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**SPECIFICATION**

**INVITATION TO TENDER 30048**

**Employee Support in Skills 17-001-01**

**Hertfordshire**

**DATE: May 2016**

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| **SPECIFICATION: Employees Support in Skills** |
| 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 theme in 2.1 is   * Skills Support for the Workforce, Intermediate/Higher Skills Provision   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.  **Hertfordshire Local Enterprise Partnership Background**  Ensuring our workforce has the right skills to encourage future economic growth lies at the heart of delivering the vision set out in the Hertfordshire Local Enterprise Partnership (LEP) Strategic Economic Plan (SEP) which has defined the following vision: ‘that by 2030 Hertfordshire will be the leading economy at the heart of the UK’s ‘Golden Triangle ’. Skills for growth will be an important element in achieving this vision with over 50% of Hertfordshire businesses being knowledge intensive.  Hertfordshire has a growing productivity gap, – with productivity rates significantly below peer economies in the south of England. It seems unlikely that the supply of qualified workers is behind this trend. However, a contributing factor may be that Hertfordshire’s employers are less likely to train their staff than the leading local economies.  The LEP has worked with Hertfordshire County Council and DWP to develop a skills strategy for Hertfordshire. A key theme within the strategy is skills to drive growth i.e. working with businesses and training providers to improve the skills of both the existing workforce and the future labour market in order to sustain economic growth.  The LEP has identified the following priority sectors as key to its aim of driving economic growth within the county.   * Life Sciences/advanced manufacturing/engineering and IT – including life sciences, defence and aerospace companies, software, ICT and telecoms services, equipment producers and communications integrators * film and digital media – noting that Hertfordshire has world class assets in the form of Leavesden (home of Warner Bros) and Elstree * financial and business services – where there are opportunities to accommodate national headquarters and also regional offices serving southern England: Watford, St Albans, Cheshunt, Hemel Hempstead can all claim notable businesses in this context * high-end logistics – which is growing very quickly, particularly in servicing London-based households and businesses, and increasingly generates higher quality jobs. life sciences, pharmaceuticals, advanced manufacturing, engineering * In addition to the above, the LEP realises the importance of employment growth sectors such as hospitality, health & social care, retail and other service based sectors, however prioritises those listed above   A local skills survey identified that in Hertfordshire SMEs were less likely to have a training budget or training plan when compared to SMEs nationally and when compared to larger businesses in Hertfordshire. Of those SMEs that provide no formal training to their employees, 27% cited financial costs as a reason whilst a further 20% cited a lack of knowledge of available training provision as the reason for not training employees.  According to the survey 55% of SMEs reported an increase in the recruitment of new staff over the past 12 months, far greater than micro businesses at 20% and even large businesses at less than 5%.It also showed that nearly half of employers identified skills gaps in their existing workforce, 45% of local businesses considered that skills gaps were important factors affecting their competitiveness.  A lack of commitment from SMEs towards up-skilling their employees particularly those with lower skills levels is impacting on the growth of our economy so public intervention is justified on grounds of market failure  Our aspiration is to work with businesses, Higher Education (HE), Further Education (FE) and other training providers to improve the skills of both the existing workforce and the future labour market ensuring a better matching of skills to business needs in order to sustain economic growth. |
| **DEFINITION OF TERMS** |
| **At risk of Redundancy:** means Employees identified by the employer as at risk or redundancy and/or commenced formal consultation with staff representatives on the need to make redundancies  **Candidate:** means an organisation who has been invited to take part in this restricted procurement procedure  **Disability**: A person has a disability if they disclose a disability that limits their ability to work.  **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.    **Micro Businesses:** This relates to organisations employing less than 10 Employees  **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.    **Start Date:** 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.  **Unemployed:** Unemployed are persons usually without work, available for work and actively seeking work. Persons considered registered unemployed would be included. Full time students are considered as inactive but not eligible for this provision as they are not available for work. Long term unemployment is greater than 6 months for under 25 years old and greater than 12 months for 25 years old or more. |
| **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**  **Skills Support for the Workforce, intermediate and higher level skills provision theme**  The aim of the Services is to provide individuals with the opportunities to develop the skills that will enable them to progress in employment. The Services will provide support to employers to develop individuals to fill intermediate, technical and higher level skills gaps and shortages.  The Services must deliver a responsive skills programme that is tailored to the needs of the Hertfordshire LEP area in order to stimulate a growth in the skills base for businesses that will give the best opportunity to grow the economy and create more and better jobs.  The Services must link with the proposed skills hubs funded through the DWP ESF contract and to the Hertfordshire Growth Hub and in particular the proposed ESF funded Skills Advisory Service.  The Services must prioritise the LEPs key economic growth sectors as listed in the LEP background section above.  The Services must support individuals to start on higher level skills and apprenticeships by providing taster units of relevant vocational training; work-based access training and work shadowing opportunities related to higher skills/paid jobs.  The Services must drive up skills levels, focusing on the skills being sought by employers and supporting the Hertfordshire LEP’s priority sectors. The Services must result in an increase the number of businesses (SMEs) who are actively planning to address skills issues as a part of their growth. The Services must encourage employers and/or employees to participate in an apprenticeship.  There must be an assessment of the current skills profile of the individual and how it relates to the sector in which they are Employed and the employer’s needs and to develop the appropriate training option or provide access to it.  The Services must provide advice and guidance, personal development planning, skills development and learning and mentoring on an individual basis.  The Services must deliver skills provision which offers both accredited and non-accredited skills training which is innovative, responsive to local skills needs and increases participation by employed adults in education or training (including Apprenticeships) Provision will normally be accredited but where suitable accredited provision does not exist, bespoke packages may be delivered.  The skills provision must reflects the needs of the business and should be tailored to fit working practices and demands. It must be delivered on business premises and other appropriate venues.  Accredited units of learning at Level 3 and above in subject areas may also be funded where these do not lead to a full qualification. The Candidate must ensure that the activity does not duplicate or undermine national policy, including policy on grants and loans,  The Services should lead to a progression within work, in further education or to an apprenticeship. A progression within work will be measured by a promotion, increased duties or an increase in wages.  10% of the funding available for the Services should be used to respond flexibly to emerging skills issues and encourage the ongoing development and piloting of innovative solutions to address participation, achievement and progression. There should be a particular focus on:   * engaging new employers / employer representatives and other stakeholders who have the potential to influence the delivery of learning * explore new models of delivery appropriate to the needs of the local area * encouraging collaboration between SMEs within key sectors to develop new and innovative training to meet the needs of a group of employers within key sectors. provide the provider network with the knowledge and understanding by delivering short courses on what is required to deliver qualifications and apprenticeships in the key priority sectors areas   The successful Candidate will be required to develop a plan to support these emerging skills issues. The Steering Group, which the LEP will chair, will agree the plan. Activities delivered through the plan will be funded as either learning or non-learning activities and will be paid through the most appropriate deliverables. If there are any market changes or priorities to the LEP, these will be agreed through the Steering Group.  The successful Candidate must conduct exit interviews with employers to assess the impact of the activity. |
| 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>  **LEP eligibility**   * Individuals must be 17 years old or above, and be employed. * Delivery must take place within the LEP area * Employers must be located within the LEP area   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.    Over 50s min 20%  Ethnic groups                          min 18%  Female                                    min 49%  Disability/health issues            min 8%  Lone parents                           min 5%  No basic skills                         min 18% |
| **GEOGRAPHY / AREA OF DELIVERY** |
| **LEP Specific**  The Services will be delivered within the Hertfordshire Local Enterprise Partnership area. |
| **FUNDING AND DELIVERABLES** |
| **LEP Specific**  Currently £5,752,500 will be available for the period from August 2016 to March 2018. This may be increased if additional funding becomes available.  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 education & training for each participant to enable them to progress.  The minimum service deliverables, values and volumes for which evidence must be provided are as follows.   |  |  |  |  | | --- | --- | --- | --- | | **Description** | **Volumes** | **Unit Cost Total Value Average per Intervention** | **£** | | ST01 Learner Assessment and Plan | 3,231 | £50 | £161,550 | | RQ01 Regulated Learning |  |  | £2,420,750 | | NR01 Non Regulated Activity |  |  | £953,700 | | PG03 Progression in Education | 1,525 | £700 | £1,067,500 | | PG04 Progression Apprenticeship (EDU) | 550 | £700 | £385,000 | | SD01 SME engagement and Training Needs Analysis | 801 | £100 | £80,100 | | SD02 Progression within Work | 977 | £700 | £683,900 | | Total |  |  | £5,752,500 | |