Evaluation of the Convergence European Social Fund (ESF) Programme 2007 - 2013

Final report
September 2015
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# Glossary

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<th>Description</th>
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<tr>
<td>C&amp;IoS</td>
<td>Cornwall and the Isles of Scilly</td>
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<tr>
<td>CFO</td>
<td>Co-Financing Organisation</td>
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<td>CMG</td>
<td>Convergence Management Group</td>
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<td>CUC</td>
<td>Combined Universities Cornwall</td>
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<td>DWP</td>
<td>Department for Work and Pensions</td>
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<tr>
<td>EAFRD</td>
<td>European Agricultural Fund for Rural Development</td>
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<tr>
<td>EFF</td>
<td>European Fisheries Fund</td>
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<tr>
<td>ERDF</td>
<td>European Regional Development Fund</td>
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<td>ESF</td>
<td>European Social Fund</td>
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<td>FE</td>
<td>Further Education</td>
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<tr>
<td>GDP</td>
<td>Gross National Product</td>
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<td>GOSW</td>
<td>Government Office South West</td>
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<tr>
<td>GVA</td>
<td>Gross Value Added</td>
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<tr>
<td>HE</td>
<td>Higher Education</td>
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<tr>
<td>IB</td>
<td>Intermediary Body</td>
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<tr>
<td>IP</td>
<td>Industrial Partnership</td>
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<tr>
<td>ITI</td>
<td>Integrated Territorial Investment</td>
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<tr>
<td>LCEA</td>
<td>Low Carbon Economic Area</td>
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<tr>
<td>LEP</td>
<td>Local Enterprise Partnership</td>
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<tr>
<td>LMC</td>
<td>Local Management Committee</td>
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<tr>
<td>NEET</td>
<td>Not in Education, Employment or Training</td>
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<td>NOMS</td>
<td>National Offender Management Service</td>
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<tr>
<td>NVQ</td>
<td>National Vocational Qualification</td>
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<tr>
<td>OBR</td>
<td>Office of Budgetary Responsibility</td>
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<tr>
<td>ONS</td>
<td>Office for National Statistics</td>
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<tr>
<td>RDA</td>
<td>Regional Development Agency</td>
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<tr>
<td>SFA</td>
<td>Skills Funding Agency</td>
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<tr>
<td>SME</td>
<td>Small or Medium Enterprise</td>
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<tr>
<td>SWRDA</td>
<td>South West Regional Development Agency</td>
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<td>TNA</td>
<td>Training Needs Analysis</td>
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Executive summary

Research context
The European Social Fund was established to improve employment opportunities in the European Union (EU) and help raise standards of living. Around £2.5 billion was invested by the ESF in England to support activities delivered between 2007 and 2013 with the twin aims of:

- extending employment opportunities; and
- developing a skilled and adaptable workforce.

The England and Gibraltar ESF Operational Programme, which established national priorities in line with European Employment Strategy, had two main objectives: Convergence and Regional Competitiveness and Employment. Cornwall and the Isles of Scilly was the only region in England to qualify for Convergence due to its low economic performance (GDP below 75% of the European average)\(^1\). Cornwall and the Isles of Scilly therefore had ring-fenced allocation of funding from ESF of £164 million, plus matched funding\(^2\), totalling £222,423,519.

The Convergence programme had 3 priority axis’ for investment:

**Priority 4:** Tackling barriers to employment  
Allocated £63,425,818 of ESF

**Priority 5:** Improving the skills of the local workforce  
Allocated £100,469,054 of ESF

**Priority 6:** Technical assistance (funding to facilitate programme delivery)  
Allocated £2,127,371 of ESF

Convergence objectives were in alignment with Regional Competitiveness priority axis’ in the rest of England – Priority 4 with Priority 1, and Priority 5, with Priority 2.

The Department for Work and Pensions (DWP) ESF Division had overall responsibility for the management of ESF in England. Funds were distributed through national co-financing organisations (CFOs). In Cornwall and the Isles of Scilly, the CFOs were:

- DWP;
- Skills Funding Agency (SFA); and
- National Offender Management Service (NOMS).

CFOs were tasked with managing ESF funding and using mainstream sources to provide match funding. A Local Management Committee (LMC) was formed to oversee delivery, in addition to an ESF Convergence Steering Group, administered by DWP with a focus on performance of the programme.

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\(^1\) DWP (2006) ESF in England: 2007 to 2013: objectives and funding allocations

\(^2\) Funding and targets are explained in more detail in Chapter 2
Research aims and objectives
The aim of this evaluation is to understand and demonstrate impact on the local area and effectiveness in delivering the targets and outputs of the ESF Convergence Programme in Cornwall and the Isles of Scilly.

The main objectives of the evaluation were to:

- Review the programme’s objectives and targets, in the context of changes to the external landscape since it was developed, and analyse outputs compared with targets, benchmarking where appropriate against other UK programmes;

- Identify aspects of the programme that were particularly effective, as well as those that were less effective, and the lessons learned from this to improve future programmes;

- Appraise the counterfactual situation in respect of the ESF programme; i.e. would the impacts still have been achieved in the absence of the funding, and determine how effectively provision has aligned with other mainstream funding;

- Analyse the social and economic impacts of the ESF programme including the extent to which strategic partnerships/linkages between ESF projects and other programmes such as ERDF were formed/sustained; and

- Identify any other areas of improvement from a process and delivery perspective that would be useful intelligence for future programmes.

This research has combined desk-based evaluation of a wide range of secondary data sources, with in-depth interviews with nearly 50 individuals and organisations involved in the strategic management and operational delivery of the ESF Convergence programme.

Key findings

Performance against targets
The Convergence programme has substantially over achieved its targets in respect of the numbers of participants supported overall, and for a wide range of other deliverables including the numbers gaining qualifications at levels 2, 3, 4 and 5 and those in work upon leaving the programme (Figures 1 and 2).

Furthermore, substantial overachievements against the majority of targets have been delivered in spite of the fact that not all the funding has been spent\(^3\), with around 23% of ESF allocation unused to date.

\(^3\) Based on data up to 1\(^{st}\) September 2015, subject to revision as final outputs are recorded and analysed
Figure 1: Priority 4 – achievement against targets

Source: ESF Division, DWP (July 2015)

Figure 2: Priority 5 – achievement against targets

Source: ESF Division, DWP (July 2015)

Figures 3 and 4 show the percentage of achieved outputs against programme targets for Priorities 4 and 5 (compared with national averages, Priorities 1 and 2 respectively). These highlight the vast
overachievement of targets in England and in Cornwall & the Isles of Scilly, in nearly all areas of the programme.

**Figure 3: Priority 4 - % of achievement against targets compared with the national average (Priority 1 contracts)**

![Bar chart showing % of achievement against targets compared with the national average for Priority 4 contracts.](chart)

*Source: ESF Division, DWP (July 2015)*

**Figure 4: Priority 5 - % of achievement against targets compared with the national average (Priority 2 contracts)**

![Bar chart showing % of achievement against targets compared with the national average for Priority 5 contracts.](chart)

*Source: ESF Division, DWP (July 2015) N.B. There was no equivalent target for level 4 in Priority 2*
**Differences between the first and second halves of the programme**

For the most part, the majority of achieved numbers against the overall target were delivered in the first half of the programme between 2008 and 2011 (Figures 5 and 6). For example, around two-thirds of total participants had been supported via Priority 4, and nearly three-quarters supported via Priority 5, in the first half of the programme.

A slightly more balanced split could be seen in the number of unemployed people supported in Priority 4, with 54% in the first half and 46% in the second half of the programme.

**Figure 5: Comparison of % of target achieved in the first and second halves of the programme – Priority 4**

![Comparison of % of target achieved](image)

*Source: Cornwall Council (August 2015)*

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4 Data correct as at August 2015
Programme governance was subject to change after the Coalition Government came to power in May 2010. The Convergence programme lost significant local strategic oversight and input as a result of organisations, such as Government Office South West, being wound up and the installation of a more rigid, nationally-led approach to contract management within the CFOs, notably DWP and the SFA.

In spite of these structural changes, local input was maintained in relation to the latter half of the programme, with local stakeholders and delivery partners influencing factors such as wider eligibility criteria to offer greater local flexibility directly influenced by the needs of local customers. Stakeholders and partners worked more closely together in the context of austerity, which created new models of delivery avoiding duplication of provision, and contributing to a more lasting legacy of collaborative working in Cornwall and the Isles of Scilly.

The latter part of the programme experienced some issues as new prime providers were not based in the region. It took some time to establish effective working relationships; this issue was exacerbated by a new DWP payment model which meant providers had to absorb a higher proportion of delivery costs before they were eligible to receive a payment. This model was revised

\[ Source: Cornwall Council (August 2015) \]
in response to local feedback and ultimately the affected contracts were able to achieve their targets, however this did affect the programme, as there was less time available for engagement and delivery while these issues were being resolved.

**Critical success factors**

Critical success factors underpinning the most effective delivery of the programme include:

- **Effective programme design**
  
  Underpinned by robust Labour Market Intelligence and a collaborative approach between key regional stakeholders and CFOs

- **Partnership working**
  
  Underpinned a more seamless participant journey, reduced competition for the target group and enabled a wider range of complementary provision

- **Engagement**
  
  Third sector organisations and social enterprises in particular have made good use of their relationships in the community and understanding of the target group

- **Flexibility in using the funds**
  
  Bespoke provision tailored to meet the specific and local needs of individuals and businesses more likely to result in long-lasting positive social and economic effects for the region

- **Capacity building**
  
  Use of Technical Assistance funds to build capacity in third sector organisations and this must be sustained and developed

- **Dedicated projects targeting key target groups**
  
  Engagement with females and participants with disabilities particularly effective in Priorities 5 and 4 respectively, due to dedicated projects designed to target these cohorts.

**Barriers to effective delivery**

There were a number of common barriers that obstructed providers from making the best use of the funds:

- **Inflexibility**
  
  Less flexibility in relation to eligibility criteria in the latter part of the programme – for example not able to support people to gain a second level 2 qualification in the second half – which narrowed the target group and meant some people could not participate;

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5 For example Cornwall Works for Learning Disabilities (Priority 4) and Empowering Smart Women (Priority 5)
• **Structural conflicts**
  For example ERDF projects were not co-commissioned, State Aid rules were a barrier, and in many cases, timescales were not in alignment and information not shared, which could have helped create synergies between projects and make better use of the money;

• **Obstructions in the participant journey**
  Referrals diminished via Local Authority Children’s Schools and Families pathway through plus impact of the prime contractor and revised payment model created blockages

• **Less ‘joined up’ strategically after 2010**
  Less joined up strategic leadership from a ‘top down’ perspective following the closure of Government Office South West and the South West Regional Development Agency

• **Cross-cutting themes not always explicitly addressed in skills contracts**
  A longer-term risk as the EU is able to claw monies back if there is insufficient evidence demonstrating how these were incorporated into programme delivery.

**Impacts**
There have been positive social and economic impacts for the region since the start of the programme in 2007, through to 2014/15, notably⁶:

• An 11% increase in the number of females employed between 2007 and 2014;
• An increase of 14% in the total number of people employed between 2007 and 2014;
• An increase of 25% of the number of people employed aged 50-64 between 2007 and 2014;
• An increase of 25% in the number of new business start-ups between 2011 and 2013;
• A decrease in the number of people with no qualifications from 10% to 6% between 2007 and 2014;
• A decrease in the number of NEETs, from 5.1% to 4.2% in Cornwall between 2012 and 2014.

Other impacts can be attributed directly to the programme, for example:

• Strong linkages between the Higher Education (HE) community and local businesses, with closer collaborative relationships that are expected to be maintained after the funding ends;
• Aspirations to access HE have been raised, and furthermore there has been development of, and greater aspiration for, higher level skills in the region at levels 4 and 5;
• Capacity building within the third sector notably among social enterprises, has been positive, although there is less evidence to demonstrate that the effects will be sustained beyond the life of the programme;

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⁶ It should be noted that not all these impacts can be directly attributed to the impact of ESF alone, as other factors outside the scope of this study will also have played a part
A number of start-up businesses considered to be ‘cutting edge’ have been established as a direct result of the programme, expected to have a sustainable economic benefit by creating jobs and improving Gross Value Added (GVA) in the region.

Furthermore there are many case studies demonstrating positive impacts at an individual level, which are expected to translate into longer-lasting social and economic benefits, as the influence of the programme supports people to improve their skills and qualifications and progress into employment or further learning.

**Value for money and assessment of the counterfactual**

Three core criteria are commonly used to assess value for money, also described as “the optimal use of resources to achieve the intended outcomes”\(^7\):

1. How economical the approach was in spending the funds – i.e. minimising the costs of resources or other inputs required;
2. How efficiently the funds were allocated – i.e. was it managed in the most appropriate way; and
3. How effectively the funds were spent – i.e. did the programme bring about the desired outputs and outcomes.

There is a consensus that without ESF, the impacts that can be directly attributed to the programme, would not have been achieved, and furthermore that funding could not have been provided through any other means that would have offered the same type and volume of provision.

Furthermore there has been substantial overachievement against the majority of targets in spite of the fact that at the time of writing, around 23% of ESF funds had not been spent (not including match funding). This does not take into account the performance/spend of contracts that are yet to be completed; a full dataset will not be available until towards the end of 2015\(^8\).

It is clear that the money has made a difference to the region, and has produced worthwhile outputs and outcomes – socially and economically. However changes in the second half of the programme meant some projects were not delivered as efficiently or as cost effectively as they could have been, and there was less time left for actual delivery due to various delays. Whilst, therefore, funding has not been fully maximised to best effect, this was due to factors that were predominantly outside the control of the local management teams.

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\(^7\) Criteria typically used by a number of Government departments and other public bodies including the National Audit Office

\(^8\) It should be noted that as this evaluation has been funded by Technical Assistance, the work had to be completed by the end of August 2015, to meet with payment regulations, and therefore it has not been possible to analyse a full dataset on programme performance and spend against targets.
In summary therefore, ultimately the majority of targets have been overachieved, using only around 75% of the ESF allocation. This suggests that value for money has been achieved, although lessons can be learned for future programmes to maximise the funds to full effect.

**Recommendations**

Moving forward, more strategic decision making powers are expected to revert back into local control, underpinned by the devolution deal. This is a vital time to build upon the momentum and achievements of the 2007-2013 programme, and take it forward to the next level. This requires more targeted and bespoke provision using ESF, and must be steered by, and underpinned with robust, clear, collaborative and transparent strategic leadership.

Based on the research conclusions, the following actions are recommended to inform the design and delivery of future ESF programmes:

1. Consider which individuals and organisations are best placed to take stronger strategic ownership of the programme, particularly in light of the devolution deal, and set clear protocols and operating processes;

2. Seek to build upon the momentum of the current programme and its impacts, by designing provision enabling participants to move to the next stage and also in alignment with key economic priorities set by the Local Enterprise Partnership;

3. Aim to address any gaps in the participant journey through more partnership working and actions to address delays in contracting, including journey mapping and clear referral routes;

4. Consider how there could be better alignment of ESF and ERDF in future programmes, for example through co-commissioning or complementary targets;

5. Maximise technical assistance funds by disseminating outputs such as skills research, more widely, and by retention of the capacity building elements for the third sector;

6. Undertake a mid-cycle or rolling evaluation for the next programme to identify areas of best practice and lessons learned that can be used to manage the second half of the programme most effectively;

7. Consider undertaking a survey of participants in 2016 in order to understand the extent to which social and economic impacts gained through the programme have been sustained;

8. Measure success considering how much Cornwall has progressed in its vital macro objectives of a workforce profile with higher skills and higher wage levels; and

9. Carry out national research to identify which targets and measures have the greatest potential and actual impact.
1. Introduction

1.1 Background context

1.1.1 The European Social Fund (ESF)

The European Social Fund was established to improve employment opportunities in the European Union (EU) and help raise standards of living. Around £2.5 billion was invested by the ESF in England to support activities delivered between 2007 and 2013 with the twin aims of:

- extending employment opportunities; and
- developing a skilled and adaptable workforce.

It is imperative that ESF funding adds value to regional employment and skills priorities by supplementing existing mainstream funding. Activities are therefore tailored to meet regional needs, with ESF funding focusing on activities intended to support those groups most disadvantaged.

These include:

- those who are long-term unemployed;
- people who face significant barriers to work (for example lone parents or those with few/no qualifications); and
- young people who are not in education, employment or training (NEETs).

The Managing Authority for the 2007-2013 ESF programme in England was the European Social Fund Division (ESFD) of the Department for Work and Pensions (DWP).

1.1.2 ESF in Cornwall & the Isles of Scilly

The England and Gibraltar ESF Operational Programme, which established national priorities in line with European Employment Strategy, had two main objectives: Convergence and Regional Competitiveness and Employment. Cornwall and the Isles of Scilly was the only region in England to qualify for Convergence due to its low economic performance (GDP below 75% of the European average)\(^9\). Cornwall and the Isles of Scilly therefore had ring-fenced allocation of funding from ESF of £164 million, plus matched funding\(^10\).

The ESF Operational Programme, which was the strategic document that summarised the aims and investment priorities for the ESF Convergence framework, identified 3 priority axis’ for investment, described in Table 1 below\(^11\):

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\(^10\) Funding and targets are explained in more detail in Chapter 2

\(^11\) Cornwall and Isles of Scilly Convergence Operational Programme 2007 -2013
## Table 1: Convergence programme priority axis’ for investment

<table>
<thead>
<tr>
<th>Priority axis</th>
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| **4: Tackling barriers to employment**             | Increase employment and reduce unemployment and inactivity by tackling barriers to work faced by disadvantaged groups such as people with disabilities or health conditions, lone parents and other disadvantaged parents, older workers, ethnic minorities, and people with no or low qualifications.  
Support young people make a successful transition to the world of work, in particular those not in education, employment or training (NEET), or at risk of becoming NEET. |
| **5: Improving the skills of the local workforce** | Delivery of the learning and skills regional vision: to help all people in Cornwall achieve the highest levels of skills and qualifications they can in order to enable them to find jobs and improve their chances of career progression, spanning:  
- Adult Learning and Skills – increasing choice and access to learning and skills training for adults (19+).  
- Workforce Development – raising workforce and business skills at all levels across all sectors in Cornwall to match the best in the UK.  
- Higher Education and Skills – increasing the number of HE students enrolled at the Combined Universities in Cornwall and increasing the take-up of higher skills training by those in employment. |
| **6: Technical assistance**                        | Funding to facilitate programme delivery and strengthen capacity to support participation of voluntary and community organisations. Includes the publicity and communication strategy, support for the cross-cutting themes of gender equality and equal opportunities and sustainable development, development and implementation of programme monitoring and evaluation systems. |
The Competitiveness programme also had a strategic aim to commission activities that provide interventions to support employment and skills needs in respect of:

**Priority 1:**
1. Young people not in education, employment or training (NEET), including young people at risk of becoming NEET;
2. Workless adults (unemployed and inactive).

**Priority 2:**
Young people and adults aged 16 years and over who require relevant qualifications at an appropriate level to support their current and continuing and future employment needs: basic skills; relevant qualifications at level 2; relevant qualifications at level 3.

Thus it can be seen that Priority 1 aligns with Priority 4; and Priority 2, with Priority 5.

As per the national ESF programme, two cross cutting themes were to be addressed within all projects: Equality and Diversity and Sustainable Development. Equality targets were set for the programme in respect of supporting:

- People with disabilities;
- People aged over 50;
- Ethnic minorities; and
- Females.

The design and delivery of projects was required to take account of environmental concerns and respect the principles of sustainable development.

1.2 Research aim and objectives

The subject of this report is the research carried out to enable an evaluation of the ESF Convergence Programme in Cornwall and the Isles of Scilly.

The purpose of the evaluation is to understand and demonstrate impact on the local area and effectiveness in delivering the targets and outputs of the ESF Convergence Programme in Cornwall and the Isles of Scilly.

The main objectives of the evaluation were to:

- Review the programme’s objectives and targets, in the context of changes to the external landscape since it was developed, and analyse outputs compared with targets, benchmarking where appropriate against other UK programmes;

- Identify aspects of the programme that were particularly effective, as well as those that were less effective, and the lessons learned from this to improve future programmes;
• Appraise the counterfactual situation in respect of the ESF programme; i.e. would the impacts still have been achieved in the absence of the funding, and determine how effectively provision has aligned with other mainstream funding;

• Analyse the social and economic impacts of the ESF programme including the extent to which strategic partnerships/linkages between ESF projects and other programmes such as ERDF were formed/sustained; and

• Identify any other areas of improvement from a process and delivery perspective that would be useful intelligence for future programmes.

1.3 Report structure

This report firstly provides a summary of the ESF Convergence programme, including its strategic aims, funding and targets, in Chapter 2. This is followed by key findings at programme level, including an appraisal of the policy and economic context since the start of the programme, the impact of this on programme delivery, and how circumstances in the region have changed between 2007 and the present day (i.e. an update on the baseline statistics) in Chapter 3.

Chapters 4, 5 and 6 then present key findings by each of the priority axis’. Conclusions and recommendations are outlined in Chapter 7.

A detailed explanation of the research methodology is provided in Appendix 1. A summary of the projects that were in scope of this evaluation is in Appendix 2.

Please note, quotes from respondents have been provided where relevant; these have not been attributed as this would have revealed identities. Quotes come from a mix of regional stakeholders and ESF Convergence programme delivery partners and project managers.
2. About the ESF Convergence programme

2.1 Programme strategic aims

In conjunction with the UK Government’s employment and skills strategies, the Regional Employment and Skills Partnership (RESP) and the Government Office for the South West (GOSW), the Convergence Framework was developed for Cornwall and the Isles of Scilly (C&IoS) for the period up to December 2010\(^\text{12}\). A revised framework was subsequently developed which covered the period from 2011 onwards (often referred to here and elsewhere as the second half of the programme) to consider changes in the labour market and government policies.

A number of key themes were developed within the Regional Convergence ESF Framework, which required Co-Financing Organisations (CFOs)\(^\text{13}\) to align their delivery with these shared objectives. These themes spanned:

- Employment & Skills for low carbon economic development
- Employment & Skills for enterprise & entrepreneurship
- Employment & Skills for key sectors
- Employment & Skills for the Eco-town
- Employment & skills for the digital economy\(^\text{14}\)

The approach outlined for C&IoS also took into account other types of investment across the region. These included funding via the European Regional Development Fund (ERDF) and Rural Development Programme for Europe (RDPE). In order to directly address regional employment and skills needs, ESF funds were particularly aimed at supporting:

- People with disabilities or health conditions, lone parents, older workers and ethnic minorities who made up a significant number of the unemployed or economically inactive population;

- Young people not in education, employment or training (NEETs), or potential NEETs and underqualified people without a full level 2 qualification;

- Skills shortages in sectors where people did not have relevant qualifications at level 3, small and medium sized enterprises with up to 250 employees, and in sectors and occupational areas where women and ethnic minorities were under-represented; and managers and workers in small enterprises of up to 50 employees; and

- Strategies to provide training to address skills gaps and in anticipation of the future skill needs of businesses\(^\text{15}\).

\(^{12}\) Department of Work and Pensions Convergence Framework 2007-2013

\(^{13}\) In the South-West region as a whole the Learning and Skills Council (LSC) (as was) and National Offender Management Service (NOMS) were the other two CFOs alongside the DWP

\(^{14}\) DWP Co-Financing Plan Cornwall & the Isles of Scilly
The Convergence Framework also saw an opportunity to support a shift towards a low carbon and resource efficient economy\textsuperscript{16}.

### 2.2 ESF Convergence Programme targets

The programme targets are summarised below by priority, in Tables 2 and 3.

**Table 2: Programme targets, Priority 4**

<table>
<thead>
<tr>
<th>Priority 4: Tackling barriers to employment</th>
<th>2007-2013 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outputs</td>
<td></td>
</tr>
<tr>
<td>Total number of participants</td>
<td>24,500</td>
</tr>
<tr>
<td>Participants who are unemployed</td>
<td>10,200</td>
</tr>
<tr>
<td>Participants who are economically inactive</td>
<td>8,400</td>
</tr>
<tr>
<td>Participants aged 14 to 19 not in education, employment or training i.e. NEETs (or at risk of becoming NEET)</td>
<td>4,900</td>
</tr>
<tr>
<td>Participants with disabilities or health conditions</td>
<td>6,615</td>
</tr>
<tr>
<td>Participants who are lone parents</td>
<td>1,960</td>
</tr>
<tr>
<td>Participants aged 50 or over</td>
<td>7,350</td>
</tr>
<tr>
<td>Participants from ethnic minorities</td>
<td>245</td>
</tr>
<tr>
<td>Female participants</td>
<td>12,485</td>
</tr>
<tr>
<td>Results</td>
<td></td>
</tr>
<tr>
<td>Participants in work on leaving</td>
<td>5,900</td>
</tr>
<tr>
<td>Participants in work six months after leaving</td>
<td>7,300</td>
</tr>
<tr>
<td>Economically inactive participants engaged in job search activity or further learning</td>
<td>3,800</td>
</tr>
<tr>
<td>14 to 19 NEETs or at risk in education, employment or training on leaving</td>
<td>2,200</td>
</tr>
</tbody>
</table>

\textsuperscript{15} DWP ESF Convergence Framework 2007-2013  
\textsuperscript{16} Convergence Programme for Cornwall and the Isles of Scilly Operational Programme 2007-13
Table 3: Programme targets, Priority 5

<table>
<thead>
<tr>
<th>Outputs</th>
<th>2007-2013 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of participants</td>
<td>50,200</td>
</tr>
<tr>
<td>Participants with basic skills needs</td>
<td>18,200</td>
</tr>
<tr>
<td>Participants without a level 2 qualification</td>
<td>18,200</td>
</tr>
<tr>
<td>Participants without a level 3 qualification</td>
<td>5,400</td>
</tr>
<tr>
<td>Participants without a level 4 or above qualification</td>
<td>3,800</td>
</tr>
<tr>
<td>Number participating in research qualifications (Masters/PhD)</td>
<td>800</td>
</tr>
<tr>
<td>Number of graduate placements</td>
<td>1,100</td>
</tr>
<tr>
<td>Participants with disabilities or health conditions</td>
<td>8,534</td>
</tr>
<tr>
<td>Participants aged 50 and over</td>
<td>11,044</td>
</tr>
<tr>
<td>Participants from ethnic minorities</td>
<td>502</td>
</tr>
<tr>
<td>Female participants</td>
<td>25,602</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>2007-2013 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants gaining basic skills</td>
<td>8,200</td>
</tr>
<tr>
<td>Participants gaining a level 2 qualification</td>
<td>7,300</td>
</tr>
<tr>
<td>Participants gaining a level 3 qualification</td>
<td>1,600</td>
</tr>
<tr>
<td>Participants gaining a level 4 qualification</td>
<td>760</td>
</tr>
<tr>
<td>Participants undertaking post-graduate research gaining level 5 qualifications</td>
<td>120</td>
</tr>
<tr>
<td>Graduates placed within SMEs who gained employment</td>
<td>830</td>
</tr>
</tbody>
</table>

It was expected that by 2015, Cornwall and the Isles of Scilly would have,

- Made substantial progress towards the Leitch 2020 target\textsuperscript{17}, which was aimed at training at least 90% of the workforce to Level 2 standard;

- Established an enterprising culture with a discernible difference in aspirations and expectations;

- Become a leading region in new and emerging green technologies; and

- Developed an approach to learning and skills focused on the labour force, as a whole and economic opportunity\textsuperscript{18}.

2.3 Funding for Convergence

Table 4 shows the funding allocated for Convergence in the region, for 2007-2013.

\textsuperscript{17} Set by Lord Leitch in his final review of the nation’s skills in 2006

\textsuperscript{18} DWP ESF Convergence Framework 2007 - 2013
## Table 4: Funding allocation for ESF Convergence 2007-2013

<table>
<thead>
<tr>
<th>Priority axis</th>
<th>ESF funding</th>
<th>Total contribution (with match funding)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority 4</td>
<td>£63,425,818</td>
<td>£84,575,461</td>
</tr>
<tr>
<td>Priority 5</td>
<td>£100,469,054</td>
<td>£133,973,664</td>
</tr>
<tr>
<td>Priority 6</td>
<td>£2,127,371</td>
<td>£3,874,394</td>
</tr>
<tr>
<td>Total</td>
<td>£166,022,243</td>
<td>£222,423,519</td>
</tr>
</tbody>
</table>
3. Key findings – programme level

3.1 Policy and economic changes in the external landscape

Arguably the most influential changes affecting the external landscape for the Convergence programme were the economic effects of the recession from 2008 onwards, and the change of Government in 2010.

In 2008, the UK’s GDP was falling, but targets for the ESF programme had been set pre-recession, at a time when Government policy was focusing on enterprise and the creation of an ‘innovation nation’\(^{19}\). By 2010, the Office of Budget Responsibility (OBR) had forecast on-going decline in unemployment by 2015, with 11% anticipated shrinkage of public sector jobs. The OBR also predicted a recovery from negative GDP to be driven by private economy and opportunities in export markets, particularly in Asia\(^{20}\).

However, the UK Government remained committed to policy supporting the creation of new jobs and industry growth. The policy statement "Building Britain’s Future - New Industry, New Jobs" in 2009 identified a number of critical areas for Government support, notably where investment could support economic recovery, and clearer identification of the skills needed for future success, and ensuring the education and training system could deliver them\(^{21}\). In the same year, Cornwall’s economic strategy set out priorities to ensure the region’s position as an innovative, knowledge-based and technologically-advanced area founded on environmental and sustainability principles\(^{22}\).

Concurrently, there was a strong focus on the creation of a UK low carbon economy. To support the increasing importance of tackling climate change and meeting ambitious targets to reduce emissions, Low Carbon Economic Areas (LCEA) were introduced through the Low Carbon Transition Plan\(^{23}\). The Plan presented LCEAs as an opportunity to build on key industrial strengths of particular areas to accelerate low carbon economic activity. Cornwall prioritised the Low Carbon Industrial Strategy and focused its skills budget on the areas that were said to have the most potential for growth and jobs such as Life Sciences, Digital Media and Technology, Engineering, Construction and Low Carbon Energy. Cornwall Council’s Economic Ambition White Paper set out an aim of making Cornwall an innovative business and low carbon technologies leader\(^{24}\).

In 2010, the new Coalition Government embarked upon a substantial programme of budget cuts, with reductions in public expenditure set to reach £17 billion by 2014/15\(^{25}\). In 2010, following the Comprehensive Spending Review which announced a 25% reduction in the Further Education budget for 2014-15, the Government published its strategy\(^{26}\) for the reform of further education and

\(^{19}\) Department for Business, Innovation and Skills (BIS) (2008), Innovation nation (white paper)
\(^{20}\) Office of Budget Responsibility (2010), Budget 2010: The economy and public finances – supplementary material
\(^{21}\) HM Government (2009), New industry, new jobs
\(^{22}\) Cornwall Council Green Paper 2009
\(^{23}\) HM Government (2009), National Strategy for Climate Change and Energy
\(^{24}\) Cornwall Council Economy and Culture Strategy 2013-2020
\(^{25}\) Announced in the June 2010 budget
\(^{26}\) BIS (2010), Skills for sustainable growth
training in England. Labour’s flagship adult training programme, *Train to Gain* was abolished and replaced with a much smaller and more targeted initiative aimed at helping small employers train low-skilled staff. As part of a drive to cut bureaucracy and red tape in the sector, colleges and providers were given greater freedom to respond to the bespoke needs of learners and employers. Another objective was to increase the number of adult apprenticeships, while also expecting employers and learners to pay more towards the cost of training. For learners aged 24 and over, a new system of government-backed loans was introduced in 2013, for those wishing to take level 3 or higher qualifications.

Emerging at that time was a clear vision for greater employer ownership of, and investment into skills development. This was underpinned by the creation of a number of industrial partnerships (IPs)\(^\text{27}\) which are currently using collaborative approaches bringing together employers with training providers and other key sector stakeholders, to develop and deliver bespoke skills and training solutions in the context of specific industry requirements. The goal is to attract and manage funding through sustainable co-investment training propositions whilst setting standards and accountability structures so that investment goes further\(^\text{28}\).

A major closure programme was instigated by the Coalition Government, for example the Regional Development Agencies (RDAs) and regional Government Offices. Greater responsibilities were devolved to Local Authorities in the interim, but the longer-term goal was to establish Local Enterprise Partnerships (LEPs) to replace the RDAs. The intention was for the LEPs to take the lead in deciding on the priorities for the local area, including investment into infrastructure, skills and training. LEPs (including for Cornwall and the Isles of Scilly) were first established in 2011, and to date, 39 LEPs have been created.

### 3.2 Impact of policy and economic changes on the ESF Convergence programme

#### 3.2.1 Programme management

**Strategic governance**

The Department for Work and Pensions (DWP) ESF Division had overall responsibility for the management of ESF in England. Funds were distributed through national co-financing organisations (CFOs). In Cornwall and the Isles of Scilly, the CFOs were:

- DWP;
- Skills Funding Agency (SFA); and
- National Offender Management Service (NOMS).

CFOs were tasked with managing ESF funding and using mainstream sources to provide match funding. A Local Management Committee (LMC) was formed to oversee delivery, in addition to an ESF Convergence Steering Group, administered by DWP with a focus on performance of the programme.

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\(^{27}\) Industrial partnerships are industry-wide collaborative arrangements that extend the scale and impact of employer ownership in key sectors of the economy. They ensure skills and workforce development are intrinsic parts of an industry’s wider growth strategy and address the most pressing skills challenges the industry faces

\(^{28}\) UK Commission for Employment and Skills (2013) *Employer Ownership of Skills: Building the Momentum*
From 2007-2011, the South West Regional Development Agency (SWRDA) was the designated Intermediary Body responsible to the Department for Communities & Local Government (DCLG) for managing the Convergence programme. Following its abolition, the Department for Work and Pensions (DWP) assumed overall responsibility for ESF. At the same time, the closure of Government Office South West (GOSW) removed a long-standing strategic layer from the programme’s governance.

Local control had also been narrowed in April 2009, when a Unitary Authority for Cornwall was established, replacing the previous structure of Cornwall County Council and six district authorities plus the Council for the Isles of Scilly (which remained unchanged).

Operational delivery
Coalition Government policy therefore focused on creating a culture of stronger ownership for skills and training among employers and individuals, whilst at the same time starting to devolve greater responsibilities to LEPs, underpinned by the Localism Act introduced in 2011. Paradoxically, however, in practice this had the effect of removing a great deal of local control over the management of the ESF programme.

Policy and organisational change combined with spending cuts and redundancies in central and local Government departments brought about important structural change within CFOs. The DWP was tasked with concentrating its attention on provision to support troubled families. The SFA became a more centralised organisation with a nationally-led approach to contract management. The net result was a more rigid and very different approach after 2010, without the flexibility and local control that had featured heavily in the first half of the programme.

“In the first half of the Convergence programme all targets on skills programmes were met and exceeded because the projects were locally driven and delivered and in response to Cornwall’s specific needs. However the second half was driven by Government policy, led by Government departments running national programmes which were inflexible. We moved from a bottom up approach in the projects initiation to a top down national project. I think that was the single biggest issue – in terms of the performance of the whole programme”

This erosion of local ownership had a knock on effect in a number of areas, which affected programme delivery (explained in more detail in section 3.7).

3.2.2 Effectiveness of programme governance
The Local Management Committee (LMC) benefited from a range of constituent members that have worked closely together over a number of years – this shared knowledge and expertise of both ESF and the local region and its needs helped ensure a robust approach to programme governance.

29 The aim of the act was to devolve more decision making powers from central government back into the hands of individuals, communities and councils. The act covers a wide range of issues related to local public services.
It was affected in the second half of the programme as a result of the changes in the external landscape, notably upheaval within local organisations which meant existing members left the committee, and new people joined or left more regularly than before. This meant it was harder to maximise the group to best effect.

Post 2010, the Convergence Management Group (CMG) undertook regular reviews of progress, focusing on whether numbers were in alignment with targets. However the group had limited ability to bring about change due to the nationally-led strategic priorities, and over time became a means to shape the agenda for the LMC, rather than offer strong strategic leadership.

Discussions therefore focused on the national position and targets as opposed to the local economy, and suffered from limited data, with only an aggregate dataset which did not allow for detailed analysis at a local level.

### 3.3 Programme design

The initial design of the programme for 2007 onwards was informed by a substantial amount of research, dialogue between partners and effective use of Labour Market Intelligence (LMI). Co-Financing Organisations (CFOs) worked closely together, building upon partnerships and relationships forged during the previous Objective One programme.

Regional stakeholders and providers broadly agree that the right kinds of activities were commissioned that met local social and economic needs. This was helped by commissioning shorter term projects rather than committing the full monies for the full 6 years. CFOs recognised a need for flexible and immediate provision for the ESF cohort.

ESF complemented mainstream funding and predominantly added value – in particular because funding for adult learning “all but disappeared”. The need for ESF thus became more urgent, especially after the introduction of adult learning loans. However some projects competed with one another for the same client group, because of similar aims and outputs.

Support for businesses to undertake training was fundamental, notably in helping develop higher level skills which could not have been funded through other means. However work-based learning was not as flexible as it could have been. For many businesses, funding was only available for accredited training, and some providers highlighted the challenges for employers compelled to commit to a full qualification, when in reality only one or two aspects would have been relevant.

Greater flexibility, for instance in allowing businesses to just take relevant modules, would have met needs more closely and reflected the limited time available for training. In relation to delivery, some regional stakeholders noted that more could have been done to improve provision in rural areas where it was traditionally difficult to access and therefore minimised participation.
3.4 Effectiveness of strategic linkages with ERDF

ERDF is one of the main financial instruments of the European Cohesion Policy. It is intended to help redress regional imbalances in the union through participation in the development and structural adjustment of regions whose development is lagging and help with and the conversion of declining industrial regions. It is mainly used to provide financial contributions to projects that are promoted by the public sector, such as Government departments, local authorities and further and higher education establishments.30

ERDF was one of the four funds that operated in the region during the period of 2007-2013. The others were the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF) as well as ESF. The strands of activity which were relevant to ESF and ERDF during this period included:

- **Innovation and enterprise**: ERDF prioritised the restructuring of the economy to one with a higher proportion of high value added business, crucial in addressing low earnings and a low skilled economy31. This was relevant to ESF Priority Axis’ 4 and 5, aimed at developing a skilled and adaptable workforce and tackling barriers to employment32.

- **Renewable energy and environmental technologies**: ERDF aimed to improve the environmental performance of buildings and resource efficiency. It also planned to build a research and innovation base, and build capacity of environmental goods and services sector through networking and innovation networks. Environmental technologies would also have innovation and enterprise support.33

There was a clear intent to form strategic linkages between ESF and ERDF. The Convergence Management Group (CMG) looked at ERDF pipelines in meetings. The idea was that ESF would be used to upskill people and help them take up jobs that would be created as a result of the ERDF capital investments.

In practice this was only partly successful. Although skills plans were requested for each ERDF project, they were not always provided. Furthermore there were structural barriers – ESF and ERDF contract specifications inviting tenders were not typically released at the same time, nor did they explicitly require linkages to be made between the funding streams. EU State Aid rules also prevented some ERDF projects from benefitting from ESF skills training as they were already in receipt of a set amount of funding and did not qualify for more support. This meant that synergies between the funds could not be harnessed to maximum effect.

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30 Cornwall and Isles of Scilly Convergence Operational Programme 2007
31 Cornwall and Isles of Scilly Convergence Operational Programme 2007
32 ERDF Cornwall Convergence Operational Programme 2007-2013
33 ERDF Cornwall Convergence Operational Programme 2007-2013
A further issue arose with State Aid\textsuperscript{34} – some ERDF projects could not benefit from ESF skills training due to the regulations if in receipt of more than 200,000 euros – this appears to be a major structural conflict. State Aid, in effect, works against maximising the funding. Delivery timescales for projects were not always in alignment, and this was exacerbated in the second half of the programme as a result of contracting delays for ESF.

Stakeholders report that there appeared to be limited collaboration between DCLG as the ‘owner’ of ERDF and DWP as the Managing Authority for ESF. Therefore there were barriers to linkages at top down and bottom up levels.

However in spite of these obstacles there are a number of examples of effective collaborations that made effective use of the funding. Fifteen, the restaurant offering training in the food and drink sector was established via ERDF and ESF, and is a particularly good example of the impacts that have been achieved for individual participants, as well as for the region.

CPR Regeneration partners were intrinsically linked to local ERDF investments and continually sought opportunities to build skills into a major ERDF capital development (Pool Innovation Centre) then underway and its surrounding business community.

The Skills Funding Agency designated specific funding to cover capacity building activities at Newquay Airport before it passed from military to civilian control in 2009. This brought together ERDF and ESF investment. The Newquay delivery partner was very well connected to local development strategies and was able to ensure that skills funding supported local needs.

3.5 Cross-cutting themes

Coverage of cross-cutting themes appears to vary depending on the project, and provider. Large organisations such as colleges typically had clear protocols on equality and diversity, and sustainable development, which were incorporated into the approach to delivery. However they did not always tailor standard practices to bespoke ESF contracts.

The National Offender Management Service (NOMS) recruited a sustainable champion and undertook activities to promote sustainable development. A good example of sustainable development within the programme is explained in the following case study:

\textsuperscript{34} The term ‘state aid’ refers to a form of assistance from public funded resources which is used to support organisations or businesses. The rules restrict the support the public sector may provide to civil society organisations that operate in a commercial or economic environment.
Case Study: Sustainable development

Clear about Carbon is an ESF Convergence investment aimed at finding new ways to increase carbon and climate awareness within businesses and the public sector. Working with staff in Cornish organisations, they identify successful methods of engaging these businesses to reduce carbon within the public sector supply chain and deliver outreach and training programmes to staff within Cornwall.

Clear about Carbon was one of the recipients of the ESF Equal Opportunities and Sustainable Development Mainstreaming Leader National Awards 2011 and Cornwall Works WISE award for innovation in 2012.

The project was managed by organisations in the South West that specialise in communicating environmental issues and delivering business training. These span the Eden Project, University of Exeter Business School and Centre of Leadership Studies, Cornwall Development Company, and Duchy College Rural Business School.

Part of the delivery included workshops for employees at NHS Peninsula Purchasing and Supply Alliance (PPSA), run by Cornwall Development Company in conjunction with the Department of Health. A representative from the Royal Devon and Exeter Foundation Trust stated that the workshops had been well received and had led to a leadership and procurement management action learning set for the low carbon economy programme, led by the University of Exeter Business School.

The project’s online resources bank includes tools to help measure carbon footprints and how to improve them, a carbon literacy e-learning to help communicate and inform public sector staff about climate change, greenhouse gases and carbon foot printing, as well as inspirational stories from other Cornish businesses who have successfully cut their carbon and saved money.

Good examples in relation to equality included broadening of the delivery partner mix to include non-traditional partners who had a better understanding and engagement with key client groups – such as women’s groups. Some workshops were held on how to engage with individuals from disability groups.

It should also be noted that although some providers stated they had not explicitly considered how to address cross-cutting themes, the Convergence programme substantially exceeded targets for engaging with people with disabilities in Priority 4 at 38% against a target of 27%. This was the best performance in the country (Figure 7). This has been widely attributed to the Priority 4 project Cornwall Works for Learning Disabilities, which was established specifically to provide a tailored package of support for participants. No other region had such a project.
Furthermore the Technical Assistance project providing third sector programme support and participation run by Cornwall Voluntary Sector Forum (CVSF) provided strategic engagement on the cross cutting equalities theme.

**Figure 7: % of achievement against targets, supporting participants with disabilities – Priority 4 compared with Priority 1 (rest of England)**

Source: ESF Division, DWP (July 2015)

However no region achieved the target to support participants with disabilities for Priority 2 (Priority 5 in Convergence). Cornwall and the Isles of Scilly achieved 10% against a target of 17%. (Figure 8).
Figure 8: % of achievement against targets, supporting participants with disabilities – Priority 5 compared with Priority 2 (rest of England)

The Convergence programme also exceeded targets for supporting people from ethnic minorities in Priority 4 –2% against a target of 1%, making it one of only three regions that exceeded the target (Figure 9).
Figure 9: % of achievement against targets, supporting participants from ethnic minorities – Priority 4 compared with Priority 1 (rest of England)

Source: ESF Division, DWP (July 2015)

Nearly all regions exceeded the target to support participants from ethnic minorities in Priority 5 and the equivalent Priority 2 for the rest of England. Cornwall and the Isles of Scilly achieved double the target, achieving 2% against a target of 1% (Figure 10).
The Convergence programme also performed particularly well against target in relation to supporting females in Priority 5, achieving 53% against a target of 51%. Reasons for this are explained in more detail in Section 5.2. Cornwall and the Isles of Scilly was one of only two regions to exceed this target, the other being London (Figure 11).

Projects commissioned by the National Offender Management Service (NOMS) were encouraged to deliver specific provision for females or plan to take account of gender differences. For example female-only caseworkers were made available to provide support.

There was not the same level of success for targets regarding female participation in Priority 4 and the equivalent Priority 1 in the rest of the country. London came closest to achieving the target of 51% (46%). For Convergence the achievement was 39% (Figure 12). There were not the same number of projects specifically aimed at supporting females in this Priority, which may account for the differences in achievement between Priorities 4 and 5.
Figure 11: % of achievement against targets, supporting female participants – Priority 5 compared with Priority 2 (rest of England)

Source: ESF Division, DWP (July 2015)
Analysis of the data indicates that projects designed specifically with a target group in mind, such as females or those with disabilities, were able to engage very effectively with the cohort, enabling over achievement of the targets. Performance was less strong, with not all targets achieved, where cross-cutting themes were less explicitly addressed.

“Cross-cutting themes were an afterthought”

There were other opportunities to address cross-cutting themes more explicitly that were not taken. For instance ERDF capital investment into structural developments could have used ESF funds to provide skills and training on effective management of waste – which in turn could have linked into recycling and work with social enterprises. One provider pointed out that hotels could work with food banks to reduce waste and support disadvantaged groups.

3.6 Programme performance against targets

Figures 13 and 14 below show the numbers achieved compared with target numbers, for Priorities 4 and 5. It should be noted that it is not possible to show actual numbers achieved against targets in
respect of participants supported who: were female; were disabled; were aged over 50; or came from ethnic minorities – as these achievements are included in the data as percentages only.

There were two outputs set for Priority 4 for which there were no data on achievements (at the time of writing): participants in work six months after leaving; and economically inactive participants engaged in job search activity or further learning.

**Figure 13: Priority 4 – achievement against targets (actual numbers as at July 2015)**

<table>
<thead>
<tr>
<th>Outputs and results</th>
<th>2007-2013 targets</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 to 19 NEETs or at risk in education, employment or training on leaving</td>
<td>2,200</td>
<td>13,748</td>
</tr>
<tr>
<td>Participants in work on leaving</td>
<td>5,900</td>
<td>11,881</td>
</tr>
<tr>
<td>Participants aged 14 to 19 not in education, employment or training i.e. NEETS (or at risk)</td>
<td>4,900</td>
<td>16,714</td>
</tr>
<tr>
<td>Participants who are inactive</td>
<td>8,400</td>
<td>17,782</td>
</tr>
<tr>
<td>Participants who are unemployed</td>
<td>10,200</td>
<td>35,489</td>
</tr>
<tr>
<td>Total number of participants</td>
<td>24,500</td>
<td>71,843</td>
</tr>
</tbody>
</table>

*Source: ESF Division, DWP (July 2015)*
**Figure 14: Priority 5 – achievement against targets (actual numbers as at July 2015)**

<table>
<thead>
<tr>
<th>Category</th>
<th>2007-2013 targets</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduates placed within SMEs who gained employment</td>
<td>830</td>
<td>952</td>
</tr>
<tr>
<td>Participants undertaking post-graduate research gaining level 5 qualifications</td>
<td>120</td>
<td>632</td>
</tr>
<tr>
<td>Participants gaining a level 4 qualification</td>
<td>760</td>
<td>1316</td>
</tr>
<tr>
<td>Participants gaining a level 3 qualification</td>
<td>1,600</td>
<td>6964</td>
</tr>
<tr>
<td>Participants gaining a level 2 qualification</td>
<td>7,300</td>
<td>14,584</td>
</tr>
<tr>
<td>Participants gaining basic skills</td>
<td>8,200</td>
<td>10,357</td>
</tr>
<tr>
<td>Number of graduate placements</td>
<td>1,100</td>
<td>1494</td>
</tr>
<tr>
<td>Number participating in research qualifications (Masters/PhD)</td>
<td>800</td>
<td>1037</td>
</tr>
<tr>
<td>Participants without a level 4 or above qualification</td>
<td>3,800</td>
<td>19801</td>
</tr>
<tr>
<td>Participants without a level 3 qualification</td>
<td>5,400</td>
<td>25,697</td>
</tr>
<tr>
<td>Participants without a level 2 qualification</td>
<td>18,200</td>
<td>24,332</td>
</tr>
<tr>
<td>Participants with basic skills needs</td>
<td>18,200</td>
<td>9,757</td>
</tr>
<tr>
<td>Total number of participants</td>
<td>50,200</td>
<td>114,031</td>
</tr>
</tbody>
</table>

Source: ESF Division, DWP (July 2015)

Figures 15, 16 and 17 show the percentage of achieved outputs against programme targets for Priorities 4 and 5 (compared with national averages, Priorities 1 and 2 respectively). These highlight the vast overachievement of targets in England and in Cornwall & the Isles of Scilly, in nearly all areas of the programme.
Figure 15: Priority 4 - % of achievement against targets compared with the national average (Priority 1 contracts)

Source: ESF Division, DWP (July 2015)
**Figure 16: Priority 5 - % of achievement against targets compared with the national average (Priority 2 contracts)**

Source: ESF Division, DWP (July 2015)  *N.B. There was no equivalent target for level 4 in Priority 2*

**Figure 17: Priority 5 - % of achievement against targets in Cornwall and the Isles of Scilly**

Source: ESF Division, DWP (July 2015)
Figure 18: Summary of SFA contracts (where data available) % of achievement against targets

Source: Skills Funding Agency, July 2015
Base: 59,729 participants

Figure 19 shows that nearly a quarter of the participants supported within SFA projects (data available in respect of nearly 60,000 individuals) went on to achieve some form of non-accredited learning activity. This links to the previous point about the programme supporting high numbers of participants that accessed brief, rapid support such as a guidance or taster session.
Figure 19: Proportion of total number of participants achieving outcomes/outputs (SFA contracts where data available)

Source: Skills Funding Agency, July 2015
Base: 59,729 participants

Figure 20: % of targets achieved for completion of training with GLH (SFA contracts where data available)

Source: Skills Funding Agency, July 2015
Base: 2,923 participants
It was more difficult to engage with participants willing to complete more than 55 GLH (Figure 20). This was predominantly because it was harder to get individuals to commit to this length of time.

However there was considerably greater success in achieving targets (numbers supported and money spent) in relation to accredited, rather than non-accredited activity (Figure 21).

**Figure 21: % of targets achieved for learning activity completions (SFA contracts where data available)**

- **Achieved accredited learning activity**: 481
- **Achieved non-accredited learning activity**: 119
- **Achieved Skills for Life/Basic Skills**: 120

Source: Skills Funding Agency, July 2015
Base: 2,315 participants

The introduction of adult loans in 2013 restricted eligibility for level 2 qualifications – previously participants could be supported to gain a second level 2, for example if they attained Certificates of Secondary Education (CSEs) a long time ago but needed a more relevant qualification such as an NVQ. Recent regulation changes meant these people could no longer access the funding – this had a noticeable impact on achievement against targets for level 2 qualifications (Figure 22).
Figure 22: % of targets achieved for qualifications levels 1-5 (SFA contracts where data available)

![Bar chart showing % of targets achieved](chart.png)

Source: Skills Funding Agency, July 2015
Base: 8,383 participants

As described earlier, the programme was not as flexible as it could have been, particularly after 2010. Employers were faced with rigid eligibility criteria which prevented some target participants from accessing support. For example, in the Skills Support for the Workplace provision, one provider referred over 800 employees for training but only 53 actually received funded training. SFA contracts overachieved against target in respect of the number of companies supported in the region, but were behind target in taking this a stage forward and completing a Training Needs Analysis (Figure 23).
Figure 23: % of targets achieved for companies supported (SFA contracts where data available)

Source: Skills Funding Agency, July 2015
Base: 7,118 participants

3.7 Differences between the first and second half of the programme

Analysis of the data shows that the majority of achieved numbers against the overall target were delivered in the first half of the programme between 2008 and 2011 (Figures 24-27). For example, around two-thirds of total participants had been supported via Priority 4, and nearly three-quarters supported via Priority 5, in the first half of the programme.

A slightly more even split could be seen in the number of unemployed people supported in Priority 4, with 54% in the first half and 46% in the second half of the programme.

Data correct as at August 2015
**Figure 24: % of target achieved in the first and second halves of the programme – Priority 4**

Source: Cornwall Council (August 2015)

**Figure 25: Actual numbers achieved in the first and second halves of the programme – Priority 4**

Source: Cornwall Council (August 2015)
Figure 26: % of target achieved in the first and second halves of the programme – Priority 5

![Bar chart showing % of target achieved](image)

<table>
<thead>
<tr>
<th>Category</th>
<th>First Half</th>
<th>Second Half</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant Total</td>
<td>72%</td>
<td>73%</td>
</tr>
<tr>
<td>Basic skill needs</td>
<td>79%</td>
<td>70%</td>
</tr>
<tr>
<td>Without level 2</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Without level 3</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Without level 4</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>PhD</td>
<td>35%</td>
<td>62%</td>
</tr>
<tr>
<td>Graduate placements</td>
<td>35%</td>
<td>38%</td>
</tr>
</tbody>
</table>

*Source: Cornwall Council (August 2015)*
A major concern about the second half of the programme, expressed by many of the stakeholders within this research, was that prime contractors were not actually based in Cornwall and the Isles of Scilly. The main issues given by stakeholders to support their dissatisfaction were that prime contractors had no or little relationship with local delivery partners, which is in direct contrast to the strong traditions of successful collaborative partnership working in the region.

Furthermore, the DWP introduced a new payment model, which was intended to mitigate the risk of the first half of the programme, and enable providers to be paid for participant starts, but with no financial onus to then help participants progress. There was a concern that the investment may not bring about the long-term intended consequences – for example progressions into employment. In response, the revised model for the prime contractor projects introduced progress measure payments linked to overcoming barriers, and impacts. The initial plan was that partners had to engage with participants for 6 months and achieve 3 progress measures before they were eligible to receive a payment.

Third sector organisations in particular found the revised payment model difficult as they did not have the cash flow to keep them afloat while they undertook work to qualify for a first payment. Some partners dropped out of the Convergence programme as a result, and others experienced redundancies and operating problems. In turn this had a knock on effect on delivery, as it took time...
for issues to be resolved and new delivery partners to be recruited. Thus the available time in which to support participants was reduced.

However in response to feedback from delivery organisations, the payment model was changed again after approximately a year, with a requirement to engage with participants for 10 weeks, devise an action plan and complete some form of activity in order to trigger a first payment. This approach freed up cash for the smaller providers, although arguably some damage had already been done which over time had a longer-term effect on programme delivery and achievement of targets.

There were delays, in some cases substantial, in agreeing and issuing contracts for the second half of the programme, which appears to have been a particular issue for the SFA projects. This meant some projects were late in starting, and thus there was a delay in engaging with the target cohort, ultimately reducing the time available to deliver the achieved targets. This was exacerbated by a reduction in the number of referrals from Local Authorities via the Children’s School and Families pathway as these organisations were experiencing upheaval due to internal restructuring and redundancies.

However in Cornwall and the Isles of Scilly Jobcentre Plus was able to make referrals from the start of the programme, and limited referrals on a more general basis in the second half of the programme via the Local Authority Children’s School and Families pathway meant that Jobcentre Plus Work Coaches were tasked with increasing the number of referrals. This has been cited as a critical factor in securing participation for the programme.

Furthermore, local CFO contract managers were not in a position to be as responsive or as proactive as they had been in the first half of the programme, resulting in slow responses to queries and resolutions of problems. Instead their remit had a stronger focus on ensuring the numbers were being achieved, with a view to clawing monies back where targets were not being met. For some providers, this meant innovation was constrained, as it was more prudent to choose to deliver activities with a strong chance of engaging participants and achieving the outcomes. However these “low hanging fruit” were not necessarily the right activities to meet participants’ specific needs, particularly those experiencing multiple issues and barriers to work.
Other operational issues related to the participant journey. In the first half of the programme sub-contracted delivery partners were able to refer across a range of different partners – for instance if a participant had drug problems or mental health issues, tailored support could be offered from one provider, before referring the participant to another to move on – for example to a work experience placement.

There was thus no need for the participant to come off the programme, but instead they would benefit from a collaborative approach to providing support. The same level of flexibility was no longer there for the second half of the programme.

Providers delivering ESF projects also noted that during the first half of the programme pricing appeared more flexible reflecting the need for the wide range of support needed by some participant types in far greater quantity than others. This approach was better for those at some distance from the labour market thus needing greater levels of support.

Although some of these changes were not perceived particularly positively among ESF project managers in particular, it should also be noted that the climate of austerity helped to bring partners closer together, in some cases cementing much stronger working partnerships, and furthermore contributing to a lasting legacy of collaboration. Furthermore local stakeholders and partners retained an element of influence over provision in the latter half of the programme even though there was a strong ‘top down’ culture imposed at national level. For instance securing agreement for wider eligibility criteria, which was not available in any other area.

Notwithstanding these issues, the consensus among respondents is that the programme “came good at the end” in spite of difficulties encountered along the way, and it is worth restating the substantial overachievement against the majority of targets. However many respondents pointed out that the second half of the programme has not been delivered in the most efficient or cost effective way.

“If the barriers had not been there we could have achieved so much more”

3.8 Social and economic impacts

Impacts are discussed in more detail in Chapters 4 and 5 in relation to the individual Priority Axis’. At programme level, key achievements include:

- Linkages made between the HE community and local businesses, building strong partnerships and working relationships expected to be sustained beyond the life of the funding;

- Development of and greater aspiration for, higher level skills in the region, in turn contributing to more highly paid job roles and capacity building within businesses;
• Creation of cutting edge start-up companies, which could have a longer-lasting economic benefit for the region in the form of job creation and GVA;

• Capacity building in the third sector, notably among social enterprises. Ability to undertake outreach activities has been greatly improved;

• The ripple effect in the community appears strong but cannot be directly quantified; regional stakeholders speculate there are economic and social impacts as fewer people are seeing their GP or attending counselling on a regular basis after improving their confidence and progressing off benefits (or aspiring to progress).

3.9 Changes to baseline conditions in the region since the start of the programme

This section presents an update on baseline conditions since the beginning of the Convergence programme in 2007; it must be noted that it is not possible to attribute ESF funding as being the sole cause of these effects, however clearly such a substantial sum of money must have played its part.

3.9.1 Demography

*Figure 28: Regional demography compared with Great Britain 2007-2014*

Source: Office for National Statistics (ONS)

Between 2007 and 2014 the population of Cornwall and the Isles of Scilly increased by just under 4%, slightly below the Great Britain average growth of 9% (Figure 28).
3.9.2 Gross Value Added (GVA) and wage levels

Between 2010 and 2011 the value of local economic activity had increased by 2.7%, compared with a national increase of 2.4%. Between 2006 and 2011, there was a slight increase in economic activity. Data sourced from the Office for National Statistics show the average annual salary in the region increased from £19,706 in 2008, to £21,232 in 2014. Although figures remain lower than the UK average (£26,137 in 2007 and £27,271 in 2014), the rate of growth in Cornwall and the Isles of Scilly is, at 7.7%, higher than the national average of 4.2% during this period.

Cornwall relies heavily on tourism and agriculture whereby wages within these sectors are relatively low. Manpower Group in their Pay League 2014 for example, identify a link between high value employers, skilled worker demand and high pay. The Pay League table also shows that, although the percentage of females working part-time was amongst the highest in the country, their average wage rose by just 0.9% to £13.05 per hour whereas the rise for men was 3% to £15.79 per hour. According to Manpower Group’s reports, one reason for the gender divide has been the growth in traditionally male-dominated industries such as aerospace which have contributed to pay rises within Cornwall. The percentage of working women in Cornwall is relatively high, however the industries in which they tend to work are typically associated with lower rates of pay – such as the care, hospitality sectors and associated industries such as cleaning.

3.9.3 Enterprise

The number of businesses in Cornwall and the Isles of Scilly increased between 2007 and 2011, but declined again resulting in no net change between 2007 and 2014 (Figure 29).

Figure 29: Number of businesses in the region compared with the UK 2007-2014

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36 Cornwall Council (2013), Cornwall’s Economy at a Glance
38 Manpower Group 2014
The number of new business start-ups increased by 6% between 2007 and 2013. A slight decline in 2011 is consistent with the impact of the recession, and from 2011 to 2013, there was a 25% increase (Figure 30).

Figure 30: Number of new business start-ups in Cornwall and the Isles of Scilly 2007-2013

Between 2007 and 2011, the number of businesses that closed in Cornwall and the Isles of Scilly rose by nearly 6%. However this number dropped again following the immediate aftermath of the recession, returning to 2007 figures by 2013 (Figure 31).

Source: ONS; UK Business: Activity, Size and Location 2007; 2011 and 2014 (data not available for 2015)
Figure 31: Number of closed businesses in Cornwall and the Isles of Scilly 2007-2013

Source: ONS; UK Business: Activity, Size and Location 2007; 2011 and 2014 (data not available for 2015)

3.9.4 Employment

Figure 32 shows an 11% increase in the number of females employed in Cornwall and the Isles of Scilly between 2007 and 2014. There was also a 14% increase in the total numbers employed during the same period, and concurrently the rate of unemployment fell slightly from 5.3% in 2007 to 5.1% in 2014 (Figure 32). The numbers of people claiming benefits fell by just over a fifth (21.4%) between 2007 and 2015 (Figure 35).

There was an increase of 25% in the number of people aged between 50 and 64 employed in Cornwall and the Isles of Scilly between 2007 and 2014 (Figure 33).
Figure 32: Numbers of people employed regionally and nationally 2007-2014

Source: ONS data for 2011 and 2014 is for the period Aug-Oct; taken from the Regional Labour Market: HI09 - Headline Indicators for the South West. 2014 is the latest available data.
**Figure 33: Numbers of people aged 50-64 employed regionally and nationally 2007-2014**

Source: ONS data for 2011 and 2014 is for the period Aug-Oct; taken from the Regional Labour Market: HI09 - Headline Indicators for the South West. 2014 is the latest available data.

**Figure 34: Unemployment rate regionally and nationally 2007-2014**

Source: Annual Population Survey
3.9.5 NEETs

Between 2012 and 2014 the proportion of young people not in education, employment or training (NEETs), fell in Cornwall from 5.1% to 4.2%, making this figure one of the lowest in the country (Figure 36).
Skill and knowledge levels

By 2012, the economy in England was picking up from the recession prompting anticipation for high demand for a skilled workforce. According to a report by the CBI in 2013, employers were already reporting skill shortages and expecting shortages to worsen. Some employees were reported to be lacking in core skills. These shortages were of particular cause of concern to SMEs.

In Cornwall and the Isles of Scilly, an over-reliance on seasonal low value /low paid jobs, underpinned by a significant proportion of the population with low or no qualification is often identified as a significant contributing factor to skills shortages.

However the proportion of individuals holding qualifications at levels 1-4+ increased in Cornwall during the Convergence programme. The number of people with no qualifications at all fell from 10% to 6%, a substantial drop (Figure 37).

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Source: Department for Education

3.9.6 Skill and knowledge levels

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However the proportion of individuals holding qualifications at levels 1-4+ increased in Cornwall during the Convergence programme. The number of people with no qualifications at all fell from 10% to 6%, a substantial drop (Figure 37).

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40 CBI 2013
41 Cornwall Apprenticeships 2013
42 South West England Skills Priorities Statement 2011-2012
43 Source: data extracted from the Annual Population Survey; data for the period between Jan-Dec of each year. No available data for the Isles of Scilly
Figure 37: % of working age individuals and their qualification status in Cornwall 2007-2014

Source: Annual Population Survey; data for the period between Jan-Dec of each year. No available data for the Isles of Scilly.

3.10 Value for money

Three core criteria are commonly used to assess value for money, also described as “the optimal use of resources to achieve the intended outcomes”44:

4. How economical the approach was in spending the funds – i.e. minimising the costs of resources or other inputs required;

5. How efficiently the funds were allocated – i.e. was it managed in the most appropriate way; and

6. How effectively the funds were spent – i.e. did the programme bring about the desired outputs and outcomes.

3.10.1 How economical was the programme?

At the time of writing45, the programme was on course for an underspend of around 23%, not including match funding. This does not take into account the performance/spend of contracts that are yet to be completed; a full dataset will not be available until towards the end of 201546.

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44 Criteria typically used by a number of Government departments and other public bodies including the National Audit Office
45 As at 1st September 2015
More detailed data are available for some of the SFA contracts\(^{47}\) which highlight areas of underspend, which featured particularly in relation to progressions\(^{48}\), namely:

- Progressions into employment (underspend of 23%);
- Progressions into Higher Education (underspend of 30%);
- Achievement of level 2 qualifications (underspend of 15%);
- Achievement of level 3 qualifications (underspend of 10%);
- Achievement of non-accredited learning (underspend of 27%);
- Completion of training with 10-76+ Guided Learning Hours (GLH) (underspend of 37%); and
- Capacity building (underspend of 15%).

A range of factors have contributed to the underspend, notably:

- The need for greater flexibility in the region than could actually be offered in the second half of the programme, which was more nationally-led;

- Changes to contracting as a result which were more output-driven, but which imposed stringent evidence requirements that could be hard to achieve, examples being progressions into employment just 13 weeks after leaving the programme;

- The impact of the recession contributing to job cuts;

- Delayed start to some contracts and issues experienced by the prime contractor model which ate into available time for delivery; and

- Inability to reallocate the funds to other regions or areas rather than underspend, due to EU rules.

Furthermore providers have noted that Convergence was awarded a substantial sum of money and despite the recession, it was challenging to spend it all. Response to redundancy contracts performed relatively poorly in Cornwall and the Isles of Scilly, as the region was less badly affected by the recession than was reflected in the amount of funding allocated.

\textbf{3.10.2 How efficiently were funds allocated and managed?}

Changes in the second half of the programme meant some projects were not delivered as efficiently or as cost effectively as they could have been, predominantly because there was less time left for

\(^{46}\) It should be noted that as this evaluation has been funded by Technical Assistance, the work had to be completed by the end of August 2015, to meet with payment regulations, and therefore it has not been possible to analyse a full dataset on programme performance and spend against targets

\(^{47}\) Data were not yet available for contracts that have recently concluded delivery in late 2014/early or mid-2015

\(^{48}\) See Figure 18 in Section 3.6
actual delivery because of delays while issues were being resolved\(^{49}\), as well as structural conflicts such as those affecting linkages with ERDF\(^{50}\).

However it should be noted that many of the issues experienced were due to factors that were predominantly outside the control of the local management teams, and that there has been considerable praise of the approach to management during the first half of the programme.

3.10.3 How effectively were the funds spent?

As previously stated, the Convergence programme experienced substantial overachievements in relation to the majority of targets. A number of reasons have been suggested for the hugely inflated achievement levels:

- Targets were set pre-recession, and as they had to forecast ahead for a 7 year period, conservative estimates were used which were not as ambitious as they might have been. Although the DWP made a request to update the targets at the mid-point of the programme, the EU wished to maintain the original targets;

- The Convergence programme was designed specifically with local needs in mind so providers found it easier to engage with the target group, particularly during the first half of the programme;

- Participants were able to engage with multiple ESF projects in order to support their journey and move closer to the labour market. Thus some participants moved from one type of ESF supported provision to another as they progressed towards employment, evidence that provision made available locally was effectively joined up;

- A favourable exchange rate in 2009 to provide support during the recession, effectively made available an additional £170 million of ESF funds nationally;

- Many participants accessed short forms of support, such as information, advice and guidance sessions, which were relatively quick to turnaround and meant higher numbers could be supported.

Where targets were not met, the context of the recession, as well as other influences such as a high proportion of seasonal employment in the region; a requirement to provide evidence of progression into employment within a relatively short timescale following the programme; and a prevailing culture of low aspiration in relation to accessing Higher Education, were all cited as factors.

Overall the view across the board is that ESF has made a difference, notably in relation to social impacts, building confidence and raising aspirations; but also economically by helping people progress out of benefits and into jobs.

\(^{49}\) Discussed in more detail in Section 3.7
\(^{50}\) Discussed in more detail in Section 3.4
“When people’s lives are transformed, what price can you put on that?”

However some stakeholders questioned whether businesses genuinely have had transformational support, stating that more provision was needed to develop leadership and management skills.

There is a consensus that without ESF, the impacts that can be directly attributed to the programme, would not have been achieved, and furthermore that funding could not have been provided through any other means that would have offered the same type and volume of provision.

In summary therefore, although the funds were not managed as efficiently as they could have been in the earlier phase of the second half of the programme, ultimately the majority of targets have been overachieved, using only around 75% of the ESF allocation. This suggests that value for money has been broadly achieved, although lessons can be learned for future programmes to maximise the funds to full effect.

3.11 Strategic considerations for future programmes

The management and delivery of the next ESF Programme in the region (Growth Programme) is likely to revert back to a greater degree of local control. A devolution deal has been granted to Cornwall, based upon an agreement between Government, Cornwall Council and the Cornwall and Isles of Scilly Local Enterprise Partnership to devolve a range of powers and responsibilities to Cornwall.

Notably the region will be able to identify and develop new apprenticeship opportunities and re-shape further education training and learning provision for adults. Cornwall will also have Intermediate Body status, which means decisions on allocating €603.7m of funding for ERDF and ESF will now be made locally rather than at Westminster.

There are concerns among respondents about the role and remit of the Integrated Territorial Investment (ITI) Board for the Growth Programme, and other similar committees or Steering Groups to be formed to support delivery of the devolution deal. There seems to be a lack of clarity and transparency in relation to the remit of the ITI Board, including how its members are/were selected, whether and how it will be independently monitored, and whether there is a conflict of interest risk due to self-interest among members when discussing bids for ESF projects.

Therefore, whilst local decision making is clearly the preferred option and accords with the localism agenda, it seems that there is a lack of clarity in relation to the overarching strategic leadership, notably in light of the devolution deal, as to who will take ownership for ESF, whether there will be sufficient transparency within programme governance, and whether new arrangements could become more complex as opposed to bringing about simplification. While these questions remained unanswered, they clearly present an important risk for the delivery of the future programme.
4. Key findings – Priority 4

4.1 Performance against targets – Priority 4

As previously stated in section 3.6, the Convergence programme has reported much higher numbers of participants than was forecast in the actual targets. In Cornwall and the Isles of Scilly, 293% of target was achieved for Priority 4. The national achievement for England and Gibraltar was 387% of targets achieved in respect of participant starts (Figure 38).

Figure 38: % of achievements against targets, participant starts - Priority 4 and Priority 1 (rest of England)

![Graph showing % achievements against targets](image)

Source: ESF Division, DWP (July 2015)

Similarly, the Convergence programme also engaged with a higher volume of those that were unemployed – 348% of target (Figure 39); and economically inactive - 212% of target (Figure 40).
Figure 39: % of achievements against targets, participants that were unemployed and in work on leaving - Priority 4 and Priority 1 (rest of England)

Source: ESF Division, DWP (July 2015)
Cornwall and the Isles of Scilly appear on paper to have exceptionally high achievements against target for moving young people not in education, employment or training (NEETs) into education, employment or training (EET), at 625% against target (Figure 41). Evidence of highly effective routes to engage with NEETs may well have been a contributory factor in this successful achievement (explained in more detail in section 5.2).
Convergence did not achieve its target to support those aged over 50 in Priority 4, but reasons for this are less clear (Figure 42). This is of particular pertinence given the LEP has identified that an ageing population will constitute a major social change over the next 20 years in Cornwall and the Isles of Scilly.
4.2 Effectiveness of project delivery – Priority 4

4.2.1 Partnership working

Close working relationships feature strongly in Cornwall and the Isles of Scilly, with partnerships developed during Objective One and earlier, maintained and strengthened over time. During the first half of the programme there is evidence of effective partnership working between strategic organisations such as the CFOs, Local Authorities and Jobcentre Plus, as well as at an operational delivery level between providers. A critical success factor was partnership working between project deliverers and Jobcentre Plus Work Coaches so that advisors in job centres had a good understanding of ESF and how to refer those that were eligible. Throughout the programme providers worked closely together, where able to do so, to share information in order to maximise the support available and complement, rather than displace existing mainstream provision.

4.2.2 Flexible use of funds

ESF has enabled bespoke delivery of tailored support. In some cases this has made the unit costs per participant comparatively high when looking at more typical mainstream provision, however the likelihood is that specific support brings about significant and long-lasting impacts. The award-winning work undertaken by Fifteen, for example, has directly influenced positive changes for
individuals by not only providing catering training, but also dedicated support from personal caseworkers to help participants overcome their issues and other barriers, as the following case study indicates:

**Case Study: Fifteen Cornwall**

H works at a restaurant in Newquay. However, his career path was not certain until he was referred to Fifteen Cornwall, in Watergate Bay. He had worked in the catering sector since he was 15 when clashes with the police led him to be placed on a project aimed at people with the potential of getting into trouble with them. Through the project, H found a catering job near where he lived. Unfortunately, he had difficulties settling into the programme and because of his personal problems with included alcohol and drugs abuse and anger management issues, he was referred to Fifteen Cornwall.

Fifteen Cornwall is an apprentice programme managed by Cornwall Food Foundation. Supported by ESF Convergence Programme for Cornwall, through Cornwall Works, the programme was set up to encourage disadvantaged young people discover and develop their potential in catering.

As well as his training in catering, H was assigned a case worker from Fifteen Cornwall who worked with him to overcome his issues with anger, drinks and drugs through counselling. This also helped him to overcome the problems he experienced at the start of the programme, with discipline and what was expected of him.

H is now passionate about cooking, citing his referral and acceptance of the Fifteen Cornwall programme as the best decision he had ever made. His success in turning his life around has impressed those who have worked with him and supported him on his journey.

‘Within the two years, he has just flown away, really. He is now a Head Chef and he’s doing great.’

Caseworker, Fifteen Cornwall

**4.2.3 Engagement and referrals**

Effective engagement with the target group has been underpinned by strong partnership working. It was also reliant on provider approaches to engagement in the community in order to motivate people to participate.

More referrals came via the Jobcentre Plus during the second half of the programme, as a result of workshops to upskill staff, communicate the benefits of work experience via ESF projects and co-locating work coaches in job centres to support referrals. A lot of work went into forging strong relationships between providers and individual caseworkers, so that the engagement process could be as streamlined as possible. There was also a high proportion of referrals via Cornwall Works Hub.

A major strength of the Convergence programme was the engagement work that social enterprise and other third sector organisations undertook directly in the community. Their knowledge of the client base and innovative, tried and tested approaches to engagement was a critical success factor, arguably making capacity building in the voluntary sector even more important for the future. This was of particular value in the second half of the programme, given that the prime contractors did not have to be based in the region.
This also helped the programme achieve its targets in respect of NEETs, many of whom needed a lot of pre-engagement work to encourage them to access the support.

4.2.4 Participant journey

Referral routes and a proliferation of providers could be confusing for ESF participants. Learners did not always understand when they were eligible or ineligible for support. Furthermore they could be offered the same type of provision – for example confidence building – that they may have already previously accessed through a different project.

The structure of payments in the second half of the programme also meant that there was competition which obstructed a seamless participant journey. For example NEETs were targeted by different projects – and often where collaboration would have benefited the participants, providers competed with each other to provide a whole package because their payments were based on the delivery of the package as a whole. Limited data sharing between providers contributed to this issue.

A Learning Partnership and Cornwall Council jointly managed project (180) to engage with young people capitalised on the journey they themselves as project-managers have undertaken through predecessor and multiple projects. They have been able to identify, and make use of existing resources, including a dedicated database (funded by Cornwall Council) which monitors NEETs for the purposes of providing Careers Information, Advice and Guidance (CIAG). As a result of hard work and effort over several years in identifying the numerous resources – held in schools, colleges and by the Council, for example, dedicated to maintaining data on NEETs in Cornwall, providers now have access to a clear and up-to-date understanding and intelligence on the disengaged target group.

This benefits this and future projects as it enables more time to be spent on planning the best engagement strategies. Previously providers spent time first identifying and seeking out relevant young people – for example by going to youth clubs or speaking to people on the street before undertaking planned interventions. Added value comes about by maximising the potential of existing services to such young people and thus enhancing the services they receive.

It is a more coherent and co-ordinated means of making best use of resources, and again is underpinned by strong partnership working. This example could be replicated for other target groups with the added benefit of helping to avoid the risk of multiple but duplicated interventions.

4.3 Barriers – Priority 4

4.3.1 ‘Top down’ changes following the change of Government in 2010

The recession brought with it a higher volume of clients closer to the labour market, which in one sense made engagement more straightforward. However at the same time the Government’s spending reduction had a knock on effect on referrals via the Children’s School and Families pathway, as Local Authorities were affected by job cuts and restructuring. As a result referrals via Local Authorities substantially declined, however, as previously stated, there was a high volume of referrals via Jobcentre Plus and via Cornwall Works Hub.
Another issue was the commercial pressures of the prime contractor model. Until there was evidence of outputs, the prime provider could not be paid. This created issues with sub-contractors, some of whom were unable to maintain the contract as it was not financially viable. It was harder for small providers including the voluntary sector and social enterprises to absorb the costs.

In some cases this prompted partners to leave the project so replacements needed to be recruited, which resulted in delays in actually supporting participants and getting them on to the start of the journey. Whilst the prime contractor model did ultimately build some very good delivery partnerships, this took some time.

4.3.2 Paperwork and bureaucracy

Some participants found the requirement to complete multiple sets of paperwork to be very onerous and this did put some people off. One provider stated that paperwork was “endlessly talked about as a barrier”. A stakeholder talked about the dark art of the ESF language and process and in itself is another barrier to those who are not well versed to the nature and requirements of the ESF, an issue concerning some for the next programme.

“Some of the paperwork is a nightmare”

A number of regional stakeholders and project managers stated that the programme could have been delivered more cost effectively in the second half had they been able to retain the approach of the first half – instead they consider money was wasted on bureaucracy.

4.3.3 Disengagement and gaps

Providers had to deal with dropouts because the people targeted often faced a whole host of barriers, such as mental health and other issues e.g. drug/alcohol problems.

The transport infrastructure also caused problems – for example enabling participants to attend courses as well as get to work. Social anxiety is high among some participant groups, preventing them from using public transport.

The issue relating to transport was intensified following nationally-led decisions by the SFA that required employers to now fund training that had previously been provided via public funding. Training for bus drivers came into this category, and despite a severe shortage of trained bus drivers in Cornwall, this meant SFA ESF projects could no longer train bus drivers. This was a factor in the cancellation of some bus routes. Instead more provision was funded that was typically cheaper on a ‘per head’ basis but did not meet the needs of the area – such as hair and beauty training, in a market that was already saturated for this sector.

4.4 Impacts – Priority 4

4.4.1 Impact on the third sector

Although a number of third sector organisations were negatively affected by the change introducing the prime contractor model, there is also evidence of capacity building. A number of stakeholders have pointed to the likelihood of positive impact on third sector organisations if the value of
contracts rises in the future, resulting in a need for increased partnership working. A social enterprise apprenticeship framework has also been developed as a result of the funding.

It is less clear whether the positive impacts will be or can be sustained in the longer-term, and a number of providers stated that it is vital that the new programme builds upon the established momentum to help embed stronger and longer-lasting capacity building within small organisations and social enterprises.

4.4.2 Distance travelled among participants

Individual projects have a wide range of evidence and case studies that demonstrate positive impacts for participants. Just one example is summarised below:

**Case Study: Distance travelled**

Two years after moving to Cornwall KB was helped to build a career in Administration. KB initially struggled to adjust to her new life and was assigned a family caseworker who put her in touch with an ESF programme designed to help unemployed people overcome the difficulties of finding employment by providing support through training in CV writing and interview skills as well as a 13-week work placement.

Even though KB had some qualifications from previous courses, she was struggling to re-access the labour market and had lost her confidence. She was encouraged to take an ECDL computer course and received support even after she had completed this through regular progress update meetings.

“We support people for up to 3 months after they have left the programme, so that if they hit any bumps in the road, they have got someone that they trust and who believes in them, to pick them back up.”

ESF Programme Manager

Having successfully completed the programme, KB was able to gain employment as a receptionist. The encouragement and support she received from the Programme Manager gave her the confidence to apply for and get a job.
Typically participants report positive changes such as:

- Greater self-confidence;
- Personal goals planned;
- Reduced anxiety;
- Stronger career aspirations; and
- Better self-esteem.

These impacts cannot be underestimated among participants that face multiple barriers to work.

The National Offender Management Service (NOMS) undertook research into re-offending rates among ESF participants, and found that they were less likely to reoffend compared with those that had not been on the programme\(^{51}\).

4.4.3 Economic effect for the region

Economic benefits for the region are difficult to fully quantify, because of the “ripple effect” which is not often measured – for instance costs saved if people do not need to visit their GP as regularly or not taking medicines to control anxiety.

There are more tangible direct economic benefits evidenced through the numbers progressing into employment, as well as longer-lasting legacies brought about by the programme. For instance the Council of the Isles of Scilly reported that a golf instruction course had resulted in one learner deciding to teach at the local club, a service that was not previously available and which is likely to bring economic benefit through tourism.

A further sustainable benefit was highlighted by the project manager of Trade Union Congress, who stated that “Without ESF, the St Austell Learning Centre would not have come about. It provides a major springboard in terms of the capacity to host meetings and hold computer-based training.”

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\(^{51}\) Feedback from telephone interview with NOMS
5. Key findings – Priority 5

5.1 Performance against targets – Priority 5

In Cornwall and the Isles of Scilly, 227% of target numbers supported was achieved for Priority 5. This was very slightly below the national achievement for England and Gibraltar (239% of targets achieved in respect of participant starts) (Figure 43).

Figure 43: % of achievements against targets, participant starts - Priority 5 and Priority 2 (rest of England)

Analysis of the data shows that the Convergence programme was behind target for supporting participants without basic skills (54% of target achieved) (Figure 44). This may reflect the demographic in the region and the fact that numbers of people with no qualifications at all fell from 10% to 6% during the timeframe for the programme. Thus the target cohort could have narrowed. The recession is also likely to have been a factor, as this resulted in a client group that was closer to the labour market, the newly unemployed - unlikely to lack basic skills.
Figure 44: % of achievements against targets, participants supported without basic skills and to gain basic skills - Priority 5 and Priority 2 (rest of England)

<table>
<thead>
<tr>
<th>Region</th>
<th>Gained basic skills</th>
<th>With basic skills needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yorkshire &amp; the Humber</td>
<td>56</td>
<td>141</td>
</tr>
<tr>
<td>West Midlands</td>
<td>82</td>
<td>129</td>
</tr>
<tr>
<td>South-West</td>
<td>119</td>
<td>132</td>
</tr>
<tr>
<td>South-East</td>
<td>129</td>
<td>132</td>
</tr>
<tr>
<td>North-West</td>
<td>119</td>
<td>132</td>
</tr>
<tr>
<td>North-East</td>
<td>132</td>
<td>153</td>
</tr>
<tr>
<td>London</td>
<td>138</td>
<td>159</td>
</tr>
<tr>
<td>East Midlands</td>
<td>77</td>
<td>125</td>
</tr>
<tr>
<td>East of England</td>
<td>132</td>
<td>139</td>
</tr>
<tr>
<td>Cornwall &amp; the Isles of Scilly</td>
<td>54</td>
<td>120</td>
</tr>
<tr>
<td>England &amp; Gibraltar</td>
<td>114</td>
<td>148</td>
</tr>
</tbody>
</table>

% Gained basic skills

Source: ESF Division, DWP (July 2015)

Although targets were exceeded in respect of supporting participants either without level 2 or level 3 qualifications to attain them, there was substantially greater overachievement for level 3 (Figures 45 and 46). This is likely to be as a result of regulation changes in the second half of the programme which meant that participants could no longer be supported to gain a second level 2 qualification.
Figure 45: % of achievements against targets, participants supported without level 2 qualifications and to gain them - Priority 5 and Priority 2 (rest of England)

Source: ESF Division, DWP (July 2015)
Figure 46: % of achievements against targets, participants supported without level 3 qualifications and to gain them - Priority 5 and Priority 2 (rest of England)

As for Priority 4, Convergence did not achieve its target to support those aged over 50 in Priority 5; only two regions in England either met or exceeded this target (Figure 47).

Source: ESF Division, DWP (July 2015)
Figure 47: % of achievements against targets, participants that were aged over 50 - Priority 5 and Priority 2 (rest of England)

Source: ESF Division, DWP (July 2015)

There is evidence of strong overachievement against target for supporting higher level skills – with over 500% of target reached for participants gaining a level 5 qualification (Figure 48).
5.2 Effectiveness of delivery – Priority 5

5.2.1 Partnership working

Priority 5 projects benefitted from a breadth of different providers, underpinned by strong steering groups with inclusive and shared goals. The holistic approach brought partners together to offer joint elements of the project, which improved the offer for participants.

A wide range of training was developed between partners incorporating new progression routes for further learning.

5.2.2 Engagement

Broad engagement activity was available to encourage those who had been previously disengaged from learning, with needs established via high quality Information, Advice and Guidance (IAG). As an example, the rural land-based project, Business Forward, appointed a Skills Broker to recruit new learners, mainly from isolated areas/micro-businesses where it was extremely difficult to encourage individuals to take time out for training. Sector knowledge helped to establish robust relationships with beneficiaries and understand barriers.

The Empowering Smart Women project was a very good example of successful engagement with females. This project established all female peer groups, able to identify and discuss barriers of moving into middle/senior management roles and worked with participants to help overcome these. Participants lacked confidence when they first joined, and cited lack of role models in their own
organisations as a factor. The project helped them build confidence, run businesses more effectively and move into management roles. Participants benefitted from having their own personal mentor, and action learning workshops delivered by mentors, which were bespoke to their particular needs.

5.2.3 Higher level skills
ESF funds have been paramount in supporting higher level skills following severe cuts in funding for adult training and the introduction of a loans system.

Providers welcomed the ability to use the Innovation Code to use elements from a range of qualifications to build bespoke accredited that previously did not exist. However this introduced quite late on in the programme and there is less evidence to demonstrate its impact.

5.3 Barriers – Priority 5

5.3.1 Lack of flexibility
There is a strong consensus that ESF provision, whilst still adding value for businesses, was not as flexible as it could have been at meeting local needs.

“ESF was delivered as a push not a pull. Businesses were offered training and asked if they wanted to do it – rather than building tailored provision based on Training Needs Analyses”

“ESF expects businesses to fit in with it, not the other way around”

Providers reported that there is less ambition among businesses in the region for attaining formal qualifications, but there is greater interest in building competence for the longer-term, which may require training in succession planning for instance. Businesses were instead compelled in some cases to achieve a full qualification which may not have been necessary to meet their needs and took up more of their time.

Gaps in middle management are a risk for the region, with a need for aspirational career pathways for those that are not business owners – ESF could have helped to plug this gap.

Funds could also have been maximised had there been more flexibility. For instance PhD students had to complete their research in a set timeframe with no provision for breaks such as maternity leave. This placed a lot of pressure on students.

5.3.2 Engagement among businesses
Perceived complexity of paperwork was an issue for some businesses. Providers had concerns that businesses considered accessing the money a “hassle” and are keen to overturn these perceptions in future programmes, which would be helped by reducing jargon and using business language in communications.
“They (businesses) hear about the funding but are frustrated because they do not know how to engage with it”

One provider felt it would have been better if businesses had to make a financial contribution to the Combined Universities Cornwall (CUC) research programme linking businesses with graduates – as this may have prompted more input from them.

5.3.3 Obstacles to effective partnership working
The main barrier to effective partnership working has been where partners dropped out, or experienced capacity issues, which impacted on the project capacity to deliver the targets. Not all project managers had assessed the risk of partner failure for any reason, and contingency planning was not a high priority at the outset. There is a risk of reliance on goodwill in some cases rather than establishing formal delivery arrangements.

5.3.4 Maximising opportunities for a seamless participant journey
Data for achievement against targets have already shown that a much higher volume of participants were supported, compared with the targets set. The infrastructure therefore did allow for participants to be referred between projects and there is evidence of locally joined up provision. However stakeholders felt that there were still opportunities for participants to have gained more had they been referred to other projects – creating more of a linear journey with a clear progression to the next stage. There was a wide range of delivery partners offering different aspects which some stakeholders feel was not fully harnessed, suggesting that an incentivised referral mechanism between projects would be better for a seamless participant journey.

5.4 Impacts – Priority 5
5.4.1 Engagement with HE
The CUC research programme forged strong links with Cornwall businesses, and appears to be building a lasting legacy. Furthermore universities are now working more closely together – partners have stated there was no such dynamic between universities in Cornwall before this.

The programme has also brought about stronger interaction between Higher Education and businesses, which is helping the economic development of the region, and according to partners could not have been achieved through any other means.
“The impact for Higher Education cannot be underestimated. In Cornwall we are still behind national targets for level 4, but ESF has helped us take a huge leap forward. There is a very noticeable impact among young people. In previous years whole generations used to move away from Cornwall at the age of 18 and never return. Now there are clearer pathways to access Higher Education in the region. Jobs at universities becoming more highly paid – which has a positive economic and social impact. Interactions between local businesses and universities is improving all the time”

5.4.2 Benefits for businesses

Employers and businesses have been enabled to access higher quality training. A broad range of provision was available at all levels, designed to meet the needs of the sector, resulting in high levels of participant satisfaction.

Graduate start-up companies supported through ESF have been described as “really cutting edge”. These are expected to build a strong legacy as the companies grow.

A lot of SME businesses were supported to recruit graduates. Regional stakeholders state that the next programme needs to think about how to take SMEs to the next level, which can be a challenge as there are still many ‘lifestyle’ businesses in the area which can be a barrier to growth.

Case studies and success stories have demonstrated the benefits and financial returns of training for businesses, with some examples outlined below:

Case study: Digital Peninsula Network

Cornwall has over 15,000 people employed in ICT, digital and creative roles. This accounts for around 6% of all business in Cornwall. Between 2008 and 2011, businesses in this sector accounted for 6% of the growth in the region with 400 new jobs created.

Aimed at businesses supporting in Cornwall through ICT and digital support and training, Digital Peninsula Network (DPN) is the largest ICT and Digital business network in Cornwall. The programme is partly funded by ESF and their services range from training provision, marketing supports and networking events.

As a framework support provider, DPN focuses on preparing businesses in the sector for the rapidly changing world of digital media technologies by providing skills training, business advice and encouraging the creation of more ICT related jobs. Support is created through networking events, apprenticeship opportunities, ICT scouting and a sector specific job alert system. The organisation also organises promotional events and international development projects to help businesses raise their profile and market themselves accordingly.

DPN also works with Business Network for Enterprising Women (B-new), which was developed from Network Cornwall, an organisation which connects professional and business women across
Cornwall. B-new is a project to create a cross border network of women entrepreneurs around the channel areas between the UK and France. Its purpose is to help and support women who own or want to start a business and also to develop access to qualified jobs within the channel areas.

DPN was recommended to CN when he first moved to Cornwall and found the area’s dial up internet connection problematic for his business working on websites. He found the broadband and technical support as well as the networking centre useful to his business and has remained with DNP as an affiliate since then. Although his business has developed and he no longer requires the broadband and computer equipment provided by the organisation, CN still uses other facilities provided by DNP for meetings with clients and networking. He believes that there are more than 60 companies that are still in business because of the support they received from DNP.

Case study: CUC Research Programme

The CUC Research Programme is funded by ESF and includes the delivery of 40 PhDs, with each collaborative project involving at least two CUC partner institutions and a Cornwall based business. *Cognitively Enabled Built Environments: New tools for Architects* is an ESF funded PhD being undertaken at Falmouth University. Focusing on a holistic approach to sustainability, the project explores the interaction between buildings and their inhabitants to help make buildings more comfortable for people while considering the sustainability and energy impacts on that environment.

This particular CUC project is partnered with a firm of architects – a partnership that both student and employer benefits from. The company has been supported to become more competitive through the evaluation and development of new ways of approaching design. The student partnership with PBWC beneficial because as well as being able to work in the environment on which his project is based, he was able to apply his theories and discuss them with people who are experts in the field.

“The advantage of doing this project in Cornwall is that I can test out things in different environments. It would be very easy to get stuck in the university doing the project, so I think it is important to draw on wider collaborations working with a local architects who benefit from the project and be able to test out concepts and talk about theories – and that is very useful, the possibility for products and new skills”

ESF funded PhD student
6. Key findings – Priority 6

6.1 About Technical Assistance

Technical Assistance is enabled by the European Council regulation 1083/2006, which states:

‘At the initiative of the Member State, the Funds may finance the preparatory, management, monitoring, evaluation, information and control activities of operational programmes together with activities to reinforce the administrative capacity for implementing the Funds’.

Technical Assistance funding was available for a variety of purposes, including:

- communications and publicity;
- administrative support;
- monitoring and control;
- evaluations and feasibility studies;
- IT solutions; and
- staff costs, specifically in relation to new posts funded through the programme.

In Cornwall and the Isles of Scilly, the ESF Convergence Framework established that Technical Assistance funding would be used for:

- supporting provision of labour market intelligence;
- publicity and communications strategy;
- support for voluntary and community sector organisations to underpin third sector participation in the programme;
- support for cross-cutting themes; and
- monitoring and evaluation.

In May 2010, a refreshed Technical Assistance strategy for 2011-2013 was developed in line with changing priorities and the evolving external landscape. The main areas of focus were:

- evaluation (considering the programme as a whole);
- labour market intelligence research;
- engagement with voluntary sector; and
- publicity and communications.

The Convergence programme had four Technical Assistance projects explained below in Table 5.
Table 5: Technical Assistance projects, Convergence programme

<table>
<thead>
<tr>
<th>Project</th>
<th>Remit</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESF Cornwall Voluntary Sector Forum (Cornwall Voluntary Sector Forum):</td>
<td>Development of a voluntary sector workforce strategy; and strategic engagement on the cross cutting equalities theme.</td>
<td>2008-2015</td>
</tr>
<tr>
<td>Third Sector Programme Support and Participation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESF Combined Universities in Cornwall (Combined Universities in Cornwall)</td>
<td>Strategic input relating to higher education and higher level skills, including coordination of project delivery, communications and evaluation.</td>
<td>2009-2013</td>
</tr>
<tr>
<td>Development Team</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESF Convergence Employment and Skills Development Team (Cornwall Council)</td>
<td>Support via capacity, skills and knowledge to steer the strategic direction of employment and skills delivery.</td>
<td>2011-2015</td>
</tr>
<tr>
<td>ESF Convergence Cornwall Works Employment and Skills Team (hosted by Cornwall Works Hub)</td>
<td>Provision of best practice examples and communications/publicity. Other aims were to increase participation; improve outcomes and understanding of the types of support needed for engagement with target groups.</td>
<td>2012-2015</td>
</tr>
</tbody>
</table>

During the first half of the programme Technical Assistance funds were also used for the Convergence Partnership Office (2008-2012) which implemented an agreed communication plan for the transition from Objective One to the new ESF Convergence programme. It used a wide range of channels to communicate information about the programme, spanning investments funded by both ERDF and ESF, including press releases, case studies and a bespoke website to be a hub for information and communications.

The Convergence Partnership Office also hosted an annual Convergence Conference, showcasing Convergence investments and their impacts.
6.2 Effectiveness of use of technical assistance

6.2.1 What worked well
Technical assistance projects have been well managed, particularly in the first half of the programme, and are generally accepted to have been fit for purpose. The consensus among stakeholders is that the funding was used well, underpinned by a holistic approach encompassing a range of different complementary projects.

“Partners were kept well informed. Communications were excellent and distilled useful information”

During the first half of the programme the ESF Convergence Partnership office fulfilled its role to provide all the external marketing for ERDF and ESF very effectively, with excellent communications and promotions. ESF national evaluations made regular use of the region’s good news stories, which celebrated success well and helped projects to win awards.

The Convergence website hosted many good news stories and case studies. Technical Assistance also widely promoted the success of Fifteen – the first ESF project anywhere in the country to win one of the European RegioStars Awards.

Furthermore the establishment of the Cornwall Works WISE Awards (Figure 49) was viewed as a positive means of recognising excellence in Cornwall and the Isles of Scilly, and also helped to spread the message about the crucial role that ESF funding has played in employment and skills provisions. Stakeholders commented that this was particularly useful in communicating the full extent of how ESF can support the local area.
Stakeholders perceived that the CUC co-ordination role was effective and worked very well with no apparent gaps. There is a sense also that Technical Assistance helped to underpin better access to ESF within the third sector, supported by the work of the Voluntary Sector Forum. The remit and structure of the Employment and Skills Development Team provided greater opportunity to influence strategic decisions and encouraged collaborative working between partners.

Technical Assistance funds (Cornwall Council Convergence Employment and Skills Development Team Project) were also used to commission forward looking research into key sectors including aerospace. Around 10 reports were produced in total, which provided detailed skills analysis, and were distilled into factsheets placed on the LEP website. Local stakeholders that used this resource found that it added value when planning ESF activity and designing projects to meet the needs of local employers.
6.2.2 Impacts
The legacy of Technical Assistance is already being felt in the new Growth programme, as the research and LMI funded via Priority 6 is being used to inform strategic investment decisions, with a call for skills gaps to be plugged.

Technical assistance funds were able to react to changing circumstances and were effective in raising the profile of, and helping to build capacity, among smaller third sector organisations and social enterprises. A small number of stakeholders raised concerns that this could be a ‘short-term fix’ if technical assistance for capacity building is not retained in the next programme.

“Technical assistance did its job”

“Capacity building was the most successful element of Technical Assistance and should definitely be retained”

The Cornwall Works Hub and the Cornwall Council Convergence Employment and Skills Development Team are continuing beyond the scope of the funding to offer some level of consistency and sustainability.

6.3 Gaps and opportunities to improve technical assistance

In relation to sharing success stories there was a slight barrier for the contracts managed by the National Offender Management Service (NOMS), as not many participants were willing to disclose their experiences due to their background, which made it a little more difficult to develop case studies.

A number of stakeholders commented that the valuable research on skills needs analyses was not as widely disseminated as it could have been, which meant that not all partners were able to benefit from the outputs.

A mid-term review of Technical Assistance was undertaken which brought changes to the Convergence Partnership Office and subsequently determined how ESF and ERDF communications would be split, set within new organisations and managed during the second half of the Programme. From 1st April 2012, Cornwall Works took over responsibility for the communications part of the Convergence programme.
On the whole respondents felt that alignment of ERDF and ESF was more effective, as it could encompass the whole programme and become a common resource base. For example, via the provision of shared intelligence and data sources. Post division of Technical Assistance resources for the two programmes, a small number of stakeholders commented that more time was spent on administration of ESF communications. However others stated that there was in fact more resource in the form of a dedicated team for communications in respect of each of the programmes, and at the same time the number of team members was increased.

In summary stakeholders felt there were no gaps as such within the overall provision of Technical Assistance, but considered that it could have been more joined up.
7. Conclusions and recommendations

7.1 Research conclusions

7.1.1 Performance against targets within the ESF programme in Cornwall and Isles of Scilly

The Convergence programme has substantially over achieved its targets in respect of the numbers of participants supported overall, and for a wide range of other deliverables including the numbers gaining qualifications at levels 2, 3, 4 and 5 and those in work upon leaving the programme. Furthermore this substantial over achievement of outcomes was delivered in spite of the fact that not all ESF funds had been spent, with around 23% not committed at the time of writing – though this is subject to revision as final outputs are captured and analysed.

Programme governance was subject to upheaval and change after the Coalition Government came to power in May 2010. The Convergence programme lost significant local strategic oversight and input as a result of organisations, such as Government Office South West, being wound up and the installation of a more rigid, nationally-led approach to contract management within the CFOs, notably DWP and the SFA. The second half of the programme was thus deemed to be far less flexible, and subject to delays in contracting which reduced the time available for delivery. These delays were compounded by the fact that it took some time to ensure the interventions were suitable for the target groups, particularly for Priority 4, where many participants were a long distance from the labour market and needed significant work and help to overcome barriers to encourage progression.

The latter part of the programme also experienced issues where prime contractors were not based in the region, and it took some time to establish effective working relationships. This issue was exacerbated by a new payment model which meant providers had to absorb a higher proportion of delivery costs before they were eligible to receive a payment.

However some regional stakeholders argue that the climate of austerity was instrumental in underpinning stronger and closer working relationships between partners, in turn ensuring that provision was tailored to meet local needs, was joined up and avoided duplication of similar offerings. In many instances a few key individuals in strategic roles were instrumental in overcoming some of the barriers and smoothing the transition from the first half to the second half of the programme.

For example in responding to provider feedback and bringing about change to the payment model which enabled smaller organisations to be eligible for a payment in a much shorter timescale. Furthermore the ‘top down’ approach was not embedded totally at the expense of all local input, and some stakeholders were able to retain a certain amount of influence in the latter half of the provision – for example when broadening eligibility criteria in some areas.

7.1.2 Critical success factors and barriers

Critical success factors underpinning the most effective delivery of the programme include:
• **Effective programme design**
  At the outset the design of the programme and its constituent projects was informed by robust Labour Market Intelligence and a collaborative approach between key regional stakeholders and CFOs in order to create provision best suited to the needs of the region;

• **Partnership working**
  Where partners have worked closely together, sharing information in a collaborative way, this has underpinned a more seamless participant journey, reduced competition for the target group and enabled a wider range of complementary provision to be made available across the region;

• **Engagement**
  Third sector organisations and social enterprises in particular have made good use of their relationships in the community and understanding of the target group, in order to successfully engage with participants and encourage them to remain on the programme, even when facing multiple barriers; an expanding and successful social enterprise sector has been noted as a positive development from the ESF era 2007 – 2013 thus becoming a credible and valuable force for the future;

• **Flexibility in using the funds**
  A flexible approach to create bespoke provision tailored to meet the specific and local needs of individuals and businesses has been more likely to result in long-lasting positive social and economic effects for the region, and ensuring better value for money from the fund;

• **Capacity building**
  The use of Technical Assistance funds to build capacity in third sector organisations has been welcomed and identified as a priority and pivotal for future programmes to ensure they can be sustained and developed;

• **Dedicated projects targeting key target groups**
  Engagement with females and participants with disabilities has been particularly effective in Priorities 5 and 4 respectively, largely as a result of dedicated projects designed to target these cohorts. This approach enabled the region to exceed targets for engagement with these groups, and also helped to address the cross-cutting theme of equality and diversity.

There was also a range of common barriers that obstructed providers from making the best use of the funds:

• **Inflexibility**
  A more rigid structure after 2010 set targets and influenced provision type, using a nationally-led approach, rather than one which was locally controlled. Furthermore there was less flexibility in relation to eligibility criteria – for example the programme was not able
to support people to gain a second level 2 qualification in the second half – which narrowed
the target group and meant some people could not participate;

- **Structural conflicts**
  There were structural barriers within the programme management which compromised its
capacity to build effective strategic linkages with other funding, notably ERDF. Although
there was a commitment on paper to join the programmes up, in reality projects were not
co-commissioned, State Aid rules were a barrier, and in many cases, timescales were not in
alignment and information not shared, which could have helped create synergies between
projects and make better use of the money;

- **Obstructions in the participant journey**
  The volume of referrals was affected via the Children’s School and Families pathway when
Local Authorities experienced restructuring and change following the Coalition
Government’s spending cuts. This had a knock on effect on the participant journey, although
in response Jobcentre Plus Work Coaches were tasked with increasing their numbers of
referrals. Further ripple effects such as delays in contracting as Co-Financing Organisations
were compelled to be reactive rather than proactive, and the impact of the prime contractor
and revised payment model also created blockages in the participant journey, which was a
factor in disengagement. There was competition between providers for the same cohort
group, as similar output and outcome targets had been set;

- **Less ‘joined up’ strategically after 2010**
  There was also less joined up strategic leadership from a ‘top down’ perspective following
the closure of Government Office South West and the South West Regional Development
Agency. The Local Management Committee (LMC) was maintained but arguably had a less
strategic or influential role as the programme was more nationally than locally driven;

- **Cross-cutting themes not always explicitly addressed in skills contracts**
  Providers have acknowledged that cross-cutting themes were not always high on the
agenda. Where explicitly addressed, notably by directly aiming provision at particular
cohorts, the region performed exceptionally well, exceeding targets. In other cases the
cross-cutting themes appeared to be less important, which presents a longer-term risk as
the EU is able to claw monies back if there is insufficient evidence demonstrating how these
were incorporated into programme delivery. The target for supporting participants aged
over 50 was not met and yet this is an important consideration against the context of an
ageing population.


7.1.3 Impacts

There have been positive social and economic impacts for the region since the start of the programme in 2007, through to 2014/15, notably:

- An 11% increase in the number of females employed between 2007 and 2014;
- An increase of 14% in the total number of people employed between 2007 and 2014;
- An increase of 25% of the number of people employed aged 50-64 between 2007 and 2014;
- An increase of 25% in the number of new business start-ups between 2011 and 2013;
- A decrease in the number of people with no qualifications from 10% to 6% between 2007 and 2014;
- A decrease in the number of NEETs, from 5.1% to 4.2% in Cornwall between 2012 and 2014.

Other impacts can be attributed directly to the programme, for example strong linkages between the Higher Education (HE) community and local businesses, with closer collaborative relationships that are expected to be maintained after the funding ends. Aspirations to access HE have been raised, and furthermore there has been development of, and greater aspiration for, higher level skills in the region at levels 4 and 5. This has contributed to capacity building within businesses and in the creation of more highly paid job roles.

Capacity building within the third sector notably among social enterprises, has been positive, although there is less evidence to demonstrate that the effects will be sustained beyond the life of the programme.

A number of start-up businesses considered to be ‘cutting edge’ have been established as a direct result of the programme, and are expected to have a sustainable economic benefit by creating jobs and improving Gross Value Added (GVA) in the region.

Furthermore there are many case studies demonstrating positive impacts at an individual level, which are expected to translate into longer-lasting social and economic benefits, as the influence of the programme supports people to improve their skills and qualifications and progress into employment or further learning.

7.1.4 Value for money and assessment of the counterfactual

Nearly all providers and stakeholders interviewed agree without ESF, the impacts that can be directly attributed to the programme, would not have been achieved. There is a strong consensus that funding could not have been provided through any other means that would have offered the same type and volume of provision.

The changes in the second half of the programme meant projects were not delivered as efficiently or as cost effectively as they could have been, and there was less time left for actual delivery due to

\[\text{It should be noted that not all these impacts can be directly attributed to the impact of ESF alone, as other factors outside the scope of this study will also have played a part.}\]
various delays. Where funding was not been fully maximised to best effect, this was predominantly due to factors outside the control of the local management teams.

It is clear that the money has made a difference to the region, and has produced worthwhile outputs and outcomes – socially and economically. The majority of targets have been overachieved, using only around 75% of the ESF allocation. This suggests that value for money has been achieved, although lessons can be learned for future programmes to maximise the funds to full effect.

**7.1.5 Lessons learned to inform future programmes**

Due to the devolution deal, more strategic decision making powers are expected to revert back into local control. This is a vital time to build upon the momentum and achievements of the 2007-2013 programme, and take it forward to the next level. This requires more targeted and bespoke provision using ESF, and must be steered by, and underpinned with robust, clear, collaborative and transparent strategic leadership.

**7.2 Recommendations**

Based on the research conclusions, the following actions are recommended to inform the design and delivery of future ESF programmes:

1) Consider which individuals and organisations are best placed to take stronger strategic ownership of the programme, particularly in light of the devolution deal. This is likely to be the ITI Board, but its current composition and remit is not well understood and lacks transparency. Clear protocols and operating processes need to be developed for the ITI Board, including allocation of responsibilities, and actions to ensure that it operates in an objective manner avoiding conflicts of interest.

2) Seek to build upon the momentum of the current programme and its impacts, by designing provision that will help participants move forward to the next stage of their journey, and enable businesses, particularly SMEs, to move on to the next level of their growth and development. This is likely to bring about stronger economic impacts for the region. Maintain the approach of integrating cross-cutting themes through the design of bespoke provision aimed at key groups such as females. Key economic sectors aligned with the Cornwall LEP strategy should be targeted.

3) Aim to address gaps in the participant journey through more partnership working and actions to address delays in contracting:

   a. Undertake participant journey mapping to identify potential routes, tap into existing resources in the region using all funding sources, not just ESF, in order to understand how to maximise available monies; and

   b. Establish clearer referral routes and a more seamless participant journey through better sharing of information. The latter should include mechanisms for data sharing.
between providers about prior learning and achievements at individual level to avoid duplication of provision – it may be possible to use the NEET database developed and utilised for the current 180 project\textsuperscript{53} as a model for this.

4) Consider how there could be better alignment of ESF and ERDF in future programmes, for example through co-commissioning however this needs to be carefully managed so that one project is not affected if its counterpart does not take place for any reason. Identify where complementary targets could be set, for example, numbers of jobs and apprenticeships created alongside qualifications, training and skills gained that would be directly relevant for these.

5) Maximise technical assistance funds by disseminating outputs such as skills research, more widely, and by retention of the capacity building elements for the third sector.

6) Undertake a mid-cycle evaluation for the next programme to identify areas of best practice and lessons learned that can be used to manage the second half of the programme most effectively. Alternatively a rolling formative evaluation from day one with half-yearly or quarterly reports could be an even more effective means of monitoring progress and embedding improvements.

7) Consider undertaking a survey of participants in 2016 in order to understand the extent to which social and economic impacts gained through the programme have been sustained.

8) Measure success. Making comparisons with other regions is challenging given the prevailing situation and characteristics of Cornwall. However a first objective for the IB and next programme ought to be clear understanding of what success looks like. Rather than a focus on the ESF funds and details of the projects, we recommend that it should measure against how much Cornwall has progressed in its vital macro objectives of a workforce profile with higher skills and higher wage levels.

9) Carry out national research to identify which targets and measures have the greatest potential and actual impact. There have been a number used over the life of the ESF programme (for example, accredited learning, GLHs, programme starts and employments). These shifts in focus have the potential to damage the opportunities and strengths of such a programme and we recommend that there is consistency but breadth to allow for future, local flexibility.

\textsuperscript{53} 180 Turning Lives around is an ESF Convergence funded alternative education project run by Cornwall Learning Partnership and supports young people aged 14–19 who are either NEET or at risk of disengaging from education
Appendix 1: Research methodology

This research has combined desk-based evaluation of a wide range of secondary data sources, with in-depth interviews with nearly 50 individuals and organisations involved in the strategic management and operational delivery of the ESF Convergence programme.

Desk-based research was conducted in two concurrent phases:

**Phase 1: Strategic review of programme context**

This spanned a literature and data review of a wide range of sources to identify the baseline position upon programme inception (2007/08) and how this has changed as the programme has been delivered.

**Phase 2: Operational review of programme delivery**

This required a comprehensive assessment of programme objectives, targets and how these may have changed over the lifetime of the programme. Sources included:

- South West and Cornwall/Isles of Scilly Co-Financing Plans and supplementary Co-Financing Plans;
- Operational Programme documentation;
- Regional ESF Frameworks – original and revised;
- Programme targets and objectives;
- Regional strategy and economy research documentation e.g. Regional Economic Strategy for South-West England 2006-2015, Economic development strategy for Cornwall & the Isles of Scilly; and the Regional Skills Strategy;
- List of ESF projects, providers and sub-contracted providers/partners;
- Case studies available from sources such as Convergence Cornwall, ESF Works and ESF at Work publications;
- Evaluation activity commissioned and published by ESFD;
- Project evaluation reports;
- MI and programme monitoring/project delivery data;
- ESF data from in other regions of the UK (for comparison/benchmarking).

It should be noted that the purpose of this evaluation was to assess the programme as a whole, and that individual evaluations have already been written, or are in the process of being developed, for each constituent project. We have therefore not attempted to provide detailed summaries at project level (although we refer to examples in the main body of this report) as this would have been duplication.

Desk work was supplemented with in-depth interviews with lead partners spanning the projects in scope of the evaluation (see Appendix 2 for details) and a sample of sub-contracted delivery partners and regional stakeholders. Evidence was triangulated from all sources and analysed in detail along with data sources summarising the programme’s performance as at 2nd August 2015, and latest spend data as at 1st September 2015, to produce this final report.
## Appendix 2: projects in scope of this evaluation

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## Evaluation of the ESF Convergence Programme

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<td>Start date</td>
<td>End date</td>
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<td>Strengthening the Environment Sector</td>
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<td>Total value</td>
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