



Department  
for Business  
Innovation & Skills

EMPLOYER OWNERSHIP  
IMPROVING ENGINEERING CAREERS

Guidance for Applicants

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# 1. Introduction

This guidance is for companies which employ people in engineering occupations and who wish to apply for funding under the Employer 'Improving Engineering Careers' project. Applicants should read this guidance before completing the application form.

This funding opportunity arises from a recommendation in the Perkins Review of Engineering Skills<sup>1</sup>. Professor Perkins reviewed the short term engineering skills pressures and how they impacted on key sectors of the economy. He argues in the report that substantially increasing the number of engineers would help the UK economy. A key recommendation of his to Government was that: "Government should invite employers to put forward innovative proposals to develop engineering skills in sectors suffering acute skills shortages."

This project is the Government's response to that recommendation.

This call is the first of three planned funding opportunities and is a broadly-based opportunity for Government to support training that can lead to the progression of individuals through an engineering career - from skilled operatives through to associate professionals and those on pathways through to professional status. Applications should make clear that the training assists in this progression. It does not need to lead to a change in professional status as a direct result of the training but should not be training that simply broadens an individual's skills at a certain level without prospect of progression.

A second project will open at the end of June focusing solely on the development of women engineers. A third call later this year is likely to centre on developing engineering skills specifically in small companies. Announcements on these funding opportunities will be published on Gov.UK.

## 1.1 Objectives of this offer

Employer Ownership Engineering project funds are for employers and will be open to any company which directly employs people in engineering occupations, where company growth and development is being held up by skills gaps or skills shortages in engineering.

For a **definition of engineering** we refer to the Royal Academy of Engineering Report 'Jobs & Growth', which sets out the following:

'Engineering is concerned with developing, providing and maintaining infrastructure, products, processes and services for society. Engineering addresses the complete life-cycle of a product, process or service, from conception through design and manufacture, to decommissioning and disposal, within the constraints imposed by economic, legal, social, cultural and environmental consideration.'

'Engineering is the knowledge required, and the process applied, to conceive, design, make, build, operate, sustain, recycle or retire, something of report significant technical content for a specified purpose: - a concept, a model, a product, a device, a process, a

The focus will be on skills training outcomes that are additional to an employer's current activity. Training should target employees from skilled operators through to associate professionals and

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<sup>1</sup> <https://www.gov.uk/government/publications/engineering-skills-perkins-review>

those on pathways through to professional status. These skills equate with Levels 2-6 of the Qualifications and Credit Framework. [Annex B provides details of the various skills levels.]

Engineering project funds should be used for:

- **Career Progression** - enabling those currently in engineering occupations to move forward in their careers. **or**
- **Conversion training** allowing people to transfer from other occupations into engineering to fill skills gaps and to increase the talent pipeline.

You (the applicant / company) should choose what sort of training best meets these objectives.

Training activity could focus on:

- career progression training for associate professionals, technicians and skilled operatives to adapt to changing technologies or new business processes; or
- employers re-skilling, or recruiting people with allied qualifications or skills to enter into, or return to, engineering;
- supporting mid-career returners to come back to, or into engineering occupations;
- pathways into Technician or engineering professions. This could include opportunities for employees to achieve chartered status.

There are, however, limitations on the sort of training that this fund can support. Funding of 1st and post-graduate degrees, apprenticeships and traineeships programmes, where funding can be obtained through existing funding channels, **will not be in scope**.

Details of these limitations are set out in Section 4 of 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 be a co-investment between an employer and Government. 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 (transferable skills) as allowed under the State Aid exemption regulations.

## 1.2 Assessment methodology

The offer is designed to be as simple as possible.

The decision to allow an award of funding will be based on whether:

- you are eligible
- the training you propose meets the aims of the Engineering project

- the training requires Government intervention to take place
- you agree to contribute a minimum of 50% of the allowable costs
- the proposal offers sufficient value for money to warrant Government investment.

### 1.3 Timing and decisions

**The Fund will be open for 24 weeks from 19 June 2014 to 12 noon on Friday 05 December 2014.** Bids can be submitted at any time between Monday 10.00am and Friday 12.00 noon during each week the call is open. Applicants will receive a decision within 5 weeks of submitting an application.

Successful applicants will receive a Grant Offer Letter (GOL), which will include details you've submitted in the application, the terms of the grant and how you will receive payments.

A model of the Grant Offer Letter GOL is attached at Annex D. You should submit applications on the understanding that the model GOL will, without exception, form the basis of the allocation of Funds and all the conditions that relate to the offer.

We will award funds until the budget, £10m for this call, is exhausted.

## 2. Eligibility

To satisfy the Engineering Project's eligibility conditions:

- your organisation must be registered as a company in the UK but your corporate headquarters does not have to be in the UK
- you must directly employ people in engineering occupations<sup>2</sup>
- the usual place of employment of all employees being trained must be at a location in England
- applications must be from a single company (groups of companies will not be accepted) nor will applications from sector organisations (such as Sector Skills Councils or National Skills Academies) or Training Providers
- you must not be receiving other public funding for any part of your proposals.

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<sup>2</sup> Engineers in this context would mean people with – or who would be employed with a view to obtaining qualifications in - engineering occupations, and who would be in scope to progress through pathways towards UK registration (EngTech, IEng, CEng, ICTTech) through any of the 36 Professional Engineering Institutions.

### 3. Project costs and funding limits

Companies may apply for support for training programmes that support the overall objective of the offer outlined in 1.1 Objectives of this offer.

Applications must deliver specific training outcomes. Successful applicants will receive 50% of allowable costs for eligible training. 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 are **not allowable** under this funding call.

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 **£40,000**.

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

The offer will allow companies to decide what training will best meet their engineering skills challenges.

However, 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.

There are also limitations on what this fund can support because of existing mainstream funding offers for vocational training (through the Skills Funding Agency) and Higher Education (through Higher Education Funding Council (HEFCE)). In addition, there are restrictions on what is allowed under State Aid regulations.

#### **Vocational Training (through Skills Funding Agency)**

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 (the Agency). You can find more detail on the rules for skills funding in the Skills Funding Agency's document 'Funding Rules 2014 to 2015' at the following link

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/287917/Funding\\_rules\\_2014\\_15.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/287917/Funding_rules_2014_15.pdf)

The Agency 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.

**You cannot use the offer to provide alternative funding for:**

- **delivering (or providing additional training for) apprenticeships**
- **traineeships**

You:

- 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 years old 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 claimed. This is set out in the model draft Grant Offer Letter (Annex D).

## **Higher Education**

**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.

## State Aid Restrictions

**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

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

You will first need to register on the BIS e-tendering portal and then complete an application form. The application form checks your eligibility for the fund and asks you to provide full detail of your organisation and proposed training activity.

In addition to completing the application, you will also need to provide:

- A copy of your 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 **how to complete the application form is at Annex A.**

## 6. 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 substantial change in the nature or scale of the project
- evidence of significant financial irregularities or misreporting of data
- clear expectation that the project will not deliver the expected outcomes and impacts
- 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.

## 7. 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: How to Complete the Application Form

The application is in the form of an Excel workbook. There are seven tabs on the workbook. You need to complete all questions, in all sections. 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. We will only contact the 'named contact' that you will provide us in the Application form.

## Section A: Eligibility

This first part of this section asks four questions to determine whether you are eligible to apply for support under this funding call. **If your answers to any of these questions is 'NO' then you will not be eligible – and we will not assess your bid.**

The remainder of the section asks for your company's details as well as your contact details. We ask for the name of the bid leader. This should be the CEO or a Director of the company who is authorised sign on behalf of the organisation. We also require a company website address.

To accompany your application you will be required to upload a pdf version of your latest audited report and accounts. This should not exceed 50MB

## Section B: Company size

We are required to collect data on the use of the Fund by small and medium sized companies. Please identify the category which best describes your company. Annex C gives further advice on definitions.

## Section C: Project Description

This section asks you for details about your project. We require the following information:

- **A short description of the training project** and how it will increase the stock of engineers or contribute to individuals progressing through the profession This should be a very short description of the skills issue that you are trying to address and the training activity you propose (300 words max)
- **The business objective you are 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 Government Offer Letter (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 you will 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 deliver the training** - The name of any training provider(s) and the location of their training premises, or indicate where training will be delivered in-house;
- **When this training will take place** - The time period over which training will take place (start and end dates);
- **Whether the outcomes of your proposed training result in accredited qualifications** If not what is their value to the wider engineering sector. Where training for which you are seeking support is accredited and on the Qualifications and Credit Framework, you do not need to provide further evidence of transferability. Where this is not the case, the acceptable evidence would be: (i) letters from 5 companies that confirm that the skills you are planning to deliver would be of value to them: or (ii) a letter from a sector body, such as Sector Skills Council, or one of the Professional Engineering Institutions, which confirm that the skills you are planning will be of value to the wider engineering sector.

## Section D: Learning Outcomes

This section contains a spreadsheet for details of the project's 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** - 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.
- **Level of Training** - 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.)
- **Is this training accredited?** - 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** - 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** - 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

## Section E: Funding

This section asks you to provide an indicative breakdown of the 'Estimate of the total costs of training' you entered in Section C, 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.

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.

State Funds for the period from 1 April 2015 until 31 March 2017 are indicative only as budgets have not yet been agreed. We will use Our reasonable endeavours to secure funding to allow Your continued delivery of the Scheme after 31 March 2015. If and when continued funding for this offer is confirmed, we will notify You of the level of State Funds going forward. Companies entering into commercial arrangements for training or any other goods, works or services beyond March 2015 do so at their own risk.

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. You may only claim eligible costs, which are:

- **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

## Section F: 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.

Please explain in the box below how much of your project would go ahead without Government support and in what form. (300 words)

**YOU MUST** provide business documentation, which establishes that at least one of the four conditions above has been met and that your company has considered the need for this training, but is not able to meet the costs of this in full. ***The document must be prepared for an internal audience (ie Board of Directors, or a person authorised to sign on behalf of the Company), and should be able to be read as a self-standing business case, based on genuine internal analysis.*** If this evidence is not included with your application, then your bid will not pass assessment and will be rejected.

## Section G: Equality

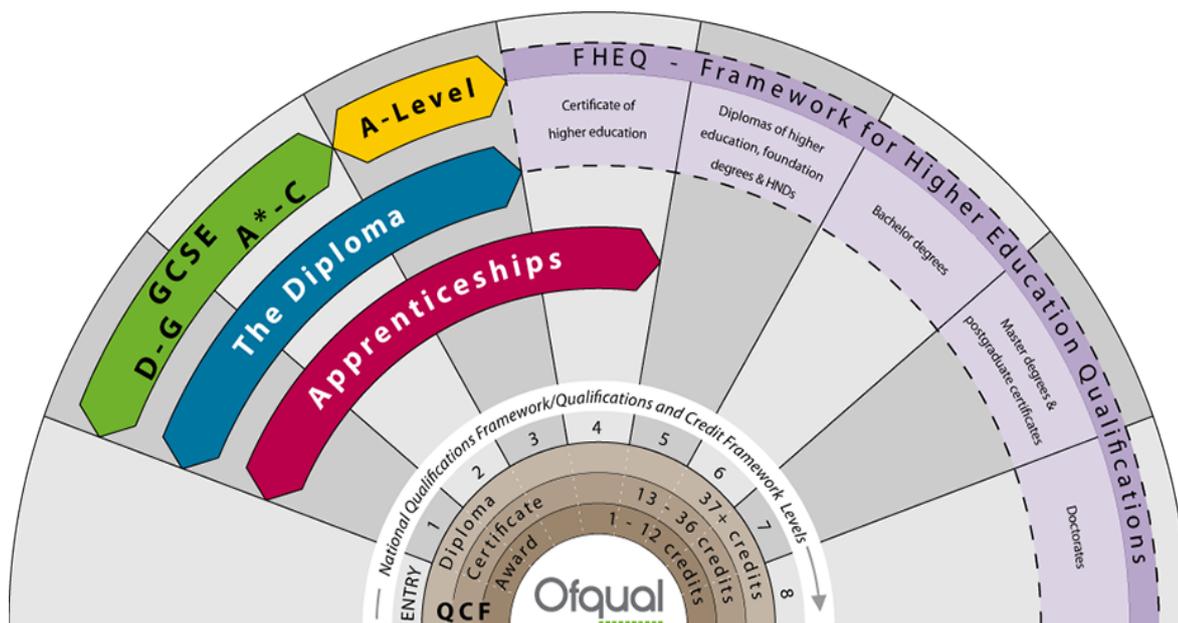
This section contains equality questions. Please complete this section as fully as you are able to do so, although it will not affect your eligibility for funding. We want to ensure that the funding we provide does not have a disproportionate impact on protected groups, as defined by the Equality Act 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.

## Section H: Checklist and Declaration

This section is a checklist of all the actions you are required to complete on the application form. You must complete the declaration in the sections provided.

# Annex B: Levels of skill development and training

This chart (below) describes the National Qualifications Framework, setting out both academic and vocational qualification levels, produced by Ofqual



## Qualification equivalents

Level	Description of skills development and training, based on qualifications
Level 1	Competent in routine activities
Level 2	Competent across a wide range of activities and in team work
Level 3	Competent to work autonomously across a wide range of complex activities, possibly involving some supervision.
Level 4	Competent to work in highly technical areas, with high levels of knowledge requirements, with responsibility for supervising people.
Level 5	Competent to work in highly technical areas, with high levels of knowledge requirements, with responsibility for supervising people.
Level 6	Competent to work in highly technical areas, with high levels of knowledge requirements, with responsibility for supervising people.
Level 7	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	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 C: Definition of Small and Medium Sized Enterprises (SME)

The main factors determining whether a company is a Small or Medium sized Enterprise (SME are:

- **number of employees** and
- either **turnover** or **balance sheet total**.

<b>Company category</b>	<b>Employees</b>	<b>Turnover</b>	<b>or</b>	<b>Balance sheet total</b>
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

These ceilings apply to the figures for individual firms only. A firm which is part of larger grouping may need to include employee/turnover/balance sheet data from that grouping too.

More information on the definition of an SME is at

[http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm)

## Annex D: Draft Grant Offer Letter (GOL) –

Please Note that this is a **draft** copy of the proposed Grant Offer Letter to give potential applicants an illustration of the conditions to be attached to a grant offer, should their bids be successful. **It is for information only and should not be completed.**

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.

## 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 installment 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.

**Table A1: Training grant instalments**

<b>Date of Claims (1)</b>	<b>Requirements for Payment (2)</b>	<b>No obligations 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 £Y1 (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 £Y2 (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 £Y3 (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 installments 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:

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

1.
  - 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.

## Schedule 5: Eligible costs

For money to have been defrayed, liabilities must have been both incurred and discharged by payment. VAT, finance and interest charges must be excluded.

**Table B1: Indicative Eligible Costs related to the Specific Training component of project**

Years ended (31 March)	2014-15 £				2015-16 £				2016-17 £				Total Total £
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Trainers' personnel costs for the hours which the trainers participates in training.													
Trainers' and trainees' travel expenses. Accommodation costs for trainees who are workers with disabilities.													
Other current expenses such as materials and supplies directly related to the project													
Depreciation of tools and equipment, to the extent that they are used exclusively for the training project													
Cost of guidance and counselling services with regard to the training project													
<b>Total Training expenditure</b>													
<b>Cumulative expenditure</b>													
<b>Cumulative Employer Ownership Funding sought</b>													
<b>Cumulative employer cash contribution</b>													

## Schedule 6: Key Performance Indicators

**Table C1: Age bands and average learning hours**

Type of training	Training level	Total training starts	Age bands			Average learning hours (per individual)
			19 to 25	24 to 49	50+	
<b>Accredited Training</b>						
Level 1	1					
Level 2	2					
Level 3	3					
Level 4+	4+					
<b>Non Accredited Training</b>						
Level 1	1					
Level 2	2					
Level 3	3					
Level 4+	4+					
<b>Total</b>						







**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+					
<b>Total</b>						

**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+																
<b>Total</b>																	

**Quarterly Monitoring Report Part 2**

Name of Project / Employer:	
completed by:	

FY	Quarter

Submission Date

Project Status	<i>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.</i>

Risks & Mitigations	<i>Recorded risks should be updated quarterly until closed</i>	
Risk Description	Mitigation Measures	

Success stories/ case studies	
-------------------------------	--

**Schedule 9: Claim form**

**Claim Form**

<b>Name of Project / Employer:</b>	
<b>Completed by:</b>	

<b>FY</b>	<b>Quarter</b>

<b>Submission Date</b>

<b>Aid Intensity</b>

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																	
<b>Profile/Actual</b>																	



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