**Questions and Answers Arising from BBO Grant Holder Events**

**Participants**

**What date should we use for start date on Annex H/L and what pre-engagement activities should be recorded on the progress form?**

The start date for an eligible participant is the date that learning or support has actually begun. It should not simply be an eligibility check or the activity of enrolment but it could be a needs assessment activity if it is sufficiently thorough and meaningful and has resulted in a clear plan of action going forward to meet the participant's needs and the participant is fully engaged in this.

Only meaningful activities occurring after induction should be recorded on the progress form.

**Does the receipt of certain types of benefit act as evidence of unemployment / economic inactivity. For example, Carer Allowance, Disability Living Allowance etc.?**

To be economically inactive a person must not be in paid employment, self-employment and are not available for or not seeking work.

It is possible for people in receipt of Carers Allowance to be in paid work and those in receipt of Incapacity Benefit, Employment and Support Allowance or Disability Living Allowance are allowed to do some 'permitted work' , which may be paid. They may also be available for work or be seeking work.

As a result, receipt of those benefits on its own is an indicator of but not sufficient evidence of economic inactivity.

We expect the hierarchy of evidence outlined in our guidance to be followed when making a judgement about whether the person is economically inactive and where evidence cannot be obtained the use of a risk-based exception may be appropriate.

**Data protection statement – Should the data protection statements in your guidance detailing data controllers and data processors also include grant holders and partner organisations as being data processors?**

We are awaiting further legal guidance on this. We will feedback when we have this guidance, but cannot say when this is expected.

**Electronic signatures – Can you provide more detail on how to use and when electronic signatures are allowable.**

Guidance on document retention and electronic signatures can be found in ESF guidance material:

<https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578823/ESF_2014-2020_Programme_Guidance.pdf>

<https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/591617/ESF_Guidance_on_document_retention.pdf>

**Participant results – What participant results can be claimed against each outcome and when can you claim two results e.g. further learning and job progression, job search and employment or job search and further learning?**

A result that can be claimed depends on:

* the participant status (outcome) when they first join the project, or their status when they first joined the first BBO project where they have moved between BBO projects; and
* the participants status when they leave the project

The result must be recorded within 4 weeks of the participant leaving the project.

Participants with an outcome of:

* **Unemployed** **a**chieve a result if they move into employment or self-employment, on leaving (R1)
* **Inactive** achieve a result if they move into employment, or job search on leaving (R2)
* **Unemployed or inactive** achieve a result of they move into education or training on leaving (CR02)

In addition:

* **COR 2/1 Participants** who gain basic skills in literacy, ESOL or numeracy by the time of leaving achieve result (R3)
* **For projects based in London** a result is achieved if they are in sustained employment for 26 out of 32 weeks after entering employment or self-employment.

A participant can achieve more than one result, for example a participant who was unemployed when they joined the project could achieve both results of into employment or move into education or training if at the point of exiting the project they are in employment and are in education or training.

If a number of grant holders work with the same participant, results can only be claimed by the final grant holder and any results previously claimed by previous grant holders supporting the participant will need to be deleted. However, we will pay all grant holders for eligible actual costs incurred.

**If a participant goes into training and the still supported by the project but then vanishes without competing an exit form can we claim this result?**

No, a result cannot be claimed where an exit form does not exist and the exit form cannot be generated until the participant is no longer receiving support from the project.

Please bear in mind your project outline when considering the point at which a participant exits your project. For example if your project is to support people into training then exit will be appropriate at that point.

**Certification of originals – Can a certification be a typed name or does it have to be a scanned written signature? Does it have to include role in organisation?**

The ESF Guidance on document retention, including electronic data states:

Each version must be certified as conforming to the original document. A declaration by the grant recipient along the lines of the example below will satisfy this condition.

 I certify that this is a true copy of the original document:
 Signed
 Date
 Position in organisation
 Name of organisation

It also states this is the minimum requirement and grant recipients may add to this declaration or include additional procedures in line with their organisations policies should they wish to do so.

**Is the risk-based exception more a self-declaration by the Grant Holder that they have been through a process of evidence acquisition than a self-declaration by the participant of their particular status?**

It is a declaration by the grant holder outlining:

* the reasons why the participant does not have any preferred or alternative evidence available ;
* how the beneficiary/delivery partner has attempted to collect the required evidence; and
* explaining how/why they are satisfied that the reasons provided by the participant are credible/plausible.

Self-declaration forms part of the hierarchy of evidence to establish if the person is eligible to receive ESF funding. It is a risk-based exception that may only be used where attempts to obtain evidence higher in the hierarchy or evidence have proven unsuccessful and there is sufficient justification for the person to proceed to support.

The risk-based exception must not be used ahead of the evidence higher in the hierarchy for reasons of convenience or simplicity. The managing authority
would not expect risk-based exceptions to be used as the predominant way of assessing eligibility and such cases are likely to attract particular audit scrutiny.

**At what point is risk-based exception (self-declaration) acceptable to evidence participant eligibility, for example where a participant states they do not have an award letter from DWP to evidence receipt of benefit?**

A risk-based exception should only be used where attempts to collect evidence of eligibility higher in the hierarchy have been unsuccessful and you are satisfied, despite the absence of any evidence, the participant qualifies for support.

In the case of evidence of benefits, you would need to be able to justify why the participant cannot provide evidence of receipt of the benefit.

**Participant exit – How to define ‘the exit point’ when a participant leaves a project and how to count it?**

The exit point is the point at which the participant has finished their last activity on the project. For example, they've reached the end of their training and have no further activities planned with the project. Whether they achieve a result on exit is dependant of both their status on entry to and exit from the project. The result must be recorded within 4 weeks of the participant leaving the project. Please refer to the BBO guide for more detailed information.

Please also remember that once a participant has exited the project, costs relating to them are no longer eligible. You will bear this in mind when considering the appropriate point for participants.

**The ESF data evidence requirement guidance appears to suggest that to record a result of 'Into job-search' the person would have to be registered as unemployed which would mean signing up for JSA for example, there is no mention of a CV and a list of jobs applied for (listed in your Participants guidance), being sufficient evidence of claiming a job search. Is the Lottery sure this would be sufficient?**

Whilst being registered as unemployed would be preferred evidence it is acceptable to provide a CV and jobs applied for as evidence of job search.

**How does ‘in work support’ function if you have to exit a participant to record their employment result?**

Results cannot be claimed until the participant leaves the project. Whilst they remain with the project, the result cannot be recorded. Once activity is complete and they leave the project you can claim the result, based on their status at that point or within 4 weeks of leaving.

Please bear your project outline in mind when considering the exit point for a participant. If your outline includes the requirement to provide 'in work support' you should not consider exiting them until the support has ended.

**When you exit a participant with the result being entering job-search do you have to evidence anything done by the participant in the four weeks after they leave the project, or is evidence to jobs applied for, creation of CV etc. whilst still engaged enough?**

Whilst evidence of job search, demonstrating progression in the 4 weeks after leaving the project, is set out in the ESF requirements, it will be useful to collect evidence of job search activity during the project activities in order to support the evidence of change in status of the participant, from inactive to actively seeking work.

**Has the sample participant file documents been updated to reflect changes to guidance?**

The sample participant file has not been updated to reflect changes to guidance and will be removed.

**Is Universal Credit treated differently to the other benefits in terms of evidences as it isn’t indicative of unemployment or economically inactive?**

Receipt of benefit may not in itself offer 100% definitive proof of status. However, the combination of a properly signed self-declaration (in line with guidance specifying criteria) and receipt of a benefit that could indicate the person’s employment status will provide a basis to start from. Universal Credit should not be relied upon as the only source of data and alternatives should also be investigated. The hierarchy of evidence should be followed and the use of a risk-based exception may be appropriate where evidence cannot be obtained.

**Is Annex I (Participant progress form) needed if we have our own progress report?**

No you can use your own progress report.

**Can an out of date passport be used to prove participant eligibility?**

If the out of date passport is either UK or EU then it can be accepted. In all other cases the passport must be valid.

**What advice would you give surrounding the changing needs of participants as they progress on the project and the impact on previous outcome?**

It is expected that the needs of a participant may change throughout their journey on the project and it is recommended that you document all activity and assessment of needs undertaken.

**Why is BBO different from other ESF programmes with regard to the level of documents required, is it a result of Big Lottery Fund involvement?**

The programme is an actual cost programme, with the level of documentation required to prove both participant and cost eligibility outlined in European Social Fund guidance.

**Why are Funding Officers providing conflicting information?**

We provide information on a case by case basis with responses based on the context surrounding the specific circumstances provided by grant holders.

**Why do we have to hold participant personal data and photographic evidence given the data protection risks associated with doing so?**

ESF grant recipients are required to provide records to evidence that grant expenditure is eligible and projects can be subject to audit even after the project is completed, with retention of all documentation associated with the project required until 31 December 2026. If any of the any of the evidence that the Managing Authority or the European Commission requires is ineligible, missing or incomplete, we may be forced to reclaim some or even all of previous payments we've made.

As a result, record retention is an important consideration in the development and delivery of a project, including ensuring that personal data held is secured appropriately, bearing in mind current data protection legislation.

Further information regarding evidence and retention can be found in our BBO Guide.

**Is an offer of employment letter and start date sufficient to evidence a result of move into employment?**

No. One item from the list below is required to evidence a result of move into employment:

* A letter or document from the employer confirming that the participant has started their new job
* a payslip
* a signed contract of employment.

**What evidence is required to evidence a result of move into education or training?**

A letter or document from the school, college, university or learning provider demonstrating that the participant has formally registered and started the education or training.

**How should we record results and outputs where a participant moves between BBO projects and how do we keep track of participants coming through more than one project?**

Within a LEP area each participant must have only one participant record. Results are always measured from the starting status on first project engagement of the participant to the time they exit the last project.

If the participant moves between projects or leaves and re-enters a project the start date and outcome status will remain the same as when the participant joined their first BBO funded project. The result from their participation in previous projects will be deleted and removed from the results count.

As part of our verification processes we will identify duplicate participant records at LEP level and inform grant holders. Grant holders will need to consider which project should claim the result and amend records accordingly.

**In a project that delivers both short and, distinctly, long term interventions (differing participants) does the Fund give greater value to one or the other?**

No, the interventions need to match the outline set, and to fit with the development plan.

**Is the provision of items to participants, such as food parcels, assistance with moving costs, white goods for new homes acceptable?**

Grant holders would need to be able to justify the provision of such items. Please discuss with your Funding Officer.

**How far can project partners push participants before they get disengaged?**

Partners will need to use sensitivity and intelligence to get to know their participants, making judgements based on that knowledge.

**Where can participants come from and, when in areas with multiple BBO projects, how to avoid becoming competitive rather than collaborative?**

Please refer to your project outline, which details the participants you may engage with. Where a number of projects exist in the same area they should work collaboratively to ensure the needs of participants are meet.

Whilst a number of grant holders may work with the same participant, results can only be claimed by the grant holder exiting the participant last with results based on status at that point. We will, however, pay all grant holders for eligible actual costs incurred.

**Is it necessary to continually accumulate bodies of evidence for each activity that a participant takes part in and has been recorded on the action plan?**

It is a requirement to retain evidence of activity undertaken by a participant to demonstrate progress made, such as attendance sheets, course notes, submitted work and certificates of completion.

**Finance**

**Why do you need both payroll and payslips for evidence of staff costs and why not just the payroll?**

Payslips are needed to evidence amounts paid to the staff member including pay, NI, pension contributions and any taxable incentives linked to pay. Payroll information is needed to form the audit trail to evidence defrayal, in conjunction with the organisation bank statements.

**Which specific information do you need to prove defrayal? Can we have that determined rather than asking for various ‘documents’?**

Section 8: Costs and expenditure of the BBO Guide details the evidence you need to retain to evidence costs claimed.

To evidence defrayal of costs we will always need copies of organisation bank accounts. We may also need additional documents to evidence the audit trail from the document evidencing the cost of the specific item to the payment on the bank statement showing defrayal. For example, for a direct staff cost we will also need payslips and payroll information to show the audit trail from the payslip through to the payment shown on the bank statement (which in most cases will be a total payment to all employees).

As the audit trail to the bank statement, and documents needed to evidence it, may differ across grant holders it is not possible to provide a definitive list of documents needed. If you have any questions about the documents required in your circumstance, please discuss with your Funding Officer.

**What are you looking for to evidence defrayal?**

We always require copies of organisational bank statements to evidence defrayal. We also you to provide:

* other supporting documents relating to the expenditure type - see BBO Guide, Section 8: Costs and expenditure; and
* where the bank statement shows the defrayal of an amount greater that the actual cost claimed (e.g. total organisation payroll payment) we would also need to see supporting documentation to show the audit trail for the actual cost to that greater payment made.

**We understand that additional evidence that links salary cost defrayed globally at the organisation level back to the individual level is required.
We have large numbers of employees on the payroll. It is therefore impractical to print a full BACs report with redaction of non-project information. Our Legal team have expressed concerns over data protection even with redaction. We can provide the summary page which notes total number of employees and total salary cost paid globally. This would match the amount leaving the bank account. Please confirm if this is acceptable?**

To evidence the audit trail from the individuals payslip to the global organisation salary cost defrayed on the bank statement we would need to see an excerpt from your BACS statement / payroll system for all staff working on the project, which must include their names. A summary only listing the number of staff in the global payroll run and the amount paid globally would not be sufficient to evidence the audit trail.

**Where we encounter difficulties obtaining evidence of defrayal from large partners such as the NHS or local councils, are there any approaches we can take?**

Where you experience difficulties obtaining appropriate evidence of eligible costs and defrayal from a partner it is acceptable to mirror our payment arrangements and withhold or reduce future payments until information is provided.

Please also make your Funding Officer aware of the situation, the Fund may be able to liaise with large statutory organisations to influence the provision of evidence to you.

**Local authorities and defrayal - are bank statements needed to show defrayal involving a Local Authority?**

Evidence of the defrayal is required for local authorities. If any issues are encountered, where a local authority partner refuse to provide bank statements, please discuss with your Funding Officer.

**Defrayal of tax and NI, including employers NI and pension contributions, how is this shown?**

Defrayal of salary should be evidenced by payslips and audit trail evidence to the payroll payment on bank statements. For employers NI and pension contributions, which may be paid in a following month, you would need to retain evidence for inspection as this may be requested.

**We are having trouble obtaining payslips as evidence of staff costs, do we have to get them or is there any alternative?**

Staff costs must be evidenced by payslips, there is no alternative.

**Some grant holders have indicated that they had been unable to claim taxable incentive linked to pay. E.g. Childcare vouchers. We understood that such costs are eligible, can you please confirm if our understanding is correct?**

We confirm that staff costs may include costs covered in a person's contract of employment that are taxable incentives linked to pay and pension contributions. As long as the incentive meets this condition and it can be evidenced including evidence of defrayal, it may be claimed. If you have any specific queries, please discuss with your Funding Officer.

**Payment of partners in advance – Where a partner claims but then it transpires that they do not produce any evidence, the lead cannot easily reclaim that money.**

It is for lead organisations to manage such issues with partners. Where you experience difficulties it is acceptable to mirror our payment arrangements and withhold or reduce future payments until information is provided.

Please also make your Funding Officer aware of such situations.

**Re-profiling between budget lines – When partners wish to re-profile between budget lines (generally tweaking budget) what is the best way to manage this?**

Please discuss with your Funding Officer.

**How often do we re-profile budgets?**

Re-profiling is done quarterly. As part of your submission to us you are required to complete Annex A outlining actual quarterly eligible costs claimed to date and forecasted quarterly costs for the remainder of your grant period.

**Where pay increases are not factored in – Where pay increases have not been factored into the grant forecast is it ok to keep payments at their current rates and not base payments on increased costs?**

No as the programme is based on actual costs. Where the forecast did not factor in pay increases please discuss it with your Funding Officer.

**Do we have the new version of Annex A’s with information already transferred across?**

We have prepared some Annex A's previously submitted ready for our claim to the Managing Authority. Your Funding Officer will be able to assist with and provide instructions for projects transitioning to the new version of Annex A.

**If a partner pays staff an hourly rate that includes travel costs and expenses is this acceptable?**

If you have a Service Level Agreement (SLA) with the partner which outlines this agreement it would be acceptable, evidenced by invoices that clearly link to the SLA. Costs would not be classed as direct staff costs in such cases and would affect the value of the 15% simplified cost option calculation.

Otherwise costs would need to be claimed on an actual cost basis.

**In what circumstances are costs for premises/room hire eligible?**

For the cost of premises to be eligible you would need to demonstrate that they are completely separate to the normal overheads of the organisation and solely for BBO use. Our consideration of eligibility will include:

* when the lease commenced
* the duration of the lease
* whether there is good justification for the need of the new premises.

Internal re-charging of room hire charges is not an eligible cost as this is included in the 15% simplified cost option. The hire of premises from a partner would also not be considered eligible as this is not within the spirit of partnership working with potential double funding occurring as overheads for the partner are already included within the 15% simplified cost option.

**Payment Procedures - can we have clearer guidance regarding grant payments made as reduced payments can mean we are unable to pay partners?**

Grant instalments are paid up to three months in advance with the payments based on your forecast of planned expenditure for that period.

If your actual costs for previous period were less than you forecasted, we will look to reduce the value of your next payment to reflect the difference. We'll also apply any other adjustments where costs are found to be ineligible.

As we are paying you in advance we would expect you to also pay partners in advance, however, if a reduced payment was as a result of an issue with a partner it is acceptable for you to mirror our arrangements and withhold or reduce payments for that partner until corrective action has been taken.

Where a reduced payment will result in cash flow issues, please discuss with your Funding Officer.

**Course fees - A partner has set charges for delivery of courses and therefore evidence will be an invoice, is this acceptable?**

If you have a Service Level Agreement (SLA) with the partner detailing the arrangement then this is acceptable. Invoices would need to detail what was provided (how many hours etc.) and this must clearly link to the SLA. You will also need to bear in mind procurement regulations and value for money in these circumstances.

If you not have an SLA it must be on an actual cost basis, supported by timesheets and 1,720 calculation where appropriate.

**We have heard some grant holders are using a method other than the 1720 method to calculate the hourly rate of staff not working 100% on the project, is that something we can use?**

We have agreed an alternative to the 1,720 method, in a very small number of cases, where:

* staff have a standard full-time working week of 37 hours per week or less; and
* the grant holder has been able to demonstrate that they will be significantly financially disadvantaged by using the Managing Authority's standardised hourly - 1,720 working hours per year calculation

**What is the meaning of 'Claw back'?**

If any of the evidence that the Managing Authority or the European Commission requires is ineligible, missing or incomplete, we may be forced to reclaim or 'claw back' some or even all of the previous payments we've made to you.

It is the lead organisation, as the body directly accountable to us, which bears much of the risk of claw back. If they are audited years later and haven't retained the right documentation, all money paid could still be clawed back by the European Commission. It is therefore extremely important you do not underestimate the time required to collect, check, report and store evidence.

Further information regarding evidence and retention can be found in our BBO guide.

**Are there any circumstances where attribution of costs is allowed? For example, a bulk purchase is made for value for value for money purposes
or a shared minibus? If attribution is not allowed, can actual cost be determined by providing a calculation/rationale to support it?**

Generally apportionment of costs is not allowed as this is what the 15% simplified cost option is to cover. If you have a specific circumstance you would like guidance on please speak to you Funding Officer.

**What are the Article 125 checks, what do they involve?**

Verification checks made under Article 125 of the Common Provisions Regulation (Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17.12.2013 relate to checks completed by the Managing Authority before request for payment is submitted to the European Commission and comprise two key elements namely, administrative verifications (i.e. desk-based verifications) in respect of claims made and on-the spot verifications of operations (project visits).

All claims made by grant holders shall be subject to administrative verifications based on an examination of the claim and relevant supporting documentation such as invoices, delivery notes, bank statements, progress reports and timesheets. The verifications carried out are to establish that the expenditure is eligible and programme requirements have been followed.

Detailed guidance of Article 125 requirements can be found at:

[http://ec.europa.eu/regional\_policy/sources/docgener/informat/2014/guidance\_management\_verifications\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_management_verifications_en.pdf%20)

**Invoicing from consultants or non-partner delivery organisations. Does this have to be actual cost breakdown, or can they just invoice for what they are delivering? For example if a training course has been delivered can they just invoice for that – with the invoice showing what that includes, or do they have to break it down to staff cost, room hire, refreshments etc.?**

A non-partner or consultant will not be able to show actual cost on an invoice and the invoice and defrayal evidence should be sufficient. However, you do need to bear in mind value for money and procurement regulations.

**How do we claim staff costs where the employee is on a zero hours contract and does not work 100% on the project, as we do not have an annual salary amount for the 1720 calculation?**

If you have an employee in this situation, please discuss with your Funding Officer.

**Branding and Publicity**

**Branding and publicity – When is it acceptable to use the black and white logo?**

Wherever possible the colour logo should be used. The black and white logo should be used sparingly and only when justified.

**The BBO logo was recently changed. Are we able to continue using materials already produced using the old logo?**

You may continue to use existing materials which contain the old logo. New materials should be designed using the new logo.

**What logos should be used on email signatures if a staff member is funded by more than one organisation?**

It will be acceptable for your email signature to include extra logos, in addition to that required for BBO, in these circumstances.

**Can the BBO and ESF composite logo be split up into two separate logos?**

No, the composite logo should not be split.

**What frequency should grant holders post updates on Twitter/Facebook?**

It is for grant holders to decide on the frequency of posts publicising their project. You must include the BBO logo in all social media posts about your project.

**Annexes**

**Are there any plans to provide a version of Annex L that could be used within a grant holder's database, enabling a report to be run each quarter and avoiding significant data input?**

There are no plans to revise Annex L at this time. The current version of Annex L included the following updates:

* All of the manual entry fields are now included on the same sheet rather than spread across three sheets
* The fields have been re-ordered to better match Annex H making it easier to transpose the information from the forms the spreadsheet
* There is a filter function on the front sheet that allows selection of the time period to show the data for different quarters
* Grant Holders will be able to copy and paste between partner versions of the spreadsheet to ease aggregation
* Leads with a dedicated MIS should be able to export data to excel and paste it in, the data schema provided will help developers understand the requirements for each field
* Alerts to show errors with the data are more visible and have clearer explanations
* A warning message will appear on the summary page if any data is missing or if there are any invalid combinations of answers included in the data.
* New ‘question not answered’ options available to align with the Managing Authority’s data schema.
* Some results are now auto-calculated based on the employment status.

**Why have there been so many changes to annexes?**

Annexes have been updated in response to feedback received from grant holders and also to address issues identified. The programme is now more settled with changes expected to be much less frequent.

**Would it be possible for the Annex I to be re-designed to ask for more information than it currently does in order to encourage partners to include more detail in their evidencing of progress?**

We have no plans to revise Annex I in this way. Whilst entries on Annex I should record sufficient detail about how activities undertaken are helping the participant address their development needs it is not viewed in isolation and grant holders are required to retain separate evidence of progress, for example attendance sheets, course notes, submitted work and certificates of completion. It is a requirement to retain such evidence in addition to Annex I.

**Partnership Working**

**Leads are struggling with the ‘differing levels of professionalism and quality’ among partners.**

Lead organisation do need to take the lead and consider giving a lot of extra support to partners where needed. Networking may be used to share best practice etc.

**What is the best way to do communications with partners?**

You should consider on-going constant communication with your partners making use of all channels available to you.

**What is the best way to absorb staff changes?**

Staff changes should be absorbed by re-profiling your grant forecast, ensuring that your partners are doing the same.

**What's the best way to manage participant exit?**

To ensure the partnership make the decisions about participant exit together it was suggested the partner should discuss a recommendation to exit with the lead.

**Other**

**Will BLF be coordinating/facilitating LEP networks and regular LEP meetings?**

Whilst we recognise that such networks would be useful, we would expect grant holders to take ownership of organising and managing those networks.

**Are there any plans to hold an event on cross cutting themes?**

We are considering holding an event on this topic.

**When and at what regularity will the BBO newsletter be released?**

The BBO newsletter is will be issued quarterly. Any urgent items in-between will be issued in the form of a news flash to grant holders

**What's being done to identify the smaller project awards, and smaller Leads and to give them more support?**

Our BBO ESF Support team provides support on working under ESF rules and regulations including eligibility, actual costs, record-keeping, data reporting, publicity and cross-cutting themes for the Building Better Opportunities (BBO) programme. This is to increase capability to handle European funds, both for the current BBO programme and in the future.

If you feel you need additional support, over that already provided, please discuss that with your Funding Officer.