

WEST OF ENGLAND WORKS

PROJECT UPDATE – APRIL 2017

Dear Partner,

The West of England Works project submitted our first substantial claim to the Big Lottery Fund on Good Friday. I want to thank all partners for their hard work thus far in both delivering the project and providing the evidence required to submit this claim. The first claim is often the most challenging as processes and requirements are new and sometimes unfamiliar but all responded well to ensure that we were able to evidence as much delivery as possible. Having said this, the claim has also highlighted some early challenges and lessons learned that I want to share in order to ensure that the project is in the strongest position possible by the time the Quarter 2 claim is due to be submitted to the Big Lottery Fund in July.

PERFORMANCE AND RECOVERY

The project is currently performing significantly below profile in terms of both participants recruited and expenditure evidenced. This is largely attributable to the fact that most partners had not fully recruited their delivery staff until late in the quarter and a few remain understaffed. This had both limited the capacity of most partners to recruit participants and severely limited the level of funding that they were able to claim (as direct staff costs is the single largest item of expenditure).

The following table sets out what the project was able to evidence and claim during quarter 1 and what we need to have delivered in total by the end of quarter 2:

| | Q1 TARGET | Q1 ACTUAL | Q1 SHORTFALL | Q2 TARGET | Q2 SHORTFALL |
|---------|-----------|-----------|--------------|-----------|--------------|
| STARTS | 63 | 33 | 30 | 252 | 219 |
| FUNDING | £546k | £211k | £335k | £1.04m | £833k |

Although this initial under-delivery is understandable we need to ensure that we recover effectively and ensure that the quarter 2 target is fully delivered, if we fail to do this there is a risk that the Big Lottery Fund may remove funding from the project. I'm sure that we would all wish to avoid this possibility. In order to get the project back on track partners need to urgently consider the following and revise their plans accordingly:

1. FULLY EVIDENCING DELIVERY – Frustratingly, the project has delivered much more activity than we were able to claim. Partners have engaged around 60 participants (which is only marginally below profile and some achievement considering the staffing situation) but we have only been able to include 33 in our claim as the remainder were not fully evidenced. We are also aware of a number of reasonably substantial items of expenditure that could have been included in the Q1 claim had appropriate evidence been in place.

It is essential that our claims are as complete as possible if we are to avoid the risk of claw-back. We appreciate that the project's evidence requirements are more challenging than others but we have little or no authority to offer flexibility. Having said this we have begun to respond to some of the issues that we have raised with them, for example the economically inactive self-declaration process has been incorporated within the new enrolment form (Annex H – Participant Entry Form).

We suspect that some partners may be struggling to fully evidence their delivery by the claim deadlines as they have underestimated the amount of administrative and operational management resource that is required to effectively deliver an evidence intensive project. If this is the case you may wish to reconsider your staffing plans.

2. EVIDENCE PROTOCOLS – It is important that partners submit data and evidence in the prescribed format, in particular using the correct conventions when naming zip files. If this is not done correctly it can take an inordinate amount of time to confirm which participant or item of expenditure a particular item relates to and to confirm that all participants and expenditure is fully and correctly evidenced.
3. VALUE FOR MONEY – A small number of partners have claimed for items of expenditure that offer poor value for money and could be secured to the same level of quality at a far lower price. We need to be in a position to demonstrate that the project is being delivered in the most cost effective manner possible. If we are not satisfied that this is the case we may be forced to exclude items from your claim (as auditors would do in our claim). Please ensure that you consider value for money in all of your purchasing decisions.
4. DIRECT STAFF COSTS – Most of the current underspend relates to direct staff costs. Although we understand why this has happened and are confident that most partners now have staff in place, you will need to review your staffing plans in order to make up any current shortfall over the remainder of the project. Unfortunately we can't simply award arbitrary pay-rises so you will need consider other means through which to address any shortfall. Suitable measures include:
 - Increasing general staffing levels;
 - Increasing the hours of part-time or fractional staff;
 - Claiming for time spent by individuals who may have devoted significant time to the project during these early phases but may not be directly funded by the project in the longer-term. E.g. Senior Managers, Finance, IT, Marketing, HR etc;
 - Appointing temporary staff to focus on specific start and finish tasks;

You should be aware that following pressure from projects across the country the Big Lottery Fund has widened Staff Cost eligibility criteria to include both external staff (i.e. those employed through an employment agency) and consultants and other sessional workers.

In order to claim for external staff you must be able to demonstrate that:

- There is a contract between the individual member of staff and an employment agency;
- The staff members is formally supplied to the employer (i.e. you) by the employment agency;

- The work undertaken by the external staff member is wholly controlled by the employer (i.e. you);
- The external staff member is not self-employed.

In order to claim for consultants and other sessional workers you must be able to provide the following evidence:

- The reason why you needed to bring in experienced professionals to support the project;
- Evidence of procurement (compliant with EU procurement rules);
- Copy of contract including rates charged and the work to be delivered;
- Copies of timesheets detailing times worked and activities delivered;
- Invoices detailing hours worked;
- Copies of organisational bank statements as evidence of defrayal;

5. PARTICIPANT RECRUITMENT – A small number of partners have reported difficulties in securing referrals from external agencies such as JobcentrePlus. Although you should expect to receive some referrals from external sources we do not expect you to be reliant on them. Anchor Partners have been selected on the grounds that they are already in contact with potential participants and able to undertake effective outreach activities through which to engage participants. You may need to consider whether you have sufficient resource allocated to this outreach activity.
6. POSITIVE OUTCOMES – During the first quarter of the project we have been focussed on recruiting participants to the project but from quarter two onwards we will also be monitoring how effectively participants progress to positive destinations. This is arguably more challenging than recruiting individuals at the beginning of the programme and will require adequate resource to generate work experience placements, employment opportunities and enrolment on appropriate training courses.
7. CONTRACT VARIATIONS – Once you have formulated your plans to get back on track and ensure that the quarter two targets are delivered you will need to set these out in the form of a formal contract variation request. We hope that all partners will be in a position to propose robust plans that will ensure that their current targets and allocations are fully delivered by the end of the project but if this is not the case there may be some scope to reallocate the current underspend elsewhere.

In order to propose a contract variation you will need to complete and submit a Contract Variation Request Form (attached, which replaces the previous Contract Information Spreadsheet) and a new Annex D return to provide a narrative explaining the reasons for the proposed changes.

If you need any support in updating your delivery plans and submitting your contract variation please let us know.

THE WEST OF ENGLAND WORKS PROJECT TEAM

We are pleased to confirm that we have recently appointed two Partnership Development Managers (PDMs) who are scheduled to join the project on 15th May. Both have considerable experience of working within the local voluntary and community sector and should prove to be real assets for the project.

The Partnership Development Managers will act as the primary point of liaison between the project team and individual partners. They will work with partners to monitor both performance and quality, identify and support any development needs identified and coordinate a range of activities intended to add value to the project as a whole (such as employer engagement). The appointment of the PDMs will also provide more time to focus on other pressing matters such as the Specialist Provision procurement process and the development of the bespoke management information system.

We are currently contacting individual partners to arrange meetings to review progress to date and introduce you to the new Partnership Development Managers.

PARTNERSHIP DEVELOPMENT GROUP

We are planning to convene our next Partnership Development Group meeting on Thursday 18th May (joining instructions to be issued shortly). This will be the first meeting of the group since the project launched in January and is an opportunity to receive updates from the project team, to share good practice and to identify opportunities to jointly add value to the project.

If you want to suggest any specific items for inclusion on the agenda please email enquiries@westofenglandworks.org.uk.

MATRIX ACCREDITATION

Your delivery contracts require all partners to secure Matrix Standard accreditation within 6 months of the contract start date. A number of partners have questioned the value of this suggesting that they hold similar standards of equivalent worth.

This requirement was included in your contract in order to ensure that all partners were delivering information, advice and guidance to a consistently high standard. It is the standard benchmark for the further education sector and securing this standard potentially unlocks opportunities to secure other sources of funding such as the Adult Skills Budget.

Given the level of debate this requirement has generated we have decided to extend the period within which Matrix Accreditation must be achieved to allow time for Partnership Development Managers to conduct a review of IAG at each individual partner. This review may conclude that some partners already have acceptable arrangements in place that ensure that IAG is delivered to an acceptable standard, or may require the partner to proceed with Matrix Accreditation. Partners may wish to proceed whilst this review is underway as although the project can be flexible as far as accreditation is concerned we can offer no flexibility as far as other funding opportunities are concerned.

OTHER FUNDING OPPORTUNITIES

Weston College is currently formulating delivery plans for the 2017/18 academic year and may be in a position to offer WoEW partners allocations to deliver 'mainstream' 16-18 and adult education programmes on behalf of the college. This would require the delivery of accredited qualifications in line with funding agency guidance. We believe that this could offer significant value to the project through offering appropriate training opportunities to address barriers to employment and also providing progression opportunities for those who will not realistically progress into work.

Budgets are of course finite and there is normally significant competition to secure allocations. Funding will be allocated through a procurement process (details to follow once confirmed, purdah may delay matters) but I wanted to provide as much notice as possible to give you time to develop any proposals that you may wish to put forward. If you have any questions regarding this or need any support developing your proposal please contact your Partnership Development Manager or email enquiries@westofenglandworks.org.uk.

All the best for the next quarter!

Matt

Matt Hempstock

Project Manager – West of England Works