



Building Better Opportunities Essential update August 2022 - Annex B and procurement reporting and Action notes 085/22 and 088/22, Additional Funding Available for European Social Fund Direct Bid Projects

Annex B and procurement reporting

For the final four quarters of Building Better Opportunities, we have been asked by the Managing Authority to provide further details in our quarterly reports regarding procurement. Specifically, whether all new procurement has been done in line with ESF guidance and ensure that where procurement penalties have been applied, these have been reflected in the claim.

To assist us with this we will need you to provide some additional information on Annex B: Project progress report. Therefore, a new Annex B (version 9) will need to be used for the Q3 2022 claims onwards, now available on the Guide to delivering European funding pages of our website. This Annex B has three new tables added to Part three: Your costs for this quarter.

New Procurement

All **new** procurement activity that takes place from June 2022 must be included in the table in Annex B for the quarter it happens in, irrespective of whether any costs associated with it are claimed that quarter.

On receipt of your Annex B, your Funding Officer will review the information and send you forms to confirm the Contracting Authority status of the procuring organisation. You will then be asked to complete a second form in which you will tell us if you hold the minimum required evidence, should this cost be subject to audit. If this is not available, you will be asked to remove all associated costs from this claim and/or asked not to include costs in future claims.



In the second table, you must tell us about any procurement that you are planning on doing in the next quarter.

Due to how close we are to the end of the programme, we are expecting procurement activity to be minimal, and in the main for expenses such as evidence storage.

Procurement penalties (where applicable)

The third of the additional tables is to be used by grants where procurement penalties are in place. These occur where a problem has been found with procurement but it's not sufficient to make all associated costs ineligible. To date, there are only a few of these, which have all been implemented following A127 audits, however they can also be imposed by the MA and A127 verification managers.

There may for example be a 25% penalty imposed on all future claims on a particular contract. Therefore, if you received an invoice for £1,000 from the supplier only £750 would be claimed in the Annex O.

Projects will now be required to identify affected Annex O claim lines within Annex B. This will allow us to identify affected lines and report specifically on them to the Managing Authority.

Thank you in advance for your assistance in this process.

[Action notes 085/22 and 088/22 Additional Funding Available for European Social Fund Direct Bid Projects](#)

We have had a number of queries regarding the content of Action notes [085/22](#) and [088/22](#). Please be aware, these are applicable to **direct bids only**. Building Better Opportunities is administered through a Co-Financing Organisation (CFO), The National Lottery Community Fund, and therefore our projects are not eligible to apply for additional funds.