**Essential Update number 2 May 2019 – Immediate changes to Annex L and Annex O, the roll out of the disengaged participant policy, and grant holder access to BBOX**

Following feedback from grant holders, we have made some improvements to both Annex L and Annex O. A number of these changes come into effect immediately, whilst others will come into effect for the Q3 2019 claim period. These changes should have a positive impact on the delivery of your project, and help resolve some of the issues grant holders have been experiencing.

The update also includes information on the roll out of the disengaged participant policy, which has been requested by the Managing Authority.

**Immediate changes**

**Annex L – V11**

Some grant holders have reported difficulties in working with Annex L version 10 due to the large file size. An optimised file, approximately half the size has been tested and is currently being used by several projects. The file is being posted on the Guide to Delivering European Funding site as Annex L – V11. There are no changes in the layout or field definitions in this version, and using it is entirely optional though may be helpful for projects struggling to work with version 10.

**Annex O – V10**

Since releasing Annex O version 9 in April 2019, we have received feedback from several grant holders who are receiving the error message “#Name?” within the annex. This only occurs when using old versions of Excel (earlier than Excel 2013), due to it not recognising one of the additional validations included within Annex O version 9. The validation checks whether formulae have been inserted in the

spreadsheet. An updated Annex O, version 10 is now available that switches this validation off if you are using an old version of Excel, but still enables it to function in newer versions; all other validations remain as normal.

The file is being posted on the Guide to Delivering European Funding website. For the Q2 2019 claim both versions 9 and 10 will be accepted, **for Q3 2019 onwards only version 10 will be accepted.**

**Upcoming changes**

**BBO Disengaged participants grant holder information**

We have been discussing data relating to disengaged and deceased participants with the Managing Authority (MA). The MA have confirmed that in line with ESF data guidance, all records must have an exit date even if the participant has disengaged from the project. This is a change from previous process where no exit date would have been entered in these circumstances.

Given the above, each project will now need a policy to determine at what point a participant becomes classed as disengaged. This is not being set at BBO programme level, as all projects are different and understand the nature of their participants. The Fund is not required to approve the policies. We are aware that some projects already have these policies in place, and as such there will be no need to implement a new one, however, the policy should be made available for participant compliance checks.

A simplified example of such a policy could be:

*If a participant fails to show for an intervention, the project will make three attempts at contacting them over a six week period to re-engage them. These attempts will be recorded in the participant file, with dates and what method the project has used to try and contact the participant.*

At the point the participant becomes classed as disengaged (or the project determines the participant is deceased), the exit date should be recorded on Annex L, but **no other exit data can be recorded in Annex L**. As outlined in the programme data requirements, **the exit date is the last recorded activity the participant has been involved in on the project**. This does not need an exit form to record the date, as the last activity date as a matter of course should be recorded in the participant file.

Projects may wish to create a form which can be used to formally record this decision, however this is optional and the Fund will not be providing any documentation to support this. It is anticipated that notes in the participant file of attempts made to re-engage the participant or notification of a participant passing away, will be sufficient when combined with the correct exit date being recorded.

We are aware that there are a large number of participants who projects have already determined are disengaged. In these cases, we’ve agreed with the MA that the exit date can be recorded as the date of this notification from the Fund (23 May 2019); in these instances a copy of this Essential Update should be retained on file**.** Where projects can easily determine the exit date from an MIS and add it to annex L, we encourage you to do this in order to improve data accuracy.

We will be asking you to provide us with exit dates for disengaged or deceased participants from Q3 2019, following the publication of an updated annex L.

**Annex L Version 12**

To facilitate the change to data for disengaged participants a revised version of Annex L will be published. It will allow an exit date to be recorded with no additional exit data being present. We will release this after the Q2 2019 claims are received - to be **used for your Q3 2019 claims onwards**. It will also include the file size optimisation introduced in version 11, and we will expect exit dates for the vast majority of your disengaged participants to be recorded in your Q3 2019 claim.

**Deletion of participant records**

At present the Fund’s participant database does not recognise when a participant has been removed from annex L. We are implementing a change to this that will check whether each participant is still recorded on Annex L each quarter. Where the system is unable to match a participant in the database to a record in the Annex L, the participant data will be deleted from the Fund’s database. This will trigger an update to the MA’s database that will also delete the same record. This also means the participant will not appear in data issued to the A125 and A127 team for participant checks.

In circumstances where a participant is removed from Annex L, it is imperative that a self- declared adjustment is completed by grant holders to remove any costs directly associated with that participant. We will also be able to issue a list of NI numbers we identify as having been removed from the database for each project.

**Annex L validations**

Annex L data has been validated using our participant database for some time now, this is necessary as some validations, for example checking postcodes against the ONS dataset, are too complex to build into Annex L. To date this has been done by the Fund and feedback sent to grant holders. Functionality has now been added to the system that allows grant holders to validate their own Annex L files, before submitting them with the quarterly claims. This functionality will be tested by a small group of grant holders using the Q2 2019 data; once testing is complete we plan to roll out access to all grant holders for the Q3 2019 claims. This should enable claims to be processed more efficiently and errors in data to be corrected earlier in the claims process. We will keep you up to date with our progress.