



Building Better Opportunities

A summary of our partnership requirements
(February 2017)

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Accessibility

Please contact us to discuss any particular communication needs you have.

Our equality principles

Promoting accessibility; valuing cultural diversity; promoting participation; promoting equality of opportunity; promoting inclusive communities; reducing disadvantage and exclusion. Please visit our website for more information.

We care about the environment

The Big Lottery Fund seeks to minimise its negative environmental impact and only uses proper sustainable resources.

Our mission

Helping communities and people most in need.

Our values

We have identified three values that underpin our work: being supportive and helpful, making best use of Lottery money and using knowledge and evidence. You can find out more about us, our values and the funding programmes we run by visiting our website www.biglotteryfund.org.uk

The Big Lottery Fund is committed to valuing diversity and promoting equality of opportunity, both as a grant maker and employer. The Big Lottery Fund will aim to adopt an inclusive approach to ensure grant applicants and recipients, stakeholders, job applicants and employees are treated fairly.

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Summary of Changes

February 2017 - page 8 of this document now clarifies partnership agreements covering the entire retention period and rights of access to original project documentation.

October 2015 - Additional detail has been added throughout the sections about partnership structures, common questions about partnerships and partnership agreements.

Introduction

You should read our programme guide before this publication. The guide, and other guidance, is available on our website www.biglotteryfund.org.uk/esf

Most of the funding opportunities that will be available through Building Better Opportunities are better suited to partnership working.

Partnership working is encouraged because:

- ✓ one organisation working on its own is unlikely to have the breadth and depth of experience to tackle the multiple and complex issues faced by those most in need
- ✓ involving other organisations helps generate new ideas and can extend the scope or diversity of work that can be delivered within the project
- ✓ local organisations working together often have the reach and expertise to make the greatest impact
- ✓ better coordination of different types of provision within a single partnership structure can lead to more effective service delivery tailored to an individual's needs
- ✓ smaller organisations may be most effective for delivering certain types of provision, but may not have the scale to deliver the entirety of a project on their own
- ✓ partnerships have access to a wider range of skills, resources and solutions
- ✓ cross-sector partnerships may be essential for sharing information between different providers.

To work effectively, partnership working must be grounded in open and honest communication, with respect for the experience and knowledge of each particular organisation.

Applying as a partnership

Where more than one organisation is involved, one organisation will submit an application on behalf of the partnership. We call this applicant the 'lead organisation'.

Organisations can be involved in more than one application, either as a lead or a partner.

However, lead organisations might set their own requirements on partners' involvement in other applications.

Lead organisations

The organisation that completes and submits the stage one application to us will have legal responsibility for all funding we award and be financially accountable for any money that is distributed to partners. It will be the lead organisation's responsibility to manage the partnership in order to avoid any financial loss due to inadequate reporting or evidence not being provided.

Lead organisations will have:

- ✓ a clear vision for responding to the priorities of the local area, backed up by appropriate expertise
- ✓ a proven track record of managing complex projects, relative to the size of the partnership and the amount of money involved
- ✓ good connections for ensuring a wide cross-section of organisations are able to get involved
- ✓ strategies for managing and coordinating the partnership throughout the planning, set-up and delivery of the project
- ✓ the resources to respond to the development needs of individual partners in the partnership's formative stages.

Though not essential, it would be beneficial if lead organisations have some experience of European funding or has a partner that is able to share their experiences.

At stage two, the lead organisation will submit to us a draft partnership agreement that will formalise the responsibilities and relationships between partners. If we make an award, all of these organisations will then

sign this partnership agreement before the project can begin.

As the lead is the sole accountable body that is bound by the terms and conditions of grant it signs with the Big Lottery Fund, the partnership agreement is a way for all the partners to formally agree how the terms and conditions of grant apply to them all.

We expect all partnership agreements to set out fair and agreed arrangements for sharing work, money and risk between the partners. Whilst we appreciate that you can't always guarantee in advance exactly how many participants will be supported by each partner, it is important that all partners have the same understanding of what can be expected and how decisions will be made.

It is the lead's responsibility to support all partners to understand what they are signing up to through the partnership agreement.

Partnership structures

We're open to different partnership models where these meet our requirements for how a partnership they should be set up and run.

- ✓ Any organisation that will have a formal delivery role must sign the partnership agreement. This is because they will use some of the money and will therefore have responsibility for abiding by all the requirements of the programme. We would not generally expect other organisations (e.g. referral partners or strategic partners, who will not be paid for their role) to sign the agreement.
- ✓ The lead organisation that submits the stage one application form to us must be a legally constituted body in its own right. For a consortium, a single organisation would need to be identified or a new organisation established.
- ✓ If the applicant is a new organisation, we'll need to understand how the people managing it have the expertise, capacity and capability to lead the project successfully, as this new organisation is unlikely to have a proven track record in its own right.
- ✓ In order for a consortium to be a partner in the project, they must be a legally constituted body. Otherwise, each

individual organisation that makes up the consortium will need to separately sign the partnership agreement.

Any changes in partners must be discussed and agreed with us beforehand.

It is up to you to agree the roles of the different partners and whether they all have similar roles or form different groups with distinct roles.

Procurement

Any organisation that will have a formal delivery role in the project (using expenditure paid for by the grant) must be named on the partnership agreement. If during the course of the project, opportunities are identified for small discrete services, these can be procured by the lead organisation in line with Public Procurement Regulations and national procurement rules for ESIF.

Common questions about partnerships

1. Do we have to work in partnership? And will cross-sector partnerships be assessed more favourably?

No. The main thing we're looking for is that the applicant can deliver the project. A single organisation will often be able to do this on its own, but in other cases a partnership will be best placed to cover the whole scope set out in the project outline. There is no favouritism with regard to the types or sectors of partners involved.

2. Can you clarify how the term "delivery partners" differs to normal sub-contracting arrangements?

Through Building Better Opportunities we are offering grants rather than contracts. This is why we are insisting on a partnership model rather than a sub-contracting one.

There is a difference between these models. In general terms a partnership is an association of organisations where two or more bodies opt to work together to deliver a set of activities. It offers its members, known as partners, no liability protection from the partnership's liabilities, but it is also very easy to create. The partnerships required for BBO follow this model; they are not legally binding agreements as under the 1890 Partnership Act.

A sub-contractor is typically a person or an organisation that agrees to perform certain activities for another contractor. When a general contractor hires a subcontractor, the two enter into a contractual agreement that details the requirements of the job. This contractual relationship doesn't create a formal partnership.

Another key distinction is that a partner is expected to support the ongoing development of the project as a whole - for example by attending regular partnership meetings and contributing to evaluation - whereas a sub-contractor is less likely to hold such a role. Partners are also entitled to claim funding to cover their actual costs, whereas a sub-contractor will usually receive a fee.

3. Who should be listed as a partner?

We expect any organisation that will have a formal paid role in the delivery of the project to be named on the stage one application form as they will enter into a partnership agreement with the lead organisation to deliver activities or services for the project. If you think there is a likelihood that you will be using a particular provider to deliver activities as part of the project, then they should be included as a partner from the outset. We would not generally expect other organisations (e.g. referral partners or strategic partners, who will not be paid for their role) to sign the agreement.

If one of the members of the partnership is a consortium, then the legal status of this consortium will determine whether they need to be listed.

4. If our partnership consists of a consortium, do we need to list member organisations separately?

For money to be paid to an organisation or a consortium, they must be a legally constituted body. If the consortium is unconstituted, or consists of organisations that will be carrying out work independently of the consortium, then they would need to be listed as separate partners.

By way of an illustration, across England there are School Sports Partnerships. These are made up of a group of schools but the

partnership itself is not a legally constituted body in its own right. Therefore the partnership could not apply for any money but the individual organisations could. In this case, one organisation would be the lead applicant, and the others would be listed as partners.

5. What happens if I need to add or remove partners following stage one?

When we make our decisions, we'll be looking at the capability, roles and experience of your partnership to deliver the project. Changes to your partners could be seen as changing the basis on which this decision was made and so you should not add any new partners without going through a formal procurement process. This process must follow the national procurement rules for ESIF (see

<https://www.gov.uk/government/publications/european-structural-and-investment-funds-programme-guidance>), or Public Procurement Regulations in some cases.

6. We plan to go out to tender with packages of work that will be delivered by organisations outside of the existing partnership. Can you please explain what is acceptable?

Every effort must be made to list the organisations that will be involved in delivering activities for the project. They will then enter into a formal partnership arrangement following stage two of the application process.

If additional services are identified after we've awarded the grant, this would need to be agreed with us first and then a procurement process carried out in line with national procurement rules for ESIF (see <https://www.gov.uk/government/publications/european-structural-and-investment-funds-programme-guidance>), or Public Procurement Regulations in some cases. These services must be absolutely essential to the delivery of the project and we would usually expect them to be focused on specific needs or areas that were not previously known or understood.

7. Can we have a loose partnership arrangement at stage one and subsequently, if the application is successful, convert this into a formal consortium?

No. You must have all members of the partnership in place at the point at which the lead organisation submits the stage one application to us. This gives us assurance that the partnership includes all the relevant organisations to deliver the project and there is sufficient coverage to target the participant groups and areas we've listed on the project outline. This is a key consideration during our assessment so any changes would raise questions over whether the right partnerships were invited to stage two.

8. Can a lead organisation act in a co-ordinating role without actually delivering any frontline activity? Can we apply a flat rate management fee for this?

A lead organisation does not necessarily need to deliver frontline activities. We recognise that European funding can be complex, so a lead organisation that can effectively coordinate partners to comply with ESF requirements would be an appropriate managing body. In these situations, the lead organisation would not be able to apply a flat management fee, but would be able to claim all eligible costs incurred in their management role.

9. How should we manage payments to partners?

It is the responsibility of the lead organisation to establish procedures for distributing funding to the other partners. However, this must be done in a fair and equitable way, in line with the overall BBO model. As BBO works on an actual costs basis, all payments to partners must be made on this basis too. Since we are providing payments in advance, we would expect to see the same arrangements within the partnership.

If the funds we provide to the lead are affected by performance management measures due to underperformance or errors by partners, it is of course permissible for the lead to pass on these measures (e.g.

withholding or delaying payments) to the relevant partners. This also applies to any funds affected by claw back.

10. How will you assess the financial capability of a new partnership or consortium?

There is a range of financial information we take into account when assessing applications, including: the relative increase in turnover the award will bring; the size of the organisation; the experience of trustees and directors; the track record of delivering similar size grants.

There is no requirement for an organisation to have a certain turnover, providing those involved can demonstrate satisfactory financial procedures and governance. In the absence of annual accounts, for new organisations we will instead look at the experience of the partnership in managing their finances.

11. How do we deal with disagreements within the partnership?

It is the responsibility of all partners to deal with any disagreements or disputes. Your partnership agreement should set out how this will be managed. As a last resort, if your internal procedures have been exhausted, you should use mediation and arbitration.

Partnership agreements

We expect all members of the partnership to be in place at the point the lead organisation submits the stage one application to us. If there are changes after this, these will need to be discussed with us beforehand.

If projects are successful at stage one, we will need to see a draft partnership agreement as part of the stage two application. This sets out the responsibilities of each organisation. We will also want to select at least some of the partners to meet, as well as the lead, in order to understand how the partnership is working. These meetings could be during assessment and/or during delivery of the project. We want to be sure that all partners are involved in decision-making, are supported by the lead and that their views are heard and acted upon.

The main areas a partnership agreement should cover are summarised below.

Purpose or aim of the partnership

The aim of the partnership and how this links with the aims of your project.

Lead organisation

Details of the lead organisation that will be responsible to us for delivering the project, reporting to us and meeting our terms and conditions of grant.

Partner organisations

The names, addresses and contact details of all the organisations that are signing up to the agreement.

Financial and contractual arrangements

Details of the services to be delivered by the partner organisations, how often payments will be made and how they will be managed. A statement that the lead organisation will be responsible for all funds, in accordance with the evidence requirements we will put in place. Provisions on how responsibility for any financial losses will be fairly attributed within the partnership.

Roles and responsibilities

The main roles and responsibilities of each organisation in the partnership. Make clear which tasks and services each partner will be responsible for delivering and how work

will be shared out. Set out the reporting structures and the performance and/or contractual management measures that will be used to make sure everyone is contributing as agreed.

Policies and procedures

This should list all policies and procedures that are required by law or are relevant to the project, such as health and safety, equal opportunities, sustainable development and the protection of children, young people and vulnerable adults and confirm that all partners will abide by them.

Administration and record keeping

Explain who is responsible for setting up meetings, how often they will happen and what records will be kept.

Monitoring and reporting

How monitoring information will be provided by the partner organisations to enable the lead organisation to complete regular progress reports for us, and which performance management methodologies will be used to monitor progress of the project and participants.

This should also cover the process for ensuring quality and consistency of data across the partnership, together with how participant files will be checked, monitored and stored.

Finance and claims

How partners will be paid (including timescales for payments) and how evidence of expenditure will be checked, recorded and stored. How VAT will be handled.

Communication

How communication within the partnership will be handled, the methods that will be used and who will be responsible for promoting the project.

Branding and publicity

This must be in accordance with Big Lottery Fund and European Social Fund guidelines.

Cross-cutting themes

Contributions and commitment to cross-cutting themes from partners.

Duration

The agreement will need to run for at least as long as our grant agreement with the lead organisation. The agreement should cover the entire retention period and include rights of access to original project documentation. Include a provision for the lead organisation to terminate the agreement if for any reason we need to suspend or terminate the grant.

Sustainability

How the benefits of the partnership will be sustained.

Signed declaration

All partners must sign the declaration. The partnership agreement must refer to, or include, our terms and conditions of grant. By signing the declaration, all partners agree that these terms and conditions will take precedence if there is conflict between ours and any others that might be included.

Disputes and disagreements

This should explain how partners or lead organisations can raise concerns and how these will be resolved, including how issues may be escalated and what form this will take.

Changes

How changes to the agreement will be managed.

Delivering the project

European funding comes with specific delivery and monitoring requirements that must be carried out by all lead organisations and partners.

Throughout the delivery of project, we'll be checking five things:

- ✓ The project is on track to meet its targets and outcomes, including its expenditure profile
- ✓ The project is addressing specific ESF cross-cutting themes, relating to sustainable development and gender equality
- ✓ All of the expenditure has been for eligible costs, with full evidence provided, and that national procurement rules for ESIF or Public Procurement Regulations are being followed
- ✓ Everyone who is benefiting from the project is eligible to receive support

- ✓ The branding and publicity guidelines are being fully implemented.

We've provided detailed information on these areas in our 'Guide to delivering European funding'.

If lead organisations are not able to provide the information and evidence we ask for throughout the delivery of the project, this could have serious financial repercussions for both them and their partners. If errors are found within this evidence, we may have to recover funding that has been paid or spent. It is therefore extremely important that partners understand and are committed to these requirements from the outset as they will be subject to the same financial risks. The partnership agreement is used to lay down these requirements in how partners will operate.

We've provided a summary of some of the key responsibilities for lead organisations and partners below.

Role of the lead organisation

- ✓ Establish procedures for distributing funding to other organisations in the partnership in a fair manner.
- ✓ Implement policies for ensuring evidence requirements are shared between partners.
- ✓ Ensure there is a good level of engagement with target participants so the project remains responsive to their ideas and needs.
- ✓ Collect and retain original receipts and invoices for each item of expenditure spent by partners, together with other forms of evidence like timesheets and job descriptions with evidence of compliance with procurement rules.
- ✓ Collect and maintain an up-to-date database of all participants on the project, including their equality characteristics and around 30 other personal indicators (such as age, family circumstance and current level of education).
- ✓ Evidence all results, such as learning achievements or a participant's progression to employment, including certificates or letters of appointment.

- ✓ Ensure the cross-cutting themes and the branding and publicity guidelines are being implemented throughout the delivery of the project.
- ✓ Report to us regularly on the progress or achievements of the project, including being available for visits by us or auditors even after the project has ended.

Role of partners

- ✓ Ensure funding is being spent on eligible costs alone, with evidence of this expenditure retained and then passed on to the lead organisation.
- ✓ Collect accurate entry and exit information on each participant, so that the eligibility of these participants can be proven and the impact of the project can be monitored.
- ✓ Collect and retain original receipts and invoices for each item of expenditure spent by partners, together with other forms of evidence like timesheets and job descriptions with evidence of compliance with procurement rules.
- ✓ Evidence all results, such as learning achievements or a participant's progression to employment, including certificates or letters of appointment.
- ✓ Maintain a participant record for each individual enrolled in the project, which brings together all of the evidence of their progression through the project together with other key information like their start and end date.
- ✓ Embed the cross-cutting cutting themes within the day-to-day delivery of the project.
- ✓ Publicise that the services being delivered are supported by the Big Lottery Fund and ESF, taking every opportunity to include references and logos.
- ✓ Ensure that any activities clearly add value and do not duplicate provision that can be arranged locally through existing institutions or interventions.

How do I find out more?

There is more guidance about Building Better Opportunities on our website www.biglotteryfund.org.uk/esf

We have produced other publications that you should be familiar with before making a start on your application. You must read the:

- **Programme guide** as this provides a useful introduction to our other documents.
- **Project outlines** to decide whether your organisation can deliver one of these.
- **Guide to delivering European funding** as this provides a detailed explanation of the monitoring and delivery requirements involved.
- **Frequently Asked Questions.**

If you decide to apply, register on our website to request an application form.

If you can't find what you're looking for, email us at esf@biglotteryfund.org.uk

BBO ESF Support team

We have a dedicated support team in place to help applicants to understand and respond to European funding requirements. They will provide support on working under ESF rules and regulations, including things like eligibility, costs, record-keeping, publicity and cross-cutting themes.

See their website at www.bboesfsupport.com for further information. You can also contact their helpline at support@bboesfsupport.com or on 0330 123 3844.