

**Subject:**  
**SKILLS FOCUS PROGRAMME**

**Circular Number:**  
**FE 03/16**

**Date of Issue:**  
**April 2016**

**Target Audience:**

- Directors of Further Education Colleges
- Chairs of Governing Bodies
- FE College Finance Officers
- FE College MIS
- Members of Economic Engagement Working Group
- Members of ESP Steering Group

**Summary of Contents:**

This circular provides guidance and funding arrangements for the Skills Focus Programme, delivered as part of the Department's Employer Support provision, covering the period from April 2016 to March 2017.

**Enquiries:**

Any enquiries about the contents of this circular should be addressed to:

Employer Skills Branch  
Room 503  
Department for Employment & Learning  
Adelaide House  
39 – 49 Adelaide Street  
BELFAST  
BT2 8FD

*De minimis aid provided to deliver this project is granted under Commission regulation No. 1407/2013 of 18 December 2013.*

Status of Contents:

Related Documents:

Superseded Documents:

FE01/15  
FE01/15 Addendum 1

Expiry Date:  
31 March 2017

DEL Website:

[www.delni.gov.uk](http://www.delni.gov.uk)

Tel: 028 90257468

## **INTRODUCTION**

1. As part of the Department's commitments under the Northern Ireland Economic Strategy, and its aim to increase the skills levels and employability of the existing workforce, the Skills Focus programme was developed and launched in April 2015.
2. The programme provides an important service to meet the needs of employers through tailored skills provision, with Further Education (FE) Colleges as the Department's Non Departmental Public Body (NDPB), being the sole delivery arm of the programme.
3. Skills Focus is a strand under the Employer Support Programme provided by FE colleges and works alongside and complements the InnovateUs strand.
4. This circular establishes guidance on the criteria; funding arrangements; and operation of the Skills Focus programme with effect from 1 April 2016.

## **STRATEGIC CONTEXT & PROGRAMME OBJECTIVES**

5. The NI Executive's Economic Strategy aims to rebalance the economy by stimulating innovation, R&D and creativity; improving workforce skills and employability; improving its ability to compete with the global economy; and encouraging business growth.
6. Success Through Skills – Transforming Futures has, as one of its key aims, the aspiration to enable people to access and progress up the skills ladder, in order to raise the skills level of the whole workforce, raise productivity and secure Northern Ireland's future in a global marketplace. The strategic goals of the strategy seek to increase the proportion of people in employment at level 2 skills and above. Furthermore, the Success through STEM Strategy recognises the importance and value of the STEM agenda and challenges colleges to be able to respond to the STEM skills needs of local businesses.

7. Further Education Strategy, 'Further Education Means Success' aims to position further education colleges as being recognised locally, regionally and internationally for high quality and economically-relevant education and training provision. It has a strong focus on delivery of qualifications at level 2 and above. Furthermore, Policy commitment three within the FE strategy "Up-skilling the Existing Workforce" is to develop the skills of those already in work in order to provide a pipeline of suitably skilled and qualified individuals to meet employers' needs.
8. Skills Focus aims to support, promote, and facilitate collaborative working between business and FE colleges, in order to provide tailored skills provision to small-to-medium enterprises (SMEs) to increase the skills levels of their workforce to level 2 and above qualifications.

## **SKILLS FOCUS PROGRAMME**

9. All projects delivered under Skills Focus must link and contribute to government policies/strategies with regard to skills and deliver a unique, tailored training solution to SMEs, which will provide the identified skills necessary to upskill the existing workforce. This will be done through the identification of the skills needs of the existing workforce and developing and delivering a tailored training solution to meet that need.
10. All agreed training interventions delivered through the programme, must include clear evidence of an identified skills need through consultation with businesses and the completion of a skills audit. This information will be captured through a Baseline Audit (Annex A) and populated to the Customer Relationship Management (CRM) system and ultimately the SPICE portal. All employer engagement will be captured on the SPICE CRM through the business processes.
11. All training interventions must provide a tailored employer solution to meet the individual business needs, including flexibility of delivery.

12. NI Executive resources and DEL priorities have a focus on the delivery of regulated qualifications. In light of this, a ceiling of 20% of each college's financial allocation has been set for non-regulated provision. A minimum of 80% of each college allocation should be focused on regulated provision on the OFQUAL register. The remaining 20% should be accredited or recognised industry standard qualifications.

## **FUNDING**

13. The programme budget, covering the period from April 2016 to March 2017, will be £1.5 million. This will provide each college with an individual allocation of £250k. Reallocation across colleges, in year, may be made on the basis of delivery against target.

14. The allocation will be ring-fenced and payment released in three tranches in July 2016, December 2016 and March 2017. The amount will be determined by delivery against target, as evidenced in the data extract. Funding for provision will be calculated using the FLU methodology and all enrolments which are on the Ofqual register will receive an economic weighting of 2.00. To help address the demand for level 3 qualifications as identified in the Northern Ireland Skills Barometer, from 1<sup>st</sup> August 2016 QCF qualifications at level 3 will be funded at the higher weighting of 2.35. All other enrolments which relate to a qualification or unit which is Ofqual registered will continue to receive an economic weighting of 2.0. Qualifications which do not appear on the register but have an industry standard accreditation are currently funded at an economic weighting of 2.0 but will be funded at a weighting of 1.65 from 1<sup>st</sup> August 2016.

15. Each project will require a 25% employer contribution. The Department will pay 75% of the total funding generated, using the FLU methodology, and the college must invoice the employer for 25% of the cost.

16. All participants under Skills Focus will be enrolled on college MIS and coded as '63'. It is anticipated that colleges will deliver provision to smaller cohorts than general mainstream further education, such is the nature of this programme,

which is designed to focus on tailored solutions directly addressing employer needs.

17. The Department retains the right to withhold, suspend, reduce, or recover funding because of failure on the part of the college to comply with the terms of this circular, or with any of the conditions attached to it.

18. Colleges are required to complete a monthly budget forecast for the department. This budget returns should be signed and authorised by the college's Accounting Officer.

## **STATE AID**

19. Funding for provision and qualifications delivered through Skills Focus is subject to the European Commission's State Aid Regulations, which are set out in Commission Regulation No. 1407/2013 of 18 December 2013.

To ensure compliance with this Regulation, colleges must:

- Advise the business (before the de minimis aid is legally granted) advising that the aid it is going to receive is de minimis aid;
- inform the business how much de minimis aid it is going to receive – in gross grant equivalent terms;
- inform the business which de minimis regulation the aid is granted under, detailed at point 17 above;
- ask the business to inform the college (in writing) how much other de minimis aid it has received during the current and previous two financial years;
- check that, in granting the business any new de minimis aid, that it will not exceed its three year de minimis ceiling – which in the case of the 'industrial' de minimis regulation is €200,000.

A template to record the necessary information, outlined above, will be provided and should be completed as part of the Baseline Audit. This declaration provided by the business should be retained by the college for audit purposes.

<sup>1</sup> Reference to FLU is only in relation to the methodology applied, rather than inclusion in the FLU funding model

## **SKILLS FOCUS PARAMETERS**

20. In addressing the strategic context and to contribute to meeting the programme objectives, the parameters within which Skills Focus will operate are as detailed below.

- The target group for the programme will be employers with less than 250 employees.
- Provision should closely align with the Departments' aims, the Skills Strategy, STEM Strategy and the FE strategy. Delivery against priorities will be closely monitored.
- Delivery will be at level 2 and above, with an emphasis and a greater % proportion on higher level qualifications at level 3 and above, with level 3 only, receiving a higher funding economic weighting of 2.35 from 1<sup>st</sup> August 2016. This will be monitored over the period of the programme.
- A minimum of 80% of each college funding allocation should be focused on regulated provision on the OFQUAL register. The remaining 20% should be accredited or recognised industry standard qualifications. From 1<sup>st</sup> August 2016 non OFQUAL qualifications will receive a weighting of 1.65.
- Training must not be delivered under the programme where such training relates to an employer's statutory or legal requirement. This includes training which displaces an employer's modus operandi and internal staff training.
- A critical aspect of the programme is meeting each business' individual needs and providing a tailored intervention. There is an expectation that colleges should deliver to small cohorts as determined by the employer; again, this will be closely monitored.

- Activity generating funding through this programme should not displace or be a substitute for any other public or private funded programme.
- Key activities which are not eligible for funding under the programme include any economic engagement or business support activities which can be funded by any other sources, including mainstream FE provision, ESP – InnovateUs , and Invest NI or generic support for Business Start-up.

21. Colleges must ensure that Skills Focus is the most suitable option for the company before proceeding.

22. Disaggregation by priority sector – colleges should ensure that they maximise the potential to deliver support across the priority sectors rather than focusing on particular areas.

## **SKILLS AUDIT**

23. A skills audit will be conducted for all employer engagement under the Employer Support context. This includes potential projects for ESP – InnovateUs and Skills Focus. This information should be recorded on a Baseline Audit and populated on CRM / SPICE portal.

24. Colleges must ensure that, following a robust skills analysis, where Skills Focus is not the best solution for a company, the company is signposted to the most appropriate programme or offer and this is recorded on the CRM in line with all employer engagement.

25. Funding for Baseline Audits will only be paid through Employer Support where the engagement leads to InnovateUs or Skills Focus. Where it is clear from the initial engagement that ESP/Skills Focus is not the most appropriate route for the business, then a Baseline Audit should not be completed and the business immediately advised of or signposted to other relevant provision as mentioned at paragraph 23 above.

## FUNDING OF SKILLS AUDIT

26. Funding for the baseline audit equates to £600, where engagement leads to an InnovateUs or Skills Focus intervention. Close monitoring of rates of conversion into interventions and qualifications will occur in year and revisions will be made where necessary, including monitoring the number of baseline audits resulting in clustered provision.

27. Where a company has had a previous InnovateUs or Skills Focus engagement for which a baseline audit has been funded, no further funding will be paid for a subsequent baseline audit unless the first Baseline Audit was prior to the introduction of Skills Focus in April 2015 (for an InnovateUs intervention) in which case the baseline audit will be funded at £300. However, in circumstances when a subsequent baseline audit is not eligible for funding, colleges are required to provide the department with the following sections of the baseline audit, to allow the department to keep up to date information of current projects and these should be submitted as part of the monthly claim;

P6 Section 2 – Q1, Q2 and Q3  
P16 Section 5 - Project Plan – Skills Focus  
P17 Section 6 – De Minimis Aid Declaration  
P18 Section 7 – Client / Author Agreement

28. Funding will be provided for Baseline Audits on receipt of a claim which should be received by the Department within **4 weeks of the training start date** and include all **original documentation supporting the claim** as indicated below:

- A Letter of Authorisation, for the amount being claimed, signed by the College Accounting Officer (Annex B);
- Original signed and dated copies of all fully completed Baseline Audits;
- A detailed list of all Baseline Audits being claimed, in paper and electronic format (Annex C);



29. The Department will make payment within 30 days of the receipt of a satisfactory claim from the college. However, failure to meet the requirements detailed will result in either the loss of this expenditure, or delay in its payment.

30. A claim will be deemed to be satisfactory once all required documentation, set out within this letter of offer and detailed above, is received by the Department and in the formats required.

### **AUDIT TRAIL AND ACCOUNTABILITY**

31. As a requirement of delivering the programme, colleges will need to ensure appropriate mechanisms are put in place to capture ongoing progress against the aims, objectives and targets of the programme. This will be facilitated through the capture of all employer engagement activity on the SPICE CRM portal. All enrolments will be recorded on the college management information system and enrolment forms, and all procedures relating to student enrolments, retention, achievement and withdrawals are applied in line with normal practice.

32. The Department will develop, in consultation with colleges, reporting mechanisms from the SPICE CRM system. This will entail at the very least, the ability to count and analyse the number and nature of employer engagements across sectors, the identified skills needs, and an audit trail of 25% employer contribution. It is proposed that the reporting from CRM will provide management information across a range of variables as reflected in the Baseline Audit, and this will be taken forward in the coming months as CRM embeds across the sector. In order to support the roll out of the CRM system this year an addendum will be issued in year with details of how this will be implemented and any associated conditions connected to the use of CRM in each college for all employer engagement. The Department requires a standardised approach to CRM reporting across the sector and will have to consider the implications of non compliance with the proposed approach. In the interim, all employer engagements, as recorded on the Baseline Audit, should be provided to the Department in hard copy format.

33. In respect of projects delivered, the Consolidated Data Return will, by default, include all code 63 enrolments to allow for full analysis of activity and performance against target.

### **RECOVERY OF SUMS DUE**

34. If the Department finds, after inspection of any documentation, that an overpayment has occurred, this money will be recovered from the college.

35. Ongoing monitoring of actual budget spend is expected and early identification and reporting of realistic and potential overspends and/or underspends should be notified to the Department as early as possible.

### **BUDGET REDUCTION**

36. If, at any stage, it is deemed that the planned activities, targets/outcomes are unlikely to be achieved, the Department has the right to reduce the level of funding against such activities.

### **INSPECTION**

37. Colleges shall permit duly authorised staff or agents of the Department or the Northern Ireland Audit Office (NIAO), to examine the accounts, and other records, at any reasonable time, and shall furnish appropriate oral or written explanation, if required. The Department reserves the right to permit such staff or agents to carry out the examinations into the economy, efficiency and effectiveness, with which the College has used the Department resources in the performance of this Agreement. The College shall have regard to the need for economy in all expenditure.

38. The Department may also carry out inspections which will include, but are not limited to, the practical application of the Programme's aims and objectives, recording and retention of information pertaining to individual project proposals

and delivery of training and project proposal to businesses engaging with the colleges throughout the course of this Programme.

**ANNEX B**

**LETTER OF AUTHORISATION TO ACCOMPANY MONTHLY CLAIM**

<b>NAME OF COLLEGE</b>
------------------------

Please find enclosed the monthly claim for spend, incurred by the College, on delivery of Baseline Audits for Skills Focus:

Claim Period:.....

Included is all necessary documentation to support this claim, including:

1. Original signed copies of all fully completed Baseline Audits included in the monthly claim;
2. A detailed list of all Baseline Audits claimed

As Accounting Officer for COLLEGE NAME, I am writing to request payment of:

£                      for the delivery of              Baseline Audits, during the period detailed above.

I certify that the conditions set out in Circular No. FE 03/16 and which apply to claiming this funding, have been duly observed and fulfilled in the expenditure of money on Baseline Audits, conducted for the delivery of Skills Focus, and that the amount, now requested, is necessary to meet approved expenditure in relation to the Programme.

Signed \_\_\_\_\_

Date \_\_\_\_\_

Print Name \_\_\_\_\_

**ACCOUNTING OFFICER**

