

Annex C: Summary of consultation

Introduction

- C1. This annex summarises the formal consultation process on the draft Operational Programme, the main issues raised in the responses, and the adjustments made to the programme in the light of those responses. The Government response to the consultation exercise, which was published on 4 May 2007, sets out in more detail the issues raised and the Government's position on those issues.

Consultation Processes

- C2. The Department for Work and Pensions conducted a formal consultation exercise on the draft Operational Programme. The consultation period was from 30 October 2006 to 22 January 2007. Consultation events were held in each of the nine English regions and in the Convergence area of Cornwall and the Isles of Scilly.

Consultation Responses

- C3. The Department received 176 written responses to the consultation. The breakdown by organisation type and region is shown below.

Region	Number
Cornwall and Isles of Scilly	15
East of England	9
East Midlands	18
Gibraltar	0
London	11
Merseyside	6
North East	20
North West (not Merseyside)	14
South East	18
South West (not Cornwall and Isles of Scilly)	14
South Yorkshire	6
West Midlands	10
Yorkshire and the Humber (not South Yorkshire)	10
National	25
Total	176

Organisation	Number
Business or employers' organisation	2
Further Education college	4
Government department	2
Higher Education institution	19
Individual	4
Learning and Skills Council	1
Local authority	39
Local employment or regeneration organisation	4
Non-departmental public bodies	3
Other ⁹⁸	57
Private company	1
Private sector training provider	1
Regional Development Agency	6
Regional Skills Partnership	2
Trade union	2
Voluntary and community organisation	29
Total	176

- C4 Regions and sectors took different approaches to their responses. For example, there was a co-ordinated response from the main stakeholders in the London region, and a co-ordinated response from the Trades Union Congress. On the other hand there were several individual responses from local authorities, Higher Education institutions and voluntary and community sector organisations.

⁹⁸ The others include a variety of regional and sub-regional partnerships and networks, including Structural Fund regional committees and sub-committees.

Consultation Issues

- C5. Overall the responses were broadly supportive of the strategy and priorities of the draft programme. Many responses suggested amendments to the draft programme, or emphasised the importance of particular target groups or activities contained in the draft programme. Some responses raised points that will be reflected in programme guidance or information systems rather than the Operational Programme document. Some responses raised issues that had been agreed by the Government in its response to the consultation on the National Strategic Reference Framework and which were not the subject of the Operational Programme consultation exercise.
- C6. The main adjustments made to the Operational Programme as a result of consultation responses were:
- updating the programme to take account of the final report of the Leitch Review, in particular emphasising integrated approaches to employment and skills, and demand-led approaches;
 - adding references to addressing barriers to work faced by workless people who face particular problems such as homeless people and refugees;
 - adding additional references to entrepreneurship and social enterprise;
 - clarifying the respective roles of Regional Committees and Regional Skills Partnerships; and
 - adding a commitment to continue to make a limited amount of funding available in the form of small community grants to achieve labour market objectives.
- C7. The table sets out the main issues raised under each consultation question, and indicates the adjustments made to the Operational Programme.

Main consultation issues

No.	Issue	Changes proposed by respondents	Adjustments made to the Operational Programme (OP) or reasons for not making adjustments
Question 1: What are your views on the analysis of the strengths and weaknesses of the English labour market?			
1	Sub-regional analysis of employment and skills needs	Several respondents wanted more detail on disparities within regions and pockets of deprivation.	The OP emphasises disparities within regions and concentrations of worklessness in local areas. However, the national OP cannot analyse the problems of each individual sub-region and area. Particular issues will be identified in regional ESF frameworks, with reference to the Cities Strategy, Regional Economic Strategies etc.
2	Migrants	A few respondents wanted more analysis on the effects of migrants on employment and skills.	Further information has been added to the section on migrants.
3	Higher-level skills	Some respondents wanted more detail on demand for graduates and higher level skills.	Some information on higher level skills needs from the Leitch review has been added to the OP, along with the Leitch recommendation that higher levels skills should be funded primarily by employers and individuals.
4	Skills analysis in phasing- in regions	A few respondents proposed adding an analysis of skills needs in Merseyside and South Yorkshire to complement the employment analysis.	This analysis has been added to the OP.
Question 2: What are your views on the strategy for using the England ESF programme to support the relevant Community, national and regional objectives and policies?			
5	Regional flexibility	There was general support for the strategy but some regional stakeholders wanted to influence the balance of funding between priorities.	The OP will establish the national priority breakdown, and the sum of regional priority breakdowns will respect this. Guidance on regional ESF frameworks will set out the scope for regional flexibility within the national priorities to tackle worklessness and low skills.

No.	Issue	Changes proposed by respondents	Adjustments made to the Operational Programme (OP) or reasons for not making adjustments
6	Higher level skills	Some responses argued for more scope for higher level skills.	The OP has not been changed, as the priority for public investment is lower level skills. This is consistent with the national skills strategy and is supported by the Leitch Review.
7	Regional Skills Partnerships (RSPs)	Some responses questioned the capacity of RSPs to develop regional ESF frameworks and connect with all stakeholders (especially the local authorities and the voluntary and community sector).	The UK Structural Funds National Strategic Reference Framework confirmed that RSPs will play a leading role in developing regional ESF strategies (now known as regional ESF frameworks). These frameworks will be based on employment and skills priorities identified in existing regional strategies such as the Regional Economic Strategy, which have already been subject to extensive consultation. The frameworks will not reinvent the wheel. The OP has been amended to indicate that the Managing Authority will issue guidance to RSPs on consulting with partners.
Question 3a: What are your views on the proposed activities and indicators for Priority 1 – extending employment opportunities?			
8	Refugees and migrants	A few responses proposed including refugees and migrants as target groups.	A reference to activities tailored to the needs of workless refugees has been added to the OP. But migrants in general will not be a key target group.
9	Redundancy	A few responses proposed adding technically skilled people under threat of redundancy as a target group.	Early interventions to help people under threat of redundancy has been added to the OP as an indicative activity.
10	Mental health	Some responses wanted a specific reference to people with mental health conditions and problems.	A footnote has been added to clarify that people with disabilities include people with mental health conditions.
11	Other disadvantaged groups	Many responses proposed references to other disadvantaged groups such as the homeless.	The OP has been amended to include activities to tackle specific barriers to work faced by people who, for example, are homeless or substance misusers.

No.	Issue	Changes proposed by respondents	Adjustments made to the Operational Programme (OP) or reasons for not making adjustments
12	Challenging employer pre-conceptions of disabled people and ethnic minorities	Some responses wanted to strengthen references to employer engagement and challenging stereotypes.	This has been strengthened in the OP.
13	Entrepreneurship, self-employment and social enterprise	Some responses wanted more references to these issues and to include self-employment as a separate indicator.	A reference to entrepreneurship has been added to Priority 1. There are already references to self-employment and social enterprise. Self-employment is not a separate indicator but will be captured within the indicator on 'in work on leaving'.
14	Soft outcomes	Some responses wanted to include soft outcome indicators and/or guidance on soft outcomes methodology.	Soft outcomes are not programme level performance indicators, but can be included in CFO contracts. As stated in the OP, projects will be encouraged to record soft outcomes and these will be evaluated.
15	Social inclusion sub-priority or allocation	A small number of responses wanted to create a distinct sub-priority and/or financial allocation within Priority 1 for social inclusion of the most disadvantaged groups and community empowerment.	Priority 1 as a whole is focused on tackling worklessness including amongst disadvantaged groups.
Question 3b: What are your views on the proposed indicative activities and indicators for Priority 2 – developing a skilled and adaptable workforce?			
16	Higher level skills	Some responses wanted more scope for funding higher level skills activity, especially in medium sized enterprises.	The priority for ESF funding is basic skills and level 2. There will be scope for level 3 training where there are skills needs identified by Regional Skills Partnerships. Employers and individuals should have the main responsibility for funding training at higher levels. Priority 2 focuses higher level skills on small firms as there is clear market failure, and evaluations show small firms are the least likely to train.

No.	Issue	Changes proposed by respondents	Adjustments made to the Operational Programme (OP) or reasons for not making adjustments
17	Soft outcomes	Some responses argued that indicators should include soft outcomes not just qualifications.	The key indicators of priority performance will be qualifications gained, but evaluations will look at soft outcomes.
18	Social enterprise	Some responses wanted a reference to skills for social enterprise.	This has been added.
19	Environmental skills	Some responses wanted more references to skills for employment in environmental industry, as this is a growth area.	The existing reference to environmental skills has been expanded.
Questions 3c and 3f: What are your views on the proposed indicative activities for Priorities 3 and 6 – technical assistance?			
20	Evaluation	Some responses wanted confirmation that technical assistance (TA) will be used to support evaluations.	The OP confirms that TA can support evaluations of the programme.
21	Cross-cutting themes	Some responses wanted confirmation that TA will be used support the equal opportunities and sustainable development themes.	The OP confirms that TA can support the cross-cutting themes.
21	VCS and local authority involvement	Some responses emphasised that TA should be used to support VCS and local authority involvement in the design and delivery of programme.	The OP commits to using TA to support third sector networks. Applications from other partners will be considered in the usual way.
Question 3d: What are your views on the proposed activities and indicators for Priority 4 – tackling barriers to employment in Cornwall and the Isles of Scilly?			
The issues were broadly similar as Question 3a, but with a particular focus on social enterprise and access issues.			

No.	Issue	Changes proposed by respondents	Adjustments made to the Operational Programme (OP) or reasons for not making adjustments
Question 3e: What are your views on the proposed activities and indicators for Priority 5 – improving the skills of the local workforce in Cornwall and the Isles of Scilly?			
23	HE capacity building	Several responses emphasised that ESF should be used to build the capacity of Higher Education sector in Cornwall.	The OP includes activity to develop HE in Cornwall within the scope of the ESF regulation.
24	Demand-led provision	Several responses argued that ESF skills training should be flexible and demand-led.	The OP has been adjusted to emphasise the importance of demand-led provision.
25	Sustainable development	Several responses argued that skills activity should be linked to sustainable development.	Sustainable development is a cross-cutting theme.
Question 4: In view of the limited funding available, what do you think should be the themes for innovative activity to extend employment opportunities and develop a skilled and adaptable workforce?			
26	Flexibility	A few responses argued that regions should set themes for innovation rather than choosing from a national menu.	Regional Skills Partnerships will be invited to propose themes for innovation in regional ESF frameworks. These will be taken into account when the Managing Authority develops a national menu of themes in partnership with the innovation sub-committee of the Programme Monitoring Committee.
27	Concerns about separate innovation projects	A few responses argued that there should not be separate innovation projects, but that innovation should be integrated across all activities.	The ESF Regulation requires some dedicated innovation activity. However, this does not prevent innovative delivery within other projects, and this is now emphasised in the OP.
28	Demand-led	Some responses said innovation should be demand-led (for example, linked to Sector Skills Agreements).	This will be reflected in guidance on innovation.

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29	Themes for innovation	Various themes were suggested, including entrepreneurship, LSC national learners' panel, social enterprise, community regeneration, migrant workers, responding to redundancies, brokerage models for Train to Gain, volunteering, and ex-offenders.	These themes will be considered when the Managing Authority develops the menu of themes for innovation, in partnership with the innovation sub-committee.
Question 5: What are your views on the proposed roles of Regional Skills Partnerships (RSPs) and regional ESF strategies (now known as regional ESF frameworks)?			
30	RSP capacity	Many responses asked for greater clarity on the role of RSPs and asked whether they had sufficient resources to play this role.	The OP has been amended to clarify that RSPs will develop regional ESF frameworks on the basis of existing regional strategies, but will not have a delivery role. Regional Committees will monitor performance.
31	RSP accountability and membership	Several responses argued that RSPs should include other partners such as local authorities, VCS and small businesses'.	RSPs are responsible for determining their own membership and structures. They will be given guidance on consulting the full range of ESF partners when they develop regional ESF frameworks.
32	Sub-regional issues	Several responses wanted to clarify links to sub-regional partnerships and strategies, and take greater account of sub-regional needs. This issue was also raised under Question 8.	ESF regional frameworks will refer where appropriate to sub-regional strategies.
Question 6: What are your views on how the equal opportunities cross-cutting theme should be implemented?			
Almost all the responses supported the proposals. Many stressed the importance of sharing and disseminating good practice (especially from Equal), gateway criteria, technical assistance training and meaningful management information.			
33	Legislation	A few responses wanted an explanation of how the Gender Equality Duty and other legislation will be promoted	The OP contains general principles. Further information will be contained in guidance where appropriate.

No.	Issue	Changes proposed by respondents	Adjustments made to the Operational Programme (OP) or reasons for not making adjustments
<p>Question 7: What are your views on how the sustainable development (including environment sustainability) cross-cutting theme should be implemented?</p> <p>Almost all the responses supported the proposals. Many commented on the importance of links to ERDF, clear guidance on integrating sustainable development in procurement processes, and targets and monitoring.</p>			
<p>Question 8: Do you have any views on the proposed implementation arrangements?</p>			
34	Co-financing processes	<p>Many respondents supported the principle of Co-financing but sought improvements to processes (for example more flexibility in tendering procedures and contract lengths; greater sensitivity to regional and local needs in tender specifications).</p>	<p>The OP commits the Managing Authority to provide Co-financing Organisations (CFOs) with guidance on good practice that complies with EU and national guidelines on procurement. The Managing Authority and CFOs will consider the issues raised.</p>
35	Direct bidding	<p>Some respondents wanted to retain direct bidding to Government Offices (GOs) and national projects.</p>	<p>The Government said in its response to the UK Structural Funds Strategy consultation that the vast majority of ESF will be delivered through Co-financing at regional level. It is committed to Co-financing in order to streamline and simplify delivery. ESF must be demand rather than provider-led. Following the GO Review, GOs do not have a remit or the resources to run direct bidding rounds.</p>
36	Global Grants	<p>Many respondents wanted to retain Global Grants (small grants for community groups).</p>	<p>The OP has been amended to indicate that there will continue to be a small amount of ESF funding for small grants for voluntary and community groups. These will be delivered through Co-financing to overcome match funding problems.</p>

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37	European Regional Development Fund (ERDF)	Some respondents wanted to strengthen links to ERDF.	The OP emphasises that regional ESF frameworks will identify links between ERDF and ESF, and that regions will be encouraged to establish joint ERDF and ESF committees.
38	CFOs	Some respondents argued that a broader range of organisations (not just LSC and DWP) should continue to be CFOs including local authorities.	In view of the reduction in resources and the Government's objective of streamlined delivery, it is envisaged that there will be fewer CFOs in the new programme. The continued status of existing CFOs will be reviewed against CFO selection criteria. New applications to become CFOs will be subject to these selection criteria.