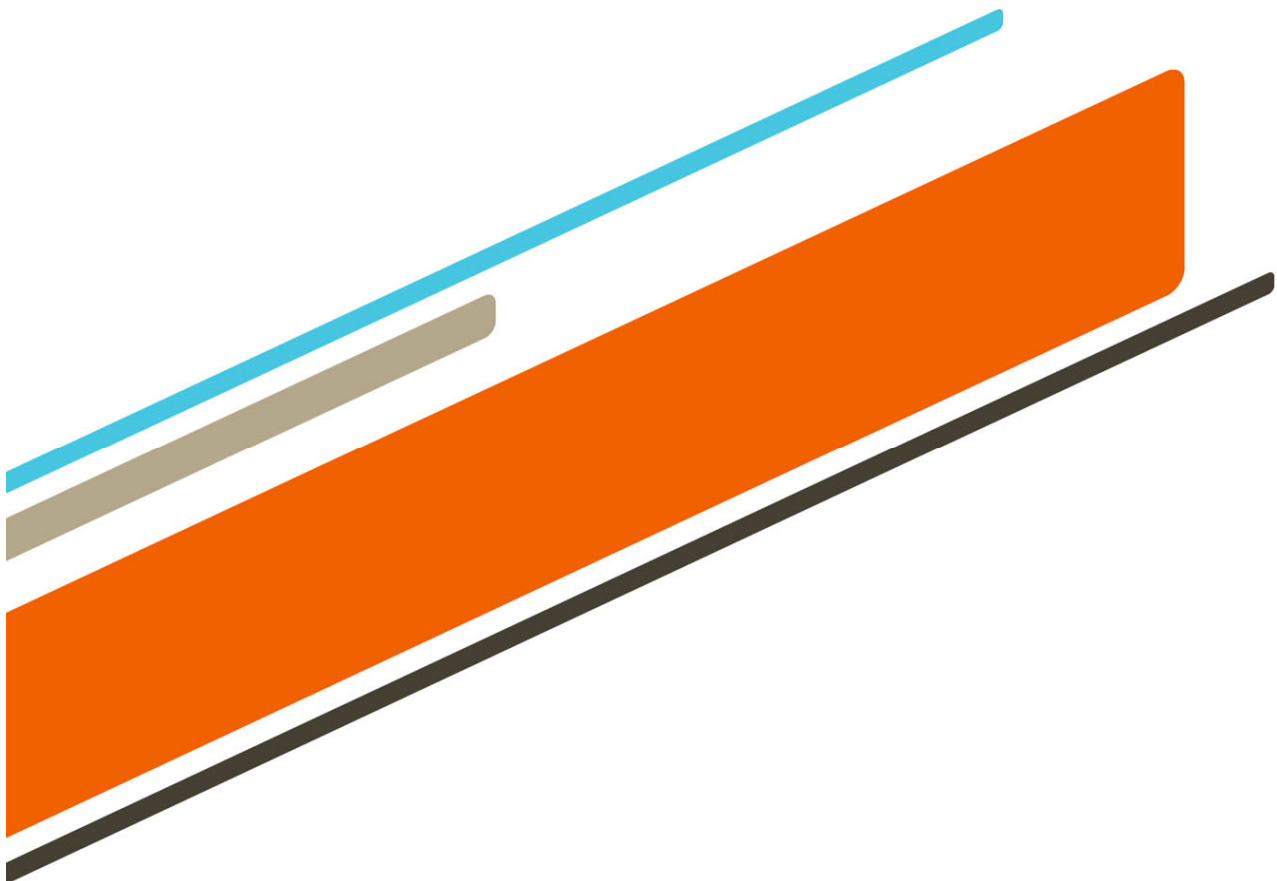


DRAFT 7/12/06

NORTH WEST OPERATIONAL GUIDE TO ACCESSING THE REGIONAL RESPONSE FUND

2006/07



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This document is of interest to Skills Brokers and providers.

The document outlines the North West Region's approach to the distribution of the regional Response Fund for Train to Gain.

This document should be read in conjunction with Requirements for Funding Train to Gain 2006/07 and Guidance on Regional Response Provision 2006/07. Further information can be found on the following Train to Gain websites.

www.lsc.gov.uk/Providers/funding-policy/Traintogain


www.Traintogain.gov.uk



Introduction

1. The majority of the discrete and contestable Train to Gain provision budget has been designated to purchase specified volumes of training and qualifications at Regional and Local level. This is known as 'commissioned provision'. An open and competitive procurement exercise was carried out in Spring 2006 to identify suitable learning providers and to contract for specified training and qualifications.
2. The North West has retained a proportion of the Train to Gain provision budget to buy provision that meets needs/gaps identified by employers and Skills Brokers. This funding is referred to as 'Regional Response' or 'Type C' funding.
3. Regional Response funds are designed to meet employer-generated demand and reflect regional skills priorities. Any application therefore needs to demonstrate clear links with identified employers and the requirements of their workforce. Given the limit to the resources available through Regional Response, we may need to prioritise some employer needs over others. In this case we will consider applications in the context of the region's sectoral priorities, as defined by the North West's Regional Skills Partnership.
4. This Guidance addresses how the 20% Regional Response (Type C) funding will be contracted whilst ensuring quality, flexibility and value for money.

General Principles

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5. All applications for Regional Response Funds will be considered in relation to the following principles
 - a. Clear evidence of employer-led demand, especially from 'hard to reach' employers
 - b. Involvement of the Skills Brokerage Service in the process
 - c. Existing provision via Type A and B funding streams
 - d. Value for money
 - e. Regional priorities as set out by the NW Regional Skills partnership
 - f. LSC contracting limits
 - g. Standard new provider issues around quality, flexibility, capacity and financial capability


6. Train to Gain is a new way of working with employers that uses a new, independent and impartial Skills Brokerage Service to diagnose business and training needs and sources training and wider business development activities to meet these needs.
7. The Brokerage Service, therefore, will play a pivotal role in the Regional Response Fund processes both in managing the expectations of employers (with regard to what can be contracted and timescales) and in sourcing provision. Skills Brokers should also promote the use of Commissioned Provision (Types A and B Funding) where this is available.
8. There are three broad scenarios where a need for Regional Response Funds may arise.
 - where an employer wishes to either work with a provider who does not hold a Train to Gain contract, or where a TtG provider is not able to meet that employers demands from their Type B contract (see Annex 1 for Scenario 1 process flowchart);
 - where specific qualifications required by a specific employer are not available through the contracted TtG network (see Annex 2 for Scenario 2 process flowchart); or
 - where significant gaps in provision are identified by brokers, either in particular parts of the region, or in particular qualifications (see Annex 3 for Scenario 3 process flowchart).
9. There are three broad categories of provider which can be considered to deliver Regional Response Provision

Category A	Providers who already have a contract with the LSC in the North West to deliver Train to Gain
Category B	Providers who have an existing funding agreement with the LSC, but <u>NOT</u> for Train to Gain
Category C	Providers who do not have any existing funding agreement with the LSC

The following procedures describe how each of the above scenarios and categories will be dealt with by the North West Region.



Scenario One: Employer Choice of Provider

10. It is recognised that employers may already have relationships with providers who do not form part of the TtG network, but with whom the employer wishes to continue to work to deliver NVQ L2 and/or SfL to employees. Equally, it is recognised that on occasion, an employer may wish to work with an existing Train to Gain provider to deliver either more qualifications than the provider is contracted to deliver, or sector subject areas not covered by the provider's TtG contract.
 11. We would expect that this situation would arise primarily as a result of dialogue between the employer and the provider, (although it could come as a result of Broker contact). Where there is no broker engagement, the provider must refer the employer to the brokerage service.
 12. The employer will need to inform the Brokerage service of their desire to use the Regional Response Fund to meet their training needs. The broker will then discuss with the employer the full range of support available from the Skills Brokerage service. The broker will also explain about the existing provision available and how it can be accessed, and set out the RRF process and timescales, ensuring that the employer understands the variable that could impact on the success of any RRF bid.
 13. If the employer opts to continue with the RRF process at this stage, the provider will need to submit an Expression of Interest (EoI) Form (Annex 4) to the appropriate Skills Broker. This will then be authorised by the broker to confirm engagement with the employer, and passed through to the LSC for consideration.
 14. The LSC will consider the EoI in the context of principles (a) to (e) as set out in paragraph 5. Both the provider and employer will be informed of the outcome of this assessment. Where an EoI is rejected, the LSC will provide the Provider and Skills Broker with written feedback. The Broker will ensure the Employer understands the outcome, and offer alternative support.
 15. Providers who successfully submit an EoI will be asked to submit a full application to the LSC, using the appropriate form. On receipt of the application, appropriate provider financial assurance (PFA) checks will be carried out (the rigour of these checks will depend on whether the provider is a current TtG or LSC provider. Where the provider fails a PFA check, both the employer and provider will be informed.
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Again, the Broker will need to ensure the employer understands the outcome and to identify alternative solutions.

16. Once a provider has passed the PFA check, the LSC will carry out a full evaluation of the proposal, using standard criteria. Where the application is unsuccessful, the LSC will provide the Provider and Skills Broker with written feedback. The Broker will ensure the Employer understands the outcome, and offer alternative support.
17. Where an application has been successful, the LSC will issue the provider with a contract for the volumes initially set out in the application for the specified employer(s). For non-TTG providers this will be a Type C contract; for TtG providers this will be a variation to their existing contract via either (a) an additional Type C funding schedule or (b) a revision to their existing Type B schedule.

Scenario Two: Employer Required Qualifications not Offered through existing TtG Contracts



18. Although we have attempted to purchase provision that is demanded by employers in the North West, there may be specialised qualifications that have not been covered by existing contracts with Train to Gain providers. This scenario will only come about as a result of a Broker engagement with an employer.
19. The Broker would identify potential providers that could deliver the qualification. Where one or more providers in the existing TtG network can deliver the qualification, these would be offered to the employer. Once the employer has selected a provider, the Broker will submit a request for this provision to be added to the providers contract.
20. The LSC will then negotiate with the provider either (a) authorise the delivery of the qualification under the existing contract without the allocation of additional volumes, (b) Agree a variation to the providers Type B contract, or (c) issue a Type C contract schedule for the additional provision.
21. Where the broker cannot source the qualification from an existing TtG provider, and a new provider is identified, the process as described in paragraphs 13 – 16. The LSC would then issue a Type C contract for the volumes initially set out in the application for the specified employer.

Scenario Three: Addressing Gaps in TtG Provision

22. As a result of the TtG commissioning round, the LSC has procured a range of providers and provision designed to address employers needs. However, this was at estimate of likely demand, and in some cases the pattern of actual demand from employers has differed from those estimates. To enable us to address known gaps in provision, and avoid employers and providers having to submit multiple bids under scenario two, we are offering providers the opportunity to bid to deliver to these gaps.
23. Such gaps as primarily spatial and in relation to particular qualifications, and are identified as a result of aggregated feedback from brokers on the gaps they are identifying.
24. The NW LSC will issue a notice via the LSC's website on the first day of every month setting out what gaps (if any) we are seeking applications to address. Unlike the previous two scenarios, there is no Expression of Interest required, and providers are asked to submit the appropriate application by the end of the month the notice is issued to be considered for a contract.
25. The LSC will award the contract to the provider(s) who score highest at assessment. We expect providers to be able to provide details of the employers they will be working with to deliver a minimum of 50% of the contract. The remaining starts will be available to Brokers to offer to employers they are working with.
26. We would not consider providing additional funding via this route to existing TtG providers who are not demonstrating performance to profile in the delivery of their existing contract in the SSAs and Sub-regions identified in the notice.

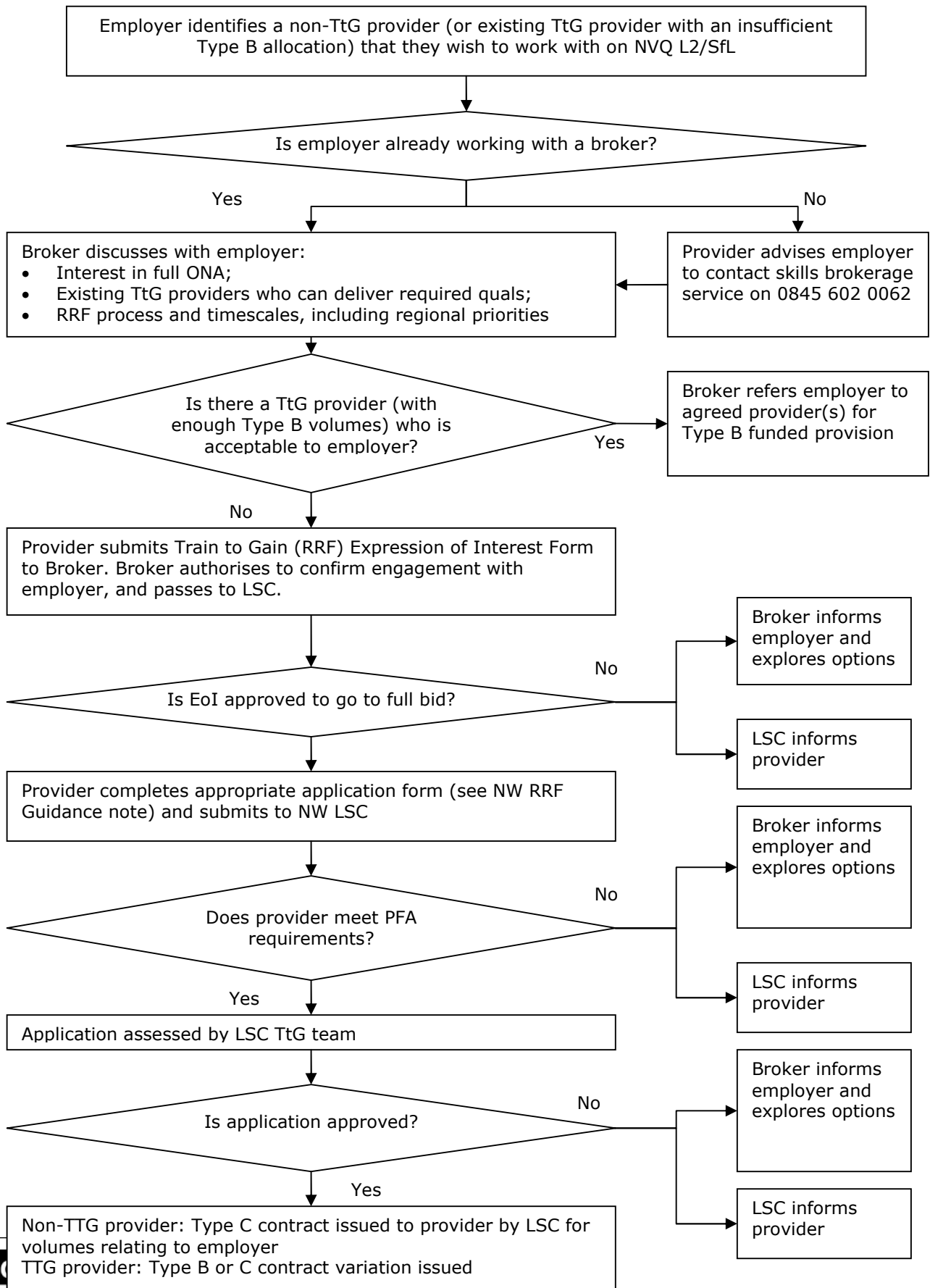
Application Process

27. Under Scenarios 1 and 2, we will require an Expression of Interest to be completed. This will enable an initial sift of requests and may reduce subsequent work for both the applicant and the LSC. EoIs will be responded to within five working days from the date of receipt by the NW LSC. See *Annex 4 for EoI Form*.

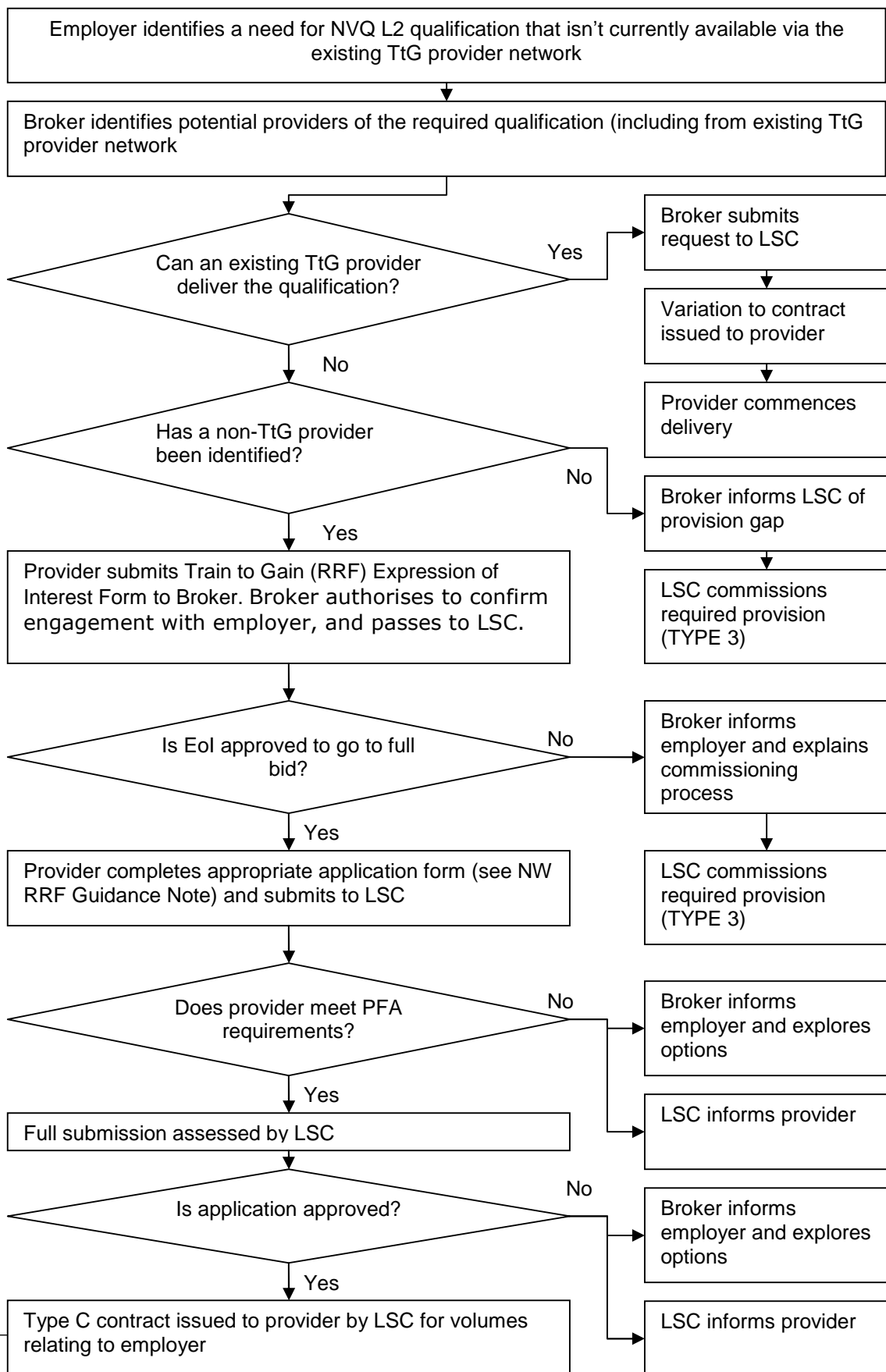
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28. For the full submission, the following categorisations apply:
 - Existing TtG providers should complete the form entitled *Application to Access Train to Gain Regional Response Funds (for providers who already hold a Train to gain Contract)*
 - Existing LSC (but not TtG) providers should complete the form entitled *Application to Deliver Regional Response Training (for providers who do not hold a Train to Gain contract)*, but without completing Section 3, Part C in the application form relating to new providers
 - Providers who do not hold a current funding agreement with the LSC should complete the form entitled *Application to Deliver Regional Response Training (for providers who do not hold a train to gain contract)*
 29. Providers who failed some part or all of the tendering process for Train to Gain funding in Spring 2006 are eligible to apply to the RRF. Consideration will be made of the reasons why the tender was unsuccessful and the potential impact on the quality of provision and value for money when assessing the application.
 30. In general, it is anticipated that where quality of provision is a prime concern in rejecting an application, a provider would need at least six months to make improvements to reach the quality requirements of Train to Gain.
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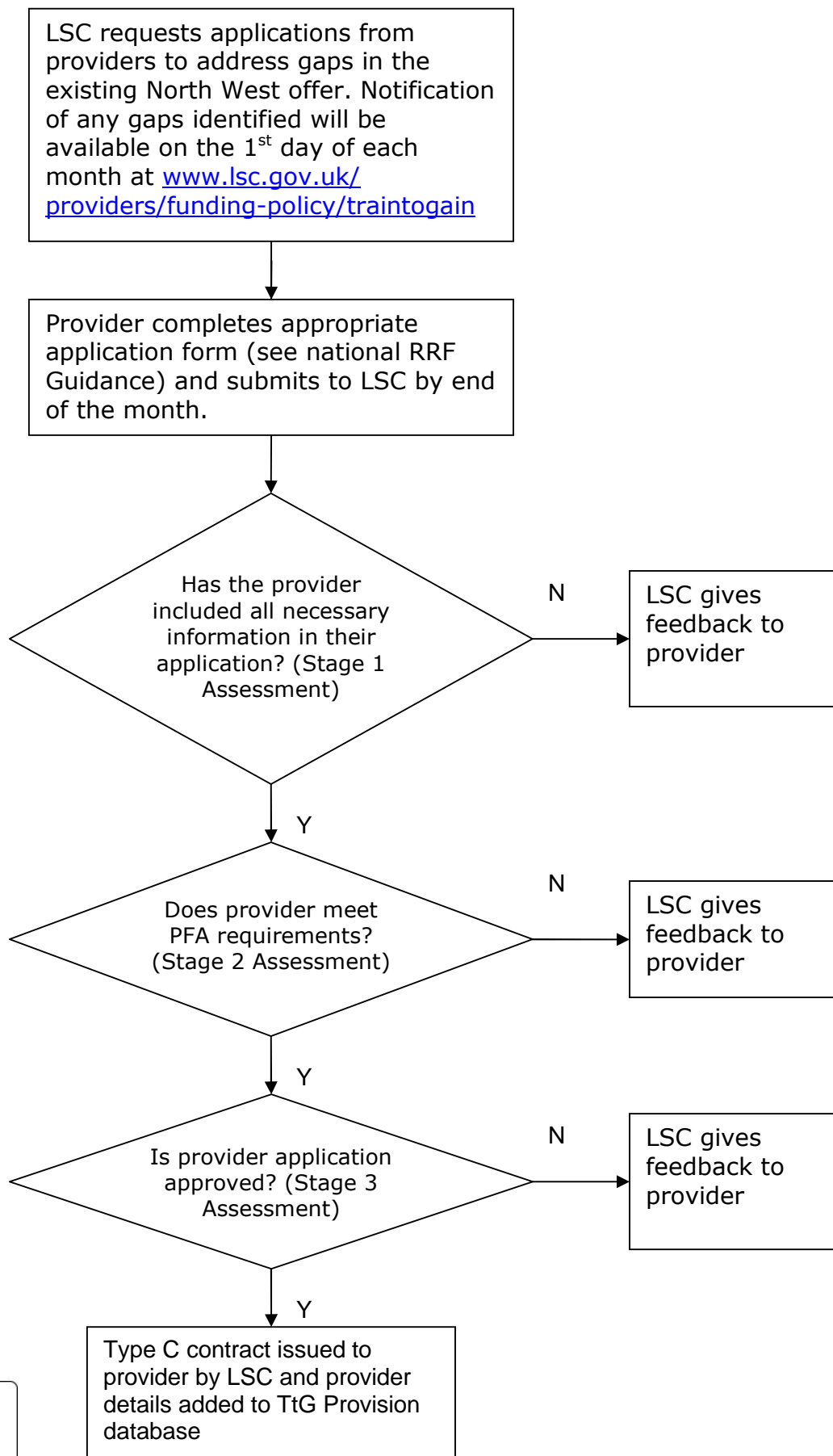
REGIONAL RESPONSE FUND – EMPLOYER CHOICE (SCENARIO ONE)



REGIONAL RESPONSE FUND – QUALIFICATION NOT AVAILABLE (SCENARIO TWO) **Train to Gain**



REGIONAL RESPONSE FUND – ADDRESSING GAPS IN TTG PROVISION (SCENARIO THREE)





EXPRESSION OF INTEREST FORM

Drafting note: to be added w/c 11 December

