Successfully Managing Complex Funding

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Introduction

The proposed introduction of the UK Shared Prosperity Fund (UKSPF)[1] provides an opportunity for continuing funding support for disadvantaged people and communities, which to date have been provided by the European Social Fund (ESF). As discussion about what comes next continues, now is a good time to reflect on how complex funding systems (and in particular the ESF) have functioned to date and how lessons learnt from this could be applied to the design of future funding programmes that develop.

This paper draws on the experiences of projects within the Building Better Opportunities programme jointly funded by ESF and the National Lottery Community Fund. Given the ESF element of this programme, it can be characterised a funding scheme that has complexities. This paper identifies what is needed for complex funding programmes to work well, allow smaller, less experienced organisations to access the funding, and operate successfully. It outlines the key learning points to date and highlights actions that both funding providers and lead grant holders could take to ensure success when working with this type of funding.

Learning point 1: Delivery partners need support, especially those less experienced with complex funding. Supporting understanding of complex funding requirements is important.

Supporting partners to fulfil administrative requirements effectively and to provide clear guidance on this has been a common activity by lead grant holders within the BBO Programme. Successful approaches developed include supporting and overseeing successful submissions during the claims process and providing training or guidance on meeting the requirements of the ESF audit process.

[1] The Government has pledged to set up a Shared Prosperity Fund to replace EU structural funding. It was initially proposed in the Conservative Party manifesto “Forward, Together: Our Plan for a Stronger Britain and a Prosperous Future”.

SELNET, the project lead for Age of Opportunity, Invest in Youth and Changing Futures developed a series of training sessions for partners and delivery staff. For all new delivery staff, a session on what a good participant record looks like is a mandatory training requirement. Additionally, a two-hour 'claim clinic' is delivered to all partners to help with the quality of claims and records. There is also a session on how to put a claim together. The project reported that these sessions have helped achieve consistency across what is a relatively large partnership.

Other ways that delivery partners have been supported include through workshops and 1:1 support visits. Examples of guidance produced by projects includes the development of manuals and dummy files for partner organisations to use. One project has also identified common errors in paperwork and then run specific forums on these themes to help partners address these. Such methods represent potential good practice approaches that could be adopted by funders or partnership leads for the successful implementation of any future funding programmes.

Learning point 2: Adequate resource is needed to support compliance

One significant finding from the BBO evaluation is that the capacity required within projects, and at individual partners, to fulfil the administrative requirements effectively was often underestimated. More recently, many projects have created new compliance focused roles to support administrative processes across the partnership.

The Accelerate project, led by Coventry and Warwickshire Co-operative Development Agency created an Opportunity Connector role. Working across the partnership, this role provides individual partners with varying levels of support in addition to that provided by the core management team. One specific focus is on compliance with paperwork and the administrative process.

Elsewhere, in other partnerships, a re-profiling of funding for individual partners has been done to increase staff capacity to manage administrative requirements and partners have been encouraged to build in plenty of admin time to manage compliance tasks.

At Opportunity and Change, the volume of paperwork that needs to be completed with participants, 'behind the scenes' administrative tasks including evidencing financial claims, and adherence to guidance in order to make files and paperwork compliant, meant that most partners initially did not have enough staff in place and struggled to meet the deadlines. In order to address this, a number of partners have now re-profiled to enable them to recruit more members of staff, and additional time has been allocated to complete some of the administrative tasks.

While ideally future programmes should look to streamline and reduce bureaucracy wherever possible, these examples do offer pointers towards how certain inevitable requirements can be efficiently addressed to avoid taking attention away from front line delivery.

Learning point 3: Standardised resources are useful

Overall, there has been an underestimation of the amount of time and support partners would require in terms of developing monitoring and reporting mechanisms. Whilst some of these may need to be bespoke to individual projects, it was felt that for some aspects of claims there could be templates available for all partners to use.

For example, one project noted that they had experienced problems with calculating the hourly rate of part-time staff and that a sample timesheet that allowed them to do this correctly would have been helpful from the outset. At Better Off Finance, the project has developed a spreadsheet, which populates itself for compliance/claims. They have suggested that a tool or database, which helps projects to automatically complete forms, would have been helpful across the programme.

Future programmes could look to produce standard templates in the future, to help ensure that organisations are calculating/completing claims in the required way.

Learning point 4: Communication of changes is important at all levels

A further learning point links to adequate communication, both from the funder to recipients as well as grant holder leads to partner organisations.

Projects in BBO have highlighted that is has been important to continue an active dialogue with the Fund and in turn with the Managing Authority to ensure that challenges around managing compliance and solutions are fully understood. This in turn means they are communicating the correct information to partner organisations.

It is important to communicate changes in a timely way, to avoid partners submitting incorrect paperwork, which not only leads to them spending more time on this correcting it but may affect their ability to draw down funding for a particular time period. At New Leaf, the lead grant holder contacts partners every quarter to cascade new funding information to them. At Bridges, the partner lead produces regular email bulletins and newsletters to ensure delivery partners are kept up-to-date with key changes in guidance as well as updating and distributing the standard operating procedures when changes have been made to these.

Learning point 5: Participant/beneficiary needs should be considered when deciding eligibility and claim requirements

Learning from BBO projects suggests that funding programmes should be realistic in terms of what evidence participants need to provide for eligibility purposes. The need for formal identification documentation, in the form of a passport, birth certificate or driving license has been a common challenge. Such identification is not available at all for some participants, while for others not readily or easily available. Where this was the case, participants often lacked the capacity or financial resources to seek to access replacements or copies of documentation, necessitating financial and other support for this from BBO projects.

Beneficiary needs and the processes involved when registering, should also be taken into account in order not to be off-putting to the target audience funded projects are looking to engage with. The need to complete eligibility checks is understood but has the potential to undermine the engagement process when it is a long-winded process, which requires formal documentation to be presented. Participants who present in crisis or with an immediate need are less likely to maintain engagement if they are not able to receive support until these eligibility checks are completed. In the case of documents being accessed, it was evident that this could take a significant period.

This suggests that a key learning point for any future programme is the need to consider the level and complexity of eligibility evidence required, ensuring as far as possible that this is appropriate and proportionate in light of the needs and situations of target group concerned. In particular, when supporting those furthest from the labour market, facing issues such as homelessness, the acceptance of a wider range of forms of identification may be necessary to avoid excluding those who might benefit from BBO-type support. The ability to provide a level of support in the period while the appropriate checks are completed is also likely to be important in order to ensure longer-term engagement.

Learning point 6: Positive relationships with a Funding Officer can help projects negotiate complex requirements and adapt to change

Developing positive relationships with a Funding Officer from the funding programme can be beneficial. Good relationships allow clear and open communication as well as the ability to discuss issues and challenges and form solutions to these.

One example of where a positive change has taken place is with the evidence required to confirm an employment result, where it was often difficult and time consuming for projects to collect the necessary documentation for this.

Feedback about this issue led to change, which has helped projects, with one in particular noting, **"The change around evidence for employment is positive, not having to chase for payslips to exit someone into employment is a relief and it feels easier to claim those results now".**

Conversely, a change of funding officer can potentially be disruptive. Projects have stressed that continuity with their contact is important and that difficulties can occur when several changes of officer take place.

Actions to navigate complex funding

From the learning points identified, it is clear that there are steps that both funding providers as well as grant holder leads can take to create positive delivery environments and help ensure that target beneficiaries receive the support they need.

For funding programmes/providers, these actions include:

- **Communicate changes to requirements (and the implications) to lead partner organisations in a timely manner**
- **Provide a consistent point of contact for lead grant holders to work with**
- **Engage in dialogue with lead partner organisations and look for solutions to challenges together**
- **Streamline and reduce bureaucracy wherever possible to reduce burden both on partnership organisations as well as beneficiaries in terms of claim and eligibility requirements**
- **Create standardised resources/templates where possible to reduce errors in claims/claim calculations**

From a lead grant holder perspective, actions that can be taken include:

- **Support partners with their understanding of the funding requirements, for example through training sessions, workshops, claims clinics and 1:1 support**
- **Have compliance focused roles within a partnership so that there is a direct point of contact for organisations who may need extra support**
- **Ensure partner organisations build enough time into proposed budgets to cover the administrative requirements that may be needed when working with complex funding**
- **Communicate changes to all partner organisations clear and regularly, including updating guidance where needed**
- **Advocate for the partnership/partnership organisations where needed to help negotiate/adapt complex funding requirements**

For more information on the evaluation contact us at BBO@ecorys.com

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