

## **Provider Briefing - Joint Investment Programme**

Growth and Innovation Fund

**Date of issue** 16<sup>th</sup> March 2011

**Audience** Providers

**Publication intent** NOT PROTECTIVELY MARKED

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**The purpose of this document is to provide Colleges and Training Organisations with information on the opportunities to engage with key partners to deliver a Joint Investment Programme (JIP).**

### **Introduction**

1. The JIP provides a unique opportunity for employers to work with Government to develop and deliver programmes of training. This partnership means that the number of skills and qualified individuals can be rapidly increased in response to an urgent skills need, and that a new partnership with networks of colleges and training organisations can be quickly created. This will then expand and sustain the pool of experienced providers to better meet short and long term employer demand.
2. The JIP is the only mechanism which gives employers an immediate funding commitment, and sets this funding aside to be matched by employers for the entire duration of each JIP. It also offers a framework for participating employers to build long term relationships with providers to secure a network of provision that meets their needs.
3. The JIP brings together the following key elements required to tactically respond to an identified and agreed skills need:
  - Joint investment towards training and delivery costs between employers and government, as a minimum a 50% cash contribution from employers is required.
  - Guaranteed public funding for specific volumes of targeted and relevant Qualification and Credit Framework (QCF) approved units and qualifications and approved Apprenticeship Frameworks.
  - The development of a specific provider network to work with the applicant to deliver the chosen provision. This network must be contracted through a Skills Funding Agency approved lead provider.
  - Development of a partnership between a lead provider and the applicant, working together to create a network of providers to engage employers, securing the commitment needed to address the longer term skills need.

### **Skills Funding Agency**

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T 0845 377 5000 [www.skillsfundingagency.bis.gov.uk](http://www.skillsfundingagency.bis.gov.uk)  
An agency of the Department for Business, Innovation & Skills

4. Colleges and training organisations will be required to deliver the skills within each JIP either in the role as lead provider or as part of a sub-contracted delivery network.
5. As described in *Further Education: New Horizons, Investing in Sustainable Skills for Growth*, over the period of this Spending Review (SR), up to 2014-15, the further education resource budget will be reduced by 25%. Dealing with these reductions will be a challenge and individuals, training organisations and colleges will have to adapt to changes which will include: policy changes; unit cost reductions; reforming the statutory entitlements to fully subsidised training; rebalancing the investment from public spending towards greater contributions from individuals and employers who benefit most and can afford to pay. The JIP presents the opportunity for a rapid short term, 2-year intervention for employers to work with Government to meet an identified skills need. Agreed JIPs could:
  - Stimulate demand from employers and establish capacity which provides a skills solution which is likely to be fully-funded by employers and individuals in the future
  - Consider a variable or greater employer contribution model to the limit of the Skills Funding Agency rate which supports the transition from co-funding to fully-funded by employers.

### Appointing a Lead Provider

6. Following the agreement to an application from an eligible organisation for a Joint Investment Programme, the Skills Funding Agency will initiate processes to procure and contract a lead provider. Where appropriate the Agency will invite the applicant organisation to assist in the selection process. The final decision on whom to appoint as the lead provider remains the responsibility of the Skills Funding Agency, and the Agency's decision is final.
7. The lead provider will be appointed following a mini-competition held via the Skills Funding Agency's Approved College and Training Organisation Register (ACTOR). This mini-competition will be based on criteria agreed between the applicant and the Skills Funding Agency.
8. All providers are encouraged to review the latest information available on ACTOR published at <http://skillsfundingagency.bis.gov.uk/providers/programmes/actor/>.
9. Only providers registered, evaluated and moderated on ACTOR will be invited to tender. The last freeze of ACTOR that the Joint Investment Programme will consider is registrations submitted Friday 15th April 2011 at 17:00. The mini-competition will be available to relevant organisations registered, evaluated and moderated against the Single Adult Skills Budget provision (formerly Adult Learner Responsive, Apprenticeships, Workplace Learning/Train to Gain, and Programmes for the Unemployed), Invitation to Tender
10. Current timelines for this mini-competition are as follows:

Date	Activity
18 <sup>th</sup> July 2011	Tender Issued

5 <sup>th</sup> August 2011	Tender Closes
12 <sup>th</sup> – 16 <sup>th</sup> September 2011	Applicants invited to Present
17 <sup>th</sup> September 2011	Intention to Contract Issued
30 <sup>th</sup> September 2011	Contracts Issued

11. Successful programmes will be expected to start learners from 3rd October 2011 with the last funded learner completing on or before 31st July 2013. There will be no exceptions to this completion date.

### **Contracting with the Lead Provider**

12. The Skills Funding Agency will only contract directly with the appointed lead provider. The lead provider contract will set out the specific units, qualifications and Apprenticeship Frameworks and their volumes detailed by the applicant. Skills Funding Agency funding through the JIP will then be restricted to these named units, qualifications and Apprenticeship Frameworks, and their associated volumes.
13. The Skills Funding Agency expects the appointed lead provider will establish the provider network in collaboration with the applicant; however provider appointment is the responsibility of the lead provider who is also responsible for the quality of delivery and compliance with Skills Funding Agency rules for publicly funded provision. The Skills Funding Agency reserves the right, at its sole discretion, to refuse to accept any organisation proposed as a sub-contractor.
14. Access to JIP funding from the lead provider will be restricted to those colleges and training organisations listed within this network and agreed by the Skills Funding Agency.
15. Where a National Skills Academy is a partner to an application for a Joint Investment Programme in the role of employer representative, they cannot also tender as a lead provider. This distinction between applicant and lead provider is a guiding principle within the fair and open competitive nature of the JIP and will be enforced. If practice proves there has been a blurring of roles within application creation or delivery process, the Skills Funding Agency reserves the right to withdraw JIP support.
16. Funding from the Skills Funding Agency will be paid directly to the lead provider who will then make payments to the sub-contracted providers within the JIP network. The Agency expects that all of the available Skills Funding Agency rate, excluding the specific lead provider administration rate (specified within the lead provider's tender), will flow to the sub-contracted providers for delivery.

### **Sub-contracted Networks**

17. Within the tender the Skills Funding Agency will require to understand the proposed sub-contracted network. At the point of contracting, this network will be subject to final agreement by the Agency. Any additional sub-contractors engaged during the term of the contract must, in the first instance, be agreed by the Skills Funding Agency.

18. The Skills Funding Agency reserves the right, at its sole discretion, to refuse to accept any organisation proposed as a sub-contractor. It should be noted that the Skills Funding Agency is currently the requirement that sub-contractors receiving funds above a set value should meet due diligence tests on ACTOR, and should this policy be implemented, the Skills Funding Agency reserves the right to decline any organisation proposed as a sub-contractor throughout the lifetime of the JIP programme.
19. The applicant and lead provider, and the providers in the delivery network will be required to agree contractual or service level terms between themselves as part of the arrangement for JIP delivery.

### **What are we looking for in a lead provider?**

20. The criteria for the mini-competition will be made available at the point of launching however, the key characteristics we require of a lead provider are as follows:
  - a. creating and sustaining partnership activity with the industry sector and its employers
  - b. working with employers in delivery of sector specific skills and securing financial contribution from employers for this provision
  - c. success rates at or above national averages in the relevant sectors and evidence of previous quality delivery in the sectors or sub-sectors identified; ensuring learners progress and achieve the specific provision set out in the JIP where these are already delivered, and / other work based, competency based, employer qualifications in the relevant sector subject areas where the proposed qualifications are new
  - d. creating and sustaining a network of sector specific providers delivering provision in this sector subject area, with the minimum level of lead provider administration fee
  - e. Ability to start learner activity promptly (October 2011)

### **What's different about Joint Investment Programme compared with mainstream – Single Adult Skills Budget?**

21. Joint Investment Programme funds are separate to the Single Adult Skills Budget and therefore subject to different requirements than the standard freedoms and flexibilities underpinning colleges and training organisations. JIP funds are available to respond only to specific business skills needs set out in the JIP application.
22. If you enter into a contract with the Skills Funding Agency to be the lead provider for a Joint Investment Programme you will be committing to:
  - working in partnership with the JIP applicant organisation to deliver the programme and report to the Skills Funding Agency
  - delivering agreed volumes of specific provision
  - delivering to specific employers
  - collecting agreed minimum 50% cash contributions from each and every employer engaged
  - establishing a provider network which sufficiently supports the needs of employers

## Next Steps

23. Decisions on which Joint Investment Programmes will be going ahead will not be available until 15<sup>th</sup> July; so, in the meantime, you may wish to discuss proposals with sector / employer representative organisations.
24. If you have not registered on ACTOR against the Single Adult Skills Budget provision ITT please do so before 17:00 on 15 April 2011.
25. You may find applicant organisations wish to talk to you to discuss their proposals further. Whilst we welcome this, involvement and support towards an application does not guarantee a role in the implementation.
26. The Skills Funding Agency will communicate with you again as we initiate the mini-competition.

## Growth and Innovation Fund Background

The new Growth and Innovation Fund (GIF) will help employer groups raise skills – through specific vocational training projects, new professional standards and Skills Academies - to generate successful, growing businesses across their sectors. BIS will contribute up to £50m per year over three years, underpinned by co-investment by business that could deliver a total of £100m a year.

A prospectus has been launched ([www.ukces.org.uk/gif](http://www.ukces.org.uk/gif)) which invites applications from eligible organisations. As a College or Training Organisation you are NOT ELIGIBLE to apply.

The GIF prospectus outlines the funding available and invites applications for three types of project:

- Joint Investment Programme: led by Skills Funding Agency to bring together employer and public investment in specific training projects which improve business productivity and growth, or address skills gaps and shortages.
- 'Best Market Solutions': led by UKCES to support the best ideas from sectors to remove skills barriers to growth, including through the introduction of new voluntary professional standards and training levies;
- National Skills Academies: led by Skills Funding Agency expanding the successful network of National Skills Academies, which already exist in 18 sectors such as Environmental Technology, Rail Engineering and Retail;

## **Further information**

Download the prospectus and further Joint Investment Programme Guidance here:  
[www.ukces.org.uk/gif](http://www.ukces.org.uk/gif)

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