

<p>Subject:</p> <p>Employer Support Programme 2011/12 – 2014/15</p>	<p>Circular Number: FE 14/11</p> <p>Date of Issue: 19th October 2011</p>
<p>Target Audience:</p> <ul style="list-style-type: none"> • Principals/Directors of Further Education Colleges • Chairs of Governing Bodies • FE College Finance Officers • College Economic Engagement Officers • Inter College Working Group on Economic Engagement Members 	<p>Status of Contents:</p> <p>Information</p>
<p>Summary of Contents:</p> <p>This circular details arrangements for the Department's Employer Support Programme.</p> <p>Response:</p> <p>Proposals for year 1 should be submitted to the Department by Friday 28th October 2011.</p> <p>The 3-Year FE Sector Strategic Plan and accompanying projects for years 2-4 of the programme should be submitted by Friday 27th January 2012.</p>	<p>Related Documents: FE 01/10</p> <p>Evaluation of the Innovation Fund: Employer Support Pilot Programme</p> <p>Superseded Documents: N/A</p> <p>Expiry Date: 31 March 2015</p>
<p>Enquiries:</p> <p>Any enquiries about the contents of this circular should be addressed to:</p> <p>John Noble FE Policy and Strategic Development Branch Department for Employment and Learning Room 212 Adelaide House 39 – 49 Adelaide Street BELFAST BT2 8FD</p>	<p>DEL Website:</p> <p>http://www.delni.gov.uk</p> <p>Tel: 028 90 257691 Fax: 028 90 257528</p> <p>Email: john.noble@delni.gov.uk</p>

1. BACKGROUND

Introduction

- 1.1 The Department has been allocated £6.9m funding through the recent Comprehensive Spending Review (CSR) to fund the Employer Support Programme (2011/12: approximately £1.2m, 2012/13: £1.8m; 2013/14: £1.9m; 2014/15: £2m). The budgetary figures beyond 2011/12 are projections only and may be subject to significant change/revision - dependent on the Department meeting its wider pressures going forward over the next four years.
- 1.2 The Employer Support Programme has been developed to give cognisance of the recommendations arising from the independent evaluation of the Innovation Fund: Employer Support Pilot Programme completed by FGS McClure Watters consultants. A copy of the report can be accessed at: <http://www.delni.gov.uk/index/publications/pubs-further-education/evaluation-of-the-innovation-fund-employer-support.htm>
- 1.3 The programme will provide a dedicated fund to support FE College engagement with employers.

2. PROGRAMME'S FOCUS

- 2.1 The Employer Support Programme will focus on:
 - i) supporting colleges in the development of a 3-year strategic plan, comprising projects which comply with DEL policies;
 - ii) encouraging the development of new and innovative projects, which provide the skills to support MATRIX, Priority Sector Skills for Northern Ireland and any skills market failures; and
 - iii) delivering projects which demonstrate VFM costs and increased collaboration across colleges or by colleges with other stakeholders.

Programme's Aims

2.2 The Programme's three key aims are to:

- improve the FE sector's responsiveness, capacity and expertise to deliver skills support to companies for R&D and innovation;
- enhance the FE sector's ability to provide practical support to industry, particularly in priority sectors; and
- support entrepreneurial activity in companies in priority areas.

Programme's Objectives

2.3 Key objectives for the Programme include the need to:

- meet 85% of participating companies' needs (from a baseline of 82% as outlined in the Pilot Programme Evaluation Report);
- achieve 95% of the targets, outcomes and impacts set by the individual projects;
- address internal skills gaps within participating companies;
- encourage entry into developing/ new markets;
- improve processes within participating businesses;
- increase entrepreneurial activity in participating businesses;
- improve customer service within participating businesses;
- increase participating companies' competitiveness; and
- achieve long-term sustainability through participating companies' financial investment in individual projects, equating to an average contribution of 33% in year 2, and 66% in year 3 across the sector.

2.4 In developing proposals colleges will need, as a minimum, to ensure appropriate mechanisms are put in place to capture on-going progress against the above.

Best Practice - NI FE Sector Exemplars

2.5 All new project activities delivered through the Programme should be informed by the best practice identified through the independent evaluation, namely:

- evidence of need/demand for the project through either consultations/research into companies and their needs and/or government statistics such as the low levels of entrepreneurship in NI;
- evidence of a direct link and contribution to government policies/strategies with regard to skills;
- a focus on innovation with colleges, seeking to develop new services/supports that will help companies to increase their competitiveness;
- evidence of target setting and monitoring against impacts; and
- a focus on sustainability, in the case of clients being asked to contribute to costs.

3. PROGRAMME PROPOSALS

Proposals for Year 1 (2011/12)

3.1 Proposals for Year 1 Employer Support Programme funding (approximately £1.2m) should focus exclusively on continuing the best practice FE exemplars identified by the evaluation, namely: InnoTech Centre, Carbon Zero NI, Advancing Enterprise and Open Source Solution Centre (excluding curriculum and student-focused activities).

3.2 All projects should be 'sector-wide' and include proposals for sustainability through the introduction of charging policies based on clients' ability to pay for projects/ services.

3.3 Year 1 proposals should be comprehensive and must, as a minimum, include information under the following headings for each project:

- **Rationale** - identify the best practice exemplar projects from the Pilot Programme and detail how the proposed activities will meet the recommendations outlined in the Pilot Programme Evaluation Report;
- **Sustainability** – detail the Sector’s plans to sustain the project in the absence of future ESP funding;
- **Delivery Mechanisms** – outline how the proposed activities will be delivered;
- **Targets and Outcomes** – provide specific targets and outcomes (which should align with programme’s aims and objectives (as set out on page 3 (paragraphs 2.2 and 2.3) of this Circular), including mechanisms and timescales for their measurement;
- **Measureable Impacts** – identify overarching impacts to be delivered through the project and outline appropriate models for the purpose of their measurement (i.e. – Return on Investment (RoI) models);
- **Stakeholder Engagement** – secure appropriate written support (sign off), where appropriate, from all relevant stakeholders (i.e. Invest NI, Sector Skills Council’s, Workforce Development Forum’s); and
- **Budget** – provide estimates of project delivery costs.

Proposals for Year 2 - 4 (2012/13 - 2014/15)

- 3.4 For the remaining three-year period of the Programme (financial years 2012/13 - 2014/15), a 'sector wide' 3-year strategic plan should be developed in conjunction with local stakeholders.
- 3.5 All newly developed projects for this three-year period should be linked to the 3-year strategic plan and be informed by the Best Practice NI FE sector exemplars, as set out on Page 4 (paragraph 2.5) of this Circular.
- 3.6 All projects should:
- focus specifically on providing the skills to support MATRIX, Priority Skills for NI, STEM or, (subject to the necessary supporting evidence base), any skills market failures in the colleges' own regions or areas;
 - aim to meet companies' needs; and
 - be designed to become self-sustaining, with funding allocated on a tapered basis (e.g. 100%, 66% and 33%), through the introduction of charging policies, based on clients' ability to pay for projects/ services.
- 3.7 Year 2-4 projects, flowing from the Sector's three-year strategic plan, should be comprehensive and must include information under the following headings for each project:
- **Rationale** - Outline the specific need for this project, including how it will meet the recommendations of the Employer Support Pilot Programme Evaluation Report;

- **Targets and Outcomes** – You should outline project targets and outcomes including the mechanisms and timescales for their measurement via specific SMART targets and outcomes;
- **Options for Delivery and Associated Costs** – You should use this section to identify options, covering a range of levels of provision, which will meet the need identified above. This section should also include an assessment of the estimated costs associated with each of the short-listed options. These costs should be presented in as much detail as possible and should be accompanied by a source/basis/rationale for all costs;
- **Assessment of Risks** – You should outline the presence of risks, which can be economic, managerial, legal or financial e.g. risk of a cost overrun or lack of engagement/interest from business, may influence the choice of option, therefore the implications must be thoroughly explored. It is crucial that potential risks are identified and their impact assessed across all carried forward options;
- **Non-Monetary Costs and Benefits** – You should seek to identify a number of non-monetary costs and benefits relevant to the identified need and objectives. You should then score the impact of each non-monetary cost and benefit against each of your short-listed options;
- **Preferred Option, Stakeholder Engagement and Sustainability -** You should identify a preferred option for delivery based on the analysis in the preceding sections. This section should also outline which stakeholders have been engaged through a consultation process to contribute to the development of the project and whether they have given their endorsement. You should also outline, in the absence of future ESP funding, how the proposed project will achieve long-term sustainability;

- **Measurable Impacts** – Based on the targets and outcomes identified above, you should identify the associated impacts and how these will be measured; and
- **Budget** – provide estimates of project delivery costs.

4. PROGRAMME MANAGEMENT

- 4.1 All aspects of the programme will be managed by FE Policy and Strategic Development Branch.
- 4.2 Project Management/Administration costs should **not** exceed 15% of the programme's overall budget. Additionally, all activities which can be covered through other Business Support initiatives will be ineligible for funding/ support. Projects should not include curriculum development or student-focused activities, which should be met through normal mainstream funding. The three-year strategic plan will be subject to annual review by the Department each January, to ensure the plan and associated projects continue to have currency and are performing satisfactorily.
- 4.3 Proposals for Year 1 should be completed as outlined in paragraph 3.3 of this Circular and Proposals for Years 2-4 should be completed using the attached pro forma at Appendix 1, both of which must be signed by the Principal/Director of the lead college, in his/her capacity as Accounting Officer.

5. ASSESSMENT

- 5.1 The Sector's proposals will be examined by the Department against the criteria and contents of this circular and any other relevant and associated documents. Any proposal not in keeping with the recommendations of the report may be rejected or requested to be amended and re-submitted for further examination by the Department.

5.2 Colleges will be advised on the outcome of the Department's examination of the proposals submitted within three weeks of the submission date.

5.3 Subject to the Department's approval being granted, Letters of Offer will issue in due course.

6. MONITORING/EVALUATION

6.1 All proposals approved by the Department will be subject to quarterly monitoring reports which will examine progress against the approved plan. Colleges will be required to provide contact details of participating employers and partners to facilitate monitoring.

6.2 It should be noted that for Year 1, monitoring data will be required to detail progress of projects on a bi-monthly basis (i.e. December 2011, January 2012 and March 2012). Monitoring for Year 2 will be detailed in the relevant Letters of Offer.

6.3 All projects will also be subject to all Departmental financial and associated auditing.

6.4 Clear identification of project administration and management costs will be required.

7. SUBMISSION OF PROPOSALS

7.1 The sector's Year 1 Proposal should be received by the Department by **Friday 28th October 2011.**

7.2 The sector's 3-year strategic plan and associated projects for Years 2-4 should be received by the Department by **Friday 27th January 2012.**

8. ALLOCATION OF FUNDS/TERMS AND CONDITIONS OF PAYMENT OF GRANT

8.2 The Department's funding for this programme will be subject to the following terms and conditions:

- claims for approved expenditure must be made monthly in arrears within 5 weeks of the end of each claim period. The Department will make payment within 30 days of the receipt of a satisfactory claim from the college;
- where salaries constitute a proportion of the administration/management costs, adequate documentation must be provided and maintained, to demonstrate time allocated to these specific activities. Such documentation must provide evidence that such costs are separate and distinct from other pro-rata salary costs for the post, which are being met from normal FE Recurrent Block Grant, or other funding sources, for the particular post or posts;
- the Department maintains the right to withhold, suspend, reduce or recover funding because of failure on the part of the colleges to comply with the terms and conditions of the Employer Support Programme;
- the submission of satisfactory monitoring reports and claims, including supporting documentation, as required by the Department; and
- confirmation that project activities meet the terms and conditions as outlined in the relevant Letters of Offer and that no funding from any other government or statutory source is being received.

9. ACCOUNTABILITY

9.1 The Principal/Director of each lead college will:

- ensure that for the purposes of administering the programme, the college maintains and operates adequate records, financial management and controls, including safeguards against fraud, and will require the college's external auditors to report on the adequacy of those controls;
- ensure that the college uses the funding provided for the purposes intended, including any stipulated terms and conditions; and
- maintain records of all project activities for inspection as required.

9.2 At regular intervals, colleges will be asked to confirm their anticipated expenditure under the programme, to ensure that the Department is alerted to the possibility of an under-spend at the earliest possible date.

10. REVISION

10.1. The Department may at any time amend the terms and conditions through the issue of an addendum to this Circular.

Appendix 1

EMPLOYER SUPPORT PROGRAMME 2011/12 – 2014/15

This pro forma should be completed for each project forming part of the overall 3 Year Sector Strategic Plan. Through completion of this pro forma it is important to be mindful to apply proportionate effort. The resources to be devoted to the level of detail provided should be in proportion to the scale of the expenditure being sought.

Please refer to FE Circular FE 14/11 when completing this pro-forma.

LEAD COLLEGE: _____

COLLEGE CONTACT: _____

CONTACT ADDRESS: _____

TEL. NO: _____

EMAIL ADDRESS: _____

COLLEGES INVOLVED: _____

PROPOSAL TITLE: _____

3. TARGETS AND OUTCOMES

Outline project targets and outcomes including the mechanisms and timescales for their measurement via specific SMART targets and outcomes.

5. ASSESSMENT OF RISKS

The presence of risks, which can be economic, managerial, legal or financial (e.g. risk of a cost overrun or lack of engagement/interest from business), may influence the choice of option, therefore the implications must be thoroughly explored. It is crucial that potential risks are identified and their impact assessed across all options. Using the template below, please give details of any risks, along with the countermeasures which will be put in place to minimise their impact on the project.

Risk description	Risk Owner	Impact (I)	Likelihood (L)	Risk Rating (IxL)	Countermeasure	Explanation of scoring
		Option 1: Option 2: Option 3:	Option 1: Option 2: Option 3:			
		Option 1: Option 2: Option 3:	Option 1: Option 2: Option 3:			
		Option 1: Option 2: Option 3:	Option 1: Option 2: Option 3:			
		Option 1: Option 2: Option 3:	Option 1: Option 2: Option 3:			

Impact (I): 1 – Low, 2 – Minor, 3 – Moderate, 4 – Major, 5 – Serious

Likelihood (L): 1 – Highly Unlikely, 2 – Unlikely, 3 – Possible, 4 – Likely, 5 – Highly Likely

EXPLANATION FOR NON-MONETARY SCORING

7. PREFERRED OPTION, STAKEHOLDER ENGAGEMENT AND SUSTAINABILITY

Based on the analysis carried out above, a preferred option should be identified. You should outline how proposed activities will be delivered and identify the lead college and the colleges engaged in each activity for taking forward this option.

This section should also outline which stakeholders have been engaged through a consultation process to contribute to the development of the project and whether they have given their endorsement.

You should also outline, in the absence of future ESP funding, how the proposed project will achieve long-term sustainability through participating companies' financial investment in individual projects, equating to an average contribution of 33% in year 2, and 66% in year 3 across the sector.

8. MEASUREABLE IMPACTS

Based on the targets and outcomes, please identify the associated impacts and how these will be measured. Information should be included on how benefits will be measured, when will they be achieved and who will be responsible for monitoring the benefit(s)

Benefit/Impact	How measured	When achieved	Responsibility

9. BUDGET

Detail provisional estimates of the costs associated with project delivery.

Proposals for Year 1 **must be received by the Department by Friday 28th October 2011.**

The 3-Year FE Sector Strategic Plan for years 2-4 **should be received by Friday 27th January 2012.**

Both the proposal for Year 1 and the 3-Year FE Sector Strategic Plan must be marked for the attention of:

John Noble
FE Policy and Strategic Development Branch
Department for Employment and Learning
Room 212
Adelaide House
39 – 49 Adelaide Street
BELFAST
BT2 8FD

Proposals must be signed by the Principal/Director/Chief Executive of the lead College, as Accounting Officer.

Signed:	Date:
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