

Growth and Innovation Fund Investment Agreement

Project Name

Between
UK Commission for Employment and Skills and
Organisations name

Agreement reference: xxxxxxxx

UK COMMISSION FOR EMPLOYMENT AND SKILLS INVESTMENT FUNDING AGREEMENT

1 THIS INVESTMENT FUNDING AGREEMENT IS MADE ON **DATE**, BETWEEN

- 1.1 The **UK COMMISSION FOR EMPLOYMENT AND SKILLS** (Company registration no. 6425800) whose registered office is at Renaissance House, Adwick Park, Wath-Upon-Deane, S63 5NB (the “**UK Commission**”); and
- 1.2 **COMPANY NAME LIMITED** (Company registration no. **Company Number**) whose registered office is at **address line#1**, **address line#2**, **address line#3**, **address line#4**, **postcode** and whose address for correspondence is **address line#1**, **address line#2**, **address line#3**, **address line#4**, **postcode**, (the “**Company**”).

2 BACKGROUND:

- 2.1 The UK Commission is a public body charged with providing Funding pursuant to sections 2 and 5 of the Employment Training Act 1973 (as amended by section 25 of the Employment Act 1988) and section 14 of the Education Act 2002.
- 2.2 In November 2010 the Government announced in its skills strategy paper, Skills for Sustainable Growth, the establishment of a Growth and Innovation Fund (GIF); a fund that will support employers to be more ambitious about raising skills in their sectors and improve their development and deployment of workplace knowledge and skills.
- 2.3 The skills and capabilities of the workforce are the ultimate basis for the long-term competitiveness of the economy. Whilst our leading employers are amongst the best in the world, much greater commitment is needed from all businesses to invest in the skills that drive enterprise, productivity and growth.
- 2.4 The investment fund aims to support employers in overcoming obstacles to this commitment. It will co-invest in innovative employer-led skills solutions with the potential to achieve scale and make a significant impact on the big skills challenges facing employers.
- 2.5 The Growth and Innovation Fund is intended to deliver:
 - Co-investment and sustainability – Government and employer investment to trial and pilot new targeted initiatives, with employers leading and sustaining this investment over the long-term.
 - Sectoral leadership – Strong sectoral leadership and tangible support for the proposed approach.
 - Scale and impact – Solutions that are supported will demonstrate ability to lever significant scale and impact where appropriate.
 - Targeted solutions – to drive and enable **business growth** and promote high performance workplaces by directly addressing clearly evidenced strategic skills issues.
 - Innovation – to develop new solutions for the strategic skills issues facing the economy both now and in the future, where current approaches are not successfully meeting skills needs.
 - Partnership – Between government and employers and between sector/employer bodies to implement change effectively and quickly to ensure that the benefits of the Growth and Innovation Fund are rapidly available to all.
- 2.6 The UK Commission invited applications to the fund under the Best Market Solution Strand within the Prospectus specification.

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- 2.7 The Company wishes to undertake the project described in more detail in Schedule 1 (Investment Plan) and full investment proposal (the “**Project**”) and has applied to the UK Commission to receive funding.
- 2.8 The UK Commission wishes to invest in the project and therefore make funding available to the Company for the purposes of the Project and the defined impact/return on investment, upon and subject to the terms of this Investment Funding Agreement.

3 PROJECT OBJECTIVES AND OVERVIEW

3.1 Insert Specific Objectives.

- 3.2 The full proposition and annexes assessed by the Investment Board on provides the overall framework for delivery.

IT IS AGREED AS FOLLOWS:

4 INTERPRETATION

- 4.1 References to Conditions and Schedules are to Conditions of and Schedules to this Investment Funding Agreement.
- 4.2 The headings to and numbering of the Conditions and Schedules shall not affect their interpretation.
- 4.3 Any Schedules to this Investment Funding Agreement shall be deemed to form part of and to be incorporated into this Investment Funding Agreement.
- 4.4 The UK Commission’s Standard Conditions of Investment Funding (Version 2.0) dated February 2012 or subsequent agreed version issued on the UK Commission Website (the “**Standard Conditions**”) shall be deemed to form and be read and construed as part of this Investment Funding Agreement.
- 4.5 In the event of any conflict between the provisions of this Investment Funding Agreement and the Standard Conditions, the provisions of this Investment Funding Agreement shall take precedence.
- 4.6 In this Investment Funding Agreement the following words shall mean:
- | | |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment | The Project that the UK Commission wishes to fund with the expectation that it will achieve the outputs, outcomes and impacts defined in this Investment Funding Agreement. |
| Investment Plan | The investment plan agreed between the Company and the UK Commission as set out in Schedule 1 - defining delivery activity, anticipated outputs, outcomes and impact of the projects. |
| Investment Proposal | The initial investment proposal from the Company requesting Growth and Innovation Funding. |
| Investment Stage | The Stages set out in Schedule 1. |
| Prospectus | The Growth and Innovation Fund – Prospectus. |
| Stage Completion Report | A report that shall be completed and submitted at the end of each Investment Stage defined in Schedule 1 – Investment Plans (template format provided on the UK Commission website). It shall outline the activity undertaken and completed during the Investment Stage |
- 4.7 Where terms are not defined in this Investment Funding Agreement, the definitions used in the Standard Conditions will apply.

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5 DURATION

- 5.1 This Investment Funding Agreement commences on **date** (the “**Commencement Date**”) and will continue in force until **date** or until it is terminated (the “**Agreement Term**”) in accordance with Condition 19 of the Standard Conditions.

6 PROJECT DELIVERY

- 6.1 The Company shall deliver the Project in accordance with Schedule 1 (Investment Plan), the Investment Proposal and such other subsequent correspondence between the Company and the UK Commission negotiating and agreeing the terms and conditions of the Investment Funding.

7 AWARD AND PAYMENT OF INVESTMENT FUNDING

- 7.1 The UK Commission agrees to make funding available to the Company for the purposes of the Project up to a maximum amount of **(insert value in words) (£)** (the “**Investment Funding**”).
- 7.2 Schedule 1 (Investment Plan) sets out the Parties’ initial proposals as to how Investment payments will be structured and profiled.
- 7.3 The UK Commission shall fund the investment in accordance with Schedule 1 (Investment Plan).
- 7.4 For the purposes of this Investment Funding Agreement Schedule 2 (Finance Terms) shall apply to any such costs incurred in the delivery of the Project (Schedule 1 – Investment Plan).
- 7.5 If applicable insert - [Subject to the Standard Conditions, in order for the Company to successfully commence the delivery of the Investment Plan, the UK Commission will provide the Company with an initial working capital payment of £xxxxxx.
- 7.6 Any payments made pursuant to Condition 7.5 shall be recovered as the Project is delivered in accordance with the Investment Plan (Schedule 1) or the terms of this Investment Agreement].
- 7.7 Upon completion of each stage of the Investment Plan (Schedule 1) the Company shall submit to the UK Commission a request (an “**Investment Request**”) for the corresponding Investment payment. All requests for payment shall be submitted no later than 10 working days after each completion date specified in the Investment Plan and shall be accompanied by a Stage Completion Report, financial return, supporting evidence of deliverables as required and a progress update (defined in clause 9.3) on the remaining stages of the deliverables in the Project, signed off by the Company’s CEO.
- 7.8 If the Company is unable to meet the timescale set out in 6.1 they shall notify the UK Commission as soon as it becomes apparent and before the due date, giving reasons.
- 7.9 The UK Commission will not be responsible to the Company for any delay in payment to the extent that such delay is caused by incomplete or illegible investment requests or evidence, or failure of the company to respond in a timely manner to the UK Commission enquiries about the Investment request.
- 7.10 Each subsequent investment staged payment will be subject to the successful completion of the deliverables and approval by the UK Commission of the preceding investment stage.
- 7.11 If the Investment Agreement is terminated other than through the fault of the Company, i.e. during a stage subsequent to a previous stage where the UK Commission has made the decision not to continue the investment, the Company will promptly draw up a final investment request, the value of which will be proportionate to the level of delivery previously not requested.
- 7.12 5% of the total value of the Investment Funding awarded for the project, (the “**retention**”) will be paid to the Company upon completion of the project, receipt of an independent, objective evaluation report and final approval/sign off by the UK Commission.

8 INVESTMENT MANAGERS

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- 8.1 The Investment Manager for this Project on behalf of the UK Commission is Name E:email@ukces.org.uk, T: 01709 xxx, M: xxxxxx or such person as is notified to the Company from time to time.
- 8.2 The Project Manager for this Project on behalf of the Company is name, job title, E: e-mail, T: land line, M:mobile or such person as is notified to the UK Commission from time to time.

9 INVESTMENT RELATIONSHIP AND MONITORING ARRANGEMENTS

- 9.1 The UK Commission Investment Manager shall work alongside the Company to ensure the Investment Agreement achieves the best possible impact/return on investment and shall hold formal investment appraisal meetings upon completion of each investment stage and as necessary throughout the Agreement Term.
- 9.2 The Company shall produce and submit interim Project Progress Report and a financial return on a (basis to be determined /agreed on a case by case basis during negotiation stages and based on level of risk involved in the staged Investments/duration between investments etc. in addition to Stage Completion reports.
- 9.3 The progress report shall be no longer than 8 pages, free format, signed off by the Company's CEO and should include the Company's assessment of:
- 9.3.1 The progress made in carrying out the deliverables, producing the outputs and achieving the results set out in Schedule 1 (Investment Plan);
 - 9.3.2 Status of working relationships with Partners, employers, key stakeholders;
 - 9.3.3 Progress made against the evaluation plan (Condition 11.2);
 - 9.3.4 Key activities / expected achievements in the next investment stage;
 - 9.3.5 Any fundamental changes to the approach, delivery, project team or investment stages, giving reasons;
 - 9.3.6 Any problems that have been encountered and how they are being resolved;
 - 9.3.7 Any new risks or any risks that need to be escalated to the UK Commission and Investment Board;
 - 9.3.8 Such other matters that the UK Commission's Investment Manager stipulates from time to time.
- 9.4 The financial return should include a Profit & Loss statement for the Project containing a summary of actual income received, costs incurred to date and future forecast income and costs to the end of the project period, compared with the agreed budget. The report should also include details of any employer contributions/co investment and employer in kind support indicating whether it is in line with initial projections. This information can be submitted in free format but should be consistent with the financial information provided to the Company's Board.
- 9.5 The UK Commission reserves the right to withhold investment funding payments and or refuse to make further investment funding payments and terminate this Investment Funding Agreement as described in the Standard Terms Para 19.1, if:
- 9.5.1 the Project is not progressing in line with Schedule 1 (Investment Plan);
 - 9.5.2 support for the project from co investors is declining or not forthcoming as planned;
 - 9.5.3 the Company fails to adhere to the requirements of this Investment Funding Agreement.
 - 9.5.4 the Company is unable to or fails to measure the outputs, outcomes and impact defined in Schedule 1 (Investment Plan), the agreed Evaluation Plans and the original Investment proposal.

Refer to Conditions 19.4 and 20 of the Standard Conditions.

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- 9.6 The UK Commission will, at their discretion, arrange an urgent monitoring visit to discuss and agree any key actions required to get the project/investment back on schedule. All agreed actions will be confirmed in writing and monitored; future investment funding will be reviewed and is subject to all agreed actions being completed and the Project getting back on schedule.

10 MARKETING AND PUBLICITY

- 10.1 The UK Commission reserves the right, in perpetuity and without limitation, to publish reports and other content in relation to the UK Commission's grant of Investment Funding to the Company and other investees, including without limitation the existence of the grant of Funding to the Company and the progress, impact, results and successes of such Investment Funding.
- 10.2 The Company shall provide such assistance as the UK Commission may request in the production and publication of the progress, outcomes and impact of the Growth and Innovation Fund Investments and supply relevant information as required.
- 10.3 The Company shall pay due regard to the Standard Conditions clause 32.1 before carrying out any marketing and/or publicity in relation to this Investment.

11 EVALUATION OF IMPACT/RETURN ON INVESTMENT

- 11.1 The Company shall have appropriate and effective processes in place to evaluate project impact and success to demonstrate the return on investment.
- 11.2 The Company shall produce an Evaluation Plan that shall be submitted to the UK Commission as defined in the Investment Plan – Schedule 1 and shall provide regular progress updates as part of the monitoring arrangements in clause 9.3.
- 11.3 The Company shall be required to provide and submit to the UK Commission an independent and objective Evaluation Report post completion of the final investment stage, by a date defined and agreed in the Investment Plan – Schedule 1.
- 11.4 The Company shall be required to participate in any additional evaluation activity as required by the UK Commission from time to time and post the Agreement Term, to continue the reporting of impact/return on investment.
- 11.5 All evidence of evaluation data, including beneficiary data, shall be retained by the Company and may be subject to further analysis or audit by the UK Commission. This will not be required to be submitted to the UK Commission unless it is asked for.

12 SPECIAL CONDITIONS

If required

13 BINDING AGREEMENT

- 13.1 The terms of this Investment Funding Agreement shall bind the UK Commission and the Company with effect from the Commencement Date.

Authorised to sign for and on behalf of UK Commission for Employment and Skills

GIF4 PRXXXXX:

Print Name

Position in Organisation

Date:

Witness 2 Signature

**UK COMMISSION FOR EMPLOYMENT AND SKILLS
INVESTMENT FUNDING AGREEMENT**

GIF4 PRXXXXX:

Print Name

Position in Organisation

Date:

Authorised to sign for and on behalf of Company.

GIF4 PRXXXXX:

Print Name

Position in Organisation

Date:

UK COMMISSION FOR EMPLOYMENT AND SKILLS
SCHEDULE 1 – INVESTMENT PLAN

GROWTH AND INNOVATION FUND INVESTMENT PLAN

Project Title:

| Project Objective and Overview: | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|-----------------------------------------|---------------------------------|---------|
| Outputs | Baseline | Year 1 – <i>define yr</i> | Year 2 – <i>define yr</i> | Year 3 – <i>define yr</i> | | |
| | | | | | | |
| Outcomes | | | | | | |
| | | | | | | |
| Impacts - Anticipated Return on Investment <i>Describe anticipated outcomes and impacts (with dates) during and beyond the life of the GIF investment</i> | | | | | | |
| | Investment Stage Deliverables and Outputs | Start Date | Completion Date | Growth and Innovation Fund Investment £ | Anticipated Employer Investment | |
| | | | | | £ | In-kind |
| Stage 1 | Title <ul style="list-style-type: none"> <i>Key deliverables/outputs</i> Investment evaluation plan agreed with UK Commission Stage completion report provided | | | | | |
| Stage 2 | Title <ul style="list-style-type: none"> <i>Key deliverables/outputs</i> Stage completion report provided | | | | | |
| Stage 3 | Title <ul style="list-style-type: none"> <i>Key deliverables/outputs</i> Stage completion report provided | | | | | |
| Final | Evaluation <ul style="list-style-type: none"> An evaluation report completed on impact/return on investment Plan for ongoing monitoring and evaluation of impact/return on investment agreed with UK Commission | | | <i>5% of total investment</i> | | |
| TOTAL | | | | | | |

UK COMMISSION FOR EMPLOYMENT AND SKILLS

SCHEDULE 2 – FINANCE TERMS

1 GENERAL OBLIGATION OF THE COMPANY

- 1.1 The Company will, and will ensure that the Company's agents and sub-contractors will, have regard to the total value of the Investment Funding.
- 1.2 The Company will deliver the Project in an efficient and cost-effective manner.

2 ELIGIBLE COSTS

- 2.1 The UK Commission will deem the Company's costs towards delivering the Project eligible, provided that the Company can demonstrate that such costs were incurred in completing a specific activity and/or achieving a specific output or outcome, in each case as specified in Schedule 1 (Investment Plan) and as presented in the Costing Template submitted in the application and or negotiation process.

3 INELIGIBLE COSTS

- 3.1 The UK Commission will only deem costs to the Company as eligible in accordance with condition 2 (Eligible Costs).
- 3.2 Without prejudice to condition 3.1 the UK Commission will deem costs to the Company as ineligible where such costs:
 - 3.2.1 do not relate to delivery of the Project;
 - 3.2.2 relate to goods, services or activities provided by the Company, or commissioned by the Company, which were not in accordance with the specifications set out in Schedule 1 (Investment Plan) and the published Growth and Innovation Fund Prospectus;
 - 3.2.3 were the costs of disposing of a Capital Asset;
 - 3.2.4 relate to an illegal or improper activity;
 - 3.2.5 were incurred as a result of any subscription or donation of a political nature;
 - 3.2.6 were incurred as a result of the Company's fraud; and/or
 - 3.2.7 were otherwise incurred by the Company acting in breach of the Agreement.

4 INVESTMENT PAYMENTS

- 4.1 Condition 6 of the Standard Conditions shall apply in respect of requests for payment of Investment Funding by the Company.

5 INVESTMENT FUNDING AND REVIEW OBLIGATIONS

- 5.1 Under performance, failure to produce appropriate evidence, overdue targets, or less than anticipated outputs, outcomes and impacts may result in payments being delayed, withheld or clawed back.
- 5.2 All evidence of expenditure incurred in the delivery of the activities in Schedule 1 – Investment Plan will be retained by the Company and may be subject to audit by the UK Commission. This will not be required to be submitted to the UK Commission unless it is asked for.
- 5.3 The UK Commission shall undertake a programme of audits across the Growth and Innovation Fund and reserves the right to:
 - 5.3.1 Request, review or carry out at least one audit of actual costs incurred, outputs and impacts/return on investment delivered or achieved on the Project during the Agreement Term;
 - 5.3.2 Inspect the records of partner organisations working in collaboration with the Company to deliver the Project(s); the Company shall ensure that the UK Commission has such access as it may reasonably require to enable this to take place;
 - 5.3.3 Request, review or carry out an audit to investigate a significant delay in delivery or under performance; specific delivery issues; or the UK Commission has any reason to believe contractual terms have not been adhered to.
 - 5.3.4 Claw back any investment funding if unsatisfactory audit findings show a breach of the terms of this Investment Funding Agreement.