

European Social Fund Delivery Requirements

**Skills Support for the Unemployed and Apprenticeship
Support to Employers**

Priority 1/2 and 4

July 2011

Of interest to Colleges and Training Organisations



Context

1. *Skills for Sustainable Growth*, the Government's strategy for skills published in November 2010 sets out a clear responsibility for the Government to ensure that everyone has the skills they need to access employment and participate in civil society. For both economic and social reasons it is essential that those without employment are helped to gain the right skills to find sustainable work with the opportunity to progress, and that employers have access to skilled labour to help their businesses succeed. The Government will provide funding to support specific training for those on active benefits: individuals claiming Jobseeker's Allowance (JSA) and Employment and Support Allowance (ESA) in the Work Related Activity Group (WRAG).

2. The Government has also committed to increasing the number of Apprenticeship places available so that more individuals and employers benefit from the advantages of an Apprenticeship. The generation of Apprenticeship opportunities with Small and Medium sized Enterprises (SMEs) for unemployed JSA and ESA (WRAG) individuals forms an important part of the Skills Strategy and the Skills Investment Strategy. The ORGANISATION will be expected, when developing strong working links with employers, to deliver training to unemployed JSA and ESA (WRAG) individuals with a view that some individuals progress on to an Apprenticeship.

Service Requirements

3. The aim of this offer is to ensure that capacity is in place to enable the ORGANISATION to provide skills support to unemployed individuals who are claiming JSA and ESA (WRAG) benefits and looking to enter the labour market. The approach will ensure adults (aged 18 and over) are given the right level of skills and employability support they need to improve their chances of gaining employment / starting new Apprenticeships.

4. The ORGANISATION will be expected to develop strong working links with Jobcentre Plus, Next Step and Apprenticeship providers and other local economic partners in order to provide the support and skills development required by JSA and ESA (WRAG) benefit claimants to help them prepare for, and move into employment / Apprenticeships.

5. The main contract for delivery will cover individuals enrolling on provision from the beginning of April 2011 to the end of July 2012 and the successful ORGANISATION should have the capacity to deliver employability and skills training immediately once the contracts start. Delivery should not be delayed in any way by any recruitment processes or other processes or relationships that need to be established. Individuals can be recruited onto the programme up to 31st July 2012 enabling completion to take place after that date. The ORGANISATION will be expected to have delivery premises available that are accessible and easily reached by eligible individuals, ideally within easy reach of Jobcentres.

6. The training and skills support may comprise of activity associated with the list below but will not be limited to these activities. Wherever possible, accredited unit(s) and qualification(s) should feature in the training on offer in order that individuals can build on units gained once in employment, either in the workplace or alongside work. However, the training must respond to an individual's skills needs, and all support must be delivered in the context of a personalised skills training programme:

(i) Vocationally or occupationally specific skills training in recruiting sectors for those close to the labour market (known as pre-employment training in Jobcentre Plus). Embedded in the training could be a small element of job search skills, including the use of IT, where appropriate to help individuals to participate in interviews and work trials with local employers. This will include supporting Service Academies and the delivery of Sector Employability toolkit type provision dependant on demand locally that has been identified by employers, Jobcentre Plus and other stakeholders. This will also include skills training appropriate for self-employment;

(ii) Basic Skills which will include literacy, numeracy and English for Speakers of Other Languages (ESOL) at all levels, as appropriate to address the needs of the individual, from Entry Level 1 to Level 2;

(iii) Employability skills which will include activities that will enhance an individual's chance of gaining employment such as team working and developing communication skills. This will include activities that form part of employability qualifications or units of such awards on the QCF.

7. It is expected that this offer will predominantly be offered to JSA and ESA (WRAG) claimants prior to their referral to the Work Programme, in order to align and not overlap with or duplicate other offers, including those contracted by DWP. However, provision made available to individuals who are, or have been on the Work Programme would not be ruled out where a full initial assessment confirms the need for that individual to undertake skills provision to enable them to compete in the local labour market effectively.

8. Due to the changing economic and political landscape, the Skills Funding Agency approach and associated processes may change during the life of this Programme. In such circumstances the ORGANISATION will be expected to adapt their offer and processes accordingly. Furthermore, the contract will be subject to the following: ongoing review of the ORGANISATION'S performance; the continuing availability of funding; the continual support to the Skills Funding Agency in its obligation to deliver value for money and any changes in either ESF or Skills Funding Agency policy.

9. The ORGANISATION will be expected to adhere to any State Aid regulations that may arise from this provision.

Apprenticeship Grant Payments

10. Additional funding is being made available to enable SMEs to help support the candidates through their Apprenticeship. This will take the form of two grant payments up to a maximum of £2,500 for every new Apprenticeship start and the ORGANISATION will be required to pass this funding onto the employer. Payments will be made on the completion of 6 weeks (42 days) from the start of the Apprenticeship and on the completion of 26 weeks into the Apprenticeship should they remain on the programme.

11. The ORGANISATION is expected to form links to Apprenticeship providers in order to raise awareness and ensure availability of the grants as widely as possible. If the ORGANISATION is an Apprenticeship provider they must broker Apprenticeship delivery from other Apprenticeship providers where it best serves the needs of the employer and the individual.

12. Funding for the Apprenticeship training will come from mainstream programme funds through Skills Funding Agency contracted providers as set out under the Apprenticeship Funding Requirements.

Supporting Individuals

13. The focus of support required for unemployed individuals on JSA and ESA (WRAG) is fundamentally different from that required for individuals in employment. Training and support activity needs to demonstrate a maximum degree of flexibility to support individual employability and social mobility, and must be designed to help move people into sustainable work, Apprenticeships or self-employment. The provision will need to be part-time or full-time subject to benefit conditions, and delivery should be available on a roll on, roll off, year round basis that is responsive to emerging and changing local demand.

14. The ORGANISATION must ensure that individuals have access to matrix accredited careers advice through the Next Step service, and that the training offer and the careers advice are aligned. Any support made available by the ORGANISATION must be embedded as part of a skills training package, and must complement the service and advice provided by the Next Step service.

15. The ORGANISATION is expected to offer the most appropriate tailored skills activities from the following list, along with embedded pre-employment support according to the needs of the individual:

- Training to update skills needed for a specific employment sector, including pre-employment training to provide skills to enter a different occupation or sector where required;
- Training in preparation for self-employment;
- Production of a Training Needs Analysis and supporting Individual Learning Plan;
- Skills for Life diagnostics and delivery of appropriate Basic Skills training;
- Access to or provision of IAG and individual learner support.

16. These will be supported by the assessment of generic employability skills needs and the embedded delivery of training to improve job search and job application skills as required. The ORGANISATION will also support individuals by providing:

- Regular progress reviews;
- Work placements and voluntary work organised in conjunction with Jobcentre Plus*;
- Assistance with registration, searching and applications for Apprenticeship

vacancies on www.apprenticeships.org.uk;

- Exit interviews and individual tracking.

*The time spent on work placements and voluntary work opportunities do not count towards total Guided Learning Hours unless the guided learning is being delivered to the individual while on the placement. In this case, the Guided Learning Hours will be funded.

Eligibility

17. Individuals must be aged 18 or over, eligible for Skills Funding Agency and ESF funding under the normal rules and must be claiming JSA (including partners on joint claims) or ESA (WRAG) benefits including:

- Individuals actively seeking work and who are nearer to the labour market but who are still within the JSA and ESA WRAG group; and
- Individuals who are further from the labour market including lone parents, older workers, offenders or LLDD etc and who are claiming JSA or ESA (WRAG).

18. Geographical area - eligibility for the individual will be based on their home postcode and if the individual has no fixed postcode of their own it will be based on the Jobcentre postcode where they sign on.

19. Eligibility for individuals will need to align with the eligibility identified in the Government's Skills Strategy and the Skills Funding Agency Guidance Note 6. If an individual is ineligible for publicly funded support in the Skills Strategy and the Skills Funding Agency Guidance Note 6 they will also be ineligible for ESF funded activity.

Apprenticeship Grant Payments – additional eligibility

20. Apprenticeship starts will only be eligible if the individual has come through the training and programme as detailed above and are:

- Aged between 18-24 years and
- Where the employer is employing the apprentice for 35 hours per week, including off the job training, for the duration of their Apprenticeship programme.

21. Employers will only be eligible for this grant where they:

- Employ 1 to 249 employees; and
- Have not previously engaged in Apprenticeships or there has been a period of 12 months since the last Apprenticeship ended; and; or
- Have an Apprenticeship Programme but can confirm additionality; and
- Satisfy State Aid regulations.

Definition of terms

22. Key terms to note:

(a) **Job outcome:** a job of at least 16 hours a week that starts within 13 weeks of the end of training provision under this offer and that lasts for at least 4 weeks (LONDON ONLY – an additional sustained job outcome payment will be made for a job that lasts at least 26 weeks). Payment will not be made where there is no evidence of skills development activity having taken place, and funded through the GLH model. This includes Apprenticeship and self-employment outcomes.

(b) **Accredited unit(s) and/or qualification(s):** Qualifications and Credit Framework (QCF) unit(s) and qualification(s) and on the Learning Aims Database (LAD) (or successor systems) and approved for public funding.

(c) **Guided Learning Hours (GLH):** are defined as all times when a member of staff is present to give specific guidance towards the learning aim being studied on a programme. This definition includes lectures, tutorials and supervised study in for example, open learning centres and learning workshops. It also includes time spent by staff assessing an individual's achievements, for example in the assessment of competence for National Vocational Qualifications (NVQs). It does not include time spent by staff in the day-to-day marking of assignments or homework where the individual is not present. Also it does not include hours where supervision or assistance is of a general nature and is not specific to the study of the individual. Tutorials, etc incurred for the purposes of this programme will include IAG support. ***Distance learning is not funded under this offer but can be delivered, where necessary, in addition to funded GLH in any bandwidth.***

Apprenticeship Grant Payments specifics:

(d) **Aged 18 to 24:** an individual who is aged at least 18 and who has not reached their 25th birthday at the start date of the Apprenticeship.

(e) **Small and Medium sized Enterprise (SME):** an enterprise with 1 to 249 employees. An enterprise is defined as an enterprise or a group of enterprises with common ownership by another enterprise.

(f) **Apprenticeship vacancies:** means the website operated by the Skills Funding Agency which enables individuals to be matched to Apprenticeship opportunities.

(g) **Apprenticeship start:** An individual has completed six full weeks (42 days) in the Apprenticeship from the start date.

(h) **Starting wage:** the gross weekly wage of the new employee at the start of their Apprenticeship. The employer must pay the apprentice at least the minimum wage for an 18 to 24 year old apprentice (currently £2.50 per hour).

<http://www.bis.gov.uk/policies/employment-matters/rights/nmw/apprenticeship>

(i) **Additionality:** where an employer is agreeing to take on an extra apprentice over and above what they already have and which would not have been possible if it had not been for the support of the grant payment.

(j) **26 week retention:** the individual has remained on an Apprenticeship with the employer after the completion of 26 weeks from the start date.

(k) **Defrayment:** evidence of payment in the form of a bank statement or accounts showing that the payment has left your accounts and been paid to the employer.

Geography / area of delivery

23. Full National / Regional / Sub Regional coverage required i.e. for all of England including all JCP districts - the Skills Funding Agency will be looking to enter into the minimum number of contracts to ensure that the entire tender is delivered in a way that full national coverage is achieved.

Funding available

24. Funding is available to support provision for individuals up to a maximum of £1,500 per individual (EXCEPT LONDON CONTRACTS - £1,900 per individual). A nationally consistent funding model, based on the delivery of guided learning hours (GLH), has been agreed as follows:

Output	Per Individual	Unit cost	Funding available
Participant assessment, planning and support	1	£50	£50
Achievement of accredited units / qualification	1	£100	£100
User Definable Achievements – guided learning hours (GLH) funded per individual.	1		Up to £750
Band 10 – 29 hours		£150	
Band 30 – 44 hours		£300	
Band 45 – 54 hours		£450	
Band 55 – 64 hours		£550	
Band 65 – 70 hours		£650	
Band 71 – 75 hours		£750	
Band 76+ hours		£750	
ALL CONTRACTS EXCEPT LONDON -	1		
Progression destination on leaving – Job		£600	£600

Outcome – job sustained for at least 4 weeks.

LONDON CONTRACTS ONLY –	1	£400	£400
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Progression destination on leaving – Job Outcome - job sustained for at least 4 weeks.

LONDON CONTRACTS ONLY –	1	£600	£600
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Progression destination on leaving – Sustained Job Outcome - job sustained for at least 26 weeks.

25. Apprenticeship Grant Payments to SMEs – only for eligible individuals and SMEs

Number of starts on Apprenticeships	1	£1,000	£1,000
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(To be passed on to the relevant employers)

Payment will be made on completion of week 6 (42 days) of the Apprenticeship start)

Number of qualifying Apprenticeships where the employee has remained in the Apprenticeship for at least 26 weeks (to be passed on to the relevant employers).

- | | | | |
|---------------------------------|---|--------|--------|
| ○ Starting wage of £149 or less | 1 | £1,000 | £1,000 |
| ○ Starting wage of £150 to £240 | 1 | £1,250 | £1,250 |
| ○ Starting wage of £241 or more | 1 | £1,500 | £1,500 |

Funding and payments

26. Travel and Childcare costs, along with any other additional individual learner costs will only be payable where Jobcentre Plus is not able to meet the costs locally and must be met from the unit funding available.

27. Funding for delivery will initially be triggered by completion of the Delivery Statement via the Provider Gateway. From the beginning of August 2011 it will be through the Individualised Learning Record (ILR) returns. For LONDON CONTRACTS ONLY, the sustained job outcome payment at 26 weeks will continue to be paid using the Delivery Statement until the end of the contract(s). Claims for the Apprenticeship Grants will be claimed using the Delivery Statement for the duration of the contract. The payment points are as follows:

- i. **Individual Learning Plan:** An initial payment of £50 is triggered once the Individual Learning Plan has been completed.
- ii. **Delivery of training and achievement of accredited units and / or qualifications:** Payments are then claimed on the basis of the appropriate GLH bandwidth in which the training has been delivered – as per the table above. A further payment of £100 is only paid where accredited units and qualifications are achieved and when a correctly completed ILR has been submitted.
- iii. **Job Outcome:** Payment is made once training is completed and the individual has entered employment supported by evidence (refer to outputs evidence), and a correctly completed ILR has been submitted. FOR LONDON CONTRACTS – the 26 weeks sustained job outcome will need to be evidenced (refer to outputs evidence) and claimed via Delivery Statement.

Apprenticeship Grant Payments to SMEs

28. The Apprenticeship Grant payment is made to the employer to cover any additional costs of recruiting a new employee or one returning to the labour market. The total payment expected by the employer and how it breaks down must be made clear to them at the outset.

29. The total value of the Grant support will be determined by the starting wage at the time of the first claim i.e.

- (i) £149 or less = £2,000 (2 payments of £1,000)
- (ii) £150 and £240 = £2,250 (2 payments £1,000 and £1,250)
- (iii) £241 or more = £2,500 (2 payments £1,000 and £1,500)

30. When the apprentice has completed 6 weeks on the Apprenticeship programme, the employer will be entitled to receive the first part of the payment. When the apprentice has completed 26 weeks on the Apprenticeship programme, the employer will be entitled to receive the second and final payment.

31. The second payment must be made in line with that of the first claim i.e. if the starting wage is declared as being between £150 and £240 then the employer will receive a second payment of £1,250 and no other amount.

32. The ORGANISATION must make each payment to the employer in full (not staged) and promptly on reaching the payment trigger points i.e. at the 6 and 26 weeks completion of the Apprenticeship and subject to written confirmation e.g. letter on letterhead or email, from the employer and Apprenticeship provider. Evidence of defrayment must be held on file by the ORGANISATION (refer to output evidence).

33. The Unique Learner Number (ULN) in field L45 supplied by the ORGANISATION will be used to identify the individual's Apprenticeship start on the Individualised Learner Record (ILR). The National Apprenticeship Service will match any outputs claimed against the number of Apprenticeship starts and investigate discrepancies.

34. Where an outcome or payment claimed is not supported by data held on the ILR the Skills Funding Agency and/or National Apprenticeship Service will undertake an investigation which may result in the claw back of any monies paid. It is the responsibility of the ORGANISATION to ensure that all information is obtained and submitted in an accurate and timely manner (refer to the output requirements).

35. The National Apprenticeship Service and Skills Funding Agency will expect the co-operation of the Apprenticeship provider in ensuring that monies claimed can be substantiated by the ORGANISATION.

Early Leavers and Replacements

36. If the individual leaves before the completion of 6 weeks of the Apprenticeship no start payment will be made to the employer. They may take on another eligible apprentice and still qualify for the programme.

37. If the individual leaves between 7 and 26 weeks and the employer does not recruit another apprentice before the end of week 26 no second payment will be made.

38. If, before the end of week 26, the employer recruits an eligible replacement apprentice, whether undertaking the same or different Apprenticeship as the leaver, they will not be eligible to receive another start payment but will receive the second payment if the replacement apprentice is still in place after week 26 of their start date.

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