



Department
for Business
Innovation & Skills

**EMPLOYER OWNERSHIP:
IMPROVING ENGINEERING SKILLS
IN SMALLER COMPANIES**

Guidance for applicants

DECEMBER 2014

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1. Introduction

This guidance is for small to medium sized companies that employ people in engineering occupations and who wish to apply for support to the Employer Ownership Fund (EoF).

Applicants should read this document before registering to complete an application form.

This funding opportunity has arisen in response to Professor Perkins recommendations in his Review of Engineering Skills¹. A key recommendation of his was that: “Government should invite employers to put forward innovative proposals to develop engineering skills in sectors suffering acute skills shortages.”

Earlier this year we ran 2 funding calls aimed at improving engineering skills, ‘Improving Engineering Careers’ and ‘Developing Women Engineers’. This offer, aimed at smaller businesses, forms part of our third employer ownership offer in response to Professor Perkin’s recommendation.

2. Objectives of the offer

This offer is open to any small or medium sized company which directly employs people in engineering occupations. Its aim is to help companies grow and become more productive through investing in the skills of its current and future engineers.

Government will contribute 50% of eligible costs to firms who have projects to provide extra training to employees to support:

- **Career Progression** - enabling those currently in engineering occupations to move forward in their careers
- **Conversion training** allowing people to transfer from other occupations into engineering to fill skills gaps and to increase your stock of engineers

The type of training to achieve this depends on what best meets your needs. But the training must lead to skills that are portable and can be used in other companies and occupations (transferable skills).

Training should target employees from skilled operators through to engineer associate professionals and those on pathways through to professional status. These skills equate with Levels 2-6 of the Qualifications and Credit Framework. (Annex A provides details of the various skills levels.)

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

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

- 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.

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, are not in scope. Details of these limitations are in Section 7 of this document.

Learners must be employed in England and must be aged 19 and over. Other opportunities exist to support training those aged 16-18.

3. How will we assess your application?

We have designed this offer to be as simple as possible.

We will base our assessment on evidence that:

- you are eligible to apply
- your application meets the aims of the engineering project
- the training you propose requires Government intervention and support for it to take place
- you will contribute a minimum of 50% towards the allowable costs
- your proposal offers sufficient value for money to warrant Government investment.

4. Timing and decisions

The Fund is open for 11 weeks from **12 December 2014** to **Friday 27 February 2015**. You can submit an application at any time between Monday 10.00am and Friday 12.00 noon.

We will assess your bid as soon as we receive it – and let you know when we reach a decision on your proposal – this will usually be within 5 weeks of our assessment. If you are successful, we will send you a Grant Offer Letter (GOL) for you to consider and sign. An example of the Grant Offer Letter (GOL) is available on the BIS e-Tendering Portal, where you obtained the application form. The GOL will form the basis of how we allocate funds and all the conditions attached.

We will allocate funds to successful applicants until the budget for this funding call (£2.5m) is exhausted.

5. Am I eligible to apply for support?

To be eligible to apply for support under this fund you will need to satisfy the following:

- Your organisation must employ fewer than 250 people AND have a turnover below €50m or a balance sheet below €43m
- your organisation must be registered as a private company in the UK (but your corporate headquarters does not have to be in the UK)
- the usual place of employment of all employees you propose to train must be in England
- you must (or intend to) directly employ people in engineering occupations
- you must (or intend to) directly employ all people who you will train under this project
- your application 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

6. Project costs and funding limits

Companies may apply for support for training programmes that meet the overall objectives of this offer (See section 2).

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.

You may apply for support for more than one project. However, to do this you will need to complete a separate application for each. Projects must be stand-alone activities and we will judge each application 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** grant we will offer for any project is **£1.5m**. The **minimum** grant under this funding call is **£10,000** (This means that the value of projects must be at least £20,000).

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 is provisional.** The Department does not have a budget for this activity beyond the current Spending Review period.

7. Training activity that the fund can and cannot support

The Employer Ownership Fund **CAN** support:

- ✓ **Learners who are employed in England and aged 19 and over**
- ✓ **any accredited qualification from level 2 to 6.** (The exception to this is qualifications in English or Maths up to Level 2 – these are funded by the Skills Funding Agency and at no cost to individuals.)

Employer Ownership Funds **CANNOT** support:

- X **Learners under 19**
- X **Apprenticeships or Traineeships**
- X **Higher Education qualifications** usually funded through the Higher Education Funding Council for England (HEFCE). This includes:
 - X higher degrees (such as masters)
 - X postgraduate diplomas
 - X Postgraduate Certificates of Education
 - X first degrees (BA, BSc, BEd and foundation degrees)
 - X foundation degree bridging courses
 - X Higher National Diploma and Certificate
 - X Diploma in Higher Education
 - X Certificate in Education
 - X Diploma in Teaching in the Lifelong Learning Sector.
- X **Company-specific induction courses**
- X **Primary and advanced driving skills (for example, defensive driving)**
- X **Specific stand-alone training designed to meet employers' statutory or other responsibilities. These include:**
 - X any training in health and safety, food safety and/or first aid
 - X other health and safety-related training delivered as stand-alone provision for employers, for example manual handling, health and safety in the workplace
 - X acquisition of a primary forklift truck or HGV or PSV licences
 - X updating of skills and training to comply with health and safety regulations, for example Gas Safe registration renewal
 - X formal Licences to Practice
 - X membership of professional bodies
- X **Any training which is either currently supported or is likely to be supported by public funding from any other source.**

Accredited Training

The Employer Ownership offer is designed to allow companies to decide what training will best meet their needs. It may be appropriate for a qualification to be designed specifically around your training. This will enable your learners to demonstrate the knowledge, understanding and skills gained – as well as achieve a recognised qualification. You can do this by working with an awarding organisation who can arrange for Ofqual to accredit the qualification. By accrediting the training this way it sends a clear signal of your commitment for staff to be able to demonstrate their achievements as well as providing them with record of transferable skills.

8. The application process

You will first need to register on the BIS e-Tendering Portal. You will then be invited to complete an application form.

Application Form

The application form is an Excel workbook. There are 8 sections (A – H) and you will need to complete them all. You are responsible for completing the form accurately. Should we offer to fund your proposal the terms of the funding will be in a Grant Offer Letter (GOL) which we will issue for you to consider and sign. The person we will liaise with will be the day-to-day contact you name on the form.

When you have completed the application form you will also need to provide additional material. These are:

- **a copy of your company'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 that the training you propose would not go ahead without government funding**. You must pay particular attention to this. Annex B provides more information on what you must provide. (Any Word or PDF document uploaded should be less than 50MB).

9. General conditions of the offer

EU State Aid Law requires Member States 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 BIS to withhold, delay, reduce or reclaim (claw-back) all or part of the proposed assistance in certain circumstances, including where there is:

- a substantial change in the nature or scale of your 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 ask you for additional information or ask you for face-to-face meetings to discuss your application. If you refuse these offers we may reject your application. If you do not reply to a request for information or for clarification within ten business days, BIS may assume that you wish to withdraw your application.

The Freedom of Information Act ("FOIA") applies to BIS. You 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.

10. 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, meet relevant State Aid reporting requirements, and help the Department to evaluate the impact of the Fund.

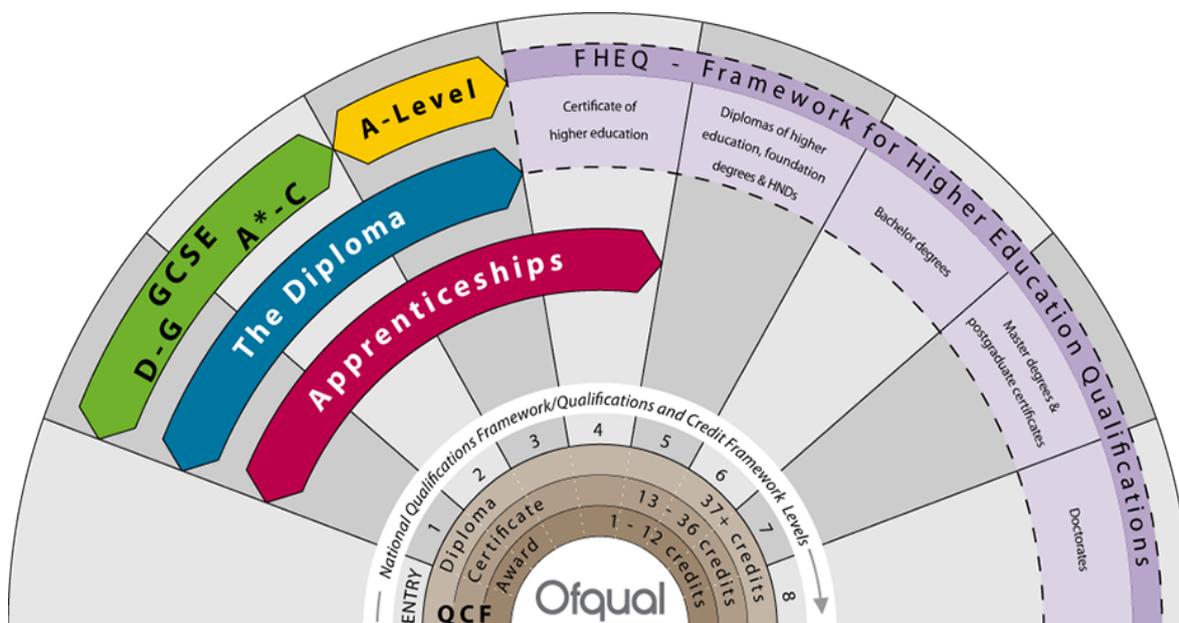
Organisations receiving funding for training activity must provide data on, for example, learners and learning delivery, which we will use to monitor project performance, release payments and inform audit requirements. This is set out in detail in the Grant Offer Letter. We intend to evaluate each project with respect to learner outcomes and the impact on the business. We may require you to complete a follow up survey at the end of the project.

11. Enquiries

If you have any questions or enquiries about the Employer Ownership Fund please email employerownershiopenquiries@bis.gsi.gov.uk

Annex A: Skill and Training Levels

This Annex 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 B: Evidence why you need Government support

Section C: Why You need Government Support

We have designed the Employer Ownership Fund to encourage businesses to increase their investment in, and commitment to, skills development. You must be able to show that Government funding will increase the size and extent of your planned training activity. In simple terms, this means that you have to be able to provide evidence that you would not have been able to go ahead with this training at this scale, or speed, without Government co-investment. So for our purposes you will need to provide documents which clearly show that this is the case.

The evidence must be sufficiently robust to stand up to scrutiny, such as from an external audit. This should involve documentation which is signed off at Board level, or senior management level. You should note that we will look carefully at the benefits from Government funding. Activity that leads to additional training is likely to be more beneficial than activity that brings forward planned training.

We expect to receive the following:

- **A copy of an actual internal document** which has informed the decision of an internal body, such as the company Board, or similar decision-making committee, with the authority to approve expenditure on skills. **For smaller companies this can be a document that records the agreement of a senior member of the company.**
- **Evidence that this document has been considered by a decision-making body**
- **Reference within the document(s) to the following:**
 - Description of current skills investment plans and affordability, including nature, volume and timescales of this activity
 - Details of additional activity which is proposed and what impact additional Government investment would have, including the scale and speed of implementation.
 - Details of the amount to be invested and the budget which will finance the proposed training
 - An assessment of the impact of additional investment on company performance, including any wider returns.
- **A copy of the relevant note, which shows that the decision-making body has agreed:**
 - What the company can afford invest in training at current levels and current timescales.
 - That the training would not have gone ahead either at the scale or speed of implementation without Government funding.
 - That the proposed additional training has been approved by the Board and how this will result in greater or faster implementation.

We will reject all bids that fail to provide the required evidence.

Annex C: Questions and Answers

This Annex contains a selection of questions (with answers) that we have received from a range of employers about the fund.

Q: Does the training need to lead to a qualification?

A: No, not necessarily. But if the training you propose is not accredited you will need to provide evidence that it is of value to the wider sector (i.e. the skills acquired by trainees are transferrable) Section B of the application form lists the type of evidence required to demonstrate this.

Q: Are Trainees wage costs eligible for funding?

A: Yes. Under this funding call, trainees' gross labour costs for the hours during which the trainees participate in the training are eligible costs. However, wage costs are not eligible costs for any time the trainee spends performing productive work while the training is on-going.

Q: Will I need to prove that my project is State Aid compliant?

A: No. Successful applications to the fund will comply (by design) with the European Commission's State Aid General Block Exemption Regulations for Training Aid.

Q: Can I put in more than 1 bid?

A: Yes. You 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. However, 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.

Q: Can I re-apply if my bid is unsuccessful?

A: Yes. When you submit an application for funding you will receive either a Grant Offer Letter or a letter explaining why you have been rejected. If the new application resolves the rejection issue then we will reassess your application.

Q: Can I appeal against the decision?

A: No. Decisions on who will be awarded a grant offer will be made on behalf of the Secretary of State for Business Innovation and Skills. There is no appeals process.

Q: Can intermediary, sector representative or trade bodies apply for funding?

A: No. This fund is a direct co-investment partnership between the government and an employer. Intermediary bodies are not eligible to apply.

Q: Is this funding available to all engineering companies?

A: No. This opportunity is only open to smaller companies who employ fewer than 250 people and have a turnover below €50m (or a balance sheet below €43m). Earlier in 2014 we made two other funding opportunities available to all sizes of company employing engineers.

Q: Can I collaborate with other companies and put in a joint bid?

A: We will only accept bids from individual companies – we will not accept joint bids. However, you may wish to work with others to develop training projects collaboratively - perhaps with training providers – so you can identify the best courses and achieve value for money. However, you will all need to bid as individual companies.

Q: Is there any scope to reduce the employer contribution or accept contributions in kind?

A: No. This is a co-funded opportunity where employers and government invest 50% each. We require an employer to make a cash contribution. We will not accept contributions in kind.

Q: Will the offer be an overall yes/no answer, or will it say 'yes' to some training but exclude other elements if they are deemed outside the eligibility criteria. Would I be able to modify the application and re-submit it?

A: We will assess your application exactly as you submit it - without negotiation over which elements can or cannot be included. If we refuse your application, it will be possible for you to re-submit as long as you have addressed the reason for refusal.

Q: What evidence do I need to submit to prove my training would not go ahead without government support?

A: Annex B of this Guidance Document (and Section C of the application form) spell out what types of evidence we expect you to provide. It is crucial that you pay particular attention to this. If you present weak evidence your application may be rejected.

Q: Is the training only open to existing employees (i.e. would they have had to been employed for set time) or can it be used to cultivate more employees-such as college leavers?

A: The Fund can be used to support existing employees and as the basis for recruiting new ones.

Q: Is there a risk I may not receive the full government contribution under this offer due to unconfirmed government budgets?

A: If your bid is successful, we will set out the terms of the offer in a legally binding Grant Offer Letter which will set out the maximum amounts of grant that you can claim. We make payments in arrears on the basis of evidenced claims showing the defrayed costs on eligible expenditure. Our indicative budget has been set up to 2015-16 - though our budgets beyond that have not been confirmed. If and when budgets for those years are confirmed we will let you know whether support will continue. If you enter into commercial arrangements for years beyond 2015-16 you do so at your own risk.

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