

## FE Colleges and EU Funding

### Key points

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- Projects in which colleges are partners are now starting to reach approval stage but the process remains slow.
- Guidelines for applying for Convergence Funding have been changed or clarified throughout the funding period, requiring submissions to be withdrawn and resubmitted a number of times.
- Some projects which have been approved are not yet in a position to deliver because the conditions of funding are not yet clear.

### Transition from Objective 1 to Convergence/Competitiveness Funding

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Under Objective 1, ESF proved to be an extremely valuable source of funding for adult and community learning in particular, and in raising basic skills. Colleges were very successful in acquiring financial support and were involved in a number of large ESF bids, either as individual institutions or as part of partnerships.

Within the Convergence/Competitiveness Funding programme, the guidelines have changed with more of an emphasis on larger scale strategic projects with sustainable impacts that will increase the levels of employment and enhance skills acquisition for the benefit of the Welsh economy. Due to the strategic nature of these larger projects, colleges were advised against bidding as individual institutions, and to develop more of a collaborative approach with partners from public, private and the third sector.

Consortia took some time to form, however. Not all consortia were as proactive as others or as effective in developing relationships with prospective partners and synergies between projects. The consortia model was therefore inevitably slower in getting money to the front line.

The Chair of the Programme Monitoring Committee explained<sup>1</sup>:

“Project approvals are fewer in number than under the previous round because of the strategic approach to the new programmes, which aims to maximise the impact. This takes time, but will lead ultimately to stronger and better-integrated projects.”

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<sup>1</sup> Jeff Cuthbert, speaking at NAW European & External Affairs Committee 20Jan09  
<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-eur-home/bus-committees-third-eur-agendas.htm?act=dis&id=114180&ds=2/2009#rhif3>

## Successful bids

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A number of WAG-led bids came to fruition early in 2009. Colleges have been able to access some of these funds, for example, Skillbuild (£33 million ESF), Modern Apprenticeships (£42 million ESF), and Enterprise Networks (£12 million Convergence ERDF).

ProAct, which was approved just weeks after submission, helped local industries survive the recession – which included an element of funded training for the workforce, for which some colleges were contracted to deliver.

Pathways to Apprenticeships (PTAs) were allocated £10 million WAG funding in March, match-funded by colleges' core funds, with WAG suggesting that "a formal bid for ESF is likely to be submitted in May" (answer to WAQ 53513 3Mar09).

## Procurement

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The rules surrounding procurement created frustration amongst colleges, in that they appeared to encourage a reactive rather than proactive approach from colleges.

"Due to the procurement process adopted for Convergence funding, it has been impossible for colleges to submit bids either singly, or as partnerships to date. Colleges are being increasingly directed to Sell2Wales as a route to identify opportunities to tender for work within projects submitted by other agencies."<sup>2</sup>

The Chair of the Programme Monitoring Committee explained<sup>3</sup>:

"It is fair to say that most of the projects that have been approved to date have been WAG projects, but procurement, namely the delivery of the projects, will be in the hands of a variety of partners, such as local government and the voluntary sector, or, indeed, the private sector... [T]he fact that a project is a WAG project on the face of it does not mean that there will not be massive involvement from, and partnership with, other organisations."

There are, however, critical differences between WAG-led projects and local authority-led consortia and college-led bids, including:

- the level of input colleges have had in putting the respective types of bids together
- the speed with which money gets to the front line and when projects can start delivering to learners
- the tenderer-contractor relationship under Sell2Wales compared with grant applicant relationship with WEFO. Responding to Invitations to Tender (ITTs) is a reactive process which does not enable colleges to proactively develop projects to meet the needs they know exist amongst current and prospective learners.

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<sup>2</sup> ColegauCymru (then known as fforwm) written evidence to NAW Finance Committee, 4 March 2009

<sup>3</sup> Jeff Cuthbert, *ibid.*

## Spring hiatus: WEFO guidance

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There was a hiatus through spring 2009, with WEFO unable to pass on clear legal advice on procurement for local authority-led or other types of consortia. None of the college bids (under local authority or other consortia) had reached approval stage. It was a particularly frustrating time for colleges. College budgets and staffing levels had to be managed through a highly uncertain period involving high-value bids in some cases.

Projects were put in abeyance pending clarification of the rules. Colleges were advised to wait for official guidance on collaborative projects (led by local authorities or projects led by colleges on behalf of a number of colleges and/or local authorities and third sector organisations), some of which had previously progressed to detailed stage under WEFO advice.

At one stage, WEFO suggested (verbally only) that individual colleges withdraw from the local authority-led consortia and submit new bids as individual institutions, which would entail going back to the end of the queue.

A number of colleges did indeed go back to the drawing board and submit their own bids. Others, in the absence of any written clarification from WEFO on the revised guidance, stuck with the consortia bids.

In June 2009, WEFO published: ***Supplementary Guidance on FE Sector Engagement in the 2007-2013 ESF Convergence and Regional Competitiveness and Employment Programmes (Version 1.0 June 2009)***.<sup>4</sup>

This provided the long-awaited clarifications. Since then, the approval process has appeared to get back on track. Albeit slowly.

## Current position

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Now, in spring 2010, projects are being approved.

Colleges are participating in the following ESF-approved projects:

- Engage – Colleges across South West Wales
- Bridges into Work – Colleges across South East Wales
- Working Skills for Adults - Colleges across South East Wales
- Prevent – Colleges across South East Wales
- Skills for the Workforce – Deeside College
- Engagement Gateway – WCVA with a number of colleges
- Reach the Heights - DCELLS with a number of colleges
- New Day Project - NOMS with a number of colleges
- Building the future together – Coleg Morgannwg
- Foundation Degrees - University of Glamorgan with a number of colleges
- IT for rural enterprises – DCELLS with various colleges

The process is still complex, however, and frustrations remain within the sector as follows:

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<sup>4</sup> <http://www.wefo.wales.gov.uk/resource/090604supplementaryfesectorguidanceen1552.pdf> (note: hyperlink not working on 10 Mar2010)

- One college has succeeded in gaining approval – but it had to submit the bid twelve times before it was approved.
- One successful bid submitted by a local authority with a number of partners including a college contained a project start date of January 2009, but will not be able to start until September 2010 at best. It has not been made clear whether the funding will be reduced because of the late approval date – i.e. allocated pro rata for the remaining period of the project with reduced targets, or if the project's targets and level of funding will be honoured – but delivered within a much reduced time-frame.
- Unfortunately, one project has lacked any form of communication from WEFO since spring 2009. The project, led by a regional consortium of colleges, built on previously successful ESF-funded projects. Developed since November 2006, a Project Information Form was submitted in June 2007, and the Expression of Interest first submitted in February 2008 was cleared by WEFO to proceed to “part2” of the application process in February 2009. The project was given “deferred” status in spring 2009. Despite repeated requests, no clarification has been given as to what this status means or how to move forward. The consortium of colleges (without a partner from the private sector) was also told that they did not fit procurement guidelines: “one man’s partnership is another man’s monopoly” in the words of WEFO. The college says:

“This has been a long and frustrating process with the application process only becoming clear as we went along. It’s as if WEFO didn’t know what to do with us.”

## Conclusion

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- Whilst the approval process has improved and colleges are in many cases now able to put the projects into practice and deliver front-line services to learners, the process is certainly not straightforward.
- ColegauCymru would very much like to see greater consistency in advice from WEFO and a more positive approach to bids in developing and assisting bids come to fruition.
- If there are to be further rounds of funding, it is in everyone’s interests to ensure clear legal guidance from the point of inception.

## Further Information

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