



Department  
for Business  
Innovation & Skills

EMPLOYER OWNERSHIP –  
AUTOMOTIVE SUPPLY CHAIN  
PROJECT

Guidance for applicants

MAY 2014

WITHDRAWN

# Contents

<b>1. Introduction</b> .....	2
1.1. <b>Objectives of the offer</b> .....	2
1.2. <b>Assessment methodology</b> .....	2
1.3. <b>Timing and decisions</b> .....	3
<b>2. Eligibility</b> .....	3
<b>3. Project costs and funding limits</b> .....	4
<b>4. Training activity that can and cannot be supported</b> .....	4
<b>5. The application process</b> .....	6
<b>6. Completing the application form:</b> .....	6
<b>Part A - Eligibility</b> .....	6
<b>7. Completing the application form:</b> .....	6
<b>Part B – Project details</b> .....	6
7.1. <b>First Page – Purpose of the funding and eligibility</b> .....	6
7.2. <b>Second Page - Company size</b> .....	7
7.3. <b>Third Page - Project Description and Rationale</b> .....	7
7.4. <b>Fourth Page - Learning Outcomes spreadsheet</b> .....	8
7.5. <b>Fifth page - Funding table</b> .....	9
7.6. <b>Sixth Page - Why you need Government support</b> .....	10
7.7. <b>Seventh page - Equality</b> .....	10
<b>8. General conditions of the offer</b> .....	10
<b>9. Monitoring and evaluation</b> .....	11
<b>Annex A: Levels of skill development and training</b> .....	12
<b>Annex B: Definition of SME</b> .....	13
<b>Annex C: Skills Funding Agency information on skills funding 2014/15</b> .....	17
<b>Annex D: Model Grant Offer Letter</b> .....	22

# 1. Introduction

This guidance is for companies in the automotive supply chain wishing to apply for Employer Ownership funding. Applicants should read this guidance before completing the application form.

The Department will review the scope and operation of how this funding is distributed during this first phase of the offer. In particular, it will use this phase to ensure that the funding approach is robust. Learning from this experience, a priority for future phases will be to attract applications from a broader part of the target market, particularly making the project more accessible to smaller companies.

## 1.1. Objectives of the offer

The Department will co-fund training in the automotive supply chain that raises workforce skills and supports wider automotive sector investments and growth. The offer therefore is to support projects undertaken by companies in England that will – through additional training of employees - make significant improvements to the ability of those companies to grow and meet the imminent and longer-term needs of automotive manufacturing companies. To be eligible, companies must be involved in the manufacture and processing of components, tools and other production line equipment. Suppliers of raw materials, general services and training companies are not eligible.

Applicants should choose what sort of training best meets these objectives. There are, however, limitations on the sort of training that can be supported. These limitations are set out in this guidance.

Learners must be employed in England and must be aged 19 and over. Other opportunities exist to support training those aged 16-18. Funding will not be made available for any training that constitutes apprenticeships or traineeships.

The offer will work on a co-investment basis. Funding will be available for up to 50% of the costs of training that leads to skills that are portable and can be used in other companies and occupations (hereafter “transferable skills”) as allowed under the State Aid exemption regulations. Applications may be made for training that does not lead to transferable skills, but Government support will only be for a maximum of 25% of allowable costs.

The offer is designed to be as simple as possible and – after a decision is taken – to move quickly to issuing a grant offer letter that establishes the terms of the grant and how payment will be made. That letter will incorporate information included in the application and will be issued as soon as possible – but with an intention on the part of the Government to do this within a month of the application being assessed.

The decision will be based on an assessment of the application to establish that:

- The applicant is eligible;
- The application will lead to genuine co-investment; and
- The application offers good value for money for the public funding.

## 1.2. Assessment methodology

The assessment of applications will seek to establish:

- Whether training proposed by the applicant would meet the aims of the automotive supply chain project;
- Whether the training requires Government intervention to take place;
- Whether a minimum of 50% of the allowable costs will be met by the applicant; and
- Whether the proposal offers sufficient value for money to warrant Government investment.

### 1.3. Timing and decisions

Bids can be submitted at any time between Monday 10.00am and Friday 12.00 noon for the duration of the opportunity and will be assessed as they are received. Decisions should be reached on the basis of the criteria set out above within five weeks. Applicants will be informed as soon as a decision on their proposal has been reached and successful applicants will receive a Grant Offer Letter (GOL). Funds will be distributed until such time as the budget of this phase of the offer - £10m – is exhausted.

A model of the Grant Offer Letter GOL is attached at the end of this guidance. Applications should be submitted on the understanding that the model GOL will, without exception, form the basis of the allocation of Funds and all the conditions that pertain to the offer.

## 2. Eligibility

This offer is aimed at companies that need to respond to the challenge of growth in the auto sector. To be eligible for consideration, a significant part of your business must have a direct link to the ability of a vehicle manufacturer to meet its output targets. This will be aimed at companies that need to deliver products or services at a quality and pace that can directly impact of the success or otherwise of automotive production (including commercial and other specialist automobiles). Business services and raw material suppliers are not eligible for this offer.

The training we will support will enhance the manufacture and processing of automobile components, tools and other production line equipment. Applicants will need to confirm that this activity accounts for a significant proportion of their turnover. The application must be from the company that is the employer of all the people whose training is the subject of the application. The offer is not available to vehicle manufacturers. All levels of the supply chain are eligible - applicants do not need to supply vehicle manufacturers directly. However there must be a clear connection between the supply of the goods or services and the efficiency of automotive manufacture.

The applicant's main place of business must be in England. Applicants need to be registered as companies in the UK but do not need to have their corporate headquarters in the UK. Applications for projects are not restricted to one company site and companies are not restricted to one project (see below). It is essential that the usual place of employment of all employees being trained must be at a location in England.

Applications from groups of companies will not be accepted.

Applications will not be accepted from sector organisations (such as Sector Skills Councils or National Skills Academies), nor from Training Providers.

### 3. Project costs and funding limits

Companies may apply for support for training programmes that support the overall objective of the offer – that is that training is to improve the capability of the applicant company to grow and meet the current and future needs of a growing automotive sector.

Applications must deliver specific training outcomes. Successful applicants will receive up to 50% of allowable costs where that training is for skills that are transferable. For training that is only relevant to the applicant's own business – such as training in technology or processes that are only used at that company - a grant of up to 25% of allowable costs can be made.

A company may apply for more than one project but each project should be the subject of a separate application. Projects must be stand alone activities and each application will be judged on its own merits. In deciding whether to accept applications, we will not be able to take account of any linkage between projects or economies of scale that might arise.

The maximum funding allowable will be the sterling equivalent of the maximum allowable under the EU State Aids General Block Exemption Regulation rules. That is 2 million Euros per project. For practical purposes we will provide a maximum Government contribution of £1.6m. The minimum grant that we will offer per project in this phase of funding is £100,000.

The total grant allocated will be available to support training over financial years 2014/15, 2015/16 and 2016/17. Please note that the funding for the final year will need to be provisional. The Department does not have a budget for this activity beyond the current Spending Review period.

### 4. Training activity that can and cannot be supported

If any training you plan to deliver is either currently supported or is likely to be supported during the life of the project by public funding from any other source, then an application for funding under this offer will be refused.

The offer will allow companies to decide what training will best meet their growth challenges. There are limitations on what vocational education funding can support and what type of activity should be supported from Higher Education funding.

Applicants should be aware of the full funding opportunities that are made available to learners in England through skills funding distributed by the Skills Funding Agency (SFA). Annexed to this guidance is the section of the SFA's rules on the financial contributions that can be made towards training.

The rules are focused on the supporting the provision of training towards qualifications that are accredited and where the training is delivered by recognised training providers. This offer allows for both (i) non-accredited training and the use of in-house training or training providers that do not hold a contract with the SFA, and (ii) accredited training delivered by recognised training providers.

Applicants cannot use the offer:

- To provide alternative sources of funding for, or additional training in, delivering

- apprenticeships;
- To provide alternative funding for traineeships;

#### Applicants:

- Can apply for support for any accredited qualification delivered by a recognised training provider from level 2 to 6 inclusive apart from qualifications in English and Maths;
- Need not take into account the previous learning of the employee and any public funding provided for this (as long as the training applied for does not repeat previous learning);
- Need not take into account the availability for employees over 24 of loans to support learning at levels 3 and 4.

To avoid any potential double funding, applicants who use a third party training provider must seek an assurance from that provider that additional public funding will not be sought. This is set out in the model draft Grant Offer Letter attached to this guidance.

The following are specific skills development and training activities that this offer will not support:

- Company-specific induction courses;
- Primary and advanced driving skills (for example, defensive driving);
- Specific stand-alone training designed to meet employers' statutory or other responsibilities. These include:
  - any training in health and safety, food safety and/or first aid
  - other health and safety-related training delivered as stand-alone provision for employers, for example manual handling, health and safety in the workplace
  - acquisition of a primary forklift truck or HGV or PSV licences
  - updating of skills and training to comply with health and safety regulations, for example Gas Safe registration renewal
  - formal Licences to Practice
  - Membership of professional bodies

This offer cannot be used to fund Higher Education activities usually funded through the Higher Education Funding Council for England (HEFCE). These are:

- higher degrees (such as masters)
- postgraduate diplomas
- Postgraduate Certificates of Education
- first degrees (BA, BSc, BEd and foundation degrees)
- foundation degree bridging courses
- Higher National Diploma and Certificate
- Diploma in Higher Education
- Certificate in Education
- Diploma in Teaching in the Lifelong Learning Sector.

This offer will be able to support training up to level 6 as long as the outcome does not result in any qualifications set out above. Modules of courses that lead to these qualifications can be supported as part of a training package.

It may be appropriate for a qualification to be designed that learners can acquire to

demonstrate the knowledge, understanding and skills gained. This can be done by working with an awarding organisation who can arrange for a qualification to be accredited by Ofqual. By accrediting the training through regulated qualifications offered by an independent awarding organisation, it sends a clear signal of your commitment for staff to be able to demonstrate their achievements. It also allows your company to clearly demonstrate the skills of your workforce through reference to their achievement of regulated and nationally recognised qualifications.

## 5. The application process

Once you have registered on the BIS e-Tendering Portal you will need to complete Part A of the application form to determine eligibility: (Questions A1-3); on completion of which you will be notified by email if you are not eligible for grant aid. If eligible, you will be directed to Part B.

Part B, which includes full details of your organisation and proposed training activity. Additional material that is required to complete Part B includes:

- A copy of the applicant's latest audited report and accounts (in PDF format and less than 50MB);
- Where relevant, evidence that the skills are transferable (any Word or PDF document uploaded should be less than 50MB);
- Evidence of Additionality- (that is that the funding will add to the value and impact of the training. (any Word or PDF document uploaded should be less than 50MB).

Further details on these evidence requirements are below.

## 6. Completing the application form:

### Part A - Eligibility

Q1 is to determine that your company is eligible for the offer;

Q2 is to determine that your company is a private sector company

Q3 is to determine that your project would be within the allowable project minimum and maximum grant funding levels.

When you have completed these questions, you will automatically be notified whether you are eligible to apply for funding; if the answer is Yes, you will be directed to complete Part B of the application form

## 7. Completing the application form:

### Part B – Project details

The application is in the form of an Excel workbook. There are seven tabs on the workbook and all need to be completed. The application does not constitute a commitment by you but you are responsible for its accuracy should we offer a grant. The commitment to accept the funding will be at the point of acceptance of the terms of the Grant Offer Letter. Any contact with the applicant will be with the named contact at the bottom of this section of the application form.

#### 7.1. First Page – Purpose of the funding and eligibility

Applicants are asked to confirm that a significant part of their business is to provide components or the production and/or servicing of production line technology for the automobile sector. Applicants are asked to provide information on product and services.

we do not need a comprehensive list but rather an indication of what kind of products and services the applicant supplies in order to further eligibility.

Applicants should provide the name of their principal customer or customers – these can either be companies in a higher tier of the supply chain or vehicle manufacturers. Again, this does not need to be a comprehensive list but we need information that the applicant has customers that prove eligibility for the funding.

Please provide contact details including e-mail address. The name of the bid leader should be the CEO or a Director of the applicant who is authorised sign on behalf of the company. A website address should be provided for the company making the application. This will be checked for evidence of eligibility.

Applicants should upload a pdf version of their latest audited report and accounts. This should not exceed 50MB.

You should enter the number – referred to as the Bravo number – that will be issued to you when you first register on the appropriate page on the SFA web site. Please ensure the correct number is inserted.

## **7.2. Second Page - Company size**

Please answer Yes/No to the questions. We are required to collect data on the use of the Fund by small and medium sized companies. Please refer to Annex [D] for further advice on these definitions.

## **7.3. Third Page - Project Description and Rationale**

You will be asked to provide information on the following (a limit of 300 words will apply to certain questions. This will be stated on the application form):

- Please provide a short description of the training project and what it will achieve - This should be a very short description of the skills issue that you are trying to address and the training activity you propose;
- What business objective are you aiming to address? – This should contain a description of how the training will improve your business. This should include metrics on the sorts of improvement you expect as a return on the joint investment between your company and the Government. These metrics could include productivity and other efficiency gains or how your company's skills gains will impact on customers – for example, improvements in “delivery on time” or “right on time metrics”. This information will form the basis of an economic assessment of the offer as a whole and the GOL will require you to provide a report on the realisation of these objectives before the last payment. Applications will not be assessed according to any value judgement on the objectives;
- How will you measure success against this objective? – This should be a short description of how the metrics set out in the previous question will be measured;
- Who will be trained? – Information should be provided on the part of the applicant's work force that will be trained under this project. This should include information on the type of work that trainees are or will be engaged in, their position/rank within the organisation, their usual place of work (which must be in England) and their age group. Applications can be made in respect of learners who will be recruited;
- Who will deliver the training? - Please provide the name of any training provider(s) and the location of their training premises, or indicate where training will be delivered in-house;

- When will this training take place? - Please indicate the time period over which training will take place (start and end dates);
- Are the skills transferable and of wider value or are they specific to your business only? - To demonstrate that these skills are transferable and of value to other employers in manufacturing and elsewhere, you should supply suitable evidence. For training included on the Qualifications and Credits Framework (QCF), transferability will be assumed. For information on the QCF, go to <https://www.gov.uk/government/publications/qualifications-simplified-funding-rates-2013-to-2014> .

For training that is not on the QCF, evidence could include: (a) letters from five relevant companies confirming that the skills the employer is planning to deliver are of value to them; or (b) a letter on the same lines from a vehicle manufacturer / Tier 1 supplier company. We would be prepared to consider other evidence that demonstrated the wider value of the training. This may relate to the circumstances of the particular training or might reference sector body views on the value of types of training. Training which is not confirmed as “transferable” will only attract a 25% contribution from Government. If applicants request 50% funding for training that is not deemed as transferable in the light of the evidence provided, the entire application will be rejected. Applicants will have the opportunity to amend an application and re-submit. Supporting evidence should be uploaded

#### 7.4. Fourth Page - Learning Outcomes spreadsheet

##### Learning outcomes

Please complete the spreadsheet in as much detail as possible, using “drop down” menus as appropriate. It is important to complete this section carefully, as it will be used to determine value for money; and if successful, will determine the key performance indicators by which the progress of the project will be monitored. The information requested includes:

- **Name of the course** - Please provide a course name that identifies the type of training and enables us to establish monitoring procedures for discrete parts of your project;
- **Total cost of training** - It is important that you include all the direct and associated costs of the training you wish to claim for. A list of the eligible expenditure is set out in the guidance below on the next table. The total cost should only include allowable costs as set out in the funding table.
- **Are the skills transferable** - Please confirm whether the training provided is transferable, ie recognised to be valuable to other employers (see description above). The answer should accord with the information provided on the third page of the form. The answer to this question will determine the amount of grant that can be claimed. For courses that are specific to your company, grant support of up to 25% can be claimed. For courses which deliver transferable skills you can claim up to 50%.

**Note:** *The form has been designed to calculate the average level of support you can claim based on the answers to these questions. If all of the training is specific to your company you will be offered 25% towards the total costs. If all of the training is transferable, you will be offered 50% towards the total costs. If you wish to deliver a mix of specific training and transferable training then the amount of grant you will be offered will be between 25% and 50% of the total cost of the training. We refer to this as the aid intensity.*

- **Level of Training** - Please provide details of the levels of qualifications being delivered, referring to the definitions in the Qualifications and Credit Framework.

Annex B sets out descriptions of the levels. This Fund will support training modules up to Level 6 (but will not support courses at levels 4-6 that result in Higher Educational qualifications – see guidance above).

- **Is this training accredited** - Please confirm whether this qualification is listed on the Qualifications and Credit Framework. You should answer yes if the training will lead to the successful completion of units within a qualification on the QCF.
- **Total number of learners by age band** - Please confirm, as accurately as possible, the number of learners to be trained, by age band; either 19-24, 25-49 or 50+;

**Learning Hours** - Please enter the number of hours that the trainee will spend undertaking the training in total. You may include hours spent learning both on the job and in a classroom environment;

- **Number of Starts by financial year** - Please detail as accurately as you can as this will be used as a measure of whether the project is meeting its aims. This will be reviewed by the Skills Funding Agency on a regular basis as part of the monitoring of the programme

## 7.5. Fifth page - Funding table

This section asks you to provide an indicative breakdown of the 'Estimate of the total costs of training' you entered in the 'Learning outcomes' tab by type and quarterly by financial year. The form has been designed to calculate automatically the total training expenditure and other rows below this shaded in yellow. These will be calculated based on the aid intensity that has been assumed from the mix of specific and transferable skills training you wish to deliver.

The total training expenditure must be met from a combination of employer cash contribution and Government support. The amount of cash you are required to contribute will therefore relate directly to the aid intensity that has been calculated from your application.

The form includes some internal validation. In all cases, the total of the 'Estimate of the total cost of training' column must be equal to the total of the 'Cumulative expenditure' row in the 'Funding' tab (Q4 of the 2016-17 financial year) of the Application Form. Where these do not match an Error message will be displayed and it will be necessary for you to correct this prior to submitting your application.

This project is being operated in line with EU General Block Exemption Regulations (GBER) for Training Aid. The full European Commission guidance on training aid can be found in the General Block Exemption Regulation. Only eligible costs may be claimed for, which include:

- Trainers' personnel costs;
- Trainers' and trainees travel expenses: accommodation expenses are only allowable for learners with disabilities);
- Materials and supply costs incurred by the employer which are directly related to the project;
- These expenses might include the purchase of training manuals, brochures, stationery or materials specific to a given industry to support training;
- Depreciation of employer owned tools and equipment, which are used exclusively for the training project;
- For material used by a training provider, the costs should be factored into the price

and incorporated into the Trainers' personnel costs. Companies may charge for facilities – such as venue costs – that they pay for as part of the training project. Capital expenditure is not covered by this exemption;

- Costs of guidance and counselling services directly related to the training project

## **7.6. Sixth Page - Why you need Government support**

The Government is required by EU legislation to ensure that there is an “incentive effect” for any funding allowed through the exemptions from State Aid regulations. This requirement includes ensuring that “the beneficiary has analysed, in an internal document, the viability of the aided project or activity with aid and without aid”. We also have to verify that this internal document confirms a material increase in size or scope of the project/activity, a material increase in the total amount spent by the beneficiary on the subsidised project or activity, or a material increase in the speed of the completion of the project/activity concerned.

Please complete the tick boxes, to confirm which of the criteria apply. We must be certain that you meet one of these criteria. To this end, you need to provide the internal document referred to above. This document should indicate that it is a formal internal document and shows that your company has considered the need for this training but has decided that it is unable to fund it in full and therefore public funding is required to increase the scope or size of the project. This may be in whatever format the company usually adopts to consider business cases for funding. It should be signed by someone with the appropriate authority in the company (e.g. CEO, or Head of Personnel). Failure to do so will result in your bid being rejected. It should not be a document that has been produced only as evidence for this application.

## **7.7. Seventh page - Equality**

Please complete this section as fully as you are able to do so, although it will not affect your eligibility for funding. We want to ensure that the funding we provide does not have a disproportionate impact on protected groups, as defined by the Equality Act 2010. In order to comply with the Equality Act 2010, we need to monitor whether there are likely to be any disproportionate impacts on protected groups.

## **8. General conditions of the offer**

It is a requirement of EU State Aid Law that Member States are able to recover state support in the event of a grant not being compliant with the EU State Aid rules. Explicit provision for this will be included in Grant Offer Letters.

In addition, there will also be a general discretionary power for the department to withhold, delay, reduce or reclaim (clawback) all or part of the proposed assistance in certain circumstances, including:

- a) a substantial change in the nature or scale of the project;
- b) evidence of significant financial irregularities or misreporting of data;
- c) clear expectation that the project will not deliver the expected outcomes and impacts; or
- d) an unsatisfactory rate of progress towards project completion,

BIS reserves the right:

- Not to award a grant and / or cancel or withdraw from the process at any stage and any costs or expenses incurred by an applicant will not be reimbursed. BIS excludes its liability for any costs, expenses or losses incurred by an applicant to the full extent permitted to BIS by law.

- To amend any timetable and/or process until such time as legally binding arrangements are concluded with applicants.
- To reject any and all proposals.

BIS may request clarification of information, additional information and may also request face to face meetings. Refusal to provide such clarification, information or meetings may cause the application to be rejected. Where no reply to a request for information or for clarification is received within ten business days, BIS may assume that the application has been withdrawn.

The Freedom of Information Act ("FOIA") applies to BIS. Applicants should be aware of BIS's obligations and responsibilities under FOIA which may, unless an exemption applies, require BIS to disclose, on written request, recorded information held by them. This guidance is not a legally binding document and should be treated as indicative only.

## **9. Monitoring and evaluation**

BIS will retain applications after an award has been made, for example to support any evaluation of the project. Grant recipients will be expected to provide information returns so that we may monitor the use of public funds and meet relevant State Aid reporting requirements, and also to help the Department to evaluate the impact of the Fund.

Organisations receiving funding for training activity must provide data on, for example, learners and learning delivery, which will be used to monitor project performance, release payments and inform audit requirements. This is set out in detail in the Grant Offer Letter. We intend to evaluate each project with respect to learner outcomes and the impact on the business (see information on the project's objectives above). You may be required to complete a follow up survey at the completion of the project. We will also seek the views of vehicle manufacturers and potentially selected Tier 1 companies as to the effectiveness of improving the efficiency of the supply chain through this form of funding.

# Annex A: Levels of skill development and training

Level	Description of skills development and training, based on qualifications
Level 1	GCSEs at grades D – G, including vocational courses achieved as part of the 14 – 16 curriculum, or NVQ at Level 1 (competent in routine activities)
Level 2	GCSEs at grades A* – C, including vocational courses achieved as part of the 14 – 16 curriculum, Intermediate Apprenticeship or NVQ at Level 2 (competent across a wide range of activities and in team work)
Level 3	A levels at grades A – E, including vocational courses achieved as part of the 16 – 18 curriculum, Advanced Apprenticeship or NVQ at Level 3 (competent to work autonomously across a wide range of complex activities, possibly involving some supervision)
Level 4	One year courses at pre-degree level, including Higher National Certificates and some professional certificates, Higher Apprenticeship or NVQ Level 4 (competent to work in highly technical areas, with high levels of knowledge requirements, with responsibility for supervision of people)
Level 5	Two year courses at pre-degree level, including Higher National Diplomas and some professional certificates. Higher Apprenticeships or NVQ Level 4 (competent to work in highly technical areas, with high levels of knowledge requirements, with responsibility for supervision of people)
Level 6	Degree level, and professional qualifications leading to chartered status in some sectors. Higher Apprenticeships (not yet included in legislation) or NVQ Level 4 (competent to work in highly technical areas, with high levels of knowledge requirements, with responsibility for supervision of people)
Level 7	Post graduate level one year courses, such as masters degrees and professional qualifications leading to chartered or professional qualifications in some sectors. NVQ Level 5 (competence that involves the application of a range of fundamental principles across a wide and often unpredictable variety of contexts, requiring very substantial personal autonomy and often significant responsibility for the work of others and for the allocation of substantial resources features strongly, as do personal accountabilities for analysis, diagnosis, design, planning, execution and evaluation)
Level 8	PhD level, or professional qualifications in some sectors. NVQ Level 5 (competence that involves the application of a range of fundamental principles across a wide and often unpredictable variety of contexts, requiring very substantial personal autonomy and often significant responsibility for the work of others and for the allocation of substantial resources features strongly, as do personal accountabilities for analysis, diagnosis, design, planning, execution and evaluation)

# Annex B: Definition of SME

## Article 1: Enterprise

An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity.

## Article 2: Staff headcount and financial thresholds determining enterprise

### Categories

1. The category of micro, small and medium-sized enterprises ("SMEs") is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

2. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.

3. Within the SME category, a micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

## Article 3: Types of enterprise taken into consideration in calculating staff numbers and financial amounts

1. An "autonomous enterprise" is any enterprise which is not classified as a **partner enterprise** within the meaning of paragraph 2 or as a **linked enterprise** within the meaning of paragraph 3.

2. "**Partner enterprises**" are all enterprises which are not classified as linked enterprises within the meaning of paragraph 3 and between which there is the following relationship: an enterprise (upstream enterprise) holds, either solely or jointly with one or more linked enterprises within the meaning of paragraph 3, 25 % or more of the capital or voting rights of another enterprise (downstream enterprise). However, an enterprise may be ranked as autonomous, and thus as not having any partner enterprises, even if this 25 % threshold is reached or exceeded by the following investors, provided that those investors are not linked, within the meaning of paragraph 3, either individually or jointly to the enterprise in question:

- (a) public investment corporations, venture capital companies, individuals or groups of individuals with a regular venture capital investment activity who invest equity capital in unquoted businesses (business angels), provided the total investment of those business angels in the same enterprise is less than EUR 1250000;
- (b) universities or non-profit research centres;

- (c) institutional investors, including regional development funds;
- (d) autonomous local authorities with an annual budget of less than EUR 10 million and less than 5000 inhabitants.

3. "**Linked enterprises**" are enterprises which have any of the following relationships with 36 each other:

- (a) an enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
- (b) an enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- (c) an enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
- (d) an enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise.

There is a presumption that no dominant influence exists if the investors listed in the second subparagraph of paragraph 2 are not involving themselves directly or indirectly in the management of the enterprise in question, without prejudice to their rights as shareholders.

Enterprises having any of the relationships described in the first subparagraph through one or more other enterprises, or any one of the investors mentioned in paragraph 2, are also considered to be linked.

Enterprises which have one or other of such relationships through a natural person or group of natural persons acting jointly are also considered linked enterprises if they engage in their activity or in part of their activity in the same relevant market or in adjacent markets.

An "adjacent market" is considered to be the market for a product or service situated directly upstream or downstream of the relevant market.

4. Except in the cases set out in paragraph 2, second subparagraph, an enterprise cannot be considered an SME if 25 % or more of the capital or voting rights are directly or indirectly controlled, jointly or individually, by one or more public bodies.

5. Enterprises may make a declaration of status as an autonomous enterprise, partner enterprise or linked enterprise, including the data regarding the thresholds set out in Article 2. The declaration may be made even if the capital is spread in such a way that it is not possible to determine exactly by whom it is held, in which case the enterprise may declare in good faith that it can legitimately presume that it is not owned as to 25 % or more by one enterprise or jointly by enterprises linked to one another. Such declarations are made without prejudice to the checks and investigations provided for by national or Community rules.

#### **Article 4: Data used for the staff headcount and the financial amounts and reference period**

1. The data to apply to the headcount of staff and the financial amounts are those relating to the latest approved accounting period and calculated on an annual basis. They are taken into account from the date of closure of the accounts. The amount selected for the

turnover is calculated excluding value added tax (VAT) and other indirect taxes.

2. Where, at the date of closure of the accounts, an enterprise finds that, on an annual 37 basis, it has exceeded or fallen below the headcount or financial thresholds stated in Article 2, this will not result in the loss or acquisition of the status of medium-sized, small or microenterprise unless those thresholds are exceeded over two consecutive accounting periods.

3. In the case of newly-established enterprises whose accounts have not yet been approved, the data to apply is to be derived from a bona fide estimate made in the course of the financial year.

### **Article 5: Staff headcount**

The headcount corresponds to the number of annual work units (AWU), i.e. the number of persons who worked full-time within the enterprise in question or on its behalf during the entire reference year under consideration. The work of persons who have not worked the full year, the work of those who have worked part-time, regardless of duration, and the work of seasonal workers are counted as fractions of AWU. The staff consists of:

- (a) employees;
- (b) persons working for the enterprise being subordinated to it and deemed to be employees under national law;
- (c) owner-managers;
- (d) partners engaging in a regular activity in the enterprise and benefiting from financial advantages from the enterprise.

Apprentices or students engaged in vocational training with an apprenticeship or vocational training contract are not included as staff. The duration of maternity or parental leaves is not counted.

### **Article 6: Establishing the data of an enterprise**

1. In the case of an autonomous enterprise, the data, including the number of staff, are determined exclusively on the basis of the accounts of that enterprise.

2. The data, including the headcount, of an enterprise having partner enterprises or linked enterprises are determined on the basis of the accounts and other data of the enterprise or, where they exist, the consolidated accounts of the enterprise, or the consolidated accounts in which the enterprise is included through consolidation.

To the data referred to in the first subparagraph are added the data of any partner enterprise of the enterprise in question situated immediately upstream or downstream from it. Aggregation is proportional to the percentage interest in the capital or voting rights (whichever is greater). In the case of cross-holdings, the greater percentage applies. To the data referred to in the first and second subparagraph are added 100 % of the data of any enterprise, which is linked directly or indirectly to the enterprise in question, where the data were not already included through consolidation in the accounts.

3. For the application of paragraph 2, the data of the partner enterprises of the enterprise in question are derived from their accounts and their other data, consolidated if they exist. To these are added 100 % of the data of enterprises which are linked to these partner

enterprises, unless their accounts data are already included through consolidation. For the application of the same paragraph 2, the data of the enterprises which are linked to the enterprise in question are to be derived from their accounts and their other data, consolidated if they exist. To these are added, pro rata, the data of any possible partner enterprise of that linked enterprise, situated immediately upstream or downstream from it, unless it has already been included in the consolidated accounts with a percentage at least proportional to the percentage identified under the second subparagraph of paragraph 2.

4. Where in the consolidated accounts no staff data appear for a given enterprise, staff figures are calculated by aggregating proportionally the data from its partner enterprises and by adding the data from the enterprises to which the enterprise in question is linked.

WITHDRAWN

# Annex C: Skills Funding Agency information on skills funding 2014/15

## Financial contributions

44. Paragraphs 46 to 47.15 below do not apply to Community Learning.

45. In Apprenticeships, it is the actual age of the apprentice on the first day of learning which determines their funding rate – full- or co-funded. This method is also used to determine the definition of learners aged 23 or 24. For the definition of a 19-year-old, see paragraph 3 of the main funding rules.

## Full funding

46. The following learners will be entitled to full funding for their learning programme.

### Learners aged 16 to 18

46.1. Individuals on intermediate-level Apprenticeships

46.2. Individuals on advanced-level Apprenticeships

46.3. Individuals on higher Apprenticeships at levels 4, 5 and 6 for their non-prescribed HE learning aims

46.4. Individuals on a Traineeship

### Learners aged 19 or older for all learning aims up to and including level 2, including units

46.5. Learners studying English and maths learning aims as part of the new suite of English and maths qualifications.

46.6. Learners (see note 16) who need help to move into work, progress in work or remove a barrier to getting into work and who are:

- receiving Jobseeker's Allowance (JSA) (see note 17 below);
- receiving Employment and Support Allowance (ESA) and are in the work-related activity group (WRAG);
- receiving Universal Credit because they are unemployed, and who are mandated (required) to undertake skills training; or
- in custody who are released on temporary licence (RoTL) following learning outside a prison environment and not funded through OLASS.

**Note 16:** For all of these learners we will also fully fund certain stand-alone qualifications in Health and Safety at work, food hygiene, first aid at work, fork lift truck and certain qualifications at level 2 in security guarding, door supervision and CCTV operations (public space surveillance), which are a requirement for getting a Security Industries Authority (SIA) licence. For all learners on unemployment-related benefits, a commitment to pay the SIA licence application fee must be in place before the training starts. The commitment to pay the licence application fee may come from a

jobcentre, work programme provider, individual, prospective employer or other party.  
**Note 17:** Including those receiving National Insurance credits only.

46.7. You must report learning aims undertaken by learners who have been mandated by Jobcentre Plus using code LDM318 in the 'Learning Delivery Funding and Monitoring' fields in the ILR.

46.8. You must report learning aims undertaken by learners who are released on temporary licence using code LDM328 in the 'Learning Delivery Funding and Monitoring' fields in the ILR.

46.9. Individuals who are unemployed and receiving any state benefits not listed above but who want to enter employment and believe skills training will help them to do so. This includes individuals receiving Universal Credit who are not mandated (required) to undertake skills training. Full funding is at your discretion. (This relates to the learner and not the type of benefit they are receiving.) You must be satisfied that the learning is directly relevant to both the individual's employment prospects and the needs of the local labour market.

### **Learners aged 19 or older for learning aims up to and including level 2**

46.10. Trade union representatives studying Trade Union Congress (TUC) learning aims (see note 18)

Note 18: We are reviewing the current funding arrangements for Trade Union learning aims.

46.11. An individual who is studying their first full level-2 qualification and has:

- left the British Armed Forces in the past 10 years after completing four or more years of service; or
- been medically discharged from the British Armed Forces due to an injury in active service, after completing basic training. This does not apply to Apprenticeship frameworks. This includes those learners aged 24 and over.

### **Learners aged 19 or older for learning aims at level 3**

46.12. An individual who is studying their first full level-3 qualification and has:

- left the British armed forces in the past 10 years after completing four or more years of service; or
- been medically discharged from the British Armed Forces due to an injury in active service, after completing basic training. This does not apply to Apprenticeship frameworks. This includes those learners aged 24 and over.

46.13. Trade union representatives studying Trade Union Congress (TUC) learning aims (see note 19 ).

Note 19: We are reviewing the current funding arrangements for Trade Union learning aims.

### **Learners aged 19 to 23**

46.14. Entry or level-1 aims (not English, maths or ESOL) if a learner is entitled to full funding for a full level-2 qualification (defined in the Qualifications Information Guide), in that they must have the maximum prior learning accreditation of level 1 or below, but need a step up from basic skills to progress to a full level 2. If this relates to workplace learning, this learning aim must be vocational.

46.15. An individual studying their first full level-2 qualification

46.16. An individual studying their first full level-3 qualification

46.17. A level-4 'jumper' studying their first level 4 Diploma without having achieved a first full level-3 qualification

46.18. All learning aims approved for funding at level 3 or above for the following Learners who need help to move into work, progress in work or remove a barrier to getting into work and who are:

- receiving Jobseeker's Allowance (JSA) (see note 17);
- receiving Employment and Support Allowance (ESA) and are in the work-related activity group (WRAG);
- receiving Universal Credit because they are unemployed, and who are mandated (required) to undertake skills training; or
- in custody and released on temporary licence (RoTL) to follow learning that is outside a prison environment and is not funded through OLASS.

46.19. Individuals who are unemployed and receiving any state benefits not listed above but who want to enter employment and believe skills training will help them to do so. This includes individuals receiving Universal Credit who are not mandated (required) to undertake skills training. Full funding is at your discretion. (This relates to the learner and not the type of benefit they are receiving.) You must be satisfied that the learning is directly relevant to both the individual's employment prospects and the needs of the local labour market.

### **Learners aged 24**

46.20. Individuals who are unemployed and on a Traineeship.

### **Co-funding**

47. The following learners will be eligible to co-funding for their learning programme unless they qualify for full funding under paragraph 46.

### **Learners aged 19 to 23**

47.1. Entry-level or level-1 aims (not English or maths) for individuals who have attained a full qualification at level 2 or above (If this relates to workplace learning, this learning aim must be vocational.)

47.2. A full level-2 qualification delivered through classroom learning for individuals who have attained full level 2 or above

47.3. A full level-2 qualification delivered through workplace learning, where the learner is employed by a small or medium-sized enterprise (SME), for individuals who have attained a qualification at full level 2 or above (An SME is an employer with fewer than 250 employees.)

47.4. A level-2 learning aim not classified as full and delivered in classroom learning

47.5. A full level-3 qualification delivered through classroom learning for individuals who have attained full level 3 or above

47.6. A level-3 learning aim not classified as full and delivered in classroom learning or a level-4 learning aim delivered in classroom learning

47.7. ESOL delivered in classroom learning

### **Learners aged 24 or older for learning aims up to and including level 2**

47.8. Entry or level-1 aims (not English or maths) delivered through classroom learning

47.9. A full level-2 qualification delivered through classroom learning.

47.10. A full level-2 qualification delivered through workplace learning where the learner is employed by a small or medium-sized enterprise (SME). (An SME is an employer with fewer than 250 employees).

47.11. A non-full level-2 learning aim delivered through classroom learning.

47.12. ESOL delivered in classroom learning.

### **Learners aged 19 or older**

47.13. Individuals on intermediate-level Apprenticeships

47.14. Individuals on advanced-level Apprenticeships

47.15. Individuals on higher Apprenticeships at levels 4, 5 and 6 for their non-prescribed HE learning aims

### **Other information**

48. Learners continuing a learning aim or learning aims from previous years will continue to receive funding as was decided at the time. This only applies to continuing learning aims or programmes. For example, a learner moving on from an intermediate-level to an advanced-level Apprenticeship is classed as 'continued' learning and not 'continuing' and so the changes would apply to the new programme.

49. Learners with learning difficulties or disabilities who have a learning difficulty assessment (LDA) or an Education, Health and Care plan (EHC plan) will receive full funding in all of the following circumstances.

49.1. If the learner is over 25 (see note 20) at the start of the 2014/2015 funding year and has not completed the learning programme set out in their LDA or EHC plan as meeting their needs.

Note 20: The Education Funding Agency will fund those learners who reach 25 during the 2014/2015 funding year. This does not affect our legal responsibilities for these learners.

49.2. If the learner is placed with an independent specialist provider (ISP) and they have an LDA or EHC plan which confirmed that the learner's needs could only be met by the ISP.

49.3. If the learner is following a programme of learning which is identified in their LDA or EHC plan as meeting their needs and they could not complete before reaching their 25th birthday because of an unavoidable delay in the learner beginning the programme.

49.4. If the learner will continue to make progress on the programme.

### **No funding**

50. Unless listed in paragraphs 46 to 49 above, an individual will not be eligible for funding from us. If they are aged 24 or older and following a level 3 or 4 learning aim they may be eligible for a Loan. Otherwise, they would have to fund the learning themselves.

### **English and maths qualifications**

51. Below we have set out the learning suite of learning aims defined as English and maths qualifications. Only the English and maths qualifications specified with the SASE framework are available to be delivered as part of an Apprenticeship. All of these qualifications are fully funded unless they are delivered as part of a 19+ Apprenticeship. They have a programme weighting of 1.0 apart from entry-level maths which has a programme weighting of 1.3.

<b>Qualification</b>	<b>Level</b>
GCSE English Language	level 2
iGCSE English	level 2
GCSE maths	level 2
iGCSE maths	level 2
Functional Skills English	entry level, level 1 and level 2
Functional Skills maths	entry level, level 1 and level 2
QCF English and maths Award and Certificate qualifications and units	entry level, level 1 and level 2
Freestanding Maths	Foundation and Intermediate levels

# Annex D: Model Grant Offer Letter

Name of Director,  
Name of Company,  
Address of recipient,  
City,  
Postcode

X Month 2014

Dear [name]

## Employer Ownership Fund (EOF) Grant Offer Letter (the “Grant Offer Letter”)

1. I am pleased to tell you that, subject to all the pre-conditions listed in paragraph 2 being fulfilled, the Secretary of State for Business, Innovation and Skills (also referred to as “We” or “Us” or “Our” or “Secretary of State” in this Grant Offer Letter) will give [the Company] (company registration number: *insert*) (also referred to as “You” or “Your” or the “Applicant” or the “Company” in this Grant Offer Letter) a grant of up to £X ([Amount in pounds]) (“the Grant”) under section 14 of the Education Act 2002 to help implement the project to [brief description of investment to be carried out] at [location (s), including post code] (the “Premises”), as more fully described in the application form submitted by You with key milestones and schedule of learning outputs set out in Schedule 1 and Schedule 6 (the “Project”). This offer is subject to the conditions set out in this letter and Schedules 1, 2, 3, 4 and 5 attached.

### Monitoring and reporting

2. Throughout the period commencing on the date that the Grant Offer Letter is signed by Us until 12 months after the training under the Project completes (the “Monitoring Period”) an Account Manager will liaise with You on a regular basis. The Chief Executive of Skills Funding (the “Agency”) will administer this grant on behalf of Us. Your Account Manager will be [insert Account Manager’s name, phone number] from the Agency’s team in [insert region]. From time to time We may inspect the Project and may require additional information from You to enable Us to monitor its progress.

3. We will require a Monitoring Report (as per the template set out in Schedule 8) each quarter during the Monitoring Period, by the dates shown in Table A1 of Schedule 1 for the years in which training is being delivered between 2014 to 2017 and thereafter as specified by Us, to update Us on progress on the Project. We require You to provide the returns set out in Schedule 7 with your final claim.

4. We require you to provide this data for public accountability purposes and internal use. You are required to provide this data to Us and State Funds will not be paid unless all required fields have been completed and valid and accurate data has been submitted to support the claim.

5. Where You enter into contracts with third party training providers We require You to make the completion of the Provider Assurance Form, at Schedule 10, a condition of that contract. The Provider Assurance Form seeks assurances from the third party provider that they will not seek any other source of public funding for the trainees that are subject to Your contract with them. It also asks them to confirm the names of the learners that have been trained; provide the learners’ Unique

Learner Number; and confirm the number of guided learning hours the learner participated in. You must make clear that this information may be made available to Us and Our auditors and that this information will be retained for 6 years from the end of the Project.

### **Conditions for making claims and how to claim**

6. The grant, which is taxable, will be paid in instalments as set out in Schedule 2.
7. Schedule 9 sets out the information which must be included with each claim. Claims must be submitted with a Monitoring Report and You are required to supply a confirmatory report from an independent accountant on an annual basis in the form set out in Schedule 3. We normally pay each grant instalment, or tell You why the claim cannot be accepted, within 30 calendar days of receiving a fully documented claim. Regardless of whether You are making a claim, You must submit a Monitoring Report each quarter during the Monitoring Period.

### **Variation, withholding and repayment of grant**

8. Schedule 4 sets out the circumstances in which We have the right to vary, withhold and/or require repayment of part or all of the grant. If any of the circumstances set out in Schedule 4 occurs or may occur, You must tell Us immediately so that We can discuss the best way forward with You.

### **Other assistance**

9. By accepting this offer You confirm to Us that no other public financial assistance has been offered to You for this Project.

### **Freedom of Information**

10. Nothing in this Grant Offer Letter and the Schedules to it shall prevent Us from disclosing any information whether or not relating to the Project which We in Our absolute discretion consider that We are required to disclose in order to comply with information requests from the National Audit Office, with the Freedom of Information Act 2000, as amended, and/or the Environmental Information Regulations 2004 and any other statutory requirements whether or not existing at the date of this Grant Offer Letter.

### **Publicity and Evaluation**

11. You agree to participate in any publicity or advertisement organised by Us or Our representatives and to the name of the Director or project manager and relevant contact information being included in such publicity material or on relevant government Websites.
12. We normally publish the amount of grant offered with the name of the company concerned and a brief description of the Project, based on information provided by you in your application from, in the first quarter after the acceptance of this Grant Offer Letter. If You propose to give any publicity for the Project prior to Our normal publicity arrangements, You must consult Us in sufficient time to enable Us to discuss the publicity with You.
13. You will not make or issue any press releases or make any announcement in relation to this Project, unless You (i) agree with Us the contents first and (ii) unless notified by Us not to do so, include in the press release / announcement a reasonably prominent statement that the Project is being supported by the Government's Employer Ownership Fund.
14. You must provide such information as We from time to time reasonably require in order to evaluate the outcomes of the Project. You must maintain records of the individuals who participate in training in the Project including details of the qualifications and learning outcomes they achieve.

15. For the avoidance of doubt, paragraphs 11, 12, 13, and 14 will continue to apply during the Monitoring Period.

16. If You decide to withdraw from the agreement set out in this Grant Offer Letter at any time prior to payment of Your first claim, we ask that You notify us in writing of Your intention, and give some indication as to the reason for doing so. Where You have already drawn down some or all of Your Grant, You must on demand repay all payments of Grant already paid to the Company. A list of withdrawn projects and programmes (beneficiary only, no details of the bid) will be submitted to Parliament in quarterly Written Ministerial Statements and published through the Parliament website.

### European Union

17. We are obliged to give the European Union schedules of information on offers in certain industrial sectors. Very occasionally the European Union queries an offer, in which case We are obliged to give them information about the case. You may be required to co-operate with the Us in the provision of such information.

18. Provision of funding must be made in accordance with the common provision and:

- a. Article 37 of the European Commission Regulation (EC) No. 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 107 and 108 of the Treaty; or
- b. in accordance with any similar provision in any European Commission Regulation that substantially replaces Regulation 800/2008;

We may amend the terms of this Grant Offer Letter if and to the extent required in order to comply with European Union law.

### Entire agreement

19. This Grant Offer Letter and the schedules to it constitute the entire agreement and understanding between Us and You with respect to all matters which are referred to and shall supersede any previous arrangement(s) between Us and You in relation to the matters referred to in this Grant Offer Letter.

### Governing law and jurisdiction

20. This offer is and all documents made under or in connection with it shall be governed by, and construed in accordance with, the laws of England. You hereby irrevocably submit to the jurisdiction of the English Courts and Your address for service in England is as set out in paragraph 1.

**How to accept**

21. This offer must be signed by You by 23.59 on [xx month year < 1 month from the date of the letter>]. A Director of the Company must sign and date the Acceptance, return the whole document to me and keep a copy. If You do not accept Your Grant Offer Letter by this date, Your Grant allocation will be lost.

22. If You have queries on this letter or the Schedules, contact [to be agreed for EOF] who will be pleased to advise You.

23. Please note that variations to this Grant Offer Letter will be effective only if We agree them in writing.

24. Please acknowledge receipt of this letter.

I look forward to receiving Your Acceptance and wish You every success with the Project.

Yours sincerely

Dr Alex Wilson  
On behalf of the Secretary of State for Business, Innovation and Skills

**Acceptance**

*Note: If You give information that You know or suspect is untrue or misleading You may be committing an offence that could lead to prosecution.*

I declare that the information in [the Applicant]’s application dated [date] and any other information given in support of [the Applicant] ’s application for funding under the Employer Ownership Fund is correct to the best of my knowledge and belief; and that neither [the Applicant] nor any holding company of [the Applicant] nor any subsidiary of [the Applicant] or of any such holding company is subject to an outstanding recovery order following a Commission Decision declaring an aid illegal and incompatible with the common market.

In accepting this offer of funding, [the Applicant] confirms that, other than those which have been declared in Your application, there are no grants or other payments from any public authority (for example an institution of the European Communities, a Government Department, a local authority or any other partly or wholly publicly financed body or charitable fund) applied for, received or receivable in respect of any element of the Project for which funding is being provided under the terms of this Grant Offer Letter and its Schedules.

[The Applicant] accepts the offer on the conditions set out in this Grant Offer Letter and its Schedules 1, 2, 3, 4, and 5. I have read carefully this Grant Offer Letter and its Schedules.

Signed: ..... Date: .....

Print Name: .....

Director  
On behalf of: [the Company]

## Data Protection Statement

The application form, claims for an instalment of the Employer Ownership Fund Grant (when completed), the Provider Assurance Form and this acceptance form contain information that is personal data for the purposes of the Data Protection Act 1998 and in respect of which the Secretary of State is obliged to supply the following information:

1. For the purposes of the Data Protection Act, Your contact is The Data Protection Officer, Department for Business, Innovation and Skills, V5 VIC3, 1 Victoria Street, London SW1H 0ET. Telephone 020 7215 6635; and
2. The personal data that You have provided will be used for the purpose of administering this offer of funding. It may be given to any relevant government department or agency for this purpose and will not be disclosed to any other organisation for any other purpose other than in relation to cases of suspected fraud or where there is a statutory requirement for disclosure.

**DRAFT**  
**WITHDRAWN**

## Schedule 1: Monitoring

1. It is essential for Us to receive Your Monitoring Reports, claims and appropriate payments within the relevant financial year:
  - a. You must provide us with a Monitoring Report by the last day (or the next working day) in the months of **June, September, December (24<sup>th</sup>) and March** throughout the Monitoring Period as defined in paragraph 2. Monitoring Reports may be accompanied by a claim for an instalment of grant in that Quarter if You are entitled to make a claim in that Quarter. You should note that applicants are required to submit final claims for defrayed expenditure in the financial year in March, so in practice it is unlikely that all the eligible expenditure set out in A1 will be included in the final claim for the year. Some of the eligible expenditure for any financial year may need to be included in the first claim of the following year.
  - b. **You will be paid an instalment of grant up to the maximum provided in the relevant column 4 of Table A1 when You have satisfied the associated requirements in the relevant column 2 of Table A1 and have made a claim which We have received before the relevant No obligation to pay date in the relevant column 3 of Table A1.]**
  - c. The maximum grant You may claim for a year is calculated as the financial year figure You have provided in the relevant column 4 of Table A1 plus 20%. You may vary the spend between the categories in table A1 and up to a maximum of 20% of the total value for the financial year, provided that the aggregate total grant claimed does not exceed the total award of £xxxx as detailed in paragraph 1 of this Grant Offer Letter.
  - d. **You will not be paid for expenses relating to a particular requirement in column 2 of Table A1, where We do not receive the claim form before the relevant No obligation to pay date in the relevant column 3 of Table A1. This applies even if You have completed the work before the No obligation to pay date in the relevant column 3 of Table A1 or if You complete the work after that date].**
  - e. The final Monitoring Report for each financial year should be submitted in March **alongside** an annual report from an independent accountant (“the Accountant’s Report”) in the form at Schedule 3, submitted no later than the 31<sup>st</sup> of March of that financial year, confirming the supporting information provided with claims made during the preceding year up to and including the claims made in March. Your final claim must also include an Accountant’s Report. We will not make any payment in relation to Your final claim if it is not accompanied by one.
  - f. We will withhold further instalments of grant and may request repayment of sums already paid if the Claims do not comply with the requirements of this Letter or if the Accountant’s Report is not received by Us or if We are not satisfied that the Accountant’s Report confirms the supporting information provided in relation to Your claims. **It is in Your financial interests to make regular claims in accordance with these dates, to reduce the risk of You not receiving grant funding.**

2. Schedule 3 sets out the training activity that You said You would deliver in your application form broken down by training level and financial year. We will measure delivery progress against the information in Your application form.

**DRAFT**  
**WITHDRAWN**

**Table A1: Training grant instalments**

<b>Date of claims (1)</b>	<b>Requirements for payment (2)</b>	<b>No obligation to pay date (3)</b>	<b>Maximum Grant (4)</b>
2014-15 30 September 2014 24 December 2014 31 March 2015	When You have defrayed <b>£Y1</b> (excluding VAT) on equipment and operations directly linked to training at the Premises as set out in schedule 6 and You have provided a Monitoring Report in which You have confirmed that You reasonably believe the Cumulative total Project Expenditure set out in Table B1 of Schedule 5 will be met;	5 April 2015	
2015-16 30 June 2015 30 September 2015 24 December 2015 31 March 2016	When You have defrayed <b>£Y2</b> (excluding VAT) on equipment and operations directly linked to training at the Premises as set out in Schedule 6 and You have provided a Monitoring Report in which You have confirmed that You reasonably believe the Cumulative total Project Expenditure set out in Table B1 of Schedule 5 will be met.	5 April 2016	
2016-17 30 June 2016 30 September 2016 24 December 2016 31 March 2017	When You have defrayed <b>£Y3</b> (excluding VAT) on equipment and operations directly linked to training at the Premises as set out in Schedule 6 and You have provided a Monitoring Report in which You have confirmed that You reasonably believe that the Cumulative total Project Expenditure set out in Table B1 of schedule 5 will be met.	5 April 2017	

**The maximum grant available to you has been calculated on the basis of an aid intensity of XX% and will be no more than £XX.**

## **Schedule 2: How to claim instalments of Grant**

1. Make claims for each installment of grant by submitting a claim for Grant together with the relevant Monitoring Report, proformas of which are available at Schedules 8 and 9.
2. The grant will be at 50% of net eligible costs in respect of which monies have been defrayed by You on the Project between the start of the claim period and the end of the claim period.
3. For monies to have been expended liabilities must have been incurred and paid. No claim can be accepted for liabilities which have been incurred but have not yet been paid.
4. The eligible costs shall be the costs set out in B1 of Schedule 5.
5. For each claim You are required to complete the table in the grant claim form setting out by financial year (and broken down by quarter) the latest expected forecast of eligible project spend and associated expected grant from Us. You need to be clear in Your quarterly claims what is contained within any spend category. Your Account Manager will guide You on this and review these costs during the claim process.
6. With each claim include:
  - a. details of any material changes to the Applicant's milestones for the delivery of the Project and the Applicant's assessment of the risks to project delivery including information on progress and mitigating actions; and
  - b. confirmation that no other public assistance has been received for the Project.
7. Payments will be made to You by the Agency on Our behalf.

### Schedule 3: The Accountant's Report

Headed paper of the independent accountant

Date

1. I/We have examined the previous claims submitted by (name of company) (the Company). We have examined the records of the Company as necessary and obtained such explanations and carried out such tests as I/we consider necessary.
2. I/We report that in my/our opinion subject to any reservations set out in my/our accompanying letter dated (date)

- a. The submitted claims for payment are in accordance with the BIS offer letter dated including the schedules thereto;
- b. The Company has expended (as defined in Table B1 of Schedule 2 to the Grant Offer Letter) monies to cover those eligible costs incurred and defrayed during the period from [X] to [Y] related to the project described in the offer letter amounting to:

<b>Financial Year XX/YY</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Eligible costs related to the training project					
Employer Contribution					
<b>Total</b>					

- c. There has been no material change in terms of value in the balance between transferable and non transferable skills training delivered in the project. By material change we mean a variation of more than 4%;
- d. The Company has made the financial contribution as set out in schedule 2;
- e. The Company has required the completion of a Provider Assurance Form for each third party training contract and has retained these forms for audit purposes;
- f. None of the costs were incurred before [date]
- g. Overheads included in the expenditure are:-
  - i. in respect of the Company's own labour;
  - ii. not calculated to include any profit;
  - iii. appropriate to the Project;
  - iv. not in excess of overhead rates applicable to similar work carried out by the Company;
- h. The totals at (b) above exclude input Value Added Tax and interest and service charges arising from hire purchase, leasing and credit arrangements;

- i. The totals at (b) above exclude any addition for profit by the Company and profit earned by any company in the Company's group as a result of work relevant to the Project undertaken by the Company or sub-contracted to such company by the Company.
  - j. the Company has maintained adequate records to enable me / us to report on the claims for payment of grant.
3. I / We certify that except for the grants mentioned above or specified in my / our accompanying letter dated [date] no grants from any public authority as defined in paragraph (x) of the Grant Offer Letter have been received or are receivable by the Company in respect of the Project.
4. Our report is prepared solely for the confidential use of the Company and BIS or any other UK central government department and solely for the purpose of verifying the grant claimed. It may not be relied upon by the Company or BIS or any other UK central government department for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other published document without our written permission except where disclosure is required as a result of a statutory obligation. Our report must not be made available, copied or recited to any other party without our express written permission in every case except that the Company or BIS or any other UK central government department may disclose the report where it has a statutory obligation to do so. Other than to the Company and, BIS or any other UK central government department [Name of Accountant] do not have any duty to any other party to whom this report may be disclosed.
5. The engagement to report on the grant claim is separate from, and unrelated to, the audit of the annual financial statements of the company and that the report relates only to the matters specified and that it does not extend to the grant recipient's annual financial statements taken as a whole.

Name and signature of the reporting accountant.

Date of the report.

Name for enquiries

## Schedule 4: Variation, Withholding and Repayment of Grant

<Paragraphs and sub-paragraphs should be renumbered as appropriate>

1. We may vary or withhold any or all of the payments and/or require repayment of grant already paid to the Company if, at any time before the end of the [five] year Monitoring Period:
  - a. the Company has entered into an arrangement to defray money or defrayed money on the Project before [date], that is the date of this letter [<alternative> the date the Company was told that this offer would be made];
  - b. the arrangements for financing the Project are changed;
  - c. assistance for the Project is received or promised [<Use where there is to be other assistance for the project> additional to that disclosed by the Company to Us before the date of this letter] from an institution of the European Union, a Government Department, a local authority or any other partly or wholly publicly financed body or charitable fund;
  - d. in Our opinion, progress on the Project, including progress towards reaching the target shown in Schedule 3, is not satisfactory;
  - e. in Our opinion, the future of the Project is in jeopardy;
  - f. in Our opinion, there is a significant change in the scale or nature of the Project;
  - g. the Company becomes insolvent or makes any arrangement with its creditors, or goes into liquidation or takes or suffers any steps preparatory to winding up the Company or to the appointment of an Administrator, Liquidator or Receiver or commits or suffers any act equivalent to any of the foregoing;
  - h. there is a change of ownership or control of the Company;
  - i. in Our opinion, any information the Company has given in relation to the Project changes substantially during implementation or is shown to be incorrect or misleading or any claim for grant is based on misleading information; or
  - j. the Company fails to comply with any conditions of this letter or in the Schedules; or
  - k. the Company has not ensured the completion or retention of the Provider Assurance Forms from any or all of the third party providers.

### European Union

2. We may vary or withhold any or all of the payments and/or require repayment of grant already paid, together with interest from the date of payment, if we are required to do so as a result of a decision by the European Commission or as a result of any obligation arising under European Union law.





Level 4+	4+																		
Total																			

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**WITHDRAWN**

Schedule 7: End project data report:

Table D1: Starts

Learning outcomes- STARTS: End projects public accountability data requirements														
Reporting Period:														
	Number of learners by Gender		Number of learners by Ethnicity					Number of learners by Learners with Learning Difficulties and / or Disabilities			Number of learners by age band			
	Female	Male	Asian/ Asian British	Black/ African/ Caribbean / Black British	Mixed/ Multiple Ethnic Group	White	Other Ethnic Group	Not Known/Not Provided	Learning Difficulty/ Disability	No Learning Difficulty/ Disability	Not Known/No t Provided	19-24	25-49	50+
Individual learners STARTED EOF training	All Levels													
Accredited starts by level of qualification	Level 1													
	Level 2													
	Level 3													
	Level 4													
	Level 4+													
Non-Accredited starts by level of qualification	Level 1													
	Level 2													
	Level 3													
	Level 4													
	Level 4+													

Table D2: Completions

Learning outcomes- STARTS: End projects public accountability data requirements														
Reporting Period:														
	Number of learners by Gender		Number of learners by Ethnicity						Number of learners by Learners with Learning Difficulties and / or Disabilities			Number of learners by age band		
	Female	Male	Asian/ Asian British	Black/ African/ Caribbean / Black British	Mixed/ Multiple Ethnic Group	White	Other Ethnic Group	Not Known/Not Provided	Learning Difficulty/ Disability	No Learning Difficulty/ Disability	Not Known/No t Provided	19-24	25-49	50+
Individual learners STARTED EOF training	All Levels													
Accredited starts by level of qualification	Level 1													
	Level 2													
	Level 3													
	Level 4													
	Level 4+													
Non-Accredited starts by level of qualification	Level 1													
	Level 2													
	Level 3													
	Level 4													
	Level 4+													

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Schedule 8: Quarterly monitoring report

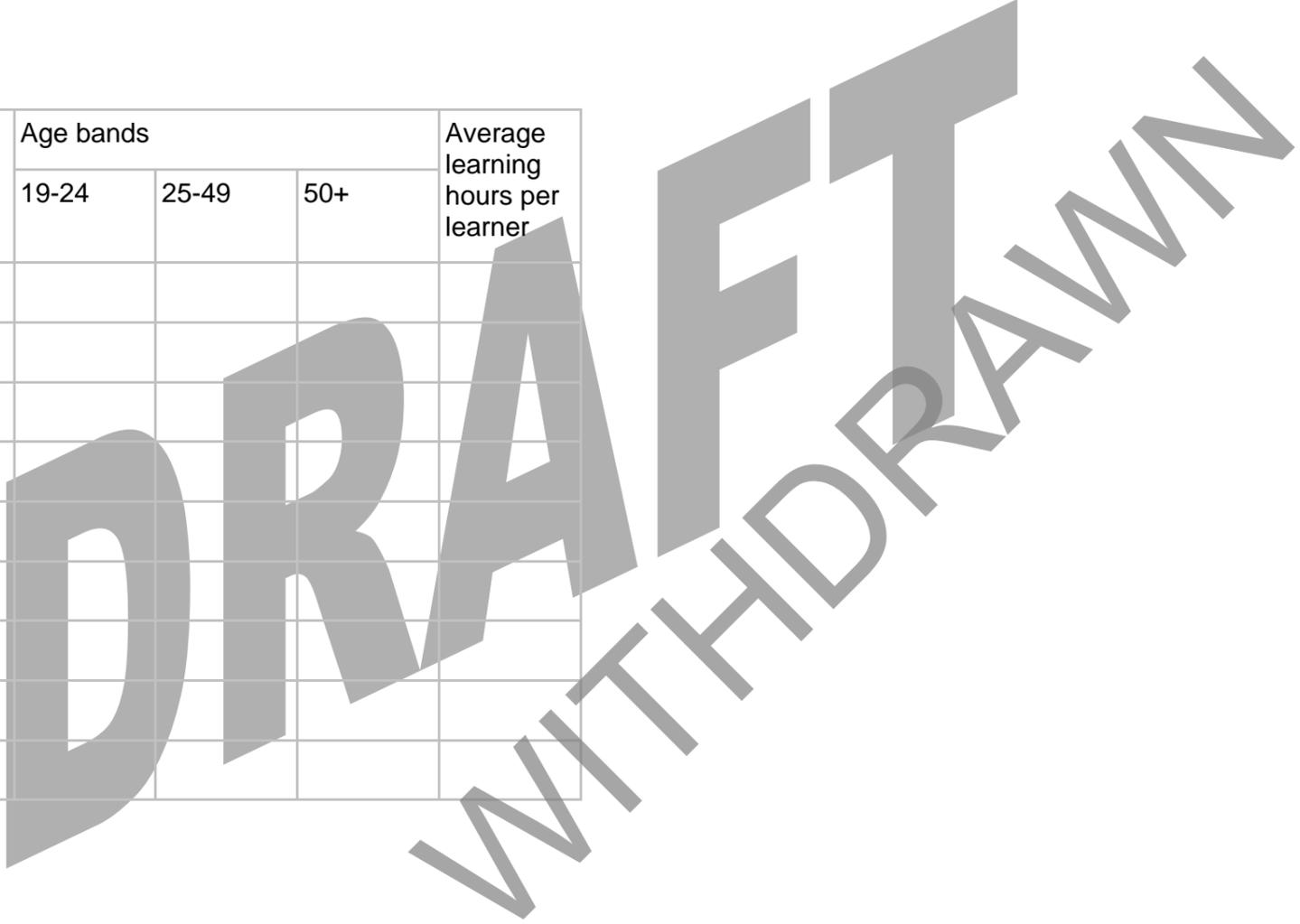
Quarterly Monitoring Report - Part 1

Name of Project / Employer:	
completed by:	

FY	Quarter

Submission Date

Type of training	Training level	Total starts	Age bands			Average learning hours per learner
			19-24	25-49	50+	
Accredited	Level 1					
	Level 2					
	Level 3					
	Level 4+					
Non-accredited	Level 1					
	Level 2					
	Level 3					
	Level 4+					
Total						



Cumulative Starts by quarter

Type of training	Training level	Total starts	2014-15					2015-16					2016-17				
			Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Accredited	Level 1																
	Level 2																
	Level 3																

	Level 4+																	
Non-accredited	Level 1																	
	Level 2																	
	Level 3																	
	Level 4+																	
Total																		

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 WITHDRAWN

Quarterly Monitoring Report Part 2

Name of Project / Employer:	
completed by:	

FY	Quarter

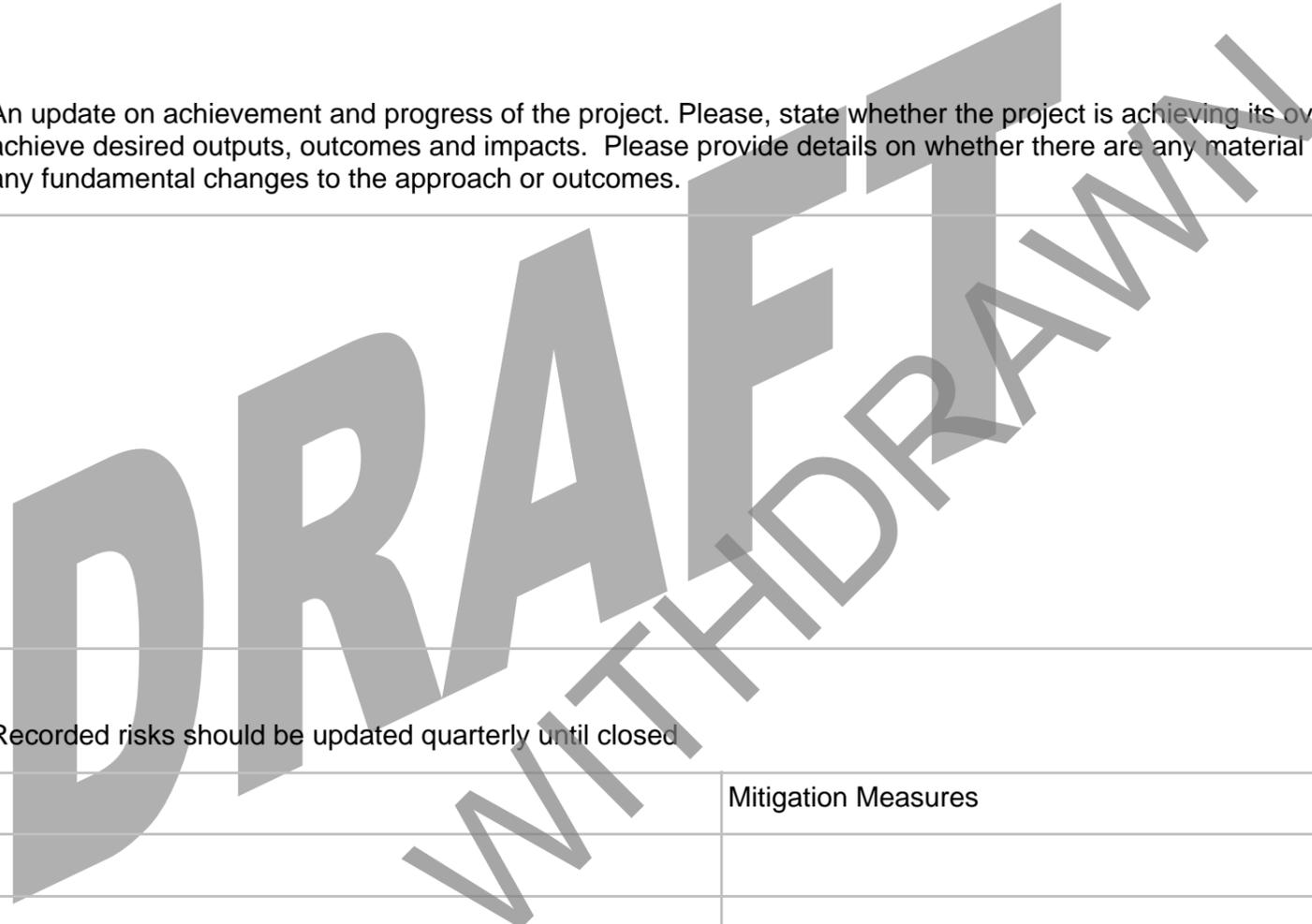
Submission Date

**Project Status** An update on achievement and progress of the project. Please, state whether the project is achieving its overall objectives and is gaining enough support and momentum to achieve desired outputs, outcomes and impacts. Please provide details on whether there are any material risks that may impact on the achieving future delivery and if there are any fundamental changes to the approach or outcomes.

**Risks & Mitigations** Recorded risks should be updated quarterly until closed

Risk Description	Mitigation Measures

Success stories/ case studies



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WITHDRAWN

Schedule 9: Claim form

Claim Form

Name of Project / Employer:	
Completed by:	

FY	Quarter

Submission Date

Aid Intensity

Type of Expenditure	Profiled F/Y	Actual Claimed F/Y	2014-15					2015-16					2016-17				
			Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total

Fees to be paid to an external provider for training																		
Trainers' personnel costs																		
Trainers' and trainees' travel expenses, including accommodation																		
Trainees' wage costs during training																		
Training materials																		
Depreciation of tools and equipment																		
Guidance and counselling services / student support																		
Cumulative total training expenditure																		
Maximum grant value																		
Employer cash contribution to training cost																		
Cumulative employee cash contribution																		
Employer ownership funding sought																		
Cumulative employer ownership funding sought																		

Profile/Actual																		
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Schedule 10: Provider Assurance Form

Provider Assurance Form

I/We (insert name or name of college/provider) have not received nor sought to claim any public funding in respect of these learners either through:

- Submitting a claim to the Skills Funding Agency
- Receipt of a loan payment for course fees in the case of learners who are aged 24+ studying at Level 3 or 4 for these from the Students Loan Company

I/ We confirm that the cost of the training for the learners included in this return have been fully met by the employer as invoiced by us.

Signature:	
Name	
Position:	
Date:	

Individual Learner Details

Training Provider

Employer

Completed By

Date Completed

Name of trainee (first name & family name)	Unique Learner Number	Location of training (only full post code)	Course Title	Level	QCF (Y/N)	Guided Learning Hours


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