

# Employer Ownership of Skills Pilot

Round 2

Prospectus



HM Government

**UKCES**  
UK COMMISSION FOR  
EMPLOYMENT AND SKILLS

# Ministerial foreword

Better skills are vital for the prosperity of our country. Yet to support the right skills, we need a much stronger focus on what employers want. The Employer Ownership Pilot seeks innovative solutions to how Government and employers, in partnership, can provide the skills our country needs.

Earlier this year we announced the winning bids from round 1 of the Employer Ownership Pilot. These bids were led by employers across diverse sectors and regions, and lived up to a challenging invitation. This invitation encouraged employers to come forward with radical ideas to test out their vision for employer ownership of skills: to take the lead and shape the skills agenda according to their business needs and show government where we can improve to better align private and public sector investment and grow our economy.

Driven by quality and innovation, the winning projects from round 1 explore potential new strategies for designing the skills system, for training and engaging a diverse workforce and achieving our common goal of growth.

In round 2 we ask you to be yet more innovative in your approach and ambitious in your scope. We encourage you to collaborate across sector, region or supply chain, to form partnerships with training providers and other organisations, to involve your employees – to create ambitious, transformative proposals that will deliver the skills we need.

These pages set out the invitation to employers to put forward proposals for round 2 of the pilot. How would you use public investment, alongside your own, to shape the skills agenda, to train your current and future workforce, to create jobs and drive enterprise? I look forward to receiving the proposals you put forward and engaging with you on how we can, together, best provide the skills our country needs.



**Matthew Hancock**

Minister for Skills

# Foreword from the Chairman of the UK Commission for Employment and Skills

The global economy continues to present significant challenges to the UK. The response to this challenge and delivering sustainable growth must be powered by the skills and entrepreneurship of people. In short, the talent of our current and future workforce is an intrinsic part of securing growth and prosperity and never has this been more apparent than in these difficult economic times.

Last year the UK Commission published a transformational vision for the way that we invest in skills, one which is employer owned and outcome driven. We have been pleased by Government's continued support for this vision and the Employer Ownership Pilot is a fantastic opportunity to collectively move us towards a new model for making public and private investment in people work harder and achieve more; aligning investment in people to broader business decisions and ensuring employers have the pipeline of talent that they need to succeed.

In round 1 of the pilot I was delighted to see employers stepping up to the challenge and coming forward with a wide range of exciting projects. Together, we now need to magnify that effort and in round 2 I hope we will see bids that are ambitious on a number of fronts. This prospectus is an open opportunity for employers to bring forward bold proposals that have at their core the role of people and their development as a critical part of encouraging competitiveness and growth.

My hope is that these bids will demonstrate that skills are an integral part of any wider industrial strategy. They will take a number of forms depending on the requirements of any given industry or locality. For example, employers may come together to take end-to-end responsibility for workforce development in their industry; entrepreneurs may show how they can work collaboratively with colleges to deliver high quality learning and take responsibility for ensuring that it boosts local competitiveness; and employers may collaborate through supply chains to engage and empower smaller businesses.

I want to encourage businesses to seize this opportunity and work together to develop ambitious and far-reaching proposals which support sustainable skills, jobs and growth for all.



**Charlie Mayfield**

Chair, UK Commission for Employment and Skills

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# 1. Overview

The Employer Ownership Pilot is a competitive fund of £340 million and is now available over four years. It is open to employers to invest in their current and future workforce. Employers can develop proposals to create jobs, raise skills, and drive enterprise and economic growth in England, and look for co-investment from Government to meet the costs. Round 2 of the pilot invites more ambitious bids from employers willing to work together to deliver skills solutions in their industry and locality, aligned to a broader industrial strategy.

Skills are essential for our future prosperity and are a core component of taking our [industrial strategy](#) forward. In [Skills for Sustainable Growth](#), the Government set out an approach for a skills system that responds to employer and individual need; one that secures value for public funds while minimising bureaucratic central planning. However, we want to go further, to make sure that Government investment in skills is more closely aligned to private investment, and drives the outcomes that employers need to grow.

Round 1 of the pilot triggered significant interest from a range of businesses with a total portfolio of 35 projects receiving investment. In round 1, business and Government are together investing in skills provision across the country and in a range of sectors. Round 1 demonstrated that employers have the appetite to work collaboratively and take greater responsibility for workforce development. Through these projects we are seeing greater employer collaboration within sectors, supply chains and cities; we are seeing the innovative design and implementation of a wide range of training that would not otherwise be delivered and which responds better to the needs of industry; and we are seeing different methods for delivering training and development.

More information about successful bids from round 1 can be found [here](#).

In round 2 we want to build on this excellent start and co-invest in more ambitious and further reaching projects.

What we learn from these projects will help shape workforce development over the long term.

They are a way to test the principles outlined in the UK Commission's long-term vision for employer ownership of skills (see section 7), where employers have the space and purchasing power to develop the talent they need to grow.

## 2. What we are looking for

Round 2 of the pilot asks employers to develop and deliver solutions which enable them to recruit and train staff with the skills they need for the future. The pilot is an open offer to employers; we are not defining the skills needed, delivery mechanisms, or amount of funding for each project that receives investment. Instead we want to better align public and private investment to support workforce development and growth.

We want employers to tell us where and how Government can align its investment most sensibly alongside business investment to ensure the pipeline of talent that industries need and to maximise exciting opportunities for current and future employees.

Employers are invited to develop proposals in two main areas:

### **Proposals which will enable employers to improve the skills of their current and future workforce.**

Bids will demonstrate more effective and sustainable ways to improve skills and how these improved skills will increase productivity and growth. We want employers of all sizes to work with employees and their representatives (including trades unions, where appropriate), colleges and other training providers, and wider partners. Employers will need to develop proposals that set out how they will co-invest in a range of training and employment opportunities to drive enterprise, jobs and growth within a sector, supply chain or locality.

### **How can employers use the pilot to develop their workforce?**

Employers might:

- Develop partnerships that engage employers not currently investing in skills to take shared responsibility for creating new and more opportunities;
- Articulate workforce development needs for which training is currently unavailable and which will lead to greater employer investment in workforce development;
- Support people to get better jobs and support business to get jobs done in a better way;
- Design new delivery techniques that equip employees for the immediate job and longer term careers.

And/or

**Industrial partnerships to take wider responsibility for skills development in a place or sector.**

These will be ambitious proposals to set up significant and long term partnerships to take end to end responsibility for skills development in a sector or place, challenge the current mindset and advance skills development beyond the current model. We are looking for employer-led strategic partnerships, involving employee representative groups, to come forward with models for a future approach to skills.

As well as covering the cost of training places, these proposals may include investment in underpinning arrangements to ensure skills needs are better met, such as new employer networks and training delivery mechanisms. We expect that these partnerships will operate through sector and/or spatial collaboration and for some of the most powerful collaborations to take place in strategically important sectors.

## What might an industrial partnership do?

Aligned to Government's Industrial strategy we invite leading employers within a sector, sub sector and/or locality to form industrial partnerships which take end to end responsibility for skills. The partnership might:

- Invest strategically in learning and training (preferably through direct employer investment);
- Set out what a pathway to a great career looks like which ensures future talent and capabilities for industry success, for example by setting standards for apprenticeships and training, or in higher education, by identifying quality through kite marks and building links with business;
- Take responsibility for quality assuring on and off the job training. For example through peer review mechanisms at the local level;
- Build vocational pathways to deliver the pipeline of talent needed by industry
- Coordinate action between employers in sectors, supply chains and localities, as well as between industry and providers;
- Ensure that the skills infrastructure is capable of delivery.

The partnership would demonstrate how planned activities and investments align with wider sector plans for growth for example in areas such as technological innovation, procurement, finance etc. It would need to set out what it is able to deliver now, and how it would wish to engage with government to enable a radical new model to operate.

# 2. What we are looking for

For both types of bid there are four themes where we are particularly interested to explore the potential for businesses to have a significant impact on workforce development, closely aligned with the Government's growth ambitions:

- Apprenticeships and other workforce development opportunities;
- Training and skills development to help people into work;
- Encouraging and enabling SMEs to train their workforce, recognising their key contribution to economic growth and prosperity;
- Collaboration between employers in sectors, supply chains and localities, and with colleges and training providers.

More detail on these themes is provided below.

## **Apprenticeships and other training/development opportunities**

We are keen for bidders to think innovatively about creating a talent pipeline for their industry and/or local area. As part of this, we are interested in the development of new apprenticeships and forms of training that will build the workforce that businesses need to grow.

Proposals should explain the rationale for the approach and how it will lead to industry growth. They will also need to show how learners will be provided with sufficient breadth and depth of learning. For example, new apprentices should:

- Acquire significant new knowledge and technical qualification, recognised to be important to the sector;
- Become competent in their current role;
- Be supported towards achieving English and maths to the level of a GCSE A\*-C where they do not already possess this;
- Achieve good progression opportunities once they have completed their apprenticeship, either in work or into further/higher education.

Apprentices should be new to an occupation or role and in need of significant new skills. They should not include those in work being accredited for skills they already have. We are particularly keen to see apprentices at advanced and higher levels of learning (Level 3 and above) within [key sectors](#).

For those not ready/unable to undertake a full apprenticeship we are interested in pre-apprenticeships and other training opportunities which enable people to develop meaningful careers.

## **Training and skills development to help people into work**

Getting people into work is key to both an individual's success and the success of the economy, and we welcome proposals that demonstrate how employers can help people who are out of work to access the training and development they need to compete in the labour market. This could include but is not limited to:

- Offering work experience, paid internships and job trials;
- Pre-employment skills training;
- Routeways onto full apprenticeship programmes and into jobs;
- Mentoring;
- Skills training that helps people in low paid, low skilled work to progress.

## **Small and Medium Enterprises**

Small and Medium Enterprises (SMEs) are key to growth. We want to explore how SMEs can access and influence training to get the skills they need to drive productivity, growth and ambition.

We welcome bids from both individual SMEs and collaborations of SMEs, setting out suggestions of how education and training might better meet their needs. We appreciate that significant resources are needed to engage with a competitive bidding exercise, and our experiences from round 1 were that SMEs involved

in collaborative bids were often more successful in articulating and addressing the specific challenges they faced. Therefore we encourage SMEs to consider:

- Working locally with their Local Enterprise Partnerships (LEPs) or Chamber of Commerce, or with their Sector Skills Council or National Skills Academy, to find out whether there are other organisations with whom they could collaborate. Indeed these organisations themselves may play a role to bring SMEs together, acting as a catalyst for high quality employer-driven bids;
- Whether they are well placed to bring together other SMEs, perhaps because they are market leaders in innovation or cutting edge technology;
- Working with a local college or training provider to consider how the flexibilities of this pilot might better meet their needs than the mainstream skills offer. The college or provider may themselves bring SMEs together.

Other bidders or third parties may also want to consider how they can effectively engage with SMEs, including as part of a supply chain or place based bid. This may include using other Government initiatives, like Catapult Centres, to bring SMEs together to stimulate training.

In round 1 we saw [some good examples](#) of employers working with natural competitors, large and small businesses working together, and supply chain firms collaborating to provide opportunities for employees and increase the competitiveness of their sector. We are keen to see more of this in round 2 and encourage proposals where employers work together to design solutions that will have a real and sustainable impact on growth in their industry.

### **Collaboration between employers, colleges and training providers**

In round 1 most bids contained collaboration between employers and colleges and/or training providers in order to deliver strong projects. We want to build on this and explore new or different forms of employer partnership with colleges and training providers to deliver education and training which meets local and/or sectoral needs.

We are keen to invest in the delivery of radical new models of learning and workforce development using the combined expertise of employers, entrepreneurs and colleges and training providers. For example, proposals might include:

- Partnerships that include local businesses, entrepreneurs and business networks such as LEPs;
- Models of learning in a work environment, so that learners can experience real work challenges and projects, including where managers are involved in assessment and feedback;
- New curriculum models and qualifications where there is a clear rationale driven by employers;
- New delivery models, for example learning companies, or employers and providers sharing facilities, equipment and staff or co-locating premises within business clusters;
- We are looking for models that transform the relationship between business and providers at a local level and which are truly employer led.

# 3. Investment opportunities

Public investment will be provided directly to successful bidders. In total up to £340 million has been earmarked for the Employer Ownership Pilot over the four years of the pilot.

Where proposals include training or apprenticeships that start within this three year period but will not be completed by March 2016, we will fund the completion of that activity where appropriate.

We expect employers to contribute to the costs of the project; the amount will vary according to the nature of activity. This contribution can be in cash or in kind, though we expect some level of cash contribution. Your bid will need to clearly set out the employer contribution.

## Round 1: investments to date

Where employers are successful in their bids, public investment will be provided directly to the employers, or an intermediary they have chosen to manage the funding. In round 1 we were pleased to invest in bids that had an emphasis on:

- The pipeline of recruits to business, including for example working with schools to attract young people into their sectors;
- Strong employee and employer partnerships, with employers supportive of mentoring programmes and learning tailored to individual needs;
- Identifying skills requirements that impact on sector growth and that cannot be developed through the current system;
- Collaboration with many employers working with natural competitors, large and small businesses and supply chain firms to provide opportunities for employees and increase competitiveness.

More information about successful bids can be found [here](#).

## Round 2: investment

In round 2 we want to see significant and scalable proposals for investment. Therefore the minimum cash investment from Government will be £250,000 over the period of the bid for collaborative proposals involving SMEs, and £1 million over the period of the bid for individual or consortia bids involving large employers (defined as employing 250 employees or above).

In this round we are aligning the Employer Ownership Pilot funding with the Growth and Innovation Fund (GIF) to form a single application and decision making process. GIF is a co-investment fund which supports innovative skills solutions with the potential to transform growth in the sector, region or supply chain. This is now available alongside funding for training places, to make it easier for employers to bring forward integrated proposals to address skills needs.

As well as the integrated industrial partnership proposals that we are encouraging in this prospectus, there may be some proposals, including a small number already in the Growth and Innovation Fund process, which do not include a training costs component. These will be assessed under the integrated criteria published for this round of Employer Ownership.

The range of underpinning arrangements that applications might include alongside training costs includes:

- Networks to increase employer ownership of the skills agenda and to aggregate demand;
- Innovation in the design and development of skills training;
- New mechanisms for delivery of skills training, with employer led organisations playing a leading role in building capability, capacity and active employer engagement;
- Collective arrangements to promote investment in apprenticeships;
- Development of career pathways and training frameworks to ensure routes for progression to higher skilled jobs.

Government invests in skills through a number of different routes. Existing skills funding to colleges, training providers and employers remains in place alongside this pilot. More information can be found [here](#).

In addition, other Government funding and support is available. Bidders may wish to consider how other funding streams and activities could be brought together with Employer Ownership Pilot proposals, including those managed by the Technology Strategy Board.

The Technology Strategy Board is the prime channel through which the Government supports business-led technology innovation. It delivers a number of activities including collaborative R&D competitions and Knowledge Transfer Partnerships, and is currently establishing a network of Catapult Centres in seven areas of the economy. Catapults are technology and innovation centres that bridge the gap between business, academia, research and government, and allow businesses to access equipment and expertise that would otherwise be out of reach, as well as conducting their own in-house R&D. By promoting collaboration and knowledge exchange, many progressive businesses and organisations will be able to build new partnerships with reduced risks. Companies in a wide range of markets will see the Catapults as an invaluable resource to develop their businesses. More information about the Technology Strategy Board's programmes can be found [here](#) and about the Catapult Centres [here](#).

# 4. Assessment criteria

The pilot is an open invitation and therefore we have not provided an exhaustive list of what proposals should or could include. However all proposals should set out:

- The outcomes to be achieved and impact expected;
- The rationale behind the proposition and why it cannot be done as successfully through existing funding routes/delivery channels;
- The mechanisms by which it will be delivered;
- The level of private investment the employers will contribute;
- The public investment needed to make it happen.

We are clear about the outputs Government is seeking: an increase in training and development delivered to drive growth. We will be assessing bids against the specific criteria below.

## **Employer ownership**

Proposals must have clear employer leadership and input. Bids need to demonstrate that employers have identified the employment and skills needs to be addressed and drive the proposed response. Employers must themselves invest alongside the requested public funding. The nature and value of that employer investment must be made clear.

## **Quality and rigour**

Proposals must set out a convincing, evidence-based case to demonstrate how they will prove an effective way to make significant progress on the skills needs identified. This will include showing how the quality of training will be ensured. Compelling proposals that will transform the position and/or bring an innovative approach to bear will be judged favourably.

## **Innovative approaches to skills and workforce development**

Proposals for new or innovative ways of delivering improved skills will be strongly favoured. Proposals should explain why existing training options are not appropriate and clearly identify the aspects of the project which are new and innovative. This may involve changes to the content of training but could also be a new delivery method or a set of partners collaborating together for the first time.

## **Impact and value for money**

Proposals will be judged on the additional benefit they will bring, over and above what would have happened anyway. This includes making the case that this solution can only be achieved with public co-investment. Proposals to develop skills infrastructure must show that development costs are proportionate to impact, with maximum benefit delivered per pound.

## **Feasibility**

Proposals must show a robust project plan, with adequate resourcing, credible leadership and strong, appropriate partnership arrangements. It will need to be clear that all key partners are fully on board, and that the project can be delivered within reasonable timescales.

## **Future prospects**

We want examples for how the skills system can operate in the future; for example through industrial partnerships. Proposals will be judged on what prospects they offer for enduring value beyond the project's lifetime. Proposals should set out whether the approach could be scaled up, or replicated by others to realise wider benefits or inform future decisions about how skills training is delivered. Proposals to develop skills infrastructure will need to show a robust business model for sustainability beyond the period of public co-investment in start-up costs.

## **Guidance on addressing the criteria**

In the guidance for bidders, you will find more detail on what you should cover in addressing the criteria, according to the type of application you are making. Against some criteria, you will need to provide some different information depending on whether you are applying for support with training costs, support for infrastructure costs, or both.

More detailed information about the investment criteria, application forms and guidance will be available in early 2013 on the pilot website [here](#).

# 5. Eligibility

All bids must be led by a named employer(s) to demonstrate that proposals are driven by and respond to their needs. Evidence of a lead employer(s) will be asked for in the application form. The lead employer(s) does not necessarily need to be the direct recipient of funding, but could nominate a third party to manage funds. Where that is the case the bid will need to set out how they will ensure close collaborative relationships are maintained. Where a bid includes an infrastructure element that funding will need to be routed through a third party.

## Third party involvement

Although all bids need to have a clear employer(s) lead, in some cases an intermediary may be useful to bring the bidders together, to act as the conduit to manage activity and be responsible/ accountable for funding. This may be the case where:

- A bid is setting up a new structure to take end to end responsibility for skills in a locality / industry;
- A group of SMEs want to come together to gain greater leverage and the advantages of collaboration;
- A college or other skills provider brokers a solution for a number of employers which is clearly different to the mainstream offer;
- As set out in the recent report by Lord Heseltine '[No stone unturned in pursuit of growth](#)' a Local Enterprise Partnership (LEP) can bring employers together locally to better develop, define and articulate proposals to better deliver training to meet the needs of employers.

Intermediaries can be helpful in supporting employers to collaborate, coordinate bid activity, manage the learning / participation investment if required, and support additional activities (such as improving the quality and value of workforce development opportunities).

In all bids employers must have played the lead role in developing the bid, and evidence of strong leadership and clear influence will be needed in the proposal. The bid should show how the employers will work in close collaboration with the third party throughout the project.

For infrastructure projects funding must be routed through the intermediary. This means that, within one project, resources relating to delivering training and development could be routed through an employer, and those related to infrastructure development routed through an intermediary. The function of an intermediary could be performed for example (but not exclusively) by: Catapult Centres, Sector Skills Councils, Chambers of Commerce, Local Enterprise Partnerships, Group Training Associations, trade bodies, providers.

## Employer type and scope

The aim of the pilot is to test how Government investment in skills can be used to better match training and development with productivity and growth. To that end the primary target is private business and in particular those aligned to Government's [industrial strategy](#). However, proposals from public and voluntary sector employers will also be considered.

Bidders can be based anywhere, but benefits must focus solely on England.

Bidders will need to assure themselves they comply with [state aid](#) legislation in considering the size of their bid.

# 6. Applying for funding

This competition will have two pathways, with bidders able to opt either to submit a full bid or an outline proposal at the deadline on 28 March 2013. Bidders will need to register their interest by 11 March.

Full bids received will progress straight to assessment, with decisions by the Investment Board made in June. Successful bids will be subject to due diligence and grant offer letter negotiations. We expect delivery activity to commence from September 2013.

Outline proposals will be assessed by the Investment Board and successful bidders given feedback and invited to undertake a 12 week development period. At the end of this period they will submit a full bid which will be assessed by the Investment Board. Successful bids will then be subject to due diligence and grant offer letter negotiations, with activity expected to begin early in 2014.

Full investment criteria, application forms and guidance will be available in early 2013 on the [pilot website](#).

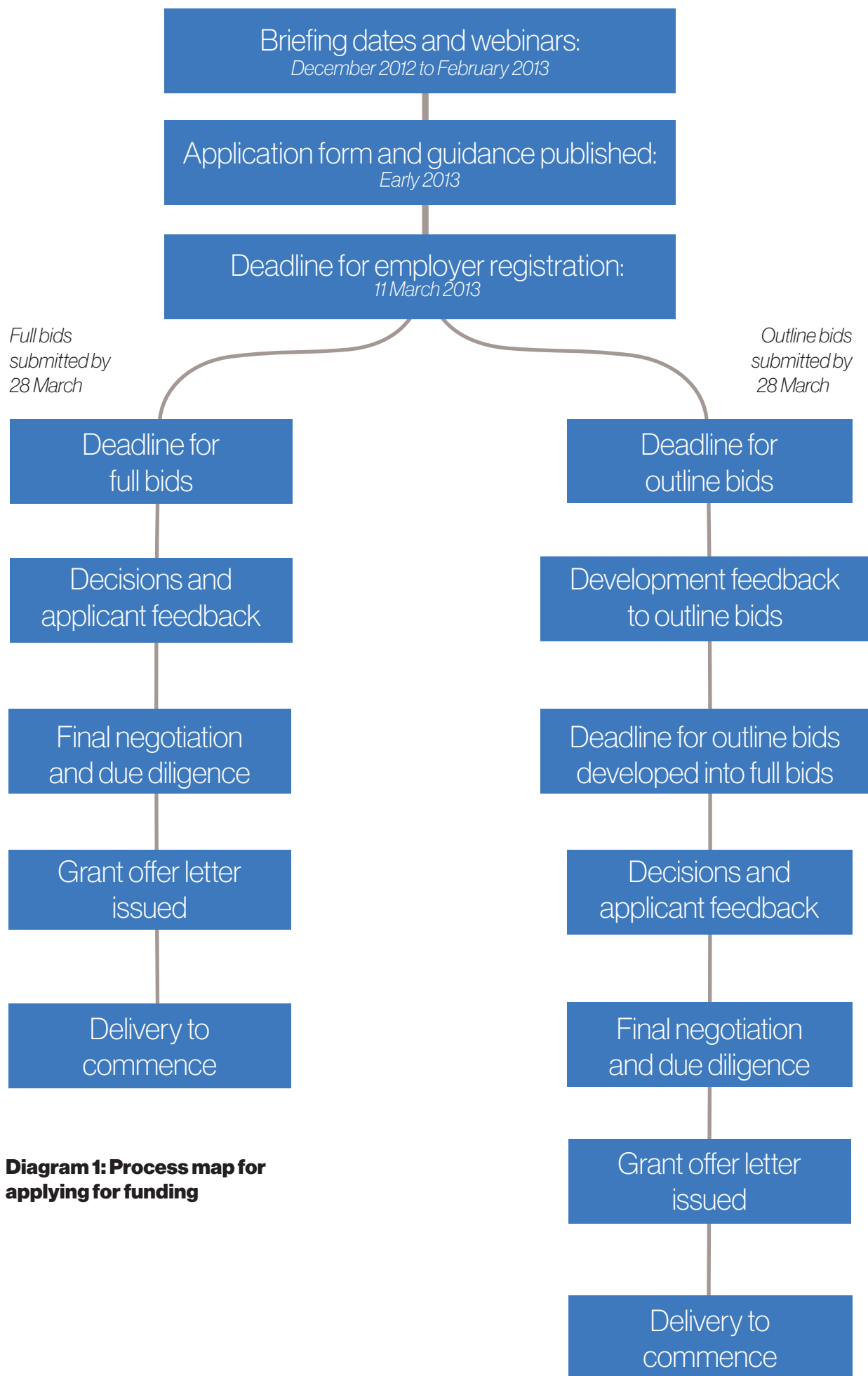
## Key dates

Key dates for the application process are set out below. Please visit the [pilot website](#) for further details.

The investment board will meet throughout spring and summer to assess bids at the most appropriate point. The Investment Board will present its recommendations on successful bids to Ministers in the Department for Business, Innovation and Skills and the Department for Education.

**Table 1: Key dates in application process for funding**

<i>Key Dates</i>	<i>Expected timeline</i>
Briefing dates and webinars	December 2012 to February 2013
Full application form and guidance published	Early 2013
Deadline for employer registration	11 March 2013
Deadline for full and outline bids	28 March 2013
Decisions regarding full and outline bids	May/June 2013
Deadline for developed full bids	August 2013
Decisions regarding developed full bids	November 2013
Delivery to commence	From September 2013 onwards



# 6. Applying for funding

## Briefing events and webinars

We will be holding a number of events and webinars to help employers to bid. We encourage all employers and partners, including Local Enterprise Partnerships and employer representative groups, who are interested in developing a proposal to attend at least one of the events being held across England in the coming months. These sessions will provide an opportunity to ask questions, learn more about the kind of proposals we are looking for and meet other stakeholders interested in the pilot.

You are encouraged to attend the event(s) most relevant to you. We are also working with stakeholders who are hosting their own events. These will be highlighted on the website.

Event dates may be subject to change and interested parties should check the website regularly for the latest information. We will also be promoting all the events through our social media channels. To attend any of these sessions please visit the [website page](#) for details. If you would like to sign up to our mailing list, please do so on our [website](#).

**Table 2: Dates of briefing events and webinars**

<i>Event</i>	<i>Location</i>	<i>Date</i>
Employer Ownership Pilot awareness raising events (open to all)	Leeds, London, Bristol Liverpool, Tees Valley, Birmingham	<a href="#">Leeds: 5 December 2012</a> <a href="#">London: 14 December 2012</a> <a href="#">Bristol: 17 December 2012</a> <a href="#">Liverpool: 9 January 2013</a> <a href="#">Tees Valley: 14 January 2013</a> <a href="#">Birmingham: 18 January 2013</a>
A series of regional and sector workshops (only to be attended by those in the specified sector/region)	(TBC on UK Commission's website)	<a href="#">December-January (Dates will be confirmed on the UK Commission's website)</a>
Employer Ownership Pilot Workshop (open to people who unsuccessfully submitted a bid to round 1 of the pilot)	Midlands (TBC on UK Commission's website)	<a href="#">10 January 2013</a>
Webinars to help employers to develop proposals (open to all)	Web based	<a href="#">25, 29 January 2013</a> <a href="#">6, 11, 13, 20 February 2013</a>

## Assessment process

An Investment Board will oversee the sifting and appraisal process. We envisage an automatic eligibility sift as bids are submitted. Depending on the number of applicants, bids may then be hard sifted on the basis of a sub-set of criteria, such as value for money, project rationale and/or feasibility. Bids remaining after any hard sift will then be assessed on the full application form.

The Investment Board will review shortlisted applications and select those that fit most closely with the assessment criteria. Final decisions will be taken in the context of ensuring a balanced portfolio of investments.

To assist with the assessment process, the lead employer(s) from a bid may be offered the opportunity to present their proposals. This will depend on the value, complexity and risk associated with each proposal. Please note that those applicants invited to present will be given a minimum of two weeks notice.

The Investment Board is chaired by Charlie Mayfield (Chair, UKCES), and comprises of UKCES Commissioners and senior officials from BIS, DfE, DWP, UKCES, the Skills Funding Agency and the National Apprenticeship Service.

## Decisions and feedback

We will write to all applicants within ten working days of the final decision to notify them of the outcome. All decisions are final. There will be no right of appeal for unsuccessful proposals.

Applicants wishing to receive more detailed feedback on the decision should request this via [employerownershipqueries@bis.gsi.gov.uk](mailto:employerownershipqueries@bis.gsi.gov.uk).

Detailed development feedback will be given to outline bids invited to develop full bids.

## Investment agreements and monitoring

Successful applicants will sign a grant offer letter with Government, which will be the Investment Agreement. The letter will set out the outcomes to be achieved by the project, a payment profile and monitoring arrangements. If projects include skills or training activity for 16-18 year olds, there will be a requirement for information to be separated for that age group.

Accountability structures will be as light touch as possible, with the successful bidders being allocated a single point of contact for the account management of their project. Monitoring arrangements will be appropriate to the scale and risk of the project being undertaken and will, where possible, make use of existing company systems and audit arrangements.

Should successful bids fall within the scope of State Aid, additional monitoring requirements may be requested to ensure compliance with State Aid regulation. We welcome bids that propose how the intended outcomes could be measured in a way that ensures accountability of all partners and is low cost but auditable.

Successful applicants will be required to participate in and provide data to assist with the programme level evaluation of the pilot, as well as to support the production of relevant national statistics. The programme level evaluation will draw on the evaluation of individual projects carried out by successful applicants.

## State Aid

Employers should bear in mind that all applications will need to be assessed for State Aid compliance, and should assure themselves that the bid is State Aid compliant. We consider that the General Block Exemption Regulation provisions on training will generally provide legal cover for training costs.

It is the responsibility of the employer to monitor their own compliance with the State Aid rules. Further information about State Aid can be found [here](#).

# 7. Employer ownership: a long term vision

The UK Commission for Employment and Skills has developed a vision to make investing in the skills of people an intrinsic part of securing growth and prosperity. The vision is grounded in the following five principles:

- Employers know their industry best and need the space to own the skills agenda
- There is a single market for skills which aligns public investment to private investment in workforce development to leverage more and better outcomes
- Employer facing skills solutions are employer led in design and delivery
- Incentives and investments should go to employers directly, giving purchasing power to employers
- Transactions are simple and understandable for employers.

The UK Commission believes that to improve the way that we invest in people we need to take three bold steps which encourage greater employer ownership of skills in partnership with their employees and trade unions.

**Step 1** Strong employer led partnerships take responsibility for workforce development in their industry.

**Step 2** Public expenditure for work based training moves from Government funding of training providers based on qualifications to direct employer investment based on outcomes.

**Step 3** Greater employer and college collaboration. Building on the very best of college and employer partnerships that exist already and which focus on achieving far greater reach and engagement with small and medium sized enterprises with the potential for new models of ownership.

This prospectus invites employers to come forward with radical proposals that test this vision and the full potential of employer ownership. What we learn from these pilots will help shape workforce development over the long term.

**The Employer Ownership Pilot seeks to test the longer term vision and therefore bidders should consider how the UK Commission's principles and steps for change are encapsulated in their bid. The original UK Commission vision is available [here](#).**

# 8. Further information

Questions and enquiries regarding the Employer Ownership of Skills pilot can be submitted to:

[employerownershipqueries@bis.gsi.gov.uk](mailto:employerownershipqueries@bis.gsi.gov.uk)

We aim to respond to questions within three working days. It is important to note that in order for all applicants to have access to the same information, responses including significant new information will be shared publicly through the [pilot website](#). Details of those asking questions will not be made public. This website will be updated regularly and applicants should ensure they have taken account of the latest information provided when preparing their applications.

## **Freedom of Information and Data Protection**

Please be aware that the Department for Business, Innovation and Skills (BIS) is a public body which is subject to the provisions of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. If you mark any material you submit as part of your application as confidential or indicate that its disclosure would, or would be likely to be prejudicial to your or anyone else's commercial or other interests, then BIS will have regard to this when considering if any of the exemptions from disclosure in the relevant legislation apply where a request has been made the scope of which includes the information you have provided. You should also explain why release of this information would be prejudicial to your interests or those of third parties. However BIS cannot guarantee that any information supplied to it would not fall to be disclosed, whether following an initial request for information or by a direction of a regulatory authority (including the Information Commissioner) or a court or other authority of competent jurisdiction.

Any personal data that is provided as part of your application will be processed in accordance with the Data Protection Act 1998, in particular in full compliance with the data protection principles in schedule 1 of that Act. The personal information will only be processed by BIS (and its administrators) for the purpose of assessing your eligibility for the Fund. It will not be used for any other purpose without your permission, nor will it be shared with any third party, subject to the provisions of the 1998 Act.

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