



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

**Skills  
Funding  
Agency**

# **RESPONSE TO REDUNDANCY PROGRAMME**

A National Skills Funding Agency Programme

Guidance for Providers

April 2010

Version 4.0

# 1. Introduction

1.1 This document gives providers details of the Skills Funding Agency Response to Redundancy Programme that is being implemented on a national basis. It provides key information to support the delivery of this Programme, in particular where the requirements either differ or supplement the normal Skills Funding Agency or ESF provision criteria. This document should be read in its entirety and alongside contract documentation and the standard Skills Funding Agency/ESF guidance/requirements documents. For those providers who have successfully tendered to deliver the Programme, an ESF contract and delivery schedules were issued by the Skills Funding Agency. This document forms part of the contract.

1.2 Please note that this is a generic guidance document as some provider contracts may not cover all of the provision described in this document.

1.3 The latest version of this document will be made available electronically via the Skills Funding Agency website.

## **Summary of changes in Version 4.0**

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The document has also been re-branded to reflect the change to the Skills Funding Agency.

*Please note that the changes in guidance outlined above take effect from 1<sup>st</sup> April 2010. For learners who started on the programme before the 1<sup>st</sup> of April Version 3.0 of the guidance will still apply.*

## **2. Context**

2.1 On 21 October 2008, Skills Secretary John Denham announced a package of measures in response to the economic downturn. As part of this package, the Skills Funding Agency has £100m to support workers affected by redundancy.

2.2 The Skills Funding Agency has made available £50m from 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. From 01 October 2009 the funding is available to support those under consultation of redundancy. The funding for this activity will be offered holistically, with the Train to Gain and ESF funded elements of the package forming a seamless single offer, supporting the Employer Responsive (ER) funding stream core offer.

2.3 The £100m is available from 1 April 2009 until 31 December 2010.

## **3. Aims of the Response to Redundancy Programme**

3.1 The aim of this offer is to ensure that training provision is in place to enable providers to respond to redundancies and the employment implications of the present economic climate, and to fill gaps in mainstream Skills Funding Agency funding for individuals under consultation or notice of redundancy or who have been made redundant. The approach will ensure adults aged 18 and over under consultation of redundancy, under notice of redundancy, those made recently redundant or those that are unemployed who could be made ready for work are provided with the high-quality training and education support that they need to enable them to either continue in, or enter or re-enter employment and contribute positively to the local labour market.

3.2 Providers will be expected to develop working links with Jobcentre Plus in order to provide support and skills development activities that are relevant to both identified vacancies and forthcoming sectoral based skills demand in local labour markets. The aim of providers must be to move people into employment in local labour markets with the realistic prospect of them progressing in work through further training, and to continue to support individuals once in the work force through the ER funding stream.

## **4. Process**

4.1 The approach relies on a provider being able to offer a seamless service to employers and individuals, joining-up the offer of both pre-employment training and the in-employment training offered through the ER funding stream.

4.2 The focus of support required for individuals in a pre-employment or pre-redundancy situation requires solutions to be driven by the needs of the individual, employers and the local labour market. Training and support activity needs to demonstrate a maximum degree of flexibility to support individual employability and mobility.

4.3 Employers and individuals will be provided with a clear understanding of the range and scope of education and training services that they can expect to receive

and the appropriate signposting to other public agencies such as Business Link or **nextstep** services, as well as Connexions for young people.

4.4 The new Programme will support and enhance the current skills development offer to employers and individuals.

#### The Employer Offer

4.5 Support under the pre-redundancy offer is likely to enable response to significant redundancies where the employer is keen to support activities within the period of consultation or notice of redundancy, or willing to extend the redundancy period to allow access to skills development activity that will help the employee re-enter employment quickly.

4.6 Providers will work with organisations that are reducing their workforce as a result of the economic downturn or market failure, and provide a bespoke training programme that reflects the needs of the local labour market and the employees being supported. Provision will be funded as long as it is organised and delivered according to the individual's existing skill levels, local labour market intelligence on available job opportunities, the individual's own career aspirations and in line with the skills interventions listed in the following section on 'The Individual Offer'.

4.7 A package of support will typically be between 2 and 8 weeks, depending on the arrangements made with the employer. However, it may be possible to extend the duration of the programme to better fit with the employer and employee's needs in line with specific circumstances related to the period of redundancy. Providers should discuss this with their Skills Funding Agency Account Manager in the context of their delivery contract. Helping people to refresh their skills in a sector or begin the work of retraining for a new one to aid progression into employment should be the key driver of any activity.

4.8 It is proposed that activity is quality assured through the accredited status of the provider rather than the qualification and that the level of activity is constrained by setting a maximum funding limit.

4.9 Providers will be pro-active in supporting businesses by joining up this training provision delivered to those under consultation or notice of redundancy alongside an offer to the employer to support the skills and qualification of their existing/remaining workforce through the core ER funding stream contract. Providers will be pro-active in ensuring that where they can provide help to businesses in Redundancy situations, that Business Link is fully aware of the offer locally.

4.10 The Skills Funding Agency is looking to providers to support individuals to secure employment and to enable support for accredited training once they have re-entered employment through the core ER funding stream contract where the normal rules will apply (please refer directly to the [Train to Gain Additional Flexibilities 08/09](#) guidance document, pages 16 and 17). This can be through the provider's own ER funding stream contract or through links with another provider that holds such a contract.

## The Individual Offer

4.11 Eligible individuals (see Section 5 below) will be offered a range of education and training services to develop skills to help them to retain employment or find new employment. The aim will be to equip individuals with the skills to be employed in line with emerging skills shortages and emerging job opportunities in the same company or with a new employer.

4.12 The Provider will proactively market training availability to affected employees within supported organisations, and to those who have already been made redundant.

4.13 The key focus is on the needs and solutions being driven by the individual and the needs of the local labour market so training and support activity needs to have a maximum degree of flexibility to support individual employability and mobility.

4.14 A package of provision may be full-time<sup>1</sup> aligned to benefit conditions of claiming Jobseekers Allowance, limited to the maximum number of weeks permitted by DWP benefit regulations. It should be noted that for the individuals still in employment there is no impact on the delivery of training as a result of benefit restriction. Helping people to refresh their skills in a sector or begin the work of retraining for a new skill to aid progression into employment should be the key driver of any activity.

4.15 The provider must be able to offer the following range of skills interventions tailored to the needs of the individual. It is recognised that not all of these will be needed in each case:

- Training Needs Analysis and Individual Learning Plan;
- Skills for Life diagnostics (including ICT) and delivery of appropriate training;
- Assessment of generic employability skills needs and the delivery of training to improve job search, job application and in-work skills;
- IAG and learner support;
- **Training to update skills needed for a specific employment sector;**
- **Pre-employment training to provide skills to enter a different occupation or sector;**
- Regular progress reviews;
- Exit interviews and customer tracking.

4.16 Training must be focused on skills development as highlighted in bold in the list above and the other services listed should be embedded within the vocational training offer. Provision will be funded as long as it is organised and delivered according to the individual's existing skill levels, local market intelligence on opportunities and the individual's own career aspirations.

4.17 Where the target audience is existing Jobcentre Plus customers, the Skills Funding Agency Response to Redundancy provision should encompass vocational training activity aimed at delivering the skills needed by local recruiting employers. It should be designed to provide a short, sharp intervention to help those closest to the workforce to tailor their existing skills to the needs of the current local labour market

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<sup>1</sup> Full-time provision is for at least 16 hours a week  
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in a specific recruiting sector. This may involve updating skills in a sector where they have previous experience or, where that sector is not recruiting, it may mean adapting an existing skills base to make the individual more attractive to employers in a different or related sector.

4.18 It is not intended that the Response to Redundancy provision will duplicate any existing DWP programme centre/support contracts. The additional services such as assistance to improve job search, should not be offered on a stand alone basis for existing Jobcentre Plus customers through this programme and should only be delivered when embedded in a wider occupationally based intervention.

4.19 Training offered need not lead to qualifications but where accreditation, including of units, is available this should be considered in order to provide individuals with transferable evidence of skills and knowledge for future progression, particularly to full qualifications through ER funded provision. Where accredited and approved provision is delivered it must be recorded as described in Section 7 below.

4.20 A key requirement for Providers is that, once the individual re-enters employment, the provider should seek to continue skills and qualifications development with the new employer/employee delivered under the core ER funded contract (subject to normal Funding Guidance and new flexibilities such as the ability to fund and deliver units.) The Provider will also need to demonstrate what mechanisms they employ to ensure that they would promote continued skills development should an individual find work part way through their training.

4.21 Providers must work with individuals who are under consultation or notice of redundancy to ensure where possible that any outstanding ER funded provision or alternative employment linked training activity is completed.

4.22 Providers will be expected to work effectively with a range of public and private sector delivery partners to signpost employers and individuals to other organisations that can offer other services set out below that were not covered under this procurement exercise:

- Support and training linked to entrepreneurship, self-employment and social enterprise;
- Working with Business Link to utilise and enhance business 'start up' support and to support any employer with access to wider business support services;
- **nextstep** services;
- Additional learning support and learner support;
- Signposting to enhanced and quality redundancy focused matrix accredited IAG focused on jobs and skills;
- Specialist advice regarding benefit allowances, debt counselling, emotional support, etc;
- New employment opportunities in addition to vacancies offered by Jobcentre Plus.

4.23 The Provider should have the capacity to deliver education and training immediately once the contract starts in April 2009. This should not be delayed in any way by any recruitment processes or other processes that need to be introduced.

4.24 Due to the changing economic and political landscape, the Skills Funding Agency and Jobcentre Plus approach and associated processes may change during the life of this Programme. In such circumstances Providers will be expected to adapt their offer and processes accordingly.

## 5. Contract Arrangements

5.1 Only providers who were registered for Employer Responsive provision on the Skills Funding Agency's QPF system will have been eligible to tender, and if successful, be able to deliver training to learners through this Response to Redundancy programme. Providers will have been asked to demonstrate their experience of and ability to work with unemployed individuals and deliver bespoke pre-employment training. For those providers who have successfully tendered to deliver the Programme, an ESF contract and delivery schedules were issued by the Skills Funding Agency. This document is part of the contract.

5.2 Providers will need to work closely with their Skills Funding Agency Account Manager to ensure this funding achieves maximum impact in supporting the target individuals, and to ensure the linkages to any other provision are identified and fully utilised.

## 6. Eligibility

### Overall definition of individual eligibility as per the ITT

6.1 Individuals need to be 18 or more years of age and eligible for Skills Funding Agency and ESF funding under the normal rules. They also need to fall into one of the 4 following categories:

- (a) Those in respect of whom consultation about proposed dismissal by reason of redundancy or Business closure has begun;
- (b) Those under notice of redundancy;
- (c) The newly redundant; and
- (d) The unemployed who would be 'job ready' following receipt of the provision offer.

**Note:** not all contracts include provision for all 4 categories, depending on the regional requirements.

### Definition of terms

- (a) **under consultation of redundancy:** Those individuals aged 18 and above in respect of whom consultation about proposed dismissal by reason of redundancy has begun. This will be evidenced by possession of a personal consultation process letter, or by a letter on headed paper from the employer confirming the individual and/or their job role is affected by the proposed dismissal by reason of redundancy.
- (b) **under notice of redundancy:** an individual who is aged 18 or over and is in possession of a personal redundancy notice letter, or covered by an overall letter on headed paper from the employer in which the individual is listed as one of those 'under notice' of redundancy from a specific date.

- (c) **newly redundant:** an individual who is aged 18 or over and is in possession of a redundancy notice letter from their ex-employer confirming their last day of employment is in the last 3 months, or the first date of unemployment is either current or in the last 3 months.
- (d) **unemployed:** an individual who is aged 18 or over and not in paid employment but available and actively seeking work<sup>2</sup>.
- (e) **job ready:** an individual who could be employable following a short job focused training intervention under this offer, as opposed to a substantial vocational skills investment under the 'Training offer for those unemployed for 6 months'<sup>3</sup> programme, and leading to learning supported under other funding streams.
- (f) **job outcome:** a job of 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.
- (g) **workplace training supported under ER funded provision:** continuing learning or other training for progression funded under the programmes described that starts within 13 weeks of the end of the initial training provision funded under this offer.
- (h) **training delivery:** The training delivered does not have to be accredited training or lead to the acquisition of qualifications. However providers need to understand the link between the pre-employment element of training and the subsequent progression to ER funded provision . The training should be specific to the requirements of the individual's target employment.

## 7. Funding and payments

7.1 Funding is available to support provision for learners up to a maximum of £1,500 per learner. A nationally consistent funding model, based on the delivery of guided learning hours (GLH), has been agreed as follows:

- Between 9 and 14 GLH: £270
- 15 to 44 GLH : £500
- 45 to 74 GLH : £850
- 75 GLH or more : £1200

7.2 All of the above bandwidths include the production of an Individual Learning Plan.

7.3 In addition, funding of £300 is available for a successful job outcome.

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<sup>1</sup> This is based on the ILO definition as follows: The "unemployed" comprise all persons above a specific age [18 in this case] who during the reference period were:

(a) "without work", i.e. were not in paid employment or self-employed;  
 (b) "currently available for work", i.e. were available for paid employment or self employment during the reference period, and  
 (c) "seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment."

<sup>3</sup> Separate Provider Guidance is available for this programme.  
 Response to Redundancy Programme Provider Guidance V4.0

7.4 Funding for delivery is triggered via Individualised Learning Record (ILR) returns and/or the completion of a Delivery Statement via the Provider Gateway. The payment points are as follows:

1. **Individual Learning Plan and first 9 GLH of training:** An initial payment of £200 is triggered once the Individual Learning Plan has been completed and the first 9 hours of training in any glh bandwidth have been delivered.
2. **Delivery of training:** The remainder of the funding for the relevant bandwidth is triggered on completion of the training when a correctly completed ILR has been submitted.
3. **Job Outcome:** Once training funded under this Programme is completed and the individual has entered employment supported by evidence as in Annex A attached, and a correctly completed ILR has been submitted.

**Example:** Learner A undertakes 47 hours of pre-employment training and enters employment within a maximum of 13 weeks after completion of the training under this offer.

The funding for Learner A is £1,150 made up of £200 for the Individual Learning Plan and first 9 GLH, £650 for delivering 47 GLH in total (i.e. the remaining payment for GLH Band 45-74) and £300 for a job outcome.

7.5 A minimum of 9 GLHs should be delivered to be eligible for funding under this programme. Providers should claim for both a start and an achievement for each learner.

7.6 To meet the payment timetable actual delivery will need to be reported by the fourth working day of the month following the period being claimed. Payment will then be made via the BACS system on the eighteenth working day of that month, once the automated payment system is activated.

## 8. State Aid

8.1 State Aid is any form of aid to a commercial undertaking through “state resources” that distorts or threatens to distort competition within the European Union. For those customers **under consultation of redundancy**, providers need to be aware of State Aid implications. Therefore, it means that any Public funding support we give to enterprises under this offer for those under consultation of redundancy would be construed as giving them a competitive advantage over other enterprises in the European Union. ***Failure to comply with these rules could result in recovery of ineligible ESF funds by the Managing Authority.***

8.2 The purpose of the funding under this programme is to provide training to meet the needs of individuals to enable them to find alternative employment if they are made redundant. It is not to be used to meet the training needs of the employer’s business. If funding is used to meet the training needs of the employer as oppose to an individual employee it is likely to be deemed state aid and recoverable from the employer.

## 9. Reporting and Data Returns

9.1 Reporting on this programme will be via both the monthly Employer Responsive (ER) ILR data submissions and a Delivery Statement.

9.2 From September 2009 onwards, providers will be expected to complete an additional field (A68) on the ILR return to record job outcomes. Further details are set out below.

9.3 Providers should continue to complete monthly Delivery Statements online and submit separate ILR returns. The Delivery Statement will continue to be used to generate payments based on actual delivery until ILR summarisation takes place in late November 2009. From December onwards the ILR return will generate payments from that point onwards and the following deliverables will disappear from the Delivery Statement (S34, A24, A25, A26, A27, P8, M32).

9.4 Providers should note that from December 2009 onwards the Delivery Statement will still need to be completed for fields M4, M29, M31 and M33.

### ILR Returns

9.5 There are some programme specific codes that providers will be required to record on the ILR as follows:

Field L45 (Unique Learner Number): must be completed for all learners as this will be used to track learners as they progress into employment and onto further training via the ER funding stream.

Field A09 (Learning Aim reference): use code ZSPE0001.

Field A10 (Skills Funding Agency Funding Stream): use code 70

Field A49 (Special Projects and Pilots): use one of codes SP014-SP017 depending on the number of guided learning hours being delivered.

- SP014 for 9–14 GLH
- SP015 for 15-44 GLH
- SP016 for 45-74 GLH
- SP017 for 75+ GLH

9.6 This field should be completed with the expected guided learning hour band at the beginning of the programme. If the learner has undertaken more hours than originally expected by the time they complete, then field A49 should be updated appropriately. This will ensure that the provider receives the correct payment for the actual number of hours delivered when the learner finishes.

9.7 When a learner is undertaking an accredited unit or qualification the accredited aim should be recorded in addition to the funded ZSPE0001 aim to allow the aim to be counted towards qualification targets. Code SP018 should be used in field A49 so that this additional aim does not generate duplicate funding.

Field A61 (Project Dossier Number): this field must be completed. Skills Funding Agency offices have informed providers of the project dossier number.

Field A62 (Local project Number): this field must be completed. Skills Funding Agency offices have informed providers of the local project number.

Field A66 (Employment Status on day before starting learning): This field is used to collect data about the learner's employment status on the day before starting the learning aim. **This replaces the use of field L36 for all learning aims that start on or after 1 August 2009. The null value and code 98 'not known/not provided' must not be used in this field.**

Field A67 (Length of Unemployment): For learners who are unemployed. The length of time spent as unemployed prior to joining the ESF project is required.

Field A68 (Employment Outcome): This field should be used in ILR returns from September 2009 onwards to record and claim job outcome with training payments as follows.

- 01 Employment outcome (with training) gained on eligible programme
- 02 Employment outcome (without training) gained on eligible funded programme
- 99 No employment outcome gained

9.8 Further details of ILR completion at each stage of the learner journey are set out in the evidence requirements table in Annex C.

9.9 ILRs should be submitted in line with the published ER returns timetable, which can be found on *the information authority's* website:  
<http://www.theia.org.uk/downloads/ilrdocuments/>.

9.10 Other general information about completion of the ILR and tables of codes to be used can also be found here.

## 10. Evidence Requirements

10.1 As part of the Skills Funding Agency audit regime, activity delivered through this Programme will be incorporated into the auditing of a provider's activity as a whole. As well as the general audit requirements the following specific evidence is highlighted below, this also includes the evidence requirements for the non-payment monitoring deliverables within the contract.

### General evidence requirements

10.2 Providers will need to keep evidence as set out in Annex C that the individuals are:

- (a) Aged 18 or over and eligible to receive Skills Funding Agency funding;
- (b) Living or working within the contracted delivery area;
- (c) In one of the 4 categories described in Section 5 above.

### **Job ready**

10.3 The training provider should record the confirmation that an individual could be employable following the specified training offer on the Individual Learning Plan.

### **Job outcome**

10.4 Additional evidence will be required for audit purposes to support the payment of job outcomes as in Annex A. This will be required from:

- The employer;
- The employee; and

10.5 The Annex A template has been approved as meeting the minimum evidence requirements. The provider will need to collect and retain the completed forms as auditable evidence of a job outcome.

### **Contract Deliverable Evidence Requirements**

10.6 The evidence requirements for each of the contract deliverables are fully detailed in Annex C. This table outlines the evidence requirements against each of the core deliverables for this programme. Where additional deliverables / evidence requirements have been added to a contract to meet differing regional requirements, these evidence requirements will be available via your Skills Funding Agency Account Manager.

## **11. Further Guidance**

11.1 For any enquiries or further assistance please contact your Skills Funding Agency Account Manager.