
4. Implementation

4.1 Introduction

458. This chapter sets out how the programme will be implemented. It includes information required by the EU Regulations on the Structural Funds.⁹⁷ Unless otherwise stated the provisions of this chapter apply to both the Convergence Objective and the Regional Competitiveness and Employment Objective.

4.2 Designation of authorities

4.2.1 Managing Authority

459. The Managing Authority will be the European Social Fund Division of the Department for Work and Pensions. Some of the Managing Authority functions will be carried out by staff located at the head office of the Managing Authority, whilst other functions will be carried out by staff located in each of the nine Government Offices for the regions. The Managing Authority will delegate functions in Gibraltar to the Government of Gibraltar as an Intermediate Body. The Government of Gibraltar will be responsible for ESF in Gibraltar. The Managing Authority may delegate some functions to the Mayor of London as an Intermediate Body. The Managing Authority may also wish to delegate some functions to public bodies in the phasing-in areas of Merseyside and South Yorkshire to act as Intermediate Bodies for ESF activities that cannot be delivered through Co-financing. Any such arrangements will be agreed with the European Commission in advance. The Managing Authority may also delegate verifications on-the-spot of individual operations to an Intermediate Body.

460. The Managing Authority will be responsible for:

- ensuring that operations are selected for funding in accordance with the criteria applicable to the operational programme and that they comply, for their whole implementation period, with applicable Community and national rules;
- verifying that the co-financed products and services are delivered and that the expenditure declared by the beneficiaries for operations has actually been incurred and complies with Community and national rules (verifications on-the-spot of individual operations may be carried out on a sample basis in accordance with detailed rules adopted by the Commission);
- ensuring that there is a system for recording and storing in computerised form accounting records for each operation under the operational programme and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation are collected;

⁹⁷ Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999; Regulation (EC) No 1081/2006 of the European Parliament and of the Council of 5 July 2006 on the European Social Fund and repealing Regulation (EC) No 1784/1999. Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006.

- ensuring that beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules;
- ensuring that evaluations of the operational programme are carried out according to Council Regulation 1083/2006;
- setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Council Regulation 1083/2006;
- ensuring that the certifying authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification;
- guiding the work of the Monitoring Committee and providing it with the documents required to permit the quality of the implementation of the operational programme to be monitored in the light of its specific goals;
- drawing up and, after approval by the Monitoring Committee, submitting to the Commission the annual and final implementation reports; and
- ensuring compliance with information and publicity requirements.

Within twelve months of the approval of the Operational Programme a description of the systems, organisation and procedures of the Managing Authority will be produced in accordance with Article 71 of Council Regulation (EC) No 1083/2006.

4.2.2 Certifying Authority

461. The Certifying Authority will be the European Social Fund Division of the Department for Work and Pensions. Within the European Social Fund Division, functional responsibilities for Managing Authority and Certifying Authority work will be distinct and part of separate management structures to ensure the Certifying Authority operates independently from the Managing Authority.

462. The Certifying Authority will be responsible for:

- drawing up and submitting to the Commission certified statements of expenditure and applications for payment;
- certifying that:
 - the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
 - the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules;
- ensuring for the purposes of certification that it has received adequate information from the Managing Authority on the procedures and on- the-spot verifications carried out in relation to expenditure included in statements of expenditure;
- taking account for the purposes of certification of the results of all audits carried out by or under the responsibility of the Audit Authority;

- maintaining accounting records in computerised form of expenditure declared to the Commission; and
- keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union, prior to the closure of the operational programme by deducting them from the next statement of expenditure.

The Certifying Authority will be responsible for reporting and monitoring irregularities and for the recovery of amounts unduly paid in accordance with Article 58 of Council Regulation (EC) No 1083/2006.

Within twelve months of the approval of the Operational Programme a description of the systems, organisation and procedures of the Certifying Authority will be produced in accordance with Article 71 of Council Regulation (EC) No 1083/2006.

463. The programme will respect Regulations (EC) Nos. 2988/95 and 2185/99 on the protection of the European Communities' financial interests.

4.2.3 Audit Authority

464. The Audit Authority will be Risk Assurance Division (RAD) within the Department for Work and Pensions (DWP). RAD is separate and independent from the Managing Authority and provides an internal audit function for DWP.

465. The Audit Authority will be responsible for:

- ensuring that audits are carried out to verify the effective functioning of the management and control systems of the operational programme;
- ensuring audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
- presenting to the Commission within nine months of the approval of the programme an audit strategy covering: the bodies which will perform the audits referred to in the two bullets above; the methods to be used; the sampling method for audits on operations; and the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period;
- by 31 December each year from 2008 to 2015:
 - submitting to the Commission an annual control report setting out the findings of the audits carried out during the previous 12 month period ending on 30 June of the year concerned in accordance with the audit strategy of the operational programme and reporting any shortcomings found in the systems for the management and control of the programme. The first report to be submitted by 31 December 2008 shall cover the period from 1 January 2007 to 30 June 2008. The information concerning the audits carried out after 1 July 2015 shall be included in the final control report supporting the closure declaration;
 - issuing an opinion, on the basis of the controls and audits that have been carried out under the responsibility of the Audit Authority, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the Commission are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular;
 - submitting, where applicable, a declaration for partial closure assessing the legality and regularity of the expenditure concerned;

- submitting to the Commission at the latest by 31 March 2017 a closure declaration assessing the validity of the application for payment of the final balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report; and
- ensuring that audit work takes account of internationally accepted standards.

Within twelve months of the approval of the Operational Programme a description of the systems, organisation and procedures of the Audit Authority will be produced in accordance with Article 71 of Council Regulation (EC) No 1083/2006.

466. A description of the systems, organisation and procedures of the Managing, Certifying and Audit Authorities and of the Intermediate Bodies will be submitted to the European Commission within twelve months of the approval of the Operational Programme.

4.3 Monitoring and evaluation systems

4.3.1 Monitoring

467. The Managing Authority will establish monitoring systems that comply with the requirements of EU regulations and that provide management information for the effective performance management of the programme.

468. Performance monitoring systems will build on existing practice with the overriding aim of introducing greater simplification to reflect the new streamlined ESF programme arrangements. Consistent with this approach will be the intention to provide a more transparent link between beneficiary management information and funding, so as to demonstrate unit costs and value for money.

469. The limitations of the 2000-2006 monitoring arrangements have been assessed and will inform the establishment of the new monitoring system. The current system captures more than 1,300 items of management information and this represents a significant burden on projects. The large quantity of information collected has not always led to a more in-depth analysis or greater understanding of the performance of the current programme. The capacity of the current management information system to analyse cross cuts of data is limited despite a number of enhancements to improve the position in recent years.

470. The key change and improvement proposed for the new monitoring system will be that information relating to ESF participants will be reported to the Managing Authority at individual level rather than at an aggregate project level as is the case at present. It is proposed to take this information from the relevant Co-financing Organisations' (CFOs) individual databases, taking into account data protection requirements. Wherever possible, ESF and CFO information requirements will be aligned. The principle of 'capture once and use many times' will be central to the new programme so that providers and CFOs are not required to submit data to different organisations and in different ways using different systems. Monitoring arrangements will have sufficient flexibility to be able to report at different time periods i.e. quarterly, annual and cumulative timescales.

471. An effective system of performance indicators aligned with EU and national priorities will be established. This will include a limited number of indicators for outputs and results to measure the performance of the programme and its priorities, as set out in chapter 3 and annex A. The use of indicators is important in monitoring key aspects of the programme. Building on the experience of the 2000-2006 period, there will be fewer more soundly based indicators. Indicators will be based on in period information and not, as in 2000-2006, on cumulative information. The Managing Authority will also monitor performance against the achievement of financial N+2 targets, and will report on the financial implementation of the programme in the annual and final implementation reports.
472. Management information systems will provide core data on a regular, timely and consistent basis over the length of the programming period. The aim will be to enable the Managing Authority, Programme Monitoring Committee, sub-committees and regional committees to monitor programme performance and results, and take remedial action where necessary. The management information provided will enable analysis of programme performance at various levels of programme delivery in terms of geographical area and participant characteristics and so provide essential information to key stakeholders. Where appropriate statistics will be broken down by gender.
473. A set of core management information requirements for ESF and co-financed activity will:
- enable measurement of progress towards the achievement of output and result indicators at priority axis level;
 - provide information to monitor the financial implementation of the programme;
 - provide programme performance measures, including equality issues, for the Managing Authority, Monitoring Committee, sub-committees and regional committees;
 - support the preparation of annual and other reports on programme performance;
 - allow the transfer of data from the Managing Authority to the Commission as required in Annex 23 of Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006; and
 - contribute to the wider evaluation of the programme - where necessary, the core information requirement will be supplemented by other information such as follow-up surveys.
474. The Managing Authority will be responsible for ensuring that verification activity complies with Article 13 of the Commission's Implementing Regulation including the arrangements for on the spot checks of delivery and correctness of financial claims. The Managing Authority will develop a plan that co-ordinates activity between the Managing Authority at central and regional levels, and the Co-financing Organisations (CFO), including a risk based sampling framework, with the following elements:
- quarterly monitoring of each CFO by the Managing Authority to check delivery of the activities, outputs and results in the CFO plan;
 - annual sample checks of CFO claims for payment, including both ESF and match funding; and
 - on-the-spot verifications of a sample of projects by the Managing Authority, using the sampling methodology set out in the verification plan.

475. By using this co-ordinated approach, the audit trail from the project to the CFO and thence for inclusion on the CFO claim for reimbursement will be confirmed at each level. The Managing Authority will provide details of all verifications to the Certifying Authority.

4.3.2 Evaluation

476. The evaluation system will build on existing practice and take into account guidance received from the European Commission. In line with Commission guidance the evaluation will be characterised as 'on-going'. This is a major difference to the 2000-2006 programme period where the evaluation strategy was geared towards two major evaluations required by EU regulations – the mid-term evaluation in 2003 and the update to the mid-term evaluation in 2005. In contrast the 'on-going' evaluation will be driven by the needs of the programme and will cover the whole programming period.

477. Following the adoption of the Operational Programme, the Managing Authority will commission the ESF Evaluation Team to produce an on-going evaluation strategy and plan, which covers both the Convergence Objective and Regional Competitiveness and Employment Objective. The evaluation strategy and plan will follow a similar structure to that used in the 2000-2006 ESF programme, as this has been demonstrated to work well in terms of producing substantial, high quality evaluation evidence. The evaluation of the 2007-2013 programme will be based on a bottom-up approach which will focus on assessing the impact of ESF supported interventions on the individuals who have received support. Three main tools will be used in the evaluation of the 2007-2013 programme:

- Information based on administrative monitoring data. This will be used to examine programme performance and consider achievements such as participants' outcomes.
- Cohort surveys of individuals. A sample of participants will be contacted during and after leaving projects. These surveys will provide information on participants' views of the support they receive and on sustainability of outcomes. The surveys will be based on two cohorts. The first set of participants will be studied in 2009 with a follow-up in 2010 and the second set of participants will be studied in 2012 with a follow-up in 2013. The follow-ups in 2010 and 2013 will provide the data to report on the targets and indicators at annex A that are not measured through the Management Information system.
- Ad hoc research into emerging issues. These projects will focus on specific themes of importance to the programme, such as gender equality and equal opportunities. They may also include assessments of socio-economic changes in the programme environment and changes in Community, national or regional priorities.

These evaluation tools and assessments of impact will apply to the whole of the programme, including both Community and national funded activities and participants. They will apply to both the Regional Competitiveness and Employment Objective and Convergence Objective. In addition, specific studies will be commissioned to evaluate Convergence ESF, in co-operation with the partnership in Cornwall and the Isles of Scilly. These studies will include an evaluation of training for environmental capacity building in Priority 5.

478. The following issues will be examined by the evaluation strategy and plan during the first half of the programme after a significant amount of activity has been completed:
- the contribution and added value of the programme to EU, national and regional strategies;
 - progression of ESF participants, including issues such as soft outcomes, sustainability and quality of employment;
 - the acquisition of modules or units of qualifications and other positive results by Priority 2 and 5 participants who do not gain full qualifications;
 - activities and target groups not covered by the indicators, including within Priorities 2 and 5 training of workers in sectors with poor training records and the number of small and medium-sized enterprises that benefit as a result of managerial skills training;
 - the quality of ESF provision and its effects on systems and structures, including the extent to which it is demand-led, meets the needs of individuals and enterprises, and contributes to business performance;
 - the gender equality and equal opportunities, and sustainable development cross-cutting themes.

The evaluation strategy will be updated for the second half of the programme to take account of possible changes in the socio-economic and policy environment.

479. Co-financing Organisations will keep the Managing Authority and ESF Evaluation Team updated on any relevant evaluation work they undertake on Community and national funded activities. Findings from such work may contribute to synthesis reports produced for the overall ESF evaluation strategy and plan.
480. The day-to-day management of the evaluation will be conducted by an analytical team (ESF Evaluation Team) which is based in the Department for Work and Pensions and which is functionally independent from the Managing Authority to ensure objectivity. The team will be responsible for analysis of monitoring and survey data, drafting reports, commissioning external evaluators to carry out specific research, and managing these evaluation and research projects. Individual research and evaluation projects will be commissioned through the DWP research framework agreement, established by open and competitive tendering, and conducted by independent evaluators. They will be guided by evaluation steering groups made up of a number of ESF partners. All research and evaluation reports will be published and made publicly available both as hard copies and on the DWP and Managing Authority websites.
481. The evaluation sub-committee of the Programme Monitoring Committee will consider the evaluation strategy and receive reports from the ESF Evaluation Team on the progress and results of evaluation activity. The ESF Evaluation Team will also report the results of evaluations to the Programme Monitoring Committee. The ESF Evaluation Team will share information on evaluation activities with other ESF operational programmes in the UK through the UK ESF Evaluation Standing Group.

4.4 Payment bodies

4.4.1 Payments from the Commission

482. The Department for Work and Pensions (DWP) will receive all payments made by the Commission. The money received will be routed through the Bank of England to DWP's accounts. Separate accounts are reserved for Community funds. These accounts do not bear interest.

4.4.2 Payments to projects

483. The Managing Authority will pay the beneficiaries (Co-financing Organisations) on receipt of valid claims. Payment will be made to Co-financing Organisations which will be responsible for reimbursing their individual projects.

4.5 Financial flows

484. The programme will build on and develop the Co-financing system which was introduced in 2000-2006. Co-financing has enabled public bodies such as the Learning and Skills Councils and Jobcentre Plus to manage ESF and public match funding together. This has led to a much more strategic approach to ESF delivery and ensures better alignment of ESF with EU and national employment and skills strategies. It has also made it simpler to access ESF by removing the requirement on applicants to supply their own match funding.

485. Existing Co-financing Organisations (CFO) will have to re-apply for selection as CFOs, which will include an assessment by the Managing Authority of previous performance as a CFO. If any other eligible organisation wishes to apply for CFO status, it will have to meet the same criteria relating to eligibility, capability and quality that were used in the 2000-2006 programme. Where part of the Department for Work and Pensions operates as a CFO, it will be functionally separate from the Managing Authority.

486. The Certifying Authority will make all payment claims to the European Commission. Interim and final claims will be derived from declarations of expenditure submitted by beneficiaries.

487. The Managing Authority will maintain systems to identify all receipts from the Commission and individual payments to beneficiaries. Procedures will be in place to ensure that EU regulations on prompt payments are complied with. The Managing Authority will be responsible for ensuring that the payments systems used have robust financial controls. Standards of probity and propriety consistent with those used for UK Government expenditure will be applied to the management of Community funds.

488. An outline of how flows of Community funds will work is as follows:

- The Managing Authority inputs to the ESF Programme Management System the interim claim expenditure declared by Co-financing Organisations (CFOs).
- The Certifying Authority submits requests for payments to the Commission at programme level.
- The Commission makes payments to the Managing Authority's DWP account.

- The Managing Authority certifies and authorise payments to CFOs and carry out any recovery action necessary.
 - The Managing Authority makes payments to CFOs through its DWP BACS account.
 - Where the European Commission requests a refund, the Managing Authority will make the necessary payments.
489. CFOs will match ESF with domestic funding at the CFO level before contracting with project level delivery organisations. Match funding will be limited to a small number of eligible domestic programmes or budgets that are subject to procurement in line with EU and national requirements. There will be no in kind match funding under these arrangements. Examples of domestic programmes that may provide match funding in the early years of the Operational Programme are the New Deals, Entry to Employment and Train to Gain. The programmes that provide domestic match funding programmes may change during the lifetime of the Operational Programme as result of new policy developments.
490. The Managing Authority will provide CFOs with guidance on good practice, including on working with voluntary and community organisations. In all cases, procurement will comply with EU and national guidelines.
491. The vast majority of ESF provision in Priorities 1, 2, 4 and 5 will be delivered through Co-financing, except in exceptional circumstances in the Convergence and phasing-in areas, where Co-financing Organisations might not be able to deliver the full range of ESF activities. In such cases the Managing Authority will commission activity with specific providers and will contract directly with operations. Commissioned operations will be based on actual costs. In order to minimise risk there will be no in-kind match funding.
492. Small ESF grants for voluntary and community organisations will be delivered through Co-financing. This will overcome the problems of match funding that occurred under the 'Global Grant' mechanism in 2000-2006. Small grants will be known as 'ESF community grants'.

4.6 Publicity and information

493. The Managing Authority will be responsible for publicity and information in accordance with Council Regulation 1083/2006 and the Commission's Implementing Regulation. The Managing Authority will draw up a communication plan for the Operational Programme. The communication plan will include details of:
- the aims and target groups;
 - the strategy and content of the information and publicity measures to be taken aimed at potential applicants and the public;
 - the indicative budget for the implementation of the plan;
 - bodies responsible for the implementation of information and publicity measures and their respective roles; and
 - how the information and publicity measures will be evaluated.

494. The Managing Authority will send the plan to the Commission within four months of the adoption of the Operational Programme. The Managing Authority will inform the Programme Monitoring Committee of progress in implementing the plan. The Gibraltar Intermediate Body will operate a publicity strategy for Gibraltar in accordance with the Commission Implementing Regulation.

4.7 Exchange of computerised data

495. The Commission will establish a computer system to permit the secure exchange of data between the Commission and the Operational Programme authorities designated in section 4.2. The programme authorities will be involved in the development, and any major re-development, of that computer system. The computer system will be used to exchange information about the Operational Programme as set out in the Commission's Implementing Regulation.
496. The Commission and the programme authorities will ensure that the Community and national provisions on the protection of personal data are complied with. Information exchanged shall be covered by professional confidentiality and be protected in the same way as similar information is protected by the national legislation of the Member State.
497. In addition, information may not be used for any purpose other than that agreed between the programme authorities and the Commission, unless the Member State has given their express consent, and provided that the provisions in force in the Member State do not prohibit such use.
498. The computer system shall contain information of common interest to the Commission and the programme authorities. An agreement will be reached with the Commission on the core data and the categorisation data that will be provided. The categories will not change during the life of the programme. The system will allow the transfer of data from the Managing Authority to the Commission as required in Annex 23 of Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006
499. Exchange of data and transactions shall be signed electronically in accordance with the relevant EU Directive. The Commission shall provide the arrangements for use of the electronic signature.
500. A document shall be regarded as having been sent to the Commission once it has been signed by the programme authority in the computer system. The Commission acknowledges that the date of receipt by the Commission shall be the date on which the programme authority sends the documents.
501. In cases of force majeure, particularly the malfunction of the computer system or the failure of a lasting connection, the programme authorities may forward information and documents to the Commission in hard copy.
502. The Commission will provide the technical specifications for the exchange of data and the programme authorities will develop its computer systems to meet those specifications.
503. The programme authorities will develop their computer systems to retain the data required for an audit of its ESF accounts.

4.8 Good governance and partnership

4.8.1 Partnership principle

504. The Operational Programme will be implemented in partnership with the European Commission and with appropriate authorities and bodies in accordance with national rules and practice. It has been developed in partnership with key stakeholders including Co-financing Organisations, relevant Government departments, social partners, equality commissions, Regional Skills Partnerships, Regional Development Agencies, local authorities and the third sector. Further information on the consultation exercise is at annex C. Partnership arrangements will continue as programme activity is prepared, implemented, monitored and evaluated.
505. The Managing Authority will encourage the participation of social partners in programme activities. It will also encourage participation and access by third sector organisations, particularly in projects that promote social inclusion, gender equality and equal opportunities. Third sector organisations have a particularly important role in reaching people who are at a disadvantage in, or excluded from, the labour market. Where appropriate, technical assistance funds will be made available to third sector networks to support participation by voluntary and community organisations in the programme.

4.8.2 National partnership

506. A Programme Monitoring Committee (PMC) will be established to oversee the implementation of the programme. The PMC will undertake the tasks set out in Article 65 of Council Regulation 1083/2006 laying down general provisions on the funds. It will agree its own terms of reference and will be chaired by a representative of the Department for Work and Pensions. It will be assisted by a permanent secretariat responsible for the preparation of papers for discussion by the committee or for clearance by written procedure.
507. The PMC will reflect the principle of partnership. It will include representatives from Co-financing Organisations, the Government of Gibraltar, relevant UK Government departments, Government Offices, social partners, equality commissions, Regional Skills Partnerships, Regional Development Agencies, local authorities, the third sector and other national organisations with an interest in and contribution to make to the effective implementation of the Operational Programme. There will be specific representation for the Convergence priorities. The European Commission (DG Employment) will be invited to participate in the Monitoring Committee in an advisory capacity.
508. The PMC will have regional, equal opportunities, sustainable development, evaluation, and innovation and mainstreaming sub-committees, which will report on progress in these areas to the PMC on a regular basis.

4.8.3 Regional partnerships and frameworks

509. In the Regional Competitiveness and Employment Objective in England there will be one regional committee in each of the nine English regions. The regional committees will be sub-committees of the Programme Monitoring Committee. Where appropriate, regions will be encouraged to establish the regional ESF committees as joint committees with the European Regional Development Fund (ERDF).

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510. Regional ESF committees will be responsible for endorsing CFO plans, considering CFO and regional performance reports, monitoring regional performance, and agreeing remedial action in the case of under-performance. Regional ESF committees will also oversee the cross cutting themes, innovation and publicity at regional level, and may establish sub-committees on these issues. Where there are joint ERDF and ESF committees there will be distinct agenda items to enable the joint committee to discharge its ESF responsibilities effectively.
511. Regional ESF committees will consist of representatives of the core organisations that form the Regional Skills Partnership, as well as the wider partnership within the region, including third sector representatives, local authorities and the social partners where these are not core members of the Regional Skills Partnership. The Managing Authority will issue guidance about representation on regional ESF committees. The European Commission (DG Employment) will be invited to participate in regional committees, including joint ERDF and ESF committees, in an advisory capacity.
512. In the Convergence Objective, the national ESF PMC will be supported and advised on the performance and management of Convergence ESF by a committee of partners in Cornwall and the Isles of Scilly. This will be a joint committee which will be the Programme Monitoring Committee for the Convergence ERDF programme and the regional ESF committee for Convergence ESF funding. In relation to ESF, it will have similar responsibilities and a similar composition to the regional committees for the Regional Competitiveness and Employment Objective.
513. The Regional Skills Partnerships (RSPs) will have a leading role in the development of regional ESF frameworks. The RSPs bring together the key regional planning and funding stakeholders, including the Regional Development Agency, Small Business Service, Learning and Skills Council, Jobcentre Plus and the Skills for Business network. They have a strong employer focus and so can provide a demand-led focus.
514. Regional ESF frameworks will show how ESF can add value to existing regional strategies and plans, within the context of the national priorities and targets in the Operational Programme. They will help to ensure that ESF is consistent with and contributes to the delivery of Regional Economic Strategies. They may, for example, identify skills priorities so that ESF workforce development activity is targeted in key sectors for regional economic development. Regional ESF frameworks may also set out how ESF resources will be focused on specific disadvantaged groups, areas or communities. The frameworks will cover a three year period, but will be reviewed annually so that they remain relevant in the light of the spending review cycle and regional developments.
515. Regional ESF frameworks will provide the context, along with the Operational Programme, for CFOs to develop detailed ESF delivery plans. CFO plans will show how ESF will contribute to the achievement of regional skills and employment priorities. The RSP role will be strategic in developing, reviewing and updating regional ESF frameworks to ensure their continued relevance.
516. The Managing Authority will work with RSPs and provide guidance to ensure that frameworks are consistent with the Operational Programme, regional priorities and EU and national rules. Frameworks will reflect fully both the employment and skills dimensions of the Operational Programme. RSPs will be required to consult widely about the ESF framework with regional stakeholders, including third sector representatives, local authorities and the social partners. The RSP Board will formally agree the framework.

517. The role of the RSPs will therefore be strategic. They will establish regional ESF frameworks, review them periodically and receive reports from the regional ESF committee on implementation to be assured that ESF is addressing the identified priorities. RSPs may provide feedback to the regional committees on these reports.
518. The regional strategies and committees in the North West and Yorkshire and the Humber will take account of the specific needs of the phasing-in areas of Merseyside and South Yorkshire. Partners from these regions will be engaged in the development of the programme to ensure that the needs of these sub-regions are adequately reflected in both the design and implementation of the programme.
519. In London the Mayor will have a leading role in developing the London ESF framework. This will be done in consultation with London stakeholders. The London Skills and Employment Board, which is chaired by the Mayor, will formally agree the ESF framework.
520. Gibraltar will have its own regional ESF committee and produce its own ESF framework. The Gibraltar framework will have a similar format to those for England, but will reflect the specific circumstances and needs of Gibraltar as set out in chapter 6.
521. The Managing Authority will produce clear guidance setting out the respective roles of Regional Skills Partnerships (developing and reviewing regional ESF frameworks) and regional ESF committees (monitoring the performance of ESF at regional level). The guidance will also provide a template for the regional ESF frameworks.

4.9 Gender equality and equal opportunities

522. Gender equality and equal opportunities will be a cross-cutting theme within the programme. In line with Council Regulation 1083/2006 and the National Strategic Reference Framework, the programme and all its activities will comply with the relevant EU and UK legislation on non-discrimination and equal opportunities including the Employment Equality Age regulations (2006) and the Gender Equality Duty (2007). All partners associated with the programme will be expected to maintain their public duty to promote equal opportunities according to the prevailing equal opportunities legislation. In particular, the principle of accessibility for people with disabilities will be taken into account during the various stages of implementation, and all projects will have to take account of the needs of people with disabilities.
523. The 2007-2013 programme will maintain the 'dual approach' to promoting gender equality and equal opportunities by funding specific activities which target women and disadvantaged groups as well as integrating equal opportunities into the planning, implementation, monitoring and evaluation of the programme as a whole. One of the officers of the Managing Authority will have specific responsibility for developing gender and equal opportunities mainstreaming as part of their job description. The Managing Authority, PMC and regional committees will review gender equality and equal opportunities on a regular basis.
524. The Managing Authority will use technical assistance to support gender equality and equal opportunities training thereby developing the capacity of key partners involved in delivering actions which support gender and equal opportunities mainstreaming.

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525. A new equal opportunities sub-committee of the PMC will be established for the 2007-2013 programme. The sub-committee will be chaired by the Managing Authority and will report on progress to the PMC on a regular basis. The sub-committee will be responsible for advising the Managing Authority on the preparation and delivery of a national mainstreaming plan. This plan will aim to ensure that equality of opportunity is fully integrated into the programme and will reflect the equal opportunities policies and processes of Co-financing Organisations. Reporting arrangements will be established between the Managing Authority, PMC and regions. The programme indicators will monitor participation and achievements by women, ethnic minorities, people with disabilities and older people at national and regional level. Regional committees will report to the Managing Authority and equal opportunities sub-committee on: progress towards achieving the regional targets set by the indicators; examples of good practice; and accessibility for people with disabilities. The reporting arrangements will inform the annual implementation report as well as provide updates for the sub-committee and the PMC.
526. The equal opportunities sub-committee will be outward-looking and will share good practice and ideas with other Structural Fund programmes within the UK. The programme's information and publicity activities will also be used to help promote gender equality and equal opportunities as appropriate, including through case studies of men and women working in non-traditional occupations.
527. The Managing Authority, with the support of the equal opportunities sub-committee, will review existing arrangements and lessons learned during 2000-2006 and update guidance accordingly. A key aspect of this review will be to look at the key lessons learned during the Equal programme and ensure that good or innovative practice is readily available and shared with partners.
528. The Equal-WORKS digital repository (database) will be promoted and maintained at least during the first half of the new programming period. This repository will contain many of the Equal training materials developed during the 2000-2006 programme period and will be easily navigable from the Internet. The repository may also be extended to include materials and successful innovations developed under the new ESF programme for England.
529. The programme will aim to promote, as far as possible, a balanced participation of women and men in the management and delivery of the programme. The designated programme authorities will recruit, develop and promote staff on the basis of the principles of equal opportunities as described in the UK's Civil Service Management Code. The Code requires all Government Departments and agencies to ensure that all civil servants have equality of opportunity for employment and advancement on the basis of their suitability for work. The Managing Authority will promote a gender balance on the PMC and regional committees, and review the extent to which the different committees are gaining access to appropriate equal opportunities expertise.

4.10 Sustainable development

530. Sustainable development will be a cross-cutting theme within the programme. In line with Council Regulation 1083/2006 and the UK National Strategic Reference Framework, the implementation of the programme will take account of environmental concerns and respect the principles of sustainable development.
531. The programme will build on work undertaken in the 2000-2006 ESF Objective 3 programme. This recognised that social, environmental and economic issues are inter-related. It promoted the following three issues for putting sustainable development into practice:
- providing opportunities to allow everyone to fulfil their potential;
 - environmental protection and enhancement through the delivery of projects; and
 - providing skills that businesses both demand and require – now and in the future.
532. Sustainable Development will be integrated into the programme so that:
- the programme meets ESF regulatory requirements;
 - the programme's key strategic aims in terms of promoting employment and skills are delivered in ways which use resources and energy as efficiently as possible and in ways which can also help enhance or protect the physical and natural environment; and
 - it contributes to the UK Sustainable Development Strategy.
533. This programme will adopt a dual approach to mainstreaming the cross-cutting theme of sustainable development by integrating sustainable development, including environmental sustainability, at the strategic and operational level. At the strategic level, the regional ESF frameworks should provide a strategic steer for CFO plans on region-specific issues. Such issues may be specific to the region, or to key sectors which are being targeted in the region. Regional Skills Partnerships will also be encouraged to identify ways in which sustainable development in ESF activities can complement ERDF programmes in their regions. The programme's operational guidance will focus on the detailed integration of the themes by CFOs and their providers.
534. A national sustainable development sub-committee will be established to promote sustainable development in the programme. The sub-committee will be chaired by the Managing Authority and will draw upon the expertise of relevant key partners and agencies. It will advise the Managing Authority on mainstreaming sustainable development, drawing upon the principles set out in the UK Sustainable Development Strategy and the lessons learned in the previous programme. It will devise a national mainstreaming strategy which will include developing a reporting mechanism between the regional committees and sustainable development sub-committee which will be used to prepare progress reports for the PMC, which, in turn, will inform the annual implementation report for the programme. The reporting mechanism will have an important role in terms of identifying good practice and case studies and generating any other information which can also inform future evaluations of this theme. The sustainable development sub-committee will report on progress to the programme monitoring committee at key stages during the life of the programme.

Implementation

535. The national sustainable development sub-committee will advise the Managing Authority on sustainable development issues. This will include advising the Managing Authority on guidance it produces on sustainable development within the programme. Co-financing Organisations will advise providers on how projects should integrate environmental issues into their delivery and, where appropriate, into the content of courses.
536. The national sub-committee will oversee the launch of an ESF good practice award for sustainable development which will be used to raise awareness and promote good practice.
537. Regional ESF committees will be encouraged to create their own sustainable development sub-committee and have sustainable development as a regular agenda item. Regional ESF committees will also be encouraged to consider ways in which ESF activities can complement ERDF programmes in their regions in terms of sustainable development.
538. The working group will work closely with colleagues in other UK Structural Fund programmes to share ideas and good practice.

4.11 Innovation

539. Innovation may, where appropriate, be a feature of any activity. For example, Co-financing specifications may tender for a solution to an identified need, without specifying how that should be delivered. This would provide scope for providers to apply innovative approaches to deliver the solution.
540. There will also be dedicated innovative activity within Priorities 1, 2, 4 and 5. The Managing Authority will be responsible for choosing the themes for dedicated innovative activity. This will be done with the assistance of an innovation and mainstreaming sub-committee of the Programme Monitoring Committee which contains policy representatives from the relevant Departments and agencies as well as representation from the wider partnership. In choosing the themes for innovation, the Managing Authority will take into consideration the themes proposed in regional ESF frameworks. It will inform the Monitoring Committee of the themes. These themes will form a 'menu' from which regions can select the themes that best reflect the employment and skills priorities of the region.
541. Dedicated innovative activity will be delivered through Co-financing as separate tender specifications, with an emphasis on what outcomes are to be achieved rather than how they are to be achieved. Where appropriate innovative projects should take forward and develop best practice and ideas from Equal. All innovative projects will be required to have an evaluation strategy so that the methods and results of the project can be independently assessed. Innovative projects will also be required to make the results of their projects available for dissemination and possible mainstreaming, so that good practice lessons can be made widely available. The results of activities that have not been successful should also be made available so that other projects do not follow the same path. All innovative projects will be encouraged to have an element of co-operation with one or more other Member States so that the lessons and methods from other Member States can be researched, analysed and, if practical, tested.
542. It is expected that projects working in the same themes would come together to share experiences between themselves and with members of the policy group who selected the theme. This networking builds on the lessons from the Equal national thematic networks. This networking should enable the identification of workable and cost effective new methods of delivering policy objectives.

4.12 Transnational and inter-regional activity

543. There will be a close link between innovative and transnational and inter-regional activities. All dedicated innovative projects will be encouraged to engage with one or more other Member State to carry out research into alternative methods of delivering the objectives of the theme selected for innovation. This may involve sharing information, experiences, results and good practices. Projects putting forward tenders will be expected to explain how they will carry out transnational or inter-regional activity. It is envisaged that projects will already have partners or contacts in other Member States, and so build on existing links rather than trying to establish new ones. The lessons from Equal indicated that this was a more effective way of working at the transnational level.
544. There will also be some limited scope to support transnational and inter-regional activity outside of dedicated innovative activities. Based on specific needs for identifying good practice that may have been identified in regional ESF frameworks, Co-financing tenders may include transnational or inter-regional activity to mainstream good practice from other Member States, or to share good practice from England with other Member States. However, the programme will not support activities that merely seek to establish or develop partnerships with other Member States.
545. Transnational and inter-regional activities will contribute to the objectives of the programme by learning from, adapting or mainstreaming good practice and innovation from other Member States in the fields of extending employment opportunities and developing a skilled and adaptable workforce. For example, transnational and inter-regional activities may learn from experience in other Member States of improving the employment prospects and skills of disadvantaged target groups. They may also transfer experience to other Member States. Value added will be generated by using good practice and innovative from elsewhere in the EU that is not available in the UK.
546. The Managing Authority will work with the Commission and appropriate national authorities to ensure that ESF does not support operations being concurrently supported through Community transnational programmes in the field of education and training. Section 4.13.4 provides more information on complementarity with the Lifelong Learning programme.

4.13 Co-ordination with other community programmes

4.13.1 European Regional Development Fund Programmes

547. There will be complementarity between ERDF and ESF spending in England. ERDF and ESF spending will reflect the same strategic approach at regional level. Where appropriate, skills and employment actions can complement economic interventions and investments, and regional development actions can complement initiatives to tackle worklessness and low skills. The Regional Economic Strategies will provide a policy framework for developing ERDF programmes. The regional ESF frameworks, which Regional Skills Partnerships will play a leading role in developing, will provide the context for ESF spending in the regions. The Regional Development Agencies lead on Regional Economic Strategies and are represented on Regional Skills Partnerships.

548. Council Regulation 1083/2006 allows ESF programmes to finance activities which fall within the scope of the European Regional Development Fund (ERDF), up to a limit of 10% of the Community funding for each priority axis. At the start of the programme the ESF Operational Programme Managing Authority does not envisage the use of the cross-financing mechanism, and so there is no allocation for cross-financing activities. However, the Managing Authority will consider using the ERDF cross-financing flexibility within Priorities 1, 2, 3, 4, 5 and 6, in exceptional circumstances, should the need arise during the course of the programme. Any cross-financing will be very small and the priority will be to spend ESF resources on employment and training provision for ESF target groups.

4.13.2 Rural Development and Fisheries Programmes

549. There will be complementarity between ESF and the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund. ESF will not support specific sectoral activities for which other funding instruments are more appropriate. All funding instruments will be targeted primarily towards those rural areas, sectors or communities where there is a demonstrable and significant need.
550. Within those areas it is expected that, as a general rule, EAFRD funding will be focused on supporting diversification of rural economies at the local level. This will include interventions in agriculture, including supporting innovative farm diversification and woodland enterprises. More widely, it will also include enabling growth of existing micro-enterprises and encouraging start-ups, and improving skills and employment opportunities for those individuals in the rural workforce on low pay where this support is not provided by national funds or by ESF. ESF will primarily address rural issues as part of national and regional employment and skills strategies through the priorities set out in chapter 3.
551. Demarcation will be achieved through clear differentiation in the eligibility rules. No activity will be eligible for funding from more than one programme. ESF funding will not be available for interventions that target enterprises engaged in agriculture, forestry or fisheries, or enterprises engaged in the primary processing of agricultural, forestry or fisheries products. ESF will not fund activities which support agri-food schemes or the primary processing of agricultural and/or forestry products. ESF will not support specific vocational training for individuals employed in enterprises engaged in these activities. However, ESF will be able to support basic skills and other generic training for individuals employed in enterprises engaged in these activities. These principles will apply equally to the European Fisheries Fund in respect of fish and shellfish products and processing.
552. The European Fisheries Fund will support the overall aim for fisheries management in the UK, which is to achieve a fishing sector that is sustainable, profitable and supports strong local communities, managed effectively as an integral part of coherent policies for the marine environment. It will focus on providing a long-term sustainable future for the fishing industry through promoting investment in innovation and technology, ensuring environmental best practice, developing efficient supply chains with strong links between fishermen, growers, processors and customers and improving port infrastructure and operations. Principles on demarcation with ESF are set out at paragraph 549.
553. The England ESF Programme Monitoring Committee will include representation from the rural development and fisheries fund programmes.

4.13.3 European Investment Bank and European Investment Fund

554. There are no plans to use European Investment Bank or European Investment Fund initiatives such as JEREMIE and JESSICA.

4.13.4 Lifelong Learning Programme

555. There will be complementarity between the England ESF Programme and the UK Lifelong Learning and Youth in Action programmes. The programmes will work closely together as part of the same Joint International Unit of the Department for Work and Pensions and Department for Education and Skills. A representative of the England ESF Managing Authority will participate in the UK Lifelong Learning Programme Committee. The representative will promote complementarity between the transnational and inter-regional actions of the programmes, and facilitate the exchange of information and good practice between the programmes.

4.13.5 Seventh Framework Programme for Research and Technological Development

556. In the Convergence Objective, ESF can support the development of human potential in research and innovation. Priority 5 includes research activities that support training of researchers and post-graduate studies, where related to the knowledge economy, labour market and human capital. These research activities must be linked to employment and skills needs now and in the future. They will complement and not duplicate any research projects in Cornwall and the Isles of Scilly funded by the Seventh Framework Programme for Research and Development. The Managing Authority will work with the Department of Trade and Industry to promote complementarity between ESF and Seventh Framework funding in the Convergence Objective.

4.13.6 EU Sustainable Development Strategy

557. The programme will operate within the EU's Sustainable Development Strategy which was adopted by the European Council in June 2006. In the section on 'Complementarity between ERDF and ESF Programmes and other EU policies and funding instruments' the strategy says: 'In order to ensure that EU funding is channelled and used in an optimum way to promote sustainable development, Member States and the Commission should co-ordinate to enhance complementarities and synergies between various strands of Community and other co-financing mechanisms, such as cohesion policy, rural development, LIFE+, research and development (RTD), the Competitiveness and Innovation Program (CIP), and the European Fisheries Fund (EFF)'.

4.14 Aid schemes

558. Any public support under this programme must comply with the procedural and material EC State Aid rules applicable at the point of time when the public support is granted. The Managing Authority will make all authorities and institutions involved in the implementation of the programme aware of the EC State Aid provisions.