



Building Better Opportunities Essential Update October 2022

- Project Closure Update

We hope you found our project closure update from July 2022 useful and it helped you to focus on planning the closure of your BBO project. Last quarter you should have been actively discussing this and completing your project closure form with your Funding Officer and documenting progress in Annex B.

Please re-visit the [last project closure communication](#). If you have any queries or concerns regarding the closure process, please contact your Funding Officer to discuss them. Also please remember the final claim for all projects is Q2 2023, we will be unable to accept and process any claims beyond this period and any expenditure claimed must be defrayed prior to 30 June 2023.

Errors in claims

We have seen an increase in small errors creeping into claims, for example:

- 1720 calculation errors not considering the employer's NI allowance
- Timesheets not being added up correctly.
- Not accounting for employers NI allowance on full time staff
- Participant incentives which exceed £50.00 in total

We are aware there has been a significant amount of staff turnover within admin teams and this may be contributing to the issue. Please ensure new staff are bought up to speed with the programme rules and are aware of frequently made errors. It may be useful to review this [audit update](#) to raise awareness of the types of errors that are found in submitted claims.



SDAs

Projects should ensure any SDAs required have been raised by the time your Q2 2023 claim is submitted.

Project closure questions

We've had questions about several topics related to project closure that we would like to provide some clarity on following consultation with the managing authority.

Are celebration event costs eligible?

Celebration activities relating to 'showcase' type events are eligible subject to being compliant with ESF eligibility criteria. Projects should consider carefully whether the costs are directly attributable to the running of the project. These types of events are likely to be demonstrating the impact of the BBO project to key stakeholders.

The costs for small group parties/end of programme celebrations and informal gatherings are ineligible for ESF claims as they are without a wider project delivery purpose.

Can staff be paid a bonus to retain them until the end of the project?

The Managing Authority have confirmed per the ESF eligibility rules, this type of bonus is not eligible unless it forms part of an employee's contract of employment.

What happens with stored evidence if an organisation goes out of business?

If a BBO grant holder's organisation is going out of business the Fund must be informed immediately. With live grants this should be through your Funding Officer, post BBO programme closure contact on any matter should be made through the following:

E-mail - esf@tnlcommunityfund.org.uk

Telephone - TNCLF Advice line - 0345 410 2030



Where evidence is being stored on the organisation's premises, the Fund will work with the grant holder to transfer the evidence to an alternative location.

Where evidence is being stored in a secure storage facility you must ensure with the storage provider that staff from the Fund are authorised to access the evidence.

Please ensure evidence is stored and indexed in a way that makes it easy for staff to retrieve what is required for future audits. Consider putting together some instructions for retrieval especially where data is stored digitally and within specialised MIS and IT systems.

What can be claimed for annual costs if they need to be paid during the closure period?

The first thing that the project will need to establish is whether the cost is in fact a direct cost. This means that the grant holder must be able to prove that there is a direct link between the cost and agreed project activities that can be quantified without the need to consider arbitrary apportionment methodologies. If the cost does not meet this definition, it should come out of the project's fixed rate indirect costs.

If it can be shown to be a direct cost, then it can be claimed, but whether the full annual cost can be claimed depends on the nature of the cost:

It may be possible to cancel the service, insurance, etc. at the end of the project, usually subject to a cancellation fee and get a refund for the unused period. In this case the quantified actual cost that could be claimed would be annual cost, minus refund, plus cancellation fee.

In some cases, it may only be possible to get something annually such as a software licence, with no cancellation option. In those cases, it is reasonable for the grant holder to claim the full cost. Evidence should be retained to support this.



Can ESF branding still be used beyond the end of the project?

The use of the ESF logo applies whilst the project is live. Once the project has ended, evidence of complying with the published ESIF (ESF) branding and publicity requirements needs to be retained for future audit purposes.

It is worth referring to the [‘European Social Fund document retention guidance’ published on GOV.UK](#) which sets out the documents that should be retained and for how long. There is a bullet point in paragraph 11 that relates specifically to keeping records of compliance with publicity requirements. This reads as follows:

- ‘compliance with publicity requirements, copies of all publicity materials, including press releases and marketing must be retained to demonstrate the correct use of the EU logo and required text (please see the [‘ESF publicity requirements’](#) for further information on publicity requirements)’

Can BBO fund the development of materials for use beyond the life of the project?

Only those that are designed for and used by BBO participants, that go on to be used in future work are eligible. Any developed materials must represent good value for money for the cohort of BBO participants engaged by your project.

Please also note we cannot accept claims for the purchase of ‘legacy’ plaques as it is not in scope of the Programme. They are also not linked to live project delivery or the period it is operating.

Will A125 checks be carried out on our Q2 2023 claim?

The verification team have confirmed they will carry out their usual checks on one project from each LEP area. If you are the only operational project within a LEP area you will be required to participate in the A125 activity. Where there are multiple projects, one will be selected randomly as usual.



Due to the time required to process the Q2 2023 claims they will be submitted to the MA in November 2023. Subject to the MA's timelines, we expect A125 samples to be issued in late January 2024 with checks taking place in Q1 2024. Projects must ensure staff with knowledge of BBO are available to support these checks. The GIAA will continue to carry out A127 audits on BBO claims as the MA submits them to the European Commission. There is a considerable lag in the timing of these checks, currently the GIAA are auditing claims from 2020 Q4 - 2021 Q2. This means it is possible your final claim may be selected for an A127 audit into 2025.

As noted above staff with knowledge of BBO will be required to support these audits. Please also consider this timeline with regards to IT systems and governance changes in the future.