



Building Better Opportunities Successful applicant events November - December 2015

Derby event

- 1. Why is there a rule that we have to get three quotes for anything we buy costing over £2,500 using our development grant? Will this also apply to the main grant? And wasn't this limit set at £10,000 in your stage one materials?**

The Managing Authority (MA) sets the national procurement rules for ESF. All BBO grant holders will have to abide by these when spending their main grants. These rules set £2,500 as the limit above which you have to be able to prove that a process was followed to get value for money. The guidance document on this is available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/481840/ESIF-GN-1-001_Procurement_Law_ESIF_Guidance_Note_V2.pdf

We are using the same limit for BBO development grants in order for partnerships to get into the habit of abiding by these rules before the main grants start.

It is true that our early materials showed this limit as £10,000. They were published before the MA drafted the national rules and our documents have now been corrected to all state £2,500.

- 2. We want to get going with our development work, but our bank account won't be set up until late December. Can we start spending now, before the grant is received?**

This can be agreed by your Funding Officer on a case by case basis. Before you incur any expenditure you should contact your nominated Funding Officer to discuss, to ensure that you can be reimbursed. We will be as flexible as we can; we can't usually reimburse any expenditure from before you sign your grant agreement and return it to us, but it will usually be ok to start spending before the bank account is set up.

- 3. You say you want us to talk to other stage two applicants. Why? Is that true even if there are two applicants competing for the same grant? Will this be taken into account at stage two assessment?**

We know that employment is a crowded space and we want BBO projects to be as well aligned as possible to avoid duplication and make the biggest impact they can. So we want you to talk to other stage two applicants in your LEP area and other neighbouring LEP areas so you can work together to ensure alignment across projects. It may also be possible in some cases for you to work together to share some of your development activities in order to reduce costs.

Obviously in a few cases two applicants have been brought through to stage two for the same project outline, so they are competing for the same grant - in these cases, we understand you probably won't want to share everything with your rival.

At stage two, we will look again at how well your proposal complements existing and planned provision, including other local BBO projects.

4. With normal lottery grants we can have up to 6 months after grant award to start activity - is that the same for BBO?

No. We have awarded development funding to enable you to get everything ready before award, so we want you to get started as soon as possible after award. However, please bear in mind that you still need to sign and return your grant agreement to us before we can release any funds.

5. When will the new version of the Summary of Partnership Requirements document be available?

A draft for comment should be on our website in mid December. We will send all stage one and two applicants an email to let them know it is there. We hope to publish the final version as soon as possible.

6. You say you don't want any significant changes to the partnership between stage one and stage two applications - what do you mean by significant?

We want change minimised, in order to avoid any perception that the competition was unfair, with partners added or discarded halfway through. If you are considering any changes to your partnership, you should discuss them with your Funding Officer.

7. Is spot purchasing ok? Can we set aside a portion of the budget for this? Can partners, for example, buy training services from self-employed trainers rather than employing them?

Yes. Any BBO money that goes to anyone other than the named partners must be spent in line with the national ESIF procurement rules, with evidence retained to prove this to auditors. You can include funds for this within your budget, but you should be as specific as possible in your stage two application about exactly what services you expect to be procuring with it. It may often be simpler (in ESF compliance terms) to ensure that your partnership includes the expertise you need, rather than procuring it separately and retaining the evidence of this.

8. Do we have to re-procure everything for BBO or can we use existing framework contracts (e.g. for legal services) if they have been procured properly?

If the existing contract was procured in line with national ESF procurement rules and you can produce the appropriate documentation to prove it then this would be OK provided the BBO work is within the scope of the existing contract and does not take it over the relevant in the national procurement guidance.

You would also need to check whether the framework requires a mini competition for each piece of work or if it allows you to award extra services via single tender- either is OK as long as it's covered in the initial procurement.

The framework contract would of course be subject to normal ESF audit scrutiny as a result.

9. Do we have to use a specific BBO template for timesheets or can we use our own?

It is fine to use your own.

10. Does all the development funding have to be spent by the time the stage two application is submitted?

No. It just has to be spent before you receive the main grant. It is fine to plan to use some of it during the period we are assessing your application, so you are ready to start as quickly as possible after award.

11. Do you agree that it is a waste of resources for all organisations to pay for legal advice on State Aid? We feel that State Aid won't apply to most ESF projects and even where it does all we need to do is make sure that any organisation that benefits (e.g. employers in a wage-subsidy project) remain below the de minimis level. Can't BBO accept that, rather than asking us all to spend money on it? Can we at least team up with other similar BBO projects to share the cost of legal advice?

Generally speaking, we do not expect State Aid to affect most of the projects we fund. State Aid most often applies where money is being used to directly stimulate growth in an organisation. This is not something we are directly funding through Building Better Opportunities. However, State Aid may apply to your application. For example, the provision of work experience staff who may be taking on roles that would usually be paid for.

There are exemptions for State Aid (e.g. de minimis) but these are applied on a case-by-case basis. We are unable to assess the impact of State Aid without seeing your detailed plans in full so, in order to ensure your project is state aid compliant, we suggest you seek your own state aid legal opinion should you have any state aid concerns, before you submit your stage two application to us.

Your legal opinion should set out:

- how our funding would affect your (or other organisations") competitive or financial position in relation to other organisations providing similar goods or services
- the amount of funding you've received in the last three years that was classed as State Aid.

Please note should you decide not to take state aid advice at this stage we still do require confirmation of the amount of funding you've received in the last three years that was classed as State Aid; this can be provided in your stage two application form. Further should we identify potential state aid concerns at stage two, the Fund may require you to obtain independent state aid advice in order to progress your application.

For more information about State Aid visit www.bis.gov.uk/policies/europe/state-aid. It is fine for you to share the costs of getting legal advice, as long as the advice you get fully covers your own proposals and you can clearly show what you have contributed to the costs and what service you have received in return.

12. How does clawback work? How long do we have to keep evidence?

If you submit a claim to us for ineligible costs and/or are unable to provide satisfactory evidence for the costs you have incurred, we will normally recover this amount from your next payment. We reserve the right to claw back funds at any time if any aspect of your evidence or claims is found to be non-compliant. If we suffer claw back because anything in our written guidance is wrong, then we will not pass it on to you because it is our fault, not yours.

You could be audited at any point up to ten years after the closure of the ESF 2014-2020 programme. The programme could be extended up to the end of 2023, so you should assume you will need to retain evidence and be able to produce it for auditors up to the end of 2033. We are looking at ways to minimise the obvious risks inherent in this.

13. Can our partners approach the ESF Support Team (RSM and Ecorys) for support? Or if a lead arranges a meeting of their partners, could the ESF Support Team attend in order to talk to them all?

The ESF Support Team will work directly with the leads, not the partners. However, this could include attending meetings arranged by the lead that the partners attend. It is a good idea to do as much as you can to ensure your partners understand ESF compliance requirements.

London event

14. Can we share the slides and notes?

We will distribute these to attendees and main contacts.

15. When will the new partnership requirements document be available?

It is now available on our website, under the 'Related Documents' section.

16. What gap do we anticipate between the last panel and project start date?

Four to six weeks

17. Can we use development funding for legal costs?

Yes, that is acceptable

18. If we submit our stage two application for an earlier panel and it is rejected, is that our only chance?

We will work with applicants to agree the most appropriate panel date that they will be ready for. We are seeking further clarification on this process, and will confirm further details as soon as possible.

19. Do you not think that the first deadline in January is very tight and will we get any for that date?

We do expect that numbers will be small but envisage that there will be some who will be ready to progress at this point. Please note that whilst applicants can choose to submit on any of the three deadline dates, the panel meeting dates are fixed and we cannot offer any flexibility around the deadlines.

20. Where there were no fundable applications for some POs, will you re-advertise these?

We are currently in conversation with the relevant LEP areas to discuss the best course of action for those projects and will re-advertise where applicable.

21. You have advised us that we will need to set up a separate bank account but we, as a local authority will find it difficult to do this. Do we have to? Could we not use separate cost codes to identify?

It is a specific requirement that the funds received from the Commission are clearly identified and segregated from the general account of the Beneficiary so as to ensure clarity in case of audit and that any interest accrued is reflected accurately. It is obviously preferable that a separate bank account is opened specifically for the action. However this is not always feasible but in many countries a sub-account reference within an organisation's main bank account can be opened. There may be cases where a new bank account or sub-account cannot be opened. In these cases the applicant must justify why it cannot open either a new account or sub account and provide a clear indication how they intend to maintain a segregation of the funds from the point of reception through to disbursement, and accurately calculate and notify any interest accrued.

22. Does development funding need to be defrayed?

No, we will pay development funding in advance.

23. What evidence and monitoring will be required?

We have provided information on this in the 'Guide to Managing European Funding' and we will continue to update this and add more detail.

24. To what extent can applicants change and amend their partnerships at this stage?

We will not be looking for significant changes and will deal with requests on a case by case basis. If any applicant feels they would want to do this then they should speak with their funding officer in the first instance.

25. Will the main grant be forward funded?

Yes, we will do so on a quarterly basis and extensive evidence will be required to support expenditure. If we identify any issues or concerns then we may ask for evidence to be submitted on a monthly basis.

26. Applicants are required to provide a full budget as part of their stage two application. What if during the life of the project there are differences and we are spending less?

We will work with you on this and would look to adjust payments if necessary.

27. If awarded, will we and our funding be held to account if we are not achieving the outputs?

We will be monitoring progress towards achieving the expenditure, outputs and targets results and outcomes that successful applicants proposed in their application, and Funding Officers will consider all of these elements together when deciding whether to allow a project to continue and what adjustments we might make to payments. If an organisation is not meeting our expectations then we may reduce or withhold future payments and recover unspent monies.

28. Management costs - if these are not all spent what will happen?

There is no such thing as a management fee for lead partners within this model. We will only pay for actual incurred costs where evidence is provided.

29. How rigid do we have to stick to budget headings? Can we move money around?

This is possible but we would ask that you discuss this with us and explain.

CESI presentation points

30. How do we get and keep participants - any engagement tips?

- Look at how you will stay in touch with people. Maintaining support between different agencies and moving between services.
- Quality of the offer - sometimes an individual may feel that they didn't get what they wanted or expected. It is key to set expectations at the start and follow through on promises.
- Personalisation and appropriate support
- Noted by one delegate that a recent evaluation of their work had highlighted that holistic support, which addresses the whole person, works better.
- Location of provision
- Reminder that there is money within the funding to spend on evaluation.

RSM / Ecorys

31. Can RSM / Ecorys provide a list of state aid / legal providers?

No

Newcastle

32. Will we be provided with more detailed feedback on our stage one application forms?

Yes, your funding officer will be able to provide further information and will highlight where there are any particular areas that the panel has raised.

33. Where the panel chose to take through more than one applicant to stage two for a project outline, will the timings for each applicant need to align?

Yes, we have always said that in these circumstances we would work at the speed of the slowest applicant. Applicants will need to align so that we can ensure all concerned are considered by the panel at the same time. The nominated funding officer will discuss and liaise with all applicants to agree this.

34. How soon after the panel meeting do we expect to be able to advise applicants and therefore for projects to start?

Following each panel date it will take us a few days to sort out the details and start the communication of our decisions. Once successful applicants have been notified we anticipate that it will take four to six weeks for projects to start but this will depend on each individual project.

35. Will the grant agreement and the partnership agreement need to be signed together?

The grant agreement is between the Big Lottery Fund and the lead organisation and only needs to be signed by the appropriate representatives of the lead organisation. The partnership agreement is more between the lead organisation and their partners. We would suggest having a copy of the T&C's that are provided with the grant agreement attached to the partnership agreement so the partners know and appreciate what the lead organisation is signing up for. However, there is not any need for the grant agreement to be signed in the presence of partners. The lead organisation should sign and return the grant agreement within the specified timescale. The partnership agreement can be returned separately but no funds would be released until we had both documents returned fully and correctly signed.

36. Is there any flexibility around which panel we can submit to?

Yes, your funding officer will discuss this with you.

37. Could there be any conflict of interest between competing bids and their partners? If so, is the Big Lottery Fund happy for lead applicants to manage this?

We would expect lead partners to manage this appropriately.

38. Will the Big Lottery Fund provide any further guidance on how to cost projects to ensure ESF compliance? This is in relation to the level of information and detail that is being requested for the scoping and costing of YEI projects e.g. estimating photocopying volumes).

We will not require this level of information but will go back to the Managing Authority and check.

39. Which branding guidelines should we follow throughout stage two and the development stage?

Stage two applicants will need to use the lock up logo. We recognise that the development funding is lottery money only but we felt that it was good practice to start using the logo.

40. If there have been any recommendations or suggestions around gaps in partnerships, how will this be managed?

We ask that you discuss this with your funding officer and where such recommendations have been made we will advise.

41. Does the development funding have to be used only for the development of stage two applications? Could it be used to fund recruitment costs or IT solutions?

We would need to discuss this on an individual basis and would ask that you raise any such questions with your nominated funding officer.

42. Is it recognised by the panel that there are a number of overlapping LEP areas and that there will be a challenge in considering this as part of their decisions?

Particularly in minimising any overlap and ensuing value.

Yes, we are aware of this and that the panel will need to take into consideration such situations.

43. Will the detail in the draft partnership agreement form part of the stage two assessment process?

Yes and our guide to stage two advises what will be considered and looked at through our assessment process.

44. We want to use our development funding to pay for a legal firm to assist with the partnership agreement. They are on a retainer with us but will be more than £2,500. Will we still have to obtain three quotes and go through a procurement process?

Please see response to question and answer number eight.

45. Will we be provided with specific BBO procurement guidance?

We will not provide anything different to the national ESIF guidance but will provide an interpretation to support.

The document can be accessed using the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/481840/ESIF-GN-1-001_Procurement_Law_ESIF_Guidance_Note_V2.pdf

46. Are we able to use the development funding to procure an IT / data solution system to be used amongst partners as a project management tool?

Yes, but please also note what tools and solutions we'll provide you with which are currently being developed and are outlined in the following questions and answers.

47. How will we report project progress?

At the start of the project, and before we release your first payment, we will ask you to map out a **target and payment schedule** for the full period of the grant. This schedule will allow us to monitor the extent to which you are meeting your target and expenditure commitments on a quarterly basis, and you'll be required to revise this as you progress further through the project. If you are successful at stage two, we'll provide a template for you to do this.

Every three months, you'll send us a **progress update report** which will summarise how you're meeting the various requirements of Building Better Opportunities. This will provide a snapshot of your progress so far, and will cover things like publicity, cross-cutting themes, expenditure, targets, outcomes and procurement. We will use this to determine whether your project is on track and whether it is meeting the requirements we have published in our Guide to delivering European funding.

In addition to the progress update report, you'll need to send us a **financial reporting spreadsheet** and a **participant information spreadsheet**.

48. What forms, templates and information systems will you provide?

We have already provided a draft of the **participant information spreadsheet** as an annex to the 'Collecting and reporting participant information' guide. Please note that these documents are available on our website under the related documents section: <https://www.biglotteryfund.org.uk/esf>. Throughout the project, you'll need to record each participant you're engaging on this spreadsheet, and then send this to us on a quarterly basis or whenever we request it. In order to collect this information you'll need to use the **participant entry form** and the **participant exit form** we've also provided as annexes to this guide. You'll need to keep hard copies of these forms, together with other evidence collected (such as copies of passport, certificates, etc) in the participant file so that we can review during site visits.

Alongside this, you'll also need to maintain a **financial reporting spreadsheet**. You'll use this to note every single line of expenditure and the type of evidence you've retained. As we will be working on an actual costs basis, it's likely that we will request that you send us an electronic copy of each and every receipt, invoice, job description, etc, so that we're able to check these costs straight away. We will need to be able to link the expenditure to relevant project activities, and the spreadsheet will allow you do this. We'll provide this spreadsheet if you are successful at stage two.

These two spreadsheets will be designed to be as functional and user-friendly as possible, though there is no way to avoid the degree of manual input that will be required. We have no plans to provide a content management system, or similar, at this time.

49. If we need to send you electronic copies of our documents, are we able to purchase scanners using the grant?

Yes, this would be acceptable providing the cost stays below £1,000 per item (as per the capital limits described in our Guide to delivering European funding). You can purchase multiple scanners, say for each partner, but we'll need to ensure that the total amount is appropriate.

50. How will lead organisations and partners send reporting information to the Big Lottery Fund?

Given the sensitivity of the information you'll be reporting to us, particularly participant monitoring data, we'll establish a secure file transfer so that lead organisations can send this to us. Under no circumstances should participant monitoring information be sent to us by email. Given the volume of information you'll need to report to us, say in relation to financial expenditure and receipts, it also makes sense to use this functionality to send us your other reporting information, as we will then be able to download this information for storing on our own local drives.

Project partners will need a similar route for sending sensitive information to the lead organisation. It is the responsibility of lead organisations to establish such a service for their partners to use. In essence, the functionality should be similar to DropBox, but lead organisations and partners should be aware that recent SafeHarbour rules will limit the types secure file transfer services that can be used (including DropBox).

51. Is it acceptable to procure an organisation to scope out the project / development work and to ultimately do the evaluation?

Yes, that is acceptable.

We are in the process of procuring an organisation to carry out the national evaluation and anticipate that they will be appointed prior to Christmas. They will start their dialogue with applicants in the New Year.

52. Is the ESF robustness process that our RSM advisor will carry out, for leads only or can we use this with our partners?

The process and meeting itself will be with leads but the materials will be available for leads to use with their partners and we would encourage these conversations.

RSM / Ecorys session

Participant eligibility

53. How will we avoid double counting and duplication of participants?

Once we receive the participant data our system will check and identify any duplicates. However, grant holders will need to check with participants whether they are already on another BBO project in the same LEP area.

Participants can take part in more than one project in a LEP area. But they can only be counted once towards targets. We will work on the basis that the first organisation that interacts with the participant will count the participant towards their targets.

54. How will we avoid double counting against other opt ins and ESF programmes?

Historically, ESF regulations dictated that a person could only be counted on one programme. However, the change in policy has been made to recognise what is required in order for the individuals attending these programmes to progress.

55. What will the evidence requirements be for those who are classed as economically inactive and unemployed?

We envisage that those who are economically inactive will complete a self declaration form as their evidence and that those who are unemployed are likely to have proof of benefits or they may also need to sign a self declaration.

56. Will the use of smart phones and photos be acceptable to record evidence? For example a case worker is out with a participant and is provided with a copy of their evidence. Rather than take away elsewhere to photocopy, can a photo be taken instead which could then be downloaded and printed off at a later date?

We are still seeking clarification from the Managing Authority on evidence requirements, and we will confirm in due course what forms of evidence are acceptable to the Big Lottery Fund and the Managing Authority. Regardless of any future advice around electronic evidence, we will require hard copies of all evidence to be kept on site for the duration of the grant.

57. For participants with disabilities, what evidence would be required?

Again this would be evidenced by a self declaration.

Partners and partnerships

58. Which type of partners will need to sign the partnership agreement?

Anyone receiving money as part of the partnership, such as delivery partners, must sign. We recognise that there may be some more ad hoc strategic partners who are likely to be mentioned but may not sign.

Applicants however, must ensure that the level of involvement of each partner is clear and explained.

Noted by one applicant that based on experience, leads should not under estimate the length of time it can take to get partners to sign agreements.

59. How should indirect costs be calculated and accounted for?

We have adopted a simplified cost option and there are two different thresholds that can be used:

15 % - this will not require any checks or evidence

20 % - this should be based upon the previous year's accounts

Whichever option is chosen then this approach should also be adopted by all partners. The calculation will only need to be carried out once but bills / invoices etc must still be kept.

60. How long must we retain documents and evidence for?

All must be kept until 2033 and you will need to make sure that the necessary costs have been built in.

61. Will the lead partner need to retain all the documentation?

Yes

62. How and what are the Big Lottery Fund doing to help and make this a better ESF programme?

- Cash match
- Increased support (contract, guidance documents)
- Dedicated funding officers
- Actual costs model and grants in advance (not pbr)
- Flexibility on processes and procedures
- Support contract to help with ESF compliance

63. Does the Big Lottery Fund receive the funds based on targets?

No, we receive payments in arrears and will all be based on claims and evidence of actual costs incurred.