

# The Employer Investment Fund

Prospectus – Phase 1  
2011/12

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# Section 1: Setting the Scene

## 1.1 Introduction

This prospectus sets out the parameters for applications from Sector Skills Councils for the Employer Investment Fund (EIF) 2011/12. The EIF has been established by the UK Commission for Employment and Skills to encourage employers across the UK to invest more in raising the skills of their workforce.

Given the need to stimulate greater ambition and enterprise from employers and to maximise the impact of the funding available, there will be a move away from the SSC strategic funding model to a contestable funding strategy. This reflects the UK Commission's desire to "run with the fastest" and to encourage a more employer led and dynamic approach from business to invest in skills to drive enterprise, productivity and growth. Key parts of this new approach are the Growth and Innovation Fund (GIF) (see separate prospectus) and The Employer Investment Fund (EIF). These will work alongside the Universal Services Project to increase employer investment in skills.

## 1.2 Purpose and scope of the Employer Investment Fund

The EIF is a UK wide fund that will enable licensed SSCs to run and pilot small scale innovative solutions to raise skill levels and business performance within their sectors. The EIF is only open to Sector Skills Councils and examples of the types of projects that would be supported under EIF can be seen in section 2.

The EIF complements the GIF but will differ in terms of geography, scale and impact. The EIF will typically support the development of solutions across the four nations (whereas GIF is England only) and the EIF will support the underpinning investment for the work SSCs need to do to develop ideas for new solutions and test employer support. This work may, in some cases, lead to the development of a larger scale GIF bid. As with GIF there will be a strong requirement for employer engagement.

An important aim of the EIF is to move away from dependency on public funds to one where the focus is on supporting initiatives that will ultimately be sustained by support from employers in the long term. The EIF is part of a wider ambition to use public funding to leverage greater investment from employers. The aim is not to create dependency on public funds but to invest to create sustainable outcomes.

Projects funded by the EIF must meet one or more of the UK Commission's four key priorities for 2011/12. These are:

- Make and win the economic argument for greater investment in skills.
- Enhance the value and accessibility of training, especially apprenticeships.
- Galvanise industries and sectors to improve the skills and productivity of their workforces.
- Work with sectors to ensure the creation of more and better jobs, maximising opportunities for unemployed people.

## 1.3 How will it work?

There will be **two Phases** in the introduction of the EIF.

**Phase 1** will provide total funding of £5m to fund projects in the 2011/12 financial year.

This means that the EIF initially forms a small percentage of the total funding available to SSCs. However, this will grow significantly in 2012/13 as the EIF replaces strategic funding. This will be achieved through:

1. Any savings achieved through changes in how the Universal Services are delivered, and;
2. The reallocation of current strategic funding to EIF.

**In Phase 1** the EIF will enable ambitious SSCs to bid for funding that will supplement their 2011/12 strategic funding and enable them to deliver increasing employer ambition and investment in skills in a new way. We expect that the contestable nature of the funding will encourage innovative and, in some cases, collaborative bids from SSCs as well as encouraging employers to become even more engaged in raising ambition in their sectors. In this first phase of EIF we are keen to support projects that are “ready to go” but require a small amount of public funding to accelerate their development.

**SSCs are permitted to bid for one Women and Work continuation project and one innovative project. If an SSC is not currently delivering a Women and Work project they may only bid for one innovative project.**

Commissioners from the UK Commission are responsible for the Employer Investment Fund. The UK Commission will:

- Manage the application process.
- Select the strongest applications.
- Make final decisions on contracting.

**Phase 2** will commence in April 2012. Further details and a new EIF prospectus for Phase 2 will be issued in June 2011.

# Section 2: What can be supported by the Employer Investment Fund?

## 2.1 Examples of Projects

**In Phase 1**, the UK Commission welcomes applications for innovative projects that are not covered by strategic funding i.e. those activities covered by Schedule 3 of the current contract. As set out in section 1.3, SSCs are permitted to bid for one Women and Work continuation project in England (or an expansion of it into other nations) and/or one innovative project. If an SSC is not currently delivering a Women and Work project it may only bid for one innovative project.

Examples of these projects might include:

### **Women and Work**

- Continuation of existing projects.
- Expansion of existing projects into other nations.

### **Innovative Projects**

The EIF will invest in projects that underpin the activities needed to deliver a sector strategy, including alignment with GIF bids and with policy priorities across the four nations. Projects could include for example:

- Early development of a Licence to Practise.
- Development of a Skills Pledge (England only).
- Specific work or projects in one or more of the four nations that are not covered by strategic funding.
- Development of pre-employment programmes.
- Projects to improve the future skills pipeline to meet the needs of the economy.
- Promotion of Apprenticeships and Modern Apprenticeships over and above that covered by strategic funding.
- Production of in depth sector LMI which complements and adds value to that currently funded by strategic funding.

In Phase 1 projects can be submitted for the period 1 June 2011 to 31 March 2012 only.

In terms of the scale of the projects that would be supported, we would typically expect bids for EIF funding to be between £500k and £1m. All Phase 1 projects must be completed by 31 March 2012.

## 2.2 Costs that can be funded through the EIF

- The direct costs of delivering the activity e.g. Consultants/Trainers
- Programme development costs including research and marketing (not a significant amount – see next section).
- Evaluation and impact measurement costs of the activity.
- Indirect overheads in relation to the activities not funded from other sources.

More detail on costs can be found in Annex B.

## 2.3 Constraints on EIF funding

Whilst the EIF has been designed to be as flexible as possible there are some constraints on what can be supported from the public purse through the Fund.

The following elements are **not** eligible for support under the EIF:

- Costs already funded through strategic or other funding from the UK Commission or other stakeholders.
- Purchases of tangible assets.
- Retrospective investment.
- Investment for projects or activities for which other, more appropriate funding streams exist.
- Costs of training provision (apart from Women and Work projects).

Cabinet Office restrictions on public expenditure set out a freeze on advisory consultancy. Expenditure that applicants might incur using EIF funding from UKCES is affected by these guidelines and the inclusion of such costs in a proposal may lead to a delay in processing the application while eligibility is considered. The Office for Government Commerce distinguishes between “....advisory services which lead up to a definitive solution (and may include options, scoping and trials etc) and delivery services which provide the selected solution.” Delivery services/consultancy costs are unaffected and are in scope for EIF project funding. If you are unclear about whether proposed costs may be affected by the restrictions on advisory services/consultancy, please contact the UK Commission.

Public funding will only be granted where it is held to be compatible with EU State Aid regulations, and applicants should be aware of their State Aid responsibility and that their proposals will be scrutinised accordingly. Potential applicants may wish to take account of this when considering the development of proposals. Information on State Aid is available on the BIS website at <http://www.bis.gov.uk/policies/europe/state-aid/advice-on-state-aid>  
<http://www.bis.gov.uk/assets/biscore/consumer-issues/docs/10-951-state-aid-beginners-guide.pdf>

The Women and Work Sector Pathways Initiative is covered by the State Aid Training Block Exemption on the basis of training being of a general nature. General training includes ‘tuition which is not applicable only or principally to the employee’s present or future position in the assisted firm. It provides qualifications that are largely transferrable to other firms or fields of work and thereby substantially improve the employability of the employee.’

# Section 3: Making Your Application

## 3.1 Which organisations are eligible to apply?

The Employer Investment Fund is only available to licensed UK Sector Skills Councils.

## 3.2 What is the application process?

Each SSC may submit **one** application for Employer Investment Funding. Within the application, SSCs can bid for more than one project. SSCs may apply for continuation of their Women and Work project and/or **one** new innovative project within their application.

To apply to the EIF, SSCs will need to:

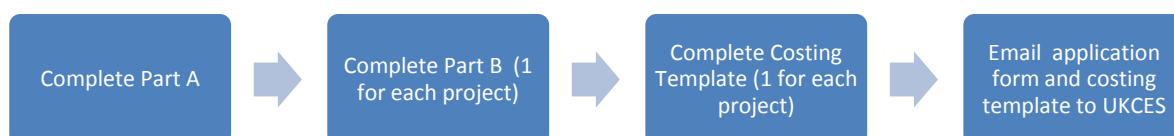
1. Complete Part A of the EIF application form.
2. Complete Part B of the EIF application form. SSCs should complete a separate Part B for each project they are bidding for.
3. Complete a costing template for each project they are bidding for.
4. Send your completed application form and costing template(s), by email to [eif.applications@ukces.org.uk](mailto:eif.applications@ukces.org.uk)

**The closing date for applications is 2pm on Friday 8 April 2011.**

All emails to the application inbox will receive an automatic acknowledgement of receipt by email. Please note that the application inbox can only accept emails with a file size of less than 10MB.

The EIF application form and costing template can be found on the UK Commission's website at: [www.ukces.org.uk/eif](http://www.ukces.org.uk/eif)

The application process:



## Timeline

### Phase 1:

- W/c 7 March 2011 - Launch Phase 1 EIF Prospectus.
- 8 April 2011 - Closing date for Phase 1 applications.
- 18 May 2011 - Commissioner Meeting to review applications.
- 1 June 2011 - Phase 1 project contracts commence.

### Phase 2:

- 30 June 2011 (approx) Launch EIF Phase 2 prospectus.
- 31 August 2011 (approx) closing date for Phase 2 applications.
- 31 October 2011 (approx) Phase 2 decisions announced.
- 1 April 2012 Phase 2 project contracts commence.

## 3.3 What makes a good application?

Your application should include, but is not limited to, the examples provided below.

Assessment criteria	Minimum criteria
<b>Vision and ambition</b>	<ul style="list-style-type: none"><li>▪ Has the potential to increase employer ambition for, and investment, in skills.</li><li>▪ Has a clear strategy for raising employer ambition with defined outputs.</li><li>▪ Has a strategic fit with other funding streams such as SSC strategic funding or GIF.</li><li>▪ Has a short explanation of how it supports the SSCs strategic objectives.</li><li>▪ Has a linkage to one or more of the UK Commission's four key priorities (see section 1.2).</li></ul>
<b>Business case and evidence base</b>	<ul style="list-style-type: none"><li>▪ Demonstrates employer engagement and investment (especially in Women and Work applications).</li><li>▪ Demonstrates how it will address specific skills investment/barriers/market failures/gaps in the sector.</li><li>▪ Demonstrates strong employer leadership, commitment and support for the project either through financial contribution or in-kind engagement.</li><li>▪ Demonstrates routes to market and differentiates approaches to sectors; geographies and size of business as appropriate.</li><li>▪ Demonstrates a strong case for the proposition supported by robust LMI.</li><li>▪ Demonstrates why this is a UK wide or a pilot activity in a particular nation. Where a project is not UK wide a clear explanation needs to be given, demonstrating consideration of potential</li></ul>



	<p>consequences in the nations not included.</p> <ul style="list-style-type: none"> <li>▪ Demonstrates the extent of collaborative working across SSCs and with other sectoral bodies.</li> <li>▪ Demonstrates how the project will support the skills strategies and priorities of the UK nations as appropriate.</li> <li>▪ For Women and Work projects - how the project will address equality issues such as gender imbalance.</li> <li>▪ Evidence of a successful track record in delivering similar projects.</li> </ul>
<b>Evaluation and exit strategy</b>	<ul style="list-style-type: none"> <li>▪ Has the potential to be self-sustainable over time.</li> <li>▪ Has detailed deliverables and/or outcomes that conform to SMART principles (Specific, Measurable, Achievable, Realistic, Time bound) that can be monitored either during the period of the funding and/or at the end.</li> <li>▪ Has a clear vision of what success looks like and the future or longer term impact on the sector.</li> <li>▪ How it can be monitored and evaluated.</li> </ul>
<b>Value for money</b>	<ul style="list-style-type: none"> <li>▪ Able to show improved value for money in terms of lower unit cost per completed place for projects that have previously secured funding i.e. Women and Work.</li> <li>▪ Able to clearly demonstrate sources (including any co-funding) and application of proposed funding and explain how they represent value for money.</li> </ul>

See Annex A for further guidance on applications for Women and Work continuation funding.

See Annex B for further guidance on finance, impact and evaluation.

## 3.4 Questions and enquiries during the application process

Questions and enquiries regarding the Employer Investment Fund should be submitted to the following email address:

[eif.questions@ukces.org.uk](mailto:eif.questions@ukces.org.uk)

Questions submitted will be responded to within two working days. The questions and responses will be updated regularly and applicants should ensure they have taken account of the information provided when preparing their applications. The applicant submitting questions will remain anonymous.

Questions and answers will be posted onto the EIF section of the UK Commission's website:

[www.ukces.org.uk/eif](http://www.ukces.org.uk/eif)

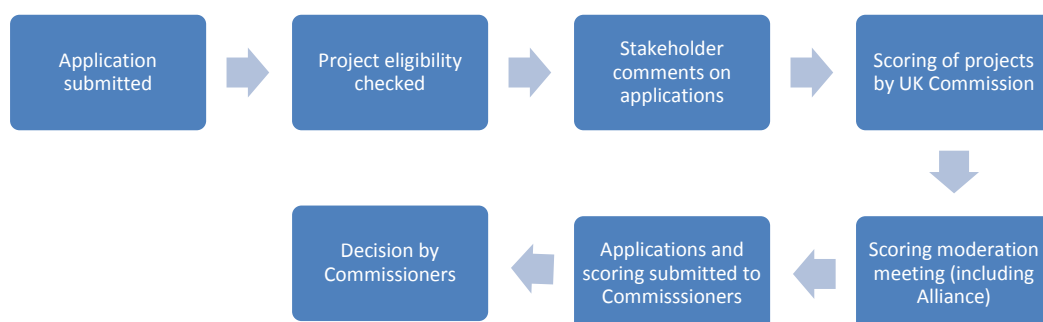
# Section 4: Evaluating the Application

## 4.1 The evaluation and decision making process

Each application will be subject to the following stages:

1. Application submitted.
2. Project eligibility checked by the UK Commission Performance Team to ensure it meets the minimum 'Vision and ambition' criteria set out in section 3.3 of this prospectus. SSCs will be informed if their project has not been successful at this stage and will not be permitted to make a further submission. Successful projects will progress through the following stages.
3. Stakeholders invited to comment on applications. This will include the Women and Work stakeholder panel and members of the UK Commission's SSC Performance Group<sup>1</sup>.
4. Scoring of each project by the UK Commission. Using the criteria in section 3.3, projects will be scored as follows:
  - Business case and evidence base – 50% of total score:
  - Evaluation and exit strategy – 25% of total score:
  - Value for Money – 25% of the total score:
5. Scoring moderation meeting. An observer from the Alliance Executive Team will be invited to attend this meeting.
6. Projects and scoring submitted to Commissioners.
7. Commissioners make the final decision on which projects to support. The decision will be final; there will be no right of appeal.

Any potential conflicts of interest will be carefully managed throughout each stage of the process.



<sup>1</sup> Stakeholder members of the UK Commission's SSC Performance Group are: BIS, DELNI, WAG, Scottish Executive, the National Apprenticeship Service and the Skills Funding Agency,

## Section 5: Monitoring the Project

### 5.1 How will successful projects be monitored and evaluated?

All successful applications will be characterised by very clear objectives and milestones through which their success and impact can be measured. The schedule and format of reviews and reporting to share progress against these measures will be agreed between SSCs and the UK Commission as part of the project inception arrangements.

SSCs will be responsible for the following:

- Reporting on progress against all milestones in line with the agreed monitoring and review schedule.
- Retaining evidence of all project activities, costs and outcomes.
- Participating in the dissemination and celebration of successes where relevant.
- Taking action on progress to ensure that the project delivers on time and meets its objectives.

# Annex A: Women and Work Funding: Further Guidance

## 1. Introduction

The purpose of this guidance is to provide additional information to applicants to assist them in preparing their applications for continuation projects in 2011/12 (interim solution).

## 2. Overarching Principles for the Initiative

2.1 The initiative is designed to examine new recruitment and career pathways for women. The objective is to achieve tangible outcomes for individual women enabling them, through training, development and mentoring support, to achieve a new job, progression into a higher level or more demanding role and/or increase their earning potential.

2.2 **W&W continuation projects can be delivered UK wide. This will no longer be an England only project.**

## 3. Project Criteria

3.1 In deciding whether to submit a proposal, SSCs will need to consider and be able to provide evidence of the following:

- a. The rationale for a positive action initiative including:
  - Under-representation in the sector, sub sector or occupation to be targeted
  - The skill shortage to be addressed

It is the responsibility of each SSC to ensure that their actions, and the actions of their partners/providers, comply with current legislation.

- b. Whether or not State Aid rules are met. Women and Work projects are covered by the Training Block Exemption on the basis of training being of a general nature. It is the responsibility of SSCs to ensure that they meet these rules.
- c. Capacity (in terms of labour market trends, availability of opportunities, potential beneficiary pool and SSC/provider resource) to deliver an innovative, small scale pilot project with a view to potential expansion dependent on success. Note: Only companies that fall within the footprint of the SSC will be eligible to participate.
- d. Significant employer commitment – SSCs will need to evidence a minimum 50:50 match with the majority of this contribution in cash (although individual sector circumstances will be taken into consideration).
- e. Tangible, measurable impact outcomes - impact on individual women accessing the project, for example, recruitment to a new job, progression, increased earnings
- f. Robust support for women and employers in addressing the likely barriers to achieving the agreed outcomes. The barriers may be sector/industry or even employer specific, and support may therefore need to include mentoring for both

parties, practices, part-time working, organisation of work and financial barriers, (childcare provision/travel whilst training etc).

- g. Strong stakeholder engagement in particular with Trade Unions and Union Learning Representatives.
  - h. Innovation beyond existing activities/initiatives.
  - i. Potential linkages with other government funded initiatives. Funding must not be used to deliver activities that can be funded from other government sources.
  - j. Value for money in terms of increased employer investment, lower administrative costs, value for money training procurement and a clear plan for sustainability.
  - k. Robust project management and marketing strategy.
  - l. Longer term impact, sustainability and embedding of the outcomes/lessons learned in the sector.
  - m. Ensure the timelines of the project are realistic for achievement in performance targets.
  - n. Ensure governance and accountability.
- 3.2 The UK Commission will be looking for proposals that deliver hard outcomes and offer good support for individuals, rather than those featuring IAG, research or raising awareness as a key element.
- 3.3 The UK Commission also encourages collaborative working between SSCs and would welcome joint proposals, provided that accountability is clearly defined, project management arrangements are in place and the project criteria detailed above are met.
- 3.4 The UK Commission will contract only with licensed SSCs who are able to provide clearly defined accountability, contract and project management arrangements as well as meeting the project criteria detailed above. Any joint proposal must be put forward by the lead SSC.

#### **4. Performance Management**

- 4.1 Performance management arrangements will follow.

#### **5. Management Information, Data Collection and Evaluation**

- 5.1 The UK Commission is working through the arrangements on how to collate data.

#### **6. Innovative Bids**

- 6.1 Opportunities to submit innovative bids to address the gender pay gap and other areas of equality and diversity will be available from phase 2 onwards.

# Annex B: Further Guidance on Finance, Impact and Evaluation

## Introduction

1. The purpose of this guidance is to provide additional information to applicants that will assist them in preparing their applications for Phase 1 funding.

## What can't be funded?

2. Whilst the EIF is designed to be as flexible as possible it will not invest in projects for which there are existing alternative public or private sources of funding. More specifically the EIF will not invest in:
  - Direct accommodation costs such as premises, rent, rates, lights etc. (but will accept apportioned overheads)
  - Activities already funded through strategic or other funding from the UK Commission or other stakeholders
  - Proposals where other, more appropriate, funding streams exist.

## Impact and Scale

3. The EIF will consider investing in the early stage development of new solutions. The Fund will consider applications for projects to gather evidence and to develop propositions that will address a major skills challenge facing employers.

## Evaluation

4. All applications should contain an evaluation plan covering the scope and cost of evaluation. Evaluations should cover both project delivery and impact. The methodology employed in evaluation will need to be determined on a project-by-project basis. The project proposal should consider the appropriate data that will need to be collected during project delivery to enable a robust evaluation. Successful applicants may be required to participate in, or provide data to assist with, a programme level evaluation of the EIF. The programme level evaluation will draw on evaluations of individual projects.

## Finances, costings and contracts

5. For planning purposes, assuming you are successful in your proposal, you should assume a contract start date not before 1 June 2011.
6. Applications for Phase 1 will be accepted until 2pm on Friday 8 April 2011. Applicants should be aware that further bidding rounds will be launched for 2012/13 in June 2011 and 2013/14 in June 2012.

## Costing EIF Applications

7. The detailed costings contained in the application will be subject to review initially by senior officials in the UK Commission, Stakeholders and then by Commissioners, before an application is approved. Costing proposals will be challenged and/or rejected where they do not appear to represent value for money or there is insufficient detail to make the assessment. Therefore it is important that the costings

contain the appropriate level of detail, to allow them to be assessed properly. Where propositions contain more than one activity the applicant should clarify the costs associated with individual strands of activity.

8. All applications will require a costed project plan based on a full-cost recovery model excluding any ineligible costs (further details of ineligible costs are provided below).

This should include, but not necessarily be limited to, details of:

- posts to be funded
- staff cost including direct on costs (i.e. NI, and pension)
- direct staff related costs (travel etc)
- external delivery costs
- indirect overheads
- detail of any other funding sources or income that will contribute to these costs
- assumptions made
- W&W training costs

A costing template is provided at [www.ukces.org.uk/eif](http://www.ukces.org.uk/eif)

9. Any proposal to fund costs that are already funded by other sources will not be considered. All income streams funding the proposal must be declared. Any evidence to the contrary would invalidate the application or subsequent contract and may result in claw back and further legal action where appropriate.
10. Successful applications will be further assessed to establish and agree the most appropriate payment/claiming schedule to assist both the applicant in the delivery of the project and the UK Commission in the balance of any risk involved. However for planning purposes applicants may assume an initial upfront payment of up to 25% of the overall grant approved if there is a requirement for working capital (this must be clearly demonstrated in any supporting notes), quarterly payments based on need and a final retention payment of up to 10%. Confirmation of the final payment schedule will be clearly communicated in any contract issued.

#### Direct Costs

11. Direct costs can be defined as those actual, eligible costs of the project that can be identified separately (project staff salaries, project consumables etc). Direct costs shall consist of Direct Salary Costs and Direct Other Costs.
12. Where the application is being made on behalf of a consortium, the lead party in the consortium should include all costs from other members of the consortium in the same classification as if it were their own company. i.e. salary costs of staff from other members of the consortium directly engaged with the project should be treated as Direct Salary Costs, and not classified as Direct Other Costs.

#### Direct Salary Costs

13. Such costs are driven by the activities of the employee in exercising their duties to deliver the project and typically consist of:
  - Salary
  - Employer's Pension contribution
  - Employer's National Insurance

## Calculating Direct Staff Payroll Costs

14. Payroll costs are recoverable for the actual time spent by each direct employee on the project. The applicant therefore needs to determine the staff mix and the time those staff are likely to be required on the project, and reflect this in their application. Evidence of the actual costs incurred must be kept in case of audit.
15. It is up to the applicant to determine in what format they maintain the evidence. In order to capture accurately the time worked on the project it is good practice to encourage project delivery staff to use timesheets as this provides an accurate staff cost recovery figure and supports the calculation of the actual overhead cost, however the use of timesheets is not mandatory. Direct Staff costs should be evidenced by:
  - contract of employment / job descriptions
  - payroll evidence
  - employers national insurance
  - employers pension contribution
  - Timesheets as required
  - National average salary (W&W project)
  - Set hourly rate for self employed

## Direct Other Staff Costs

16. Such costs are driven by the activities of the employee in exercising their duties to deliver the project and also externally purchased resources. Such costs typically consist of:
  - Mobile phone
  - Travel, Hotels and Subsistence
  - Recruitment fees
  - Other incidental expenses

## Other Direct Costs

17. Other direct project costs could include:
  - Temporary project staff
  - Consultancy and sub contracted expertise
  - Irrecoverable VAT
  - Depreciation Costs - on tangible assets used in the delivery of the project only
  - Amortisation Costs – on intangible assets purchased for the delivery of the project e.g. Databases/IT, Licences to Practise etc.

Such costs are only eligible if:

- The costs would otherwise have been avoided if the project was not undertaken.
- Any contributions to the costs from other income sources have been deducted from the amount which is being claimed.
- The provision of goods or service has been received to the satisfaction of the applicant organisation.

## Indirect Costs - Overhead cost recovery: Eligible costs

18. Reasonable overheads will be eligible for recovery. Examples of items that typically could be included as eligible for overhead recovery are below:
  - General staff training and development



- Rent, rates and insurance
- Heat, light and power
- Printing, stationery and consumables
- Repairs, renewals and cleaning
- IT licensing and consumables
- Audit, accountancy and taxation advice
- Irrecoverable VAT
- Indirect support staff costs. Support staff are those staff not directly involved in project delivery (e.g. executive team, finance, HR, ICT, reception)

#### Indirect Costs -Calculating the overhead recovery rate

19. The indirect costs of the funded project should be split on a clearly justified fair and equitable basis. The overheads recoverable by the project will be a proportion of total organisational overheads according to the proportion of the staff time spent on the project, compared with the total staff time worked in the organisation. Theoretical charges for certain overheads and general percentage mark ups will not be accepted as the basis for recovering overhead. N.B. we reserve the right to put a cap on the overhead recovery rate to obtain value for money.

#### Evidence to support indirect cost

20. It is essential that evidence is retained to support actual indirect costs incurred. That evidence should include the following:

Utilities, services and consumables can normally be evidenced by:

- Invoices
- Evidence of defrayment (bank and BACS statements for BACS payments, bank statement, copy cheque's and receipted invoices for cheque payments)
- Supplier contracts
- rental agreements

Indirect staff costs should be evidenced by:

- Contract of employment / job descriptions
- Payroll evidence
- Employers national insurance
- Employers pension contribution

*All calculations, working papers etc should be retained for monitoring purposes.*

#### Ineligible Costs

21. Costs that cannot be supported and therefore deemed ineligible are detailed below but not limited to:

- Retrospective investment and costs made prior to the contract start date
- Costs or activity that have been funded in the past
- Costs that are wholly funded from other sources (costs that are part funded from other sources should be cleared by the UK Commission before they are included in an application)
- Tangible Fixed Assets e.g. Property, Land and Capital equipment
- Loan repayments and interest
- Overdraft payments and interest
- Recoverable VAT
- Miscellaneous costs such as alcohol, tips, entertaining etc.

- Proposals may not be able to use funding for marketing and advertising, insofar as it is restricted by the current Cabinet Office guidance on those activities. For more information, contact [eif.questions@ukces.org.uk](mailto:eif.questions@ukces.org.uk).

### **Cost controls post contract award**

22. It is expected that all procurement of goods and services is carried out in accordance with public procurement best practice (e.g. inclusion, fairness, competitiveness) and awards should be made on the basis of the most economically advantageous supply.
23. In the event that the actual costs are expected to come in significantly below (over 10%) the value costed in the application and agreed within the contract, or the basis of the costs will be significantly different to the estimate contained in the application, the applicant should notify the UK Commission as soon as this becomes apparent so that appropriate action can be taken.
24. The UK Commission will at all times reserve the right to request and review actual costs incurred by the applicant in the delivery of the project during the project or within 12 months of the last delivery date.
25. Where the UK Commission believe there is insufficient backup of costs incurred, or the evidence shows significantly lower costs than estimated in the application, and there is no evidence of notification of this fact to the UK Commission prior to the date of the request, the UK Commission will reserve the right to recover all or some of the contract value. n.b. Specific limits will be clearly defined in the contract.

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