

# MAYOR OF LONDON

**Date:** 31 March 2020

Dear Colleague,

I am writing to inform you of the steps we are taking to support our European Social Fund (ESF) providers during this unprecedented period of challenge.

I recognise that the COVID-19 outbreak has created huge uncertainty and I hope the measures below provide some reassurance.

## **Support for new projects funded as part of the Mayor's 2019-23 ESF programme that have not yet started delivery**

If your project has been funded as part of the Mayor's 2019-23 ESF programme you may not yet have started delivery. Where this is the case you may defer the start date and reprofile delivery through future years.

Any reprofiling will need to take into account that the project end date of 30 June 2023 remains fixed in line with the conclusion of the national ESF programme.

## **Support for new projects that have started delivery since 1 January 2020**

If your project has started delivery since 1 January 2020, you should submit your funding claims in the normal way in April 2020.

To ensure that you can continue to operate with greater funding stability, you may also request an additional advance payment of up to 5% of the lifetime contract value to support the project during the period of classroom closures caused by COVID-19.

Further advance payments may be made available if the COVID-19 closure period is extended. If this is the case we will notify you.

You will continue to be able to claim and receive payments for your actual earned outputs and 'Results' for each quarter in the normal way, but the additional advance payments aim to help you to manage the cashflow impact of the closure.

The ESF funding that the GLA has paid to you, including any additional advance payments, will be reviewed at the end of the quarter following the conclusion of the period of closure. At that point, the GLA expects to take into account the effect of Covid-19 on the achievement of outputs and 'Results' when determining arrangements for recovery of the advance payments against delivery in future years.

You will be permitted to carry forward underperformance caused by COVID-19 closures to deliver in future years. Project extensions up to the fixed delivery end date of 30 June 2023 will be considered where relevant.

### **Support for existing projects which started delivery before 1 January 2020**

Existing projects should continue to submit claims for funding to the GLA in the normal way.

To provide you with greater funding stability, the GLA will make additional advance payments to your organisation during the period of classroom closures caused by COVID-19. Your quarterly claim payment will be uplifted to your average earned quarterly funding, based on your delivery in the previous two quarters.

You will continue to be able to claim and receive payments for your actual earned outputs and 'Results' for each quarter in the normal way, but the uplift aims to mitigate any reduction in outputs and 'Results' caused by the COVID-19 closures. Where your claims for actual delivery exceed the average earned quarterly funding, then the actuals will be paid in the normal way.

The funding uplift will be an advance payment and the funding that the GLA has paid to you, including any uplift payments, will be reviewed at the end of the quarter following the conclusion of the period of closures. At that point, the GLA expects to take into account the effect of Covid-19 on the achievement of outputs and 'Results' when determining the arrangements for recovery of the advance payments against delivery in future years.

We can also consider requests for further advance payments or for a change in the frequency of your claim submissions from quarterly to monthly. If you believe that you will need either of these additional support measures because of the classroom closures caused by COVID-19, please submit a request to the GLA through your Provider Manager.

You will be permitted to carry forward underperformance related to COVID-19 closures to deliver in future years. Project extensions up to the fixed delivery end date of 30 June 2023 will be considered where relevant. If this situation applies, a request should be made as above to the GLA through your Provider Manager.

## Next Steps

These measures reflect the Cabinet Office Guidance [Procurement Policy Note \(PPN\) – Supplier Relief due to COVID-19](#) and our commitment to maintaining a strong and responsive provider base. We will need you to commit to ‘open book’ accounting where your delivery is less than the amount we pay you in a month – it is not permissible to accrue any profit on these funds.

Variations to providers’ contracts and grant agreements will be required to implement these measures and further guidance will follow detailing the arrangements for this.

In providing these support measures, the GLA nonetheless expects you to continue to deliver where you can. In line with the national guidance, we encourage you where possible to continue to deliver support to participants where this can be done through remote, online or other methods meeting the requirements of social isolation, and to respond as appropriate to support participants, your staff and subcontracting partners.

## Wider support from City Hall

I know London’s education and training providers are often at the frontline of meeting the needs of some of our most vulnerable communities. With that in mind, I wanted to let you know some of the other steps we are taking to support Londoners in this challenging period and would encourage you to share this information with your learners and partners where relevant.

We have developed an [online resource for London’s migrants, refugees and asylum seekers](#) affected by the spread of COVID-19. These resources are available in translation and include advice and guidance on health, wellbeing and immigration and employment support.

As part of the Mayor's promise to make London a fairer city to work in, we launched our [Employment Rights Hub](#) to provide information about different employment rights plus details of what to do for those having trouble at work. Since the outbreak of COVID-19 we have been making regular updates to the hub to reflect the latest guidance and support available.

The incredibly valuable work of London’s community and voluntary organisations is more important than ever. In recognition of this **the Mayor has pledged £1 million to a new emergency support fund** to help organisations affected by the impact of COVID-19. This emergency scheme, coordinated by London Funders, is available to organisations facing immediate financial pressures and uncertainty because of the coronavirus. These include increasing demands for services, higher staff absences, fewer volunteers and lower donations. More information is available on the [London Funders webpages](#).

We will continue to provide you with updates on a regular basis as the situation develops and more guidance becomes available. In the meantime, please do not hesitate to get in touch with your Provider Manager or at [AEB@london.gov.uk](mailto:AEB@london.gov.uk) if you would like to discuss anything further.

Please note that if you are in receipt of AEB funding you will receive a separate letter regarding arrangements for these projects.

Yours sincerely,

A handwritten signature in dark ink, reading 'Jules Pipe', with a horizontal line drawn underneath the name.

**Jules Pipe CBE**

Deputy Mayor for Planning, Regeneration and Skills