

This document replicates much of the information contained on the GIF website at <http://www.ukces.org.uk/ourwork/investment/growthinnovationfund> in an easy to print format. You are encouraged to view the GIF website to access additional content referenced within this document.

# **GROWTH AND INNOVATION FUND**

## **GUIDANCE NOTES**

**10 APRIL 2012**

## **What is the Growth and Innovation Fund?**

The Growth and Innovation Fund (GIF) helps employers develop their own innovative, sustainable skills solutions which have the potential to transform growth in their sector, region or supply chain. The skills and entrepreneurship of people up and down supply chains in different sectors of the economy can be a greater source of competitive advantage than ever before. It provides a mechanism for networks of employers to design skills solutions that meet a clear need. For example proposals can range from skills solutions for those entering the sector, increasing the uptake of apprenticeships to leadership and management solutions to support future growth of the economy.

Together, we need to do everything we can to bring enhanced skills to bear in the economy. GIF offers an opportunity for businesses to benefit from a powerful injection of public investment to support ideas that would not otherwise get off the ground. GIF will co-invest up to £34 million with employers in 2012-13, with comparable levels of investment planned for the following two years. £29m remains available in 2012-13 for new projects with the balance sustaining existing GIF projects.

Where employers get together to devise an innovative approach to boosting their investment in future skills needs of the existing and future workforce, and can demonstrate that the approach is ultimately sustainable without ongoing public investment, GIF can invest alongside them in making that transformation happen as quickly as possible. GIF enables employers, with the support of their industry and sector bodies, to work within their supply chains, business clusters, with colleges and training providers and with their staff and trade unions, to remove the barriers they face in developing the skills they need and to make the most of opportunities for jobs and growth.

A variety of successful projects from our first round are already underway with employers and other partners working together to create the tailored solutions that will grow the skills businesses need (see GIF website for details). These solutions all have a realistic prospect of taking root, achieving a sustainable future with further public investment and making a positive impact on growth.

Following that first round, we have made several improvements to GIF to make it even more accessible to potential applicants. GIF is now open for business all year round, meaning proposals can be submitted whenever they arise and are ready to be considered for investment. Where proposals are identified as meriting GIF co-investment the UK Commission for Employment and Skills and the Skills Funding Agency will be available to work alongside the applicant to ensure the projects have the very best chance of fulfilling their promise to make a significant impact on enterprise, jobs and growth.

## **Foreword from John Hayes, Minister of State for Further Education, Skills and Lifelong Learning:**

I believe that having the right skills in place is a vital factor in ensuring competitiveness in our businesses and growth in our economy. Our fundamental approach to this has been both to free up colleges and skills providers to be more responsive to business, and to do all we can to encourage employer ownership of and investment in skills. GIF encapsulates this new approach we have brought to the skills system. It is there to help business achieve its growth potential, not by ongoing public subsidy but a shared investment in setting up what you as employers say you need to marshal the most effective and innovative development and delivery of skills.

The ever-growing contribution of apprenticeships at all levels lies at the heart of how we can equip our economy for future success. We have recently announced a range of enhancements and

simplifications to the apprenticeships offer to help businesses, especially SMEs, to take advantage of what apprenticeships can bring. The way that employers themselves work together can also be a powerful way to overcome barriers to taking full advantage of apprenticeships. Coming together in a modern Guild, for example, can encompass a whole range of collective arrangements to promote apprenticeships; Group Training Associations and other innovative networks can bring together information and purchasing power in a way that businesses cannot manage on their own.

We want to be responsive to the solutions businesses identify as meeting their key skills challenges. This will not be confined to apprenticeships: although I am a passionate advocate of apprenticeships, I want to benefit from the full range of innovative ideas employers can bring forward. I am delighted that GIF is already supporting a wide range of projects which pick up on the particular challenges and opportunities before the employers involved. I urge you to follow the lead of this first wave of projects and devise new ways that you can work together to maximise your growth potential through skills. Where help is needed to get such arrangements off the ground that is where GIF can come in.

I have asked the GIF Board to make sure it identifies good ideas to back at the earliest opportunity. The fund is open for business all year round and officials from the UK Commission and Skills Funding Agency will support applicant organisations as they develop projects, where the ideas show real promise. I am sure that you can rise to the challenge of bringing us ambitious, innovative and powerful ideas.

### **Foreword from Charlie Mayfield, Chair of UK Commission for Employment and Skills and Chair of GIF Board:**

GIF is a key part of a significant change in how we approach skills issues, with employer ownership at its heart. Alongside employers we are injecting concentrated investment in projects that have the power to transform businesses' growth potential.

I am delighted with the range of exciting projects already under way, where we are giving impetus to employers' innovative ideas to drive competitiveness through skills. Together, we need to magnify that effort to meet the urgent need to support growth across our economy.

We have streamlined how the GIF works and I am confident that you will find it a truly responsive ally, with the UK Commission for Employment and Skills and the Skills Funding Agency working together to help you make real and lasting change.

### **What kinds of proposals will the Fund invest in?**

Every sector and group of employers faces a unique set of challenges if it is to maximise the competitive advantage that lies within the skills and capabilities of its workforce

GIF is able to invest in a wide variety of ideas and is actively seeking proposals that:

- deliver demonstrably employer-led, innovative and future-proofed skills solutions
- support the drive to greater ownership of skills by employers
- use GIF investment alongside employer investment
- build sustainable skills capacity and infrastructure

The proposals must have the realistic prospect of:

- making a significant impact on enterprise, productivity and growth
- drawing in greater employer investment in the medium term to meet those skills challenges that are an obstacle to growth
- being sustainable beyond the period of GIF funding
- achieving a step-change in the scale, quality, relevance and impact of how skills are delivered, acquired, developed and applied

We expect that organisations submitting applications for GIF will already have established a need and/or market failure to be addressed and that there is employer support for the proposition.

We are willing to invest in projects where a business planning phase is required at the outset, but we are not seeking proposals for feasibility studies.

Strong proposals will be driven by a thorough understanding of what businesses need now and in the future. In particular, we encourage employers to bring forward ideas that resonate with themes that are important in driving growth such as:

- addressing shared needs of clusters of employers through value, distribution and supply-chains or around a geographical focus, including in response to large-scale shifts in regional economies and to inward investment opportunities
- Securing greater employer ownership of the skills agenda (which could include laying the foundations for future involvement in the Employer Ownership Pilot)
- identification of new Apprenticeship framework opportunities and growth of Apprenticeships in sectors where there is unrealised potential
- promoting investment in Apprenticeships and their status and progression through collective arrangements that build a sustainable infrastructure strategy for a sector such as Group Training Associations, Apprenticeship Training Agencies, Guilds and professional standards frameworks
- improving the leadership and management capability within businesses, particularly SMEs, through collective employer action such as networks, business support infrastructure and supply chains
- addressing cross sectoral issues such as low carbon and customer service
- meeting the specific needs of SMEs
- innovation in the design and development of skills training solutions, including bespoke provision, in sectors where there is identified need or growth or supporting niche sectors in dealing with the challenges ahead
- innovation in delivery of skills and skills training, with employer-led organisations playing a leading role in building capability, capacity and active employer engagement
- Improving opportunities for young people to progress into and within work through strengthening SME capacity to support such access and progression
- Improving the capacity of business networks, particularly SMEs to come together to offer high quality work experience opportunities for young people

In the first round of the Fund investments were made in a wide range of solutions from the design and creation of a Hospitality Guild to the establishment of a Training Network for the Renewables sector. Potential applicants may find it helpful to look at the projects which succeeded in attracting investment in round one, to see some concrete examples of different ideas which fit with the aim of the Fund (see GIF website for details).

Whilst the Fund has been designed to be as flexible as possible there are constraints on what can be supported through the Fund. Further information can be found on page 10 under 'What cannot be supported through GIF?'

## **Eligibility**

### **Eligible**

Encouraging employer ownership is at the heart of the Fund and we welcome applications from a wide range of employer-led organisations.

Sector Skills Councils, Industry Training Boards, National Skills Academies, employer associations, trade associations, professional bodies and formally constituted sector bodies are all eligible to apply providing they meet the eligibility criteria in the eligibility checker on the GIF website. Where Local Enterprise Partnerships are legally constituted bodies, they may apply; where they are not, we encourage them to work in partnership with an eligible organisation.

We are also keen to encourage groups of employers acting on behalf of a sector consortium or leading supply chain initiatives to work with an eligible organisation to bring forward innovative solutions.

### **Ineligible**

Colleges, training providers, universities, awarding organisations, local authorities and housing associations are not eligible to apply in their own right but collaborative applications led by an eligible organisation are very much welcomed to maximise the potential that can be achieved by partnership working.

Whilst your organisation can be based anywhere in the UK, the benefits of your proposal must focus solely or significantly on England.

Please use the Eligibility Checker on the GIF website to confirm your eligibility to apply for GIF and to request the Fund application form.

## **Applying to the Fund**

### **How to apply**

We have introduced a two stage application process to minimise the amount of time that is spent preparing applications and to allow us to work more closely with those organisations with the most promising ideas.

The first stage is an Outline Proposal application. In this applicants give a succinct overview of their idea and the GIF Board (see GIF website for further details) will score this to identify those proposals which are the closest fit to its investment priorities.

The second stage is a Development Phase which gives us the opportunity to work with selected organisations to help them develop their full proposals.

To apply to the fund you will need to:

- Complete the online Eligibility Checker (available on the GIF website)
- Submit an Outline Proposal using the application form provided

We recognise that some applicants may feel they have well developed proposals and do not require the time or support offered by the development phase. In these circumstances

applicants can submit a Full Proposal for consideration in place of the Outline Proposal. If this situation applies to you please contact [GIF.applications@ukces.org.uk](mailto:GIF.applications@ukces.org.uk) for the Full Proposal application form. (A reference copy of the full proposal form is available on the GIF website and a Word version will be provided to the shortlisted applicants.)

Applications can be supplemented with an optional three to five minute video summarising your idea. Please see the application form for specific guidance on this element.

### **When to apply**

GIF is open for business all year round. Applicants are free to submit their applications to GIF at any time. The GIF Board will meet regularly during the year to make its short listing and investment decisions. However, please note that GIF can only deal with one application from each organisation at any one time.

In 2012 the GIF Board will meet to consider applications on the following dates:

- August 2012 (closing date for new applications 31 May 2012)
- Late November 2012 (closing date for new applications to be confirmed)

Outline Proposal applications must be submitted by the closing date in brackets in order to be considered. Any applications received after this time will be reviewed at the next board meeting. Once an application is approved, applicants will be told the date for submission of full proposal applications.

Further dates beyond 2012 will be provided at a later date and be subject to funds being available.

### **GIF Board**

The GIF Board is chaired by Charlie Mayfield and comprises six UK Commissioners, the Chief Executive of Skills Funding Agency, the Chief Executive of the UK Commission and a senior official from the Department for Business Innovation and Skills.

### **Decision Making Process and Development Phase**

The GIF Board, supported by officials from the UK Commission and Skills Funding Agency, will review the Outline Proposal applications and select those that most closely fit with its published investment criteria to move forward into the development phase. In the event of over-subscription, and between comparably good bids in terms of the criteria, final decisions will be taken in the context of ensuring a balanced portfolio of investments across solution themes, sectors and geography. To assist with the short listing process some applicants may be offered the opportunity to present their proposals to the Board. This will depend on the value, complexity and risk associated with each proposal. Please note that those applicants invited to present to the GIF Board will be notified a minimum of three weeks before the Board date. These dates are set and cannot be changed so it is advisable to note them in diaries now.

During the development phase, shortlisted applicants will develop their Outline Proposals into full applications and take the first steps in getting their solutions off the ground. Each applicant will be assigned an account manager from either the UK Commission or Skills Funding Agency to provide light-touch support and guidance through the development phase. We envisage that the development phase will last a maximum of 12 weeks (the duration will be agreed on a

proposal-by-proposal basis). Where an applicant opts to submit a Full Proposal only, the Board will move straight to a final decision on whether to invest GIF funds in a proposal.

Limited GIF funding is available to support applicants in developing their full proposals and applicants should set out any requirements for this in their application. At the conclusion of the development phase the GIF Board will decide which proposals it wishes to invest fully in. Supporting a proposal into the development phase is not a guarantee of any further investment from GIF.

### **Decisions, appeals, feedback and resubmission**

We will write to all applicants within three working days of the GIF Board meeting to notify them of the outcome. All decisions are final; there will be no right of appeal though unsuccessful proposals may be re-submitted for consideration by the GIF Board on one further occasion. (We recommend that any areas of weakness will have been adequately addressed).

Summary details of successful outline and full proposals will be published on the GIF website.

Applicants wishing to receive more detailed feedback on a decision should request this via [GIF.questions@ukces.co.uk](mailto:GIF.questions@ukces.co.uk). Unfortunately we are only able to provide written feedback due to the volume of applications the Fund receives.

### **Investment Agreements, Monitoring and Evaluation**

Successful applicants will sign up to a GIF Investment Agreement. This will be a phased agreement with clear break points to allow progress to be reviewed at the end of each phase before investment is released and further investment stages are agreed. Successful applicants must ensure monitoring arrangements are in place to report on progress specified in the Investment Agreement.

The Investment Agreement will be with either the UK Commission or Skills Funding Agency depending on which is most appropriate to the solution being developed.

Successful applicants will be required to participate in, and provide data (including, for example, the contact details of beneficiaries) to assist, with the programme level evaluation of GIF. The programme level evaluation will draw on the evaluation of individual projects carried out by successful applicants.

## Investment Criteria

### What does a successful proposal look like?

Applications to the Fund will be assessed against these core investment criteria:

- **Impact** – proposals must demonstrate their potential for achieving impact and transforming the sector/industry. The proposal should clearly show how the solution will empower employers to sustainably increase their ambition, investment and use of skills and how it will impact upon the contribution skills and workforce capabilities make to enterprise, jobs and growth.
- **Innovation and additionality** – proposals must be innovative on how they address the strategic skills issues of a sector/industry and demonstrate why this solution can only be achieved with public co-investment. Innovation might mean an entirely new idea but could equally be about applying an existing concept or solution to a new sector or context or a new set of partners collaborating together for the first time. Additionality is about showing the additional return on investment for all investors, whether in terms of improved quality or volumes, which would not happen without this proposal. This means applicants need to show that the proposal will not simply substitute one approach for another without any difference in results. Where proposals concern changes in ways of working rather than completely new solutions it will be necessary to demonstrate that this could be expected to lead to better results than would otherwise have been expected.
- **Employer Ownership** – proposals must demonstrate that the employers they represent own, are driving and investing in both the development and uptake of the proposed solution.
- **Deliverability and value for money** (assessed after Development Phase only) - proposals will need to demonstrate a robust, achievable and adequately resourced plan for developing and implementing the solution. The proposal should show that a strong team with a positive delivery track record will lead the implementation and that strong and appropriate partnerships have been forged to deliver the solution. The proposal also needs to demonstrate that the impact /outcome per £ spent is maximised and delivery is cost efficient.
- **Sustainability** (assessed after Development Phase only) - proposals will need to demonstrate that there is a robust, well tested and feasible business model underpinning the long term sustainability of the solution beyond the period of co-investment.

We would expect most successful proposals to be on a relatively large scale requiring annual investment from the Fund **greater than** £500,000 per annum. While we have typically expected proposals covering approximately two years we will also consider shorter term projects where the context supports that (for example, a project to build capacity for a future application to the Employer Ownership Pilot. In some circumstances, where the proposal addresses a particular niche area for instance, the annual investment may be lower and we will consider these proposals where the rationale for the lower investment and the impact is clear.

GIF will only invest in solutions that are designed to benefit employers across the whole of the target market or sector and not be restricted to an individual employer or group of employers.

Further information on the criteria that will be used to assess applications can be found on the following page.



## Detailed Investment Criteria

**Outline Proposal applications** will be assessed against three core criteria:

	Weighting	Sub-criterion
<b>Impact</b>	35%	<ul style="list-style-type: none"> <li>How far the solution will empower employers to increase their ambition, investment and use of skills</li> <li>The potential impact/scale of transformation the solution is seeking to achieve in terms of enterprise, jobs and growth, as demonstrated by a clear evidence base and logic chain that addresses the opportunities and challenges presented in the application</li> <li>How far the scale of impact and transformation is appropriate to the level of estimated GIF investment required</li> </ul>
<b>Innovation and additionality</b>	40%	<ul style="list-style-type: none"> <li>The extent to which the solution is an innovative way of addressing the strategic skills issues of the sector/industry</li> <li>The extent to which the proposal offers something that is different from existing initiatives and articulates how this will result in improved outcomes to the current provision, in terms of volume and/or quality over and above what would happen in the absence of GIF investment.</li> <li>How convincing the case is that this solution can only be achieved with public co-investment and would not replace existing or planned investment</li> </ul>
<b>Employer ownership and Sustainability</b>	25%	<ul style="list-style-type: none"> <li>How far employers can be seen to be identifying the need for and driving the development of the solution</li> <li>The track record of the applicant in engaging and working with employers</li> <li>The likelihood of employers or other representative groups co-investing alongside government in the proposal</li> <li>The type and extent of any co-investment from employers</li> <li>The likelihood of employer commitment that will sustain the proposal beyond the period of GIF investment</li> </ul>

**Full proposals** will be reassessed against the three core criteria used at the Outline Proposal stage:

	Weighting	Sub-criterion
<b>Employer ownership</b>	20%	<ul style="list-style-type: none"> <li>As for Outline Proposal assessment (although the sustainability of the proposal beyond the GIF investment will be assessed separately).</li> </ul>
<b>Innovation and additionality</b>	30%	<ul style="list-style-type: none"> <li>As for Outline Proposal assessment</li> </ul>
<b>Impact</b>	20%	<ul style="list-style-type: none"> <li>As for Outline Proposal assessment</li> </ul>

and against two further criteria:

<b>Deliverability and Value for Money</b>	15%	<ul style="list-style-type: none"> <li>▪ Degree of confidence that the proposal plan for developing and implementing the solution is achievable</li> <li>▪ Level and availability of resources required to implement the solution</li> <li>▪ Quality of the team that will lead the development and implementation</li> <li>▪ Evidence of positive delivery track record which demonstrates relevant expertise for successful delivery of the proposed activities</li> <li>▪ Strength and appropriateness of partnerships forged to deliver the solution</li> <li>▪ Demonstrates that the benefits of the solution are proportionate to the costs involved in developing it and offer value for money</li> <li>▪ Demonstrates that the impact /outcome per £ spent is maximised and delivery is cost efficient</li> </ul>
<b>Sustainability</b>	15%	<ul style="list-style-type: none"> <li>▪ The robustness of the business model underpinning the long term sustainability of the solution including: <ul style="list-style-type: none"> <li>○ Evidence that the offer to employers is clear and represents something they value</li> <li>○ Evidence that a sustainable market price has been established</li> <li>○ Evidence that the routes to market / routes for delivery are clear and achievable</li> <li>○ Evidence of robust market testing to assess the demand and likely take up of the solution</li> </ul> </li> </ul>

For the avoidance of doubt the scores obtained for the first three criteria at the Outline Proposal stage will not be carried forward to the full application stage. Because applicants will be providing more detailed information at the full application stage their entries will be marked afresh.

### What cannot be supported through GIF?

The following are **not eligible** for support under GIF:

- investment in tangible fixed assets e.g. property and equipment
- retrospective investment
- investment to build up a profit or surplus, make loan repayments or pay off an overdraft or interest
- investment for projects for which there are sufficient existing alternative public or private sources of funding (including the funding of vocational qualifications which are already available through the Skills Funding Agency's single Adult Skills Budget)
- the development, production and maintenance of professional and occupational standards including National Occupational Standards (NOS)
- the maintenance of existing Apprenticeship frameworks including the qualifications associated with them
- payment for specific roles such as the role of issuing authority and registration or certification
- development of commercial learning materials

## What would we not normally expect to support through GIF?

- we are not actively seeking to extend the National Skills Academy programme (whereas we would welcome bids from existing NSAs identifying innovative skills approaches for their sectors); any proposal seeking to establish a new NSA or extend the coverage of an existing NSA would be treated on an exceptional basis and need to comply with the specific criteria of that programme
- the development of qualifications including both those accredited by government regulators as well as unregulated qualifications including vendor qualifications
- proposals that replicate applications made to other funds;
- proposals that include a requirement for funding of participation in skills training (as opposed to building of capacity and capability across the sector): the Skills Funding Agency funds participation through the single Adult Skills budget; employers will also have the opportunity to apply for participation funding in the forthcoming employer ownership pilot.

Public funding from GIF will only be available where it is compatible with EU State aid regulations and applicants should be aware that their proposal will be scrutinised accordingly. Potential applicants should take account of this when considering the development of proposals: for example we could not fund the establishment of a new training provider body, as that would risk distorting competition in that market. Information on State aid rules is available on the BIS website at:

<http://www.bis.gov.uk/policies/europe/state-aid/advice-on-state-aid>, and

<http://www.bis.gov.uk/assets/biscore/consumer-issues/docs/10-951-state-aid-beginners-guide.pdf>

## Contacts, Support and FAQs

### Contacts for advice

Questions and enquiries regarding the Growth and Innovation Fund can be submitted to [GIF.questions@ukces.org.uk](mailto:GIF.questions@ukces.org.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 will be shared publicly through the GIF website. The identity of those asking questions will be anonymised.

This website will be updated regularly and applicants should ensure they have taken account of the latest information provided when preparing their applications.

### Details of advice events

Advice clinics will take place on a number of occasions during the year and will provide applicants with the opportunity of a 15 minute 1-1 discussion with a GIF Investment Manager. The Investment Manager will be able to answer questions on the Fund's objectives and scope, the application process and provide guidance on the criteria that will be used to assess applications.

Our next advice clinics are scheduled to take place:

24 April 2012 (pm) – Central London

25 April 2012 (am) – Central London

We are also able to offer telephone appointments during these times for those unable to travel to London.

To register your interest in attending an advice clinic please send an email to: [GIF.questions@ukces.org.uk](mailto:GIF.questions@ukces.org.uk). Please state which of these dates you are available, whether you would prefer a face-to-face or telephone appointment and, where possible, provide one or two sentences outlining your proposal. This will help us to identify the Investment Manager best placed to help you.

In the event that interest in these 1-1 meetings exceeds the available appointment slots then we reserve the right to adopt an alternative format for the advice clinics such as round table discussions with a number of applicants at one time.

### **Link to FAQs**

Please see [GIF website](#) for FAQs

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

Please be aware that the GIF Board is a public body capable of receiving requests for information under 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 interests then the Board will have regard to this when considering if any of the exemptions or exceptions apply were a request to be made the scope of which includes the information you have provided. However the Board cannot guarantee that such information would not fall to be disclosed.

Any personal data that is provided as part of your application will only be processed by the GIF Board (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.