



Education & Skills
Funding Agency



European Union
European
Social Fund

SPECIFICATION

INVITATION TO TENDER: [ITT_683]

**SKILLS SUPPORT FOR THE WORKFORCE AND
SKILLS SUPPORT FOR REDUNDANCY**

DATE: 2021

SPECIFICATION: SKILLS SUPPORT FOR THE WORKFORCE AND SKILLS SUPPORT FOR REDUNDANCY

DEFINITION OF TERMS

In addition to the Definition contained in Clause 1 (Definitions) of this Contract, in this Schedule 1: Specification & Monitoring the following words shall have the following meanings:

At Risk of Redundancy: means employees identified by the employer as at risk of Redundancy or where formal consultation with staff representatives on the need to make Redundancies has commenced.

Data Capture Form: means a form provided by ESFA to ensure that the employers of Participant's meet state aid regulations.

Eligible: means:

- a) in respect of Strand 1, Employed individuals who are aged 16 or over who meet the Eligibility Criteria and are otherwise eligible to receive the Services; and
- b) in respect of Strand 2, individuals who are Recently Redundant or individuals At Risk of Redundancy who are aged 16 or over who meet the Eligibility Criteria and are otherwise eligible to receive the Services.

Enterprise: means any person engaged in an economic activity, irrespective of legal form and includes, in particular, self-employed persons and family businesses, and partnerships or associations regularly engaged in an economic activity.

ESOL: means English for speakers of other languages.

Micro Business: means an Enterprise with fewer than 10 employees and an annual turnover or balance sheet of less than EUR 2 million.

Participant: means an Eligible individual who receives the Services in the Lot Area in accordance with the Contract.

Regulated Qualifications Framework: means the qualifications framework as detailed at this link: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/461298/RQF_Bookcase.pdf

Recently Redundant: means individuals who are Unemployed as a result of Redundancy which occurred within in the 3 months prior to the individual starting on the programme delivered.

Redundancy: means where an employee is dismissed and this is wholly or mainly attributable to the employer:

- i. ceasing or intending to cease to carry on the business for the purposes of which the employee was employed by it;
- ii. ceasing or intending to cease to carry on that business in the place where the employee was so employed; or
- iii. having a reduced requirement for employees to carry out work of a particular kind or to do so at the place where the employee was employed to work,

as set out in 139(1) of the Employment Rights Act 1996.

Small and Medium Sized Enterprises (SMEs): means Enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

Strand 1: means skills support services for the Workforce.

Strand 2: means skills support services for those individuals who are Recently Redundant or individuals At Risk of Redundancy.

Workforce: means individuals who are Employed.

PART 1: SERVICE REQUIREMENTS

1. The Contractor shall:
 - a. undertake a robust initial assessment of Participants;
 - b. deliver vocational training which must be regulated units and Qualifications on the Regulated Qualifications Framework;
 - c. be able to support individuals into higher levels of training and workplace progression;
 - d. offer locally tailored solutions and flexible delivery to meet the skills and apprenticeship priorities of employers and employees in Lot Area; and
 - e. Ensure that where subcontractors are used they are fully resourced and staffed to perform their elements of the Services.
2. The Contractor shall maintain a physical operational base within the Lot Area throughout the Contract period and shall otherwise ensure it is able to provide Services to the whole of the Lot Area.
3. The Contractor shall ensure that it is fully resourced to commence delivery of the Services on the Service Commencement Date.

Management and quality assurance

4. The Contractor shall put in place and maintain effective management arrangements throughout the Contract Period. The Contractor's management arrangements shall include (without limitation) arrangements to ensure that:
 - a. the Services are delivered in accordance with this Contract;
 - b. the needs of Participants are fulfilled;

- c. the Services are delivered to a high quality throughout the Contract Period; and
 - d. effective quality assurance and improvement processes are in place.
5. The Contractor shall ensure that the Services are flexible and responsive to local conditions, the changing economic and political landscape and take into consideration that the approach and associated processes may change during the life of the Contract. The Contractor shall make such changes to the Services as may be required by ESFA from time to time to reflect such changes.

Partnership working

6. The Contractor shall ensure that the Services complement and avoid duplication with similar existing provision, including (but not limited to) services offered to Participants by the Co-Financing Organisation (CFO), Department for Work and Pensions, National Lottery Community Fund, Mayoral Combined Authority, Education and Skills Funding Agency, local authorities, National Careers Service and the Careers Enterprise Company funded provision.
7. The Contractor shall ensure that the Services are designed to reflect local needs and opportunities and are updated from time to time to respond to changes to local needs and opportunities as well as policy changes.
8. The Contractor shall work with employers to identify their skills gaps and needs in order to drive employer growth.
9. The Contractor shall establish links with Jobcentre Plus and shall ensure that visits to public or private sector employers are made in conjunction with Jobcentre Plus and National Careers Service wherever possible to ensure a smooth, efficient and joined up approach.
10. The Contractor shall co-operate with Jobcentre Plus when working with Jobcentre Plus clients including but not limited to notifying Jobcentre Plus:
- a. when Participants fail to attend training; and
 - b. of any instances where Participants leave training due to starting work.

Market intelligence and local knowledge

11. The Contractor shall ensure that the Services are designed and delivered to:
- a. take into account conditions prevailing in the Lot Area as described in Part 4 with respect to the current employment market and the current and future social and economic indicators including labour market intelligence;
 - b. target local skills shortages and gaps within the Lot Area; and
 - c. work alongside any existing skills support structures the Lot Area.

Management information and reporting

12. The Contractor shall develop and operate a management information systems which enables the submission of data to the ESFA via the ILR and provides for Supplementary Data Returns.

13. The Contractor shall ensure that all evidence required to support payments is collected and retained in accordance with the Evidence Requirements before the Contractor makes a claim for payment from the ESFA. The Contractor will provide supporting evidence to ESFA on request.
14. The Contractor shall provide LEPs and the ESFA with details of the Regulated Learning and Non-Regulated Activity that is provided by its subcontractors as reasonably requested and broken down to the level requested (e.g. ward/district).
15. The Contractor shall provide ESFA with a monthly report by the 8th Working Day in each month setting out such performance data as the ESFA may reasonably require including (but not limited to):
 - a. Participant and employer data at ward/district level covering the referral source, the Qualifications offered and delivered, the cohorts supported, the employer information, the sector of employer and sector of support provided;
 - b. pipeline activity;
 - c. progress made against Contractor's profile for delivery of the Services;
 - d. actions Contractor proposes to undertake if performance has not met the anticipated profile;
 - e. current and future employer and partner engagement; and
 - f. where the Contractor is providing services under another contract separate returns shall be required in respect of each such contract.
16. The information listed in paragraph 15 above is not exhaustive. The ESFA, the LEP and the Contractor shall meet to refine these requirements prior to the Service Commencement Date.
17. The aim of the Services is to provide individuals with the opportunity to develop the skills that will enable them to progress in employment.
18. The Services to be provided by the Contractor comprise of two strands of activity:
 - a. Skills support for the Workforce (Strand 1); and
 - b. Skills support for those At Risk of Redundancy or Recently Redundant (Strand 2).

Strand 1: Skills support for the Workforce

19. The Contractor shall provide the following services under Strand 1:
 - a. provide support to employers to employ and develop individuals to fill intermediate (equivalent to Level 2¹), technical (at any Level¹) and higher-level (equivalent to Level 3¹ or above) skills gaps and shortages;
 - b. addressing the Basic Skills needs of the Employed, particularly in SMEs and Micro Businesses;
 - c. increase the skills levels of the Employed to at least the next level up, to encourage progression within the workforce;
 - d. increase the number of people with technical and job specific skills, to progress them into education, employment and apprenticeships to support business growth;

¹ <https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels>

- e. increase the skills levels of Employed women to help employers to address the gender employment and wage gap; and
- f. identify and promote apprenticeships to address skills gaps within the existing workforce.

Strand 2: Skills support for those At Risk of Redundancy or Recently Redundant

20. The Contractor shall provide the following services under Strand 2:

- a. support Enterprises (of any size) that are undergoing industrial restructuring by providing skills and employability support for their employees who are At Risk of Redundancy; and
- b. supporting Recently Redundant individuals where initial contact through previous employers has not been possible.

Engagement with the LEP

21. The Contractor shall, if required by the LEP, but at no additional cost to the ESFA participate in a local steering group including by attending regular steering group meetings and provide relevant management information upon request;

Content of the Services: the Participant's journey

Strand 1: Skills Support for Workforce

Identifying Participants

22. The Contractor shall:

- a. actively promote the Services throughout the whole Lot Area, with particular focus on areas of highest need;
- b. identify and engage with Enterprises to identify, engage and recruit Eligible persons to be Participants within the Lot Area; and
- c. employ such methods of engagement with Enterprises as it considers are best suited to maximise engagement with Eligible persons in the Lot Area.

Induction and preparation

23. The Contractor shall ensure that the Services are developed and designed to:

- a. assess each Participant's current skills profile to produce appropriate learning pathways;
- b. deliver a responsive skills programme that is tailored to the needs of the Lot Area to increase the skill levels of Participants and stimulate growth for businesses;
- c. equip Participants with the skills needed to sustain employment and progress in their workplace;
- d. raise the level of attainment achieved by Participants, enabling them to improve their employment status and move them to higher levels of training or apprenticeships;
- e. enable employers to develop Participants to fill skills gaps and shortages through rigorous assessment of the employers' workplace; and

- f. establish the employer's eligibility to receive support under State aid regulations by fully completing the Data Capture Form.

24. The Contractor may also provide accredited units of learning at Level 3 and above where the qualification has been approved for unitised delivery (up to 15 credits or 150 Guided Learning Hours of a full qualification) and such provision will qualify for funding. The Contractor must ensure that the activity does not duplicate or undermine national policy, including policy on loans.

Delivery of training, learning and interventions

25. The Contractor shall ensure that the Services include:

- a. a training needs analysis carried out in conjunction with the employer to identify the skills needed to increase the competitiveness of the employer's business;
- b. the delivery of skills training and the promotion of apprenticeships to employees on low pay to help them progress and increase their pay and/or working hours or obtain better quality higher paid jobs. This must include support for part-time workers who wish to upskill to work additional hours and/or progress within work;
- c. the provision of locally tailored interventions and innovative approaches to meet the skills and apprenticeship priorities of employers and employees within the Lot Area;
- d. the development and delivery of bespoke packages of learning to meet the identified business needs agreed with the employer who must be engaged with in to shape and direct the Services; and
- e. an innovative and flexible approach so that the Services are delivered in the workplace or at a suitable location with the agreement of the employer within the Lot Area.

IAG and ongoing support

26. The Contractor shall provide advice and guidance, personal development planning, skills development and learning and mentoring on an individual basis to each Participant.

27. The Contractor shall enable Participants to develop their skills including but not limited to the provision of mentoring and on-going support, specific vocational short courses and "bite-sized" learning.

Outcomes

28. The Contractor shall use reasonable endeavours to achieve one of the Progression Outcomes for each Participant.

29. The Contractor shall use reasonable endeavours to achieve the Conversion Rates in delivering the Services.

30. In selecting Participants, the Contractor shall take into account and use reasonable endeavours to achieve the ESF programme targets for the supply of the Services priority groups in the percentages set out in Part 2, Table A.

31. The Contractor shall use reasonable endeavours to achieve the number of Participant Outcomes for each of the Outcomes specified in Part 5, Table C.

Discharge from the Programme

32. The Contractor shall discharge Participants from the Programme upon completion of the ILP.

33. The Contractor shall:

- a. establish clear referral processes to other services and organisations for training solutions that are not provided through the Services; and
- b. conduct exit interviews with employers to assess the impact of the Services.

Strand 2: Skills support for those At Risk of Redundancy or Recently Redundant

Identifying Participants

34. The Contractor shall:

- a. actively promote the Services throughout the whole Lot Area, with particular focus on areas of highest need; and
- b. identify and engage with relevant Enterprises to identify, engage and recruit Eligible persons to be Participants within the Lot Area.

35. The Contractors shall undertake a company training needs analysis for those Enterprises undergoing restructuring.

Induction and preparation

36. The Contractor shall ensure that the Services are:

- a. available regardless of how few posts within a workplace are At Risk of Redundancy. Where the number of potential redundancies exceed 20, the Contractor shall work with the Department for Work and Pensions and other partners to provide support and training; and
- b. delivered to ensure that Participants have the right support and can access qualifications at a time and in a way that is to meet their individual needs.

37. The Contractor may also provide accredited units of learning at Level 3 and above where the qualification has been approved for unitised delivery (up to 15 credits or 150 Guided Learning Hours of a full qualification) and such provision will qualify for funding. The Contractor must ensure that the activity does not duplicate or undermine national policy, including policy on loans.

IAG and interventions

38. The Contractor shall ensure that the Services:

- a. support those Participants At Risk of Redundancy to remain with their current employer or find alternative employment;
- b. support those Participants Recently Redundant to move into employment;

- c. include the provision of the generic employability skills, including but not limited to: personal presentation skills, interview skills, basic IT skills, and which Participants require to successfully maintain, progress or gain employment;
- d. provide Participants with advice on the relevance of training/ skills for the workplace so that they understand the pathways that are appropriate to their intended progression. This must be delivered in conjunction with employers where the Participant is At Risk of Redundancy; and
- e. include the provision of targeted, local, relevant IAG and interventions to ensure that the training opportunities are targeted at up-skilling or re-skilling Participants to improve their employment opportunities.

Outcomes

- 39. The Contractor shall use reasonable endeavours to achieve one of the Progression Outcomes for each Participant.
- 40. The Contractor shall use reasonable endeavours to achieve the Conversion Rates in delivering the Services.
- 41. In selecting Participants, the Contractor shall take into account and use reasonable endeavours to achieve the ESF programme targets for the supply of the Services priority groups in the percentages set out in Part 2, Table A.
- 42. The Contractor shall use reasonable endeavours to achieve the number of Participant Outcomes for each of the Outcomes specified in Part 5, Table C.

Discharge from the Programme

- 43. The Contractor shall discharge Participants from the Programme upon completion of the ILP.
- 44. The Contractor shall conduct exit interviews with Participants to assess the impact of the activity.

PART 2: PROGRAMME TARGETS

Table A

	Less Developed Area	Transition Area	More Developed Area
Participants over 50 years of age	22%	20%	20%
Participants from ethnic minorities	2%	7%	18%
Participants with Disabilities	10%	8%	8%

Participants who live in a single adult household with dependent children	4%	5%	5%
Participants without Basic Skills	19%	18%	18%
Female Participants	53%	49%	49%

Further information on programme outputs can be found at the following link: [ESF MI Definitions 14-20 version 2 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/612222/MI_Definitions_14-20_version_2.pdf).

PART 3: FUNDING MODEL

45. Subject to paragraphs 46 to 47 below, the Contractor shall be paid an Outcome Payment for each Outcome achieved in relation to a Participant as set out in Table B.

46. The Contractor shall only be entitled to an Outcome Payment for one Progression Outcome for each Participant who achieves a Progression Outcome within 28 days of finishing his or her ILP.

47. For each of RQ01 and NR01, the Contractor shall be paid for provision of Regulated Learning and Non-Regulated Activity in accordance with the Funding Rules based on the rates published in LARS. For each unit of Regulated Learning or Non-Regulated Activity the Contractor shall be paid:

- a. 25% of the applicable LARS rate on the Participant starting the unit; and
- b. 75% of the applicable LARS rate on the Participant completing the unit.

48. The Outcome Payments listed RQ01 and NR01 in Table B are the average cost of learning per Participant. The ESFA expects Participants to be provided with access to whatever provision is required to meet their bespoke needs and the Contractor must manage these outcome charges to ensure these averages are achieved across all Participants for the duration of the Contract.

49. The Contractor shall provide ESFA with the evidence set out in the Evidence Requirements to demonstrate that payment is due in respect of an Outcome Payment. The ESFA will be under no obligation to make payment until it has received such evidence.

Table B Conversion Rates

Outcome	Outcome Payment	Conversion Rate
ST01 Learner Assessment and Plan	200	100%
RQ01 Regulated Learning	1179	
NR01 Non-Regulated Activity	294	
PG01 Progression Paid Employment (EMP)	500	5%
PG03 Progression Education (EDU)	500	10%

PG04 Progression Apprenticeship (EDU)	600	5%
SD01 Progression within Work	250	20%

PART 4: LOCAL SERVICE REQUIREMENTS

LOT 7 SOLENT – MORE DEVELOPED

GEOGRAPHY / AREA OF DELIVERY

LEP Background

The Solent LEP coastal economic area is home to some 42,000 SMEs and is characterised by highly self-containment labour market. The economic shock caused by the pandemic, has had a significant and adverse impact on some of its key sectors such as hospitality, tourism retail transport, manufacturing and construction, however along with skills, productivity levels were already of concern. In 2018, each Solent LEP area job was estimated to generate £47,400 Gross Value Added (GVA) per capita, which is 9% below the south east average, and 1% behind the UK average¹.

The Solent is home to a globally leading marine and maritime sector with significant clusters for marine autonomy and robotics. More broadly strategic sectoral strengths exist in the visitor economy, logistics, advanced manufacturing construction, health and defence; with the Solent demonstrating competitive advantage and specialisms in advanced technologies, computer science and the life sciences.

In terms of the impact of the pandemic, the Solent economy is understood to have shrunk by between 9.6% (£2.98bn) and 11.1% (£3,44bn) in 2020, which was faster than the UK economy as a whole². A quarter of local jobs, businesses and output is supported by sectors which are at highest short term risk, reflecting strong local representation of the hospitality, recreation, construction and education sectors. The effect has been more adverse in the two cities and the Isle of Wight, which relies heavily on tourism.³

¹ Solent Economic Profile, July 2019 <https://solentlep.org.uk/media/2691/16346-solent-economic-profile-report-final-july-2019.pdf>

² SLEP (2021) Monthly Intelligence Dashboard, March 2021, and <https://www.nomisweb.co.uk/>

³ <https://solentlep.org.uk/media/3268/solent-economic-recovery-plan-25920.pdf>

Solent LEP area had 125,700 residents on the two job support schemes; of which 83,100 are furloughed residents; representing 15% of Eligible employees, (February 2021), and 42,600 self-employed residents (66%) in January 2021 receiving support. Hospitality and retail accounted for nearly half (45%) of all furloughed residents.³ It is important that all furloughed staff successfully transition back into employment.

Unemployment in the Solent LEP area increased to 45,265 in March 2021, although the rate of increase now appears to be declining, there are approximately 26,000 more Unemployed residents than before the pandemic. The working age unemployment rate now stands at 5.9% and increased at a faster rate than across the UK as a whole.³

More specifically youth unemployment is of concern, in the year to September 2020 the Solent had about 14,000 young people out of work or about 16% of all economically active young people. Young people accounted for over 70% of the increase in unemployment in March 2021.

Similarly the number of economically inactive residents of working age has increased, with 20.5% of working age people (157,400) in the Solent LEP area economically inactive in the year to September 2020.³

Evidence suggests it could take a number of years for employment within key sectors such as manufacturing, transport & hospitality to return to pre-Covid levels. It is known that young people, women and those with lower skills are disproportionately impacted by the pandemic. As the economy begins to open up again it is vitally important that ensure these groups to upskill and develop the future skills businesses need to remain competitive.

[The Solent Skills Action Plan and Local Skills Report](#) published in March of this year sets out the priorities and actions for the area. The approach is themed under four interconnected strategic priorities, which form the basis of a detailed action plan:

1. Awareness and aspirations;
2. Brokerage: matching supply with demand;
3. Core sectors and competencies; and
4. Digital Inclusion.

The plan is informed by the [Solent Skills Advisory Panel Local Skills and Labour Market Analysis](#) published in June 2020, and although due to the timing of the report, it does not fully take account of the impact of the pandemic, the headline findings remain current; with some having accelerated such as automation and digitalisation due to covid-19:

- Ongoing demand for a skilled workforce in key strategic sectors;
- Impact of autonomy on demand for labour and skills needed by businesses;
- Importance of softer skills, such as social skills and communication skills;
- Boosting graduate retention rates;
- Reducing the rate of young people Not in Education Employment and Training;
- Addressing school underperformance and student attainment (including at KS 4 & 5);
- Tackling persistent pockets of skills deprivation and inequality across the Solent;
- Specific 'mismatches' between skills supply and demand in key sectors; and
- Ensuring a strong supply of skilled labour to replace those moving out of labour market.

The [Economic Recovery Plan](#) published in May 2021 sets the direction of travel for the Solent, building on its strengths to become a leading pioneer for decarbonisation and technological innovation. Significant developments such as the Solent Freeport will position the area as a national hub for global trade and investment, promoting regeneration and job creation. The Solent is committed to establishing a Green Growth Institute to drive forward green growth skills and innovation, drawing on existing expertise in low carbon technology and world-class research facilities. In parallel the Solent is progressing proposals for an employer-led Institute of Technology for Marine, Engineering and Digital skills to supply the critical pipeline of high tech talent and skills for the region.

The employer-responsive skills provision this project will deliver should enable Solent businesses to develop their employees to harness these future growth opportunities and accelerate the transition to a highly skilled workforce in the Solent.

The Solent has a strong and connected skills infrastructure, project delivery needs to complement and strengthen existing provision, notably in Further Education and private training provider base. Importantly it needs to directly respond to skills and productivity gaps identified by Solent businesses. Service delivery will focus on Employed Participants, (including newly Employed & returners to the labour market), the Contractor should also maintain sufficient capacity and capability to respond to any local economic shocks and support those At Risk of Redundancy and be able to put interventions in place to support affected employees swiftly.

The Services will integrate with the Solent Growth Hub, and Solent Skills Access Hub (when it comes on stream) to ensure business support and skills development and training are a coordinated offer to business, making it easy for businesses to access the skills and training they require.

The Contractor must identify and respond to local employer requirements and match these with tailored skills provision that closes skills gaps and, better matches skills demand with supply. The Contractor must respond to drivers of change such as digital transformation, the adoption of automation and artificial intelligence and aid the adaptation of the Solent economy to support the transition to a zero carbon economy.

The Services should focus on 'hard-to-reach' SMEs that often lack the time, capacity and awareness to engage with skills providers. The Contractor should provide the Services in such a way that employers will be able to upskill existing employees, especially those At Risk of Redundancy, as well as provide training opportunities for people who are entering and re-entering the workforce.

Local Authorities:

Wholly within Solent LEP geography:
Portsmouth City Council
Southampton City Council
Isle of Wight Council,
Havant Borough Council
Fareham Borough Council

Gosport Borough Council
Eastleigh Borough Council

Partially in the Solent LEP geography:
Hampshire County Council
East Hants District Council
Winchester City Council
Test Valley Borough Council
New Forest District Council

Key Priorities

Key Sectors:

Marine and maritime, engineering advanced manufacturing, technology, aerospace and defence, construction, life sciences, health, digital & information economy, digital & creative industries, clean green tech, as well as enabling sectors such transport and logistics.

PART 5: FUNDING AND OUTCOMES

50. The Contractor will be paid based on the achievement of Outcomes in accordance with Part 3 provided that total payments made to the Contractor under this Contract shall not exceed the Maximum Contract Value.

51. The Maximum Contract Value will be £1,712,750 based on delivery of Outcomes. The Service Commencement Date is 18th October 2021 and delivery will commence immediately. All activity must be completed by 31 March 2023.

Table C

This table provides an indication of the number of Participant Outcomes to be achieved by the Contractor in return for funding of £1,712,750.

Outcome	Volume of outcomes	Unit Cost	£
ST01 Learner Assessment and Plan*	935	200	£ 187,000.00
RQ01 Regulated Learning**			£ 1,103,989.00
NR01 Non-Regulated Activity**			£ 276,311.00
PG01 Progression Paid Employment (EMP)	47	500	£ 23,500.00
PG03 Progression Education (EDU)	94	500	£ 47,000.00
PG04 Progression Apprenticeship (EDU)	47	600	£ 28,200.00
SD01 Progression WITHIN Work	187	250	£ 46,750.00
Total of ESF Specification			£ 1,712,750.00

*ST01 require start on learning (RQ or NRQ) to be eligible for claiming.
** Payment for RQ01 and NR01 is as set out in paragraphs 38 and 39 of Part 3 Funding Model.