

# Building Better Opportunities



**Guide to delivering European funding**

**Section two: Introduction**

## About this Guide

This is just one section in a series of fifteen guidance documents that make up the Guide to delivering European funding (the 'Guide'). Taken as a whole, this provides all of the guidelines, tools and templates needed to manage and monitor your project.

The version of the Guide replaces any and all guidance we have previously published in relation to this funding.

For the full contents visit our website [here](#)

## How to contact us

- ✓ If you are a **lead organisation** involved in delivering a project, the best way to get in touch is through **your funding officer**.
- ✓ **Other organisations** should email us at [esf@biglotteryfund.org.uk](mailto:esf@biglotteryfund.org.uk)

We have a Building Better Opportunities support team in place who can help with understanding European Funding requirements. You should by now have a named contact to contact directly. If you are unsure who this is, please contact your funding officer.

## Summary of changes

May 2017 - Lottery logo updated.

March 2017 - Delayed quarterly update, including updated logo and addition of ESF Principles to section 2.5 so that ESF Support manual could be archived.

September 2016 - Quarterly update, with use of National Insurance number for participant ID, updated Annex K, new Annex Q and revised annexes in Oct/Nov.

June 2016 - This version of the Guide incorporates appropriate comments gained from the consultation review in April 2016.

Any changes to the Guide will be:

- ✓ communicated on our website and on the inside page of each section

- ✓ emailed to current grant holders and highlighted in our programme e-bulletin.

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### Section two: Introduction

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## 2.1 What is Building Better Opportunities?

Building Better Opportunities (BBO) brings together funding from the Big Lottery Fund and the European Social Fund (ESF) to help tackle the poverty and social exclusion faced by the most disadvantaged people in England.

By joining up with ESF, we'll be able to double the impact of Lottery money at a local level and offer a route to European funding for organisations that may have found it difficult to access it in the past.

During 2015 and early-2016 we published a series of project outlines on our website. These described each specific funding opportunity available through the programme and what we wanted each project to achieve. We are only funding one organisation, or a single partnership managed by a lead organisation, to deliver the work described in each project outline.

Project outlines target different areas or groups of people, but there are five principles that underpin them all:

### ➤ Help the most disadvantaged

As the economy strengthens and the labour market becomes more competitive, people who are out of work or not 'job ready' could become increasingly disadvantaged while seeking employment.

Some groups of people are more disadvantaged than others when it comes to finding work and it is these individuals that Building Better Opportunities aspires to help.

### ➤ Tackle social exclusion

Social exclusion profoundly affects people's physical and mental health. This can also have a significant impact on an individual's confidence and their motivation to engage fully with support services, preventing them from seizing opportunities to improve their quality of life.

Social exclusion contributes to disadvantage and can also lead to people being out of work. So rather than just treating the symptoms, projects must help to address the root causes of poverty and social exclusion that are barriers to an individual finding work.

### ➤ Be focused on the capabilities of each individual

We expect projects to build on people's strengths by developing their skills and talents, thereby helping them to overcome the challenges they face.

To achieve this, activities need to be focused on the needs of each individual through tailored packages of support that go far beyond simply providing advice. Key to this will be ensuring the people who'll benefit have a genuine and ongoing role in how the project is designed and delivered.

### ➤ Lead to better coordinated services

In the main, services will need to be delivered in partnership between organisations that already have expertise in working with those most in need.

There are various existing services across England that can support people in difficulty, but they sometimes lack clear coordination at a local level. Making connections and joining up such services would make it easier for the most disadvantaged people to use the services that best suit them.

### ➤ Create new opportunities for work

The success of the Building Better Opportunities programme is constrained, in part, by the work available, so it's just as important to think about creating new opportunities as it is to improve an individual's work readiness. Engagement with employers is essential to ensure there are pathways for people to progress into work.

## 2.2 What is European funding?

The Big Lottery Fund is matching funds from the European Social Fund (ESF) to provide joint investment for projects in England.

The European funding comes from the European Structural and Investment Funds (ESIF) Growth Programme 2014 to 2020, of which ESF is one part.

The purpose of the ESIF Growth Programme is to improve local growth and create jobs by investing in innovation, business, skills and employment.

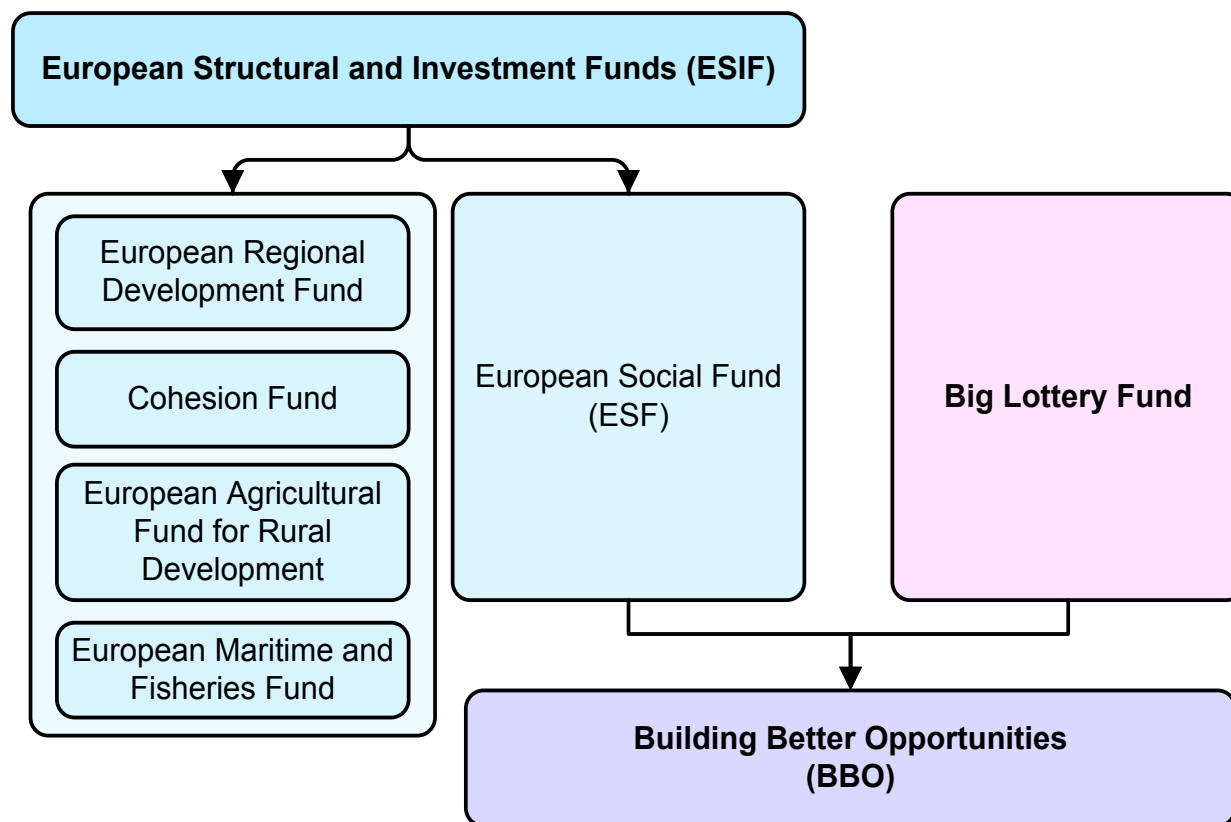
ESF specifically contributes to this by:

- ✓ supporting and sustaining quality employment without barriers to participation
- ✓ encouraging social inclusion, combating poverty and discrimination, and
- ✓ developing the potential and existing workforce by investing in education, training and vocational skills.

We will provide funding under ESF Thematic Objective 9 (promoting social inclusion and combating poverty), with a specific focus on addressing the root causes of poverty that create barriers to work, so that people who are most socially excluded move towards or into employment.

### ➤ How is the money distributed?

In England, ESIF money is divided between 39 Local Enterprise Partnership (LEP) areas and each LEP has devised a strategy for how it will be spent. A LEP area ESIF committee has been established in each of these localities to help manage the delivery of these strategies. The LEP area ESIF committee have had a crucial role in the development of the project outlines.



The funding available through Building Better Opportunities is just a portion of the European funding that will be available across these areas through the ESIF Growth Programme. To find out more about other opportunities for accessing European funding, go to the Government website [www.gov.uk/european-growth-funding](http://www.gov.uk/european-growth-funding)

## 2.3 What are the relationships involved?

### European Commission

#### European Commission

The European Commission sets the framework for how ESF money must be administered, spent and evidenced. They may audit **any** organisation involved in the delivery of this funding at any time to check that their requirements are being appropriately managed. The European Commission has the power to 'clawback' all of the European money paid to a project.

### Managing Authority

Department for Work and Pensions

#### Managing Authority

The Department for Work and Pensions is responsible for administering ESF in England. They will monitor us and we will submit to them the information collected by individual projects during the course of their delivery. The Managing Authority may also visit projects and contact participants directly.

### Big Lottery Fund

#### Big Lottery Fund

We will manage the relationship with lead organisations, including delivery, payments and reporting. We will also ensure that the various requirements set out across the Guide are fully met. If errors or difficulties are encountered, we are responsible for ensuring that these are corrected.

### LEP area ESIF sub-committee

#### LEP area ESIF sub-committee

These are partnerships between local authorities, businesses and the community, set up to help determine economic priorities and lead economic growth and job creation in local areas. They have determined the priorities that projects funded locally must deliver and we will report to them on the progress of each project in area.

### Lead organisations

#### Lead organisations

This is the organisation that we award funding to. They will have legal responsibility for the grant and be financially accountable for money that is distributed to partners.

Lead organisations will need to collect, check and report a range of information to us. This is described across the **Guide**. They will also be responsible for managing the relationship and contribution of project partners.

### Project partners

#### Project partners

Partners will sign a partnership agreement with the lead organisation that sets out clear responsibilities for delivering the project. This includes the collection and reporting of evidence that will be used to track progress and report on the requirements outlined by the European Commission.

## 2.4 The project outline

Whether you've recently been awarded funding, or you are in the process of developing your application to the programme, the project outline is fundamental to what you need to achieve. It is also pivotal to assessment of any application and monitoring the funding we award.

Projects will need to meet local priorities, which have been defined in the LEP area ESIF strategies. We've used these priorities as the basis for the project outlines.

We have also agreed the targets for each project with the Managing Authority and the local LEP area ESIF committee. These targets are listed on the project outline (under 'Project outputs and results').

A project outline typically covers:

- ✓ the geographical areas where the project must be delivered
- ✓ the funding available and the deadline by which all funding must be spent and claimed by
- ✓ relevant background information, including the fit with existing provision or local, regional and national strategies
- ✓ a description of what the project must achieve and any specific skills or experience that the organisations involved must have
- ✓ the minimum level of outputs and results (called 'targets') that the project must deliver during its lifetime
- ✓ the groups of people that the project must work with.

Each project outline represents just one strand of the overall funding that is available through Building Better Opportunities.

## 2.5 ESF principles

There are seven overarching principles which govern how ESF operates and you should deliver your project according to them.

The principles are:

1. **Additionality.** ESF funds cannot be used to substitute existing or earmarked funding for projects by existing bodies in the UK. ESF must bring added value over domestic funding. Activity is not considered additional if the ESF funding is, for example, necessary to meet statutory requirements.
2. **Added Value.** The contribution of ESF funding to a project must add value to, or complement, new or existing activity. You must be able to demonstrate that the project would not have taken place without ESF support and does not duplicate existing activity.
3. **Co-financing.** ESF cannot fully fund your project. The Big Lottery Fund is co-financing BBO, so you do not need to find any co-financing (sometimes called match funding) yourself.
4. **No double funding.** Your BBO grant must only fund your BBO project. It cannot be counted against the costs of another project.
5. **No profit.** You cannot and must not make any profit or surplus from ESF funds. You can only claim what you can evidence you have actually spent in delivering your BBO project. Your grant will be agreed at a set limit and for a set period. Within that period there are also fixed annual allocations. Any unspent grant at the end of a calendar year (ESF funding works on calendar years) may be

deducted from your overall budget and any left at the end of the grant period must be returned to the Big Lottery Fund.

6. **Non retrospective.** You can only claim for costs for project delivery incurred after the date that you receive approval of your stage 2 BBO application from the Big Lottery Fund. Costs incurred before your application was submitted or approved cannot be claimed, with the exception of any development funding awarded to help develop your stage two application.
7. **State Aid.** State aid applies where any state funding (not just EU funds) provides a competitive advantage to an organisation that could not have occurred under normal market conditions. More information is provided in the Management section.

