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**SPECIFICATION**

**INVITATION TO TENDER – ITT 30037**

**Career progression for low skilled and low paid parents and other workers – 23-901-01**

**Geographic Location London SOUTH (LOT04)**

**DATE: May 2016**

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| **SPECIFICATION: Career progression for low skilled and low paid parents and other workers** |
| BACKGROUND |
| **General**  The contracting authority is the Secretary of State for Business Innovation and Skills acting through the Skills Funding Agency (SFA), an executive agency of the Department for Business Innovation and Skills exercising functions to fund adult education and skills.  The SFA, acting as an Opt-In Organisation for the European Social Fund (ESF), is procuring education and training services to meet priorities identified by Local Enterprise Partnership (LEP) area European Structural and Investment Funds Sub–Committees. As an Opt-In Organisation the SFA provides match funding at Priority Axis level utilising sources of public funding as match for ESF funded activity.  This Invitation to Tender (ITT) is for Priority Axis 2 and for Investment Priority (IP) 2.1, enhancing equal access to lifelong learning. Where the need has been identified both in the LEP area and European Structural and Investment Fund Strategies.  The IP 2.1 supports equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences. Resources are being focused through this IP on people in the workforce who lack basic skills or qualifications needed for their career progression and for business growth and innovation in the knowledge economy.  The strands in 2.1 are:   * Skills Support for the Workforce, Basic skills provision * Skills Support and re-training for employment   The SFA is looking to procure an organisation to deliver education and training that best support the needs of local employers and employees in the LEP area set out below.  **London Enterprise Panel Background**  ESF in London is managed by the Greater London Authority who act as the Intermediate Body for ESF under the strategic direction of the Mayor and the London Enterprise Panel.  The London Enterprise Panel (LEP) produced a detailed European Structural and Investment Fund (ESIF) Strategy in 2014 detailing how ESF supported the capital’s Jobs and Growth aims. The LEP has been allocated approximately £748m for the delivery of the ESIF Strategy for London 2014-20 (https://lep.london/publication/european-funding-strategy-2014-20)  The ESIF Strategy for London builds on the LEP’s Jobs and Growth Plan. Alongside London’s successes there are many challenges; juxtaposed with highly successful agile and profitable labour markets are significant pockets of deprivation, worklessness and economic under performance. The residents of many London boroughs do not possess the skills or opportunities to share in the successes of local markets. London’s allocation of funding allows the LEP to develop a responsive and relevant portfolio of activities to tackle the ESIF strategy challenges.  With this in mind, the LEP has designed a range of ESF employment and skills programmes, including sector specific skills provision which is demand led, aimed at equipping business with the skills they need to grow their business. Interventions should focus on areas with opportunities for sustained employment and include employer engagement wherever possible to support the achievement of job outcomes.  There is also a strong focus on in-work progression and poverty. The LEP has consistently championed the London Living Wage and will continue to do so with a range of ESF programmes looking to lift people out of poverty. These include support for low paid workers, particularly parents, as well as incentivising providers to support people into well paid, sustainable work where possible.  Support will be delivered through sub-regional contracts based on existing borough sub-regional partnerships. This will allow better coordination of activities and integration with local borough services, and contracts of this scale also appear to be good value for money.  In developing these programmes, the LEP has brought together stakeholders including the ESF Co-financing organisations (CFOs), London Councils, the London Voluntary Service Council (LVSC), local communities and Job Centre Plus. The LEP has also applied lessons learnt from the 2007-2013 London ESF programme. As a result of these discussions, the programmes will reflect the ESIF Strategy’s three Investment Themes: Freedoms, Flexibilities and Funding Incentives; Informed Customers; Employer Engagement; and respond to the objective of providing Londoners, especially disadvantaged Londoners, the skills they need to get, remain in and prosper in jobs.  A summary of the complete package of all ESF employment and skills programmes that will be procured across the CFOs in London (SFA, DWP and Big Lottery Fund) for the first phase of the 2014-2020 ESIF programme – can be found here:  https://lep.london/publication/european-social-fund-proposed-opt-organisation-provision  Bidders should be committed to working in partnership to deliver the ESF programmes in London ‎and consider how they will work collaboratively to achieve the overall programme objectives. The LEP is keen to do what it can to encourage the integration of ESF provision with other local services.  **Service Specific Background**  In work poverty is an increasing issue for London and the UK. Stark statistics from 2012 showed that there are now more people in poverty in working households in the UK (6.1 million) than there are in workless households (5.1 million). There has also been a rising concern that many of those in low paid work are unable to progress into better paid and more stable jobs and their children live below the poverty line. Support that helps move parents out of poverty not only improves their lives, but also the future prospects of children growing up in the family.  There is very little mainstream provision that aims to increase pay and progression for low paid, employed people. The main support available to customers is the National Careers Service, which provides a lighter touch service. DWP has run a number of pilots around low pay and progression in anticipation of the rollout of Universal Credit.  A substantial number of people are stuck in or cycling in and out of low paid, insecure employment with few progression opportunities. Research by Trust for London & CESI, 2013 shows that 21% of London workers (625,000 people) are paid below the Living Wage. Whilst median hourly wage growth for low paid Londoners is on average higher than for the workforce as a whole (10% v 4%), there are a sizeable proportion of low paid workers, 28%, who experience hourly wage growth of less than the national median (2.5%), and this is the group that can be described as ‘stuck in low pay’. Research by the JRF found that those in low-skilled occupations and on part-time/temporary contracts are far less likely to have career progression opportunities than others.  There are, therefore, two sides to the problem. On the one hand there is low pay which is fuelling increasing in-work poverty and on the other there is a lack of progression opportunities, which is limiting the ability of individuals to get out of the low pay.  The aim of the Service is to support people, particularly parents and lone parents in low paid and/or unstable employment to increase their wage and gain more stable jobs that lift them out of poverty. It will also support businesses to increase the productivity and skills of their employees. For more detailed information on the rationale and the existing research applicants must consult the background document at  https://lep.london/content\_page/skills-funding-agency |
| **DEFINITION OF TERMS** |
| **Candidate:** means an organisation who has been invited to take part in this restricted procurement procedure  **Disability**: A person who has a physical or mental impairment that has a substantial and long-term adverse effect on the ability to carry out normal day-to-day activities  **Eligibility:** Only people who are eligible to work in UK are eligible for this EU programme.  **Employed**: People are employees if they perform work for pay, profit or family gain. People are self-employed if they work in his/her own business for the purpose of earning a profit, even if they are not making a profit or are just setting up.  **Low pay:** Defined as those earning 10 per cent below the weekly earnings’ equivalent of 35 hours at the latest London Living Wage (LLW) (this would currently be less than £8.23 x 35 hours = £288 per week) and who have been in such low paid employment for at least 4 months. The participants’ amount of working hours that can be counted toward wage progression must be not more than 40 hours per week  **Micro Businesses:** This relates to organisations employing less than 10 Employees Small and Medium sized Enterprises: This applies to organisations employing less than 250 employees  **Positive change of contract**: The participant’s employment contract has changed:  • From a zero hours contract to a permanent contract, or a temporary contract of at least six months duration.  • From a temporary contract of less than six months duration to a permanent contract, or a temporary contract of at least six months duration.  **Qualifications:** Qualification means a formal outcome assessment and validation process which is obtained when a competent body determines that an individual has achieved learning outcomes to given standards. Regulated qualifications/aims are those listed in the Learning Aims Reference Service as being regulated. Non-regulated aims are those listed in the Learning Aims Reference Service as being non-regulated.  Regulated and non-regulated aims must be planned to be delivered within budget.  Qualification rates are based on the published LARS rates at the start of the contract.  **Services:** The provision of education, training or support delivered to individuals.  **Small and Medium sized Enterprises**: This applies to organisations employing less than 250 employees  **Status:** Employment status and age are determined on the date of starting on the Services.  **Survey**: Where applicable, long term sustained outcomes over 6 months will be monitored separately. Some ESF indicators will be collected by survey by the ESF Managing Authority directly from the participants.  **Wage increase**: The difference in wages from the month the customer joined the programme for up to 12 months after that.  **Wage progression:** Wage progression is defined as two consecutive months of wage increase within a year of participating in the programme. |
| **SERVICE REQUIREMENTS** |
| **General Service Requirements**  All activities must complement and avoid duplication with other provision, thereby adding value to Department for Work and Pensions/Big Lottery, Education Funding Agency, Skills Funding Agency, local authority, National Careers Service and the new Careers Enterprise Company funded provision. Successful candidates will be required to ensure that ESF provision will clearly add value and not duplicate any provision that can be arranged locally through existing mainstream institutions.  ***Capacity and readiness to deliver***  Candidates must have:   * The resources to offer locally tailored solutions and flexible delivery to meet the skills and apprenticeship priorities of employers and employees in the defined geographical area of delivery. If the LEP area also has a ‘transitional’ area defined in addition to the ‘more developed’ area, delivery locations will have to be available *in each locality* * The capacity to deliver provision immediately upon commencement of the contract and that delivery should not be delayed in any way by any recruitment processes or other processes or relationships that need to be established. * Candidates must be able to demonstrate the ability to undertake robust initial assessment of eligible individuals. Vocational training delivered must be regulated units and qualifications on the Qualifications and Curriculum Framework and be able to support individuals into higher levels of training and workplace progression   ***Track record***  The ability to deliver the required activity, based on a track record in the successful delivery and management of this type and size of programme  ***Information, Advice and Guidance***  Where the activity requires effective Information, Advice and Guidance successful  applicants and/or subcontractors delivering this element will either hold or be working towards the Matrix standard.  ***Management and quality assurance***  Candidates will need to have effective management arrangements in place to ensure all of the requirements of this specification are fulfilled. The Services must be delivered to a high quality and successful tenderers will need to have in place quality assurance and improvement processes.  The Service needs to be flexible and responsive to the changing economic and political landscape and take into consideration that the approach and associated processes may change during the life of this contract. Therefore Candidates will be expected to be able to change the delivery of the Services accordingly.  ***Partnership working***  Candidates will be required to work in partnership with other organisations delivering education and training in the area to ensure the Service is complementary to and not in competition with other funded provision.  The Service must be able to respond to changing local needs and opportunities, as well as policy changes.  Candidates will be required to establish linkages with and have an understanding of, local stakeholder needs and develop strong links with the key stakeholders.  Candidates will be required to work with employers to identify the skills gaps and needs to drive employer growth.  Where the Service works with Jobcentre Plus clients the Candidates will be required to co-operate effectively with Jobcentre Plus making them aware of candidates who fail to attend training and notifying them of any instances where individuals leave training due to starting work. Candidates will be required to establish links with Jobcentre Plus and visits to public or private sector employers should be made in conjunction with Jobcentre Plus and National Careers Service wherever possible to ensure a smooth, efficient, and joined up approach to arranging benefit claims, offering new employment opportunities and training for all eligible individuals.  ***Market intelligence and local knowledge***  The delivery of the Services must take into account the current and future social and economic indicators including labour market intelligence. Candidates must be able to demonstrate a comprehensive understanding of the current employment market and the current and future social and economic indicators including labour market intelligence for the geographical area being supported. Candidates must also have an understanding of local skills shortages and gaps and any existing skills support structures within the LEP area.  ***Management information and reporting***  Candidates will develop management information systems to enable it to submit data to the Skills Funding Agency via the Individual Learner Record (ILR) and put in place robust arrangements for ensuring that the evidence required to support payments is collected and retained.  Candidates will be required to share with LEPs and the Skills Funding Agency ongoing performance management data as well as additional intelligence to improve the effectiveness of Skills Support projects in the LEP area in the future  **Specific Service Requirements**  Services must support people, particularly parents and lone parents in low paid and/or unstable employment to increase their wage and gain more stable jobs that lift them out of poverty.  The primary participants of the Services will be low paid parents, particularly lone parents. The Services should aim to recruit a minimum of 45% of participants who are parents, 30% of whom should be lone parents although this can be reviewed during the lifetime of the contract.  The Service should provide different approaches to achieve wage progression (defined as two consecutive months of wage increase within a year of engagement), working with either participants or through employers. Participants must be discouraged from taking more overtime or undertaking additional short term work in order to gain increased payments. Support must focus on achieving higher hourly rates stemming from an increase in annual wages, rather than an increase in the number of hours worked to achieve sustainable progression. Consideration must be given to current working patterns of parents and activity arranged accordingly.  If participants are identified via their employer, the Services should establish any skill needs on an individual or sector basis that will meet the needs of the business; aids organisational development and helps individuals to progress. Engagement at senior/board level, with a subsequent focus on supervisors of low-paid staff and an Organisational Needs Analysis could prove to be key in the process. Some businesses may not support the development of participants and participants may be identified without the knowledge of their employer. In this case, the implications of providing this activity outside of working hours must be considered; in both cases, given the focus on parents, consideration should be given to the location and availability of childcare support.  There must be an initial assessment of each participant which must, address the participant’s current situation, i.e. housing, work history and ‘Better off Calculations’ and understand why the participant has remained in low-paid employment. A range of personalised progression outcomes must be agreed with wage progression always the primary goal. An individual progression plan that maps out how to achieve the progression must be agreed with the participant.  The Services must provide a tailored individual support package to each participant, which should include mentoring and/or face to face coaching to employees through the Personal Adviser. The support package must address the each participant’s assessed needs and may include focusing on increasing skills levels and working with employers to determine different progression opportunities, or providing Personal Adviser support to build confidence and motivation. The Services must provide any type of regulated (achieving a qualification) and non-regulated activities that the participant may benefit from in order to achieve wage progression (e.g. coaching or mentoring, participation in workshops; development of soft skills such as basic skills, employability skills; work shadowing). Participants who have English is a second language may benefit from support from the National Recognition Information Centre (NARIC)  The Services may provide accredited units of learning at Level 3 and above in subject areas where these do not lead to a full qualification.  The Services must not duplicate or undermine national policy, including policy on grants and loans.  The successful Candidate should have strong links to specialist and local organisations and should include referrals from a range of those organisations which including:   * The National Careers Service * DWP/JCP * London Boroughs e.g. via Housing Benefit Services * Children’s centres or libraries, nurseries * Social Landlords * Work Programme providers * Community Centres/hubs VCS organisations such as Citizen Advice Bureau, Credit Unions * Employers within Business Improvement District * Self-referrals * Many others   No new participants can be recruited within 6 months of the end of the programme.  The successful Candidate must conduct exit interviews with employers to assess the impact of the activity.  The successful Candidate must participate in an external evaluation which will be commissioned to assess the effectiveness of the provision for future commissioning rounds.  The successful Candidate should also share appropriate data with other ESF programmes and evaluations in line with Data Protection law. The successful Candidate will make the participants aware that their data will be used for evaluation.  **London Employability Performance Rating**  The successful Candidate will be required to participate in the London Employability Performance Rating, which uses management and performance information, supports participant choice and collects evidence of customer satisfaction, provides an evidence-based track record of delivery against grant, improves transparency of contract management and provides a framework for lead delivery partners to performance manage partners and subcontractors.  Further information about the London Employability Performance Rating can be found on the Greater London Authority’s website: <http://data.london.gov.uk/london-employability-performance-rating/> |
| ELIGIBILITY |
| **General**  General eligibility requirements are set out in : the European Social Fund Programme for England 2014-2020 National Eligibility Rules which can be found here: <https://www.gov.uk/government/publications/european-structural-and-investment-funds-programme-guidance>  Specific Eligibility Criteria:   * **Low-paid participants** is defined as those earning 10 per cent below the weekly earnings’ equivalent of 35 hours at the latest London Living Wage (LLW) (this would currently be less than £8.23 x 35 hours = £288 per week) and **who have been in such low paid employment for at least 4 months.** The participants’ amount of working hours that can be counted toward wage progression must be not more than 40 hours per week * Participants working on a zero hour contract and earning below the eligibility threshold defined above are eligible. However, Participants working on a zero hour contract but earning above the London Living Wage are not eligible on the programme.   Of the total participants recruited;   * Minimum of 45% of all participants should be parents * Minimum of 30% of all participants who are parents should be lone parents   Please note LEP Specific requirements are subject to the National Eligibility Rules detailed above.  In delivering the Services, the successful Candidate must take into account and support the targets for the following groups where this is consistent with the other Services requirements for addressing the needs of groups identified as priority and meeting the Services deliverables.     |  |  | | --- | --- | |  | **More Developed** | | Participants who are over 50s | 20% | | Participants from ethnic minorities | 56% | | Female participants | 45% | | Participants without basic skills | 21% | | Participants with a disability or health problems | 25% | |
| **GEOGRAPHY / AREA OF DELIVERY** |
| **LEP Specific**  The Services will be delivered within the London Enterprise Panel area.  London has been divided into functional economic areas (FEAs) covering Central, North East, South and West London for the purposes of procuring ESF provision.  The SFA is looking to procure one candidate for each FEA.  A candidate can cover more than one FEA. Please note that a separate application must be made for each FEA.  Candidates must cover all boroughs within an FEA.  **Central London**  Camden  City of London  Islington  Kensington and Chelsea  Lambeth  Lewisham  Southwark  Wandsworth  Westminster  **North & East London**  Barking and Dagenham  Enfield,  Greenwich,  Hackney  Haringey,  Havering,  Newham  Redbridge,  Tower Hamlets,  Waltham Forest  **South London**  Bexley  Bromley  Croydon  Kingston  Merton  Richmond  Sutton  **West London**  Barnet  Brent  Ealing  Hammersmith & Fulham  Harrow  Hillingdon  Hounslow |
| **FUNDING AND DELIVERABLES** |
| **LEP Specific**  Currently £9,892,423 pounds will be available for the period from August 2016 to March 2018. This may be increased if additional funding becomes available.  **Definitions of progression deliverables**  **Wage progression**  Wage progression is defined as two consecutive months of wage increase within a year of participating in the programme. The wage increase is the difference in wages from the month the customer joined the programme for up to 12 months after that. These are the first and second ‘measurement months’. The primary measure of progression would be increases in total wages, not hourly wages.  The calculation can be made using the wages in the months adjacent to the measurement months, but only if there are particular reasons why the measurement months do not provide an accurate measure of typical wages. This might be because the customer took a period of unpaid holiday.  **Positive change of contract**  The participant’s employment contract has changed:   * From a zero hour contract to a permanent contract, or a temporary contract of at least six months duration * From a temporary contract of less than six months duration to a permanent contract, or a temporary contract of at least six months duration   The change of contract must be evidenced by the corresponding contracts of employment or an employer declaration.  **Non-regulated activity**  Any activity such as participation in workshops; development of soft skills e.g. basic skills, employability skills; work shadowing, mentoring and other activities suggested by the Candidate and present in the individual progression plan for each participant. Delivered through a Preparation for Work aim.  The table below shows the initial planned outcomes, but performance management may change the volumes and mix during the life of the contract.  From the funding available on the regulated and non-regulated lines, the provider must plan to deliver the appropriate support for each participant to enable them to progress.  In the event that a geographical area cannot be covered through this procurement round, the Agency may negotiate to extend the delivery area to ensure all FEAs are serviced.  The minimum service deliverables, values and volumes for which evidence must be provided are:  **Lot 1 London Central £1,978,169**   |  |  |  |  | | --- | --- | --- | --- | | Description | **Volumes** | **Unit Cost Total Value Average per Intervention** | **£** | | ST01 Learner Assessment and Plan | 1670 | £511 | £853,370 | | RQ01 Regulated Learning |  |  | £163,660 | | NR01 Non Regulated Activity |  |  | £365,229 | | SD01 Participants employment contract changing from zero hours to part-time employment or full time employment; or participants employment contract changing from part time employment to full time employment | 334 | £490 | £163,660 | | SD02 Participants wage has increased for 2 consecutive months | 475 | £910 | £432,250 | | Total |  |  | £1,978,169 |   **Lot 2 London West £2,374,607**   |  |  |  |  | | --- | --- | --- | --- | | Description | **Volumes** | **Unit Cost Total Value Average per Intervention** | **£** | | ST01 Learner Assessment and Plan | 2005 | £511 | £1,024,555 | | RQ01 Regulated Learning |  |  | £196,490 | | NR01 Non Regulated Activity | 1804 | £243 | £438,372 | | SD01 Participants employment contract changing from zero hours to part-time employment or full time employment; or participants employment contract changing from part time employment to full time employment | 401 | £490 | £196,490 | | SD02 Participants wage has increased for 2 consecutive months | 570 | £910 | £518,700 | | Total |  |  | £2,374,607 |   **Lot 3 London North East £3,462,496**   |  |  |  |  | | --- | --- | --- | --- | | Description | **Volumes** | **Unit Cost Total Value Average per Intervention** | **£** | | ST01 Learner Assessment and Plan | 2923 | £511 | £1,493,653 | | RQ01 Regulated Learning |  |  | £286,650 | | NR01 Non Regulated Activity |  |  | £639,333 | | SD01 Participants employment contract changing from zero hours to part-time employment or full time employment; or participants employment contract changing from part time employment to full time employment | 585 | £490 | £286,650 | | SD02 Participants wage has increased for 2 consecutive months | 831 | £910 | £756,210 | | Total |  |  | £3,462,496 |   **Lot 4 London South £2,077,151**   |  |  |  |  | | --- | --- | --- | --- | | Description | **Volumes** | **Unit Cost Total Value Average per Intervention** | **£** | | ST01 Learner Assessment and Plan | 1754 | £511 | £896,294 | | RQ01 Regulated Learning |  |  | £171,990 | | NR01 Non Regulated Activity |  |  | £383,697 | | SD01 Participants employment contract changing from zero hours to part-time employment or full time employment; or participants employment contract changing from part time employment to full time employment | 351 | £490 | £171,990 | | SD02 Participants wage has increased for 2 consecutive months | 498 | £910 | £453,180 | | Total |  |  | £2,077,151 | |