

Enterprise and Learning Committee

EL(3) 06-10 (p2) : 4 March 2010

Bridges into Work: A Communities based approach (BiW). WEFO project reference 80157

Bridges into Work (BiW) is a collaboration of Blaenau Gwent CBC, Bridgend CBC, Caerphilly CBC, Merthyr Tydfil CBC, Rhondda Cynon Taff CBC and Torfaen CBC. This written evidence has been prepared by Torfaen CBC as the lead sponsor and agreed by the joint sponsors.

BiW operates in some of the most deprived areas of Wales and aims to help 2,767 people into work. To achieve this, the project tackles barriers such as self confidence, childcare and low basic skills. The project provides vocationally relevant skills and qualifications that can be applied in a range of workplaces.

Collectively, the BiW sponsors would like to thank the committee for the opportunity to contribute to their inquiry. We have structured this evidence to follow as closely as possible the issues identified by the committee and we hope the committee finds this evidence helpful.

The application process

The project found the application process to be challenging despite considerable experience of projects funded under the ESF Objective One programme. Whilst in some ways this has been positive as the aims and objectives have been clarified in the course of this process it is our view that the process has been overly complicated by inconsistencies in message and guidance. This has led to additional work for lead and joint sponsors and delays in projects becoming fully operational.

Key challenges we would highlight to support this view include:-

Length of time - the application process took nine months

Quality and consistency of guidance documents-

The original joint sponsorship guidance document was subject to interpretation and was later revised and amended. Whilst we are pleased that action has been taken we are currently negotiating the inclusion of an additional joint sponsor into the project as a result of these changes.

The WEFO website has proven difficult to navigate, particularly with regard to locating relevant and up to date guidance documents.

The Business Plan template has been redrafted and guidance sessions hosted by WEFO to aid project sponsors to create a sound Business Plan. We feel that this is an improvement over the original level of guidance available and would have appreciated this to have been provided to all sponsors from the start of the programme.

Quality of guidance from project development officers (PDOs) -contradictory advice has been received from PDOs where their initial understanding of issues has grown over time. For example office equipment spend has been deemed eligible and ineligible expenditure at different times.

Consistency of advice - during the process contradictory advice has been received which has resulted in additional work. For example the project sponsors were initially required to submit separate Project Initiation Forms and Expressions of Interest (EOI). This advice was later rescinded and a single EOI requested.

Clarity of roles - the project has understood from presentations made by WEFO that the Financial Appraisal Team (FAT) would work directly with sponsors to develop project finances. We are unable to report that BiW benefited from this support. Later information indicated that the FAT work more internally and liaise through the PDOs. The lead sponsor has benefited from direct contact with the FAT on another project and found this direct contact to be beneficial to project sponsors and WEFO alike.

Changing parameters - parameters for project applications have changed significantly whilst BiW was in development. For example shortly prior to the submission of the second draft of the project Business Plan we were informed that WEFO had ruled that no new ESF Priority 2 Convergence projects would be approved for more than three years. As all documents submitted to that point had been based on 6 years of funding we were forced into a substantial rewrite of the plan.

We appreciate that the Convergence and Competitiveness ESF programmes are substantially different to previous rounds and accept that a full understanding of all issues will only be won through experience. We commend WEFO in reacting positively in these areas and recognise that some of the challenges we have raised have arisen from changes made to the application process and guidance documents released during the BiW development stage.

If we were to make recommendations as to how the approval process could be improved these would be:-

To increase the capacity of the Financial Appraisal Team to allow potential projects access to financial advice and guidance at an early

stage of development.

Closer liaison between WEFO PDOs and FAT staff and project sponsors at all stages of project development.

Bridges into Work - Progress to date

Project Spend	£1,322,053 at Claim 1: Jan to Aug 2009	
	£2,131,654 at Claim 2 Sept to Nov 2009	
Grant Received to date	£1,176,462	
	Target 31 st January 2010	Actual at 14 th February 2010
Participants	4,971	4,375
Participants gaining qualifications	1,394	1,463
Participants gaining employment	392	339
Procured Delivery contracts awarded	4	
Delivery contracts undergoing procurement	3	

The project is seeking to reprofile costs in light of variances highlighted at the second claim. The underspend largely represents:-
a difference between the claim profile and actual recorded costs resulting from the timeframe for reporting costs in the claims as negotiated with WEFO

delays in securing procured delivery agents and

delays in appointing staff posts.

None of these factors is deemed by us to represent a significant risk in meeting the overall delivery profile.

The Welsh Government's arrangements for project evaluations.

In our view BiW has received atypical monitoring from WEFO in that:-

It has a first aftercare meeting scheduled for the end of March 2010 (13 months into project delivery)

it is the first approved project with Torfaen CBC as a lead sponsor and is therefore expecting visits from both the Project Inspection and Verification Team (scheduled for April 2010) and European Funds Branch.

We are concerned about issues affecting the recording and possible double recording of project outcomes. BiW and the Heads of the Valleys City Strategy Pathfinder project JobMatch have agreements built into our Business Plans that clarifies this issue. However we encounter a lack of clarity regarding "ownership" of outcomes in other ESF funded projects, particularly where multiple interventions are required in assisting a participant from economic inactivity into work.

The spread of funding across projects led by the public, private and the not-for-profit sectors

The BiW project sponsors are all Local Authorities with some delivery by procured public and private procured delivery agents.

The level of engagement in the private and not-for-profit sectors

In our view the guidance on Sponsorship, Partnership, Procurement and Grants for the Convergence programme has impeded effective partnership working with third sector organisations within this project. This is particularly in evidence when considering smaller organisations that may be inexperienced in tendering for contracts.

BiW has been able to engage with organisations and other projects for the purpose of referrals and ensuring a continuous spectrum of provision towards the project aims. However, comparison with previous ESF projects indicates a reduced involvement of grass roots organisations that often hold the key in engaging with the hardest to reach groups.

The sustainability of projects post convergence funding

We accept that the levels of deprivation across the 6 Counties precludes BiW from completely "fixing the problem" within the timescale and funding. The project has adopted a pragmatic approach in balancing the need to generate positive outcomes for participants with the need to effect change in the way that Adult and Continuing Learning (ACL) can contribute towards the skills agenda post convergence funding.

The project aims to focus ACL provision on providing the skills and qualifications required by employers through increasing collaboration with employers, employees and other relevant organisations. This collaboration will identify skills gaps and lead to greater vocationally relevant training which in turn will lead to a more sustainable economy in the 6 Counties.

An additional sustainable benefit of the project will be the increased collaboration across the service provision within the 6 Counties. This means not only sharing best practice but also economies of scale and acknowledging areas of specialist expertise that can be accessed by residents from any Local Authority area.

An analysis of the ultimate project beneficiaries (by geographic location and by sector, including business, people, community regeneration, the environment and transport)

The project covers 6 Counties including Blaenau Gwent, Bridgend, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taff and Torfaen.

Project beneficiaries include:

people from (but not limited to) the above counties who will

gain skills and qualifications

be supported to progress into employment

business will benefit from a better qualified and skilled workforce available in the 6 Counties

the economy benefiting from additional people employed and earning

communities benefiting from the outreach and engagement work at grass roots level

the Health Service will benefit from the documented health improvements linked to improved self esteem, reduced poverty and increasing socialisation of individuals

The use of procurement in project delivery

BiW has limited procured delivery of activity. This is due to the nature of the bulk of the match funding employed (NPFS funding from DCELLS contracted to ACL provision by the Local Authorities through franchise agreements with Further Education Institutions (FEIs)). This is unable to be subcontracted out by the joint sponsors.

Two of the sponsors within BiW (MT and RCT) have successfully procured delivery contracts for sector specific provision such as construction skills, catering and hospitality.

The use of Structural Funds in responding to the recession

Changes to Structural Funds measures were announced in July 2009 after BiW was approved.

The potential impact of tighter public sector budgets in the next few years

In our view the public sector budget cuts will have a dramatic negative impact on the ability of the project to meet targets. We expect to see a continuation of the increasing demand for the project provision, particularly for unemployed people linked with a reduced number of available job opportunities.

Within the 6 Counties the largest employers tend to be public sector, for example the Local Health Boards and Local Authorities. Many of these organisations are planning on reducing costs through reducing staffing levels. This will subsequently affect many private businesses that serve the needs of the public sector

Projects in the pipeline and the flow of projects.

BiW has no evidence to submit on this issue.

The availability of match funding

The project is facing continuing difficulties in ensuring an adequate level of match funding to service the project. Match Funding for the

BiW project is provided primarily through Local Authority franchise agreements to deliver Adult and Continuing Learning with DCELLS funded FEIs. With the DCELLS settlements and franchise agreements being significantly reduced the level of Match Funding available to the projects is being eroded.

In order to ensure the success of the project the sponsors will quite properly increase the percentage of franchise monies towards project activities. Depending upon the severity of future cuts this will lead initially to significant reductions in non project ACL activity. Possible consequences of this include impacts on people's health where ACL activity provides socialisation and physical and mental exercise. Local authority budgets will be negatively affected as the proportion of ACL activity delivered free of charge through the project will reduced the income generated through ACL tuition fees.

The impact of increased intervention rates announced in July 2009.

BiW was unable to benefit from the increased intervention rates as the changes are not being applied retrospectively. In the light of the points raised regarding public sector budgets and the availability of match funding the project will definitely be seeking to alter the intervention rate when it applies for an extension for funding past 2011 and may seek to enter a dialogue with WEFO prior to 2011 depending on the severity of ALC funding cuts.