



Building Better Opportunities Essential Update October 2021, Number 2 - 1720 Hourly Rate Approval Process Update

1720 Hourly Rate Approval Process

As you are aware the Managing Authority released [Action Note 069/21](#) on 3 August 2021. We explained in our [August 2021 Essential Update](#) that we were exploring the impact the Action Note would have on how 1720 hourly rates are calculated on the Building Better Opportunities programme. Following discussions with the Managing Authority we can now confirm that there will be no changes to how 1720 hourly rates are calculated. However, we will be making some small changes to the process by which Funding Officers authorise the calculation of new hourly rates. You may be calculating new hourly rates due to, for example, pay rises, new appointments, or changes to working patterns.

For all 1720 hourly rates that are calculated for salaries after 1 October 2021 for inclusion in the Q4 2021 claim onwards:

- You should continue to follow the calculation methodology described in [the Guide to Delivering European Funding Hourly Rate Guidance](#).
- You must then submit an Annex D to your Funding Officer. (Please discuss with them as to whether this is done on ad-hoc or on a quarterly basis.) The Annex D must include:
 - Staff member initials or identifier, so that they can be linked to the name on the Staff List (Annex U)
 - Job role
 - Partner name
 - New hourly rate
 - Reason for change
- As with the current processes your Funding Officer will approve a change being made, but not the hourly rate itself.
- Once this has been approved, you will need to update the Staff List (Annex U)



- As part of the quarterly claims checks, at least one of the direct staff costs sampled will be associated with one of the newly calculated hourly rates. At this point your Funding Officer will review the evidence for how the hourly rate has been calculated. (Note, if this is found to be non-compliant, further checks may be made.)
- We will then include information in our reporting to the Managing Authority which will identify the number of changes that have been authorised and confirm a sample check has been done.

Please note, hourly rates in place before 1 October 2021 can remain as they are. The above only applies when you need or want to change a rate or introduce one for a new employee.