



LEP – Sub Committee

LEP - Lancashire Skills and Employment Board

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Lancashire 'Moving On' Project: Performance and Progress

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Executive Summary

The project is performing well at grass roots level in terms of delivery across Lancashire with a range of partners delivering predominantly to fully NEET 16-18 year olds and offering innovative models which lead to successful outcomes for participants. Case Studies are provided to add detail to the volumes and values reported.

There is an issue around the level of claims against profile. Contextual information would indicate that this is not due to actual under delivery of eligible activity, but is caused by the 3-4 month delay between delivery on the ground and associated data inclusion in the LAB ILR. This is predominantly due to difficulties around partners' timely collection and collation of the SFA evidence requirements in line with ESF audit requirements, and the complexity of the project payment model.

To note, a presentation will be provided at the committee meeting.

Recommendation

That the Board considers and notes this report, and agrees the content of the two plans:

- Claims Improvement
- Areas for Improvement

and notes our intention to provide an interim report offering Impact Analysis of the likely outturn scenarios at the 6 month Performance Management Point, generated in line with the additional clarity sought from the SFA around this process.



1. Claims Process

ESF 'Moving On' (NEET) is a Payment by Deliverables project. There is no separate capacity building funding – the amount identified for this can only be earned through delivered activity. All activity must be fully evidenced against specific deliverables in order to generate payments. (See detail of previous report). As the Skills Funding Agency (SFA) is adopting a zero tolerance approach to compliance, Preston's College is undertaking 100% checks of all paper and electronic evidence prior to claim.

Financial claims are generated through a two stage approach:

1. Standardised paperwork submissions for each young person
2. College MIS data produced on the 4th working day of the month through RO reports. (R01 – R14)

The SFA uses Management Information System (MIS) data submitted through Preston's College Individual Learner Record (ILR) as a definitive measure of performance against profile and to calculate provider performance and payments. Bi-monthly paperwork compliance checks are undertaken by the SFA.

There is currently a 3 – 4 month lag between the activity and the claim submission and subsequent payments out to providers. Analysis of actual performance claimed through the ILR within this report is therefore based on activity delivered up to August 2016.

In order to give context to the report, we have included additional information around activity not yet claimed through ILR. However, it should be noted that the SFA may use ILR data only in their Performance Monitoring for the whole ESF 2014-2020 programme, through a published 6 month cycle.

The first performance monitoring point (PMP) for ESF NEET is the 6th January 2016 ILR date. At this point the tolerance level is set at 85%. The maximum contract value may be reduced automatically in line with this. There is currently a lack of clarity around this. Further discussion with the SFA will give more visibility as to whether any discretion could be applied to this ruling.

If the reduction is automatic, this could have a significant impact on contract value and potential re-profiling, should the claim lag remain at the current level. Reducing the lag period is therefore a key area to address within the next claim cycle. Concerted efforts to provide evidence against all delivered activity will be made by all partners in the remaining period up to this deadline.

2. Performance and Quality Monitoring Reporting

The Lead Accountable Body (LAB), Preston's College, monitors and analyses claimed and unclaimed activity against deliverables on a monthly basis while also considering partner delivery models to ensure that they meet the LEP specification and provide successful outcomes for participants into further learning, Traineeship, Apprenticeship, Paid Employment or Unpaid employment. The LAB Performance and Quality Co-ordinator works alongside the Compliance Team as the main point of contact for all partners and carries out monthly Performance and Quality reviews against partner profiles. The inclusion of specialist partners within the subcontracting partnership provides an additional flexibility to deliver innovative approaches to secure positive outcomes.

2.1. Performance at 2015/16 R14 Hard Close point

Deliverable	Profile Volumes (to end July 2016)	ILR Performance Data Volumes	Actual % against profile	Profile Value (to end July 2016)	ILR Performance Data Values	Actual % against profile
Learning Assessment and Plan (ST01)	233	220	94%	£33,785.00	£32,045.00	95%
Regulated Learning - Start	308	166	54%			
Regulated Learning - Achievement	31	38	123%			
Regulated Learning - Value				£34,847.00	£39,691.25	114%
Non-Regulated Learning - Start	298	185	62%			
Non-Regulated Learning - Achievement	49	21	43%			
Non-Regulated Learning - Value				£30,194.00	£25,807.25	85%
Uplift for 16-18yr old achieving English & Maths qualifications	35	0	0%	£10,500.00	£0.00	0%
Progression Paid Employment (PG01)	2	4	200%			
Progression Unpaid Employment (PG02)	2		0%			
Progression Education (PG03)	0	13	-			
Progression Apprenticeship (PG04)	5	0	0%			
Progression Traineeship (PG05)	2	0	0%			
Progression Value				£7,200.00	£8,400.00	117%
TOTAL				£116,526.00	£105,943.50	91%



2.2. Update on Performance as at 2016/17 R03 Point

STATUS	VOLUME	VALUE
Claimed through ILR R03 (4th Nov)	237	£124,586.50
Predicted to be claimed at R04 (6th Dec)	382	£202,600.50
Additional activity not yet claimed through ILR currently undergoing validation	45	£24,967.50
CURRENTLY IN HAND TO BE ON R05 (6th Jan)	427	£227,568.00
SFA PROFILE AT SAME POINT	1020	£1,208,727.75
Predicted committed funds from claimed / unclaimed activity		£134,177.00
TOTAL PROJECTED AT R05	427	£361,745.00

If we factor in the 3 to 4 month lag from delivery to claim and compare actual delivery to profiles in the months in which that delivery has actually taken place, the picture is much improved as shown in example below:

	SFA Cumulative profile	Forecast
AUG 2016	£260,262.00	87%

This indicates that the issue is one of delayed claims rather than actual partner under delivery.

Actions to improve this and ensure Jan 6th claim is maximised are:

	Claim Improvement Plan	Responsibility
1.	Analysis of full amounts of delivery evidence with partners and not yet at claimable point and actions to process immediately	LAB P&C Co-ordinator
2.	Engage with Principals and CEO's to ensure full understanding of significance of PMP and potential impact of under reporting delivery through claim lag	Lancashire Employment and Skills Executive Partnership (LESEP)
3.	Prioritisation of evidence completion and submission to LAB by all partners	LESE partners
4.	Additional training around XML (ILR) file uploads and the imperative that this matches evidence submissions	LAB Assistant Head MIS team
5.	Additional resource allocated to LAB Compliance Team to ensure Dec 6 th claim is maximised	LAB Head of Externally funded projects
6.	Discussion with SFA to clarify actual PMP process in line with ESF and SFA regulations	LAB Head of Externally funded projects
7.	Impact analysis of likely outturn scenarios and provide interim report for SEB and Steering Group	LESEP

3. Targeted focus

There is a very clear direction within the project specification to work with those with multiple barriers in terms of background, characteristics, geographic location. Partners are tasked to specifically focus activity to particular groups. This information is collected and collated on a monthly basis by the compliance team.

Claimed Activity Age Breakdown as at 2015/16 R14 Hard Close

AGE GROUP	VOLUME	CURRENT PERFORMANCE	SFA PROFILE
15-16	39	18%	30%
16+ at risk	31	82%	70%
16+ fully NEET	146		
19-24 fully NEET	4		
Total	220		

Ward Breakdown of claimed activity as at 2015/16 R14 Hard Close

PARTICIPANTS	VOLUME
Claimed Participants	220
Participants from Target Wards	82
%	37%



Target Group breakdown of claimed Individuals at 2015/16 R14 Hard Close

Data has been recorded by the providers for 132 (60%) of the 220 learners. Multiple barriers have been identified for many of these learners. Collection mechanisms allow for up to 4 barriers per learner to be recorded.

TARGET GROUPS	VOLUME
16-18 with Learning Difficulty and/or Disability	19
19-24 SEND <u>AND</u> with EHCP	2
Drug & Alcohol Misuse	16
Emotional / Behavioural / Mental Health Issues	80
Family Issues	28
Free School Meals Pupil	5
Health Issues	35
Linked to YOT	9
Looked after child / care leaver	19
Other	4
Teenage / Young Parent	6
Young Carer	2
Young Person from Gypsy, Roma and Traveller Communities	2

4. Showcasing – Case Studies

- Creative Works Preston
- Blackpool & Fylde College

Consideration of these with analysis of volumes of 16-18 fully NEET gives indication that providers are working with the hardest to reach groups and that there is a clear focus on successful outcomes for learners. The case studies will be presented at the committee meeting.



5. Capacity Building

The LEP Service requirements specified the identification of £150,000 from project earnings to be allocated to the following:

- Strategic Partnerships Manager (NEET) post employed by the LAB and seconded to Skills and Employment Hub
- Capacity Building resource

Joint discussions have influenced the priorities for the Capacity Building Resource within the plan which were approved by the Skills and Employment Board in July 2016. LESEP has taken responsibility for working with the Skills and Employment Hub to deliver, monitor and evaluate these elements. This will be fully reviewed and actions and spend aligned to other initiatives across Lancashire.

A key area of development is the design of the LESEP Website. This will initially cover the 'Moving On' Project and will be extended to incorporate additional projects as these come on Board. LESEP has taken responsibility for this and other marketing and communication elements.

6. Partnership Working

- Youth Steering Group
- BBO Invest In Youth links
- District Level Partnerships
- Local Authority links
- NEET Operational Group
- Delivery Partner Training sessions
- 1:1 meetings with providers

7. Areas for Project Performance Improvement

AFI	Action	Measure
1.	Improve period of lag between activity date and claim	4 month reduces to 2 months over contract period
2.	Increase volume to value ratio	% increase to be agreed
3.	Increase overall performance	Volume and value increase
4.	Identify pipeline activity not yet with LAB	Report from partners
5.	Analyse and report on split between age groups	30/70 split
6.	Analyse and report on all achievement against contractual KPI's	%age against contract



8. Conclusion

The project is performing well in terms of delivery across Lancashire with a range of partners delivering predominantly to fully NEET 16-18 year olds and offering a range of models which lead to successful outcomes for participants.

There is an issue around the level of claims against profile of both volume and value. Contextual information would indicate that this is not due to actual under delivery of eligible activity, but is caused by the delay between delivery on the ground and associated data inclusion in the LAB ILR. This is predominantly due to difficulties around the timely collection and collation of the SFA evidence requirements in line with ESF audit requirements, and the complexity of the project payment model.

9. Recommendation

That the Board considers and notes this report, and agrees the content of the two plans:

- Claims Improvement
- Areas for Improvement

That the Board notes specifically our intention to provide an interim report around PMP Impact analysis. This will be in line with the clarity around PMP obtained from the SFA, and will provide an Impact Analysis of the likely outturn scenarios.