

# Delivering a Contract in a Consortium

## Case Study: Myways Training Ltd.

### **The Challenge:**

For Myways to deliver a contract as part of a wider consortium whilst developing a more sustainable business.

For VC Train to manage one contract with the Learning and Skills Council (LSC), that is delivered by several third parties.

### **Summary points:**

- A contract holder and delivery partners should be clear about the reporting and monitoring requirements and their respective roles and responsibilities in relation to contract delivery.
- Support around quality assurance and monitoring and reporting is key to enable small delivery organisations to engage with mainstream contractors.
- Where possible establish a small reserve to support cashflow.

### **What and Why:**

#### • **Expand on what the challenge is and the activities associated with it.**

To deliver an LSC contract as part of a consortium whilst also considering the long term sustainability of Myways. As the head of the consortium VC train has to manage the risk of holding a contract whilst not being the service delivery body.

#### • **How does the activity align with the organisation's mission / values / aims / objectives?**

The contract enables Myways to improve participation and promote social and economic inclusion by providing free training to people with disabilities in the Rotherham and Doncaster areas. It also allows Myways to deliver additional services outside of the area. VC train enables the VCS in Rotherham to contract with a mainstream body such as the LSC.

This fits with VC Train's mission to provide a mutually beneficial consortium structure for VCS learning providers, which enables member organisations to access mainstream funding, and develop their capacity to deliver quality and high performance in learning activities.

#### • **How will the activity improve the financial sustainability of the organisation in the short, medium and long term?**

In the short term the contract allows Myways limited scope to develop traded, non contractual income in new markets. The contract has broadened the area covered to Rotherham and Doncaster (previously just Rotherham) and its duration is two years. In the medium term grant funding is being sought for business development, marketing and to sustain current staff levels. In the long term they would like to move completely away from grant funding and be self sustaining.

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## ? • How?

### • What were the key steps in establishing the activity?

The Consortium was in formation when Objective 1 for South Yorkshire was announced so it was a logical move to position itself for the funding and strategic direction of Objective 1. Clusters were created in line with the priorities and bids were formulated. VC Train works with the procurement rules along with everyone else, and bids through the open competitive tendering process.

Capacity in delivery organisations was in place in terms of volume of activity and ability to deliver a contract, but needed developing in terms of monitoring information systems (MIS) and quality. So considerable work was undertaken on these elements to ensure the quality and the MIS were up to scratch.

### • What additional resources / skills were identified as being needed by the organisation to progress the activity?

**Organisational:** VC Train supported Myways to establish MIS systems by supplying toolkits and two link workers.

**Financial:** Delivery organisations did not have their financial position assessed by VC Train. As contract holder, VC Train did not deem it necessary.

**Personnel (staff, volunteers, board / trustees):** The VC Train link workers support Myways throughout the term of the contract. With regard to developing the organisation, Business Link has provided training in leadership and management to the voluntary chair.

**Premises:** Myways pays commercial rent. The board does not feel in a position to purchase a building at the moment but it is seeking premises with a lower rent or the opportunity of moving in with another organisation.

**Monitoring and Evaluation:** Initially Myways was daunted by the monitoring and reporting requirements of the LSC contract. Reports have to be submitted monthly in order to be paid in arrears. As procedures have become common place the organisation now appreciates the value of monitoring activities so effectively and makes regular submissions to VC Train rather than storing up paperwork to submit at one time. The reporting requirements are not significantly different to those from some funding agencies.

By measuring achievements against the Common Inspection Framework for post 16 education and training, organisations are better placed to attract further mainstream funding.

## ? • Who's Involved?

### • How were stakeholders identified and brought on board?

**Volunteers:** Former learners volunteer with Myways and two former learners are on the Board of Trustees. One additional benefit of delivering the LSC contract is the volunteering opportunities offered to previous learners.

**Funders:** The contract income covers core costs and service delivery. Additional grant funding enables Myways to subsidise some services, to fund an additional part-time worker and to offer services beyond the Rotherham and Doncaster areas.

**Commissioners:** Myways is aware that there would be no opportunity to deliver a contract for the LSC as a single service provider.

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### Why Not?

- **What risks were identified in establishing activities?**

**Personnel:** Without grant funding there would be no resource to manage and develop the organisation. The contract allows limited scope for development but takes up most of the staff resource.

**Financial:** Assuming all reporting requirements have been met, the revenue is paid monthly in arrears by VC train. As a small and young organisation, no reserves are in place and this puts it at risk, in the event of not being paid. VC train withheld payment once which temporarily placed Myways in a very difficult position.

- **How were these risks managed?**

To a large extent the management of risks is beyond Myways control, where contract delivery is concerned. The consortium is only as strong as the weakest link.

VC train has clearly defined its roles and responsibilities as contract manager. It has ensured minimum risk by carrying out health checks with organisations and by conducting pre-contracting workshops, support, assurance checks (audits and checks on insurance / delivery / health and safety / finances, etc) performance data gives them the information needed to ensure a great degree of control.

### Key Facts:

- **Organisation's name and trading subsidiaries:** Myways Training Ltd
- **Organisation's mission:** "To enable greater participation and promote economic and social inclusion across the wider community."

**FYE 2004 / 05 Turnover:** £75k No. of paid staff 1 ft, 3 pt

**% Income grant v trading:** 13 : 87 No of volunteers 3 pt staff and 5 trustees

**Status:** Company Ltd by guarantee with charitable status Date of Inc. Jan 2005

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### Moving Forward:

Myways is currently applying for grant funding to maintain the existing compliment of support staff and to employ a manager, a business development and marketing manager and an administrator. The organisation realises that in order to grow it needs staff committed to developing the business.

Myways sees future opportunities in developing both strands of training to cover a wider geographical area and the potential to bring on board private sector sponsors of training where there may be mutual benefit.

There was a recent invitation by the Local Authority to tender for a contract but capacity limitations meant that they were unable to apply but they would like to think that they might respond to such opportunities in the future. In short Myways will look at wider markets and offer a broader range of courses to generate more income, although it will always be the aim to subsidise or offer free courses to those unable to afford them.

In the future VC Train sees that this consortium model could work with other contracting bodies and opportunities are being explored in the health sector.



### Background:

The brainchild of a group of disabled people in Rotherham, Myways was established to deliver services rather than split funding between many small organisations. Set up in 2002 they were linked to the local authority with a Service Level Agreement and worked under the umbrella of Rotherham Disability Information Service, until becoming constituted and independent in January 2005.

There are two strands of training offered. Free training and support is offered to adults with physical disabilities, learning difficulties, sensory impairment or long-term impairment. The second strand is training to employers and organisations, which offer services to the general public, around compliance with the Disability Discrimination Act. At present Myways is delivering services under contract with VC Train and has a Key Fund grant that comes to an end in February 2006.

Myways is a member of VC Train, a VCS training consortium serving South Yorkshire. VC Train was set up in 2002 to facilitate access to mainstream funding for small organisations delivering learning. VC Train acts as management agent for VCS learning providers, by tendering for contracts and providing development support to delivery organisations in quality standards. A cluster approach has been developed, with each cluster working to a different structure and agenda. A lone parent cluster, for example, focuses primarily on information, advice, guidance and signposting, whilst the disability cluster delivers a range of services from training to awareness raising and reducing the barriers to employment and a Black and Minority Ethnic cluster has well defined training programmes that directly meet LSC priorities.

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