

# **One NorthEast and the Learning and Skills Council**

## **Regional Business Support Service**

## **Regional Skills Brokerage Service (Train to Gain)**

## **Invitation to Submit Outline Proposal (ISOP)**

**Reference: OJEU05/06 - 1- 10**

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## **IMPORTANT NOTICE**

This Invitation to Submit Outline Proposals is provided by One NorthEast and the Learning and Skills Council (LSC) to be used by those shortlisted to submit an outline proposal for the regional business support service and the skills brokerage service (the Services), their professional advisers and such other parties as are essential in preparing a proposal for the Services and for no other purpose.

This Invitation is made available in good faith. No warranty is given as to the accuracy or completeness of the information contained in it. Any liability for any inaccuracy or incompleteness is therefore expressly disclaimed by One NorthEast, the LSC and its advisers. All documents sent to you in conjunction with the Services are and shall remain the property of One NorthEast or the LSC, as appropriate, and must be returned on demand. The contents of this Invitation and any supporting documentation are to be treated as confidential.

One NorthEast and the LSC reserve the right to cancel the tendering process for their respective opportunity at any point.

Neither One NorthEast nor the LSC will be liable for any costs resulting from any cancellation of this tendering process nor for any other costs incurred by those expressing interest in or negotiating for this contract opportunity.

You are deemed to understand fully the processes that One NorthEast and the LSC is required to follow under relevant European and UK legislation, particularly in relation to public procurement rules.

## **A. INTRODUCTION AND INSTRUCTIONS**

- 1.1. Further to your response to the OJEU notices for regional Business Support Service for One NorthEast (ref 2005/S 201-198483) and the Skills Brokerage Service for the LSC (ref 2005/S 203- 200777) you are now invited to submit an Outline Proposal for both services which must be in accordance with this invitation and containing all of the information requested in it.
- 1.2. ONE is now undertaking this tender process jointly with the LSC: although each organisation will have their own separate legal arrangement for their particular services requirement, they are seeking to put in place a fully integrated, impartial business support and skills brokerage service for the North East.
- 1.3. At the time of issue of this invitation it is anticipated that the two agreements will be awarded at the same time and the contracting authorities believe that the most efficient provision may be by the same entity entering into both agreements. It is anticipated that this will achieve the highest levels of integration, quality of service and value for money. Tenderers should however note that:
  - The agreements may not be awarded at the same time or at all
  - The agreements may not be awarded to the same provider, but alternatively may be awarded to two providers who will work together to provide an integrated service; and
  - The tender process for either, or both, of the opportunities may be delayed, postponed or suspended and, if only one service is affected the relevant contracting authority will be able, at their discretion, to continue the tender process for their opportunity as planned.
- 1.4. Part 1 of this document gives details of the specification for the regional business support service and Part 2 is the specification for the regional skills brokerage service for the North East (under the title of Train to Gain). You are invited to submit the following:
  - An outline proposal for a regional business support service, based upon Part 1 of this specification, which must comprise a single regional service covering support for both start up and established businesses. Proposals offering sub-regional coverage, specific sector coverage or only start up support will not be considered; and
  - An outline proposal for a regional skills brokerage service, based upon Part 2 of this specification which must comprise a single regional service covering all private, voluntary and “not for profit” sectors. Proposals offering sub-regional coverage or specific sector coverage will not be considered.

- 1.5. To be compliant, your outline proposal for each service must include all the information requested in this ISOP and will need to demonstrate:
- How you intend to ensure integration between the two if you are successful in tendering to operate both services; and
  - Details of how you will integrate with another provider should you be successful in one respect of only one of the services confirming your approach, any additional costs or time implications and any previous experience of parallel working.
- 1.6. Except where the proposals are to be separated as detailed in paragraph 1.3 above, the proposals for each service will be considered and assessed by a joint panel from One NorthEast and the Learning and Skills Council with the proposal for each service evaluated separately on their individual merits. The assessment criteria and evaluation process are set out in section D (Tender Submission and Evaluation).

## **B. PART 1**

### **Regional Business Support Service**

#### **Contents**

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#### **1. Background**

1.1 The current Business Link (BL) service delivers Information, Diagnostic and Brokerage (IDB) services to pre-start, start-up and existing businesses, mainly below 250 employees, largely on a “first come - first served” basis. To date, the BL operators in the North East have been successful in delivering IDB, particularly in two ways:

- The operation of independent brokerage i.e. facilitating delivery

by private sector suppliers rather than working in competition with the private sector

- The number of business reached as a proportion of the region's business stock, which is currently higher than in any other region in the country

1.2 The current BLs work on a sub-regional basis, and are key partners within Sub-Regional Partnerships, funded by the Agency to undertake the economic regeneration of their sub-region.

1.3 One NorthEast took on the responsibility for the BL brand in the region in April 05 and took the decision to re-tender for the BL service for the period beyond March 2007. The aim of the re-tendering is to achieve real step change in the delivery of business support in the region in the following ways:

- **To achieve greater demonstrable economic impact**

One NorthEast recognises the importance of the BL brand in ensuring a service is available to all who need help in starting and growing their business. However the Agency also recognises the importance of prioritising scarce resources and we are, therefore, looking to put in place a high-quality, minimum service offering for all, which allows for resources to be targeted at areas of maximum impact.

- **To achieve greater efficiency**

The current sub-regional structure of the BL service is not necessarily ideal in terms of operational efficiency or consistent delivery at a local level. The new structure will operate at a regional level but will also need to ensure delivery at the most appropriate level depending on target audience. The new operation will need to be more efficient in terms of unit costs; back office costs; staffing ratios and customer resource.

- **To achieve greater consistency**

The sub-region within which the client is located largely determines the nature and scale of assistance, available to individuals and businesses via the current BL service. In seeking greater consistency the aim is to ensure that any differential levels and types of service are based on market failure, impact rationale or the need for evidenced targeted support, rather than sub-regional boundaries. The new service will result in a consistent framework of support across the region.

- **To improve co-ordination and address the proliferation of business support**

The proliferation of business support initiatives in the North East

and consequent confusion amongst business clients is well documented. The work of the Business Support Network at regional and sub-regional levels has sought to address this confusion with some success.

This has been achieved through engagement with funders to reduce the number and increase the quality of publicly funded initiatives. This has seen a substantial reduction in the number of European and One NorthEast-funded business support initiatives.

There has also been improved co-ordination between initiatives and with the work of private sector intermediaries and suppliers.

There has also been some success by applying the brokerage model of support, when determining public funding for business support.

Much of this co-ordination work has happened at a sub-regional level, resulting in four different sets of arrangements. The procurement of a single regional business support service will further reduce the number of initiatives and improve co-ordination **across** the region. We now want to build upon the success of the work of the Business Support Network and take forward the vision for a single, integrated regional service.

- 1.4 One NorthEast also sees the re-tendering of business support as an opportunity to engage with other funders and initiatives in new ways, particularly using an "Investment Bureau" concept to marshal business support funding through a single channel. (See Part 1, Section 8 for a description of the Investment Bureau)
- 1.5 This Specification provides further detail about the next stage of the tender process and gives guidance for what needs to be covered in Outline Proposals. These proposals will be assessed against the criteria detailed within the specification and assessment will be focused on achieving a business support offer in the region, which delivers the four objectives outlined above.

## **2. Strategic Action Plan for Enterprise and Business Support**

- 2.1 One NorthEast has begun to outline its approach to business support in the Strategic Action Plan for Enterprise and Business Support (SAP). This has been widely consulted on with key partners and stakeholders across the North East throughout 2005. Work on the SAP is still ongoing and Draft 2 is included as Annex 1 of this Specification. The final version is expected to be issued by the end of December 2005.
- 2.2 The SAP sets the context for the regional business support service, which One NorthEast is looking to put in place. Your outline proposal needs to be developed in line with this. The SAP states:

"...Going forward, One NorthEast will support the development of the best business support service in the UK. This is fundamental to the Agency's work on closing the productivity gap between the North East and the national average.

The Strategic Action Plan for Enterprise and Business Support will address the region's productivity record by increasing the number of new starts and by working to improve the productivity of existing companies, with the ambition and capacity to grow, whatever their size or sector. At the same time, the strategy will focus on the key sectors needed to develop a high growth, knowledge based economy in all parts of the region.

The development of these business support services will lead to:

- A region wide, impartial Information, Diagnostic and Brokerage (IDB) service for new starts and existing businesses, client driven and delivering a high quality service
- A single IDB client management system, based on an approach with three tiers - strategic account managed, account managed and general support
- A portfolio of publicly subsidised funded solutions based on the needs of companies, with support limited to areas where demand needs to be stimulated or where the market is unable or unwilling to provide the solutions needed to help North East companies to grow
- The establishment of an Investment Bureau to provide a channel for funding for business solutions to companies in the most efficient way and ensuring a suitable return on investment for the North East

These new, more efficient services will take account of the experience of best practice across the region and build upon the progress already made within the North East in rationalising business support services and developing client driven support. This approach will take some time to become embedded as new arrangements are put in place and existing commitments come to an end or are realigned."

- 2.3 In beginning to implement the approach described within the SAP, One NorthEast now wishes to establish an impartial, regional business support service, based upon the IDB model and operated within the Business Link brand. This will build on the progress made to date and will need to ensure that a step change in delivery takes place. Your outline proposal will need to clearly demonstrate how it is responding to the challenges and context set out in the SAP.



### 3. The Information, Diagnostic and Brokerage Model (IDB)

3.1 The regional business support service for the North East will be based upon the nationally agreed Information, Diagnostic and Brokerage model (IDB), providing access to the widest range of available business support. It will be operated under license to provide the Business Link (BL) branded service.

3.2 The key elements of the BL-branded IDB model are:

**Information:** This is likely to include

- A fully integrated telephone and web-based information and enquiry service which will enable individuals and businesses to identify opportunities and assistance to support the setting up, growth and development of their business.
- Full access to all information and support services, which relate to business, including the widest possible range of information about Government sources of support available from European, National and local Government. (At this stage it is envisaged that the [businesslink.gov](http://businesslink.gov) site will be made available and customised to the needs of the North East during 06/07. Proposals will need to confirm that this will be maintained as part of the service going forward from April 2007)
- Objective information on the range of business support services which are available from both the public and private sector, and guidance on how to make the best use of them

(Currently a wide range of information services is accessed by North East businesses and start-ups. This includes company information, market information etc. A variety of resources is used and Annex 2 provides a basic overview of what is available and used by the current BLs, through libraries in the North East and via the British Library)

**Diagnostic:** This is likely to include

- Structured self-assessment, which could be web-based, to enable businesses to gain a view of their business and performance
- Structured, assisted diagnosis, which could be web-based, to help businesses gain an objective and realistic view of their business and performance, highlighting specific areas of activity that are in greatest need of improvement and change and encouraging businesses to make decisions on their future development
- Support and guidance on how to get the best from the wider business support networks

- Help in building an action plan that will help the business achieve its growth/improvement objectives

**Brokerage:** This is likely to include:

- A signposting or referral service to the wider business support community, which is available at the first level enquiry stage
- A brokerage service for customers who have been provided with a diagnosis of their business issues and have agreed an action plan with a Business Link adviser
- Account management for customers needing complex solutions involving a range of providers to ensure that the customers needs are met

- 3.4 Your outline proposal will need to make clear how each element of the IDB model will be delivered. You will need to give a full and detailed description of how services will be structured, delivered and managed and the anticipated levels of customers accessing the services each year. This will need to include the likely staffing levels, costs and use of sub-contracted services. Your proposal should also include evidence of value for money and innovation. Your proposal will also need to demonstrate how the core IDB service will be fully integrated with the regional skills brokerage service.
- 3.5 It will also be important for your proposal to show an awareness of the wide range of local and regional deliverers of start up and business services and how you intend to interface with them to ensure the best possible service for the client.
- 3.6 The draft national "BL Brand Offer", giving details of the range of services, which might be delivered within the brand to various client groups, is shown at Annex 3. (Note that this is not an exhaustive list of the services, which might be delivered under the BL brand. The final version has not yet been agreed between the RDAs and the Small Business Service but it will be made available once it has been signed off).

#### **4. The Business Link Brand, Vision and Values**

- 4.1 Working within the BL Brand, requires those bidding to run the service to agree to adhere to the nationally agreed BL Vision and Values as well as agreeing to the standard use of the Brand Guidelines in relation to stationery, literature, co-branding, marketing etc. One NorthEast will be responsible for overseeing and agreeing the use of the BL brand working with the successful tenderer.
- 4.2 Outline Proposals will need to demonstrate an understanding of the BL Vision and Values and clear commitment to working within

them. (The national guidelines will be fully signed off later in December 05. The latest version of the guidelines has been attached for information as Annex 4)

- 4.3 The successful tenderer will also be required to undertake marketing and PR for the BL branded service to continue to raise awareness of the brand and to drive demand for services. This will need to be carried out in line with any nationally agreed campaigns and in partnership with One NorthEast. The Agency will also require case studies and good news stories on occasions from the service provider. Your proposal should contain an outline of your marketing and PR strategy in line with these requirements.

## **5. The Tiered Approach**

- 5.1 The BL branded IDB service needs to be made available on a reactive basis to all those who require it. However, One NorthEast wants to see alongside this, a more targeted and tiered approach for those business start-ups and established businesses which may offer a higher return on investment in terms of contribution to the growth of the economy. Proactive support may also be targeted towards certain under-represented groups or geographic areas. The Strategic Action Plan begins to outline the principles of this tiered approach to business support and the key elements are:

- The provision of information: many businesses may require only a small amount of information and it is important that this information is made available in the most efficient and cost effective way e.g. via the web or via the telephone. (However, the information stage should not be overlooked as a potential method of segmentation in itself)
- Brokerage-based, high volume business support: typically dealing with relatively standard issues and requests and involving small amounts of investment (time or grant) per intervention from the public sector.
- Brokerage-based Account Management: this is a more intense level of service provided to businesses which both need this type of service and which offer greater potential return on investment in terms of Gross Value Added (GVA) per £ spent. This service could involve an Account Manager building up a long term working relationship with the client – or it could be more short term and issue specific. (This will require suitably qualified and experienced staff)
- Brokerage-based Strategic Account Management / Aftercare: this is the most intense level of service and would be provided to businesses that both require it and which are strategically important to the region based on potential opportunities or numbers of employees. This service is likely to be long term. (Strategic Account Management will be driven by One NorthEast)

but the BL branded service will have a role to play in brokering services to strategically account managed companies)

- Brokerage-based specialists: they will provide for businesses with more specialist needs. These needs may be based upon issues e.g. skills, ICT or may be sector specific e.g. Automotive or Commercial, Creative etc. Specialist brokers may operate at all levels of support described above but the decision to deploy a specialist broker should be based around what businesses need and request and to address specific economic issues. All brokers, both specialist and generalist will need to demonstrate how they will work in a fully integrated way

5.2 Your outline proposal will need to demonstrate how services will be structured, delivered and managed to enable this tiered approach to business support. A detailed description of how the service will maximise resources, be integrated with others involved and offer the most appropriate support to customers will be required. One NorthEast needs to see innovation in Outline Proposals to ensure that customers receive access to the most appropriate services and so that return on investment is assured.

5.3 The successful tenderer will need to work collaboratively and supportively with a number of key organisations, also involved in delivering business support services. This will include One NorthEast's Aftercare and Sector teams, the International Trade Team, Manufacturing Advisory Service, those involved in the e-agenda (such as Adit, Portal, Digital City) etc.

## **6. Scope of the Service**

6.1 One NorthEast is now seeking to put in place a regional business support service to operate across the whole of the North East region. The client group for this service will be:

- Individuals wishing to set up in business
- Individuals and groups looking to establish high-growth businesses
- Existing Micro and Small and Medium Enterprises (SMEs) wishing to survive and grow
- Social Enterprises
- Voluntary and Community sector with business development needs
- Mid-corporates (businesses employing up to 1000) needing business support

Your Outline Proposal will need to show an in-depth knowledge of the needs of these various client groups and describe in detail how the service will be designed and delivered to meet these needs.

6.2 The service will also be required to:

- Link effectively with those organisations providing business support to corporate business (1000+)
- Link effectively with those organisations providing support to the public sector

Your proposals will need to show how these links will be developed and maintained.

- 6.3 Your proposal will need to show how the widest possible client group will have their needs met by the mainstream business support service. However, you will also be required to show how the service will be delivered to meet the needs of certain under-represented groups, where this is appropriate. In particular, services for women, ethnic minorities, people with disabilities, and those with specific social or economic disadvantages will need to be targeted appropriately. One NorthEast is keen to see innovative ideas for how the mainstream service will be “proofed” for the needs of these groups and links with specialist service providers should be demonstrated.
- 6.4 Proposals will also need to include suggestions for how the service will be made available to meet the needs of both the urban and the rural areas of the North East and the likely services which will be on offer. Again, your ideas for innovative use of resources is encouraged as well as a demonstration of links you intend to develop and maintain with other rural/urban providers.
- 6.5 The service will need to operate to the same standards and provide a consistent offer to individuals and businesses across the whole North East region. However, it is also important that the service is able to take full account of local need where this is appropriate. Your outline proposal will need to give a detailed account of how the service will be structured and managed to make sure that local needs are fully met where this is called for. This will need to include arrangements for location of the service and links with other local deliverers of enterprise and business support services.
- 6.6 Your proposal will also need to show strong knowledge of the current sub-regional structures involved in the planning and provision of enterprise and business support and give a clear account of how effective links with them will be established and maintained.

## **7. Performance**

- 7.1 In addition to the nationally agreed measures, One NorthEast will put in place regionally agreed Performance Measures and reporting arrangements for post March 07. These will build upon the agreed key performance indicators, which are already applied to the current Business Link operators. They will also have to take account of any further national measures, which may be agreed during 06-07. The Regional Development Agency (RDA) Tasking Framework, which

outlines key output measures for the Agency will also need to be taken into account. (A copy of the Tasking Framework is included at Annex 5)

7.2 While the final detail of these has not yet been agreed for post 2007, volume penetration, in-depth penetration, customer satisfaction and Gross Value Added (GVA) will be included as minimum acceptable measures, building upon what has been used to date and targets will be set using these measures. Clear definitions will be agreed for what is to be measured and how. The successful tenderer will need to agree to implement these measures, once signed off and adhere to the stipulated reporting arrangements and meet the targets set. Your outline proposal will need to demonstrate an understanding of these initial measures and indicate any further measures, which you intend to utilise. The current Balanced Scorecard mechanism will be adapted and developed and continue to be used. A copy is shown for information as Annex 6.

7.3 Currently the North East region has the highest levels of penetration for the BL branded service in the country. The Inter-Departmental Business Register (IDBR) supplies the baseline figures for the business base against which penetration is measured. For 06/07, the IDBR shows that the North East has over 56,865 businesses in a broad range of sectors. Most of these employ less than 10 people and have a turnover of less than £500,000.

<b>Businesses By Sector 2004</b>						
Agriculture, Fishing & Mining	Manufacturing	Electricity, Gas & Water Supply	Construction	Wholesale, Retail & Repairs	Hotels & Restaurants	<b>TOTAL</b>
4,045	4,450	15	6,245	11,920	5,400	
Transport, Storage & Communication	Financial Intermediation	Property & Business Activities	Public Admin & Others	Education	Health & Social Work	<b>56,865</b>
2,490	555	13,450	5,295	665	2,340	

<b>Businesses By Employment 2004</b>						
<b>North East</b>	<b>0- 4</b>	<b>5 - 9</b>	<b>10-49</b>	<b>50-249</b>	<b>250 +</b>	<b>Total</b>
Number of businesses	43135	6475	5915	1040	305	<b>56,865</b>

Source- Draft Strategic Action Plan for Enterprise and Business Support, Version 2

7.4 The penetration rate for established businesses for the current BL operators currently stands at almost 27% and performance with the pre-start market is also strong. In the first six months to the end of October 05, there have been:

- 8752 pre-start customers
- 3250 start up and businesses less than 12 months assisted
- 12,737 established businesses over 12 months assisted

(Annex 7 gives a fuller analysis of the BL “established business” customers for the fifteen months from April 2004 – June 2005)

7.5 One NorthEast is keen that this level of performance is maintained. Your proposal will need to demonstrate how you intend to sustain the current levels of interaction with businesses in terms of numbers supported. One NorthEast is also keen to see proposals, which show how you could exceed these levels of performance through innovative use of resources and approaches, where possible.

7.6 Customer satisfaction (including measures for “Propensity to recommend ” and “Propensity to use again”) will be a key measure for One NorthEast in ensuring the quality of the regional business support service. Again the current operators are performing well against these measures:

- Overall Satisfaction: 90%
- Propensity to use again: 91.4%
- Propensity to recommend: 95.7%

Your proposal will need to include your plans to maintain or exceed this performance.

7.7 The Agency will contract separately with an independent, external organisation to undertake regular customer satisfaction surveys. Results will need to be closely monitored and managed to ensure acceptable customer satisfaction levels are maintained or exceeded.

7.8 GVA is the nationally accepted impact measure but it still needs to be firmly embedded as a regional measure within the North East. (A brief account of GVA is included at Annex 8). You will need to demonstrate both an understanding of GVA and a description of how it will be applied effectively and rigorously, where appropriate, as an impact measure for your proposed service.

7.9 You will need to meet ambitious targets for impact measures including increase in GVA for a substantial proportion of those clients receiving significant levels of support. Evidence is mixed about the existing performance of IDB in terms of impact on GVA. However, the aspiration in procuring a regional service is that current impact for account managed and strategically account managed activity should at least double. This will be discussed in detail and agreed during the negotiation phase.

7.10 One NorthEast is particularly interested to see how proposals might demonstrate additional innovative approaches to measuring the success, effectiveness and impact of the service to be provided.

7.11 In addition to general performance measures, specific output criteria will be attached to any funding streams, which may be channelled via the Investment Bureau (see Section 8 for further

details)

7.12 As well as the performance reporting requirements, One NorthEast will also need management information to be produced at regular intervals and on request, which will describe:

- Type of organisations engaging with the service (size sector, age, etc)
- Level of service they are receiving
- Type of solutions they are requesting, (including skills)
- Stage in their development cycle

This gives only some examples of what will be needed and is in no way an exhaustive list.

## **8. Investment Bureau**

8.1 As well as the core IDB service for start-up and business support, another key element of the service to be covered within this specification and included within your outline proposal is the Investment Bureau service.

8.2 In addition to the core funding for the BL branded IDB service, One NorthEast and other government departments and organisations (e.g., LSC, DTI, DEFRA, DfES, Government Office for the North East, Local Authorities) may also wish to channel additional business support funding via this route.

8.3 Some of this funding will be utilised to increase capacity and provide additional IDB services. (Where this is the case, it will need to be clear what additional and distinct services are being purchased). However, it may also be put in place to provide funding for a range of client business support solutions. In particular Single Programme funding through Sub Regional Partnerships for enterprise and business support (c£10 million in current year) and regional Single Programme are likely to be channelled through this route. In the longer term, One NorthEast may also choose to channel investment funds and pilot the concept of 'grants with upside' through the Investment Bureau. (One NorthEast is also keen to explore how other organisations might access business solutions funding for clients via the Investment Bureau concept but the detail of this still needs to be worked through)

8.4 Your outline proposal needs to include a detailed description of how an Investment Bureau service could be established, delivered and managed. The proposal needs to include innovative suggestions to show how these funds might be effectively administered to clients and on behalf of stakeholders, via this route. The emphasis will need to be on providing customers with access to funding for business solutions in a very responsive and non-bureaucratic way while maintaining accurate and detailed records for funders for accountability purposes.



- 8.5 Your proposal will need to make clear how the 'Investment Bureau' will be operated to deliver an efficient, effective and robust service to both clients and funders alike. This service will need to be run with a clear degree of separation from the core IDB service to ensure the impartiality and independence of the model. Detailed Service Level Agreements will need to be put in place between the IDB service and the Investment Bureau.
- 8.6 One NorthEast and the other funders and stakeholders intending to use this route for channelling funds need to ensure that transparent and consistent funding/investment decisions are reached. Evidence of how decisions have been made will have to be documented and retained for monitoring purposes.
- 8.7 While certain funds to be channelled via the Investment Bureau, already come with clear criteria for what can be supported, other investment funds may be made available where the criteria is still to be set. Your outline proposal should give details of suggestions for the criteria to be used for making investment decisions, including return on investment, impact etc. (Please note that for larger projects a Funding Panel, involving key stakeholders will need to be considered. The detail of this will be discussed at the negotiation stage)
- 8.8 At this stage, the level of funds to be channelled via this route has not been fully determined so the scope and scale of the 'Investment Bureau' is still to be agreed. While a number of organisations have indicated that they are keen to explore using this route as a channel for business support funding, final agreements concerning the total amount of money involved have not yet been reached. One NorthEast intends to provide clear guidance to the four North East Sub Regional Partnerships (SRPs) to direct their business support and enterprise funding via this route. The Agency also intends to explore the use of this route for elements of its own regional Single Programme funds.
- 8.9 As a guide for the completion of your outline proposal, One NorthEast wants to see suggestions for an Investment Bureau handling approximately £10 million per annum (Please note that this is only a guide and does not constitute a firm agreement to place this level of funds via the Bureau)
- 8.10 Based upon this notional £10 million, your outline proposal will need to give a clear idea of how much of this funding would be needed to cover the potential costs of establishing, operating and managing such a function, giving both total costs and an idea of unit costs. Your proposal will also need to include details of track record in managing client solutions funding and ideas for innovative ways of delivering such a service. One NorthEast is particularly keen to see how the use of ICT could enhance the Investment Bureau concept. Your proposal will need to give the following information:

- Suggested numbers of staff required
- Organisational Structure of Investment Bureau
- Innovative use of online application processes
- Innovative use of telephone project management/progress chasing
- Criteria for funding decisions
- Role of Funding Panel
- Separation from the core IDB service
- Suggested Service Protocols between IDB staff and Investment Bureau staff
- Contracting arrangements (via client or provider)
- Potential for collective contracting (e.g. for networks)
- Suggestion for how other organisations may access solutions funding for clients via the investment Bureau

8.11 Additional business support funding, which may be channelled via this route includes:

- Business support for tourism and creative industries
- Rural business support
- Social enterprise
- Sub regional business, enterprise and skills funding
- Skills funding
- Innovation, ICT and knowledge transfer solutions funding
- Manufacturing and other sector services
- Access to finance
- Strategic account management and aftercare

(This is not intended to be an exhaustive list, nor has any firm agreement been reached. However, this is included to give an idea of the potential range and scope of the Investment Bureau)

## **9. The North East Service Provider Register**

9.1 The North East Service Provider Register (NESPR) has been developed by One NorthEast, working closely with partners across the Business Support Network, to provide a key service for businesses in the region. The Agency will retain responsibility for the Register during 06-07 and it will be fully maintained and undergo further modifications.

9.2 From April 07 it is the Agency's intention the facility will be operated and managed by the organisation providing the core IDB and Investment Bureau service. The Register will be operated and managed as part of the Investment Bureau. Your outline proposal will need to show how the facility will be supported and managed and will need to include a plan for maintaining and further enhancing the Register, post-March 07.

9.3 Further details about the Register are provided in the Information Note at Annex 9. (To view the functionality of the Register, and gain

access to the NESPR training site contact Gordon Jackson on 0191 229 6743 or e-mail to [gordon.jackson@onenortheast.co.uk](mailto:gordon.jackson@onenortheast.co.uk). He will provide the web site address and issue a time-limited user ID and password)

9.4 Copies of the following documents, which underpin the operation of the Register going forward, can also be obtained from Gordon Jackson.

- Application Policy
- Sourcing Policy
- Performance Review Policy
- Suspension and Review Policy

These are the current agreed policies but they are subject to amendment. Your proposals should include suggestions for further modifying and developing them.

## **10. Value**

10.1 One NorthEast's arrangement will be awarded to deliver the core IDB service for start-up and business support and the Investment Bureau. The anticipated value of the IDB element in year one is approximately up to £6 million. This still needs to be finally agreed. The value in subsequent years has also not been determined at this stage but will be the subject of annual negotiations.

10.2 When determining the services to be provided, your outline proposal will need to be worked up within this indicative figure for year one. However, at this stage, this is only a guide figure. More precise budgets will be discussed during the negotiation phase of this process for year one and annually thereafter.

10.3 At this stage, outline proposals should be developed on the basis of the notional £10 million for the Investment Bureau, mentioned in Section 8. Again, this is no guarantee of funding but is to be used as a guide for completing your outline proposal.

## **11. Duration of Service**

11.1 This tender is seeking to put in place a regional business support service which will be operated for a five year period, but with break clauses at the end of year 3 and year 4. (These breaks may be introduced with a no breach requirement)

11.2 Continuation will be subject to meeting agreed performance targets, customer satisfaction levels and financial assurances, as well as delivering the service within all the conditions attached to the offer letter. This will be fully explored and agreed within the negotiation stage of this process.

11.3 There will need to be appropriate safeguards for termination on the

grounds of non-performance.

11.4 A detailed Delivery Plan will need to be agreed each year.

## **12. Quality Assurance**

12.1 A final decision has not yet been made regarding Quality Assurance standards, which might be expected as a contractual obligation. This will be confirmed during the negotiation phase. One NorthEast is, however, very keen to ensure that a quality assured service is delivered.

12.2 Your outline proposal should describe your approach to ensuring the quality assurance of your proposed service and detail your plans for ensuring continuous improvement. Your proposal will also need to make reference to any relevant quality standards already achieved or planned for the new service, e.g. EFQM, Customer First, IiP, Investors in Excellence etc. (See section 12 for quality assurance of staff)

## **13. Human Resources**

13.1 Your outline proposal will need to demonstrate an understanding of and clear commitment to the **principles** of Investors in People in recruiting and continuously developing your people. Integrity and leadership will need to be strongly demonstrated by bidding organisations.

13.2 Currently, a national Competence Framework and Accreditation Process is being developed for staff involved in the delivery of IDB and Skills Brokerage services. It is expected that these will be finalised during 06-07. The successful tenderer will need to show clear commitment to achieving Accreditation as appropriate for all staff within agreed timescales and your proposal will need to take account of this.

13.3 The quality of the Staff for the regional service will be key to its success and your outline proposal should include your commitment to staff development and continuing professional development. The proposal will need to include:

- Recruitment policy
- Approach to Continuing Professional Development for all staff
- Detailed outline of how all staff will be continuously developed
- Information about relevant training for all staff
- Staff terms and conditions (including benefits packages, where appropriate)

- Human Resources overarching strategy
  - Equality and Diversity Policy
- 13.4 The recruitment of the Head of the new regional service is obviously of key importance and One NorthEast would wish to be involved in the selection process. An open and professional recruitment process, based upon an agreed job and person specification is both encouraged and expected.
- 13.5 In some circumstances, when functions transfer from one undertaking to another, special employment rights are extended to the staff affected under the Transfer of Undertakings (TUPE). One NorthEast anticipates that TUPE is very likely to apply in this process and will need to be given serious consideration as part of it (whether TUPE applies or not depends on individual circumstances).
- 13.6 One NorthEast intends to take expert advice re TUPE requirements and if appropriate, this support will be made available to the successful tenderer. However, it is also recommended that the successful tenderer take legal advice on their own behalf. Full implications of TUPE will need to be assessed and agreed during the negotiation stage. Your proposal will need to make a clear commitment to any TUPE considerations.

#### **14. The Organisation**

- 14.1 Proposals are welcome from Consortia and Partnerships as well as from individual organisations. (However, consortia and partnerships must be comprised of organisations, which have all successfully satisfied One NorthEast's initial PQQ stage). One NorthEast reserves the right to require the tenderer to take a particular legal form in order to be able to award to a single entity for the regional business support service.
- 14.2 The successful tenderer will need to demonstrate that they can operate an entrepreneurial business, which clearly understands the needs of its customers. The successful tenderer will also be able to demonstrate that it is business led and non-bureaucratic and give confidence that it is capable of managing a service of such regional significance. Your outline proposal will need to make clear the nature of the organisation, partnership or consortia, which is bidding to run the service. A detailed account will need to be given to include:
- Proposed legal structure of the organisation
  - Board and governance arrangements
  - Management structure and key personnel (including track record) of the "parent" company where appropriate

- Management structure and key personnel for the IDB service and Investment Bureau
- Other Staffing levels and structure for IDB Service and Investment Bureau
- Details of the Technical Services available for the service
- Details of any sub-contract arrangements
- Physical infrastructure (head office location, satellite offices)

It is clear that final detailed arrangements for staffing, physical infrastructure etc. may not be able to be fully determined at this outline proposal stage and these will become clearer during the negotiation phase. However, as much detail as possible needs to be included in your proposal to allow for informed decisions to be made.

- 14.3 Where a new consortium or partnership is being proposed, you will need to include transition arrangements for how this is to be put in place to effectively deliver the new service. Adaptability will be a key consideration in assessing outline proposals.
- 14.4 Your outline proposal will also need to demonstrate how you intend to work collaboratively with the existing BL organisations to ensure a smooth transition of the service during 06/07. Once the successful tenderer has been agreed, we will need a transition plan to make sure the performance of the current service will be maintained.
- 14.5 Your proposal will also need to demonstrate a very clear understanding of the needs of the publicly funded business support world and show how you will meet the needs of funders and other stakeholders. Your previous track record is important and any evidence of managing business support funding will need to be included.
- 14.6 Impartiality is a key principle of the IDB model and your proposal will need to demonstrate how the nationally agreed Separation Tests will be met where this is appropriate (A copy of the tests is given as Annex 10)

## **15. Financial Information**

- 15.1 One NorthEast understands that final detailed plans will not be able to be prepared until the negotiation phase. However, at this point the Agency is looking for an overall breakdown of the cost of delivering the IDB service and the Investment Bureau, within the financial limits referred to earlier in this specification, so that value for money etc can begin to be determined. In addition, your

proposal should give an indication of some of the key unit costs. (These will subsequently be used when negotiating additional services).

For the IDB service, these need to include suggestions for:

- Cost per information intervention
- Cost per high volume diagnostic
- Cost per in-depth diagnostic
- Total cost per account manager/broker
- Caseload per account manager/broker (whether in-depth or volume)

For the Investment Bureau, these need to include suggestions for:

- Cost per contract issued
- Overhead required as a percentage of the "solutions funding"

## **16. Additional Information**

16.1 Other key information, which will need to be included in your outline proposal:

- An indication of the Customer Relationship Management system you intend to use
- Data sharing arrangements with One NorthEast and other partners, as appropriate
- An indication of the use of ICT and 'virtual services' to ensure a wider reach into the marketplace and a more targeted use of resources
- Your Knowledge Management Strategy

## **C. PART 2**

### **Train to Gain - North East**

#### **Regional Skills Brokerage Service**

##### **Contents**

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  2. Background
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  4. Requirements of the North East
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  6. Priorities and Targets
  7. Performance
  8. Client Information and Management Systems
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  10. Transition
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  12. Proposal and First Year / Transition Plan
  13. Human Resources
  14. The Organisation
  15. Financial Information
- Annex 1 Regional Skills Partnership Sector Priorities
- Annex 2 North East Train to Gain Model
- Annex 3 North East Model

##### **1. Introduction**

- 1.1 Within the context of the Train to Gain national framework for Skills Brokerage service, tendering organisations are invited to demonstrate how they intend to deliver a region wide Skills



Brokerage service to the private, voluntary and not for profit sectors that reflects the needs of the North East region and how this service will be fully integrated with the core Information, Diagnostic and Brokerage (IDB) service contracted by the Regional Development Agency for the region, One NorthEast. This document provides background information on the specific needs of the region and guidance on the content of the required responses.

- 1.2 Tendering organisations will receive a copy of the national Learning and Skills Council Invitation to Tender Document when this becomes available and they should ensure that their proposal complies with this Schedule and the relevant sections:
  - Conflict of Interest
  - The Learning & Skills Council terms and Conditions of Contract
  - Funding Model
  - Performance Management
  - Information Technology
  - Marketing and Branding
  - TUPE
  - Broker Training
  - Reporting Requirements
- 1.3 Tendering organisations must demonstrate how employers in the private, voluntary and “not for profit” sectors will be able to access solutions to their business and skills needs simply and without delay through a clear, accessible route.
- 1.4 The Learning and Skills Council North East (hereafter referred to as the Council) is looking to contract with one organisation that can demonstrate its ability to deliver a comprehensive Skills Brokerage service across the whole region. Tendering organisations will need to demonstrate that they have a clear understanding of the Regional Economic Strategy and its priorities.
- 1.5 The successful tendering organisation will be invited to contract for the provision of Specialist Skills Brokering services for up to three years from the 1<sup>st</sup> April 2006, subject to annual review of satisfactory performance and relevant funding being agreed. Continuation of the contract will be subject to meeting agreed performance targets, financial assurances and delivering the service within all the conditions attached to the offer letter. This will be fully explored within the negotiation stage.
- 1.6 The budget available for this service is expected to be in the region of £2million for 2006-2007 and subject to future allocation. When determining the service to be provided, your proposal will need to be worked up within this indicative figure for year one. It should be noted that if the existing brokerage contracts are extended to ensure business continuity to August 2006 then this £2million should be regarded as pro rata, i.e. 7/12ths. At this stage the budget allocation is only a guide figure. More precise budgets will

be discussed during the negotiation phase of this process for year one and annually thereafter.

## **2. Background**

- 2.1 For more than two years a range of partners in the North East- including the Council, One NorthEast and Business Link organisations have been developing and refining a way of working which is known as the "North East Employer Skills Offer" (NEESO)
- 2.2 The model is intended to give employers access to a wide range of information advice and support in relation to skills issues (ranging from skills for life through to management and leadership development) via an impartial brokerage service, which is integrated with wider business support. Within the NEESO model an integrated business support and skills brokerage service has been delivered by the four North East Business Link organisations in the case of all private and voluntary / not for profit sectors and in the case of the public sector through the local Learning and Skills Councils. This model has underpinned the successful implementation of the regional Employer Training Pilot (eQ8). In light of experience, regional evaluations and the vision outlined in the Skills White Paper, 'Getting on in business, getting on at work', it is recognised that the model can be developed and refined to ensure that it is fit for purpose as the National Employer Training Programme service.
- 2.3 In the first 6 months of the current operational year (1<sup>st</sup> April 05- September 05) there have been:
  - 625 new employers engaged, as evidenced through a comprehensive diagnostic process resulting in an employer engagement plan on which the outcome of the dialogue with employers regarding their skills needs and resulting solutions are recorded
  - 213 employers contracted through eQ8
  - 9,866 learners contracted re skills for life and first level 2 qualifications through eQ8
  - 87 liP commitments from the private, voluntary and not for profit sectors
  - 95 liP recognitions from the private, voluntary and not for profit sectors
  - 386 employers supported through the flexible skills fund
  - 2,208 Owner Manager / Directors engaged through the region wide Director Development programme / Leadership & Management programme (programme cumulative to end September 05)

- 2.4 In the current model (NEESO) there are a number of routes via which an employer can access support and assistance in respect of their skills needs via a number of different entry routes, i.e. training providers, other intermediaries or specialist advisors or via the IDB service.
- 2.5 Employer demand for skills is currently 'driven' in the region via a variety of means:
- Marketing and communications activity driven by the key strategic and funding agencies (in particular the LSC) in relation to specific products, e.g. apprenticeships, eQ8 or more generally re the business benefits of investment in skills, e.g. Better People Better Business workshops/ events
  - The activities of the four Business Links and individual brokers within them, including cross referrals of clients whose initial approach may have been about different issues, e.g. export or innovation
  - Specialist advisers and intermediary organisations, e.g. Sector Skills Councils, employer organisations etc.
  - FE colleges and private training providers, e.g. it is estimated that 60% of the employer leads into eQ8 have been generated this way.
- 2.6 Access to the range of 'demand led' funding, e.g. Director Development, Employer Skills Offer £1,000 subsidy and Flexible Skills Fund has required an intervention by a Skills Broker. The intention behind this intervention is to ensure that employers are aware of all the options available to them and not 'sold a product' or service by a particular provider and also to explore with employers their other business needs and to help identify other solutions to meet these needs. One of the key outcomes of the intervention is a holistic diagnosis of employer needs, which is recorded on a regional template, "the Employer Engagement Plan", and the effectiveness of this process is currently being evaluated. During the contract negotiation stage the Council would like to discuss the merits of this process with the successful tendering organisation or any alternatives they wish to propose.
- 2.7 The current sub-regional structure is not necessarily ideal in terms of operational efficiency or consistent delivery at a local level. The new structure will operate at a regional level but will also need to ensure delivery at the most appropriate level depending on target audience. The new operation will be more efficient in terms of unit costs; back office costs; staffing ratios and customer resource.
- 2.8 The sub-region within which the client is located largely determines the nature and scale of assistance, available to individuals and

businesses via the current service. In seeking greater consistency the aim is to ensure that any differential levels and types of service are based on impact rationale or the need for evidenced targeted support, rather than sub-regional boundaries. The new network will result in a consistent framework of support across the region.

- 2.9 The service will need to operate to the same standards and provide a consistent offer to businesses across the whole region however, it is also important that the service is able to take full account of local need where this is appropriate. Your outline proposal will need to give a detailed account of how the service will be structured and managed to make sure that local needs are fully met where this is called for.

### 3. Diversity of the Region and its Business Base

- 3.1 The region has a diverse business base, with varying strengths and challenges locally and sub-regionally. A region wide model will specifically take account of the types of businesses, the geography of each area and the local partnership arrangements, which assist delivery. This will ensure that regional delivery supports both regional and local priorities.

- 3.2 Using the figures supplied by the Inter-Departmental Business Register (IDBR), the North East has over 56, 865 businesses in a broad range of sectors. Most of these employ less than 10 people and have a turnover of less than £500,000. Potential for development exists in all types and sizes of companies. A brief profile of the businesses in the North East is outlined in the tables below.

<b>Businesses By Sector 2004</b>						
Agriculture, Fishing & Mining	Manufacturing	Electricity, Gas & Water Supply	Construction	Wholesale, Retail & Repairs	Hotels & Restaurants	<b>TOTAL</b>
4,045	4,450	15	6,245	11,920	5,400	
Transport, Storage & Communication	Financial Intermediation	Property & Business Activities	Public Admin & Others	Education	Health & Social Work	<b>56,865</b>
2,490	555	13,450	5,295	665	2,340	

<b>Businesses By Employment 2004</b>						
<b>North East</b>	<b>0- 4</b>	<b>5 - 9</b>	<b>10-49</b>	<b>50-249</b>	<b>250 +</b>	<b>Total</b>
Number of businesses	43135	6475	5915	1040	305	<b>56,865</b>

Source- Draft Strategic Action Plan for Enterprise and Business Support, Version 2

### 4. The Requirements of the North East

- 4.1 The brokerage service must be independent and impartial, acting for employers to give the best advice they can on meeting employer's needs- assess the training that will best support the business strategy, designing integrated training packages, and sourcing training from the best supplier. The broker will also provide support to design and source a wider training package, going beyond the provision of free training to meet the employer's wider training needs where the employer is prepared to pay for that.
- 4.2 A face-to-face visit may not always be required and consideration should be given to how effective coverage can be provided to meet the needs of the regions employers. The tiered approach suggested in the IDB specification (Part 1, Section 5 The Tiered Approach) should be considered for the effective delivery of the Skills Brokerage Service.
- 4.3 Skills Brokers will be required to maintain a relationship with the employers they work with. Building the relationship over time and offering further support and advice will be an essential element of the Skills Brokerage service.
- 4.4 Following the recent announcement by the Chancellor of the Exchequer regarding wage compensation payments to eligible employers, this may impact on the Skills Broker role. Once these discussions have been finalised tendering organisations will be informed of the outcomes as soon as possible.
- 4.5 The Skills Brokerage service will also be required to:
- Link effectively with the National Employer Service (NES), which provides skills brokerage support to large multi-sited organisations. More clarification on the role of NESS will be supplied at the contract negotiation stage
  - Link effectively with the Council which will provide Skills Brokerage services to the public sector

Your proposals will need to show how these links will be developed and maintained.

- 4.6 The Skills Brokerage Service will need to be delivered to meet the needs of the widest possible client groups. However, your outline proposal will also be required to show how the service will be made available to meet the needs of certain under-represented groups. In particular, services for women, ethnic minorities, the disabled, and those with specific social or economic disadvantages where this is appropriate will need to be provided and a detailed account needs to be given in your proposal. The Council is keen to see innovative ideas for how the mainstream service will be "proofed" for the needs of these groups and links with specialist service providers should be demonstrated

- 4.7 Proposals will also need to include suggestions for how the service will be made available to meet the needs of both the urban and the rural areas of the North East and the likely services which will be on offer. Again, ideas for innovative use of resources are encouraged and a demonstration of links with other rural/urban providers is required.

## **5. The Train to Gain (NE) Offer to Employers**

- 5.1 Core elements of the Train to Gain offer will include:

- A comprehensive analysis of and solutions to address training needs, which will identify clearly which elements attract public subsidy and those for which the employer will have to pay
- Easy access to relevant and flexible, high quality training, delivered mostly in the workplace and using increasingly an assess, train, assess model, which will enable the employee's prior learning and experience to be taken into account
- Information and support to access a wide range of training packages including higher level qualifications (including level 3) and also non-qualifications based training. Brokers will also be able to sign post to other sources of information such as websites and telephone helplines
- Information and advice to employees on qualifications and training; eligibility for LSC funded training options, financial support and local and regional skill shortages and priorities
- Support for organisations wishing to work within the principles of Investors in People (IiP) including a business improvement and training plan generated following an assessment against the IiP Standard
- Support to develop ongoing strategies to address future training needs, which are aligned to business objectives.

- 5.2 Subject to budget availability other flexible elements, some attracting public funding may be offered in the North East region such as:

- Investors in People
- Leadership and Management
- Foundation Degrees
- Trade Union Learning Representatives (Trade Union Learning for All Fund jointly funded from LSC and One NorthEast)

- Recruitment and continuation of skills development for those progressing – welfare to workforce development via Job Centre Plus (JC+)
- UFI demand led activity

## **6. Priorities and Targets**

- 6.1 Based on the national figures of 50,000 new employers and 175,000 learners in 2006/07 it is estimated that the region should contribute approximately 5% towards the achievement of these. Your proposal should demonstrate how you would contract with up to 2,500 organisations in year one. There may be a further clarification of the employer target to agree a proportion who are classified as 'Hard to Reach' during the contract negotiation stage.
- 6.2 To aid understanding of hard to reach and new employers the following definitions have been provisionally agreed by the Council nationally. (Tendering organisations will be informed of the final definitions when they are agreed)

Hard to Reach: A business that is not a recognised Investors in People and has not provided/supported training (publicly funded or private) leading to a vocational qualification for any employees in the last 12 months.

New Employer: a new employer is an employer who has not arranged publicly funded training provision for any employees in the last 12 months preceding the current broker interaction

Annex 1 of this document details the sector priorities as defined by the Regional Skills Partnership (Skills North East)

## **7. Performance**

- 7.1 The Council will agree with the successful tendering organisation agreed performance measures. These will be based on the three Key Performance Indicators for the Skills Brokerage Service:
- Actual employers managed compared with targets / segmentation set by each region in the contract.
  - Employer satisfaction with the initial and annual service
  - Number of brokers working towards / achieved new standard
- 7.2 In addition to the Key Performance Indicators a range of outcomes will also be measured and detail collected for management information and evaluation:
- Indicative number of learners for apprenticeships, first level 2 NVQ, Skills for Life, level 3 and 4 and 'other training' linked to

the employer referrals. This data will be drawn from standard broker/ employer proposal

- Indicative level of employer full cost investment which will also be drawn down from the broker/employer proposal
- Use of diagnostic tools including IiP and the DTI business performance index
- Investors in People (IiP) Commitments
- IiP referrals
- Referrals to Leadership & Management
- Referrals to Higher Education
- Organisational Training Needs Analysis
- Referrals to IAG service
- Referrals to Job Centre Plus
- Referrals to IDB generalist brokers
- Repeat Business

7.3 Your proposal should demonstrate an understanding of these measures and outcomes and indicate any further measures or added value you intend to offer. The proposal should contain estimated levels of performance.

7.4 The Council will contract separately with an independent, external organisation to undertake regular customer satisfaction.

## **8. Client Information and Management Systems**

8.1 Your proposal need to demonstrate how you intend to manage client information, and share this with the Council etc using interface designed by LSC National Office.

8.2 The Council will need management information to be produced at regular intervals and on request, which will describe:

- Type of organisations engaging with the service (size sector, age, etc)
- Level of service they are receiving
- Type of solutions they are requesting
- Stage in their development cycle

This gives only some examples of what will be needed and is in no way an exhaustive list.



- 8.3 There is a regional online database available which supplies a guide to over 33,000 full and part time courses delivered by 820 providers. The "Coursefinder" database contains a range of courses at a range of levels from Skills for Life to Postgraduate. [www.coursefinder.org.uk](http://www.coursefinder.org.uk)
- 8.4 The North East Service Provider Register can provide details of business support providers and skills development provision. To view the functionality of the register and gain access contact Gordon Jackson on 0191 229 1743 or email [gordon.jackson@onenortheast.co.uk](mailto:gordon.jackson@onenortheast.co.uk)
- 8.5 The web based Employer Guide to Training is designed to enable employers to locate providers themselves if they so wish and could, if suitably developed, become an on-line self-service brokerage. The guide can be used by brokers to fulfill their requirement to provide impartial advice on training provision.

See

[www.lsc.gov.uk/countydurham/Employer/default/htm](http://www.lsc.gov.uk/countydurham/Employer/default/htm) or  
[www.lsc.gov.uk/northumberland/Employer/default/htm](http://www.lsc.gov.uk/northumberland/Employer/default/htm) or  
[www.lsc.gov.uk/teesvalley/Employer/default/htm](http://www.lsc.gov.uk/teesvalley/Employer/default/htm) or  
[www.lsc.gov.uk/tyneandwear/Employer/default.htm](http://www.lsc.gov.uk/tyneandwear/Employer/default.htm)

## 9. Protocols

- 9.1 If the concept of 'no wrong door' is to be implemented effectively in the region it is essential that all key partners and stakeholders in Train to Gain relate to each other effectively and employers, clarifying roles and responsibilities, referral mechanisms etc. The successful tendering organisation will be required to develop, in consultation with the Council North East and One NorthEast and other stakeholders, detailed regional protocols. Once agreed compliance with the protocols will be monitored as part of the ongoing contract management.
- 9.2 Your proposal will need to demonstrate a clear understanding of the specific contribution of various partner and stakeholder organisations, e.g. publicly funded learning providers, Further Education and Higher Education sector, Job Centre Plus, Sector Skills Councils, Employer representative bodies, TUC, nextstep providers, Connexions, Learndirect and National Employer Service.
- 9.3 Information, which is collected as part of the skills brokerage service will be influential in transforming the Council-funded, adult provision to ensure that it is both responsive and flexible and meets the needs of employers.

## 10. Transition Arrangements

- 10.1 The successful tendering organisation will be required to

demonstrate how it will work collaboratively with the existing four BLs to ensure a smooth transition of the service and staff, under TUPE arrangements, and continuous delivery of the brokerage service to employers.

## **11. Capacity**

- 11.1 It is expected that the successful tendering organisation will be located and managed from within the region.
- 11.2 The Skills Broker service will be expected to deal with all “Train to Gain” leads. In addition to their own generated leads these will also come from a number of sources, including direct from providers
- 11.3 An assumption underlying Train to Gain is that employers will be expected to cover the cost of higher level training above first full Level 2 qualifications and other technical, managerial and specialist training. Therefore in addition to publicly funded training, tendering organisations must ensure they are fully aware of the breadth of privately funded provision available across the region, so that they are able to broker the most appropriate package available to meet employer’s needs. (See section 8, re information on client information systems)

## **12. Proposal and First Year Delivery / Transition Plan**

- 12.1 Your proposal should demonstrate your experience and knowledge of:
- How various public and European sources of funding available in the North East region are used to support the skills needs of employers
  - Local training provision both publicly funded and non-funded
  - Brokering skills solutions to meet employer needs
  - How to engage with employers in the Hard to Reach category
  - A holistic diagnostic process that will incorporate skill needs
  - How the skills brokerage and the Information, Diagnostic and Brokerage service will be integrated
  - How delivery styles will be adapted to meet the needs of various sectors of employment
  - Specialist advisers and trusted intermediary organisations, e.g. Sector Skills Councils, employer federations and forums etc.

See [www.ssda.org.uk/brokerageprospectus](http://www.ssda.org.uk/brokerageprospectus) for a copy of an Interim

Prospectus, which sets out the contribution of Sector Skills Councils to the development and delivery of brokerage services across the UK.

12.3 Your proposal must also provide a delivery / transition plan for the period 1<sup>st</sup> April 2006 to 31<sup>st</sup> March 2007 detailing the type of activity they intend to deliver. The plan should contain a narrative to describe your approach, and evidence of capability. It should also describe how you will implement your plan in terms of 'SMART' (specific, measurable, achievable, realistic and time bound) objectives to support the delivery rationale by:

- Explaining how you plan to make progress towards achieving their objectives
- Stating when you expect to achieve each key task and who will be responsible for leading on the task
- Indicate how you will know you have succeeded in the task

### **13. Human Resources**

13.1 Your outline proposal will need to demonstrate an understanding of and clear commitment to the principles of Investors in People in recruiting and continuously developing your people. Integrity and leadership will need to be strongly demonstrated by bidding organisations.

13.2 Currently, a national Competence Framework and Accreditation Process is being developed for staff involved in the delivery of IDB and Skills Brokerage services. It is expected that these will be finalised during 06-07. The successful tenderer will need to show clear commitment to achieving Accreditation as appropriate for all staff within agreed timescales and your proposal will need to take account of this.

13.3 In addition Skills Brokers will be required to attend any mandatory national training workshops organised on a regional basis, followed by any additional training sessions the North East region deems necessary, a maximum number of days will be agreed during the negotiation stage. Skills Brokers will also be supported in their knowledge by a national website.

13.4 The quality of the Staff for the regional service will be key to its success and your outline proposal should include your commitment to staff development and continuing professional development. The proposal will need to include:

- Recruitment policy
- Approach to Continuing Professional Development for all

staff

- Detailed outline of how all staff will be continuously developed
- Information about relevant training for all staff
- Staff terms and conditions (including benefits packages, where appropriate)
- Human Resources overarching strategy
- Equality and Diversity Policy

13.5 The recruitment of the Head of the new regional service is obviously of key importance and the Council would wish to be involved in the selection process. An open and professional recruitment process, based upon an agreed job and person specification is both encouraged and expected.

13.6 In some circumstances, when functions transfer from one undertaking to another, special employment rights are extended to the staff affected under the Transfer of Undertakings (TUPE). You need to be aware that TUPE is very likely to apply in this process and will need to be given serious consideration as part of it (whether TUPE applies depends on individual circumstances).

13.7 The Council intends to provide further information re TUPE requirements in the national Invitation to Tender (ITT), which will be forwarded to all tendering organisations as soon as it becomes available. However, it is also recommended that the successful tenderer take legal advice on their own behalf. Full implications of TUPE will need to be assessed and agreed during the negotiation stage. Your proposal will need to make a clear commitment to any TUPE considerations.

## **14. The Organisation**

14.1 Proposals are welcome from Consortia and Partnerships as well as from individual organisations. (However, consortia and partnerships must be comprised of organisations, which have successfully satisfied the initial PQQ stage)

14.2 The successful tenderer will demonstrate that it is an entrepreneurial business, which clearly understands the needs of its customers. The successful tenderer will also be able to demonstrate that it is business led and non-bureaucratic and give confidence that it is capable of managing a service of such regional significance. Your outline proposal will need to make clear the nature of the organisation, partnership or consortia, which is bidding to run the service. A detailed account will need to be given

to include:

- Proposed legal structure of the organisation
- Board and governance arrangements
- Management structure and key personnel (including track record) of the "parent" company where appropriate
- Management structure and key personnel for the Skills Brokerage Service
- Other Staffing levels and structure for Skills Brokerage Service
- Details of the Technical Services available for the service
- Details of any sub-contract arrangements
- Physical infrastructure (head office location, satellite offices)

It is clear that detailed arrangements for staffing, physical infrastructure may not be able to be fully determined at the outline proposal stage and will become clearer during the negotiation phase. However, as much detail as possible needs to be included in your proposal.

- 14.3 Where a new consortium or partnership is being proposed, you will need to include transition arrangements for how this is being out in place to effectively deliver the new service.
- 14.4 Your proposal will also need to demonstrate a very clear understanding of the needs of the publicly funded skills support world and show how you will meet the needs of funders and other stakeholders. Your previous track record is important and any evidence of managing skills support funding will need to be included.
- 14.5 Impartiality is a key principle of the Skills Brokerage Service and your proposal will need to demonstrate how Conflict of Interest tests will be met where this is appropriate (a copy of the test is to be provided with the National LSC Invitation to Tender)

## **15. Financial Information**

- 15.1 A total breakdown of the cost of delivering the Skills Brokerage Service is required.

## ANNEX 1

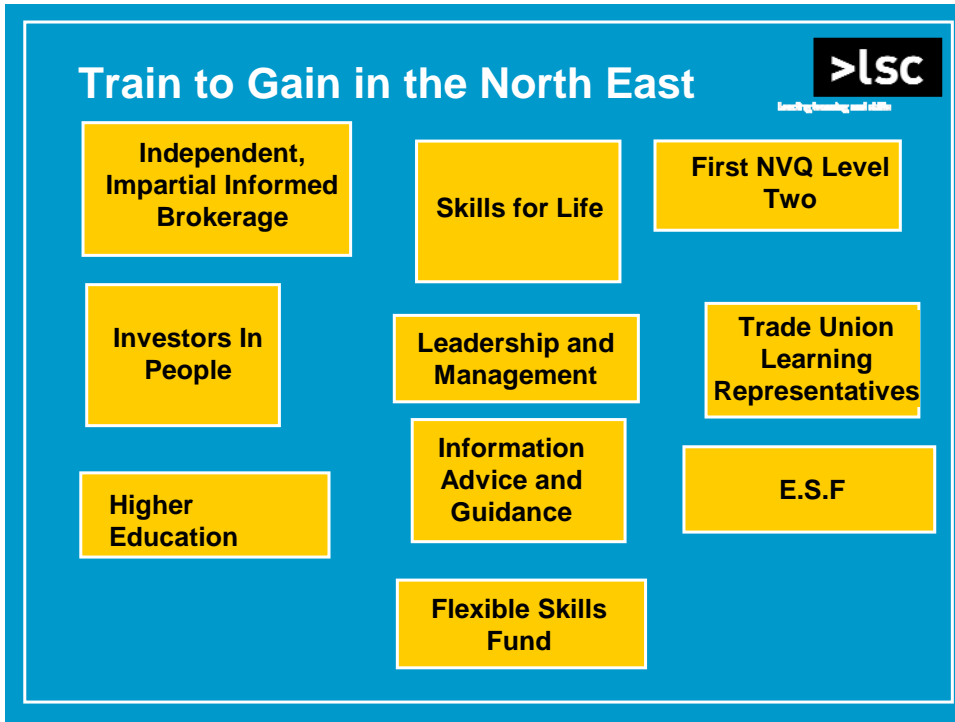
### Sectoral evidence

The Sector Skills Councils provide Skills North East with sectoral intelligence on employer skills needs. Building on the evidence provided for the 2005/06 Skills Action Plan, evidence submitted for this updated Plan for 2006/07 has been incorporated into the review of objectives, priorities and targeted action. Sector Skills Councils have submitted intelligence on the main skills and employment issues facing their sectors and the table below reflects some of the issues identified. The detailed evidence from each Sector Skills Council (which will be made available on the Skills North East website) provides a valuable reference base - alongside other evidence and progress to date - for Skills North East partners in implementing the Skills Action Plan during 2006/07.

Sector Skills Council	Skill development -ent up to and including Level 2 (and employability)	Level 3 qualifications	Graduate level qualifications and above	Development of management and leadership capability	Issues related to recruitment and retention including image, IAG	Age profile skewed, issue of replacement demand	Skill & qualification requirements due to legislation	Specific crucial occupational or skill needs in sub sectors
Asset Skills	X	X	X	X	X		X	X
Automotive Skills	X	X		X	X	X	X	X
CC Skills	X	X	X	X	X			X
Cogent	X	X	X	X	X	X	X	X
ConstructionSkills	X	X		X	X	X	X	X
E Skills	X	X	X	X	X			X
EU Skills	X	X		X	X		X	X
Financial Services	X	X	X	X	X	X	X	X
GoSkills	X	X		X	X	X	X	X
Improve	X	X		X	X		X	X
Lantra	X	X	X	X	X			X
LLUK	X		X	X	X			X
People 1st	X	X	X	X	X			X
Pro-skills	X	X	X	X	X	X		X
SEMTA	X	X	X	X	X	X		X
Skillfast UK	X	X	X	X	X	X		X
Skills for Care	X	X	X	X	X	X	X	X
Skills for Health	X	X	X	X	X			X
Skills for Justice	X	X		X	X		X	X
Skills for Logistics	X	X		X	X	X	X	X
SkillsActive	X	X	X	X	X			X
Skillset	X	X	X	X	X			X
Skillsmart UK	X			X	X			X
Summit Skills	X	X	X	X	X	X	X	X
Voluntary & Community	X			X				X

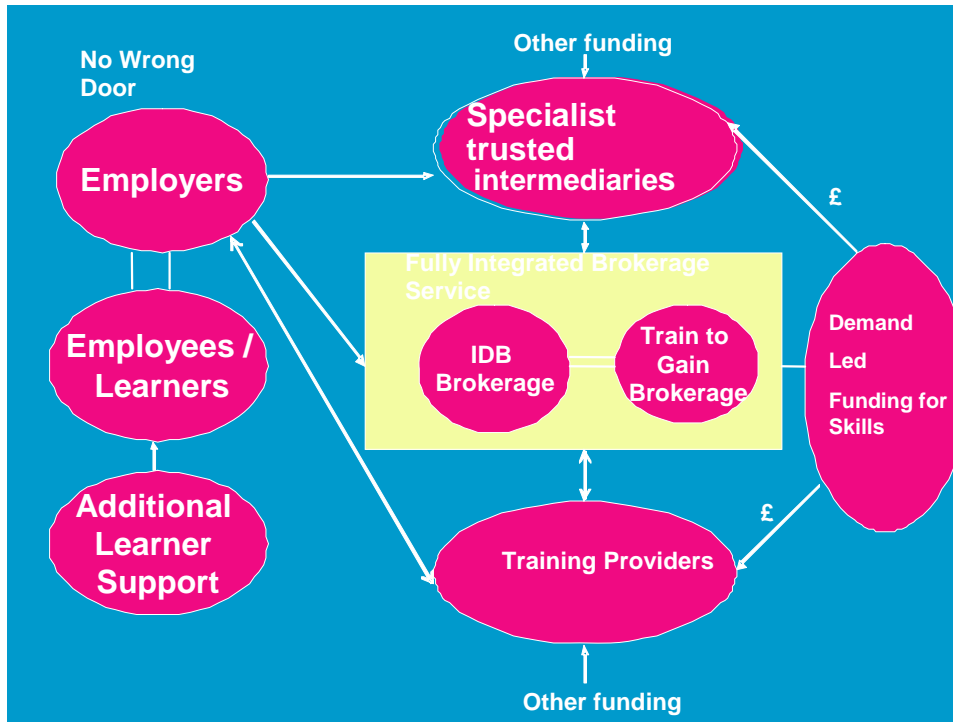
**Annex 2**

**North East Train to Gain Model**



### Annex 3

### North East Model





## **D. TENDER SUBMISSION AND EVALUATION**

### **1. Tender submission**

- 1.1 This Invitation is provided to enable you to complete an outline proposal for the proposed Services. The deadline for receipt of proposals is **12 noon on 30th January 2006**.
- 1.2 You are requested to provide 2 hard copies of your proposals in respect of the Part 1 Regional Business Support Service to be delivered no later 12 noon 30<sup>th</sup> January to Legal Services, Procurement Team, One NorthEast, Stella House, Goldcrest Way, Newburn Riverside, Newcastle Upon Tyne. NE15 8NY. As per instructions to tenderers documents attached, you are requested to submit your proposal by email, following the closing date of 12 noon 30 January 2006 to e-tendering@onenortheast.co.uk
- 1.3 You are requested to provide 2 hard copies of your proposals in respect of the Part 2 Regional Skills Brokerage Service to be delivered no later 12 noon 30<sup>th</sup> January to Legal Services, Procurement Team, One NorthEast, Stella House, Goldcrest Way, Newburn Riverside, Newcastle Upon Tyne. NE15 8NY. As per instructions to tenderers documents attached, you are requested to submit your proposal by email, following the closing date of 12 noon 30 January 2006 to e-tendering@onenortheast.co.uk
- 1.4 All proposals should be clearly marked "Strictly Confidential " Ref :- OJEU05/06 -1 -10 and be in plain sealed packaging. The outer covering of the packages, or any franking thereon must not bear any sign or reference, which might indicate the identity of the tenderer.

### **2. Evaluation criteria**

- 2.1 The proposals for each service will be evaluated in accordance with the respective criteria listed below and the shortlisted applicants for each service will be those offering the most economically advantageous proposal for the respective service.
- 2.2 The criteria for the evaluation of proposals and their respective weightings for Part 1 Regional Business Support Service are:

#### **Strategic Approach and Vision (5%)**

- Strategic fit of proposed approach with SAP
- Vision of organisation/consortium involved

#### **Governance, Management and Human Resources (30%)**

- Board/Governance arrangements

- Track record of current key management team
- Specification/recruitment for additional management team
- Human resource strategy (including Equality and Diversity)
- Evidence of commitment to TUPE

#### **Track Record and Experience (25%)**

- Track record of organisations involved
- Evidence of existing relevant performance
- Knowledge and experience of regional business support
- Knowledge and experience of national and international best practise in business support

#### **The Proposed Service (40%)**

- Evidence of ability to deliver business support across the North East
- Value for Money delivered by proposal
- Evidence of innovation
- Evidence of customer focus
- Understanding of client need
- Understanding of business support provision
- Impact measures
- Evidence of adaptability
- Ability to meet Separation Test
- Approach to partnership working
- Quality assurance
- Proposed sub-contracting arrangements
- Technical expertise available

2.3 The criteria for the evaluation of proposals for the Part 2 Regional Skills Brokerage Services and their respective weightings are:

#### **Strategic Approach and Vision (5%)**

- Strategic fit of proposed approach with SAP
- Vision of organisation/consortium involved

#### **Governance, Management and Human Resources (30%)**

- Board/Governance arrangements
- Track record of current key management team
- Specification/recruitment for additional management team
- Human resource strategy (including Equality and Diversity)
- Evidence of commitment to TUPE

#### **Track Record and Experience (25%)**

- Track record of organisations involved
- Evidence of existing relevant performance
- Knowledge and experience of regional skills brokerage
- Knowledge and experience of national and international best

practise in skills brokerage

### **The Proposed Service (40%)**

- Evidence of ability to deliver skills brokerage across the North East
- Value for Money delivered by proposal
- Evidence of innovation
- Evidence of customer focus
- Understanding of client need
- Understanding of skills provision
- Impact measures
- Evidence of adaptability
- Ability to meet Separation Test
- Approach to partnership working
- Quality assurance
- Proposed sub-contracting arrangements
- Technical expertise available

### **3. Timetable**

- 3.1 It is anticipated that the evaluation and shortlisting process to select a number of parties with whom One NorthEast and the LSC will negotiate for each of the Services will be drawn up in early February 2006.
- 3.2 One NorthEast and the LSC reserve the right, at their sole discretion, to request clarification in writing or further relevant information from any tenderer post submission of the ISOP response. Any such request shall be made in writing.
- 3.3 It is anticipated that detailed Invitations to Negotiate will be issued around the middle of February 2006 with (a) (the) successful tenderer(s) being selected and legal arrangements entered into by the end of March 2006.
- 3.4 Anticipated start date for the regional business support service is April 2007 with a transition phase to the new service taking place during 2006/7 while the existing Business Link operations come to an end. (If circumstances allow, the introduction of the new service will be accelerated)
- 3.5 Anticipated start date for the regional skills brokerage service is April 2006. (However, negotiations are still underway with LSC National Office and this may need to be delayed to August 2006)