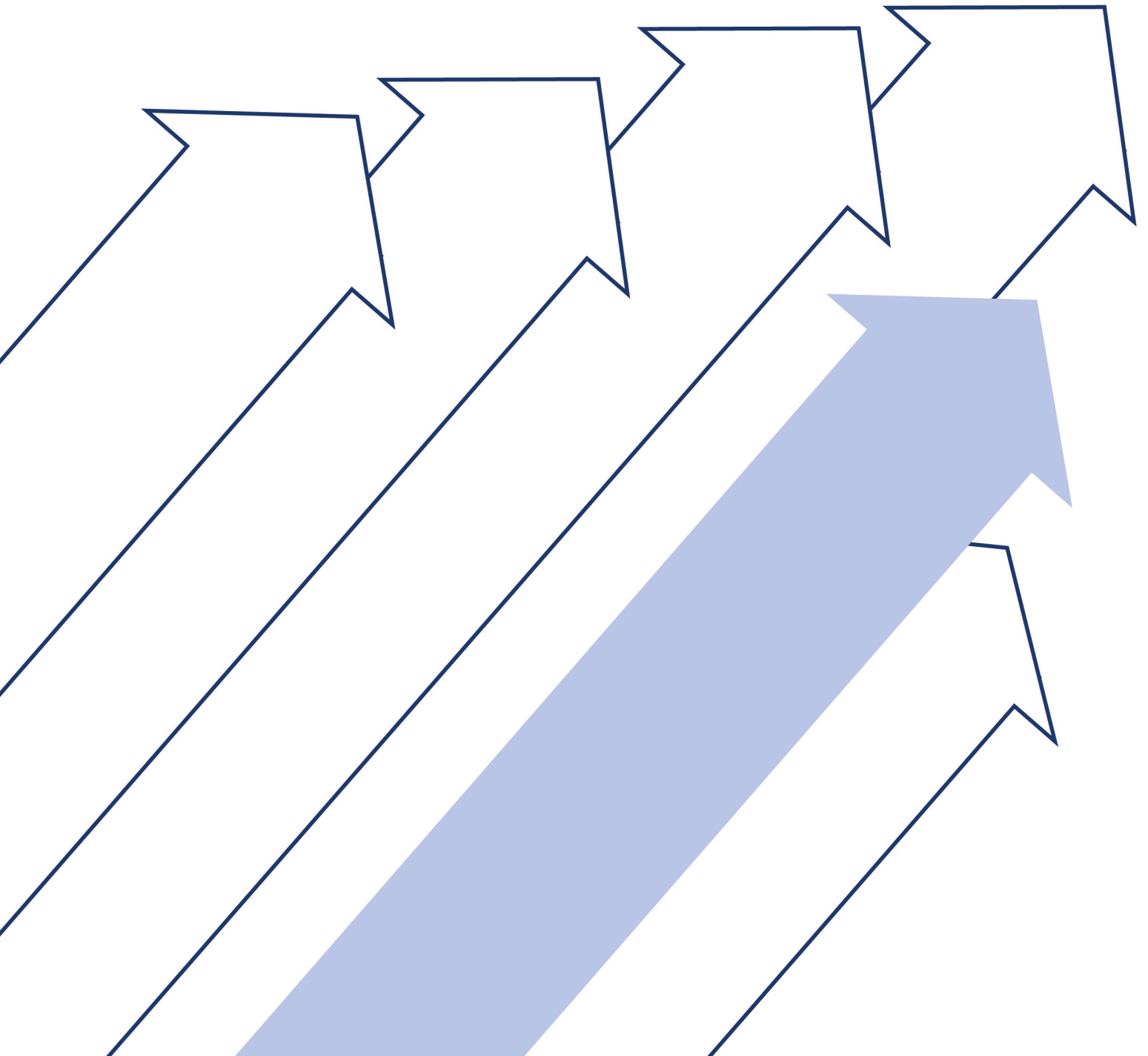




UK COMMISSION FOR
EMPLOYMENT AND SKILLS

UK Futures Programme - Guidance Document: Public and private contributions



Public and private contributions




The UK Futures Programme provides employers with the opportunity to receive public financial contribution for the solutions they design to workforce development problems and to encourage innovation and mitigate risk.

The four types of project in which UKCES is willing to invest will attract different levels of public support. In broad terms, projects that are more highly innovative may attract greater risk, or may take longer before employers receive the benefits of the innovation. In cases such as this, UKCES' contribution will be higher. In contrast, those projects that are closer to the market, or involve less significant innovation, may be likely to receive a lower level of contribution.

For more information, consult the **"Types of Project"** and **"Innovation"** guidance sections.

The role of UKCES in every competition is to support employers to develop their own solutions, and to ensure that whatever lessons are learned inform businesses and policy makers in future. Further detail on the level of UKCES support will be provided in each of the individual competition briefs.

Different indicative levels of investment will be available from UKCES for each of the different types of projects we are looking to support - see below table.

Type of project	Indicative levels of UKCES Investment	
 Research	Increasing collective understanding of a problem and identifying the potential solutions.	Research will be generated as a social good and will therefore attract a UKCES contribution close to the full cost of the project.
 Development	Progressing and refining existing ideas into products and services.	Employers will have an active interest in shaping the product/service being developed and will see the potential long term benefit of supporting the project. Public investment mitigates risk, which supports innovation and wider learning by enabling certain projects to go ahead. UKCES is likely to provide the majority contribution.
 Piloting	Piloting products on a small scale in the "real world" and evaluating their outcome and the feasibility of scaling up.	Piloting identifies if the product/service works and is of benefit to the intended user. We expect employer contributions to be higher than the development stage reflecting proximity to market. Risks are present but less than in the development stage. UKCES contributions aim to mitigate risks and support the emphasis on wider learning about what works. Although the public contribution is expected to be less than the development stage it may still provide the majority investment.



Scaling

The growing and spreading of a product/practice/idea.

The implementation or scaling up of a product or service may be more costly, but if there is greater chance of success and the benefits this creates, private contributions are expected to cover the majority of the project costs. The public contribution will again facilitate wider learning, mitigate risk and will continue to be backed with non-financial support through our co-creation approach to developing projects.

Purpose of co-investment

Co-investment combines public and private investment so the two work together to increase the potential for successful innovation and longer term sustainability. Public contributions and support can be effective at encouraging employers to take the lead in developing more effective solutions to skills and employment challenges.

The right balance of cash and in-kind

UKCES will accept in-kind contributions alongside cash contributions. All private contributions should seek to add value beyond its monetary worth by applying resources to their best effect. There is no science in getting the balance right as long as it addresses the problem, has a sound rationale, is realistic and achievable and considers longer term sustainability. This is reliant upon a good understanding of what/how the solution can be achieved and gives due consideration to the nature, quality and the timing of the contributions.

For both cash and in-kind contributions, it is important that the contribution is both quantifiable and well evidenced. It is also necessary that the contributions occur within the timespan of the competition we are funding.

What type of 'cash' is acceptable?

Employer cash contributions are vital to the success of a project, but the level of engagement and involvement will depend on the approach and the means by which the contribution is made. The biggest challenge for employers will be ensuring that their partners do not make cash contributions in exchange for a product or a service, but rather play an active role in the creation of the solution. We will be particularly interested to see how you will meet this challenge.

Cash contributions toward the set-up, design, testing and development have an important role in demonstrating commitment and engagement to the project and therefore the level of employer buy-in. The following can be counted as cash investment:

- Direct cash contribution from an individual or collaboration of employers
- Reserves from the lead employer or body
- Assigned membership fees or levy fees that are not funded from other public sources

Quality in-kind investment

In a co-investment model, the ***in-kind contribution***, whilst it has a monetary value, is more about the added-value. In-kind contributions can support the project in many different ways; but, some have more power to influence the success of a project than others. We want the nature and purpose of the employer contribution to be clearly defined.

Where employers take a driving or active role in a project (through their investment of time, expertise and resource) by shaping the solution, testing it and championing it, the likelihood of success is greater. Where the contribution positions employers in a passive and/or distant role from the project this will not be considered sufficient to ensure the viability of the approach in question.

Further information about contributions is provided in the financial spreadsheet which is part of the application form.

Any enquiries regarding this publication should be sent to:

UK Commission for Employment and Skills

Renaissance House
Adwick Park
Golden Smithies Lane
Wath-upon-Dearne
South Yorkshire S63 5NB

Tel: 01709 774800

If you require this publication in an alternative format, e-mail enquiries.futuresprogramme@ukces.org.uk, or call 01709 774800

This guidance document is 1 of 6 relating to the UK Futures Programme. The guidance documents and all further information about the UK Futures Programme can be found on the following website - www.gov.uk/government/collections/ukces-futures-programme-overview.