

WHU Challenge Fund: Frequently Asked Questions

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1. General Information

1.1 Who are the different organisations involved in the delivery of the Challenge Fund?

The **Work and Health Unit (WHU)** is jointly managed by the Department for Work and Pensions (DWP) and the Department of Health and Social Care (DHSC).

Rocket Science Ltd, an experienced grant manager, has been commissioned by the WHU to manage the Challenge Fund in partnership with the **Employment Related Services Association (ERSA)**.

1.2 What are the aims and objectives of the Challenge Fund?

The Challenge Fund invites applicants to take novel approaches and provide innovative solutions to helping people with mental health and /or musculoskeletal (MSK) conditions address the challenges they face in relation to **retaining employment**. The key objective of the Challenge Fund is to find evidence of what works by testing approaches and ideas that have the potential to be scaled up in future.

It is hoped that the evidence gathered through the Challenge Fund will enable the WHU to develop and deliver policies that enable people with mental health and/or MSK conditions to **stay in work** or reduce the incidence and average duration of long-term sickness absence from work.

To help guide applicants in the development of their Initiative, the WHU has proposed four broad areas of focus for the Challenge Fund. Applicants must be able to demonstrate that their proposed Initiative relates to one or more of these four broad areas:

- Self-management support
- Work capacity advice and support
- Adjustments to working environments
- Joining up services:

The WHU is especially interested to see proposals which use new technology, in particular assistive technology.

1.3 What funding is available under the Challenge Fund?

- There is a total grant fund of £4.2m available.
- The WHU expects to support around twenty different Initiatives (although the precise number will depend on the number and quality of proposals received).
- Applications must be for sums of at least £50,000. Applicants must ensure, however, that their grant income from the Challenge Fund does not represent more than 1/5th (20%) of their organisation's most recent annual turnover. Any bids in the region of £200-£250k would need to present a very strong business case.

1.4 Is a Challenge Fund Initiative allowed to work with Work and Health Programme (WHP) participants if they are in work?

No - WHP participants are not allowed to be a part of any additional services or other test/trial because this may skew the WHP evaluation and results.

1.5 What is the timetable of the Challenge Fund?

The Challenge Fund will be open for applications from 16th July 2018. Applications must be received by 17.00 on the 17th August 2018.

Initiatives will take place between October 2018 and February 2020, with all projects ending by 28th February 2020.

A Final Learning Report, coordinated and produced by the Fund's managing agents Rocket Science, will be published in March 2020.

2. Eligibility

2.1 What kinds of organisations can apply to the Challenge Fund?

Applications are invited from local/public authorities, the private sector (including employers and service providers) and third sector organisations.

2.2 Are NHS organisations eligible to apply?

The Fund is seeking Initiatives that will generate new evidence on what works in supporting people with mental health and/or MSK conditions to enable them to **stay in work**. This includes gathering evidence on action/s that can be taken by employers to support their employees to manage their conditions to avoid them falling out of work.

NHS organisations such as Trusts and those funded through the NHS such as GP practices are welcome to apply for funding, as long as they can demonstrate that they are developing a new service to support employers and/or people with the above conditions who are in work or testing a new approach they wish to embed as an employer in their own right and can demonstrate that their project meets the Fund's requirements. We will not fund services that are already being funded or would constitute an otherwise unchanged existing service.

2.3 Is this funding only available for Initiatives in England?

No. Organisations can apply to carry out Initiatives in England, Scotland or Wales (or any combination of the three).

2.4 How strict are the £50k - £250K budget limits particularly at the upper end?

Projects larger than £250k may be considered, but will need very strong justification.

2.5 Will any geographical criteria be applied to project selection?

No, there is no set funding allocation based on geography. The priority is to identify and fund Initiatives which provide innovation and learning.

2.6 We are a housing association that operate in a very localised area. Will we be disadvantaged because of this?

No, bids are assessed on their own merits, but we will be looking at the scalability of the activity/Initiative.

2.7 Will you consider applications from partnerships and consortia?

The WHU encourages partnerships and consortia to apply. However, each project must have a nominated lead partner organisation who will take on full responsibility for the grant, project delivery and keeping to the terms and conditions of the grant.

2.8 Are Joint Ventures eligible to apply?

Yes, Joint Venture consortia or partnerships are allowed to submit proposals, but one organisation must act as the lead organisation and sign the grant agreement.

2.9 What consideration should we give to the organisation that is the designated lead?

The lead organisation will be the grant agreement signatory and be accountable to the WHU for the Initiative. They will be responsible for its delivery, monitoring and monthly reporting to the WHU. The lead organisation will also be responsible for managing the performance of, and funding payments to, any other partner or sub-contracted organisations etc.

2.10 Can Higher Education Institutions apply?

We can accept bids from HE or other institutions who are acting as the lead bidder and working with other partners, including NHS organisations, as long as they meet the criteria for the Fund. Please note however that we are not looking for large scale research projects, but to fund a range of "test and learn" initiatives.

2.11 We are a newly-formed organisation which hasn't yet filed accounts at Companies House, although we have a project that would fit the fund starting in October.

Eligibility criteria in the application form will rule you out as a lead bidder, you could possibly be a partner in another lead organisations bid.

2.12 Will you consider applications from individuals?

No. The Challenge Fund is designed to support Initiatives run by organisations.

2.13 Can Jobcentre Plus Offices be part of a bid?

No, JCPs cannot be an applicant or a partner on a Challenge Fund proposal due to issues relating to universal credit and potential contamination of funding streams.

2.14 Are small organisations eligible to apply for Challenge Funding?

Applications from smaller organisations are welcome. However, you should be aware that the financial eligibility criteria may rule out participation from organisations with low turn-over/operating budgets. Applicants are required to have three months operating costs in reserve; to have a minimum project budget of 50%; and to be applying for a grant that equates to no more than 20% of their annual turn-over. These checks and controls have been set to reduce financial risk both to the applicant and the funding body. Challenge fund payments will be made in arrears, it is important therefore that recipient organisations are able to carry the costs of the projects and are not overly dependent on the fund in terms of ensuring their financial viability. If your organisation does not meet these criteria, you might wish to consider applying as a part of consortia or partnership.

2.14 Does my Initiative need to be completely new?

The Challenge Fund can be used for Initiatives which are:

- being set up from scratch, providing they can be fully set up and reported on within the specified timescale;
- are in development, but require funding to be completed;
- have completed their development, but are yet to be implemented or tested; or
- require investment to be scaled up.

Your Initiative needs to offer evidence and learning which are new to the WHU.

The Challenge Fund may not be used to fund the delivery of an existing service or an Initiative considered to be current business.

2.15 In the application form there are tick boxes for MSK, mental health and pan disability, which one is looked upon most favourably and do you require evidence of participants' condition(s)?

No, each bid and Initiative is looked at individually. Participants should have one or more of the conditions which are targeted by the Challenge Fund. Evidence of individuals' health conditions is not required. However, we expect applicants to demonstrate a good understanding of service users' needs as well as confirming that particular service users are eligible for the Initiative's proposed service(s).

2.16 How will innovation and potential duplication be assessed? (ie where are the gaps in WHU's knowledge?)

We have a number of elements in place to address possible duplication and contamination - though we could never rule out the possibility of *similar* Initiatives being set up, as they may, for example, take different approaches with the same demographic or be delivered in a different location. A decision-making panel will be in place to assess the Challenge Fund applications which have merit and the panel will take potential issues such as duplication and contamination into account within that process.

The following paragraphs are taken from the [Challenge Fund Guidance](#) on the [Challenge Fund website](#), where you can also find Annex 1 which is referred to in the text below:

It is critical that Initiatives are genuinely innovative, so they can contribute new evidence to the WHU's evidence base. As such, Initiatives that are duplicative of current activity will not be selected for funding. We have prepared a limited summary

of some of the existing activity to aid applicants in ascertaining whether their ideas are genuinely new (Annex 1).

Potential applicants should use this table to enhance their awareness of the context that their proposed Initiative may operate within and to ensure that any suggested Initiatives do not directly duplicate any work which is currently going on.

The table is, however, non-exhaustive, and is intended to offer a starting point for potential applicants to begin their own research into activity already underway. For example, we know that there is activity going on which is funded either locally or by external sources such as the European Social Fund – applicants should try to find out about such activity and be able to demonstrate that their proposed Initiative is different.

Potential Applicants are also encouraged to refer to Annex B of the 2017 WHU publication, *Improving Lives: the Future of Work, Health and Disability* for a comprehensive list of activity and commitments made in *Improving Lives: the Work, Health and Disability Green Paper*.

2.17 Will proposals focused on specific Musculoskeletal conditions, or mental issues be favoured?

No, the WHU has no specific conditions in mind, it is more interested in identifying evidence of good practice in terms of helping people stay in the workplace.

2.18 Are self-employed people in scope?

Yes

2.19 Is the Challenge Fund aimed at people in work only, or can it be used to support projects for people who are out of work?

The WHU is seeking Initiatives that will generate new evidence on what works to support people to stay in work, or who are on long-term sick leave but still technically employed. Its primary focus is on identifying evidence to help retain people in employment.

2.20 Is there an expectation that we will be spending money on participants in the service?

Money to keep somebody in work can be an option and part of the application. If participants are off sick, they are only eligible if they are still employed. We are not looking here at the out of work cohort ie referrals from the job centre or those on ESA; this is an upstream/in-work focused intervention.

People who are part-time employed and get Universal Credit or working tax credits are eligible if they are at risk of falling out of work.

2.21 What if you don't exactly know whom you will be working with at the outset?

Applications will need to make clear they know that there is a need but will not necessarily have identified the individual participants.

2.22 The Challenge Fund is aimed at people in work. If my Initiative is multi-stranded and includes some participants where we undertake preventative strategies, but they are not in work, is that acceptable?

Yes, that would be allowed as long as it is only a small part of the multi-strand approach

2.23 It is likely that participants will need more assistance, funding and time than the Challenge Fund will allow. Is there a plan to fund the continuation of projects?

No, the funding WHU is using for the Challenge Fund is time limited to this Comprehensive Spending Review cycle. You will need to take this into account in your proposed exit strategy and the sustainability of the Initiative beyond the Challenge Fund grant.

2.24 Please can you clarify what you mean by workplace solutions?

Workplace solutions comprise employer actions and interventions which help people to stay in work, including reasonable adjustments, for example: specific tools and processes which can be introduced/adapted, the ability to work flexible hours, time off for medical interventions, changes to an organisation's policies and culture, the training of managers and staff to be able to provide support and guidance, (these are examples only).

2.25 Is there a strategy to engage with the (local) NHS GPs etc?

We will expect you to build in an element of this. However, we have about 400-500 key stakeholders of the Work and Health Unit and we will keep them updated about the Fund.

2.26 Will we get support from the NHS and similar stakeholders to identify the beneficiaries?

We recognise that it can be difficult to get referrals from GPs; your messaging needs to emphasise your Initiative is supported by government. However, you will need to build your own relationships.

2.27 Can GP consortia bid?

Yes, or you could be in a JV with them. We will be assessing the 'deliverability' of what you propose. It is advisable to forge partnerships to inform and support the Initiative. If you think that GPs won't be the referral route you need to put in place one which will work.

2.28 Have you thought about full time students - will they be eligible?

No, they cannot be participants in Initiatives supported by this Fund.

2.29 Would a charity which is already receiving funding from other sources be eligible?

This is not about where funding is coming from it is about your approach being innovative and not, as proposed, being already funded. You could extend something which you are doing and extend it or test it in a different way. It could be a development of something that has been piloted, so long as it gives us new evidence. The Initiative cannot be too big a proportion of your overall turnover each year (no more than 20%).

2.30 Are you looking for national projects or local ones?

We are not applying any restrictions in terms of the locality of any Initiative. It could be local, regional or national. We do, however, ask that you consider the Initiative's scalability. Could it be moved across sectors? Having been tested in one area, could it be applied elsewhere?

2.31 Could you focus on a particular cohort, for instance 18-24 year olds?

Yes, and it would be about demonstrating why this was your approach based on need.

2.32 Can Challenge Fund beneficiaries be on benefits whilst working?

The focus of the Challenge Fund is on people who have mental health and/or MSK conditions who are in work and struggling or on sick leave from work. It is unlikely that beneficiaries would be receiving disability benefits and working, but there may be exceptions. You will need to be explicit about the exceptions and your reasoning as to why they are exceptions in your application.

2.33. Can funding be used to develop a product?

Yes, if it is related to MSK or mental health.

2.34 Can funding be used for upskilling?

Yes, if it is directly relevant to their mental health or MSK condition.

2.35 Can we use the resources from an in-work DWP project we are working on to deliver the Challenge Fund?

Yes, so long as it is clear that there is no duplication of existing activity.

2.36 How do we handle VAT on Grant income?

Applicants will need to determine whether the money they receive and the activities they undertake constitute a 'supply' for tax purposes. In any bid organisations should make it clear if VAT has been added, state the figure and include it the total amount.

Applicants might wish to view the following guidance:

Tax Centre of Excellence paper on Grants and VAT: https://s3-eu-west-2.amazonaws.com/taxcofe-prod-storage-e5g3yxxi33zt/uploads/2018/02/TCoE-Website-VAT_Grants.pdf

Basic principle of supply and consideration: <https://www.gov.uk/hmrc-internal-manuals/vat-supply-and-consideration/vatsc03200>

Grants and statutory charges: <https://www.gov.uk/hmrc-internal-manuals/vat-government-and-public-bodies/vatgpb3500>

In-depth guidance on grants: <https://www.gov.uk/hmrc-internal-manuals/vat-supply-and-consideration/vatsc51600>

3. Application

3.1 Do I have to apply online?

Yes. We can only accept applications via the on-line [application portal](#). You can save what you've done and return to your application at any time.

If you have any access requirements, please contact the Challenge Fund management team at challengefund@rocketsciencelab.co.uk

3.2 Can I submit multiple applications?

No. We can only accept one application per lead organisation.

In the case of organisations operating under a federated model, we are keen to avoid local branches of organisations competing with each other and having similar ideas for their initiatives. Ideally a national team or a regional team would provide the focus to ensure that the highest quality application gets put forward from the organisation as a whole, and that it brings with it, the best thinking in terms of the benefits to the beneficiary and the learning and evidence that would be gathered/reported. The national or regional team would then be responsible for submitting the application, with one or two areas operating as the delivery partners.

Where a federated organisation operates separately in England, Scotland and/or Wales – we could accept a maximum of one application for each country within which they operate and deliver. There should remain a clear focus on quality and outcomes - as set out on the paragraph above - and the submission of smaller, poorer quality applications is avoided.

3.3 Is there a set word count for each question?

Yes, there are set word counts, these vary from question to question and are displayed at the bottom of each question box.

3.4 Can you be a lead organisation for one proposal and act as a partner on another?

Whilst we can only accept one application from any organisation, an organisation can be part of a separate application - provided it is not the lead partner and the second application does not duplicate any other aspects of the first one, or amount to a double funding of the same service/s.

3.5 Is there an equation assessors will use to calculate 'value for money'?

No, there is no calculation or 'magic number', project budgets will however be reviewed by assessors to ensure they look appropriate and proportionate to the activities listed.

3.6 What due diligence information will I need to supply to support my application?

Each lead organisation which is not a public body will need to upload via the portal **one** of the following:

- A copy of your last two years' audited financial statements (preferred);
- A statement of your turnover, profit and loss account and cash flow for the most recent year of trading/operating;
- A statement of your cash flow forecast for the current year and a bank letter outlining current cash and credit position; or
- Alternative means of demonstrating financial status, if your organisation has been trading for less than a year.

And **all** of the following:

- Governing document (e.g. a copy of your constitution, memorandum, articles of association or trust deed);
- Bank details (account name, number and sort code, along with confirmation of two signatories who must be unrelated); and
- Your organisation's policies for Equality and Diversity, Health and Safety, Safeguarding, and Data Protection.

You may find it helpful to have all of these documents accessible to you electronically before you begin to upload them to the portal.

3.7 I represent a Public Body, what due diligence information do I need to submit?

Public bodies applying to the Challenge Fund do not need to comply with financial due diligence requirements as stated in the guidance (question 2.2.1). However, applicants from Public Bodies do need to attach a brief statement which:

- names the senior responsible officer in the organisation who will be ultimately accountable for any Initiative funded through the Challenge Fund.
- provides assurance that there is a clear audit trail for how the organisation receives, uses and processes payments from the Fund.

3.8 Does delivery need to start in October or can there be a development phase which starts in October?

Ideally Initiatives should aim to start in October. However, if there is a good case for short-term development work, with delivery starting a little later, it will be assessed on its merits.

3.9 When will I know the outcome of my application?

Please refer to the indicative timetable in the **Challenge Fund** Guidance. If the timings deviate from these advertised dates, applicants will be informed via email as quickly as possible.

3.10 Is a draft grant agreement available?

Yes, there is a hyper-link to this on the application portal.

3.11 What do we select if our organisation type is not listed on application form?

If your organisation type is not listed eg. HE Institution, then select 'other' and indicate HE.

3.12 What are agreed milestones?

Milestones are progress markers defined by applicants in section 4.4 of their proposal. They can be used by project managers and funders to monitor how individual projects are progressing. The success or failure of a project will not be determined on the achievement of milestones alone.

3.13 Do the expert panel have the necessary expertise regarding the specific conditions covered by the fund and of geographical issues.

Yes, the panel will be subject experts, and have knowledge of what is happening on the ground in England/Scotland and Wales. Final decisions will be made by the WHU.

4. Conditions of Funding

4.1 What is the position regarding intellectual property?

Applicants must confirm that they own or have unrestricted access to the IPR to any of the proposed products and/or services tested through their Challenge Fund Initiative. We would also expect that the WHU would have unrestricted access to the IPR thereafter. **Please note that further clarification from WHU on this issue is pending.**

4.2 What will be included in my Grant Agreement?

If your application to the Challenge Fund is successful, you will be asked to sign a [Grant Agreement](#) with the Work and Health Unit. This will include the following conditions, specific to the delivery of your Initiative:

- The requirement to demonstrate, on a monthly basis to the Fund's managing agent, that your Initiative is reaching your agreed milestones in order to receive payments.
- The stipulation that payments will, other than in exceptional circumstances, be paid monthly in arrears.
- That you will be asked to work with an Evidence and Learning Adviser who will be assigned to your Initiative by the Fund's managing agent. Your Adviser will ask you to complete the [Inspiring Impact Measuring Up](#) self-assessment tool within the first month of your signing your Grant Agreement.
- A notice that, if you fail to meet your milestones, or to deliver agreed outcomes, the WHU may cease the provision of your Challenge Fund grant.
- The requirement to produce both a monthly and final Initiative Learning Report on the evidence and learning (including numerical data, if available) gathered throughout the Initiative's duration. The Final Initiative Learning Report must be produced within a month of the end of the Initiative.
- A requirement to take appropriate steps to ensure compliance with the General Data Protection Regulation (GDPR) (if applicable).
- A requirement to have in place, or be willing to take out, the appropriate level of insurance cover (i.e. including professional indemnity, employer's liability and public liability insurance) for the duration of the Initiative.