



Connecting Hastings and Rother Together (CHART), Community Led Local Development (CLLD) Programme

Frequently Asked Questions (FAQ) – Issue 2 (26 June 18)

| The FAQ's are organised in sections: | Page |
|---|------|
| 1. CHART CLLD Overview and Work Packages | 2 |
| 2. CHART CLLD Projects | 5 |
| 3. Applicant Eligibility | 6 |
| 4. The Application Process | 7 |
| 5. Match Funding | 7 |
| 6. Participant and Business Eligibility | 10 |
| 7. Outputs and Results | 10 |
| 8. Claims and Payments | 10 |
| 9. Record keeping | 11 |
| 10. Added Value, Innovation and Duplication | 12 |
| 11. Quality, Inspection and Audit | 13 |
| 12. CHART CLLD Information and Support | 13 |
| 13. State Aid | 13 |
| 14. Cross Cutting Themes | 14 |
| 15. CHART CLLD Governance | 14 |

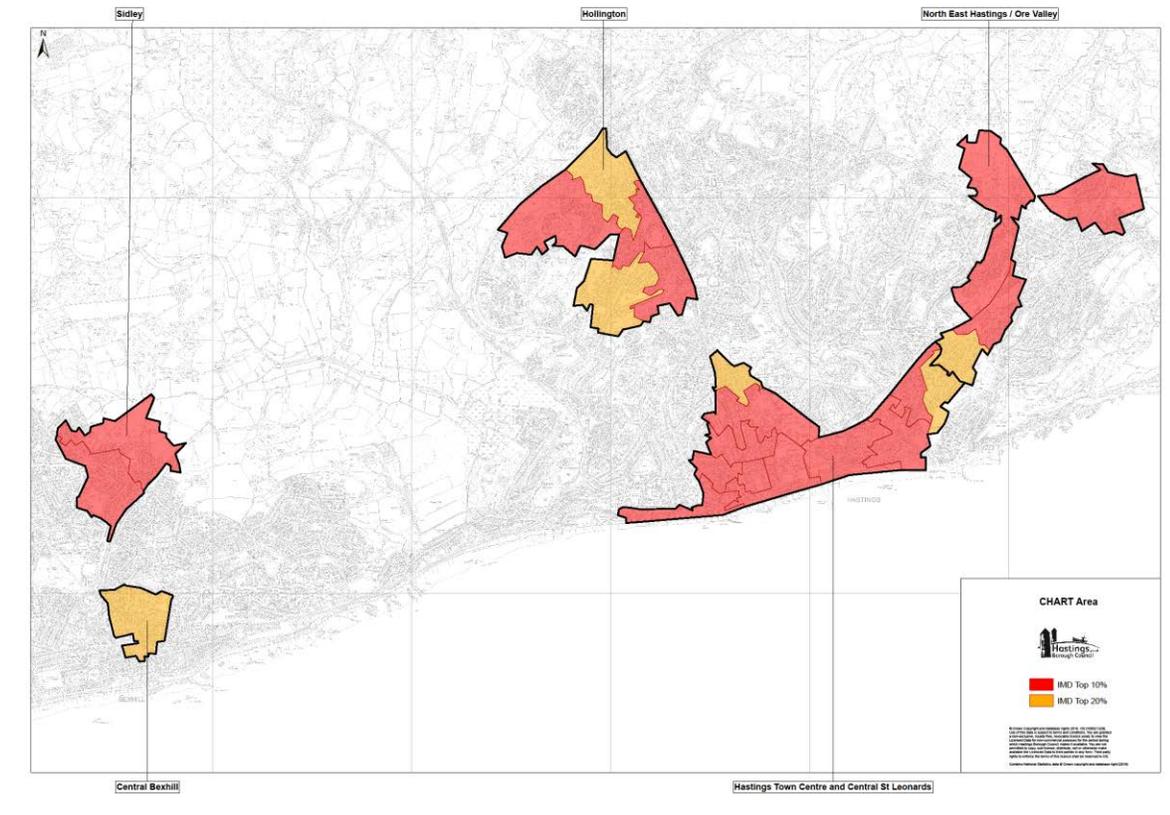
1.CHART CLLD Overview and Work Packages

1.1 Q: Which local areas will CHART CLLD focus on?

A: The programme will focus on supporting the areas of Hastings and Bexhill which are in the 20% most deprived Lower Super Output Areas (LSOAs) in the country, using data from the 2010 Index of Multiple Deprivation report.

<https://www.gov.uk/government/statistics/english-indices-of-deprivation-2010>

- **Area 1:** Hollington, Wishing Tree
- **Area 2:** Central St Leonards, Gensing and Castle
- **Area 3:** Ore, Tressell, Baird
- **Area 4:** Central Bexhill, Sidley



1.2 Q: Are we in the CHART CLLD area?

A: Please see the list of LSOA's below, and use the postcode checker to see if you are in the CHART area.

<http://imd-by-postcode.opendatacommunities.org/>

The CHART Areas (LSOAs)

| LSOA code (2011) | Ward Name | LSOA Name | Population, (Census 2011) | Overall % IMD 2010 |
|---|---------------------|---------------|---------------------------|--------------------|
| Hollington | | | | |
| E01020993 | Hollington | Hastings 003A | 1,344 | 6.20% |
| E01020994 | Hollington | Hastings 003B | 1,533 | 10.70% |
| E01020995 | Hollington | Hastings 003C | 1,435 | 5.40% |
| E01021019 | Wishing Tree | Hastings 003E | 1,597 | 3.30% |
| E01021020 | Wishing Tree | Hastings 006D | 1,849 | 14.20% |
| Total | | | 7,758 | |
| Hastings Town Centre and Central St Leonards | | | | |
| E01020978 | Castle | Hastings 009A | 1,951 | 8.10% |
| E01020979 | Castle | Hastings 009B | 1,836 | 2.40% |
| E01020980 | Castle | Hastings 009C | 1,588 | 7.10% |
| E01020981 | Castle | Hastings 009D | 1,629 | 19.00% |
| E01020982 | Central St Leonards | Hastings 011A | 1,744 | 1.00% |
| E01020983 | Central St Leonards | Hastings 011B | 1,656 | 3.00% |
| E01020984 | Central St Leonards | Hastings 011C | 1,952 | 3.50% |
| E01020985 | Central St Leonards | Hastings 011D | 1,787 | 7.50% |
| E01020989 | Gensing | Hastings 011E | 1,756 | 2.00% |
| E01020990 | Gensing | Hastings 008C | 1,658 | 10.60% |
| E01020992 | Gensing | Hastings 008E | 1,845 | 3.20% |
| Total | | | 19,402 | |
| North East Hastings / Ore Valley | | | | |
| E01020972 | Baird | Hastings 005A | 1,549 | 0.40% |
| E01021005 | Ore | Hastings 004B | 1,616 | 4.90% |
| E01021014 | Tressell | Hastings 007E | 1,877 | 13.90% |
| E01021015 | Tressell | Hastings 005D | 1,603 | 0.80% |
| Total | | | 6,645 | |

| Sidley | | | | |
|--|---------|--------------|---------------|--------|
| E01021135 | Sidley | Rother 007D | 1,847 | 9.60% |
| E01021136 | Sidley | Rother 007E | 1,323 | 3.90% |
| | | Total | 3,170 | |
| Central Bexhill | | | | |
| E01021092 | Central | Rother 011C | 2,001 | 14.20% |
| | | Total | 2,001 | |
| Total CHART location population | | | 38,976 | |

1.3 Q: What will CHART CLLD do?

A: CHART CLLD brings a fresh approach to tackling entrenched problems which conventional working has not managed to solve. It will focus on:

- helping disadvantaged people to find and keep employment locally
- helping disadvantaged people to set up as self-employed or start a business
- stimulating the local economy to create jobs suitable for local people

1.4 Q: What's the difference between the European Regional Fund (ERDF) and European Social Fund (ESF)?

A: **ERDF** funding focuses on infrastructure, for example, buildings, equipment, and support for business. **ESF** supports and invests in individuals to gain employability skills and move towards the workplace.

1.5 Q: What's in the Work Packages?

A: There are two ESF funded Work Packages and two ERDF Work Packages in the CHART programme:

- **Work package 1 COMMUNITY ASSETS (ERDF):** Investment in physical assets for employability and community benefit.
- **Work package 2 ENTERPRISE AND BUSINESS SUPPORT (ERDF):** Stimulating local entrepreneurship and business growth.
- **Work package 3 COMMUNITY DEVELOPMENT AND OUTREACH (ESF):** Work with local communities and organisations to build confidence and capacity to tackle local problems and improve the coordination of responses.
- **Work package 4 EMPLOYABILITY SUPPORT (ESF):** Direct support to the most vulnerable unemployed / economically inactive CHART residents to move closer and into the labour market.

1.6 Q: Do businesses have to be within the CHART area to be eligible for support through CHART CLLD funded projects?

A: Yes.

1.7 Q: Are applicants restricted to applying for one Work Package, or can we apply for more than one?

A: No, applicants are not restricted and can apply for more than one work package. However, you need to be aware that your application will be more complex if you apply for more than one funding stream, as it will require an application for each. The delivery of the project, specifically the monitoring and reporting requirements will also be more onerous and your project management capacity and plans will need to account for this.

1.8 Q: Can we deliver CHART CLLD training and support in a venue that is not within the CHART CLLD area?

A: No, it must be within the area identified in the CHART local development strategy.

1.9 Q: Our organisation is based in the CHART CLLD area but supports people from across Hastings and Rother. Does that affect what we can bid for?

A: No. However, you would need to demonstrate how your project would be accessible to participants and / or businesses being supported, and how it is only the CHART residents/businesses who will benefit from the funding.

2. CHART CLLD Projects

2.1 Q: Is there a minimum number of hours / weeks that a CHART CLLD participant has to be supported for?

A: 12 hours or 2 days is the minimum for ERDF funded work packages. For ESF funded work packages it is related to the no of participants engaged, with whom and the result achieved.

2.2 Q: Are partnership bids being encouraged?

A: Yes. The ambition for CHART is to fund large impactful programmes rather than many small projects.

2.3 Q: What exactly does bottom up and community led mean? How can we ensure our project reflects this?

A: It means that activity has been created and led by the community (through the establishment of a Local Action Group (LAG)). You can check this by making sure that your project helps to deliver LAG objectives.

2.4 Q: Are there minimum/maximum expectations in terms of the value for money of CHART CLLD projects?

A: There are no hard and fast rules as projects vary in what they deliver and to whom. However, the assessment panel will receive guidance on value for money, which will be based on in-depth experience from / comparison with other similar programmes.

2.5 Q: Is the capital spend (ERDF) specifically for commercial buildings or can it be used to renovate public building space?

A: ERDF eligibility for this particular output applies to the renovation and build of public and commercial building spaces. This includes the entire area inside the external walls of a building, including corridors, lifts, plant rooms, service accommodation, which is newly built/constructed as part of the operation, or upgraded buildings refurbished, improved or adapted for productive use as part of the operation. The unit of measurement is the square meters brought into productive use for the programme.

We advise that applicants carefully check the ERDF guidance (Application Handbook) before proceeding.

Yards and external spaces are ineligible, as are residential units.

3. Applicant Eligibility

3.1 Q: Are there any limitations about the type of organisations that can apply for CHART CLLD?

A: Organisations must be constituted and satisfy a range of eligibility criteria. These will be available when the programme opens. Individual people may not apply.

3.2 Q: What is a participant?

A: A participant is an individual who benefits from ESF funding. All CHART ESF individuals are participants. Participants have to be:

- *Residents of CHART area (postcode/LSOA checker)*
- *Legally resident in UK and able to take paid employment in EU member state.*
- *Unemployed or economically inactive*
- *Aged 25 or over*

3.3 Q: Is there a minimum number of hours / weeks that a CHART CLLD participant has to be supported for?

A: Please see response in question 2.1

3.4 Q: How much funding should we bid for?

A: We will be prioritising applications with a total investment of £1m or more in the first call.

4. The Application Process

4.1 Q: Do we have to bid for funding?

A: Yes, everyone has to complete the required application forms and go through the bidding process to be considered for CHART CLLD funding

4.2 Q: Is there more than one stage to the CHART CLLD application process?

A: Yes- Stage 1- Expression of Interest. Stage 2- Full application

4.3 Q: I want to apply for more than one Work Package; do I have to put in separate CHART CLLD applications for each one?

A: Work Package 1 &2 will need a separate application from Work Package 3 &4. This is because they are different funding streams (ERDF and ESF) and have different assessment criteria.

4.4 Q: Will there be an additional weighting for partnership bids in the applications scoring process?

A: No, but we do encourage high quality collaboration and partnership working where it demonstrates that a project can meet participants' needs. Also, bear in mind that the CHART CLLD programme is likely to be heavily over-subscribed, so working in partnership could be beneficial in this regard.

4.5 Q: When does the first CHART CLLD Call open? What about subsequent Calls? Is there a timetable?

A: The target date for the first grant call is 28 June 2018. The next Call will be spring 2019. Timescales will be on the CHART microsite.

<https://www.hastings.gov.uk/chart/>

4.6 Q: Are there any limitations about the type of organisations that can apply for CHART CLLD funding?

A: Organisations must be constituted. Individuals are not eligible.

5. Match Funding

5.1 Q: How will the programme be match funded?

A: £3.7M public sector investment needs to be identified in order for the CHART CLLD funding to be drawn down from the Government. Grant applicants who are awarded funding will be asked to show the 50% match funding required for the project prior to approval.

Match funding can take a variety of forms, including through alignment with existing non EU funded projects with similar objectives and project time scales; cash match; the time of staff re-deployed to CLLD activity, etc. Identifying eligible match funding at an early stage is an important part of your application process. All applications need to identify 50% match in order to meet eligibility.

5.2 Q: What is public sector match funding?

A: Public sector match funding means that, the organisation supplying the match should either directly or indirectly receive over 50% of its main funding from central or local government. This does not include payments for contracted work. Non-profit making voluntary and community organisations (whether incorporated or unincorporated) that are registered with the Charity Commission can supply public match funding as long as the registration is maintained throughout the period of the project.

Public sector match funding can also be provided by private bodies designated or controlled by the State.

Sources of match could include:

- *Organisations own reserves*
- *Other non EU public funding bodies*
- *Charitable foundations and trusts*
- *Lottery distributors*
- *Voluntary and community sector sources*
- *Volunteer time (ESF Work Packages with strict criteria)*
- *Private bodies designated or controlled by the State*
- *For others please check with the CHART CLLD programme team*

Other EU funding cannot be used to match against the CHART EU funded grant.

5.3 Q: Can we use private sector match?

A: No

5.4 Q: Can in-kind match funding be used for CLLD?

A: On ERDF programmes only buildings or land can be used as match and only up to certain value thresholds. Please refer to page 3 in the ERDF Eligibility Guidance (November 2017) - <https://www.gov.uk/government/publications/european-structural-and-investment-funds-eligibility-documents>

On ESF see the question / response below.

5.5 Q: Can volunteer time be used as in-kind match funding on a CHART CLLD programme?

A: Volunteer in kind match cannot be used on ERDF projects within CLLD. Volunteer time can be used as in kind match on ESF projects but only for the lead Partner or Delivery partners.

Previous experience of using volunteer time as Match has been that for some organisations the obligations have proved too rigorous. In order to mitigate this, the use of volunteer time as Match must be agreed in advance by HBC as the Accountable Body. We will also require projects to have 10% cash Match funding as a minimum.

5.5 Q: When does the match funding have to be confirmed and in place?

A: Match funding will need to be evidenced and in place before an organisation signs a CHART CLLD contract with Hastings Borough Council.

5.6 Q: Can we use staff-time as match funding?

A: Yes (please refer to ESIF rules for more details).

5.7 Q: What is simplified cost option?

A: Part time hours worked by staff on a project should be calculated using the simplified costs methodology.

How to calculate the hourly rate

Hourly rate = latest documented annual gross employment costs / 1720 hours

(if a staff member works part time, a corresponding pro-rata of 1720 hours is to be used e.g. if a staff member works 0.5 Full Time Equivalent, divide by 860 instead of 1720)

The figure of 1720 hours is a fixed calculation set in the funding rules, please only use this annual figure even if your staff work a different number of hours.

This is can be found an Annexe I of the handbook under funding rules.

5.8 Q: Can vehicles be used as match funding?

A: No for ESF funding. Motor vehicles can be used as eligible costs on ERDF funding providing that it is solely used for CHART CLLD only.

5.9: Q: Can I claim VAT for my expenditure?

A: Not in most cases. Only VAT for direct costs for the project that are unrecoverable from HMRC can be claimed. This can be found in the claiming costs section and Annex I of the handbook.

6. Participant and Business Eligibility

6.1 Q: Who benefits from CHART CLLD?

A: Adults (25 and over) from disadvantaged communities in the CHART CLLD area who are not in work but not necessarily on benefit, to help them develop their potential. Within this broad priority we are looking at how to support the most disadvantaged into employment and to stimulate entrepreneurial activity in the most deprived neighbourhoods.

6.2 Q: Are ex-offenders eligible for CHART CLLD support?

A: Yes, providing they meet CLLD eligibility criteria e.g. unemployed or economically inactive and resident in CHART Area.

6.3 Q: Can CHART CLLD participants be in part-time work or education before starting on a programme?

A: No, not even zero hours contracts.

7. Outputs and Results

7.1 Q: If a participant is offered employment, does the job have to be in the CHART CLLD area?

A: No.

7.2 Q: Can you provide concrete definitions for each output and result (ESF and ERDF), for example, what is the definition of further training, enterprises supported, etc.

A: See CHART handbooks.

8 Claims and Payments

8.1 Q: What is the CHART CLLD payment model?

*A: All projects will be paid quarterly in arrears and only upon submission of an accurate claim to the Accountable Body (HBC). The financial claim will need to include proof of eligible expenditure for the full project costs. The words “**accurate claim**” are extremely important, because **any** errors on a claim (e.g. incorrect expenditure or participant evidence) will result in your organisation having to correct the errors and inevitably, delay payment to you. Any evidence anomalies picked up at audit could result in financial penalties / clawback on your organisation. **This is why it is vital to get claims 100% accurate.** For example, you must provide evidence that the CHART logo and text has been used in all marketing and publicity you produce. Non-compliance will lead to financial deductions. There will also be 10% retention until the completion of the project satisfactorily.*

8.2 Q: Can Hastings Borough Council make any CHART CLLD payments in advance, if payment is delayed?

A: No. Project/ partnerships must be willing and able to cash-flow their project for 6-9 months, and the importance of accuracy and evidence are paramount in ensuring there are no delays in payment to you.

8.3 Q: Can we include indirect costs?

A: Indirect costs which would normally be shared or apportioned e.g. premises and running costs shared with non-project staff and activity can be included: You can include these costs only as a flat rate calculation: 15% or 40% of eligible direct staff costs.

Option 1: (available for ESF and ERDF) using a calculation of 15% of staff costs to calculate indirect costs; and then adding all other direct costs.

Option 2: (only available to ESF) uses a calculation of 40% of staff costs only to calculate direct and indirect costs (not adding in any other direct costs).

8.4 Q: What happens if we underspend?

*A: We'll discuss this with you, and reduce the value of the next payment by the amount of the actual underspend (the financial claim process is based on your actual defrayed project expenditure). Variances greater than 15% from contracted expenditure profiles may result in decommitment or withdrawal of CHART funding in line with the underspend policy. Remember, if you don't provide **EVIDENCE of spend** in your Claim return, we can't pay you. We won't pay a Claim solely on the basis of a profile; we need to see the evidence of defrayed expenditure. If you think you will deviate from your spending profile please speak to the CHART team, they are there to help you.*

8.5 Q: What happens if we overspend?

A: We will discuss the reasons with you, for example whether it was an underestimate of costs or significant issue with the costs. If you think you will deviate from your spending profile please speak to the CHART team, who will advise you.

9. Record Keeping

9.1 Q: What sort of records must we keep?

A: You will need to keep accurate records to evidence expenditure and outputs. For example:

- *Expenditure under standard cost headings (within Granular Breakdown at application stage) that can be disaggregated into individual transactions upon request;*
- *Evidence of defrayal (payment) including the date that the item was defrayed;*
- *Originals must be kept for any purchase orders or contracts; receipts or invoices; bank statements; accounting records*

- *If claiming staff costs: job descriptions; contracts of employment; payroll records and bank statements.*
- *If claiming apportioned staff costs: staff timesheets that record time spent working on the project and time spent on non-project activity and records documenting how the gross employment costs used to calculate the hourly rate(s) has been calculated*
- *Verification records for any indirect costs;*
- *Documentation showing that third party match is eligible and has been received*
- *Records documenting your outputs- e.g. participant files*
- *Procurement- compliant and evidence of compliance-e.g. procurement method used, quotes, advertising, scoring methods used, tenders and quotes received, notification, contracts.*
- *Publicity-Evidence of compliance with EU rules for ERDF and ESF*
- *State Aid documentation must be kept up to date and HBC informed of any changes which may have an impact on the project*

9.2 Q: What sort of documents would be permissible as evidence?

A: Ideally, originals of the following. (List not exhaustive):

- *Financial documents e.g. invoices, receipts, bank statements, cheque stubs, cash books, salary and payroll records;*
- *Output documents e.g. beneficiary and output forms, evidence collected from participants to confirm they are eligible for support from your project;*
- *Evidence that you procured goods and services in a fair and transparent way (e.g. advertising, quotes, tenders, scoring etc.)*
- *Match funding e.g. letters from other funders, grant agreements from other funders, bank statements showing funding received;*
- *Publicity e.g. photos, leaflets, posters, press releases, press articles, screen shots of websites etc.;*
- *Evidence of what you did to promote equal opportunities and environmental sustainability;*
- *Evidence that State Aid rules have been met e.g. declarations from businesses, letters issued to businesses;*
- *Grant Agreement with us, copies of all the claims and forms submitted to us.*

9.3 Q: Are electronic documents permissible as evidence?

A: Yes, they can be scans of originals (certified as true copies) or documents that only exist in electronic form-spreadsheets for example

10. Added Value, Innovation, and Duplication

10.1 Q: Can we continue an existing project using CHART CLLD funding?

A: CHART CLLD will not fund the simple continuation of an existing project. Your CHART CLLD project would need to be a clearly demonstrable development from an existing project, for example increasing access to new participant groups in the CHART area that were not served before, or offering new services/training opportunities to participants.

11. Quality, Inspection, and Audit

11.1 Q: Are CHART CLLD training activities in scope for OFSTED inspection?

A: No, but we expect all CHART CLLD projects delivering training activities to provide high quality learning / skills opportunities and we will monitor and manage these organisations accordingly.

11.2 Q: Will my project be audited?

A: Possibly. As accountable body, HBC may be audited by the managing authorities and as part of this process individual grant beneficiaries delivering CHART projects may also be audited. The managing authority may also be audited by the EU who may then choose our programme to audit.

12. CHART CLLD Information and Support

12.1 Q: Will there be information sessions and training between the CHART CLLD Calls?

A: Yes. Please see the news section on <https://www.hastings.gov.uk/chart/>

12.2 Q: Where can I find out more information about CHART CLLD?

A: <https://www.hastings.gov.uk/chart/>

12.3 Q: Where is the CHART LAG CLLD strategy published?

A: <https://www.hastings.gov.uk/chart/>

13. State Aid

13.1 Q: What is State Aid?

A: State Aid is any advantage granted by public authorities through state resources on a selective basis, to any organisations, which could potentially distort competition and trade in the EU. It's only relevant to organisations involved in commercial activities, known as 'undertakings'. This means bringing goods and services to market.

It's important to remember that this can include businesses, charities, public authorities, and non-profits, if they are trading

Support for the individual is not state aid, so most if not all WP4 (ESF) projects will be exempt from state aid. There's a state aid checklist within the CHART CLLD Handbooks. The CHART team will be able to support you as far as possible; however, you will need to obtain legal advice where appropriate. Incorrect assessment of state aid can lead to financial penalties so it is important to get this right. On seeking independent legal advice, it is also important to use an organisation with appropriate knowledge and experience of state aid.

14. Cross Cutting Themes

14.1 Q: What's a cross cutting theme?

A: There are two cross cutting themes for ESF that you'll need to fully integrate in your CHART CLLD project. These are Sustainable Development and Gender equality and Equal Opportunities. You will need to develop and implement an Action Plan on each theme and report to HBC regularly on progress.

15. CHART CLLD Governance

15.1 Q: Who makes the decisions on which projects are funded?

A: The CHART Executive Delivery Group (EDG) will act as the Investment Panel during the grant application process. The EDG are composed of LAG Board members that represent the local CHART community, businesses, residents and organisations. The EDG will make recommendations on decisions for full applications to the CHART LAG Board. The CHART LAG board will be responsible for approving grant applications.

15.2 Q: Where is the CHART LAG CLLD strategy published?

A: The original strategy published in 2016 is available via link below:

www.hastings.gov.uk/chart

Please note the strategy is currently being reviewed. It needs to be brought up to date and aligned with the funders' final agreement which was approved in May 2018.

15.3 Q: Who is on the CHART CLLD Local Action Group?

A: We are currently recruiting for the Local Action Group. Membership will be confirmed by mid July 2018. You will be able to find a list at www.hastings.gov.uk/chart/lag

15.4 Q: What is Hastings Borough Council's role?

A: Hastings Borough Council is the Accountable Body for delivery of the CHART programme. It will also provide monitoring, compliance, training and claims processing at project level.