**1. Introduction**

1.1 The South East LEP has launched its first Skills Capital Fund (SCF). The skills set of our residents and that within our businesses is vital to the growth ambitions of the area. The skills capital funding will be utilised in a way that supports the delivery of training and qualifications that respond to economic need and serve learners and employer alike. The LEP has a particular focus on supporting science, technology, engineering and mathematics (STEM) based disciplines that underpin our growth sectors. However, in supporting employment more widely the LEP also wishes to see increases in those skilled for and progressing in sectors where there is growing employment demand, such as the health and social care sectors.

1. 2 The main areas of focus for the LEP are –

1. Improving the talent pool in support of priority sectors, particularly higher level skills
2. Increasing participation of young people in work, education and training, with a focus on supporting priority sectors and skills gaps
3. Improving the basic skills and employment of our residents to boost productivity and growth

Skills Capital Funding Specialist Equipment will be particularly geared at supporting a) and b) and these are more fully articulated in the South East LEP Skills Strategy (Annex B of this document). The South East LEP will also prioritise applications where the equipment supports delivery in LEP priority sectors as set out in the Strategic Economic Plan (<http://www.southeastlep.com/images/uploads/resources/SECTION_2_South_East_LEP_-_Growth_Deal_and_Strategic_Economic_Plan_WEB-2%281%29.pdf>

) and local plans produced by member Local Authorities.

1.3 The South East LEP is now inviting the submission of applications to the Skills Capital Fund Specialist Equipment (SCF-SE) from eligible organisations – see 2.1 and 2.3 below. Submitting an application to the SCF-SE does not guarantee that organisations will be awarded funding.

**2. Eligibility**

2.1 The SCF-SE is available only to organisations located within the LEP’s geographic area of the political geographies of East Sussex, Essex, Kent, Medway, Southend-on-Sea and Thurrock, on a competitive basis.

2.2 Eligible organisations are defined as FE colleges and approved training organisations that are on the Register of Training Organisations and hold a direct contract with the Skills Funding Agency to deliver education and training.

2.3 Applications can only be submitted from eligible organisations although eligible organisations may choose to work in partnership and use any award made under this Fund to deliver contractual targets. The asset must remain the property of the applicant

# 2.4 Applications are only eligible if the organisation applying can contribute match funding.

2.5 Any application(s) received from an organisation that fails to meet these eligibility criteria will not be considered under any circumstances

**3. Skills Capital Funds available**

3.1 A maximum of £4.3 million of Skills Capital funding Specialist Equipment is available across the 2015/16 and 2016/17 financial years

3.2 Where demand exceeds available grant support, we will prioritise projects based on overall score, with consideration given to budget implications. Should we have sufficient funds to cover all bids, they will still have to meet the criteria as set out in the guidance.

3.3 Grant funding is currently not available beyond financial year 2016/17 and therefore organisations must ensure sufficient project expenditure within the financial years 2015/16 and 2016/17 to draw down the requested level of grant support.

**4. Minimum and Maximum Grants Available**

4.1 The minimum grant value for SCF-SE consideration will normally be £50,000

4.2 The maximum grant value for SCF-SE consideration will normally be £500,000

4.3 SELEP reserves the right to negotiate maximum grant values with organisations, according to demand and budget availability.

4.4 Where an applicant is requesting a grant of more than £150,000 a financial plan must be completed. See Annex B for guidance and relevant documents.

4.5 Eligible organisations with more than one site may submit one application per site/geographic location. Applications would not be accepted from different sites within the same locality that are part of the same provider e.g. multiple departments of a provider in different buildings in the same town.

**5. Definition of Specialist Equipment**

5.1 The aim of this Fund is to invest in specialist equipment and is not therefore to be used for standard items that may be provided/replaced from revenue costs. Eligible equipment is defined as any item that an eligible applicant is able to “capitalise” in its year-end accounts. Examples of eligible equipment are:

* Robotics lab
* Large pieces of equipment to deliver industry related courses
* IT equipment for specialist courses but not generic laptops/tablets/desktops etc. for general purposes.

5.2 In addition, all purchased equipment which receives SELEP grant support is to be used solely or mainly for the delivery of publicly funded education and training. This includes education and training that the Skills Funding Agency and Education Funding Agency fund.

5.3 SELEP will only pay costs of equipment and will not pay for the costs of, for example, procurement of such equipment (i.e. no revenue costs) or related ongoing costs.

**6. Match Funding**

6.1 Normally, we will expect organisations to provide a minimum funding contribution equivalent to two-thirds of project value. That is, for every £1 from SCF-SE, organisations should normally invest an additional £2. Where organisations are unable to provide the required match funding, this should be clearly stated.

6.2 Organisations unable to meet the minimum funding contributions are required to demonstrate a compelling business case for enhanced public subsidy. The LEP would typically expect most of the underpinning investment criteria to be met through the provision of, for example:

* A succinct outline of the issue, identified where appropriate by employers and stakeholders, including the Local Enterprise Partnership (LEP), and clear baseline data.
* An explanation of how the project will address the issue, including clear and quantified targets/benefits/measures as appropriate. These should be realistic and achievable.
* How the organisation will work to achieve these targets/benefits, with clear references to how the project will support this

6.3 If the 2-1 match is offered and applicants are requesting a grant of less than £150,000, no financial plan will be needed

6.4 If the 2-1 match is not offered, applicants will have to complete a financial plan. See Annex B for guidance and relevant documents.

**7. Assessment information**

7.1 We will assess each application on the basis of the information that organisations provide on the application form. Organisations should not assume that the assessor will have any specific knowledge of the establishment and its locality. Assessors will review all assessments at an internal moderation panel, which includes a minimum of two representatives from the LEP, to ensure the consistent application of the assessment process. Depending on the demand for the SCF-SE and the quality of the applications submitted, SELEP may decide to adopt one or more of the following: declining some applications, potentially reducing the requested funding allocations to individual projects, and/or exploring opportunities to change funding year profiles.

7.2 Applications will need to pass a gateway relating to eligibility, project value threshold, eligibility of project components

7.3 We will assess the relative strengths of each proposed project against the criteria summarised below. All projects will also need to demonstrate how they support the priorities listed in the LEP Skills Strategy (Annex A).

7.4 We will rank/prioritise projects according to the overall number of points scored against the assessment criteria. We would normally expect successful applications to score strongly in each of the following areas (maximum score available for each area shown in brackets, out of a total score of 96 points):

# i) Benefits to Learners and Employers (25% weighting)

# ii) Supporting Economic Growth (75% weighting)

To score strongly, each of the sections above should contain for example:

* A succinct outline of the issue, identified where appropriate by employers and stakeholders, including the Local Enterprise Partnership (LEP), and clear baseline data.
* An explanation of how the project will address the issue, including clear and quantified targets/benefits/measures as appropriate. These should be realistic and achievable.
* How the organisation will work to achieve these targets/benefits, with clear references to how the project will support this

**8. State Aid**

8.1 For organisations not covered by the Further and Higher Education Act (1992*)* there may be State Aid implications. State aid is a European Commission term referring to forms of assistance from a public body or publicly-funded body which is given to organisations engaged in economic commercial activity on a selective basis, with the potential to distort competition and affect trade between Member States of the European Union. State Aid rules are designed to regulate subsidies, and to provide a framework to assist public authorities in ensuring that scarce public resources are targeted where they are most required in an efficient and effective manner.

8.2 An overview of State Aid can be found at <http://ec.europa.eu/competition/state_aid/overview/index_en.html>

In general terms, the total “de minimis” aid which can be given to a single recipient is €200,000 over a 3 year fiscal period. The sterling equivalent is calculated using the Commission exchange rate applicable on the written date of offer of the de minimis funding. This ceiling takes into account all public assistance give as de minimis funding over the previous 3 fiscal years and which can take various forms (grants, loans, subsidised contracts etc)

8.3 Applicants are responsible for taking their own advice as to State Aid implications and must provide evidence to the LEP that State Aid restrictions will not apply to their applications. This is not an eligible cost as part of the application to the SCF-SE

**9. Grant payments and project monitoring**

9.1 Applicants with projects approved for the SCF SE will receive a letter from the LEP confirming the funding in relation to the project and setting out the conditions of the grant.

9.2 Applicants will be required to indicate acceptance of the terms by signing and returning a copy of the funding letter within two weeks of receipt.

9.3 Arrangements for payment of the SCF SE grant and evidence requirements will be confirmed on award of grant. Payment will be made in arrears.

9.4 The LEP will require successful applicants to comply with such funding conditions as it may impose and will undertake random site visits to ensure all conditions are followed.

9.5 The LEP will reserve the right to recover funds in the event that project costs (including VAT savings) are less than originally approved, or have not been used for the agreed purposes.

9.6 We expect applicants to provide updates on the project as requested to the LEP or their nominated representatives

**10. Timescales for the submission of SCF-SE applications**

10.1 The table below summarises the timescales for the application, submission, assessment and approval processes for SCF SE applications:

|  |  |
| --- | --- |
| **Date** | **Action** |
| 2nd July 2015 | Tender published |
| 7th August 2015 | Applications close |
| 30th September 2015 | Target date for confirmation and announcement of SELEP’s final agreement to award SCF- SE grant funding based on applications submitted. This may be delayed if a lot of the bids require financial assessments. |

**11. Applying for Skills Capital Funding Specialist Equipment**

11.1 The SCF SE is available on a competitive basis. The application form and related documentation is available on the LEP website ([www.southeastlep.com](http://www.southeastlep.com))*.*

11.2 Applicants will need to submit robust project information, covering:

* the rationale for the proposed project and the impact/benefits it will deliver;
* an explanation of how the project will deliver against the priorities listed in the LEP Skills Strategy (Annex A);
* evidence that the project represents value for money and the necessary matched funding requirements will be met;
* Before submitting an SCF SE application, organisations will need to develop proposals up to the stage where they can identify and cost their extent properly. Organisations must be able to commit to a firm budget and demonstrate relevant certainty and ability to deliver the project to timescale. Organisations are reminded that the LEP will not in any circumstance provide increased grant should project costs exceed the approved amount or fall outside the specified LEP financial year.

Applicants **must** adhere to the word limit; we will not consider information provided over and above the word limit. Applicants are advised to provide focused and succinct responses, supported by robust, quantifiable and achievable information.

11.3 **Assessment of applications will be based only on the information submitted in the required format**

11.4 To be eligible for the SCF SE, organisations must meet the submission requirements set out below:

Applicants must return **one** electronic copy of the signed and completed application form and the required supporting information to Lucy Payne at South East Local Enterprise Partnership [SouthEastLocalEnterprisePartnership@essex.gov.uk](mailto:SouthEastLocalEnterprisePartnership@essex.gov.uk) and ensure that it is received by 7th August. Please also cc Mike Rayner at [mike.rayner@essex.gov.uk](mailto:mike.rayner@essex.gov.uk) . If you have any difficulties sending the email please contact Lucy Payne (Tel**:** 03330 139530 email [Lucy.Payne@essex.gov.uk](mailto:Lucy.Payne@essex.gov.uk))

Mike Rayner, SELEP Skills Lead (Tel: 03000 416599, email: [mike.rayner@essex.gov.uk](mailto:mike.rayner@essex.gov.uk) ) will be available to answer questions until 1pm on the 22nd July and from the 5th August. In between these dates if you have any questions regarding bidding please direct them to Julie Scala (Tel: 01273 335 334, email: [Julie.Scala@eastsussex.gov.uk](mailto:Julie.Scala@eastsussex.gov.uk))

In addition applicants must also ensure that the LEP receives **one** hard copy of the signed and completed application form at the following address by 7th August 2015

Lucy Payne

South East LEP Secretariat

c/o Essex County Council

D205, County Hall

Market Road

Chelmsford

CM 1 1QH

Without exception, we will **not** consider as eligible for the Skills Capital Fund Specialist Equipment any applicants that fail to submit both an electronic copy and hard copy of a signed and completed application in accordance with the submission requirements set out in the South East LEP Skills Capital Funding Specialist Equipment guidance document. Applicants must use the correct application form downloaded from the LEP website ([www.southeastlep.com](http://www.southeastlep.com)) and templates published by the Skills Funding Agency (links to which have been included in the relevant sections of the guidance document and application form).

**Annex A**

**South East Local Enterprise Partnership Skills Strategy**



**Annex B**

**Financial Plan documents**

Financial plan and guidance for colleges available at: <https://www.gov.uk/government/publications/financial-planning-handbook>

Financial plan for non-college providers**:**



Guidance for non-college providers available at: <https://www.gov.uk/government/publications/sfa-capital-funding-support-for-leps/sfa-capital-guidance-for-completing-simplified-financial-plan-template>