

***Evaluation of SFC's ESF Priority 5 Project AYs 2011-12 & 2012-13 – “The college sector: Investing in Skills for an Economic Recovery”***

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**Cathy Mitchell**



**Scottish Funding Council**  
Promoting further and higher education



**EUROPE & SCOTLAND**  
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## Executive Summary

Investing in Skills for an Economic Recovery [the P5 project] was a two year, £26 million project consisting per annum of £4.6 million from the European Social Fund (ESF) and £8.4 million of match funding from the Scottish Funding Council (SFC). The funds were made available to support colleges taking on additional students as part of the ESF Priority 5 'Employability Pipeline' to meet the increased demand for training caused by high youth unemployment. The project covered academic years 2011-12 and 2012-13.

The project focused on the provision of a range of pre-employment employability programmes, vocational training courses and 'into employment' support activities by colleges servicing the Lowlands and Uplands Scotland (LUPS) area. The main target participant group was Group 1<sup>1</sup> unemployed or inactive with low qualifications, 16-19 year olds not in education, employment or training (NEET), school leavers and young people leaving care. The programme also focused on Group 2 participants, particularly in non-spatially targeted areas, including job-ready unemployed people requiring an industry qualification and employees requiring re-skilling to match future employment needs of the local area.

Colleges were offered funding based on regional Priority 5 allocations, conditional on submitting a pro-forma return setting out the scope and type of provision that they planned to offer and how it fitted with regional skills requirements. Colleges serving the LUPS spatially targeted areas are being funded to deliver mainly vocational activity (Stage 3 of the skills pipeline), although they can deliver provision at all stages of the employability skills pipeline. Colleges serving the LUPS non-spatially targeted areas are only eligible to deliver Stages 4 and 5 of the skills pipeline.<sup>2</sup>

### **Purpose**

The overall objective of this evaluation was to:

*“evaluate the project’s areas of strength and weakness with a view to making recommendations for the delivery and management of the upcoming Developing Scotland’s Workforce project, and any future projects”*

The evaluation sought to:

- Establish the background and context of the P5 Project 2011-13

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<sup>1</sup> See Annex 1 for Group 1 and Group 2 criteria

<sup>2</sup> See Annex 1 and 2 for more information on the spatially targeted areas and the skills pipeline.

- Detail the evaluation objectives and method
- Record the findings of consultation and survey work
- Analyse and interpret research findings
- Consider the on-going evolution of SFC managed ESF projects since the beginning of this P5 project
- Draw conclusions and recommendations based on the foregoing

### ***Method***

To complete the research the following tasks were conducted:

- Analysis of past project documents
- Consultation with college, SG and SFC stakeholders
- Discussion with College European Funding Liaison Group (CEFLG)
- Case study of University of the Highlands & Islands (UHI) P5 project and costing model
- Survey of key stakeholders

### ***Stages of Research***

#### **1. Review of documentation and background information**

Alongside studying documentation from the P5 project, a literature review of past and present documents relating to SFC run ESF projects was conducted. The overlap in practices across all SFC ESF projects means that lessons and recommendations in this evaluation may have already been highlighted in the Priority 1 'Investing in Recovery' evaluation, completed in-house by SFC in 2013.

The newness of ESF projects for SFC has meant that the project processes have developed as it has gone on which means that any advised improvements may have already been implemented. An understanding and explanation of this evolution of SFC ESF project management is crucial in order to make this evaluation relevant for future projects.

#### **2. Evaluation of processes and management**

An evaluation was conducted of the project design, management and implementation. Interviews were conducted with key stakeholders at the Colleges, within SFC and at SG for insight into their experience of running the projects over the two academic years.<sup>3</sup> One to one consultations were held, either in person or over

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<sup>3</sup> See Annex 5 for list of consultees

the phone, with six stakeholders from the colleges, three SFC employees and one representative from Scottish Government. A discussion was also held with members of the College European Funding Liaison Group (CEFLG) at the August 2014 meeting of the group. The views of all those consulted helped shape the picture of how the SFC project worked in practice.

### 3. Evaluation of outcomes and impacts

An evaluation was conducted of the project's impact, through analysis of outputs, outcomes and results. The results from the consultation with key stakeholders were used, along with the project's reporting and claim statistical data, to analyse the extent to which the project achieved its planned outcomes and results. Targets from the original project application were compared with the results in the final claim to create a picture of how successful the project was.

#### **Key Findings**

##### Outputs & Results

The P5 project application was written by SFC in September 2010. The application contained WSUM and participant targets, along with forecast figures for participant characteristics. At a regional level, planned outputs were discussed between colleges and Community Planning Partnerships (CPPs) and were based on regional need, in line with the broader project aims.

The project delivered additional training places to 7012 unique participants providing a range of qualifications at SVQ, NC, and HNC levels linked to sectors forecast for growth as the economy recovered, such as construction, care, service sector, retail, food & drink, security, call centre and asset management.

The project exceeded its participant and WSUM<sup>4</sup> targets.

	<b>Training activity</b>	<b>Students</b>	<b>Activity per student</b>
Target	123,644 WSUMs	5,488	22.53 WSUMs
Delivered	163,219 WSUMs	7,012	23.28 WSUMs

The key participant result indicators included the number of qualifications gained throughout the project, the number of participants with multiple deprivations and the number of participants in the NEET category. The P5 project exceeded the

<sup>4</sup> WSUMs (Weighted Student Units of Measurement) are hours of learning multiplied by the subject weighting, which is a reflection of the resource requirements to deliver different subjects.

targets in all these areas, with the exception of participants gaining a partial qualification. Delivery to those in the NEET category exceeded the target by 788.8% which shows the overwhelming need of this group.

The target for participants gaining a full qualification was exceeded by more than 500 full qualifications but the project only reached 16.11% of the targeted partial qualifications. Taken together the project achieved 95% of its aim for 5,027 participants to achieve a full or partial qualification. Substantially more participants achieved the higher value outcome of a full qualification.

The discrepancies in delivery against target in the table below, ranging from 16% to almost 800% suggests that these results could be due to a lack of evidenced planning for the project application targets that were set.

<b>Result Indicator</b>	<b>Target from application</b>	<b>Total Achieved</b>	<b>Delivery against target (%)</b>
Number of participants gaining a full qualification.	4,127	4,632	112.24
Number of participants gaining a partial qualification.	900	145	16.11
Number of participants in the NEET group	500	3,944	788.8
Number of participants with multiple deprivations	1,790	3,098	173.07

There were less project participants in employment six months after completing the project than expected, but significantly more in further education or training. This result is a reflection of the economic position of Scotland's workforce during the P5 project. Further analysis is needed on whether those that re-entered education or training after the completion of their ESF course have moved on to a course at a higher qualification level. If these participants went on to a study for a higher level of qualification it adds significant value to the outputs of the ESF project.

Taken together, the project exceeded its aim for 2,886 participants to achieve positive destinations, achieving 128% of the joint target for participants into further education or training and into employment.

Result Indicator	Target from application	Total Achieved	Delivery against target (%)
Number of participants entering employment.	1,000	815	81.5
Number of participants entering education or training.	1,886	2,881	153

### ***Delivery & Management***

SFC's first ESF project was the Priority 1 project delivered in academic year 2010-11. The P5 project evaluated was the second time that a LUPS wide ESF project was strategically led and managed by SFC on behalf of Scotland's colleges sector.

In line with delivery of the P1 project, SFC continued to allocate project funding to the colleges using the Unit Cost Model based on delivery of WSUMs. Quarterly Further Education Statistics (FES) returns introduced for the P1 project were also continued as the key reporting mechanism for EU funding.

SFC management allowed for a unified sector wide project, reduced the administrative burden on colleges and added flexibility in the distribution of funding ensuring that the entire project allocation was spent.

The delivery and management was let down by a clear lack of set processes and forward planning. There is little evidence underpinning participant characteristics in the application, non-FES data returns that are crucial for Eurosys reporting were poorly managed and the Leaver Destination study, a key output of the project, was not a priority.

Many areas for improvement identified in this report have been addressed and improved for the SFC's current P5 'Skills for a Competitive Workforce' Underspend project (AY 2013-14 to 2014-15). The management of this project significantly improved upon the process of data collection and key procedures have become more planned and transparent. Communication between SFC, SG and the colleges has increased which provides more support to the successful delivery of activity.

### ***Conclusions and Recommendations***

Overall, the P5 project was successful for in meeting its aims and objectives. WSUM and participant targets were met, the full funding allocation was spent and the

outputs have contributed to the overall aim of the ESF programme. Scottish Government are satisfied with the management and delivery of ESF by SFC, and SFC has remained and is continuing as the lead partner in the delivery of the ESF projects until at the least AY 2020-21.

However, the project evaluation identified the following areas where the overall efficiency of management of the project could be improved:

1. Developing ESF reporting systems is crucial. There should be strict requirements and set procedures for collecting and keeping the necessary ESF participant details that are not collected through FES. The accuracy and ease of data collection could be further improved by building additional ESF data monitoring into FES. The additional data fields not collected by FES for the P5 project evaluated are detailed in Annex 3.
2. Outputs on specific participant characteristics targets varied markedly from targets in the project application. The process used to create these targets is not clear. A process for setting targets that is transparent, can be followed year on year, and is closer to delivery is vital in order to effectively judge colleges on their targeted provision. Baseline data from this project and the other previous projects should be utilised to produce more realistic output targets.
3. Follow-up of ESF students by colleges to evidence results indicators was unsatisfactory. Monitoring and recording of leaver destination results is a mandatory requirement by the Managing Authority and this should be included by SFC in future conditions of grant for project delivery. It is important that future project guidance provides clear instruction on the process for monitoring and recording leaver destinations. An approach should be agreed with SG and the college sector as a matter of urgency.
4. SFC should improve monitoring of project delivery to keep a closer check on whether colleges are on track to reach core targets as well as ESF targets. The under-delivery of Dumfries and Galloway College identified after the end of the academic year, highlighted the need for early detection. Strict quarterly monitoring of college core targets should be applied and closer liaison within SFC between the ESF team and the Funding Group is essential.
5. SFC could have been better prepared for the delivery of the project. SFC lacked the dedicated staff. The project application stated that *“SFC is aware of the resource implications of managing a project of this scale and complexity*

*and will put appropriate management and administrative structures in place.”*

In hindsight, management of the ESF project could have been stronger and indeed, subsequent projects have had a dedicated ESF Senior Policy/Analysis Officer, a Policy/Analysis Officer and an ESF Administrator written in to the project application. A structured staff plan should be in place at all times.

6. SMART<sup>5</sup> output, outcome and result targets should be established at the start of the project and clear processes for monitoring and reporting. For example, improving the process for monitoring leaver destinations will provide SFC and colleges with better evidence on the number of participants who enter employment, improving forecasting for future ESF results indicators. Results from the P5 project indicate that future results indicators should focus on the delivery of qualifications and training. SFC and the colleges do not have control over the proportion of participants who choose to progress into higher education or to take-up employment. The ESF training delivered is linked to regional employer need and continuation of participants along the skills pipeline and into FE, HE or employment are all recognised as positive outcomes.
7. SFC should be aware, and make Colleges aware, of exactly what is needed and expected of them when it comes to SG and European audits. Comprehensive guidance from SG is needed and guideline timelines of when to expect an audit should be issued to colleges in order to allow them to be best prepared for SG or EU visits.
8. The value of delivery could be improved by supporting more than just additional student places and colleges expressed a desire to deliver more through ESF. The Developing Scotland's Workforce project provides for Articulation Places and some Curriculum Development work. This work, and the possibility to incorporate more variety in the use of funds, should be explored to the fullest.
9. The P1 evaluation was not conducted until October 2013 which means there was no opportunity to incorporate the lessons learned from it into the planning and implementation of this P5 project. As a result, there are similarities between these lessons and recommendations and those proposed in the P1 evaluation. There should be a clear plan in place for who is responsible for conducting the evaluation project and when. This is more important for the 7 year Developing Scotland's Workforce project to ensure

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<sup>5</sup> Goals should be specific, measurable, attainable, realistic and timely.

that appropriate evaluation has taken place to allow for the opportunity to renegotiate targets and delivery after the first three years. It is expected that there will be a statutory year three review so an interim evaluation to be conducted after year two would allow findings to feed into the statutory review. It is important that this is prepared for in advance to maximise the relevance of the findings in the evaluation.

## Introduction

### ***Purpose***

The overall objective of this evaluation was to:

*“evaluate the project’s areas of strength and weakness with a view to making recommendations for the delivery and management of the upcoming Developing Scotland’s Workforce project, and any future projects”*

The evaluation sought to:

- Establish the background and context of the P5 Project 2011-13
- Detail the evaluation objectives and method
- Record the findings of consultation and survey work
- Analyse and interpret research findings
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### ***Method***

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- Survey of key stakeholders

### ***Limitations***

The audit and evaluation of the AY 2010-2011 Priority 1 project were conducted after the completion of the P5 project. Any lessons learned from Priority 1 were not incorporated into the planning or implementation of the P5 project being evaluated. Many areas for improvement identified in this report will have already been addressed and improved for the SFC’s current P5 ‘Skills for a Competitive Workforce’ Underspend project (AY 2013-14 to 2014-15) which was designed after SFC received feedback from audit and evaluation of the Priority 1 project.

The availability of those involved in the project limited the number of consultees who could feed into the evaluation due to a number of staff changes within the college sector, Scottish Government and SFC.

A survey was conducted using SurveyMonkey to show how those engaged in the project viewed the success of the project's management and results. The number of responses to the survey conducted was poor, reducing the significance of the survey data produced. The survey was sent to 30 P5 stakeholders from colleges, the Managing Authority and SFC and survey details were circulated around the current CEFLG members. There were only ten responses to the online survey so the findings, while showing some interesting trends, can unfortunately not be taken fully as a convincing representation of the running of the project.

## Background

The European Social Fund (ESF) is Europe's main instrument for supporting jobs, helping people get better jobs and ensuring fairer job opportunities for all EU citizens.

The main goals are generating smart, sustainable and inclusive growth in the EU to create a wealth of better jobs and a more socially inclusive society. The aim was to improve the situation caused by the economic crisis which saw a rise in unemployment and poverty levels.

ESF in the UK has two overarching themes: removing obstacles to people entering the labour market and improving the skills of the workforce. The P5 project focussed on providing training and improving paths to employment, particularly for young people between 16 and 24 years old.<sup>6</sup>

During recession and in the early stages of recovery young people are more vulnerable to unemployment and the unemployment rate among this cohort is always higher than for the general population.

Youth unemployment in Scotland (defined as 18-24 year olds) was 9% in 2005 but by the first quarter of 2011 it had risen to 17.6%. Unemployment in this age group can translate to future job instability and slow labour market progression.<sup>7</sup>

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<sup>6</sup> The P1 project was limited to 16-24 year olds. P5 open to all age groups, with a focus on 16-24 year olds.

<sup>7</sup> Scottish Government: 'Review of Post-16 Education and Vocational Training in Scotland' Accessed 01/08/2014 <http://www.scotland.gov.uk/Publications/2011/08/15095448/13>

The P5 project was developed specifically to provide opportunities, which meet specific needs, that mitigate the impact of the downturn and also which are of longer duration to provide opportunities for up-skilling or re-skilling necessary for the prospective upturn.

SFC developed a national bid involving a total of 35 colleges across LUPS aimed at improving the content and outcomes of local employability development services through the strategic skills pipeline.<sup>8</sup>

The main priority group for this project was unemployed 16 to 24 year olds, with approximately 70 per cent of the available funds allocated to this group. However, the skills pipeline also covered up-skilling, so colleges were also expected to provide opportunities for the long-term unemployed and people with low-level qualifications, addressing the two overarching themes of ESF in the UK.

The P5 project was the second time that SFC had been a direct applicant for ESF on behalf of the college sector, building upon the work carried out by colleges who had successfully delivered ESF activities since the early 1980s. Direct application by SFC for ESF was beneficial as it standardised the process across the sector and reduced the administrative burden on both the college sector and the Managing Authority.

The first direct SFC application for ESF was the P1 project *'Investing in Recovery'* which ran during academic year 2010-11. This P1 project is now completed, with audit and evaluation concluded in September 2013 and October 2013 respectively.

The P1 project was delivered by 25 colleges covering spatially targeted local authority areas within the LUPS area and provided additional college places for 16-24 year olds. The P1 project's target of 58,632 WSUMs was delivered and exceeded and the ESF funding reached 4,022 young people from within the targeted groups. The participating colleges' enrolment increased by 2% without ESF and by 10% with ESF between 2008-09 and 2010-11.<sup>9</sup>

The P5 project focused predominantly on unemployed 16 to 24 year olds, though was open to older age groups too, and involved 26 of the participating 35 colleges delivering activity at stages 2 -5 of the Skills Pipeline with nine colleges only eligible to deliver activity at stages 4 and 5.<sup>10</sup>

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<sup>8</sup> SG Evaluation of the Strategic Delivery Mechanisms of the ESF Programmes 2007-13 in Scotland p.16

<sup>9</sup> 'The College Sector: Investing in Recovery' SFC 2013 p.7

<sup>10</sup> ANNEX 1

As mentioned, the P1 evaluation was not conducted until October 2013 which means there was no opportunity to incorporate the lessons learned from it into the planning and implementation of this P5 project. This should be taken in to account for the evaluation and review of future projects. There should be a clear plan in place for who is responsible for conducting the project and when. It is expected that similarities will be seen between the lessons and recommendations proposed in this evaluation and those outlined in the P1 evaluation. The majority of these improvements are focussed on streamlining the process, which during the P5 project was still a relatively new process for SFC and the college sector.

The Priority 5 Underspend project 'Skills for a Competitive Workforce' Project began in the January of the 2013-14 academic year (AY) and was in a better position to benefit from the experiences of the previous projects. SFC successfully bid for and secured this £13.3 million Underspend project at the end of 2013. The project funds are made up of a £6 million grant from ESF and SFC match funding of £7.3 million. The project is being delivered by colleges in Lowlands and Uplands Scotland from January 2014, covering the remainder of AY 2013-14 and all of AY 2014-15.

The project provides a continuation of activities supported through the P5 Project being evaluated. It will provide 3,500 – 4,000 quality additional vocational training places predominantly targeted at the young unemployed and other individuals who are disadvantaged in the labour market. It also targets low-skilled workers providing re-skilling in areas where particular skills are in demand. Vocational training places are linked to the needs of regional employers and will cover sectors with growing skills requirements, such as energy, food and drink and digital media.

In April 2014 SFC was awarded an indicative allocation of £78.66m for the 2014-2020 'Developing Scotland's Workforce' project<sup>11</sup>. The 2014-2020 'Developing Scotland's Workforce' project is expected to be delivered by colleges and HEIs over AYs 2015-16 to 2020-21. This project aims to deliver a range of interventions to support both individuals and employers in developing a skilled and experienced workforce. It is hoped that any new findings of this evaluation will be able to feed into the delivery of this project in a formal and direct way and further improve SFC management of new ESF funds.

It is expected that there will be a mid-way review at year three to allow adjustment of activity and delivery targets. An interim evaluation of this project at the end of year two would be appropriate to allow the findings to inform the adjustments to be made.

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<sup>11</sup> The indicative figure excludes SFC match funding and is not final until the Operational Programme is approved by the EC.

## ***Outputs & Results***

### **Were the outputs achieved?**

The project application set out the target participant numbers and outlined the broad picture of the groups that the project aimed to reach. In their individual Regional Skills Plans, colleges outlined their planned interventions that corresponded regionally to the labour market in terms of need, age, target group profile, skills shortages and the skills required in the growth sectors in Scotland. The plans provided evidence to show the targeting of specific age groups and participant characteristics in response to regional labour market issues and provision of courses to meet employer skills requirements.

The application stated that *“the project will provide additional training places leading to a range of qualifications at SVQ, NC, and HNC levels where qualifications will lead towards employment in those sectors forecast for growth as the economy recovers, such as construction, care, service sector, retail, food & drink, security, call centre and asset management.”*

The project was evaluated on the following outputs:

- whether it met the target for additional places;
- whether or not this support reached the targeted groups and areas;
- whether qualifications targets were achieved and;
- whether results targets were achieved for number of participants entering further education or training and employment.

### ***Did the support reach additional people?***

#### ***WSUMs and Participant Targets***

Colleges were contracted to deliver Weighted Student Units of Measurement (WSUMs) to ESF participants. Funding allocations, importantly, were directly related to the delivery of WSUMs, rather than the specific number of participants.

The main output of the project was therefore the delivery of additional WSUMs that ESF funding was secured for; delivering training to additional participants on an annual basis with a mix of full time and part time provision - with a focus on full time provision given the target age range. Targets were over and above the participants and WSUMs delivered as part of the colleges' core teaching grant.

There was 10% drop out expected across the levels of entry and exit throughout the project. The total number of participants that dropped out during the P5 project was 1122.

Table 1

	Training activity	Students	Activity per student
Target	123,644 WSUMs	5,488	22.53 WSUMs
Delivered	163,219 WSUMs	7,012	23.28 WSUMs

The P5 project exceeded 132% of the ESF WSUMs target by and the target number of participants by 128%. The activity delivered per student was 23.28 WSUMs, which is an increase from the P1 project delivery of 18.34 WSUMs per student.

All respondents to the P5 project survey agreed that ESF funding had allowed their college to “provide activity over and above the baseline number of students that would have been able to be funded with normal SFC resources for this period (2011-13)”. The P5 project therefore did reach additional people, and in greater numbers than targeted.

### ***Were the right people reached?***

#### ***Participant Characteristics***

70% of funding was still aimed at providing additional vocational places for the main target group of unemployed 16-24 year olds. Twenty percent of funding targeted other unemployed and inactive people to target long-term unemployment and the remaining ten percent of funding covers up-skilling for people in work, supporting employer engagement, up-skilling and re-training.

Delivery targets were widened for this project, compared to the P1 project, to include up-skilling activities in non-spatially targeted areas and delivery to a wider range of age groups. Table 2 shows the age groups that the P5 project delivered to.

Table 2

Age group	Number of Participants	Total Percentage
Under 16	93	1%
Age 16-19	3,646	80%
Age 20-24	1,964	
Age 25 and over	1,309	19%

The participant characteristics targets were based on demographic need in each region, aiming specifically to support unemployed or inactive young people with low qualifications. The following table shows the target outputs for groups across the whole project and the final delivery numbers.

*Table 3*

Indicator	Target from application	Total Achieved	Delivery against target (%)
Number of participants receiving support.	5,488	7,012	128
Number of participants with multiple deprivations.	1,790	3,098	173
Number of participants in the NEET group.	500	3,944	789
Number of participants with disabilities or health difficulties.	250	660	264
Number of male participants without basic skills.	80	10	12.5
Number of female participants without basic skills.	60	12	20
Number of male participants without level 2 skills.	40	12	30
Number of female participants without level 2 skills.	30	13	43
Number of male participants without level 3 skills.	30	16	53
Number of female participants without level 3 skills.	20	29	145

The target outputs across all fields in the table were not accurate. Completion rates range from 20% to almost 800%. These huge variances are due, in large, to the lack of target setting procedure at SFC. There is no evidence of a set, evidenced procedure for how or why these targets are produced for the project application. Furthermore, colleges are not held accountable for meeting the targets set for them. Taken together it is obvious that there would be discrepancies between target and delivery. Going forward, the results of previous projects can be used as a basis for targets in the application but there needs to be a clear procedure for doing so. Further work needs to be done to improve the accuracy of these forecast targets. This should be done by SFC by making targets in the application more accurate and by the colleges by more effectively targeting resources. During the Underspend project, the Managing Authority agreed for less participant characteristic fields to be included in the project application outputs but this may not be the case in future. The Managing Authority should provide a greater level of strategic direction around meeting these targets, and have clear reason for including the targets they do. SFC could then monitor more closely throughout delivery that these are being adhered to. Otherwise it appears that the targets are more an estimation that is unlikely to be achieved.

## Skills Gained

Table 4

Indicator	Target from application	Total Achieved	Delivery against target (%)
Number of male participants gaining basic skills.	70	0	0
Number of female participants gaining basic skills.	55	0	0
Number of participants gaining a full qualification.	4,127	4,632	112.24
Number of participants gaining a partial qualification.	900	145	16.11
Number of male participants gaining level 2 skills.	35	17	48.57
Number of female participants gaining level 2 skills.	25	21	84
Number of male participants gaining level 3 skills or above.	25	9	36
Number of female participants gaining level 3 skills or above.	17	15	88.24

The low delivery against target results of skills gained may be due to the unachievable project targets in the application that is discussed above. The number of male and female ESF participants without basic skills at enrolment was 22, yet the application target was to have 125 participants gaining basic skills. This is obviously unattainable meaning the output targets have made the results irrelevant to the actual success of delivery.

The Managing Authority may want to revise the fields it uses as outputs in future projects. Participants' gaining particular skill levels is not wholly appropriate for the P5 project. The Eurosyst definition of this field only applies to employed participants that are upskilled and the P5 project predominantly focused on 'unemployed' young people. It is natural that the P5 project focused more on stages 3-5 of the skills pipeline but the application target outputs do not reflect this.

### **Qualifications achieved (full and partial)**

The project application stated that the main output will be recognised qualifications for participants. The project application stated as an aim that the project will provide additional training places leading to a range of qualifications at SVQ, NC, and HNC levels where qualifications will lead towards employment in those sectors forecast for growth.

Table 5

Indicator	Target from Application	Total Achieved	Delivery against target (%)
Number of participants gaining a full qualification.	4,127	4,632	112.24
Number of participants gaining a partial qualification.	900	145	16.11

Importantly for skills gained considerations, it is important to note that the number of participants gaining a full qualification was much higher than the target in the application. More than 500 participants than aimed received a full qualification which is a success for the project. It is an achievement of the project that the vast majority of qualifications gained were full qualifications. Taken together, however, the project was slightly short of its aim to see 5,027 students achieve a full or partial qualification, achieving 95% of this target.

Across all output fields there are huge discrepancies in delivery against target, ranging from 0% to almost 800%. The lack of correspondence between targets and actual delivery suggests a lack of planning for the project application targets. There should be a transparent process for creating these that can be followed year on year. The baseline data from this and previous projects should help set more realistic targets in the future.

### **Positive Destinations**

It is crucial that the project achieves its objectives and contributes effectively towards the Managing Authority's aims for economic recovery. The ideal destinations outcome is participants moving into sustainable employment. The main demonstration of added value is whether or not this activity helped to close the gap between employers and those leaving education.

Survey Respondents were asked whether they thought that *"the work that was funded by the ESF P5 project helped to close the gap between the needs of employers and the availability of relevant skilled employees."* Seven respondents agreed that it did whereas one respondent thought that it did not. There was no reason provided for this.

Table 6

Indicator	Target from application	Total Achieved	Delivery against target (%)
Number of participants entering employment.	1,000	815	81.5
Number of participants entering education or training.	1,886	2881	152.76
Number of (previously non-employed) participants in employment 6 months after leaving.	800	620	77.5

### Outcome

The project was not successful in reaching the target number of those entering employment, as on aggregate only 81.5% of the target number of participants were in employment 6 months from completing their course. This suggests that in the immediate incidence the P5 project did help a number of additional students gain employment but perhaps did not close the gap between the needs of employers and the availability of relevant skilled employees to the full extent that SFC aimed.

These results were similar to the P1 project figures. During 2010-11, significantly fewer young people went on from their ESF funded courses to enter employment (15.2% of the target) with significantly more students (141.5% of the target) going on to enter further education or training.

The P5 project significantly exceeded the target for number of participants entering education or training, achieving 158% against the project target. Taken together, the number of participants entering positive destinations (education or training and employment) was 128% of the combined target of 2,886. This represents 52.7% of all ESF project participants.

These results are likely to be a result of the economic position of Scotland's workforce during the P5 project. There was a decline of 84,000 jobs in Scotland between September 2007 and September 2012 meaning there were less jobs available for those completing the P5 project.<sup>12</sup> Showing that those students who re-enter education or training after the completion of their ESF course have moved on to a course at a higher qualification level is important as this adds significant value to the outputs of the ESF project.

<sup>12</sup> Office for National Statistics (March 2013) "Regional Economic Indicators" p. 17

The project outcomes could possibly be improved by measuring future outcomes solely on the successful delivery of qualifications/training. SFC has no control on how many participants enter employment and there are a wide variety of factors that will influence these results that ESF delivery will have no influence on. Training would need to remain linked to employer needs but students continuing along the skills pipeline and into further FE or HE is a good, positive outcome. Positive increases in those re-entering education could have a negative effect on into employment results so more care should be taken in setting appropriate employment targets that are related to market capacity.

### Process

A more serious consideration for this process is the poor response rate to leaver destination surveys and the subsequent unreliability of the results produced. SFC is required to report student destination results on Eurosyst and result indicators include the number of participants and the total number of previously non-employed participants in employment six months after leaving.

For the duration of the P5 project there was no way to collect the student destination details using FES<sup>13</sup>. A methodology and timeline for conducting a Destinations Survey for the P5 ESF participants was devised after the project had concluded. Colleges were asked to contact the relevant ESF students directly and survey their employment status 6 months after course completion.

This is the process used to collect leaver destinations of non-ESF students for the First Destination of Graduates (FDG) survey. Colleges are required to write out to all students six months from the completion of their course to gather data on their employment or education status. This is in addition to information from Higher Education enrolments and SDS data. Unfortunately this process does not identify ESF students so a separate study had to be conducted for reporting on Eurosyst. SFC is currently piloting a new leaver destination survey that would streamline this process and ideally ESF student results would be included in the new model. During the P5 project, if ESF students had been flagged on the full time FE student survey it would have provided more reliable data and avoided duplication of work at SFC and the colleges. Admittedly this survey does not cover part-time students but the majority of ESF students are full-time so it would reduce the administrative burden markedly.

The Student Destinations Survey for the P5 project began in November 2013. Specifically, the information required was as follows;

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<sup>13</sup> Required additional fields for leaver destination data was written into FES in Summer 2014

- Was the student unemployed or workless (*i.e. not in employment*) prior to enrolment?
- Was the student in employment six months after leaving the course?
- Was the student in further education or training six months after leaving the course?

This process had previously been conducted for the leaver destinations of ESF participants from the P1 project. In the evaluation of the P1 project it was concluded that: *“in considering the employment destination figures, it should also be noted that there is reason to believe there was significant under-reporting on students entering employment. Colleges were asked to conduct follow-up surveys with participants and to return this data to SFC. This did not work well in practice, with poor return rates both to and from colleges, and the data returned was insufficient to record in Eurosys claims.”*

These concerns and results are mirrored for the P5 project Student Destinations Survey. The Destination Survey for Academic Years 2011-12 and 2012-13 had a response rate from colleges of 84.9%. SFC received Information for 5,953 participants out of the total of 7,012. SFC did not receive returns for Adam Smith, Anniesland, Barony, Coatbridge and Oatridge Colleges. The totals in the table are therefore an aggregate rate.

The importance of conducting this process specifically for ESF students was not fully conveyed to the colleges from the outset. The outcome information required was stated in an annex of the project guidance but no guidance or methodology for collecting it was given.

The colleges may have not had the staff availability at short notice to put the necessary time into completing the survey and chase up responses. Writing the process for leaver destinations survey into the requirements of the project would help to ensure that the process is completed as fully and accurately as possible. Better still, if ESF can be flagged on the model currently being piloted by SFC to improve the process for core students the procedure would become more accurate and less onerous for colleges.

## Delivery & Management

Following on from the P1 project, the P5 project was strategically led and managed by SFC on behalf of colleges throughout Scotland. SFC submitted a national bid on behalf of 35 colleges. Given the scale and strategic importance of the project, as well as the need to ensure a consistent, coherent, sector wide delivery, it was extremely beneficial for this ESF project to be controlled and managed by SFC.

The work done as part of the P5 project was required to be new and wholly additional. Only activity which goes beyond the college core funding agreements with SFC can be claimed as ESF. Project progress was monitored in parallel with standard college provision in order to ensure that the project only reimbursed colleges for outputs and activities that went beyond the level required from their core funding agreements.

Running ESF projects at the time of the P5 project was still new to SFC. The learning process for the delivery and management of the ESF projects happened as the projects were ongoing. Processes were developed throughout the delivery meaning there are areas of the P5 project that were not managed as effectively as they could have been due to lack of experience or forward planning. Changeover of staff during the duration of the project had a significant impact.

This is illustrated by the SurveyMonkey responses when respondents were asked to compare the administration of the P5 project to their experience of other ESF or SFC projects. Every respondent said that the P5 project was 'more efficient' or 'the same' as the P1 project that came before it, but all respondents said that the P5 project was 'less effective' or 'the same' as non-ESF dealings with SFC.

## Regional Skills Plans

In order to focus and target funds at colleges working in areas with the most significant problems caused by the economic downturn, SFC provided an indicative offer to colleges based on the following demographic indicators:

- both the number and increase in young unemployed aged 16 to 24;
- the number and increase in long-term unemployed (6 months or more) aged 16 to 59; and
- low level qualifications and school leavers entering employment.

The main source of data used to inform ESF allocations is official labour market statistics from the NOMIS website which is subject to strict quality controls. This data

has been used to determine the level of support required by each of the Lowlands and Uplands Scotland (LUPS) areas. An evidence-based method of converting these LUPS allocations to allocations to colleges serving the LUPS areas was used. This has been done by utilising the latest audited Further Education Statistics (FES) data.

All colleges receiving ESF funds were required to complete a plan outlining the additional programmes they plan to deliver, and illustrating how their funding allocation should be distributed between student support, fees and WSUMs activity.

Aberdeen College turned down the offer of ESF funding as they were going through a merger at the time and did not have the administrative capability to deliver the activity. They were offered a relatively low level of funding as they were in a prosperous and non-spatially targeted area.

### **Community Planning Partnerships (CPPs)**

Community planning, based on the Local Government in Scotland Act 2003, is the process by which councils and a wide range of other public sector bodies (e.g. NHS, enterprise agencies, colleges, third sector organisations) work together with local communities and the business sector to plan and achieve better delivery of services.

All council areas have an established CPP but the structure of these and the areas they cover vary considerably, depending on the size and geography of the council area, socio-demographic factors, the local economy and local political priorities. College regional skills plans were produced in conjunction with local Community Planning Partnerships (CPPs). It was a condition of grant that colleges provide evidence of the discussions they had at a local level with strategic partners on the provision required for their area.

The P5 project application stated that each college would engage with their Community Planning Partnership(s) to agree provision at the local level, and would provide evidence that consultation had taken place on agreeing allocation and targets and matching provision within the integrated pipeline. A main focus of P5 project was the linking of needs and opportunities at local level to CPP bids which fund local strategic skills pipelines.

During consultation with colleges it became obvious that each college had a different relationship with the CPP in their area and the amount of involvement varied markedly. College representatives were asked how much of a role, in their experience, did the CPPs play in the following stages of the project:

- Defining local targets
- Monitoring project activity
- Steering project activity

Respondents were asked to describe the role of CPPs in each stage.

*Table 7*

	A large role	Some involvement	A small role	No involvement	Not Applicable
Defining local targets	11.11% (1)	44.44% (4)	33.33% (3)	0% (0)	11.11% (1)
Monitoring project activity	11.11% (1)	0% (0)	33.33% (3)	44.44% (4)	11.11% (1)
Steering project activity	11.11% (1)	11.11% (1)	22.22% (2)	44.44% (4)	11.11% (1)

The results show the marked variation in the role of CPPs across the regions. Increased involvement should be encouraged between all colleges and their CPPs to increase the link between local need and delivery.

### Unit Cost Methodology

European Commission (EC) rules allow for a standard scale of costs to be used for ESF funded activity. The Priority 1: Investing in Recovery project was one of the first Scottish ESF projects to use a standard scale unit cost system and the P5 project continued to use the same cost methodology.

SFC's standard funding method is well established and aims to cover the real costs for delivering the operation through a best approximation. The ESF funding model was therefore based on SFC's existing WSUMs<sup>14</sup> college funding methodology, which met the simplified cost requirements for the model to be established in advance, fair, equitable and verifiable.

<sup>14</sup> WSUMs are hours of learning multiplied by the subject weighting, which is a reflection of the resource requirements to deliver different subjects.

Use of a pricing methodology simplified the management and administration of the project. This simplification was critical to the success of the project as it has facilitated the cooperation of the partner institutions towards joint targets.

The college representatives surveyed were split on whether or not the Unit Cost model worked for the delivery of ESF funds. Four respondents felt that the Unit Cost model was 'more effective'; whereas three said it was 'less effective'<sup>15</sup>. It is the survey question that attracted the most comments, suggesting it is somewhat of an important issue for those involved in the project. All comments seemed to agree that while reducing the administrative burden and increasing the efficiency of the claim process, it "limits flexibility" and is "more restrictive in terms of activity undertaken."

The P5 project provided additional student places and student support only and these responses suggest that colleges wish to be able to utilize ESF funds further. While the provision of additional places did meet a need of the Scottish workless population during the economic downturn, the project results, especially the leaver destination results, suggest that further value could be delivered by the project. It is unclear how substantive the lasting value and legacy of this type of intervention is. The P5 project activity was really only of value to the individual participants trained whereas if some ESF funding could be used to provide a more varied and long term intervention, the benefits to participants, colleges and Scotland's workforce could significantly increase.

This issue is beginning to be addressed in the forthcoming Developing Scotland's Workforce project under the new European Structural Funds programming period, 2014-2020. This programme is fundamentally different to the previous funding periods in that the programme now aims to contribute to the EU 2020 goals of smart, sustainable and inclusive growth. The SG lessons learned report compiled for the 2007-13 programme highlights that small and fragmented interventions are not achieving the results desired; and are unlikely to make a measurable contribution to Europe 2020. Colleges will be given the opportunity to use ESF funding for Curriculum Development and articulation places, in addition to the main ESF focus of additional student places. Investment in curriculum development and these types of intervention could add benefit to the sector as a whole, future participants and employers.

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<sup>15</sup> The split in opinion may be due to the quantitative question, as one respondent commented that it is "difficult to define 'effective'" when discussing the Unit Cost model. Responses may be based on different interpretations of what 'effective' meant.

This is not necessarily a failing of the P5 project, as the activity delivered during the project met the requirements and aims of the European Commission and the Managing Authority. These aims are focused on reduced administrative burden, large-scale impacts and outputs based funding using unit cost methodologies. These delivery aspirations are not always in line with the aspirations of the colleges.

## ESF Data Returns

### FES Returns

SFC required colleges to provide student activity data using the Further Education Statistics return (FES). ESF students are flagged on FES for reporting purposes and participants were identified and specifically tagged at enrolment. The FES Returns were used to monitor ESF participant numbers and activity and were submitted to SFC on a quarterly basis.

The Managing Authority should have verified delivery using these quarterly returns when they verified financial claims from SFC but this was not done during the P5 project. The retrospective verification of quarterly delivery against claims for payment was requested at final audit and there were issues in providing this information. SFC viewed the quarterly FES returns as an 'in-house' monitoring tool and was not aware during the P5 project that quarterly FES returns would be required for Scottish Government and European audit. Each new quarterly report overwrote the previous returns and the separate reports were not saved. This is something that could have been done simply, and has been done for future projects but SFC was not given a clear picture of what would be required at audit.

Even had they been stored there are still areas of concern for this process. The strict and exact requirements of audit do not fit naturally with the running of a European project that provides outputs based funding using unit cost methodologies. Final funding claims are fully auditable against the final FES return, but the quarterly ESF reporting does not correspond directly to financial claims and the staggered payments made to colleges. There is a process of reconciliation at the end to adjust final figures across the sector that is influenced by factors such as the over-flagging of participants as ESF throughout the year to account for drop outs and discounting continuing students.

This was the first time SFC had managed a two year project and continuing students caused slight reporting issues for the project. During AY 2011-12 there were 3,476 ESF participants and in AY 2012-13 there were 3,536. The same participant could not be counted in both of the head count totals. There was no set process for excluding

continuing students in monitoring throughout the year and this had to be reconciled at late notice at the end of the project.

Not having robust audit guidance from the beginning of the project led to these complications. Both of these audit issues around ESF participant data could have been easily resolved for the P5 project, as they have been for future projects.

### Participant Characteristic Reporting

The annual FES return system was not designed for ESF projects<sup>16</sup> so it did not capture all the information required to monitor these students for Eurosys Progress Reports. Bespoke reports were created to allow individual colleges to provide quarterly progress information on ESF participant characteristics. These reported on overall numbers of participants in the necessary fields for outputs on Eurosys, including the number of participants with multiple deprivations or in the NEET group and participant skill level at enrolment.

Not having these fields written in to FES made the reporting process more complicated and less accurate. It was originally planned that ESF data would be collected and monitored quarterly through Eurosys returns but this did not happen in practice. It is a difficult to monitor ESF participants quarterly as it is not known until the final FES return which flagged students will actually be counted as ESF and the P1 evaluation also documents the poor quality of participant characteristic returns for ESF. Much of the data was found to be incorrect or incomplete when it came to pulling together information for the claim, verification and evaluation. There was no clear record of what the procedure was meant to be used or what was done in terms of collecting and reconciling this data.

An ESF Senior Policy/Analysis Officer was recruited in January 2013, and it was found that evidence of quarterly ESF data returns by colleges for AY 2011-12 or 2012-13 was not readily available. Change over in staff and a lack of clear filing meant this information could not be obtained for the previous quarters. As useable data on ESF participant characteristics was not available, an additional data return was conducted in March 2013. Colleges were asked to submit data for academic years 2011-12 and 2012-13.

This process improved the accuracy of project information but the relevance of quarterly reporting was found to be insignificant. The participant characteristics were asked for in an aggregate format, as per the guidance, meaning information could

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<sup>16</sup> Original annual FES return wasn't but quarterly FES reporting introduced specifically for P1 and future ESF projects.

not be tied back to individual participants. There was no way to know who the project's ESF participants were until the final FES return and reconciliation meaning the aggregate data was rendered near useless.

The required mandatory fields were added to FES for the beginning of the P5 Underspend project which should greatly improve the efficiency and accuracy of reporting on ESF participants.

### **Verification and Audit**

Every year, between April and September, SFC runs a rolling programme of verification visits to colleges to check their ESF documentation. These were generally conducted by a Policy/Analysis Officer and a member of the statistics team from SFC. Verification visits involved checking the documentation for a sample of the flagged ESF students. The sample size was dependent on the number of ESF participants a college had and was made up of the greater sample between 30 students or 20% of participants. The documentation to be verified for the sample included student enrolment forms, notification of European funding, attendance records, student support applications and payments, and any documents relating to extended learning support.

The Managing Authority then verified ESF claims made by SFC. The final verifications for the P5 project have been completed and the final claim was approved and paid. As these visits focused on finance and payment issues, the Finance Department at SFC provided this information. As mentioned above, the Managing Authority did not verify delivery against each claim for payment throughout the year. This exposes the payments to risk of over or under delivery of activity when the total activity is verified. This has changed for subsequent projects since, even if the process is completed, there is no way to ensure accuracy of delivery verification at the time of claim for payment. SFC will continue to make payments to colleges throughout the year will not make a claim to the MA for payment until final reconciliation is completed.

The Managing Authority has conducted an Article 60 audit of the P5 project and the Article 62 1(b) audit is ongoing. In addition to auditing SFC claim documents, SG auditors go out to sample a small number of participants at a selected few colleges. For the Article 62 1 (b) audit of P5 project, auditors are visiting New College Lanarkshire, Glasgow Clyde College and West College Scotland. There have been no issues thus far.

Colleges were generally satisfied with the SFC verification visits and audits by the MA. The high number of 'Not Applicable' responses in the table below is due to the fact that the SG auditors do not visit all colleges.

*Table 8*

	Good	Average	Needed improvement	Not Applicable
SFC Verification Visits	66.67% (6)	11.11% (1)	11.11% (1)	11.11% (1)
SG Audit	44.44% (4)	11.11% (1)	11.11% (1)	33.33% (3)

### **Delivery to Profile**

The Edinburgh college merger took place during the P5 project years and there was a lot going on in the region at this time. After the merger took place ESF contracts were still with the individual Edinburgh colleges and FES reporting was still completed separately. SFC was aware that there could be issues about the core WSUM targets of one of the colleges being met and under delivery of core targets would mean that none of the college's ESF WSUMs would be eligible as they would not be additional to core activity. In order to avoid this, SFC reallocated Edinburgh Telford's 2012-13 allocation between City of Glasgow, John Wheatley College, Coatbridge, Carnegie College and South Lanarkshire who were able to recruit additional ESF participants. 2,507 WSUMs and £519,969 were redistributed. Revised offers of grant were sent to Edinburgh College and the colleges that had their targets increased. This was dealt with in-year and payments were stopped to Edinburgh College from June 2013 so the college only received payment for activity delivered by the Jewel & Esk and Stevenson campuses which exceeded their core targets, for ESF in AY 2012-13.

There was a similar scenario for SRUC. Barony College failed to deliver additional ESF activity in AY 2012-13 so their targets were reallocated and Elmwood College picked up the additional activity.

Dumfries and Galloway College also did not deliver their full allocation of ESF WSUMs but the under delivery was not discovered until the final reconciliation process and could not be reallocated as simply as the others. The final payment of ESF funding is for 25% of the allocation total and is made to colleges in the January following final reconciliation. This is a safety mechanism that allows for payments to be adjusted for

under delivery. However, Dumfries and Galloway College are a small college with a small ESF allocation of £32,389 for the delivery of 152 WSUMs and the under delivery was for more than 25% of this. SFC had to send a revised offer of grant and inform Dumfries and Galloway that the outstanding balance would be taken from their main teaching payment. It was not a large sum and the college agreed without issue. SFC ensured that the process was tracked accordingly for audit.

The shortfall from Dumfries and Galloway College Region was reallocated to Ayrshire College Region (neighbouring region) who were substantially over their ESF target and also well above their core target. Scottish Government approved this course of action to avoid ending the academic year with an under-spend on the project.

The situation in Dumfries and Galloway College region arose from a lack of understanding by the college around the differences between SFC and ESF WSUMs. More guidance for colleges on the definition of ESF WSUMs and a better system at SFC to earlier detect college under delivery of core and ESF targets are essential to avoid repeating this in future. Colleges can only claim actual WSUMs completed by ESF participants who leave a course early, ESF participants are only eligible for the full-time tariff if they complete the entire course, unlike core students who qualify if they complete more than 25% of their course.

It is essential that SFC monitoring of ESF activity is linked to delivery over and above core targets.

### **Spending to Profile**

Running the project at sector level added advantage as SFC was in a unique position to ensure that the full funding allocation could be spent even when there was under-delivery by individual colleges, due to the SFC's ability to re-allocate funds between regions.<sup>17</sup> In the SG Evaluation of ESF projects 2007-13, where there was not management at sector level, it was found that only just over half the Strategic Delivery Mechanisms (SDMs) were spending to profile. (P.28)

Overall the project exceeded planned other eligible costs and was under on total participant eligible costs. Following reconciliation of delivery against target, SFC paid colleges for additional eligible ESF WSUMs delivered over and above target if the college did not meet planned spend on student support. SFC also reconciled planned spend on Discretionary Fund into other categories of student support or additional ESF WSUMs delivery following advice from the Managing Authority. SFC

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<sup>17</sup> E.g. Edinburgh College under-delivery, and D&G failing to meet targets so unused funding was re-allocated to Ayrshire who had over delivered.

management therefore provided the necessary flexibility and strategic overview not possible at college level.

However, as the project delivered higher levels of activity than initially forecast, the Student Awards Agency Scotland (SAAS) fees were higher than expected. Student support costs were planned to be 13% of the total spend over the two project years but worked out to be 24% of the total spend. The difference had to be made up from SFC's core budget.

SFC paid SAAS £438,185 to cover Higher Education tuition fees paid out by SAAS for HE ESF students, but the ESF's project's 'other eligible costs' only allowed for a student spend of £355,326.65. To avoid claiming more than the approved eligible expenditure for the project, SFC has deducted £82,858.35 to ensure that approved expenditure is not exceeded. SFC funded the additional £82,858.35 its own funds in entirety. SFC do not necessarily have the budget to cover these costs and student support costs must be projected closer to actual spent in future to avoid this reoccurring.

## Conclusion

The project was successful in a number of crucial ways. WSUM and participant targets were met, the full funding allocation was spent and the outputs have contributed to the overall aim of the project, with 4,777 students gaining a full or partial qualification. SFC has remained the lead partner in the delivery of future ESF projects.

There are, however, areas of delivery and management that can be streamlined and improved. Both the P1 and P5 projects were viewed as short term and one off projects; SFC had little experience in managing delivery of ESF projects and the learning and process setting happened as the programme ran. The P5 project was disadvantaged by changeovers in staff and lacked clear processes for implementation.

The management of the project should be made as simple and transparent as possible. Change over in staff was clearly an issue for the delivery of the P5 project and this would have had a much less significant impact if there were set procedures for the management and delivery of the project in place. All areas of delivery and management would have benefited from robust process notes, from SFC and SG. This would have greatly simplified submitting the application, creating output targets, recording data returns, completing Eurosyst claims and compiling leaver destination results.

Once there was a permanent Senior Policy Officer working on the SFC ESF projects, improvements to processes began to be made, including improvements to the management and delivery of the subsequent P5 Underspend project and from consultation, colleges have generally been happier with the delivery of the project. Specifically there has been an increased level of communication with SFC, guidance on the project requirements has improved, and reporting requirements are being met more efficiently.

The P5 project was limited to additional student places and whilst this did meet a need of the Scottish workless population and employers during the economic downturn, analysis of the leaver destination survey results suggests that improvements could be made to what is delivered as ESF activity. Added value could be increased; as the lasting legacy of the program currently could be enhanced. It would be of benefit to participants, colleges and Scotland's workforce if there was more flexibility around what colleges could do with ESF funding.

This issue has been addressed more in the DSW project 2014-2020 as Articulation Places and Curriculum Development can now be funded with the ESF allocation. The new programme is fundamentally different to previous funding periods in that it is developed in accordance with the EU 2020 goals of smart, sustainable and inclusive growth. Increased added value is a focal point and the opportunity in the DSW project to provide intervention further to additional places will deliver this added value. SFC should consider looking into how satisfied colleges are with this.

### ***Recommendations***

1. Developing ESF reporting systems is crucial. There should be strict requirements and set procedures for collecting and keeping the necessary ESF participant details that are not collected through FES. The accuracy and ease of data collection could be further improved by building additional ESF data monitoring into FES. The additional data fields not collected by FES for the P5 project evaluated are detailed in Annex 3.
2. Outputs on specific participant characteristics targets varied markedly from targets in the project application. The process used to create these targets is not clear. A process for setting targets that is transparent, can be followed year on year, and is closer to delivery is vital in order to effectively judge colleges on their targeted provision. Baseline data from this project and the other previous projects should be utilised to produce more realistic output targets.
3. Follow-up of ESF students by colleges to evidence results indicators was unsatisfactory. Monitoring and recording of leaver destination results is a mandatory requirement by the Managing Authority and this should be included by SFC in future conditions of grant for project delivery. It is important that future project guidance provides clear instruction on the process for monitoring and recording leaver destinations. An approach should be agreed with SG and the college sector as a matter of urgency.
4. SFC should improve monitoring of project delivery to keep a closer check on whether colleges are on track to reach core targets as well as ESF targets. The under-delivery of Dumfries and Galloway College identified after the end of the academic year, highlighted the need for early detection. Strict quarterly monitoring of college core targets should be applied and closer liaison within SFC between the ESF team and the Funding Group is essential.

5. SFC could have been better prepared for the delivery of the project. SFC lacked the dedicated staff. The project application stated that *“SFC is aware of the resource implications of managing a project of this scale and complexity and will put appropriate management and administrative structures in place.”* In hindsight, management of the ESF project could have been stronger and indeed, subsequent projects have had a dedicated ESF Senior Policy/Analysis Officer, a Policy/Analysis Officer and an ESF Administrator written in to the project application. A structured staff plan should be in place at all times.
6. SMART<sup>18</sup> output, outcome and result targets should be established at the start of the project and clear processes for monitoring and reporting. For example, improving the process for monitoring leaver destinations will provide SFC and colleges with better evidence on the number of participants who enter employment, improving forecasting for future ESF results indicators. Results from the P5 project indicate that future results indicators should focus on the delivery of qualifications and training. SFC and the colleges do not have control over the proportion of participants who choose to progress into higher education or to take-up employment. The ESF training delivered is linked to regional employer need and continuation of participants along the skills pipeline and into FE, HE or employment are all recognised as positive outcomes.
7. SFC should be aware, and make Colleges aware, of exactly what is needed and expected of them when it comes to SG and European audits. Comprehensive guidance from SG is needed and guideline timelines of when to expect an audit should be issued to colleges in order to allow them to be best prepared for SG or EU visits.
8. The value of delivery could be improved by supporting more than just additional student places and colleges expressed a desire to deliver more through ESF. The Developing Scotland’s Workforce project provides for Articulation Places and some Curriculum Development work. This work, and the possibility to incorporate more variety in the use of funds, should be explored to the fullest.
9. The P1 evaluation was not conducted until October 2013 which means there was no opportunity to incorporate the lessons learned from it into the planning and implementation of this P5 project. As a result, there are similarities between these lessons and recommendations and those proposed

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<sup>18</sup> Goals should be specific, measurable, attainable, realistic and timely.

in the P1 evaluation. There should be a clear plan in place for who is responsible for conducting the evaluation project and when. This is more important for the 7 year Developing Scotland's Workforce project to ensure that appropriate evaluation has taken place to allow for the opportunity to renegotiate targets and delivery after the first three years. It is expected that there will be a statutory year three review so an interim evaluation to be conducted after year two would allow findings to feed into the statutory review. It is important that this is prepared for in advance to maximise the relevance of the findings in the evaluation.

## ANNEX 1 – LUPS Areas

Eligible areas	LUPS Spatially Targeted Areas only			All LUPS Areas (including non-spatially targeted areas)	
Pipeline	<u>Stage 1</u> Referral/ Engagement activity	<u>Stage 2</u> Barrier Removal	<u>Stage 3</u> Vocational activity	<u>Stage 4</u> Employer Support, Engagement and Job Matching	<u>Stage 5</u> In-Work/ Aftercare & Skills Development
Client Status	Not job ready	Not job ready	Job ready	Job ready	In work
	Target Group 1			Target Group 2	

## ANNEX 2 – Skills Pipeline

### Stage 1:

- early engagement, identification of needs and development of action plans.

### Stage 2:

- removing barriers to employment;
- provision of specialist and non-traditional employability provision required for the eligible target groups, eg debt support/financial advice, condition management;
- training/education, work preparation to build confidence and develop basic life and coping skills, including ICT, literacy, numeracy and English for Speakers of Other Languages; and
- volunteering.

### Stage 3:

- vocational training, developing core skills, supported volunteering, job search advice, job tasters and work experience;
- accredited pre-employment training for core skills (e.g. ICT);
- vocational training specific to the 7 Key Sectors and other high participation/enabling sectors;
- industry specific qualifications e.g. CSCS, SVQ in Construction, Care etc. (non-statutory).
- progression preparation – developing skills to source, apply for and secure labour market entry or routes to further development.

### Stage 4:

- limited pre-employment support for job-ready individuals to move directly into employment;
- employer engagement/matching including short placements into jobs;
- supported activity to apply for and successfully secure a progressive destination with aftercare to help ensure sustainability;
- training, mentoring and supporting men and women who want to enter occupations or sectors where their gender is under-represented, in order to tackle gender segregation and the pay gap;
- developing support for employees and employers to help employee retention and progression in due course, including supported employment and training; and
- activities enabling disadvantaged young people and adults to enter apprenticeships.

### Stage 5:

- initiatives to encourage and support the development of vocational skills among low-skilled and low-waged individuals, including training;
- initiatives to support the development of vocational and core skills among specific groups such as women returners. Initiatives could include training and also cover those in supported employment;
- activities supporting disadvantaged young people and adults in apprenticeships;
- initiatives to provide training for those wishing to start up or manage a business, particularly from groups under-represented at managerial levels such as women or individuals from ethnic minority backgrounds;
- training to provide entrepreneurial, business planning, financial, marketing, and e-skills for those starting up new companies or in self-employment and key managers in new and existing SMEs and social enterprises; and
- high level business and management skills required by workers in social enterprises and co-operatives to improve the sustainability of their organisations.

### ANNEX 3 - ESF claim reporting categories (not covered by FES)

#### Period of registered unemployment

Up to 6 months  
6-12 months  
13 to 24 months  
25 to 36 months  
Over 3 years  
Workforce returners

#### Period of worklessness

Up to 6 months  
6 to 12 months  
13 to 24 months  
25 to 36 months  
Over 3 years  
Workforce returners  
In education/training

#### Target Group

Homeless  
Lone parent  
History of Substance abuse  
History Of Alcohol Abuse  
Literacy/Numeracy issues  
Disabilities  
Mental health problems  
Physical Illness  
Family Caring Responsibilities  
Young People leaving care  
Economically Inactive  
Lack of Work experience  
Unemployed  
Criminal record  
No qualification  
EU Migrant worker  
Non – EU migrant workers  
Self- employed  
Voluntary Worker  
Ethnic Minority  
Young people (NEET)  
Asylum seeker  
Employed

In full or part time education  
Young people at risk of becoming (NEET) on leaving school  
Long-term unemployed  
Seasonal Worker  
Part-time worker  
Refugees

### Indicators & Targets

Output - Number of participants receiving support  
Output - Number of participants with multiple deprivations  
Output - Number of participants in the NEET group  
Output - Number of participants with disabilities or health problems  
Output - Number of male participants without basic skills  
Output - Number of female participants without basic skills  
Output - Number of male participants without level 2 skills  
Output - Number of female participants without level 2 skills  
Output - Number of male participants without level 3 skills  
Output - Number of female participants without level 3 skills  
Result - Number of participants entering employment  
Result - Number of participants entering further education or training  
Result - Number of (previously non –unemployed) participants in employment 6 months after leaving  
Result - Number of male participants gaining basis skills  
Result - Number of female participants gaining basis skills  
Results - Number of participants gaining a full qualification  
Results - Number of participants gaining a partial qualification  
Result - Number of male participants gaining level 2 skills  
Result - Number of female participants gaining level 2 skills  
Result – Number of male participants gaining level 3 or above skills

Output- Number of women going into gender imbalanced sectors  
Output- Number of men going into gender imbalanced sectors  
Output - Number of participants in projects addressing entrepreneurial managerial skills  
Output – Number of participants from social enterprises  
Result – Number of entrepreneurs and new managers gaining a full qualification  
Result – Number of entrepreneurs and new managers gaining a partial qualification  
Result - Number of participants from social enterprises gaining a full qualification  
Result - Number of participants from social enterprises gaining a partial qualification

## ANNEX 4 – Consultation Questions

### EUROPEAN SOCIAL FUND PRIORITY 5 EVALUATION FORM

Project: LUPS/ESF/2011/4/5/0005

Title		College	
Forename(		Position	
Surname(s)		Date	
<b>1. GENERAL COMMENTS ON YOUR ROLE IN THE DELIVERY OF THE PRIORITY 5 PROJECT</b>			
<b>2. ANY POSITIVE POINTS ON SFC-MANAGED PROJECT, E.G. IN COMPARISON TO THOSE MANAGED BY OTHER ORGANISATIONS OR AGENCIES?</b>			
<b>3. CONSTRUCTIVE FEEDBACK IS SOUGHT ON THE PRIORITY 5 PROJECT WHICH IS INTENDED TO FEED INTO THE DEVELOPMENT OF SFC'S FUTURE ESF PROJECTS</b>			
<b>4. HOW WAS/WERE THE CPP(S) ENGAGED IN PLANNING AND/OR DELIVERY OF THE PROJECT?</b>			
<b>5. ANY OTHER COMMENTS/ADVICE</b>			

## ANNEX 5 – Stakeholders Consulted

Contact	College
Lynn Retallick	Borders College
Veronica Lynch	Dundee & Angus
John Canning	Glasgow Clyde
Elaine Campbell	Glasgow Kelvin
Margaret Love	New College Lanarkshire
Anne Doherty	South Lanarkshire
Morag Campbell	SFC
Paul MacFadyen	SFC
Joelle Russell	SFC
Martin Smith	SFC
Gordon McBride	SFC
Julie Davies	SG