

SKILLS Local

Realising a “Step Change”



European Union

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Social Fund

The D2N2 LEP has a vision for the skills system across Derby, Derbyshire, Nottingham and Nottinghamshire to achieve ‘a step change in skills levels and performance amongst our workforce and young people’. To promote the ‘step change’, D2N2 LEP is looking to support a range of activities under its SKILLS Local brand that will:

- simplify the process for employers to engage, access and undertake activities of support and training which truly meets their needs and which can be evidenced by employers through a return on investment for their business or where a positive impact on the business is realised;
- equip the workforce with the skills and competencies required by local employers, both at present and in the future;
- encourage better matching of skills supply with employer need to address recruitment difficulties and unemployment; and
- ensure education and training systems reflect employer requirements.

Module 1: Enabling Workforce Development (£15,600,000)

This module aims to support the provision of impartial skills brokerage for SMEs , as a supplement to the D2N2 Growth Hub, delivered through an online portal and a face to face business engagement. The brokerage support will help employers, through the delivery of Training Needs Analysis, make informed decisions on how best to increase business productivity and promote inclusive growth through raising the skills level of their existing workforce. This module aims to raise the effectiveness of business leadership and management, including raising the standards of HR policies and procedures, and funding specifically to develop the workforce with the skills and competencies required by local employers. It will also support individuals, not accessing Universal Credit or benefits, to remain in sustained employment.

The module will support activities that deliver:

- Support to business leaders and strategic managers to give them an understanding of how increasing skills of the workforce can impact business growth, productivity and inclusive growth
- Support to employers to access funding and training to raise the skill level and competencies of their existing workforce, in particular:
 - to address basic skill needs in maths, English and ICT
 - develop communications and social mobility skills
 - to provide greater delivery of and access to functional English language that meets the needs of employers and support migrants to progress within the workplace
 - increase skills levels at level 2,3 and 4
 - increase skills levels of the age group 25 to 49 with no qualifications
 - develop the “digital skills” of employed staff
 - provide additional support to ensure apprenticeships are of a ‘quality’ to increase achievement rates
 - supporting individuals who are under-employed

STRATEGIC CONTENT AGREED BY D2N2 ESIF COMMITTEE

- Support to employers to offer graduate placements and sector work experience
- Support employers with inclusive growth through raising the quality of HR and employment practices, including raising awareness and putting solutions in place to overcome inequalities of gender in specific roles and sectors, enabling more disabled individuals to be employed (with links to activity in the D2N2 EMPLOY Local module), and to have robust equalities and diversity practices in regard of cultural awareness and diversity within the workplace
- A framework for employers to engage with the skills system, eg to become an apprenticeship ambassador, construction ambassador, STEM ambassador, offering a workplace opportunity to a young person at school, offer a graduate placement
- Support to employers of new recruits to aid sustained employment
- Support to individuals new into the workplace to sustain employment
- Support to employers and individuals at the threat of redundancy
- Support individuals by providing impartial career planning and advice to aid in-work progression and sustained employment, including migrant workers

The D2N2 area will benefit from:

- 20,467 people supported throughout the programme
- 2,500 employed individuals accessing apprenticeships to up-skill and develop
- 2,500 employed individuals increasing their skills levels by at least one full level
- 3,500 employed individuals to gain at least a full level 1 qualification or equivalent
- 6,200 positive employer engagements and business growth skills related interactions, provided through impartial brokerage

Place Based Priorities* and Targeted Support

Whilst activities within this theme should be available to eligible beneficiaries across the D2N2 area, we would encourage applicants to ensure that their bids adequately address the needs and challenges of particular places or beneficiary groups as detailed below. Applicants may wish to form consortia or engage with specialist delivery partners to ensure these needs are met. . In so doing, applicants should set out a clearly defined referral process between quality assured projects which reduces duplication and does not create competitiveness between themes and providers.

- Areas where average local earnings are significantly lower than national figures¹ with a focus in Mansfield, Gedling, high Peak, Newark & Sherwood and North East Derbyshire
- Areas with a high working age population with no qualifications¹ including Nottingham, Mansfield and Bassetlaw.
- Activity of raising awareness with businesses around lifelong learning of underemployed staff and of raising skill levels of staff to support an increase in GVA per head across D2N2¹ (which is 22% lower than that in England) focused in areas of low firm productivity, including in Gedling, North East Derbyshire, and Mansfield.
- £5,000,000 of the funding is to support engaging SMEs & Developing Leaders.
- Up to 15% funding is to be used for capacity building.

¹ D2N2 State of Economy Summary Report 2016/17, page 34

Module 2: Rebalancing the Skills System (£3,000,000)

This module aims to encourage better matching of skills supply with employer need to address recruitment difficulties and unemployment. It will do this specifically by reducing skills shortages / mismatches between the supply of and demand for skills (for SMEs) as identified by the D2N2 Skills Mismatch report² through a range of activities that engage with businesses, training providers and individuals. Key findings of the report include:

- 62% of vacancies in D2N2 are broadly technical with 19% at the core technical level
- Growth in core technical vacancies has been 7% per year since 2013, but just 3% for semi-technical
- 31% of core technical vacancies were due to skills shortages vs 19% for semi technical
- Strong demand for professional services, including IT professionals (12,600 vacancies), teaching professionals (8,478 vacancies) and nurses (6,900 vacancies)
- Core technical average salary is £30,620, with semi-technical at £25,710
- 24,000 more vacancies than course completions for core technical vacancies → 2,700 more vacancies than skills shortage vacancies → £47.3m income boost over the living wage
- Key secondary groups in undersupply include IT engineers and technicians (1,520 fewer course completions than SSVs) and electricians (870 fewer course completions than SSVs)
- Key secondary groups in oversupply include sports and fitness instructors (1,220 more course completions than SSVs) and beauticians (770 more course completions than SSVs)
- Self-employment can be as much as 40% lower income

The module will support activities that deliver:

- Solutions to reduce skills shortages and enable job creation
- Work with the FE Sector to influence a reduction in oversupply and an increase in undersupply of provision based on employer demand and vacancies
- Support to employers with their skills shortages, particularly focusing on Digital, MedTech and Engineering in the first year (in support of the Mismatch Report for 2017) and create a framework which can be rolled out to support other sectors
- Increased higher and degree apprenticeships
- Increased higher level skills
- a sustainable Careers Portal, using the skills mismatch evidence to produce real time and local LMI at a sector, job role and district level to be used by D2N2 schools, young people, parents, and the unemployed
- Increase image of sectors
- Employer-led partnerships which will be instrumental in bringing about new jobs, skills and growth

The D2N2 area will benefit from:

- 4,743 people supported throughout the programme
- 1,000 SMEs engaged and support
- A reduction from a third of professional and technical job vacancies being classes as skill shortage vacancies (with KPIs set and evidenced throughout the life of the programme)
- A reduction in the undersupply and oversupply of FE provision (with KPIs set and evidenced throughout the life of the programme)

² http://www.d2n2lep.org/write/Documents/Skills/Centre_for_Progressive_Capitalism_-_D2N2_Final_Report_Sept_2017.pdf

People who will benefit from this programme are:

- 19+
- SMEs
- Employed individuals
- Unemployed individuals in line with changes to the ESF Operational Programme 2017, but which does not conflict with the EMPLOYMENT programme

Contracting and funding allocation:

The programme will be procured through the ESF Managing Authority (DWP) open call process. The call will be published in January 2018. We will be looking for contracts to be issued from August 2018, with delivery commencing after this point. The ESF funding allocation to support this activity is £18,600,000 million. Applicants will need to have eligible match funding for the balance of costs which must be from a source other than the European Union. We would ask applicants to review the changes to the ESF Operational Programme 2017, which may include the ability to provide match funding from a variety of different sources. The intention is to award one contract across both modules and for the brokerage to service all elements of employer engagement under the SKILLS Local brand. D2N2 may award more than one contract should applications of sufficient quality and scale be received that in combination provide for LEP wide coverage without duplication of activities or geography and provide for single brokerage service. Proposals should: deliver activities eligible for ESF; must cover the whole D2N2 area; and be in line with the D2N2 LEP Commissioning Principles and Delivery Criteria.

This document provides the strategic intent for this programme. Full details of the bidding, contracting and confirmed criteria will be provided within the specification.

The below provides an indicative breakdown of funding allocation and targets.

Investment Priority	2.1	
	1	2
2018-2020 (£) ESF	£15,600,000	£3,000,000
Match funding	£15,600,000,	£3,000,000
Average Allocation per Participant	£ 1,524	£ 1,575
Targets		
No of Participants	20,467	3,809
Men	9,869	1,836
Women	10,599	1,973
50+	4,388	817
Ethnic Min	1,406	261
Disability	1,877	350
Basic Skills	3,569	664
Single	920	171

* Place Based Priorities: Local authority areas of specific need will be reviewed and updated as appropriate using the most up to date evidence-base at the time of the specification being written in readiness for procurement.

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