

England and Gibraltar



The European Social Fund in England and Gibraltar, 2007-2013

ESF funding in England and Gibraltar is improving access to employment for disadvantaged groups, supporting the training of low-skilled workers, and assisting the development of managers and workers in small businesses. It offers all citizens the opportunity to improve their lives and contribute to higher productivity and sustainable economic growth for the future.

The European Social Fund in brief

The European Social Fund, created in 1957, is the European Union's main financial instrument for investing in people. It supports employment and helps people enhance their education and skills. This improves their job prospects.

These are the five priorities of ESF funding at EU level:

- Helping workers and enterprises adapt to changing circumstances in the economy
- Enhancing access to employment and participation in the workforce
- Improving training and skills, both for individuals, and through better education and training systems
- Promoting partnerships between actors such as employers, trade unions and non-governmental organisations, for reform in the fields of employment and inclusion in the labour market
- Reinforcing the social inclusion of disadvantaged people and combating discrimination in the labour market

Member States and regions devise their own ESF Operational Programmes in order to respond to the real needs 'on the ground'. Over the period 2007-2013, the ESF will spend over 10 billion euros per year across all Member States. This represents more than 10% of the European Union's total budget.



The socio-economic and employment situation in England and Gibraltar

England's economy has performed strongly in recent years, with almost three-quarters of the working age population in a job and employment levels for women and older workers which are above EU averages. The financial crisis and the ensuing global economic downturn began to impact on the English economy and labour market in 2008 when, after a strong period of economic growth since 1993, the UK economy contracted in the second half of 2008 and 2009. However, the employment rate has remained higher, and the unemployment rate lower, than during the 1990s recession. The unemployment rate for England rose from 5.8% to 8.1% in 2009, amounting to up to 2 million people. Nevertheless, England still has a relatively low unemployment rate – below the OECD average and the G7 average.

Despite the deterioration in economic conditions, the analysis and strategy in the National Strategic Reference Framework remains relevant, in particular the focus on improving the job prospects and skills of people at a disadvantage in the labour market who are the most affected by the economic downturn. More support for these groups is being offered as well as help for people who have recently lost their jobs or who are facing redundancy.

Although employment rates have tended to converge across the English regions over time, there are still considerable regional and sub-regional differences in the labour market. Pockets of unemployment are particularly concentrated in big cities in England, although they can also be found – if somewhat scattered – in a number of rural areas. A persistent problem is the number of people without qualifications, whose employment rate has fallen in recent years. And employment among some disadvantaged groups is significantly lower than the average.

England must also improve the quality of its workforce – over 5 million adults lack basic reading and writing skills, while 15 million lack basic numeracy skills. Significantly, shortages of skilled workers in a number of sectors are holding back economic development and form a barrier to raising productivity in the country – which is an important challenge for the English economy. The number of graduates, especially in science and engineering, is high compared to the EU average. Nonetheless, the total number of 16- to 19-year-olds in education and training remains relatively low which, if not addressed, could create economic problems for the future.

England's and Gibraltar's ESF priorities

The main priorities for England are to create more job opportunities for more people, particularly focusing on disadvantaged groups and those furthest from the labour market, and to develop a higher-skilled and more adaptable workforce. The ESF Operational Programme will help nearly 1.8 million people to find a job or prepare them for a better job. At least half of these will be unemployed or inactive people, including young people not in employment, education or training, and the rest will be workers who will be helped to gain new qualifications that make them more valuable to employers and better meet the needs of industry. The programme covers the whole of England and Gibraltar. Although the 'Convergence' area of Cornwall and the Isles of Scilly identifies similar overall aims as the rest of England, its focus differs slightly.

Priority 1: Extending employment opportunities

- This priority brings people into work. Activities will focus on improving their job prospects through training in new skills, helping them apply for and get jobs, and supporting them in the early stages

of their new working lives to ensure they remain in sustainable employment.

- Focusing on people facing barriers to work: those with disabilities or health issues, lone parents with care obligations, ethnic minorities lacking language skills, older workers and young people not in employment, education or training.
- Developing the skills of jobless and inactive people and supporting them to enter sustainable jobs and make progress at work.
- Reducing the numbers of young people not in education, employment or training.

Priority 2: Developing a skilled and adaptable workforce

- This priority strengthens workers' skills to meet employers' needs by upgrading individuals' skills at basic, low and intermediate skills levels. Activities will also focus on small and medium-sized businesses where the need is greatest, and on workers least likely to receive training, such as those working part-time.

- Making better use of people's skills by helping men and women to enter occupations where they are under-represented – for example, by training more women in ICT, and more men in the caring professions.
- Training managers and workers in small businesses in the technical, leadership, management and enterprise skills they need to help them compete in changing markets.

To implement the national priorities, each region has an ESF framework that addresses its particular regional employment and skills needs. In the Convergence area of Cornwall and the Isles of Scilly, ESF will also provide support to:

Priority 3: Tackling barriers to employment

- Taking measures to make it easier for those without work to get a job and keep a job. This includes

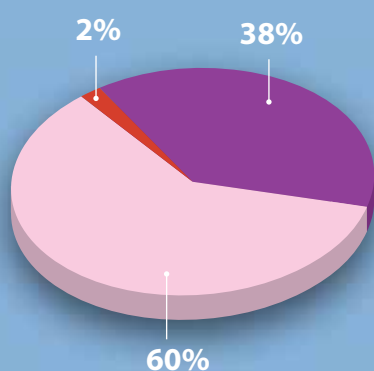
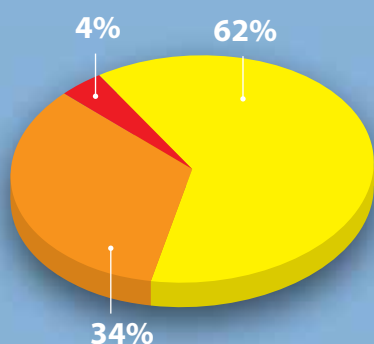
removing obstacles to work faced by disadvantaged groups, such as those with disabilities and health conditions, people with drug and alcohol dependency, carers, women seeking to return to the labour market, offenders and ex-offenders, and the homeless.

- Preparing young people for working life and providing opportunities for those not in education, training or work.

Priority 4: Improving the skills of the local workforce

- Raising workforce and business skills at all levels. Working with social partners to encourage employers to support their workers in learning and training. Helping and encouraging trainees to continue their education to higher levels.

Financial Plan for the European Social Fund in England (and Gibraltar) 2007-2013 (euro)



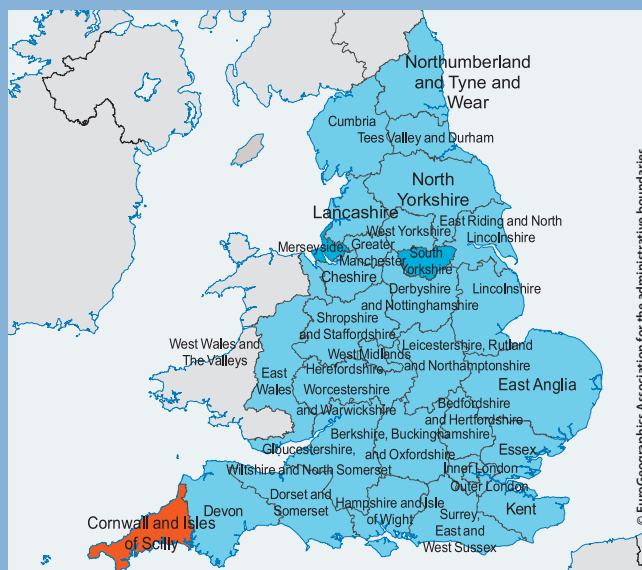
Priority axis	Community funding		National counterpart		Total funding
	Community funding	National counterpart	Community funding	National counterpart	
Priority 1 – Extending employment opportunities*	1 793 940 512	1 793 940 512	1 793 940 512	1 793 940 512	3 587 881 024
Priority 2 – Developing a skilled and adaptable workforce*	983 773 829	983 773 829	983 773 829	983 773 829	1 967 547 658
Technical assistance*	115 738 098	115 738 098	115 738 098	115 738 098	231 476 196
Competitiveness and Employment Objective Total	2 893 452 439	2 893 452 439	2 893 452 439	2 893 452 439	5 786 904 878
Priority 3 – Tackling barriers to employment**	74 644 897	24 881 633	74 644 897	24 881 633	99 526 530
Priority 4 – Improving the skills of the local workforce**	117 860 364	39 286 788	117 860 364	39 286 788	157 147 152
Technical assistance**	3 928 679	1 309 560	3 928 679	1 309 560	5 238 239
Convergence Objective Total	196 433 940	65 477 981	196 433 940	65 477 981	261 911 921
Grand total	3 089 886 379	2 958 930 420	3 089 886 379	2 958 930 420	6 048 816 799

* Competitiveness and Employment Objective
 ** Convergence Objective

The ESF response to the current economic downturn

- A package of employment, skills and training support to help those facing redundancy and the newly unemployed to get a new job quickly was put in place by the government – supported by the ESF – and continues, in parallel, to address the employability of all those able to work. Targets for participation in ESF projects are being exceeded – most likely due to the ESF being used as a response to increasing unemployment during the downturn.
- In November 2008, an extra £158 million of ESF money in England was allocated to provide additional skills and job-search support to disadvantaged job-seekers and people facing redundancy. The flexibility of England's ESF programme has allowed it to adapt to the changing economic climate and expand support for people affected by the downturn.
- The Learning and Skills Council (Skills Funding Agency as from April 2010) is using £79 million of ESF to support two initiatives: The **Response to Redundancy** programme is targeting over 90 000 individuals across England with short, focused training interventions which are tailored to the needs of local employers. These interventions are available either from day one of unemployment or while people are under notice of redundancy, with the aim of minimising the time spent on benefits. The **'Nextstep'** project has been stepped up; it is delivering careers information and advisory services to over 500 000 adults from 1 April 2009 to 31 July 2010.
- Another example of a response to the downturn is demonstrated by the **'The Better West Midlands' redundancy support project'** which delivers tailored advice on access to skills and training provision to employers and individuals. The aim is to help newly redundant workers move straight into new employment. It is helping about 14 500 people from companies across the West Midlands in manufacturing and other sectors.

Eligible regions 2007-2013



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The level of ESF funding differs from one region to another depending on their relative wealth.

- With a GDP per head of less than 75% of the EU-25 average, the Cornwall and the Isles of Scilly region is eligible under the convergence objective.
- Merseyside and South Yorkshire are phasing-in regions with a GDP per head of less than 75% of the EU-15 average in the period 2000-2006 but of more than 75% of the EU-15 average in the period 2007-2013.
- The rest of England and Gibraltar with a GDP per head of more than 75% of the EU-25 average are eligible under the regional competitiveness and employment objective.