



**European Union**  
**European Social Fund**  
Investing in jobs and skills

**MAYOR OF LONDON**



Leading learning and skills

**LEARNING & SKILLS COUNCIL**

**ESF 2007-2010**

**Priority 1**

**Invitation to Tender**

**Apprentices Redeployment Support Programme**

**June 2009**

## Background

On 21<sup>st</sup> October 2008, Skills Secretary John Denham announced a package of measures in response to the economic downturn. As part of this package, the Learning and Skills Council (LSC) has £100m to support workers affected by redundancy.

The LSC has made available £50m through the European Social Fund (ESF) and £50m through Train to Gain to boost skills interventions for individuals under notice of redundancy, those made recently redundant, and those that are unemployed and further from the labour market, but could be made ready for work with this skills development support package.

To complement this provision LSC London intends to make available funding from its 2007-10 ESF programme (Priority 1) to support apprentices who have been made redundant, or have been issued with a notice of redundancy. The support will be to assist in finding a work based training placement with an employer to enable them to complete their Apprenticeship Framework and enhance their opportunity to secure alternative employment.

## Regional Context

The document "[World-class Apprenticeships: Unlocking Talent, Building Skills for All](#)" clearly outlines the Government's commitment to expanding and strengthening the Apprenticeships programme, significantly increasing 16-18 Apprenticeship numbers by 2013; supporting the entitlements for every individual aged 19–25 to receive funding to achieve a first full Level 2 or 3 qualification, with much of the new entitlement to Level 3 learning for 19- to 25-year-olds being delivered through Advanced Apprenticeships; and aiming for significant growth in Apprenticeships for those aged 25 or over.

This commitment builds on the renaissance in Apprenticeships that the country has experienced over the past decade, and recognises the potential growth in demand for Apprenticeships from employers, young people and adults.

However, the recent economic downturn has undermined some of this progress and the aim of this tender specification is to address the consequential potential loss of Apprenticeship opportunities with employers.

## The Current London Apprenticeship Landscape

The following sets out the pattern of participation for London residents (measured by starts in 2007/08) for those by Sector Skills Council / Standards Setting Body (top 10 only) accounting for 77% of total starts:

Children's Workforce Development Council (early years and childcare)	12%
Customer Service	12%
Habia (hair and beauty)	10%
Council for Administration (business administration)	9%
Automotive Skills	7%

Summit Skills (building services engineering)	7%
Construction Skills	6%
SkillsActive (active leisure)	5%
People 1 <sup>st</sup> (hospitality, travel and tourism)	5%
Eskills (ICT)	4%

Participation by age group is greater for those over 19+ than the younger age category of 16-18 year olds (age at start) – this has increased as a result of the introduction in 2007/08 of the all-age Apprenticeship extending the public funding to those over 25. In the 2007/08 delivery year, the following represents the volume of activity by age:

16-18	6092 (42%)
19+	6021 (42%)
25+	2371 (16%)

Although not at equal levels of participation, the Advanced Apprenticeship represents almost 32% of delivery, compared to the Apprenticeship at 68%. The 16-18 age group traditionally enter at Apprenticeship level (78%), compared to the over 19 group, where the split is 55% Apprenticeship and 45% Advanced Apprenticeship.

### **Impact of the Economic Downturn**

Measured in March 2009, there has been a year-on-year increase of 54.5% in the JSA Claimant Count compared to 2008, with a monthly increase of 6.4% compared to February 2009, indicating the impact on the regional economy and labour market. Although there is evidence from Construction Skills (the Sector Skills Council for the construction industry) of the impact of the economic downturn on Apprenticeships in their sector – they have established a re-engagement support programme to address this – there is less robust information on the affects on the other primary sectors indicated above. Financial services and ancillary services (legal services, computer programming) and the retail sectors (including warehousing / distribution) have borne the brunt of job losses in the region. Anecdotal evidence indicates that, in addition to some Apprenticeship losses already, more may eventually emerge as employers continue to sustain the effects in the longer term.

- ESF intervention £3,550,000

### **The Offer**

The aim of the Offer is to ensure that redundant apprentices are provided with a work based training placement with an employer to enable them to complete their Framework and enhance their opportunities in sourcing alternative employment.

The Offer will also be made available to programme led apprentices who require a work placement to complete their Framework.

The Offer will provide a range of measures that includes:

- A work based training placement with an employer as an unemployed apprentice enabling the completion of the Framework

- An individual weekly allowance provided through either the LSC Hardship Fund or ESF (as described in the Funding section of the specification)
- Support in sourcing alternative employment
- Signposting to services offered by other statutory agencies

The Offer will complement other regional initiatives and the existing services to employers and employees offered through Jobcentre Plus and their Rapid Response Service and the LSC through its Employer Responsive Provision – Hardship Funding January 2009.

The Offer will provide an ESF-funded weekly allowance to redundant apprentices aged 25 years and over who are not eligible for LSC Hardship Funding.

### **Target Group**

The Offer will be made available to apprentices aged 16 years and over who have been made redundant or have been issued with a notice of redundancy.

The Offer will target and prioritise redundant apprentices and those under notice of redundancy who are/have been in the following categories:

- Apprentices who had/have employed status
- Apprentices who are near to completing their Framework
- Apprentices who require a work based training placement with an employer to complete their Framework where the existing employer can no longer support the work based placement

<b>Apprentices Redeployment Support London Region</b>	<b>Reference: (Leave blank)</b>
<b>Aim</b>	
<p>To provide apprentices who have been made redundant or have been issued with a notice of redundancy, a work based training placement with an employer to enable them to complete their Framework and enhance their opportunity to secure alternative employment.</p>	
<b>Contract Start and End Date</b>	
<p>The main contract for delivery will run from September 2009 to December 2010, with monitoring until June 2011.</p>	
<b>Service Requirement</b>	
<p>Through this tender the LSC is looking to contract with an organisation(s) to act as a “Managing Agent” to implement this provision across the London Region. Priority will be given to applicants able to deliver the whole offer across all sectors, providers and employers within the entire London Region.</p> <p>The successful applicant(s) will need to demonstrate how they will deliver and manage the “clearing house” service for the target groups:</p> <ul style="list-style-type: none"> <li>• Identifying and supporting work based training placements with suitable employers</li> <li>• Management of employer financial support payments (if appropriate)</li> <li>• The payment of training allowances to eligible apprentices</li> <li>• Supporting individuals in job search activities and the transition to employment on completion of their framework</li> </ul> <p>The successful applicant should also demonstrate what arrangements will be in place to ensure this support will compliment and not duplicate existing and emerging provision of a similar nature.</p> <p>The Redeployment Support Programme will work proactively with employers and providers to identify apprentices who have been made redundant or have been issued with a notice of redundancy and those who require a work based training placement in order to complete their Framework and enhance their prospects of securing alternative sustainable employment.</p> <p>The Redeployment Support Programme will:</p> <ol style="list-style-type: none"> <li>1. Identify redundant apprentices (with the assistance of the LSC) and those issued with a notice of redundancy that are able to and would benefit from completing their Framework as an unemployed apprentice in a work based training placement with an employer.</li> <li>2. Determine the nature of support required by the apprentice to complete their Framework.</li> <li>3. Identify employers able to offer work based training placements.</li> </ol>	

4. Work with employers and providers to ensure that the training placement is appropriately resourced to provide apprentices with:
  - A mentor
  - An induction to the work place
5. Ensure redundant apprentices aged 16 to 24 are informed of the LSC Hardship funds and are supported in making applications.
6. Provide redundant apprentices aged 25 years and over with an ESF-funded weekly training allowance of £80 per week during their placement which should not exceed twenty six weeks (the training allowance level is based on the LSC 2008/09 Hardship Funding Policy updated January 2009 and will increase to £95 per week from 1 August 2009). The support will be withdrawn when the apprentice secures employment or completes their Framework, whichever occurs first.
7. Support the apprentice into sustainable employment or other learning upon the completion of their work based training placement and develop as required their skills in job search and CV writing.
8. Signpost apprentices to the appropriate statutory agencies with regard to other available benefits and information, advice and guidance.
9. Provide monthly intelligence reports to the National Apprenticeship Service – Regional Team.

The Redeployment Support Programme will rely on a successful applicant being able to demonstrate:

1. A thorough understanding of the apprenticeship market across the region and the impact of the economic downturn.
2. A good working knowledge of and relationship with apprenticeship providers, including FE colleges, across the region.
3. The capacity to establish a field team to engage with providers and employers and to provide the information required to establish and monitor appropriate training placements.
4. The financial and administrative capacity to liaise with and monitor Apprenticeship Providers to ensure that apprentices receive their training allowance and that employers are appropriately resourced to set up and maintain training placements.

The LSC will issue one or more contracts in each LSC region dependent upon their specific needs.

#### Target groups

The Redeployment Support Programme will target apprentices aged 16 years and over in all sectors who have been made redundant or have been issued with a notice of redundancy.

The Programme will prioritise redundant apprentices and those under notice of redundancy who are/have been in the following categories:

- Apprentices who had/have employed status
- Apprentices who are near to completing their Framework
- Apprentices who require a work based training placement with an employer to complete their Framework where the existing employer can no longer support the work based placement

#### Geography / areas of delivery

The Redeployment Support Programme will be available to eligible apprentices aged 16 years and over and in all sectors across the London region.

In London, one or two projects will be sought to cover the London region. Applicants will need to demonstrate how they will deliver the Redeployment Support Programme across either:

- The whole of the London region; or
- Boroughs north or south of the River Thames, with funding and outputs and results tendered for on a pro rata basis based on the number of boroughs (see below).

The 21 Boroughs north of the River Thames are the London boroughs of Barking and Dagenham, Barnet, Brent, Camden, Ealing, Enfield, Hackney, Hammersmith and Fulham, Haringey, Harrow, Havering, Hillingdon, Hounslow, Islington, Newham, Redbridge, Tower Hamlets, and Waltham Forest, the Royal Borough of Kensington and Chelsea, the City of Westminster, and the City of London.

The 12 Boroughs south of the River Thames are the London boroughs of Bexley, Bromley, Croydon, Greenwich, Lambeth, Lewisham, Merton, Richmond, Southwark, Sutton, and Wandsworth, and the Royal Borough of Kingston upon Thames.

#### Funding Available

ESF funding of £3,550,000 will be available to support this programme for the target group as described above. If a geographic split of north and south of the River Thames is the decided outcome, the funding is intended to be split pro rata to the number of Boroughs, resulting in a total maximum of £2,259,090 for the north Boroughs and £1,290,909 for the south Boroughs.

Funding allocations relate to:

#### **Participant Engagement and Brokerage Activity**

A contribution of up to £480 (£25 start and £455 broker activity) for each unemployed apprentice to enable the provider to appropriately resource a training placement and provide each apprentice with a mentor and an induction to the new workplace.

#### **A Training Allowance for redundant Apprentices**

1. 16 – 18 year olds  
Application to LSC Hardship Funding including Education Maintenance Allowance and other benefits offered by statutory agencies.
2. 19 – 24 year olds  
Application to LSC Hardship Funding that includes a maximum allowance of £80 per week for a period not exceeding twenty six weeks.

3. Those aged 25 years and over

An ESF-funded weekly training allowance of £80 per week. The total training allowance per apprentice must not exceed £2,080 (based on £80 per week for a maximum period of up to twenty six weeks, this will rise to £95 per week from 1 August 2009 and therefore the maximum allowance would be £2,470 per apprentice). The training allowance must be withdrawn when the apprentice secures employment or completes their Framework, whichever occurs first. The ESF training allowance is based on funding guidance set out in the LSC Employer Responsive Provision 2009/09, updated January 2009.

**A Work Based Training Placement**

The level of contribution will depend on the duration of the placement offered by the employer (the minimum duration expected is 4 weeks which will generate a contribution of £250 and for placements over 13 weeks a further £250 will be generated taking the total contribution to £500). The successful applicant should demonstrate the extent to which (if at all) they may incentivise employers to offer work based training placements by passing on the contribution to employers.

Funding will be triggered via Individual Learning Record returns and/or completion of a Delivery Statement via the Provider Gateway.

**State Aid**

Employer contributions to resource the training placement may constitute a State Aid. The Contractor will be required to ensure that employers complete the required documentation issued by the LSC.

State aid is a European Commission term which refers to forms of assistance from a public body or publicly-funded body, given to undertakings engaged in economic commercial activity on a selective basis, with the potential to distort competition and affect trade between member states of the European Union.

Preferential public assistance - State aid - can distort the market, which in turn can result in lower competitiveness for business, less innovation and ultimately higher prices for consumers. There is therefore a need for effective State Aid control in order to maintain a level playing field for free and fair competition in the single market and to guard against subsidy races and national protectionism.

Outputs	ESF Participant Volumes
S2 – Start Participant, assessment, planning and support	<b>1,000</b>
S32 – Brokerage activity	<b>1,000</b>
G1 – General Start on a work placement of no less than 4 weeks duration	<b>1,000</b>
G2 – General Completion of a work placement of no less than 13 weeks duration	<b>800</b>
AC1 – Training allowances for apprentices maximum £95/week x 26 weeks x 1,000 participants	<b>£2,470,000</b>
Results	Numbers Achieved (+ % splits)
P4 – Progression Progression into sustainable employment (a job of at least 16 hours a week that starts within 13 weeks of the end of their participation on the provision under this offer and that lasts for at least four weeks)	<b>600</b>
M11 – Progression Participants in job search activity	<b>1,000</b>
M12 – Progression Progression into learning (excluding higher education)	<b>200</b>
M17 – Progression Progression into employment 26 weeks after the end of their participation on the provision under this offer	<b>600</b>
Other Outcomes	
M1 – Marketing Plan	1 to be completed within 4 weeks of start
M4 – Monitoring Project Evaluation	1 report to be provided at end of project
M33 – Monthly intelligence reports submitted to the London Regional National Apprenticeship Service	
Indicative Budget	
<p>The maximum available budget for this provision is £3,550,000. Excluding the amount available for training allowances, the budget will be paid across the outputs and results above as follows:</p> <p>S2 – Participant, assessment, planning and support, confirm eligibility and review of progress against apprenticeship framework with existing provider (£25 per start)  S32 – Brokerage activity – broker work place, health and safety check, workplace induction including on site management (£455 per participant)  G1 – Start on a work placement of no less than 4 weeks duration (£250 per participant)  G2 – Completion of a work placement of no less than 13 weeks duration £250 (per participant)  P4 – Progression into sustainable employment after 13 weeks (£250 per participant)  M11 – Participants in job search activity (non-payable)</p>	

M12 – Progression into learning (excluding higher education) (non-payable)  
M17 – Progression into sustainable employment after 26 weeks (non-payable)

Note: outputs M11, M12 and M17 will need to be monitored although no payment is attributed to this activity.