

**SKILLS INVESTMENT STRATEGY**

Prospectus for a Joint Investment  
Programme for Strategic Skills



# Contents

<b>Foreword</b>	<b>02</b>
<b>1</b> Introduction	<b>04</b>
<b>2</b> What does the Joint Investment Programme for Strategic Skills offer?	<b>05</b>
<b>3</b> How to express interest in the Joint Investment Programme	<b>06</b>
<b>4</b> Working up a Joint Investment Programme Plan	<b>08</b>
<b>5</b> What can be funded within the Joint Investment Programme?	<b>09</b>
<b>6</b> What is the process for the Skills Funding Agency to make its decisions?	<b>11</b>
<b>7</b> Timetable	<b>11</b>
<b>8</b> Next Steps	<b>12</b>

## Foreword



Through this prospectus I am inviting innovative proposals to boost strategically important skills that can drive future growth in sectors across the economy, underpinning our nation's wealth, and supporting opportunities for business and individuals alike.

Over the last year we have had to respond quickly and decisively to the economic downturn; and even though we are now seeing the first signs of a return to positive growth, there remains a huge challenge to lock in the recovery and to secure long-term prosperity.

In this environment it is more important than ever to invest in the business opportunities and the skills that will deliver sustainable economic growth. Our capacity to identify openings for new industries, for entering new and emerging markets, and for exploiting new technologies to create high value jobs will play a crucial part in our future success.

Through the Joint Investment Programme for Strategic Skills we are inviting employers to work with us, to combine the joint forces of private and public funding, and to bring together our respective expertise to deliver training that will have a real economic impact.

The programme is part of our demand-led skills strategy. It is designed to enable us to understand the priorities and skills needs of emerging and growing sectors and to ensure that employers have a leading role throughout the process, securing the design and delivery of the training that will enable them to meet those priorities and grow.

The approach is one part of the strategy for equipping our economy to emerge strongly from the recession. It will provide a direct way of investing funds to address priorities set out in the UK Commission for Employment and Skills strategic skills audit. It supports the development of a modern class of technicians, building on the expansion and improvements to apprenticeships we have delivered over recent years. It helps to put a clear employer voice at the heart of a responsive demand-led skills system. The programme is also part of our strategic approach in relation to the Government role in markets taking targeted action to unlock our economic potential, as set out in *New Industry, New Jobs*.

We are committed to a new activism that will focus on the strategic skills required in the economy; and we want to see strong collaboration between employers and learning providers to rapidly meet demands and unlock opportunities. To make that work we are looking to Sector Skills Councils and Industry Training Boards to bring forward innovative proposals for programmes of joint investment in the development of strategic skills to meet economic priorities. I hope you will take up this challenge, which represents a real opportunity for you to deliver lasting change and impact.

A handwritten signature in black ink that reads "Kevin Brennan". The signature is written in a cursive, flowing style.

**Kevin Brennan**

Minister for Further Education, Apprenticeships and Consumer Affairs  
Department for Business, Innovation and Skills.

## Introduction

1. The Joint Investment Programme for Strategic Skills is designed to bring together public and private investment into 50-50 match-funded plans to support training and skills development in areas key to economic recovery and future growth. The ambition is to provide a mechanism to support priority sectors and emerging industries, to exploit the opportunities created by new technologies and markets, and to contribute to meeting the skills challenge of a low carbon economy. The programme was announced in autumn 2009 in *Skills for Growth*<sup>1</sup> and takes forward some of the key themes of the strategy set out in that document. This first round is planned to deliver targeted training over a two year period.
2. Publication of the UK Commission for Employment and Skills (UKCES) first national strategic skills audit<sup>2</sup> in March 2010 provides a wide-ranging assessment of current and future skills needs and priorities in England. The Joint Investment Programme for Strategic Skills provides a mechanism for Government, employers and skills training providers to act to address some of the priorities set out in the UKCES audit, in the Government's response to the audit and in regional statements of skills priorities.
3. The programme will look to focus on areas where new skills are required in the workforce to capitalise on the business and economic opportunities presented by growth sectors. Support under the programme will aim to address the themes set out in *New Industry, New Jobs*<sup>3</sup>, and high priority skills needs for action identified by the UKCES audit, which highlights the need to address technical skills in a range of sectors. The programme is designed specifically to target investment on technician and associate professional skills.
4. We have made available up to £50 million of public funding from the Skills Funding Agency in the academic year 2010/11 for the programme. This funding will be released to support delivery through the Skills Funding Agency provider network, on a matched basis, to support high-quality proposals bringing employer financial commitment to bear on priority needs. We are looking for innovative proposals that embody strong collective action by employers, including across sector boundaries. The proposals should promote collaboration between employers and networks of skills providers, including National Skills Academies where they exist.
5. This prospectus invites expressions of interest from Sector Skills Councils and Industry Training Boards in establishing the Joint Investment Programme. We are looking to select a number of proposals to be worked up into full joint investment programme plans, to start delivery early in the academic year 2010/11, in partnership with the Skills Funding Agency.
6. Where expressions of interest identify ideas for higher education provision, but employers have not yet made the relevant links with higher education institutions, the Higher Education Funding Council for England will act as a broker to bring sector bodies and employers together with higher education institutions which have employer co-funded places available for 2010/11.
7. In the remainder of this prospectus you will find: additional detail on what the programme offers; the selection process, including what we are looking for in bids; and how to apply.

---

1 <http://www.bis.gov.uk/policies/skills-for-growth>

2 <http://www.ukces.org.uk/our-work/research-and-policy/national-strategic-skills-audit/>

3 <http://www.bis.gov.uk/policies/new-industry-new-jobs>

## What does the Joint Investment Programme for Strategic Skills offer?



8. The Joint Investment Programme for Strategic Skills provides an opportunity for sector bodies, employers, providers and Government to work together to ensure that skills needs in priority areas are met better and more quickly. In itself, the focussing of dedicated public funding on strategic priorities will be beneficial to employers in those areas. But the real strength of the programme lies in its potential for developing new ways for employers to collaborate within and across sectors to identify skills needs and devise solutions; and to find new ways of working with provider networks to ensure timely delivery of those solutions.
9. The combined commitment of investment in advance, by employers and Government, is the key to securing the provision needed to meet emerging business needs. A concerted investment programme can unlock growth and significantly benefit the sector and its workforce.
10. We are looking for proposals that clearly identify gaps in intermediate to high-level technical skills in key sectors with the strongest prospects for economic growth and where skills are likely to be a barrier to that growth. The proposals should identify the skills solutions to which employers will commit investment and the provider network that will deliver them. Each proposal is likely to be different, reflecting the particular needs and circumstances of specific themes, sectors and technologies. But the programme is designed to deliver these common features:

Features	Benefits
Certainty over delivery of provision	Through the commitment in advance of concerted employer funding, matched with ring-fenced investment from the Skills Funding Agency, it will be easier to commission the required provision at the right volumes to deliver meaningful impact.
Choice of provider network	Allowing the development of longer-term relationships with providers, and giving employers greater scope to work with those that best meet their needs. This will also include measures to bring new providers quickly into the publicly funded network where necessary.
Relevance and responsiveness of provision	Flexibility in public funding rules will be allowed to support units of qualifications and repeat qualifications where necessary as part of the re-skilling and up-skilling needed to capitalise on real opportunities for growth and jobs. There will also be scope for Government support to help develop qualifications and their timely accreditation.
Collective influence over provision	Economies of scale can improve value for money in buying provision. Collective organisation of demand can provide the 'critical mass' needed to establish provider confidence in markets for new provision supporting growth areas and new technologies.

## How to express interest in the Joint Investment Programme

11. We are carrying out an open competition, using a two-stage process. In the first stage we are seeking expressions of interest from Sector Skills Councils and Industry Training Boards. We will particularly welcome collaborative bids where the skills priorities cut across traditional sector boundaries, as is the case with the themes identified in *New Industry, New Jobs*.
12. Proposals will be selected from these initial expressions of interest and given agreement in principle. These will go on to the second stage of working up a joint investment programme plan in more detail, with a view to getting a final go-ahead in the summer and with provision starting as soon as possible in the academic year 2010/11. We intend to take a flexible approach on the size of individual joint investment programme plans, and therefore the total number of individual plans, to enable us to respond properly to the range and quality of bids we receive. Bidders should be aware that the selection panel will be looking to support a balanced portfolio of projects and that they will look at the scale of individual bids, as required, to accommodate this.
13. We are inviting bids that cover learners starting provision in the academic years 2010/11 and 2011/12, with costs supported through to the end of provision. Public funding beyond the academic year 2010/11 is subject to affordability, which will be confirmed in the usual cycle through the Skills Investment Strategy published each autumn.

14. Expressions of interest are not expected to be fully worked up plans – but they will need to be sufficiently detailed to allow a judgement to be made about their relative merits and the proposed size of investment in each academic year. Expressions of interest will need to demonstrate: a strong vision, with clear potential for impact; strong evidence of employer engagement in identifying the issues and solutions and providing the necessary investment; and provide credible plans for the delivery of provision.
15. Each proposal will be judged against the criteria set out in headline terms below. Further detail is contained in the template for applications<sup>4</sup>.

Criteria	Detail
Vision	<ul style="list-style-type: none"> <li>• The gap or emerging opportunity to be addressed; and any associated market failure.</li> <li>• The skills need at technician and associate professional level.</li> <li>• How the proposal could support priorities for growth.</li> <li>• The scale and nature of the potential impact and how it will support equality and diversity.</li> </ul>
Commitment and capability	<ul style="list-style-type: none"> <li>• Credible plans for delivery.</li> <li>• Strong leadership behind the proposal – clear investment and drive behind the implementation.</li> <li>• Use of capability already in the provider network, including National Skills Academies.</li> <li>• Plans for developing provider capability if necessary.</li> </ul>
Employer engagement	<ul style="list-style-type: none"> <li>• Clear evidence of employer demand.</li> <li>• Clear evidence that employer cash investment at 50% of the total fund will be secured.</li> <li>• The employer role in developing the proposal, identifying the problem or opportunity and the solutions.</li> <li>• The role of employers in driving implementation.</li> </ul>
Innovation in approach	<ul style="list-style-type: none"> <li>• How the bid is new, and how it will help the sector to innovate.</li> <li>• Plans to work across existing, artificial sector boundaries.</li> <li>• Approaches to collective employer action to drive up skills and productivity.</li> <li>• Innovative approaches across supply chains.</li> </ul>

<sup>4</sup> Joint Investment Programme for Strategic Skills: Expression of interest form (available at <http://www.bis.gov.uk/jip>)

Coherence and strategic fit	<ul style="list-style-type: none"> <li>• A focus on sectors with strong prospects for economic growth, where skills gaps are a likely barrier to growth.</li> <li>• Alignment with Government strategies to address the priorities identified in the UKCES Skills Audit, and in <i>Skills for Growth; New Industry, New Jobs</i>; and regional statements of skills priorities.</li> <li>• Support for skills strategy aims such as increasing the number of Advanced and Higher Apprenticeships for young people aged 19-30.</li> <li>• Consistency with the main features of the skills system, and wider sector activity – such as National Skills Academies, and higher education provision.</li> </ul>
Value and sustainability	<ul style="list-style-type: none"> <li>• Value for money and cost effectiveness in proposals including the avoidance of deadweight.</li> <li>• Providing a clear account of the employer investment for the matched pot, and how this will work.</li> <li>• How lasting change and impact will be secured beyond the fixed period of the programme.</li> <li>• Plans for monitoring, corrective action and evaluation.</li> </ul>

## Working up a Joint Investment Programme Plan

16. Those with successful expressions of interest will be invited to proceed to develop a fully worked up joint investment programme plan. This phase is timetabled to run for five weeks. Detailed guidance will be provided to bidders as they progress to this stage, including individual one-to-one surgeries with Skills Funding Agency staff.
17. Key aspects of the development phase will include:
  - Turning the vision of the Joint Investment Programme model from the expression of interest into a full implementation plan for the next two years, setting out precisely how the 50% match-funding in cash from employers will be secured and how it will flow to providers.
  - For the first academic year, detailing all employers involved including amounts of investment they are prepared to make, along with the skills outcomes they are aiming to achieve. For the second year, more indicative commitments will be acceptable at this stage.
  - Setting out the provider arrangements in detail: identifying providers for the delivery of the specified provision, and detailing collaborative action – including where additional delivery outcomes have been negotiated.
  - Giving an account of how impact and success will be assessed, including details of monitoring and evaluation arrangements.
  - Making arrangements for monitoring employer financial contributions. This will be needed to demonstrate the match-funding not only for compliance with the principles of the programme, but also for state aid purposes.

## What can be funded within the Joint Investment Programme?

18. The focus of the Joint Investment Programme means that together we can use our investment to target the right technician and associate professional level skills and at the right volumes to have a real impact, unlocking the potential of new industries, new jobs, and new market opportunities.
19. We want this joint investment to be devoted as much as possible to supporting the costs of learner participation in training. The public funding, which has been ring-fenced from the Train to Gain budget, is intended to support accredited training as set out in the table on page 10. But the programme also has a purpose of encouraging innovation and building capacity to meet skills needs in emerging sectors. So there may be some instances where not all the relevant training provision exists. Funding channels are already in place to support qualification development and capacity building and we do not intend the resources in this programme to duplicate existing funding. In exceptional circumstances only, where there is no established infrastructure for developing provision in a particular sector, we would consider proposals for deploying a small part of the funding on development costs.
20. Where accreditation of new qualifications is being sought, officials from the Department for Business, Innovation and Skills will help broker as quick a conclusion of the process as possible.
21. The table on page 10 gives an indication of what public and private investment might cover under a joint investment programme plan:



Public investment	Employer investment
50% funding towards QCF <sup>5</sup> qualifications at levels 3 and 4	50% funding towards QCF qualifications at levels 3 and 4
50% funding towards QCF units at levels 3 and 4	50% funding towards QCF units at levels 3 and 4
50% funding towards Advanced Apprenticeships (Level 3) <sup>6</sup>	50% funding towards Advanced Apprenticeships (Level 3)
50% funding towards Higher Apprenticeships (Level 4)	50% funding towards Higher Apprenticeships (Level 4)
100% funding for entitlements <sup>7</sup>	Higher education provision
	Non-QCF provision as agreed at the outset of the programme

22. Where provision in the higher education sector is relevant to a bid this will need to be highlighted separately. This is not currently part of the ring-fenced matched funding arrangement, but the Higher Education Funding Council for England will actively broker links between sector bodies expressing interest in the Joint Investment Programme and higher education institutions with employer co-funded places for 2010/11.
23. Health and Safety provision, and other provision required by law cannot be counted in proposals for Joint Investment Programme match-funding, and neither can travel and subsistence costs, wages, or capital and infrastructure expenditure.
24. Public funding for the Joint Investment Programme will be allocated within financial years. If the projected volumes within an individual plan are not accessed in year one as profiled, there can be no assumption that places will be rolled into year two.



<sup>5</sup> QCF is the Qualifications and Credit Framework.

<sup>6</sup> Apprenticeship funding under the Joint Investment Programme applies to learners aged 19 and over.

<sup>7</sup> First full Level 3 qualifications will be 100% funded for 19-25 year olds and for "Level 3 jumpers" – those outside the 19-25 age group acquiring a level 3 in place of a first level 2 qualification.

## What is the process for the Skills Funding Agency to make its decisions?

### Stage 1: Approval in principle

25. The closing date for submissions of expressions of interest is 5pm on 14 May 2010. A selection panel will consider the expressions of interest against the criteria set out above and identify which bids should be given agreement in principle and go forward into the second stage of more detailed planning. The panel will be convened by the Skills Funding Agency and have representation from the Department for Business, Innovation and Skills, the Skills Funding Agency, the National Apprenticeship Service, the UK Commission for Employment and Skills, the Regional Development Agencies, the Higher Education Funding Council for England and industry. A member of the UKCES Board will chair the panel.
26. The strongest bids will receive approval in principle at this stage and be asked to proceed to working up a detailed joint investment programme plan, which will be subject to final formal approval before beginning implementation. Those who are not successful at the expression of interest stage will be notified in writing and feedback will be provided.

### Stage 2: Final approval of the Joint Investment Programme Plan

27. The deadline for submissions of the worked up joint investment programme plan is 5pm on 2 July 2010. Each completed plan will be subject to a final assessment by the selection panel, informed by expert advice on relevant aspects of the proposals, including quality standards. The selection panel will make the final decision on which joint investment programme plans can proceed to implementation.

## Timetable

Prospectus launched inviting expressions of interest	17 March 2010
Deadline for expressions of interest	14 May 2010
Agreement in principle for successful expressions of interest; feedback for unsuccessful bidders	28 May 2010
Detailed joint investment programme plans developed	02 July 2010
Final announcement of all joint investment programme plans to be implemented	16 July 2010

## Next Steps

28. Expressions of interest should be submitted to the Skills Funding Agency by 5pm on 14 May 2010, using the structure set out in the application form (a Word document template which can be downloaded from the Department for Business, Innovation and Skills website <http://www.bis.gov.uk/jip>).
29. Expressions of interest should be no longer than 16 pages, in at least 10 point typeface. Incomplete applications, or applications exceeding 16 pages, will not be considered.
30. Once completed applications should be submitted by e-mail to: [JointInvestmentProgramme@skillsfundingagency.bis.gov.uk](mailto:JointInvestmentProgramme@skillsfundingagency.bis.gov.uk) (Please note that file size should not be larger than 3.5mb).

A signed original should also be sent to:

Anna Sutton  
Skills Funding Agency  
Cheylesmore House  
Quinton Road  
Coventry  
CV1 2WT

31. The Skills Funding Agency will acknowledge receipt of your application as confirmation of your submission.
32. If you have any queries during the process of putting together your expression of interest, you should send them to: [JointInvestmentProgramme@skillsfundingagency.bis.gov.uk](mailto:JointInvestmentProgramme@skillsfundingagency.bis.gov.uk)  
From 1 April 2010 all queries and answers will be posted on the Skills Funding Agency website (<http://www.bis.gov.uk/skillsfundingagency>) and bidders should regularly check the website for updates.



**Contact BIS Email:**[enquiries@bis.gsi.gov.uk](mailto:enquiries@bis.gsi.gov.uk)

**Phone:** 020 7215 5000 **Web:** [www.bis.gov.uk](http://www.bis.gov.uk)



Printed in the UK on recycled paper containing a minimum of 75% post consumer waste.

Department for Business, Innovation and Skills. [www.bis.gov.uk](http://www.bis.gov.uk)

First published March 2010. Crown Copyright. BIS/03/10/NP. URN 10/812