Questions & Answers

Skills Funding Agency

Joint Investment Programme for Strategic Skills

Date of issue	October 2010
Audience	External
Publication intent	NOT PROTECTIVELY MARKED
Internal report ref	JIP Q+A

Introduction

This document is intended to provide interested parties with answers to common questions regarding the Joint Investment Programme.

It will be updated regularly with the questions and answers which are raised and answered via the Joint Investment Programme email box. If you have a question which isn't detailed and answered in this document please email it to the Joint Investment Programme mailbox.

Question Themes

Skills Funding Agency

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About the Joint Investment Programme

1. **What is the Joint Investment Programme?**
   The programme, first announced in Skills for Growth, brings together public and private investment to support skills development in areas key to economic recovery and future growth.

   Via the publication of a Prospectus, Sector Skills Councils (SSCs) and Industry Training Boards (ITBs) were invited to submit their interest to the Skills Funding Agency in May 2010. Those sector bodies that have received agreement in principle have been invited to develop a full implementation plan for Agency agreement in September.

2. **What's new about this programme, how does this differ from the standard offer?**
   The Joint Investment Programme offers ring-fenced funding for learner places commissioned specifically to buy the skills that employers need, delivered with the providers that they choose.

3. **What do employers stand to gain from this?**
   The programme is designed to support employers in moving into new markets and taking up new technologies. It provides a mechanism for them to develop and deliver programmes of training where workforce development is a key step in taking advantage of those new market opportunities and of new technologies. The programme gives employers an immediate commitment to ring-fenced Skills Funding Agency funding to match their own investment to support a detailed programme of training to meet their specific needs. It also offers a framework for participating employers to work more closely with providers to better develop a network of provision that meets their needs.

4. **How do you expect individuals in the workforce to benefit?**
   We expect proposals to set out how you will ensure that individuals receive training with recognised economic value linked to employer need that is closely aligned to future job opportunities. We would also expect individuals to benefit by gaining certificated recognition for their new skills.

5. **What is the impact for providers?**
   Providers get greater insight into changing demand, and an opportunity to work closer with employers to meet that demand. They also get reduced risk in delivering new forms of provision through the upfront commitment of employer and public cash investment.

6. **What will success look like?**
   Some of the specifics will be determined by the individual proposals. Overall we expect the programme to be flexible and responsive in addressing skills gaps, meeting new skills needs and increasing investment in developing technician and associate professional skills thus having a real impact on economic growth

Money

7. **How much are you investing in the Joint Investment Programme?**
   In the first year of the Joint Investment Programme the Skills Funding Agency will invest up to £12million.

8. **Is this new money?**
   The programme, and what it enables us to do, is new. The Skills Funding Agency has created a dedicated budget for the JIP as part of the support for employers through Train to Gain and it will be used in a way that allows employers to influence new activity / provision in a different way to existing mechanisms.

9. **Doesn't allocating the money this close to the start of the academic year mean that you're bound to under-spend, and money will be lost which would otherwise go to colleges/training organisations?**
   Provider allocations will be made against Joint Investment Programme plans with employer engagement and commitment; and therefore will be deployed to meet already identified and specified employer demand. The Skills Funding Agency will manage the allocations for this programme using the normal contracting and allocations mechanisms and spend on programme will be monitored against the plan.

10. **Why do you require a 50-50 cash match?**
    Joint Government and employer commitment to an agreed programme is critical to success. We have identified providers and employers ready to sign up to programmes of provision which may be significantly different in scale or content. It is therefore important that both sides can have confidence that the other will deliver.

11. **Will employers be able to use salary costs etc as the match?**
    No, a cash of 50% of the Skills Funding Agency published funding rate for learner participation costs is required and will need to be evidenced.

12. **Whose responsibility is it to check the employer contribution has been made?**
    It is the responsibility and a contractual requirement of the provider that the contribution is collected. Under the Joint Investment Programme it is the responsibility of the lead Sector Skills Council to ensure that the provider has sufficient and robust evidence that the 50% employer contribution has been made.

13. **What do the funding rates issued by the Skills Funding Agency include?**
    The funding rates established and set by the Skills Funding Agency are for the costs directly incurred of efficiently delivered provision. This is informed by the activity costs model which takes into account the activities and costs required to deliver and achieve the requirements of the provision.

14. **If an Employer holds a direct funding contract can they use any of these funds as a match?**
    No, all matched funding must be sourced from employers directly and must not be committed in other programmes. Where funding streams exist from Government sources outside of the skills system this can only be used as match once fully deployed to the employer i.e. within the employer's budget. European Social Fund (ESF) and other European funding streams are specifically excluded from Joint Investment Programme.

15. **What will a JIP offer above and beyond existing Apprenticeship Funding?**
    Funding for Apprenticeships in a Joint Investment Programme will follow Apprenticeship funding rules including those requiring employer contributions of 50%. The benefit of the Joint Investment Programme is that it offers ring-fenced money for the learner cohort identified by the SSC/ITB at the outset of the programme.

16. **Can the funding be matched from other publicly funded or charitable programmes as opposed to directly from employers? Or even from mixed sources (employer and other funded programmes) to make up the 50%?**
    No, all matched funding must be sourced from employers directly and must not be committed in other programmes. Where funding streams exist from Government sources outside of the skills system this can only be used as match once fully deployed to the employer i.e. within the employers budget. ESF and other European funding streams are specifically excluded from Joint Investment Programme.

17. **What management costs are available?**
    There are no management costs available for Joint Investment Programme.

18. **Who does the employer contribution pay for?**
    The employer contribution must be spent on the cost of training provision and in all cases as a 50% contribution to match the provision funded by the Skills Funding Agency.

19. How does the employer pay their 50%?
The model for collection and deployment of money has not been prescribed but should be clear in the SSC's Implementation and Delivery Plan. The simplest model is as now i.e. the provider invoices the employer direct for their contribution to the cost of delivering the learning.

20. Are provider minimum contract values (MCVs) going to decrease if Joint Investment Programme funding is taken from the Train to Gain pot?
No, Train to Gain MCVs to providers for 2010/11 have been made. The JIP funds are separate and in addition to these.

21. How does the Joint Investment Programme relate to existing fee/cost recovery structures e.g. current 50% on Apprenticeships?
Fee / cost recovery structures are the same as those within Skills Funding Agency mainstream programme activity.

22. We can't get a 50% contribution for the Skills Funding Agency funded provision but the employer is buying something else. Can this count?
A 50% financial contribution is required for all Skills Funding Agency co-funded provision. This will be paid to the provider when the learning takes place.

23. How will state aid considerations affect employers?
The design of the Joint Investment Programme, with employers expected to make a cash payment to cover the employer contribution (based on 50% of the published rate for training costs), helps satisfy the requirements of the state aid training block exemption. Employers and providers will be required to retain evidence to confirm the contribution was paid for audit purposes for 10 years after the completion of the training.

These arrangements are a standard part of other publicly funded programmes subject to state aid rules.

This reflects the position at this current time however this remains subject to prevailing rules in Train to Gain or Apprenticeships at the point of delivery.

24. Will the large employer rate be used in Joint Investment Programme?
Yes. A 25% reduction in rates paid to large employers (1,000+) for Train to Gain and 19+ Apprenticeships. This will apply to all large employers, not just those delivering with the National Employer Service, and will include direct and college and training organisation-led delivery

25. How is the large employer rate applied?
The Skills Funding Agency applies this to the full published rate for the qualification. The total rate is therefore reduced by 25%, the Agency and the employer 50% contributions are then calculated on this reduced rate.

26. **Can we negotiate with providers on price of delivery?**
No, the Skills Funding Agency will set the funding rate for each qualification/unit or framework and the whole rate is payable to the provider (50% Skills Funding Agency, 50% Employer).

27. **When costed, the Implementation and Delivery Plan exceeds the value of our Expression of Interest (EoI), will Skills Funding Agency consider this?**
No, the Skills Funding Agency will revise your plan down in line with your EoI or reject the plan.

28. **If we under spend in year one, will this be available for year 2, if a second year is agreed?**
No. Year 2 volumes will be established using a combination of the figures agreed in the expression of interest along with performance from year 1.

29. **Is the JIP within the single budget?**
No, the Joint Investment Programme is excluded from Single budget for more information please see Guidance Note 5. The Joint Investment Programme is funded through a ring fenced budget for use only on the provision agreed and with the employers specified by SSCs.

30. **How will Joint Investment Programme activity be profiled?**
As part of the implementation process the Agency has asked SSCs to work with employers to confirm their commitment and financial contributions, and to work directly with their providers of choice to profile the activity as agreed in the expression of interest. Both employer and provider profiles will be set out in each SSC's formal Joint Investment Programme implementation and delivery plan. These profiles will then be used to contract the agreed activity with providers specified within the JIP.

Qualifications / Provision

31. **What qualifications/units can be funded in the Joint Investment Programme?**
Only those qualifications/units or Apprenticeship Frameworks detailed in the expression of interest and the final agreed implementation and delivery plan.

32. **Is funding available for repeat qualifications / units – or do they have to be first qualifications/units?**
Funding will be available for repeat qualifications and units.

33. What is the definition of a repeat qualification - Learner has achieved equal level in alternative area of study and needs to re-skill or Learner has achieved a qualification of equal or higher level in alternative area of study and needs to re-skill?

Often referred to as 'repeat', 'second' or 'additional', individuals can be considered for repeats where they already have a qualification at the proposed level or a higher level. A repeat qualification may be a second, third or subsequent qualification.

34. Does provision need to be in the Qualifications and Credit Framework (QCF) to receive funding?

Yes all JIP provision funded by Skills Funding Agency must be in the QCF.

35. Learner Eligibility – what are the rules?

For both Apprenticeships and Train to Gain standard eligibility rules apply. The exception to this is repeats for qualifications and units at both Levels 3 and 4 will be available for co-funding where agreed as part of a Joint Investment Programme.

36. Can the skills content of a Joint Investment Programme be changed Mid-programme i.e. to accommodate developing and/or new Technologies?

No.

37. How will JIP support progress to higher education?

Progression to higher education, aligned to business and sector needs, is encouraged as part of JIP although JIP funding cannot be used for this route. However, other joint investment opportunities are available (see question 38 below). Progression routes, including higher education, were given consideration when deciding on JIP qualifications.

38. Can JIP funding be used for staff to progress to higher education?

While JIP funding can be used for those qualifications specified in the JIP implementation plan to prepare your staff for higher education, there is no funding available to support higher education within JIP or any other Skills Funding Agency policy area. For HE targeted at business, the Government generally expects the business to contribute financially.

However, The Higher Education Funding Council for England (HEFCE) has allocated some funding for 2010/11 for student places co-funded with businesses on a 50/50 basis with employers. This 'co-funding' can be a cash contribution but universities may be willing to consider 'in kind' contributions (such as facilities or employer involvement in mentoring) and some universities may also have co-funded initiatives of their own for employers.

Businesses seeking to invest in Higher Education (HE) on a co-funded basis should contact the institutions directly to discuss their needs. Universities have specific business units to help employers and this link will take you to contact details for those units.

A list of universities which are currently funded by HEFCE to work closely with employers on a co-funded basis can be downloaded from the HEFCE website or contact Peter Seddon (Policy Adviser, Skills Policy Team, HEFCE) for further advice and help.

Employer Engagement and Commitment

39. Can you supply a clear definition of employer commitment, where does employer money come from?
Employer money comes from the employer's budget directly or from a collaboration/consortium of employers.

40. How do we identify employers, particularly thinking supply chain and membership organisations.
This is for SSCs to decide.

41. Can new employers come on board throughout the programme?
New employers can come on board but only as a replacement to any which may have dropped out, reduced volumes or have moved their timeline to later in the JIP delivery schedule. New employers must work with the same providers and qualifications/units to be able to take advantage of the programme. There will be no opportunity to increase public investment midway through the programme. The public investment agreed at the outset will not increase.

42. Why do you need the names and commitments of employers ahead of delivery?
For the first time we are able to commission for specific provision and with specific providers. This level of employer detail is needed as a demonstration of genuine and agreed employer commitment volumes and to enable contracts and commissioning to take place.

The Implementation and Delivery Plan will require SSCs to include details of all employers involved, their commitment to specific investment and their intended outcomes for the first academic year. We need this to make the commitment of ring-fenced public funding and to commission specifically to support each individual programme.

43. Can employers hold a funding agreement with the National Employer Service and be a part of JIP?
Yes, however Joint Investment Programme activity must be additional to any current activity.

Providers

44. Which training providers will the Skills Funding Agency contract with?
The Skills Funding Agency will be advised by the SSCs leading the bids on which providers should be contracted deliverers for Joint Investment Programme provision. A key part of the Implementation and Delivery Plan will be the identification of suitable providers and the activity they will be undertaking. All Providers contracted for Joint Investment Programme activity must be qualified providers for Skills Funding Agency delivery.

45. How will Skills Funding Agency contract with providers we propose?
The contracting model the Skills Funding Agency implements will be dependent on the status of the providers and your delivery model as detailed in your EoI. There are two core options:

a. **Skills Funding Agency to individual provider(s)**
Where the Skills Funding Agency already holds a contract with a provider an additional appendix for Joint Investment Programme activity could be awarded. Where a new provider is identified subject to agreement a new contract could be awarded.

b. **Skills Funding Agency to a lead provider**
Subject to agreement by the Skills Funding Agency, contracted providers may sub-contract a proportion of activity to other providers to deliver on their behalf. Please see the Skills Funding Agency 2010/11 Funding Requirements – September 2010 for terms and conditions of sub-contracting.

46. Can National Skills Academies be deemed as contracted providers?
Yes where the above applies see question 44. above and 55. below.

47. Can funds in the Joint Investment Programme be used to build provider capacity?
No, Joint Investment Programme funds are for participation of learners from identified employers.

Delivery

48. **If learners commence a 4 year programme during the 2010/11 academic year will the funding be guaranteed until the completion of their studies?**
    Yes, subject to continued availability of public and employer funding these learners will be funded for the completion of their studies but must begin their learning within the two years of the Joint Investment Programme.

49. **For the 2010/11 academic year do learners need to commence their development in September 2010 – or can starts be phased throughout the academic year?**
    Starts can be phased throughout the academic year to suit the needs of your employers.

Agreement / Contracts / Accountability

50. **Expressions of Interest have been given "agreement in principle" what does this mean?**
    Agreement in principle is not a guarantee that a bid will proceed to full implementation, but it is more than just short-listing. If all bids receiving agreement in principle deliver the full plans to the required quality and level of detail, they will all be able to go forward to implementation. It is expected that any bids receiving agreement in principle will have gaps to fill and conditions that need to be met in working up the detailed plans. These conditions must be met in order to proceed.

51. **Who is ultimately accountable for delivery?**
    The SSC or ITB leading a Joint Investment Programme Plan which signals a commitment of employer collaboration and investment, are accountable for ensuring that commitment is delivered.

    The Skills Funding Agency is accountable for the Skills Funding Agency funding, and for contracting with providers.

52. **The JIP was a 2-year programme – why is the agreement in principle for one year only?**
    Funding for the Joint Investment Programme has been ring-fenced for the academic year - 1st August 2010 to 31st July 2011 and will be committed once implementation and delivery plans have been approved by Skills Funding Agency.

Our intention is to continue to plan for a two-year programme as originally indicated however, at this time funding will only be allocated for the first year in line with your expression of interest and your full Joint Investment Programme implementation plan. Funding for year 2 is subject to affordability which in turn may be influenced by the outcome of the Government's Comprehensive Spending Review (CSR) in October 2010.

53. **What form of agreement will there be between Skills Funding Agency and SSCs?**
CEOs will be required to sign the submitted implementation plan stating one organisation's commitment to delivery, monitoring and reporting against the plan.

Skills System Fit

54. **What's the impact on existing sector compacts?**
There is no impact on existing compacts, however activity in the Joint Investment Programme should be new and complementary but not overlap with compacts. The JIP is a complementary offer to employers.

55. **What role in Joint Investment Programme do National Skills Academies have?**
National Skills Academies are employer-led centres of training excellence as a result we expect where appropriate National Skills Academies will be identified as providers of choice.

Programme and Performance Management

56. **What are the audit requirements for the Joint Investment Programme?**
As the model for Joint Investment Programme delivery is dependant on proposals in bids, we have not yet produced audit requirements for the programme. As part of the normal Skills Funding Agency contracting mechanisms with providers, delivery will be in line with normal audit requirements. Where appropriate we will build in additional audit requirements to ensure employer investment is being collected and invested on the agreed activity and that we are meeting state-aid requirements.

57. **How will employer investment / contribution be tracked and demonstrated?**
All providers involved with Joint Investment Programme activity will be required to evidence the employer cash contribution of 50% has been made at an individual learner level.

Bid leaders will also be required to aggregate this information and include evidence of any other activity undertaken as part of the Joint Investment Programme providing relevant information to the Skills Funding Agency where appropriate.

The Skills Funding Agency will have the responsibility to collate all of this information and aggregate this up at the overall programme level and share success with interested parties.

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Date created	October 2010
Publication no.	
Document ref.	G:\Organisational Data\Skills Group\JIP 2010-2012\JIP 2010\JIP Q&A doc\SFA-jointinvestmentprogrammeforstrategicskills-publicreport-July - latest.doc
Version	7