

WEST OF ENGLAND WORKS

PROJECT UPDATE – MAY 2017

Dear Partner,

We are about to enter the sixth month of the West of England Works Project and I would like to thank you all for your hard work and patience thus far. We have all faced a number of challenges of recent months and will face more in months to come but it is now beginning to feel that after the unavoidably slow start things are beginning to progress, participants are being engaged and delivery is beginning in earnest.

I want to discuss a number of issues in this update but expect that there will be a further update issued shortly to address some of the matters raised at the recent Partnership Delivery Group meeting. As always if there are any specific issues that you would want to be addressed through future updates please let me know.

WEST OF ENGLAND WORKS PROJECT TEAM

I am very happy to announce that following the recent recruitment of our two new Partnership Development Managers, Nick Phillips and Zoe Tingle, the WoEW Project Team is now fully staffed. Many of you will have already met Nick and Zoe at the recent Partnership Development Group Meeting and we are currently arranging a series of meetings to formally meet them and discuss your provision.

Now that I have a full team I thought it is sensible to clarify the various roles and responsibilities so you know who to speak to about which issue.

PARTNERSHIP DEVELOPMENT MANAGERS

The focus of the Partnership Development Managers (PDMs) will be performance, quality, partnership and adding value. They will arrange regular monitoring visits and conduct periodic quality checks including observations.

PDMs are also a resource for each partner to draw upon to help build the capacity of your organisations and promote the effective delivery of the project. If there is something you need let us know and we will do our best to support you. PDMs will also lead and coordinate a range of activities that are intended to add value to the project.

The first of these is employer engagement. I would ideally want every participant who is capable of undertaking a work placement and would benefit from this to have the opportunity to do so. This means that the project will require a large pool of employers willing to offer placements (and ideally jobs). We are aware that a lot of good work is already underway amongst individual project partners and amongst other strategic partners from across the West of England Area. The PDMs will want to understand this so that we can all coordinate our efforts effectively and avoid unhelpful duplication.

Partnership Development Managers will need to be aware of all issues that relate to partners within their individual portfolios, and will deal directly with most, but will refer technical matters concerning project rules, regulations and compliance to the Operations Team in order to ensure consistency.

I haven't yet assigned individual partners to individual Partnership Development Managers and will wait until after the forthcoming round of introductory meetings before doing this.

OPERATIONS TEAM

The WoEW Project Operations Team, led by Becky Morris, is primarily concerned with contractual compliance and ensuring that our claims to the Big Lottery Fund are accurate, complete, eligible and submitted in a timely manner. Even though the PDMs are now in place I want the Ops Team to maintain a close working relationship with all partners so they will remain available to visit you to assist with the compilation of your claims and to help to resolve any issues that may arise.

Please continue to contact the Operations Team directly in relation to all matters concerning your claims and technical matters such as evidence, eligibility, funding rules and compliance (copying in your PDM for information).

PROJECT MANAGER

Now that I have a full team in place, my focus will be a combination of the overall management of the project and its position within the wider West of England strategic context. We need to ensure that the efforts of the project are effectively coordinated with the efforts of other initiatives operating in the area and we need to ensure that wider strategic partners play their part in supporting delivery. We also need to ensure that we maintain an effective working relationship with the Big Lottery Fund and their confidence in the West of England Works Project.

I also plan to make urgent progress on some specific activities that we have been forced to de-prioritise whilst we have been understaffed, not least the bespoke MI System, the Specialist Provision Procurement Process and the Project Marketing Strategy.

PERFORMANCE

The April 2017 claim has now been processed and demonstrates a significant increase in performance as the partner's full delivery teams are now largely fully staffed and all have now begun to recruit participants. However, the trajectory that we are required to follow in order to deliver our targets remains challenging.

By the end of quarter 2 (30th June 2017) the project is scheduled to have recruited 252 eligible participants. At the end of April we had recruited only 80 and need to recruit a further 555 participants before the end of December to hit our year-end target. I am confident that partners have the capacity to deliver this as it equates to an average of only 5 new participants per partner per month to hit the minimum performance level (so I would be happier if partners planned to recruit an average of around 7 per month).

The position as far as expenditure is concerned is more challenging. The project has thus far claimed c.£250k from this Big Lottery Fund but is expected to claim over £1m by the end of quarter 2 and over £2m by the end of the calendar year. As I have set out in previous updates, the recent Partnership Development Group meeting and meetings with individual partners, all partners now need to urgently reconsider their spending plans for the remainder of the project paying particular attention to direct staff costs. I expect that most partners will need to update their staffing plans in order to ensure that their allocations are fully utilised.

Thus far the project has considered performance in terms of starts and eligible expenditure only. Now that delivery has begun in earnest and PDMs are in place we will begin to consider other factors such as progression, quality, participant experience and value for money (£ per start / £ per progression) at future monitoring meetings.

REPROFILING

As mentioned above, we are currently encouraging all partners to update their delivery plans and propose a contract variation to formalise this. A number of partners have asked for additional guidance about contract variations. We will primarily offer this through forthcoming monitoring meetings but the key points to note are as follows:

1. Your contract sets out what we expect you to deliver as part of the WoEW project. If you propose to deviate from this in any way we need to formalise the agreement through a contract variation. Given the flexible nature of the project I anticipate that contract variations will be frequent and commonplace.
2. You need to complete two documents to request a contract variation:
 - Annex D [Changes to Project Form] – Is used to document any changes to your contract and wider delivery plans, and provide a narrative explaining the reasons for the proposed change;
 - The Contract Variation Request Form – Is used to propose specific changes to the key annexes of your delivery contract: Your minimum performance level profile, your expenditure profile, your approved staff list and your approved premises list.

The Contract Variation Request Form should never be submitted in isolation and must be accompanied with an updated Annex D that sets out the reasons for the proposed changes. Annex D may be submitted without a Contract Variation Request Form if the changes sought do not relate to the specific annexes covered by the CVRF.

3. Now that PDMs are in place it would be helpful to discuss any potential contract variation with them prior to submission.
4. The project reserves the right to withhold credit or payment for any items claimed that fall outside the scope of the current contract. This includes costs associated with staff who are not included on the approved list or delivery in locations that are not approved.
5. Partners may request a contract variation at any point within the project and the project may also require the partner to propose a new contract variation at any point in order to address significant under or over delivery.
6. All partners must submit a complete copy of Annex D and a Contract Variation Request Form as part of their monthly claim. We ask partners to do this so we are sure that the information we receive and process as part of any claim is complete and important items are not lost in transmission.

If you do not wish to propose any changes to your contract:

- Annex D will be a nil return;
 - The Contract Variation Request Form will be a simple resubmission of the current form maintaining the current version number (we identify updated CVRFs through the increased version number and associated narrative in Annex D).
7. When formulating your contract variations:
 - The volumes and expenditure for all historic quarters should be set in line with the value actually delivered and confirmed to be eligible by the project;
 - The volumes and expenditure for future quarters should be profiled in line with your realistic expectations of delivery and this should be clearly explained in Annex D;
 - Profiled expenditure should fully account for existing over / under payment (see 'FUTURE PAYMENTS' section below).

8. For the time being, contract variations should be set in line with current allocation values. At some point in the future I anticipate that contract variations may also be used to request additional resource or to hand back resource that you feel unable to deliver.
9. The project reserves the right to amend or impose contract variations if deemed necessary in order to ensure whole project performance;
10. Once formally agreed, updated Annex Ds and Contract Variation Request Forms replace the sections / annexes of your existing contracts to which they relate. We will not re-issue full terms and conditions.

FUTURE PAYMENTS

For a number of reasons discussed in detail elsewhere the project has not fully delivered all expenditure scheduled to have taken place thus far and future spending plans are likely to be delayed somewhat. As the project operates on a system of payment in advance of deliver this has already resulted in significant over-payments being made to the majority of partners. We need to rectify this situation urgently in order to avoid the need to make potentially destabilising clawbacks of funding in the future. We propose to do this using the same methodology that the Big Lottery Fund apply to the whole project.

We require all partners to formulate their contract variations in a manner that fully reconciles any existing under-delivery. If partners do not do this the project will be forced to do this on their behalf.

In addition to this, the project will adjust future payments to negate any current over-payments as quickly as possible.

The following worked example sets out how to go about this:

Worked Example

Partner A has a payment profile that provides payments of £100k for every quarter of the project. Their quarterly payments for quarters 1 and 2 has been made in line with the agreed payment profile so they have received £200k in total thus far.

In quarter 1 they were able to claim only £25k and in quarter 2 they were able to claim £50k. Given this they have been paid £200k but have only claimed £75k resulting in a current over-payment of £125k.

They plan to make up the current shortfall by the end of quarter 4 through delivering an additional £50k of eligible expenditure in quarter 3 and the remaining £75k in quarter 4 and have formally secured approval for this through a contract variation.

In order to reconcile payment without the need to resort to claw-back the current over-payment value (£125k) will be deducted from the planned payment for quarter 3. The partner will therefore receive a payment of £25k prior to quarter 3 (£150k planned expenditure minus £125k current over-payment = £25k remaining to be paid in order to ensure that actual historical delivery and planned delivery for quarter 3 is fully funded).

	Q1	Q2	Q3	Q4	TOTAL
ORIGINAL PLANNED EXPENDITURE PROFILE	£100,000	£100,000	£100,000	£100,000	£400,000
PAYMENTS MADE TO DATE	£100,000	£100,000	£-	£-	£200,000
ACTUAL DELIVERY CLAIMED TO DATE	£25,000	£50,000	£-	£-	£75,000
OVER / UNDER-PAYMENT PRIOR TO Q3	£75,000	£50,000	£-	£-	£125,000
REVISED DELIVERY PROFILE	£25,000	£50,000	£150,000	£175,000	£400,000
REVISED PAYMENT PROFILE	£100,000	£100,000	£25,000*	£175,000	£400,000

* = PLANNED EXPENDITURE IN QUARTER (£150K) MINUS CURRENT LEVEL OF OVER-PAYMENT (£125K)

If the current level of over-payment exceeds the planned level of eligible expenditure scheduled to take place in quarter 3 no payment will be made in advance of quarter 3 and any remaining balance will be deducted from payments scheduled for quarter 4 (and subsequent quarters if necessary).

We will implement this methodology in relation to all quarterly payments from hereon in. If you have any questions regarding this please refer them to the Operations Team.

TRAINING DELIVERED BY THIRD PARTIES

The project team has been somewhat taken aback by the number of enquiries received that relate to the delivery of training to project participants by third-party organisations. There appears to be a considerable amount of confusion regarding this matter so I want to clarify the situation.

Firstly, it is important to reiterate a number of key principles and rules that apply to the project:

1. The project expects that vast majority of training and support received by project participants will be directly delivered by staff directly employed by Anchor Partners and directly funded by the project (recent rule changes also permit delivery by agency staff and consultants).
 - Anchor Partners were selected on the basis of their ability to do this (both individually and collectively), so the need for third-party intervention should be minimal;
2. The project does not permit second level sub-contracting of delivery. This means although you may use your allocation to enter contracts to purchase goods and services that support the project in the broad-sense (e.g. rent, utilities, stationery, catering etc), you are not permitted to sub-contract any activities that could be considered to be 'delivery', i.e. the activities that form a part of the individualised support plans of project participants. This includes training delivered by third-party organisations;
 - The second-level sub-contracting issue is the reason why Specialist Providers will be funded directly by the project rather than via the Anchor Partner should additionality be established. This permits Anchor Partners to delivery with Specialist Partners in partnership rather than on a contractual basis whilst ensuring that the interests of the participant are fully protected and delivery is compliant with funding rules.
3. We acknowledge that some participants may require support that an individual Anchor Partner is unable to deliver in its own right, normally because the support required is of an extremely specialist nature and falls beyond what could reasonably be expected of an Anchor Partner.

Where this is the case the participants needs should be addressed through arranging delivery in partnership with other Anchor Partners and / or Specialist Partners (once the procurement process is complete);

- When delivering in partnership with other Anchor Partners or Specialist Partners the original Anchor Partner must remain in regular contact with the participant and ultimately control the programme of support that they receive. We are seeking truly collaborative delivery not the simple passing of participants from one partner to another with little or no continuity of support. The original Anchor Partner remains accountable for the participant at all times.
4. The project seeks to recruit individuals facing multiple barriers to employment who are furthest from the labour market. Although there will be justifiable exceptions, if a participant is capable of being enrolled on a training course offered by a third-party organisation they are unlikely to be the type of participant that the project seeks to support and may be better served simply enrolling on the third-party course.
 5. All organisations in receipt of public funds (including Big Lottery Fund and European Social Fund allocations) have a duty to prevent double-funding. Before beginning any delivery in partnership with organisations not directly funded by the project we need to be absolutely clear as to what will

be funded by and credited to the project and what is funded from and credited to other sources and ensure that there is absolutely no overlap.

Bearing the above principles and rules in mind, concurrent enrolment on both the WoEW project and provision funded from other sources is clearly problematic but potentially permissible in specific circumstances where we can be certain that all considerations are fully accounted for.

In order to ensure compliance we require you to discuss and secure approval for any proposals to concurrently enrol project participants on provision delivered by third-party organisations with your PDM prior to delivery on a case by case basis. Approval will only be forthcoming if we are satisfied that:

1. Robust arrangements are in place to allow the Anchor Partner to remain in control of the participants individualised programme of support at all times;
2. Robust arrangements are in place to allow the Anchor Partner to monitor and review the progress of the participant at all times;
3. Robust arrangements are in place to ensure that no instances of double funding occur including (but not limited to):
 - Each 'unit' of provision delivered by the third-party organisation is funded from a single source only (though this may be apportioned provided that a robust methodology can be established);
4. Robust arrangements are in place to ensure that all outcomes, results, achievements etc are credited to the appropriate funding source only and are not double-counted;

The above guidance relates to the concurrent enrolment of participants on both the WoEW project and provision delivered by third-party organisations. There also appeared to be a degree of confusion between this and enrolment on provision delivered by third-parties that acts as a positive progression route from the project.

The difference is during the former the participant remains formally enrolled on the project and you remain able to claim direct costs in relation to their support. The latter takes place after a participant is formally registered as completing their project. Although no direct costs can be claimed in relation to their support after this point we expect partners to remain in contact with the participant for a reasonable period of time to ensure that their progression is secure.

MARKETING AND PUBLICITY

We are now just about ready to press ahead with the project Marketing Strategy. This will be launched imminently and we are arranging a meeting on Friday 16th June for managers and marketing experts within individual partners to meet the Weston College Marketing Team, to discuss what is planned and what is available, and to discuss common approaches and consistent standards.

As part of this, the WoEW Project Website has recently expanded to include an number of key items including:

1. The first draft of the Project Directory – At the moment this includes information about Anchor Partners only but will be expanded to include information about specialist provision. The information available is a reasonable start but we will need to refine it further and add further information in order to ensure that individuals using it understand the unique offer of each partner and are able to make informed referrals to the project. We will shortly issue an updated template to capture this information (including an exemplar response) and discuss what to include at the forthcoming marketing meeting.

2. Request Forms – In support of the Marketing Strategy there are now a number of online forms that you should use to request:

- Press Releases;
- Social Media Posts;
- Facebook Paid-For requests;
- Leaflets / Posters etc;
- Photography;
- Newsletter Contributions;

These will be discussed in more depth at the Marketing Meeting in June.

3. A News Section – We want this to be the primary repository of all publicity activities delivered in association with the project. At the moment the content is quite sparse. Please can you forward details of any news / events etc to the project so we can better populate this section;

MANAGEMENT INFORMATION SYSTEM AND SPECIALIST PROVISION

I think that a number of the challenges that partners are currently experiencing are attributable to the fact that the project bespoke MI system and Specialist Provision is not yet in place. Significant progress has now been made in these areas and the respective procurement processes will be initiated shortly (subject to electoral purdah rules).

The MI system should significantly reduce the administrative burden that partners currently face though allowing you to focus on the input of participant and expenditure data and evidence and relying on the system to automatically generate the majority to annexes that we are required to submit as part of your claim (it will also reduce the number of memory sticks frequently flitting around the West of England Area).

I expect that the availability of Specialist Provision should also minimise the current confusion regarding delivery by third-party organisations. If you anticipate the need to work with any third-party organisation in the future you should encourage them to apply through this process.

I hope that this update responds to most of the pressing issues that Partners are facing and that you found it helpful and informative. Please let me know if there are any other matters where further clarification would be helpful via the enquiries@westofenglandworks.org.uk email address.

Regards,

Matt

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