Building Better Opportunities

Guide to stage two
(Version 3 - May 2016)

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Further copies are available through:

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Text Relay: 18001 plus 0345 4 10 20 30 (for those with a hearing or speech impairment)

Our website: www.biglotteryfund.org.uk

Accessibility
Please contact us to discuss any particular communication needs you have.

Our equality principles
Promoting accessibility; valuing cultural diversity; promoting participation; promoting equality of opportunity; promoting inclusive communities; reducing disadvantage and exclusion. Please visit our website for more information.

We care about the environment
The Big Lottery Fund seeks to minimise its negative environmental impact and only uses proper sustainable resources.

Our mission
Helping communities and people most in need.

Our values
We have identified three values that underpin our work: being supportive and helpful, making best use of Lottery money and using knowledge and evidence. You can find out more about us, our values and the funding programmes we run by visiting our website www.biglotteryfund.org.uk

The Big Lottery Fund is committed to valuing diversity and promoting equality of opportunity, both as a grant maker and employer. The Big Lottery Fund will aim to adopt an inclusive approach to ensure grant applicants and recipients, stakeholders, job applicants and employees are treated fairly.

Contents

Summary of changes

We've made several changes to this guide:

- ✓ Under **Sending us your drafts** (page 3), reiterated the importance of sending us drafts of your stage two application in good time before the deadline. Your funding officer may set a timeframe for this with you.
- ✓ Updated the advice on the length of your project plan to 60-80 pages plus concise appendices.
- ✓ Under **g) Targets** (page 9) clarified that targets are made up of 'outputs' and 'results' and that you should differentiate between these when discuss them.
- ✓ Added further clarification on targets to say that you should only state hire figures if your project will actually achieve these over its lifetime and we would not expect these figures to change materially from what you told us at stage one.
- ✓ You should now provide **at least** three milestones for each target (page 9).
- ✓ You should now provide **up to** three indicators of change for each project outcome (page 9).
- ✓ Under **i) Project delivery** (page 10) we've added further clarification that your plans must be on a day-to-day basis demonstrating a combination of set-up and main delivery activities.
- ✓ Strengthened the position on the cross-cutting themes to say that a **detailed Action Plan specific to the project** must be provided for both gender equality and equal opportunities (m) and sustainable development (n).

Version 2 - November 2015

- ✓ Updated our position on State Aid **(page 4)** so that a legal opinion is no longer a requirement. However legal advice should still be sought and a legal opinion provided where there are concerns.
- ✓ Added a reference to the penultimate bullet point of **b) Lead organisation summary** (page 6) to include details of their role in any ESF or other European projects.
- ✓ Added a new bullet point to **c) Partnership summary** (page 6) requesting details of each partner's experience of delivering similar projects, including involvement in any ESF or other European projects.
- ✓ Added a new bullet point to **c) Partnership summary** (page 6) requesting a summary of each partner's involvement in the project, using a template our funding staff will provide.
- ✓ Updated our position with regards to **Changes to partners** (page 6) so that a procurement process must be carried out in order to add a new organisation to the partnership.
- ✓ Removed the reference to redundancy costs under **p) Project budget** (page 11), as these costs are ineligible under ESF.
- ✓ Updated **q) Financial planning** (page 12) to request information relating to your State Aid position.
- ✓ Added some new content to **Partnership agreement** (page 14) based on the changes published in the revised 'Summary of our partnership requirements document' that is available on our website.

Part one: Introduction

Congratulations on being invited to stage two of Building Better Opportunities. In this guide we explain what you need to do to complete your stage two application.

If we've awarded development funding to help produce your stage two application, this guide also explains how to claim it.

Read this guide carefully. If there's anything you don't understand, or if you have any questions, please get in touch. We'll do our best to help.

How to contact us
Our letter inviting you to stage two includes the name and contact details of your funding officer. They are your main point of contact if you have any questions.

The best way to get in touch with your funding officer is by email, so please use this if you can.

If you have any particular communication needs that you've not already told us about, let us know.

Making an application
The same lead organisation that submitted the stage one application must continue to coordinate the partnership and submit the stage two application.

Your stage two application will consist of:

- ✓ the confirm your details form
- ✓ a project plan
- ✓ a draft partnership agreement, if you are working with other organisations to deliver the project.

These will be explained in more detail later in this guide.

Before you begin
It's a good idea to re-read the 'Guide to delivering European funding' as we've updated this since stage one. Go to: www.biglotteryfund.org.uk/global-content/programmes/england/building-better-opportunities/guide-to-delivering-european-funding

How we'll support you during stage two

Whether we've awarded you development funding or not, your funding officer is there to help. Contact them at any time if you have any questions about your application or the programme.

We'll arrange an induction with you during the first few weeks to talk through the process and the guidance we've sent you. We may also have feedback from our decision making panel that will be useful as you develop your stage two application.

Sending us your drafts
We can provide more direct support to applicants at stage two, this includes being able to review drafts prior to the deadline. It's a good idea to take advantage of this, as we'll be able to make suggestions for improvement. You should send your funding officer drafts of your stage two application in good time before the deadline to allow them to do this.

BBO ESF Support team
Alongside the support from your funding officer, we have a dedicated BBO ESF Support team in place that can help applicants to understand and respond to European funding requirements. They will be able to help with things like participant eligibility, record-keeping, publicity and cross-cutting themes. Visit their website at www.bboesfsupport.com, or contact their helpline at support@bboesfsupport.com or 0330 123 3844.

BBO Employment Guide
The Centre for Economic and Social Inclusion (CESI) has written a guide for the programme on what can help employment projects to succeed. The guide will be available at www.biglotteryfund.org.uk/esf from November 2015. It is one extra piece of information to help you think about your project, so please read it before you begin work on your project plan.

How we'll assess your application

When we assess your stage two application, we'll be looking for evidence that:

- ✓ the project clearly addresses a particular project outline
- ✓ the project will add value to and complement existing services, initiatives or strategies – including the local ESIF strategy - and is additional to any statutory duty or provision
- ✓ the project will make a significant difference to the people and communities it aims to benefit
- ✓ there's a clear understanding at a local level of the barriers faced by the different groups of people who will benefit from the project, including the most socially excluded
- ✓ the project will integrate gender equality, equal opportunities and sustainable development throughout its delivery
- ✓ the planning carried out to date, including the plans for involving the people who will benefit, suggests that the project will be delivered effectively
- ✓ the proposed activities appear to be the best way of addressing the barriers faced by the different groups of people who will benefit from the project
- ✓ the project costs are realistic and based on reasonable assumptions
- ✓ the project is likely to deliver atleast the targets identified in the project outline
- ✓ the lead organisation has the necessary skills, experience and resources to manage the project successfully in the local area, including monitoring compliance with ESF requirements
- ✓ individual partners have the right experience and roles within the project to complement each other well
- ✓ the partnership is working from a strong foundation with clear plans for ensuring all organisations will work together effectively in the future
- ✓ there is a clear understanding of how State Aid rules may affect the project.

These are the same thirteen assessment principles that we used to assess your application at stage one.

We'll also talk to the local ESIF sub-committee for the area, and our own local officers, to help inform the assessment.

Considering State Aid

Our funding is regarded as a state resource, so if it could give you or your partner organisations a competitive advantage over other organisations offering similar services, it is likely to be deemed State Aid and you will need to consider your State Aid position.

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 could apply to your project in some cases, such as 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 potential for State Aid without seeing your detailed plans in full, so we strongly suggest that you seek independent State Aid advice before you submit your stage two application to us.

Should you have any State Aid concerns, we recommend that you obtain a formal legal opinion in order to ensure your project is State Aid compliant. A 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 should be provided under **q) Financial planning** in your project plan. Furthermore, should we identify potential State Aid concerns at stage two, we may require you to obtain a formal legal opinion in order to progress your application, which may delay our decision.

Note that issues relating to your State Aid position may result in us being unable to make an award so if you do not seek a formal legal opinion, or our own legal advice differs from your own, this could jeapordise or delay an offer of funding.

For more information about State Aid visit www.bis.gov.uk/policies/europe/state-aid

Part two: Development funding

If we've offered you development funding, this is detailed in the letter inviting you to stage two.

The first thing you need to do is accept the grant agreement. The grant agreement is made up of:

- ✓ your invitation to stage two letter, as this includes our offer of development funding
- ✓ the standard terms and conditions for development funding.

We sent you two copies of these documents. To accept the grant agreement we need someone with appropriate authority from your organisation to sign one copy of the letter and to return it to us, with the terms and conditions still attached. The letter explains who this should be. You keep the other copy for your records.

The grant agreement starts on the date you sign and return it to us.

Setting up a new bank account
We need you to set up a new bank account for the sole purpose of receiving and administering funding from Building Better Opportunities. This makes it easier to track payments for ESF audit purposes and also ensures that the money won't contribute to the profits of organisations in any way.

Even though the development funding is not European money, it makes sense for organisations to set up only one new account. We will therefore need you to set up the new bank account for BBO funds now if you are receiving development funding. The new account must bear the legal name of your organisation with 'BBO' in brackets. For example: 'The Morris Foundation (BBO)'.

All types of organisations will need to do this, even if you have previously set up a new bank account to receive a grant from us.

Bank details form
We'll email you a bank details form which you'll need to complete and return to us so that we can set up and pay your development grant.

Paying your development funding
Once we've received and checked everything you send us, we'll pay your development funding. Your funding officer may get in touch to talk through what you plan to spend the money on.

If any part of your development funding is to buy goods and services, or a series of related services, costing more than £2,500, you need to seek at least three competitive quotes and provide these to us. Public bodies must meet the relevant European and World Trade Organisation legislation on procurement.

Reporting on your development funding
As well as submitting your stage two application, we will ask you to complete and return a short form to tell us how you used the development funding.

Part three: Your project plan

Your project plan should be typed and with the pages numbered. As a guide, the length of the plan should be 60-80 pages, with concise appendices that provide further clarification of key topics where necessary.

Ideally, your plan should be understood by anyone. This means using plain English and reducing technical language and jargon where possible.

a) Executive summary

This is a snapshot of what your project will do. Draw together the most important points from your project plan to describe the overall aim and scope of your project. Include:

- ✓ a summary of what you want to achieve and how you intend to deliver it
- ✓ where you'll deliver the project and the people who will benefit from it
- ✓ what the overall impact of the activity will be in the LEP area you will be working in
- ✓ the organisations or other stakeholders you'll work with and why.

b) Lead organisation summary

This helps us to understand if your organisation has the skills and expertise to manage the project well. Provide a summary of:

- ✓ the aims, objectives and legal status of your organisation
- ✓ the services or activities you run, including how these are delivered and who benefits from them
- ✓ any relevant experience and expertise of the board members, trustees and senior management team of your organisation
- ✓ your organisation's policies and procedures, including how you work with children and vulnerable adults and the safeguards you use to protect them
- ✓ your organisation's management structure, including decision-making processes and key lines of communication or reporting, in the form of an organisation structure diagram
- ✓ your organisation's experience of delivering similar projects, including details of your role in any ESF or other European projects
- ✓ any existing partnerships that are in place between your organisation and others.

c) Partnership summary

This helps us to understand how your partnership will operate as this can give a good indication of how well the project is likely to be delivered.

If you are working with other organisations to deliver the project, you need to:

- ✓ list who they are and the types of activities or services they deliver
- ✓ provide details of how you identified and selected these partners, including why you've decided to work with these organisations and the advantages of involving them
- ✓ describe their relevant experience and what they will deliver as part of the project
- ✓ describe their experience of delivering similar projects, including details of their role in any ESF or other European projects
- ✓ summarise the partnership working arrangements that will be put in place, including any formal, legal or financial agreements
- ✓ include a partnership structure chart showing key roles or areas of responsibility and accountability
- ✓ complete a summary table using the template we provide you with.

Changes to your partners

When we made our decision to invite you to stage two, it was following an assessment of the capability, roles and experience of your partnership to deliver the project. Changes to your partners could be seen as changing the basis on which this decision was made and should therefore be by exception and discussed with us beforehand.

<u>You should not add any new partners without talking to us first. If the new partner will receive any of the funding we award, adding them must be done through a formal procurement process.</u> This is a stronger position than we have previously published and has been made on the basis of legal advice in order to protect both you and us from claw back by the European Commission.

We encourage you to start any procurement process before we've made a final decision on your stage two application, but to manage the risk of being unsuccessful at stage two we advise that you make it clear in any procurement documentation that this would be subject to being awarded the grant. You should not replace partners without procurement and this process must follow national procurement rules for ESIF. You can find out more about these at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/481840/ESIF-GN-1-001_Procurement_Law_ESIF_Guidance_Note_V2.pdf

Where you intend to replace the role of one partner with another, please indicate this in your project plan together with details of the procurement process you have started or will commence following award.

d) Learning and evidence

This helps give us confidence that your project is responding to learning and evidence which is relevant to what you want to do.

Explain what you've done to develop your project so far. Provide:

- ✓ how you have worked with other organisations to develop your ideas
- ✓ details of any research or consultation that's been carried out
- ✓ details of any pilots you or others have done and how this learning has been used to inform the design of the project
- ✓ details of any evaluations of your existing work
- ✓ any other evidence that supports what you plan to do.

Evaluating your existing work
It's important for your organisation to understand why certain approaches work or don't work, to identify good practice, and to analyse how certain results or outcomes are being achieved. This forms an important part of project planning and management.

If you're applying for a project that's based on an existing piece of work, or a pilot you've recently carried out, you should send us evaluation reports of these activities.

We expect your evaluation to reflect the scale of your existing work. It should tell us about the numbers of people that are benefiting and how their lives are being improved. We need to see that you have learnt from delivering your previous work and that you know what has worked well or what you could do better.

e) Strategic context

We need to know how the project will be additional to existing provision and has been planned to reduce duplication as much as possible.

Tell us about:

- ✓ any competing or complementary services and provision in the areas you'll be working in
- ✓ the gaps you've identified in existing provision and how the project will be responding to these
- ✓ any needs analysis you've done with the people who will benefit in the locations you'll be working
- ✓ how you've linked up with other services, initiatives or strategies so that your project will add value, including the local ESIF strategy
- ✓ any plans you have to work with other Building Better Opportunities projects that we'll be funding in your area
- ✓ how the project is additional to anything statutory bodies have an obligation to provide, as we can't fund this work
- ✓ where applicable, how your project benefits from being part of a larger initiative.

f) Project participants

We need to know that you'll be working with the target groups we have identified on the project outline you are responding to.

Tell us more about the people you want to help and who will benefit. Describe:

- ✓ who will benefit and the problems, issues or situations they face
- ✓ the number of people you will work with and how their needs will be addressed by the project
- ✓ the geographic areas you'll be working in and the evidence you have used to determine these.

g) Project targets

Check the project outline for the targets you will be expected to deliver if you are awarded a grant. Targets are made up of 'outputs' and 'results' (see the Guide to delivering European funding for more information).

These are just minimum expectations and we're interested in whether you'd be able to deliver beyond these, but make sure that this greater level of ambition is realistically achievable. **You should only state hire figures if your project will actually achieve these over its lifetime and we would not expect these figures to change substantially from what you tod us at stage one.**

By differentiating between outputs and results:

- ✓ List each of the targets from the project outline in a table like the one below. If you are intending to work with more people than the numbers we've given, provide these revised figures in the 'Anticipated target' column.

Target	Anticipated target	Milestone	Timescale
List each target from the project outline	List the target you anticipate achieving.	List at least three milestones of change for **each** target.	Tell us when you would expect **each** milestone to be achieved.

- ✓ Give at least three milestones of change for each target and then tell us when you would expect that milestone to be met. For example: 80 women engaged in work readiness activities (milestone) by year one, month six (timescale).

Please then explain:

- ✓ how you worked out your target figures for the milestones and how you know these are realistic and achievable
- ✓ the tools and methods you'll use to track the project's progress towards these targets.

h) Project outcomes

Alongside delivering the targets identified on the project outline, we're also interested in the other kinds of changes you're trying to bring about. At stage one, we asked you to describe up to four of these changes. We call these 'project outcomes'.

Project outcomes are the result of what you do, rather than the activities or services you provide. Depending on your project, outcomes can occur at different levels, including:

- ✓ individual and family level. For example: fathers have improved health, confidence and family relationships.
- ✓ community level. For example: fewer young people are involved in criminal or anti-social behaviour as a result of participating in a range of positive activities.
- ✓ organisation level. For example: charities have greater skills and capacity to meet local needs.
- ✓ the environment. For example: improving the local environment for future generations to enjoy.
- ✓ systems and structures. For example: new learning networks that make sharing information more effective.

We need you to set out some indicators of change and timescales so that we can monitor your progress towards these.

Use a table like the one below to list each project outcome. Your project outcomes (up to four) and indicators should be concisely written.

Project outcome	Indicator of change	Timescale
List each of your project outcomes.	List up to three indicators of change for **each** outcome.	Tell us when you would expect **each** indicator to be achieved.

As with your targets, explain:

- ✓ how you worked out your figures for the indicators of change and how you know these are realistic and achievable

- ✓ the tools and methods you'll use to track the project's progress towards these outcomes.

For more information about outcomes, visit https://www.biglotteryfund.org.uk/funding/funding-guidance/applying-for-funding/aims-and-outcomes/help-with-aims-and-outcomes

i) Project delivery

Explain how your project will be run. We need you to:

- ✓ describe any other options you considered for delivering the project and why the approach you've chosen is the best way to meet the needs of the people who will benefit
- ✓ provide a detailed breakdown of the tasks, timings, activities or services that will be delivered and when they will happen. Use a table or provide a Gantt chart to show this.
- ✓ outline how the tasks, activities and services you'll deliver link to the project targets and outcomes
- ✓ describe how you'll co-ordinate and manage your project, including any project management structures or governance arrangements you will put in place.

This should be on a day-to-day basis, for example Gantt charts and schedules must be a combination of set-up and main delivery activities.

j) Involving participants

Explain how people, communities or organisations that will benefit from your project have been, or will be, involved in developing and running it. Tell us:

- ✓ how participants have been involved so far
- ✓ how you plan to involve participants in the management, delivery and evaluation of your project
- ✓ the policies and procedures you'll put in place to make sure participants have a genuine ongoing role in the project.

k) Monitoring and evaluation

Explain how you will monitor and evaluate the impact of the project and the activities or services you are putting in place. Set out:

- ✓ your evaluation plans, including the aims, budget, timescales and scope of what you want to do
- ✓ how you'll measure the long term impact of the project
- ✓ the research methods or tools you'll use to tackle the evaluation questions you want to answer
- ✓ details of any external evaluators you will work with
- ✓ any baselines you'll use to compare the progress of the project, or its impact on the people who will benefit
- ✓ how you'll bring together, review and use your monitoring information to improve the way the project is run
- ✓ how you will involve the people who will benefit and other stakeholders in your evaluation plans
- ✓ how learning and evaluation will be shared.

To learn more about monitoring, evaluation and measuring impact, visit www.biglotteryfund.org.uk/funding/funding-guidance/managing-your-funding/self-evaluation

BBO Evaluation
We are commissioning an overall evaluation of Building Better Opportunities, which will look at learning around the best ways to support target groups and how the programme has widened access to European funding. This learning will be shared with grant holders throughout the programme.

The evaluators will concentrate on a sample of projects and if yours is selected we will expect you to cooperate with them for as long as your involvement is needed.

We'll also ask a sample of successful and unsuccessful applicants to take part in qualitative reviews of their involvement in the programme.

l) Systems and procedures

With reference to the requirements we've set out in the **Guide to delivering European funding**, set out:

- ✓ what systems and arrangements you'll put in place to ensure the project is being managed effectively by all partners involved

- ✓ the procedures you will use to distribute funding to other organisations in the partnership
- ✓ how you'll ensure partners are using expenditure for eligible costs
- ✓ how you will collect and store evidence of financial expenditure in order to comply with ESF rules on accounting and audit
- ✓ the performance management methodologies you will use with partners and how underperformance will be managed
- ✓ how you will structure reporting from partners so that you have an up-to-date record of the targets the project is achieving as a whole
- ✓ how you will check your targets against the profile for the project so that you can accurately report on your performance
- ✓ how you will ensure quality and consistency of data across the partnership, including how participant information will be checked, monitored and stored
- ✓ the systems and procedures you'll use for storing and protecting sensitive information, including evidence provided by participants (such as copies of passports)
- ✓ any issues you foresee with managing ESF requirements across the partnership and the controls you plan to put in place to mitigate these.

m) Gender equality and equal opportunities

The need to treat everyone equally, regardless of race, gender, age, religion and belief, sexual orientation, marital status or disability, plays an important part in the sustainable development of local economies.

All organisations involved in delivering the projects we fund must be committed to promoting equal opportunities and non-discrimination in all areas of their work. This should be in line with current legislation, including the Equality Act 2010.

We'll be looking for the ways in which you have integrated your approach to equalities and actively promote gender equality in every aspect of the project, including how you ensure the involvement of disadvantaged groups in the way the project is run.

As this is an important cross-cutting theme of the programme, we'll need you to provide a **detailed Action Plan specific to the project** describing the following:

- ✓ how you've tried to understand the different needs and challenges of the people who will benefit from the project
- ✓ how you'll address any difficulties people may have finding out about the project
- ✓ the steps you will take to overcome the barriers faced by those hardest to reach
- ✓ the specific activities you will deliver to ensure people are not disadvantaged when it comes to accessing the project
- ✓ how you've integrated your approach to equalities in how the project is managed and run
- ✓ the equalities policies and procedures your organisation and partnership has, or will put in place, and how these will be monitored and reviewed.

This could be provided within your project plan, or as a separate document submitted as an appendix.

To learn more about this cross-cutting theme, see the Guide to delivering European funding.

n) Sustainable development

Sustainable development is the second cross-cutting theme of the European Social Fund (after gender equality and equal opportunities).

Sustainable development is about meeting the needs of the present, without compromising the ability of future generations to meet their own needs. It recognises the need to balance environmental, social and economic considerations when designing and delivering activities.

We will look for the ways in which you are seeking to balance these considerations, including how you might:

- ✓ use resources and energy more efficiently
- ✓ enhance or protect the physical and natural environment
- ✓ improve people's wellbeing by developing their local environment.

We'll need you to provide a **detailed Action Plan specific to the project** covering the following:

- ✓ how you've identified opportunities for sustainable development in the project
- ✓ what steps you've taken in the design of the project to take account of these
- ✓ how you will support and train staff in sustainable development
- ✓ how you will measure, monitor and review your environmental impact and that of your partners
- ✓ the policies and procedures your organisation and partnership has, or will put in place, and how these will be monitored and reviewed.

This could be provided within your project plan, or as a separate document submitted as an appendix.

To learn more about this cross-cutting theme, see the <u>Guide to delivering European funding</u>.

o) Project resources

Explain how the people delivering the project will be recruited, inducted and managed. Include:

- ✓ profiles or short biographies of the board members, trustees and senior management staff who will have a key role in shaping and steering the project
- ✓ a summary of the staff posts who will work on the project, including whether they are new, existing, part or full time posts
- ✓ details of how staff, volunteers, freelance workers, consultants and other people involved in delivering the project will be recruited and managed
- ✓ a description of any policies and procedures your organisation and any partners have in place to support recruitment and management
- ✓ how the diversity of people delivering the project reflects the diversity of the participants who will benefit
- ✓ induction and training plans for staff and volunteers
- ✓ an explanation of how staff working in different organisations will work together and be supervised on the project
- ✓ where relevant, the steps you will take to help you manage a large partnership
- ✓ how you intend to work with employers to develop links to local jobs
- ✓ a staffing structure diagram showings all posts which will be involved in the delivery of your project.

Where staff who will deliver the project are employed by different partner organisations, provide the staffing structure for the whole project, as opposed to one for each partner organisation. The staffing diagram should show which organisation they work for and any posts with line management responsibility for project staff.

p) Project budget

We've outlined the types of costs we can fund in the **Guide to delivering European funding**. It's important that you follow this guidance carefully as European funding must be accounted for in a particular way.

Provide a detailed budget for your project. Include:

- ✓ a breakdown of all direct costs across each project year
- ✓ a list of all individual items of equipment you plan to buy, keeping in mind that they cannot be more than £1,000 in value per item
- ✓ an explanation of your indirect costs, including the calculation you intend to use to claim these costs on a flat-rate basis (see 'Indirect costs' in the Guide to delivering European funding).
- ✓ details of salaries for all staff working on the project, including National Insurance and pension contributions and, if applicable, any future pay increases
- ✓ information on fee levels and the number of days required for any freelance workers, consultants or contractors you will engage
- ✓ the travel and expense costs that staff or volunteers will be able to claim, ensuring they are fair and reasonable
- ✓ other costs that will be incurred. For example: recruitment and training, marketing, communications, website development, evaluation or equipment

- ✓ a statement that summarises any advice you've had from HM Revenue and Customs or a VAT expert about your VAT status; specifically whether you can reclaim VAT on some or all of your project costs
- ✓ a commentary setting out the rationale for how you calculated your revenue, capital and overhead costs, and any assumptions or deliberate omissions you've made.

q) Financial planning

Explain the financial controls you'll use to manage the project budget. Tell us:

- ✓ how much money you need from us in total for each project year for revenue, overheads and capital costs
- ✓ any in-kind contributions to your project, in the form of activities and services you are getting for free when there might typically be a charge
- ✓ what you'll do to manage funds and track expenditure
- ✓ your plans for monitoring and managing project income and expenditure, including authorisation processes and levels
- ✓ how you'll manage any procurement, including the regulations and processes you will use

You'll also need to tell us about your State Aid position in this section. See page 4 of this guide for more information.

r) Marketing and communications

Describe how you will publicise your work and share your learning with others. We also need to know that you will be able to comply with the publicity and branding requirements involved.

Tell us about:

- ✓ your overall communications plan including communications objectives, the main messages you want to get across, target audiences and the tools and channels you intend to use
- ✓ your plans for sharing learning and influencing policy, commissioning and delivery bodies
- ✓ how you've factored in the requirements around publicity and branding in your plans
- ✓ what steps you'll take to ensure that each member of the partnership has the capacity and capability to adhere to the publicity and branding requirements.

We explain more about the branding requirements in the Guide to delivering European funding.

s) Lasting impact

Explain how the benefits of your project can be sustained after our funding ends.

This may include:

- ✓ continuation plans of activities and resources after the project has ended
- ✓ expansion or replication plans, including other funding sources
- ✓ adopting the approaches from your project more widely across your other work
- ✓ implementing a sustainable development action plan
- ✓ identifying how people, communities or organisations can get the support they need when they leave, or move on from the project
- ✓ contributing to existing or emerging local and national strategies or initiatives
- ✓ encouraging other organisations, including statutory ones, to respond to your achievements by changing what they do and how they do it.

t) Risk analysis

Set out your risk analysis policy, in particular how your organisation manages risk on an ongoing basis. Then use a table like the one below to describe the main risks associated with your project and how these will be managed.

Description	Describe the risk and explain what the impact would be. For example: “Loss of key staff leads to delays in project delivery”.
Impact	Rate the impact as High, Medium or Low.
Probability	Say how likely it is that the risk will happen using High, Medium or Low.
Existing controls	Describe the controls you already have in place to manage the identified risk.
Action required	Explain what you need to do to put controls in place, or enhance existing controls. Include a timeframe.
Lead responsibility	Say who is responsible for managing the risk.

u) Supporting information

Enclose relevant supporting information as appendices. Examples could include:

- ✓ your partnership structure diagram
- ✓ your staff structure diagram
- ✓ a legal opinion regarding your State Aid position
- ✓ evaluation reports from previous work delivered by your organisation or partners
- ✓ the latest set of annual accounts or the annual report for your organisation
- ✓ your draft partnership agreement
- ✓ a Gantt chart of your delivery activities
- ✓ a list of the policies or procedures you’ve developed.

Part four: Your partnership agreement

If you are working with other organisations to deliver the project, you need to send us a draft partnership agreement with your completed stage two application.

We've provided more information about working with other organisations in the 'Summary of our partnership requirements' document on our website.

Why we need a partnership agreement

One of our standard terms and conditions of grant is that the organisation we enter into a grant agreement with can't subcontract any of the project to anyone else without our prior agreement in writing. So before your project can start we must approve the partnership agreement between you (the lead organisation) and the other partners involved in the project.

If other partners will provide any goods or services that are needed to deliver the project, this must be covered in detail in the partnership agreement.

In all cases the partnership agreement must provide assurance that the partnership can:

- ✓ meet all our terms and conditions of grant
- ✓ follow our branding guidelines
- ✓ provide all financial, monitoring and any other information we require
- ✓ deliver the project on time and within budget.

Partner organisations will need to provide information to the lead organisation throughout the project and when it finishes, so the lead organisation can meet our monitoring requirements and terms and conditions of grant. The partnership agreement must therefore cover a period that is at least as long as our grant agreement with the lead organisation. In some cases the period covered by the grant agreement will be longer than the duration of the project itself.

In all cases the partnership agreement must refer to, or include, our terms and conditions of grant. The partnership agreement must also state that, if there is any conflict between the interpretation of our terms and conditions of grant and any others, ours will always take precedence.

How to draw up a partnership agreement

Since a wide range of partnership agreements exist and every project will be different, we cannot provide detailed guidance. We recommend that partnerships seek their own legal advice.

If you already have a partnership agreement in place, we'll need to check it meets our requirements. We may also ask you to make some changes.

To help clarify what needs to be included in a partnership agreement, we suggest that the lead organisation goes through our standard terms and conditions of grant and decides which ones are relevant to each of the partners involved in delivering the project.

This will help identify what needs to be included in the partnership agreement to enable the lead organisation to meet all our terms and conditions.

Things a partnership agreement should include

The main areas a partnership agreement should cover are summarised below.

Purpose or aim of the partnership
The aim of the partnership and how this links with the aims of your project.

Lead organisation
Details of the lead organisation that will be responsible to us for delivering the project, reporting to us and meeting our terms and conditions of grant.

Partner organisations
The names, addresses and contact details of all the organisations that are signing up to the agreement. A named contact from each partner should also be included.

Financial and contractual arrangements
Details of the services to be delivered by the partner organisations, how often payments will be made and how they will be managed.

A statement that the lead organisation will be responsible for all funds, in accordance with the evidence requirements we will put in place. Provisions on how responsibility for any financial losses will be fairly attributed within the partnership.

Roles and responsibilities
The main roles and responsibilities of each organisation in the partnership. Make clear which tasks and services each partner will be responsible for delivering and how work will be shared out. Set out the reporting structures and any contractual management involved.

Disagreements
How partners or lead organisations can raise concerns and how these will be resolved, including how issues may be escalated and what form this will take.

Policies and procedures
This should cover all policies and procedures that are required by law or are relevant to the project, such as health and safety, equal opportunities, sustainable development and the protection of children, young people and vulnerable adults.

Administration, meetings and record keeping
Explain who is responsible for setting up meetings, how often they will happen and what records will be kept.

Monitoring and reporting
How monitoring information will be provided by the partner organisations to enable the lead organisation to complete regular progress reports for us, and which performance management methodologies will be used to monitor progress of the project and participants.

This should also cover the process for ensuring quality and consistency of data across the partnership, together with how participant files will be checked, monitored and stored. You should set out how under performance will be managed.

Finance and claims
How partners will be paid (including timescales for payments) and how evidence of expenditure will be checked, recorded and stored. How VAT will be handled.

Communication
How communication within the partnership will be handled, the methods that will be used and who will be responsible for delivering the communications plan for the project.

Branding and publicity
How adherence to branding and publicity requirements by each partner organisation will be checked and appropriate evidence stored.

Cross-cutting themes
Contributions and commitment to the cross-cutting themes from partners (gender equality and sustainable development).

Changes
How changes to the agreement or disputes will be managed.

Duration
The agreement will need to run for at least as long as our grant agreement with the lead organisation. Include a provision for the lead organisation to terminate the agreement if for any reason we need to suspend or terminate the grant.

Sustainability
How the benefits of the partnership will be sustained.

Signed declaration
All partners will be required to sign the declaration. This doesn’t need to be done until the partnership agreement is finalised, which will be after we’ve made our decision on whether we are awarding you the grant.

The partnership agreement must refer to, or include, our terms and conditions of grant. By signing the declaration, all partners agree that these terms and conditions will take precedence if there is conflict between ours and any others that might be included.

Disputes and disagreements
This should explain how any disputes or disagreements within the partnership will be managed, resolved and recorded.