key outputs and a variation on the output targets compared to the specification, was creating significant operational pressure; with the belief that many of the issues raised were from either misinterpretation of the original specification outputs or lack of planning of how the contract management and payment processes would impact on smaller providers.

3.3 Co-Financing Agencies (DWP, ESFA, Lottery) – guidance and support

- Conflicting messages from some key partners in terms of information given when compared to that given from the LEP. There has been evidence of the definition of eligibility changing during contract delivery phase. Many talked of “changing goalposts” during project implementation, with some advice and guidance given at the start, able to change mid-course
- Frustrations from providers/partners that the contract managers (ESFA/DWP) are often “remote” from the local level. Working within their own national frameworks and as co-financiers, they have an “over influence” on project design and decision

making, with local partners relatively side-lined. There is a need to attempt to bring DWP and ESFA more closely in as support partners to the commissioning process

- Big Lottery is generally regarded in a more positive light, being perceived as less onerous and with “lighter touch” administrative requirements, and a focus on outcomes and progression.

3.4 Strategic alignment

- There is generally a strong level of recognition that commissioning has reflected the priorities as articulated in D2N2 strategic plans
- There is a weakness in the ability of ESF funded activity to support some of the business skills needs of the local economy – for example, SKILLS Local is intended to align with the LEP’s priority sectors, but many of the employers’ skill needs are at a much higher level (Level 4 or more) than can be supported by ESF.

3.5 Meeting needs / gaps in provision / targeting

- Lots of projects/provision focused on young NEET target group, resulting in projects competing for the same people. A more holistic approach may be more beneficial
- There is a desire for the use of more (and more current) local labour market intelligence to influence project design to reflect changing needs and meet gaps in provision – this would serve to facilitate a more dynamic and responsive local project design. Some advocated some resource to be set aside for an “open call” basis to encourage more responsive and innovative projects that, could also benefit from having more locally based control
- Schools welcomed being able to access ESF provision for what all say is the first time, although there is frustration with the application process for relatively small sums, at individual school level. Work on pre-NEETS is seen as particularly valuable
- There are some different needs between urban and rural communities and a LEP-wide “one size fits all” approach is not always the most effective response. There were also concerns that urban areas can access higher beneficiary volumes more readily and economies of scale, with respect to delivery, are more easily met than in rural areas where transportation and a lack of “beneficiary clustering” can make delivery more labour intensive and challenging
- Projects such as Building Better Opportunities are seen as being “resource rich” sufficient to allow partners to deliver person-centred and tailor-made support. People with several challenges and issues in their lives – those furthest from the labour market typically need more varied and more rounded support which BBO and other schemes do offer. The future challenge may be in linking this through to the wider array of support they may then need to help them move towards employment
- The ambition of the overall ESF programme to provide a series of “pathways” between and across projects, was seriously questioned by consultees who, in the main, felt that

projects tended to operate in relative isolation and primes were conscious of avoiding double-counting issues – leading to a reticence to cross-refer clients to other ESF contracts. It was recognised that the LEP’s work to bring together primes has helped communication and a team ethic, yet the referral process between projects requires support

- Some areas suggested for future targeting: digital skills for over 50s; advisory support on the impact of benefit changes to universal credit system; linking skills development to more business-articulated skill needs; extended mentoring in work; homelessness; rural issues; graduate “under-employment”.

3.6 Match funding

- The opt-in model clearly provides a benefit in enabling fully funded projects to be brought forward, but can lead to a “*mainstreaming approach*” driven more by national programme frameworks at the expense of more responsive interventions that reflect local issues
- Sourcing match funding would likely be an issue of concern for bidders under an “open call” basis. However, smaller projects with a specific focus may be more successful in attracting match-funding from organisations who are generally well placed to deliver the outputs required. There is an appetite for an element of future commissioning to be on an “open call” basis which could provide a more dynamic, innovative and response series of projects, tailored to more localised needs and issues and giving D2N2 a strong level of control of locally delivered activity.

3.7 Administrative issues

- Many consultees spoke of the challenges of meeting the rigorous monitoring and evidencing (for audit) requirements of the ESF regime. Whilst several prime contractors are well versed in ESF and its requirements/procedures and play a role in “training” and supporting their sub-contracting partners, the level of detail required and the time spent collecting and recording this, which deflects from service delivery, was a real concern. Moreover, changing guidelines post-contract award was a real concern - conflicting messages (advice and guidance) are generally unhelpful to contractors who require a clear and consistent message
- Many contractors would benefit from a more pro-active management approach to contract management
- Cash-flow is an issue for some sub-contracted organisations and even some primes highlighted that delays in payment had caused them severe cash-flow issues to the point whereby they may not bid for future commissions as they become very exposed to financial risk. Many smaller VCS groups do not have the “back office” administrative infrastructure to manage sizeable programmes

- It would be welcomed if there were to be more ESF technical assistance support across D2N2 partners generally, but also to facilitate a greater linkage between ESF funded projects (more “joining up” pathways for clients and reducing potential duplication of provision) and to support “frontline” groups, to enable them to focus on their delivery strengths.

4: FEEDBACK ON PROJECTS

4.1 Introduction

From the feedback we received from across delivery partners and beneficiaries, in this section we have highlighted the “top 3” most consistent comments/issues under the following categories, for each project:

1. **Key strengths**
2. **Areas for Improvement (or, issues of concern).**

To maintain issues of confidentiality in the consultations we held, we have distilled that feedback into the essential key points.

4.2 The Projects

Building Better Opportunities

BBO is an ESF-Big Lottery co-financed scheme intended to provide intensive, “person-centred” support to people furthest from the labour market. Clients will typically have multiple complex needs and many challenges they are facing in their lives. BBO is designed to help stabilise and start to turn their lives around, to help them move towards employment.

D2N2 has three BBO contracts in place:

- “Opportunity and Change”, led by Framework Housing, to create a pathway to employment, training and job search for 650 people with multiple and complex needs and helping those experiencing pronounced disadvantage, out of social exclusion
- “Money Sorted”, led by St. Anns Advice Group - a financial inclusion project to help 2,500 people with money management and improving people’s financial well-being
- “Towards Work”, led by Groundwork Greater Nottingham, to support 2,500 people into employment, education and training through a personalised journey by overcoming personal barriers to employment and training.

Key strengths

- Well-resourced programme allowing a rounded, person-centred support package to be put in place for people with many complex challenges – helping them on the “first steps” towards training/employment
- Very strong alignment to the ESIF social inclusion agenda
- Issues the project is designed to help are typically complex and deep-rooted requiring intensive support, which BBO caters for.

Areas for improvement

- Lottery and ESF (DWP) are very different regimes and the Lottery’s “softer touch” approach to monitoring and audit requirements is welcomed, but extremely onerous evidence gathering to fulfil the ESF audit trail requirements is a challenge
- Appears to be a wariness of “linking up” some services across/between the 3 projects due to concern over potential double-counting (if clients access more than one part of the service package)
- Many sub-contractors are small voluntary and community sector groups that struggle with the administrative “burden” that falls upon them. Some co-ordinated technical assistance support would be helpful to support grass-roots groups and take the burden off primes who tend to train and support their sub-contractors as much as they can.

INSPIRE Local

This project is led by Working Links and provision is designed to support those into sustainable employment who are on a health-related benefit and those out of work/inactive whom are over 50. It provides health and wellbeing support, overcoming barriers to employment and In- Work support. It predates BBO yet also seeks to help those furthest from the labour market with a programme to help change mind-sets and includes an intensive two-week course.

Working Links were the only prime contractor that declined to be interviewed, however they later responded to the self-completion survey. In the absence of a consultation “interview” it is a challenge to judge key strengths. The prime contractor appears confident in the delivery and has clarity of purpose, plus has strong experience in contracts of such complexity. No real issues emerged from their feedback aside from requesting further clarity on the referral system between contracts and highlighting potential “overlapping” issues.

CAREERS Local

CAREERS Local is designed to provide grants to Schools, Academies, Special Schools, Alternative Provision (Pupil Referral Units), Colleges and the Home Educated. The grants will support young people at risk of NEET with regard to careers advice with the aim of raising aspirations of the future workforce. Nottinghamshire County Council is the managing agent and institutions can apply for up to £10,000.

Key strengths

- Interest and response from schools has been strong
- Designed to target “at risk” young people rather than those already NEET, addressing real school needs
- Has enabled a framework of providers to be established that can be further developed for future provision.

Areas for improvement

- Schools are finding the application process to be very challenging with a detailed auditing requirement to fit D2N2 employability framework and feel quite isolated in the process
- There is some overlap with NEET provision and it could benefit from a better focus on specialist support including targeting earlier age cohort engagement
- Greater co-ordination with the Careers Enterprise Company's Enterprise Co-ordinators to allow schools to facilitate a more effective response and more targeted support at initial set-up stage would be welcomed.

Youth Engagement D2N1

This project is designed to engage and support young people and NEETs, aged 16-24, across D2N2 but outside of the City of Nottingham.

Led by CT Skills, its aim is to increase the number of young people who are in education, employment and training with a focus on the provision of tailored IAG and the creation of an individual assessment and learning plan delivered through a blended programme of regulated and non-regulated learning.

Key strengths

- Flexibility of the programme
- Support and information available at procurement stage was helpful
- Ongoing sharing of information with LEP etc. during implementation.

Areas for improvement

- Duplication of specified outputs across the programme – the support on offer is also similar to SKILLS Local for 16-24 cohort and EMPLOY Local for 16+. Moreover, the picture is therefore very confusing for employers, particularly those close to Nottingham which has its own programme
- Need better and more consistent communication channels with the D2N2 Growth Hub and Local Authorities
- Overall performance targets and expectations are too high particularly with apprenticeship output targets and delivering SME incentives, which don't align well with SME needs.

Youth Engagement Initiative - Nottingham City

This project is designed to engage and support young people and NEETs, aged 16-24, within the City of Nottingham. This is delivered by a partnership of Nottingham City Council, Sustrans, NBV Enterprises, DBC and Learn By Design.

Key strengths

- Project has enabled Nottingham City Council to build upon its core “Nottingham Works” service, which includes operational involvement on job and training brokerage with DWP
- Broad partnership approach enabling a range of person-centred services/interventions to be delivered
- Enabling barriers for young people to be addressed.

Areas for improvement

- Need to develop a robust and universal understanding of the output definition, eligibility, data sharing and claim evidencing process as systems and/or guidance have been re-written and delayed as DWP developed the local contract managing role. Over-burdened by audit and claim procedures, allied with lengthy delays and “changing goalposts” led to several concerns being expressed by partners.
- Targets seen as unrealistic and an “ESF dichotomy” – addressing social issues and demonstrating progression are seen by partners as relevant measures but the output framework does not recognise nor reward this
- Aim to reduce the potential for duplication of provision – the access to some target beneficiaries across the programme, by different partners, can create competition.

EMPLOY Local

This project is designed to connect individuals who are out of work with local employers who are recruiting. Jobs, apprenticeships and graduate roles are all part of the scope of the project.

For employers: EMPLOY Local provides a whole package of recruitment support for businesses - ranging from promotion of vacancies to hosting interview and selections days to developing Job Descriptions and providing pre-employment preparation to applicants.

For Individuals: EMPLOY Local: helps people to develop their work and personal skills; provides job seeking support; engages employers and brokers access to their vacancies on behalf of EMPLOY Local participants. DBC Training lead the project which aims to support over 2,200 people.

Key strengths

- Provision is highly regarded by individual beneficiaries, delivering real impact for employers and individuals in terms of job outcomes and qualifications gained
- Flexibility of the programme is seen as a real positive
- Support form D2N2 has been very useful, included facilitated networking events.

Areas for improvement

- Need to set realistic job outcome targets
- Streamlining the reporting system as LAs, LEP and ESFA all want slightly different things
- Greater clarity on what is in the contract specification and what is actually eligible as project activity.

SKILLS Local

This project is designed to support workforce development and business growth. To support the D2N2 Skills Strategy priorities of providing education and training which reflects employer needs, engaging businesses in the education and skills agenda, equipping the workforce with the skills and competencies required by local employers both now and in the future and encouraging a better match of skills supply with employer needs to address recruitment difficulties. Activity includes the provision of work related training for low skilled workers, employer incentives for work related higher skills, support for businesses to engage with the skills system and to understand the skills needs of their workforce. Support for employers to offer graduate placements, provide sector work experience for individuals and to provide support to employees under consultation or notice of redundancy. Support for employer led in work progression. This contract is led by Learn Direct.

Key strengths

- The procurement process allowed plenty of opportunities to build collaborative networks
- Flexibility of the programme
- Provision regarded positively by employers and beneficiaries.

Areas for improvement

- Greater clarity between the contract specification and what is actually eligible for project activity
- Explore the scope for greater flexibility to meet some employer needs
- “Constantly moving goalposts” - contracting and management.

5: OTHER FEEDBACK

5.1 Non-contracted providers

We struggled to gain feedback from non-contracted providers, despite several attempts at engagement but we managed to consult two.

Strengths

- Programmes and provider events helped to raise awareness of and develop better understanding of ESF programmes and objectives within D2N2.

AFIs (Areas For Improvement)

- Providers would like more opportunity to be consulted in advance of planned events to capture views and commentary in order to maximise the impact
- It was commented on that provider events were pretty “dry” in content and didn’t really add anything that couldn’t have been found through reading the tender specification
- Greater networking opportunities during the procurement stages
- A lack of VCS sector leads, aside from BBO, is perhaps a reflection of the fact that sizeable contracts require rigorous financial and administrative support which few could meet through their in-house capabilities.

Future

Both providers, whilst not a ‘prime contractor’ are delivering some ESF activity within D2N2 through sub-contracting arrangements with Primes. Interestingly, both non-providers echoed similar views to the primes around deficiencies within the contracting and management process of ESF funded programmes. Stating mis-communication to be an issue in that they are told different things by different people; paperwork not being ready for the start of the contract and feeling like the relationship is a ‘one-way street’ in that their deadlines are fixed whereas the funders appear to change their own deadlines at will.

5.2 Businesses

Strengths

- Employers view of SKILLS Local and EMPLOY Local is positive and providers have been presenting a clear message about engagement
- Employers like the flexibility of the provision
- Using to complement existing staff training and development programmes
- Schools welcome opportunity of additional monies to address ‘at risk of NEET’ cohort.

AFIs

- Some aspects of paperwork associated with the provision is seen as burdensome
- Greater flexibility around what can be funded - some “niche” provision/employers are unable to benefit because of the specialist nature of their needs and the associated costs of providing that training needed to meet needs
- Higher level skills are less of a focus for ESF although there is, currently, an open call available.

Future

- Employer incentives generally not seen as an incentive as level is too low to really be a true influencer of the decision to take up training
- Preference is for training to be truly employer-led rather than the delivery of qualifications of which perhaps half is content that the employer needs and values. For employers, the issues tend to be about the match between their needs and the support offer - its content, duration, level of qualification and its relevancy to their own business needs.

5.3 Beneficiaries

Strengths

- Meeting needs – many beneficiaries recognise they receive support to help a range of challenges and a “person-centred” approach pays dividends, particularly to those who need more intensive and wide-ranging support (such as those accessing BBO support)
- Responsive and flexible – e.g. YEI beneficiaries felt that provision was pro-actively meeting their needs through team based exercises and the use of positive role models as mentors. For EMPLOY Local, beneficiaries cited how provision helped build confidence, quickly identified employability gaps and supported targeted job search.

AFIs

- Could perhaps benefit if the wider ESF funded programme was better “linked up” and referrals across the programme and between projects could be enhanced
- Projects can end up *chasing* the same potential clients/participants. There is a myriad of programmes and funding. Better clarity is required throughout
- Schools are finding the application very challenging, with a detailed auditing requirement needed that fits with D2N2 employability framework and the schools’ internal IAG business planning. Based on this and the lack of actual expenditure to date (CAREERS Local) there is a significant risk of underspend. More capacity to support and work with schools during the planning, application and delivery of activity is required to mitigate this risk.

Future

Programmes needed to tackle different needs - social inclusion agenda requires labour intensive support/delivery and flexibility to provide person centred “hand holding” support, on the first steps towards employment. Others needed shorter and tailored support and may need further support into the workplace and for the first few months. Consider models that “follow the participant” and provide resources to match an individualised programme that addresses their needs, based on a person-centred plan and a flexible support package, rather than a more “silo” based array of projects that are not necessarily inter-acting / cross-referring in the manner that best suits individuals and businesses.

5.4 Local Authorities

Strengths

- There is access to Local Authority and D2N2 in-house expertise to benefit all partners up to commissioning stage as part of the Technical Assistance package

AFIs

- Timescale for responding to commissioning calls need to be more reasonable to allow for less rushed responses and encourage the opportunity for the development of consortia and for partnership engagement
- Local level and up-to-date labour market intelligence needs to be given more weighting in the development of projects and in the assessment process – LAs can be more effectively drawn in as a resource to support
- Addressing local needs and being to respond to more nuanced issues rather than develop LEP-wide “one size fits all” approaches
- Targets for some areas are deemed too high and there needs to be recognition that not all projects support easy-to-achieve targets
- Recognition that not all areas have the same issues and that the cities and larger urban areas provide a natural focal point for some activity delivery as they enjoy better economies of scale, whereas more rural areas may require more intensive and one to one (or small group based) outreach
- Previous ESF programmes allowed for higher intervention rates (circa 70%) which encouraged the voluntary and community sector to come forward more actively
- Inconsistent knowledge across LA areas on knowledge of what activity was being funded in their areas
- A sense that there was too much duplication of employability provision (entry to employment type of support)
- Consider greater flexibility in commissioning more outcomes-based activity
- Allow more current and forecast (trend) data and intelligence to be used in decision making than being reliant on responding to needs based on historical (out of date) evidence
- Ability to share CRM systems
- More collaboration between and across Local Authorities.

6: CONCLUSIONS

With wide range support and endorsement of D2N2's previous programme of events to raise awareness of opportunities and to guide interested parties, any future commissioning would be advised to deliver a similar programme of events at pre-bidding stage.

Key considerations we would suggest, as a direct result of drawing together the wide-ranging feedback we have obtained, would be to:

1. The feedback from the prime providers indicated that the LEP was responsive to their needs and the communication processes added value to their approach towards partnership development, networking and the development of their proposed solutions. Both Local Authorities and Providers highlighted the importance of ensuring there was sufficient time for bidders to respond – therefore not to rush the commissioning process, whilst being mindful of the overall pressures of meeting programme commissioning schedules. We would advise on similar support for any future commissioning process, with more opportunity to consult with the provider base in advance of planned events to capture views and commentary in order to maximise the impact.
2. Ensure any future Co-Financing Agencies (e.g. ESFA, DWP and Lottery) are all involved in providing guidance and advice to prospective providers and to clearly explain the terms and conditions associated with their opt-on co-financing contractual arrangements. This is particularly important when developing the ESF partnership overall in a manner that can attract and sustain smaller CVS providers; that can demonstrate innovative solutions in response to ESF priorities (particularly for deeper rooted social exclusion issues such as health and economic inactivity, ethnic minority outreach and advocacy and youth social exclusion); but is less aware of ESF contractual implications - either as a sub-contracted provider or as a potential lead deliverer. Given that there was feedback from the existing provider base of reticence of future engagement from smaller providers (based on exposure to issue and risk through the contract management process), this becomes a key consideration.
3. Aim to involve DWP, ESFA and The Lottery in a more consolidated and longer-term partnership arrangement.
4. Build on the Provider Delivery Network and Skills Officer Group network by encouraging a greater “team approach” across the LEP area and making more use of sharing the ESF technical assistance skills sets / recruiting more capacity where required

5. Examine evidence from individual project evaluations of what activity is making significant impact and key lessons learned to date before commissioning “more of the same”. As summarised in the main report, the methodology was limited in terms of time and resources, impacting on the depth of assessment of impact overall. Given the broad concerns raised by Local Authorities regarding evidencing the impact against the changing economic and social need, it becomes even more important to access available management information and evaluation material that can expand the understanding and help inform the future design.
6. Identify potential local match funding resources and seek to set aside a proportion of ESF resources for an “open call” to allow more localised, innovative responses to come forward and to provide D2N2 and partners more control over some future ESF provision. Clearly the decision to pursue an opt-in model for D2N2 has alleviated some pressures relating to match funding. However, there is a balance between an overt reliance on an opt-in partner model based on national frameworks and a focus on testing a more localised “invest and innovate” market. The pressure of identifying and evidencing genuine match requirements is significant, particularly for smaller providers and increasingly for Local Authorities but a significant assessment of localised delivery that aligns with ESF strategic intent, but involves non ESF funded resource, can help inform new sources and approaches.
7. Consider smaller packages of support at sub-LEP levels of geography that can maximise the localised response against local need. The evaluation included an assessment of the “pathways and gateways” strategic concept embedded within the original programme design. This being the ability to cross-refer and develop a “person centred” responsive approach towards need and delivery. There was some evidence of this happening, particularly for delivery within concentrated areas- such as across the YEI programme in Nottingham however there was less evidence of how significant or effective the cross-referral approach was. Nottingham City’s own led activity for YEI demonstrated how the Local Authority as a lead ‘managing agent’ role has created a broad sub-partnership network and has balanced direct delivery alongside specialised support, which follows the beneficiary. For the providers working in parallel, however, concern was raised regarding potential duplication of service provision (e.g. travel support, youth engagement and advocacy) and concern on how overall referrals with DWP were being co-ordinated. D2N2 has advocated the approach of addressing multiple barriers through person centred solutions through their ESF guidance. Overall, this highlights the need to consider whether a future programme design can include a managing agent role, which should be considered for areas with significant economic and social needs.