



Department
for Business
Innovation & Skills

Sector Mentoring Challenge Fund

Prospectus

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Sector Mentoring Challenge Fund

What is the Fund?

The Sector Mentoring Challenge Fund (the Fund) is a competitive round of funding to demonstrate the benefits of sector specific mentoring and to promote sustainable, self-funding models.

Up to £1million is available to encourage large employers, sector bodies and others to work together and deliver tailored mentoring support that reaches and meets the needs of micro, small and medium sized enterprises (SMEs) in different business sectors.

Match-funding of up to £150,000 per project is available towards the initial set up and implementation costs of new mentoring support that:

- Stimulates demand for mentoring by matching SMEs with mentors who understand their sector
- Develops management and leadership capabilities that help SMEs to improve and grow
- Adds value to existing mentoring provision and is joined up with the wider business support landscape
- Increases the take up of specialist advice and support by SMEs including sector specific initiatives
- Achieves self-sufficiency after the initial set-up and implementation phase

All bids will need to have the active support and backing of employers or other representative groups to ensure that the bid addresses a real business need.

Proposals should show how they align with the Government's Industrial Strategy, as those that do will be preferred during the assessment process. BIS will also welcome bids which assist with the delivery of other government objectives or sector priorities.

All project activity must be complete by March 31st 2015 and all financial claims for BIS resource must be complete by March 31st 2014.

Who can apply?

The competition is open to any organisations in the UK that can demonstrate why they are best placed to deliver the aims of the Fund in the specific sector. This can include trade bodies and large employers interested in helping their most promising SMEs suppliers.

Organisations should ensure that applications demonstrate current sector experience as well as a clear commitment to engaging with the whole sector. Applications bringing together the skills and attributes of a number of complementary organisations within a sector are welcomed but will require a named lead organisation.

How do you apply?

By completing the application form and submitting it to smcf@bis.gsi.gov.uk by noon on the 11th December 2013.

Within your application you will need to demonstrate how the proposal will:

- add-value to existing mentoring provision
- reach and meet the needs of SMEs with the potential and ambition to grow
- meet a clear business need
- achieve value for money
- have the support and backing of employers and other representative group

All bids will also need to show:

- how they will stimulate demand and increase business use
- how they will recruit appropriate volunteer business mentors
- a brokerage system to intelligently match mentors and mentees
- how they will link with the national mentoring network and other local mentoring delivery
- how they will work alongside, and provide a gateway to, other business support
- how the project will be supported after the initial investment to become a self-sustaining model

All bids will need to measure programme success and impact and report these to BIS. Measures of success could include;

- time spent mentoring
- number of mentees assisted
- number of active mentors
- number of employers involved in recruiting mentees and their contribution to promoting the scheme through their networks
- improvements in enterprise and leadership and management skills
- increase in growth and jobs

There may be additional outputs specific to your scheme which should be included in your application for assessment.

Why has the fund been established?

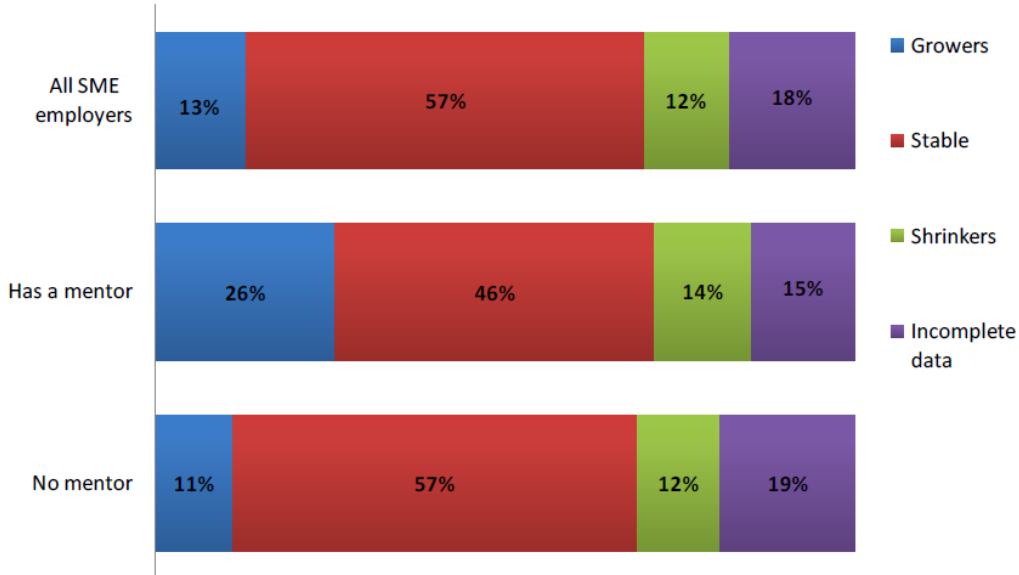
BIS know that with the right support more SMEs can grow.

- Four out of five SMEs say they want to grow, but only a third actually do.
- Firms receiving external advice are more likely to grow yet fewer than 50% of SMEs seek any support each year.

Many SMEs do not recognise that they need support or in what area they need to develop. It has been estimated that 3 in 10 SMEs has latent demand for business support. Mentors can help overcome this, by encouraging SMEs owners and managers to ask the right

questions of their businesses and helping them access the specialist advice and support they need.

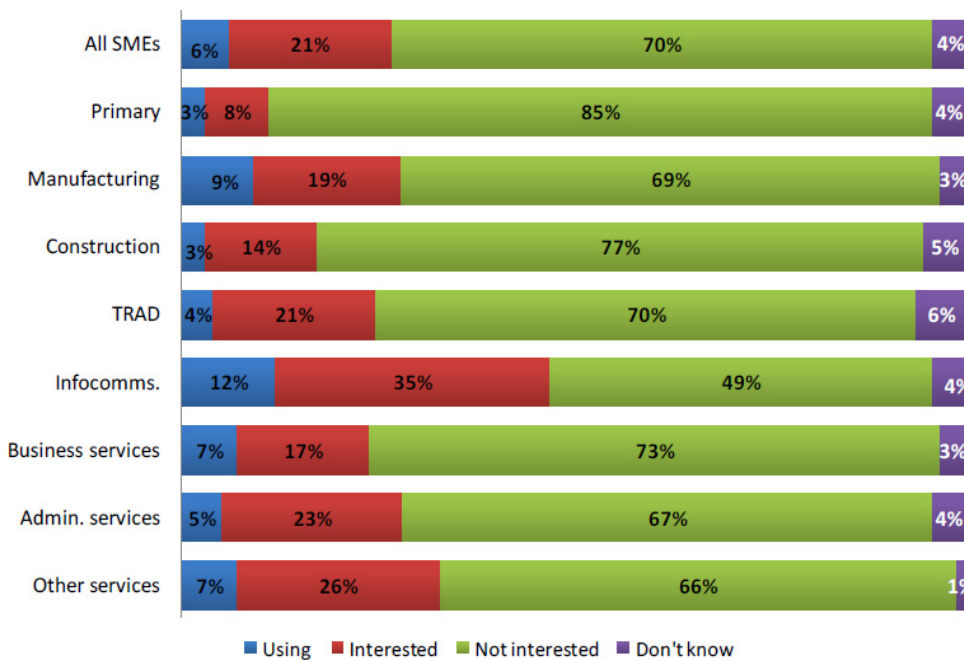
Fig 1) Use of Mentors by Growth Category



Ref: Small Business Survey 2012: Focus on Mentoring

The Fund will target those sectors where there is latent mentoring demand tailoring the offer to meet the specific needs of SMEs with growth ambitions. Currently, only 6% of SMEs use a mentor. Of those that did not use a mentor last year 21% said they would be interested in using one in the future.

Fig 2) Interest in Mentoring by Sector



Ref: Small Business Survey 2012: Focus on Marketing

Evidence shows that the success of a mentoring relationship depends on getting a good match between mentor and mentee. Over three-quarters of SMEs say that experience of the sector was either an essential or important characteristic for a mentor.

Specialist mentors add value to businesses and there is a latent demand for mentors that is not being met currently. By supporting businesses with sector specialist mentors and matching them intelligently, BIS aim to deliver growth and sustainability within the participating firms.

Financial Queries

How much money is available through the fund?

A total fund of up to £1million is available to deliver a range of sector mentoring initiatives.

How much can organisations apply for from the fund?

There is a maximum individual scheme investment level for the fund of £150,000 (including VAT).

What costs can the Fund support?

All costs associated with ensuring quality mentoring are delivered to the sector will be considered with the following exceptions:

- the Fund will not support any marketing costs; any costs for promotion should be remunerated through the match funds
- the Fund **does not** include capital equipment costs. However, if access to modest capital funding is critical full details should be provided in a separate line on the costs summary in the application form. BIS may consider supporting capital costs from a different budget if deemed necessary and appropriate
- a bid which proposed remunerating mentors would not pass value for money assessment. It is more likely that successful models would rely on volunteer mentors. However BIS appreciate that to become self-sustaining in the future their may need to be charges to the clients to cover costs

A full breakdown of all proposed costs should be included in the application form; approximations can be used if precise detail is not known at this time.

Does the applicant have to contribute financially?

The Fund requires match funding of at least £1 for every BIS £1 invested. This match funding can be either cash contributions or in kind contributions (e.g. premises and time). The applicant should be very clear in the application form and accompanying documentation how the match funding has been calculated and recorded. In kind costs can be estimated in the application.

When will funding be paid?

BIS funding will be released to applicants upon receipt of a claim form detailing the incurred costs to date. These claims must cover the period **up to 31st March 2014** to enable the mentoring to be operational for the whole of 2014/15. **No costs defrayed in 2014/15 will be allowable within claims to BIS**

How will my application be assessed?

Applications will be assessed by BIS experts and a senior assessment panel. The assessment panel will include internal and external individuals with experience in mentoring and working within business.

The appraisal process for the Fund has two parts; a general appraisal section and a scored section.

General Appraisal

The general appraisal will assess the expertise of the applicant organisation and the partners and will look for evidence of partnership working. Your application should address all of the following requirements:

- one of the partner organisations must represent employers in a specific sector/industry
- one of the partner organisations must have experience of developing and delivering business mentoring programmes
- private sector employers are involved and committed to the proposal

Supporting Evidence

You **must** attach a clear letter of commitment from an employer representative body and an organisation that has experience of developing and delivering business mentoring programmes to your application (this can be the same organisation).

Applications that do not meet this criterion will not be accepted into the Programme for further appraisal.

Once applications have met the general appraisal then the following criteria will be used to assess the relative merits of the proposal.

Weighted Appraisal

Impact

Your application must demonstrate:

- a clear rationale for the selection of the target market

- how the scheme will help SMEs to increase their use of mentors, external advice and leadership and management development
- an evaluation framework that will be used to measure scheme success and impact
- how it aligns with the Governments Industrial Strategy

Innovation and Additionality

Your application must demonstrate:

- how it differs from initiatives already available in the market place
- how it will result in improved outcomes over and above what would happen in the absence of government investment
- how it can only be delivered with public co-investment

Employer Ownership

Your application must demonstrate:

- how employers have identified the need and are driving the development of the mentoring programme
- the likelihood of employers (or other representative groups) co-investing in the scheme and that this investment will sustain it beyond the period of government investment
- the track record of the applicant (or partner) engaging and working with employers, both large and small including mentoring experience

Deliverability

Your application must show:

- how you recruit appropriate business mentees and volunteer business mentors
- how the programme will deliver significant hours of business mentoring whilst ensuring the system is simple for businesses to access
- how the scheme will connect with the national mentoring network (mentorsme.co.uk) and other business support

Cost of Delivery

Your application must demonstrate:

- the impact/outcome per £ spent, cost effective delivery and appropriate scheme administration costs
- the level of private sector match funding the project will secure and how this will enable delivery through 2014/2015
- what state aid vehicle you will use to deliver this project

Sustainability

Your application must demonstrate:

- how this programme will be supported after this initial investment and how it will be sustainable into the future

Application Process

When do organisations need to apply?

The competition will open on the 6th November 2013 and will close at noon on the 11th December 2013.

Any applications received after this time will not be considered.

Is this the only opportunity to apply for the fund?

This will be the only opportunity to apply for the sector mentoring fund.

How do organisations submit applications?

Electronic applications and letters of support must be submitted by noon 11th December 2013 to smcf@bis.gsi.gov.uk.

What happens after an organisation has applied?

Once an organisation has applied, they will receive confirmation of submission/ receipt of the application from BIS.

Once the applications have been assessed, applicants will receive confirmation of the outcome by email.

Applicants given a conditional funding offer will be required to comply with a short financial check prior to receipt of the formal offer letter.

Timeline

- Fund prospectus and application form available online: **6th November 2013**
- Final deadline for applications: **12 noon 11th December 2013**
- Assessment and moderation of applications completed: **December 2013**
- Announcement of successful applications: **January 2014**
- Formal offer letters released and projects commence: **February 2014**
- BIS claims submitted: **March/April 2014**
- Progress reports: **quarterly through 14/15**
- Projects completed: **March 2015**

How will my project be monitored?

You will be expected to deliver regular monitoring reports based on the projects evaluation framework showing the success and impact of the project. A final report will be provided no later than March 2015.

External monitoring may be carried out by BIS staff who are experienced in monitoring and managing support projects of this nature.

When should projects be complete?

All project activity must be complete by March 31st 2015 and all financial claims for BIS resource must be complete by March 31st 2014.

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Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000

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