Programme period 2014 - 2020, Community Led Local Development, European Social and European Regional Development Fund

Connecting Hastings and Rother Together (CHART) Programme

Grant Recipient Handbook
"Delivering ERDF Projects in the CHART area"

ERDF Projects only
For ESF projects please see:
www.hastings.gov.uk/content/chart/docs/grant-recipient-handbook-esf.pdf

The CHART Programme is funded by the European Structural and Investment Funds 2014-2020 and is administered by Hastings Borough Council.

This document is updated regularly. Please check the CHART microsite (www.hastings.gov.uk/chart) frequently to ensure you are using the latest version.

This is Version 5

Notes on Version 5

Changes in this version of the Handbook are as follows:

Date amended: 13 September 2019

Annex N
- Updated the contact details for the CHART Programme Team

Please check the "Notes on Version" when an updated version of this Handbook is published.

Contents

Please note that all capitalised words or articles within this guidance are "Defined Terms" and as such will feature within the Glossary.

Introduction

What is 'Connecting Hasting and Rother Together' (CHART)?

Connecting Hasting and Rother Together (CHART) is a local grants programme which aims to support the social and economic development of the most deprived areas within the Hastings and Bexhill.

CHART has access to European Structural Investment Funds (ESIF) that can be used to support projects that will link the area's most deprived communities to opportunities. It will support individuals through investment of European Social Funds (ESF) and enterprises through investment of the European Regional Development Funds (ERDF).

CHART is a 'Community-led local development' (CLLD) programme, which means that it is led by a Local Action Group (LAG) ensuring a 'bottom-up', community based approach to investment within the area.

Hastings Borough Council is the Accountable Body for the CHART programme and will oversee the administration and management of CHART. The CHART programme is part funded by the European Regional Development Fund (ERDF) and European Social Fund (ESF). Therefore CHART will provide funding under the following Priority Axis:

- **European Regional Development Fund (ERDF)– Priority Axis 8: Promoting social inclusion and combating poverty and any discrimination.**
  - Investment Priority 9d1: Undertaking investment in the context of Community Led Local Development strategies

- **European Social Fund (ESF) – Priority Axis 1: Inclusive Labour Markets**
  - Investment Priority 1.5: Community Led Local Development

Who can apply for CHART funding?

Applicants must be a legally constituted body, e.g. a Voluntary or Community Organisation; a registered charity; a statutory public sector organisation etc. and have strong links with the local communities in the CHART area.

There is no formal requirement that applicants must be based within the CHART area, although it is necessary that applicants have genuine links with these communities and have an understanding of their strengths and needs. This implies that you may be in close proximity to those communities you support.

Informal groups and individuals cannot apply.

Which areas of Hastings and Bexhill will be supported?
The CHART 'area' is based on the 20% most deprived Lower Super Output Areas (LSOAs) in Hastings and Bexhill as identified in the CHART Local Development Strategy (LDS), based on data from the 2010 IMD report[1] as shown in the map below:
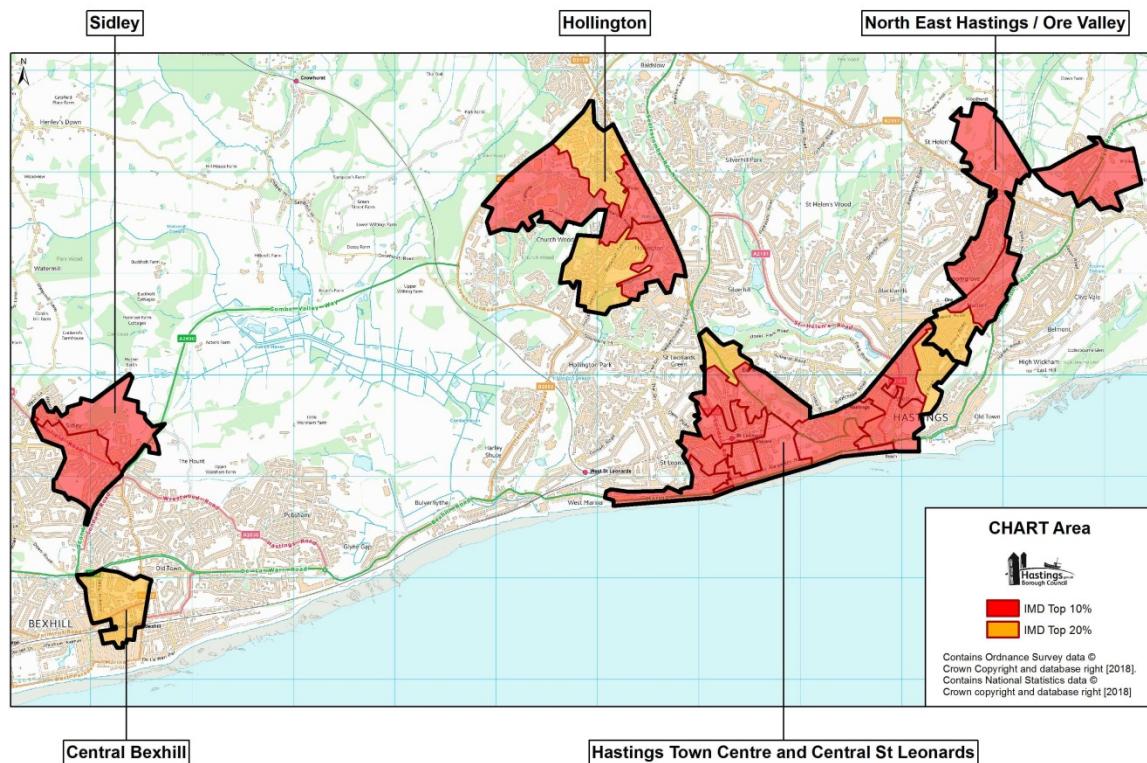
You can check if your project sits within the CHART area by using an LSOA postcode lookup tool e.g. http://imd-by-postcode.opendatacommunities.org/ and typing in the postcode where your project will take place. A list of LSOA in the CHART area can be found in Annex A.

What will the CHART programme do?
The CHART programme will bring a fresh approach to tackling entrenched problems which conventional working has not managed to solve. It is particularly focused 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

Communities in Hastings and Bexhill will benefit from the availability of new services and support. The programme is by definition flexible and designed to respond to

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[1] Index of Multiple Deprivation, a measure which uses different features of an area such as unemployment and health conditions to identify how disadvantaged places are compared to other places of similar population size.

local people's ideas and needs, meaning we cannot be prescriptive as to what sort of support will be on offer through CHART. But it is likely that there will be new ways in which unemployed people will be supported into work, through for example receiving training, offered work placements or shadowing, being helped to deal with health or housing issues which get in the way of finding work, being supported in a new job to stay the course and become settled.

There will also be help for people who have an idea for starting a local business or becoming self-employed. Although these sorts of services do exist already to some extent, CHART will be open to new, locally identified ideas, giving the community the chance to design its own response to long term problems.

Who should my project support?
CHART will fund projects which support people within the CHART area (mainly unemployed and economically inactive) as well as local businesses (small and medium size) and voluntary and community groups.

We are particularly interested in projects that especially support:
- People from ethnic minorities
- People with disabilities (including people with mental health issues)
- People who have never worked
- People who are between 50 and 64 years old
- Entrepreneurs, small businesses (including social enterprises)

In order to support these people and businesses, CHART will offer funding within four (4) specific 'Work Packages':

- **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.

Can my organisation apply to deliver more than one Work Package?
It is possible to apply for more than one work package, although applications cannot mix Work Packages 1&2 with Work Packages 3&4. This is because Work Packages 1&2 are funded through ERDF and Work Packages 3&4 are funded through ESF, which are two different funding streams with two different sets of rules and requirements.

If your organisation wishes to deliver a project that combines work packages 1&2 with work packages 3&4, you will need to submit two separate applications.

What are the Relationships involved?

European Commission
The European Commission sets the framework for how ESF/ ERDF money must be administered, spent and evidenced. The commission can audit any organisations involved in the delivery of ESIF funded projects, both during the project and for some years afterwards.

Managing Authority
There are two Managing Authorities for CHART. The Managing Authority for ERDF Funding (Work Package 1&2) is the Ministry of Housing, Communities and Local Government (MHCLG) and the Managing Authority for ESF Funding (Work Package 3&4) is the Department for Work and Pensions (DWP). All individual project information/ claims will be collated and submitted to the Managing Authorities. MHCLG and DWP have different monitoring and claims processes.

SELEP ESIF sub–committee
SELEP (South East Local Enterprise Partnership) is a partnership between local authorities, businesses and the community, established to determine the economic priorities and lead economic growth and job creation in the South East of England. The LEP have determined the priorities that CLLD must deliver locally.

Accountable Body
Hastings Borough Council is the Accountable Body for the CHART programme and will oversee the administration and management of CHART. Hastings Borough Council will recruit a dedicated CHART programme team to oversee the running of the programme.

CHART Local Action Group (LAG) Board
The CHART LAG Board is the made up of a range of stakeholders from the CHART community (public/ private/ voluntary sector and residents). The LAG's main function is to consider and approve CHART projects to ensure they are the best fit for the CHART community and meet the objectives of the CHART Local Development Strategy.

Grant Recipient
This is the organisation that funding will be awarded to. This could be to a single organisation or via a 'Lead Partner' with partner organisations. This organisation will have legal responsibility for the grant and be financially accountable for the grant and any money that is distributed to partners.

The Grant Recipient will need to collect, check and report on a range of information to the CHART Programme Team.

Getting Started

Grant Funding Agreement

The first thing you need to do is accept the Grant Funding Agreement. The Grant Funding Agreement is made up of:

- The general and project specific terms and conditions of the CHART grant
- Arrangements for Monitoring and Returns
- Project milestones and payment schedule
- The outputs and results related to your project
- GDPR requirements under the Data Protection Act 2018
- Circumstances in which the grant may be reduced or terminated
- Consequences of termination

We will send you two copies of these documents. To accept the Grant Funding Agreement we need at least two people 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 funding agreement starts on the date you sign and return it to us and lasts until the document retention period draws to a close. This is because projects may be audited at any point up to this date.

Grant Recipient Induction

Our Compliance and Monitoring Officer will arrange an Induction with you during the first few weeks. This is an opportunity to talk through the process and the guidance we've sent you, so that you can ask any questions and we can clarify anything you're unsure about. This will help to develop the working relationships that will be vital to the success of the project.

Scheduling Targets and project Outcomes

Your target and Project Outcome Schedule (Annex S) ensures that you can realise the benefits of the project during its lifetime. We'll use this schedule to monitor your progress at your quarterly claims and we'll agree updates to it throughout the delivery of the project to reflect any changes.

Setting up the grant

We need to ensure that you're ready to start the project.

Our Compliance and Monitoring Officer will arrange a date with you and may request that certain personnel are available. It is likely that the grant set-up will be done through a visit.

What will be covered in the visit?

1. Orientation
   - Using our electronic templates/ resources

- How changes to the guidance will be communicated.

2. Payments and monitoring
   - How you'll report each quarter.
   - How payments and adjustments will work.

3. Project Outcomes/ Results
   - How Targets work.
   - How we'll monitor your performance

4. Participants/ Enterprises/ Beneficiaries
   - Checking eligibility and maintaining a Participant/ Beneficiaries file.
   - Collating and reporting Participant/Beneficiaries information.
   - Identifying Participants involved in more than one CHART project.

5. Partners and Procurement
   - Dealing with changes to your Partnership.
   - Managing procurement and notifying us about your plans.

6. Costs and expenditure
   - Evidencing expenditure.
   - Calculating indirect costs.
   - Collating and reporting your costs.

7. Publicity
   - Publicity processes
   - Using the ESIF and CHART Logo

8. Cross-cutting themes
   - How the Cross-cutting themes are fully integrated into the project.
   - Developing and implementing your action plans.

9. Evidence and retention
   - How evidence is collected, checked and retained.
   - How data is stored, protected and retained.

Monitoring and Payments

Submitting a Quarterly Claim
At the end of each quarter, you'll need to send us your Claim. This will provide us with a detailed picture of how the grant is being spent and how the project is performing.

You'll also need to provide documentary evidence for each claim for example: invoices, procurement evidence, job descriptions, staff timesheets, and proof of defrayment (bank statements).

We'll need you to complete the following documents to process your claim:

- CHART Claim Progress report (Annex B): *To include update on performance and progress to date and the planned activity going forward*
- CHART Claim Form – ERDF (Annex C): *Outputs, Expenditure, Procurement, State Aid, Assets, Forecasts*
- CHART Transaction List (Annex D): *Further detail on costs being claimed*

Given the sensitivity of some of the information you'll be reporting, we'll establish a secure file transfer so that lead organisations can send this to us. Under <u>no</u> circumstances should participant monitoring information be sent to us by email.

Project partners will need a similar route for sending sensitive information to the lead organisation, which avoids the use of email.

Claims are paid in arrears and will take time to process as the information within them must then be submitted to the Managing Authority. Because of this, you will need to be able to cashflow your project for six to nine months at a time.

How to Complete the Progress Report

The progress section must contain suitable commentary on the performance and progress of the project to date and the planned activity going forward. This must provide sufficient detail to demonstrate successful delivery of the activities and deliverables and if there is any slippage of performance, measures being put in place to bring the project back on track.

Detail of what is expected in each section is outlined below. Please contact our CHART Project Delivery Animator for further guidance on specific progress report queries.

Physical Progress	Please report on the actual activities undertaken in the claim instalment period. This should relate back to the scope of activities outlined in your full application and Funding Agreement. If there have been any delays or issues encountered in the period these should be detailed along with measures to address them.

Financial Performance	This section should cover project performance in terms of actual expenditure against the profiled values contained in the Funding Agreement. Consideration should also be given to forecast expenditure and whether the project is still on track and to budget. Any expenditure slippage should be explained and justified with plans outlined on how the slippage will be addressed. Any potential overspend or a request to re-profile expenditure should be flagged up here.
Outputs	Actual achievement of targets and forecast against the profile outlined within the funding agreement. Identify any issues relating to measuring/ evidencing targets or take up of from participants/ businesses. Variances from the contracted profiles i.e. 'slippage' should be explained and detail provided of remedial measures to bring things back on track.
Specific Conditions	Report progress on specific conditions in the project Funding Agreement.
Income	If income generation is applicable you will be required to report on the values generated.
Match Funding	Update on match funding received
Equal Opportunities & Sustainable Development	Report on what improvements/updates/amendments have been made within your organisation to show how Equal Opportunities and Sustainable Development governance, policies and implementation/action plans have progressed in the claim instalment period.
Looking Ahead	Provide an update on milestones, and key activities planned for next claim period, highlighting any challenges you're facing.
Project Issues and Changes	Report on any significant changes to the project that will have impact upon the deliverables, programme and budget. If applicable the change request form (Annex Q) should be completed.
State Aid	Provide update on State Aid received as a Grant Recipient and what State Aid has been dispersed to SME Beneficiaries (If relevant). Please seek

	guidance from the CHART Delivery Animator if you are unsure how to complete this section.
Branding and Publicity	Report on any publicity activity that has taken place during the claim period. *This may include publicity material, leaflets, banners or stationery and any press releases, newspaper articles or promotional events.*
Procurement	Please report on any procurement within this claim and any planned procurement within the next claim period.

Claiming Costs

You must record all project expenditure on the CHART Claim Form and Transaction sheet, this will allow us to monitor all expenditure and ensure it is in line with your Grant Funding Agreement. All costs claimed must:

- Fall within the agreed scope of the project activities and within the agreed expenditure as per your funding agreement.

- Conform to the eligibility criteria as set out in the ESIF National Eligibility Rules[2]:
  https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/592184/ESIF-GN-1-012_National_ERDF_Eligiblity_Rules_v1_a.pdf

- Be paid and left your bank account by the end date of the claim instalment period. 'Date paid' is the date the payment appears on your bank statement.

- Follow agreed apportionment methodologies for shared costs or Indirect Costs as detailed in Annex E.

- Only include 'Flat Rate' indirect costs if they have been agreed within your funding agreement. See Annex E.

- Be backed up by a full audit trail containing all original or certified copies of source documentation from receipted invoices to bank statements and accounting documents of equivalent verifiable value. These need to be maintained and made available for verification checks and audits.

How to complete the Transaction List

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[2] Please note that eligibility rules applying to other sources of match funding cannot be used to justify departure from these rules

A Transaction List, itemising each item of expenditure must be completed to support each claim (for ERDF and ESF).

The transaction list spreadsheet contains three tabs entitled 'Guidance', 'Transactions' and 'Summary'.

Please refer to the 'Guidance' tab before populating the 'Transactions' tab.

Please note that the transaction sheet does not allow for negative values. This means that credit notes cannot be recorded at present. It is recommended that a record of each credit note is kept and you discuss this with your Compliance and Monitoring Officer.

The details required when completing the transaction list are:

- **Cost Category** – Select the eligible cost categories as agreed and set out in your grant funding agreement

- **Delivery Partner** – If the project has delivery partners a unique identifying number will need to be allocated to each partner.

- **Priority Axis** -
    o ERDF projects will be– Priority Axis 8: Promoting social inclusion and combating poverty and any discrimination.

- **Investment Priority** –
    o ERDF projects– Investment Priority 9d1: Undertaking investment in the context of Community Led Local Development strategies

- **Procured Contract ID** – Enter Procurement Contract Number from Annex 2e

- **Supplier Name** – Enter the name of supplier, creditor / payee or employee.

- **Supplier VAT Number** – Enter the Supplier VAT number

- **Invoice Reference** - Invoice/receipt or reference number. All documents should be given a separate unique reference number to identify clearly the item expenditure for audit purposes.

- **Invoice Date** - Date on the invoice or if salaries the date posted on your accounting system.

- **Defrayal Date** - Date the money was defrayed/paid (i.e. left your bank account – as appears on your bank statement). (For large organisations the BACS defrayal date maybe acceptable and should be discussed with the Managing Authority).

- **Defrayal Method** – Select from the drop down the method of payment, i.e. BACS, Cheque, Credit Card. Along with the transaction / reference number or cheque number.

- **Defrayal Reference** – Enter payment reference relevant to transaction.

- **Expenditure Details/Description** – please enter a full description of the expenditure item being claimed making it clear what is included ensure clarity for any reader on what is being included (see additional details below for more assistance). If a defrayal date falls after the invoice date please provide explanation on this.

- **Apportionment Details** - Indicate how the eligible value is derived from the original invoice / receipt value i.e. the method of apportionment, ineligible costs removed.

- **Total Invoice Value (excluding VAT)** - Indicate the total Net expenditure value of the invoice or receipt, (total documented value excluding VAT).

- **Total Irrecoverable VAT** – state the value of VAT which cannot be recovered from another source (HMRC) of the invoice / receipt following any adjustments for apportionments or ineligible costs. *Note that if you are VAT registered and are able to recover VAT from HMRC but choose not to this still cannot be included in your claim.*

- **Total Eligible value** - Enter the project eligible expenditure amount after any apportionment or adjustments have been applied and irrecoverable VAT added in. This is the expenditure value minus adjustments for which ERDF is being claimed against.

- **Eligible for Flat Rate Indirect Costs** – Select from drop down menu Yes or No. Flat rate costs are calculated at an agreed percentage of the actual direct staff costs. The flat rate costs must **not** be entered onto the transaction sheet. An offline calculation should be undertaken. This amount is then claimed directly on the claim form.
- **Total Category of Region Expenditure** – Leave blank

Descriptions of Costs
You'll need to provide clear and simple descriptions for costs within the Transaction List (Expenditure Details/Description). The table below aims to provide further guidance on acceptable/unacceptable expenditure descriptions for expenditure being claimed. Please note that these are just examples:

Unacceptable Description	Acceptable Description
Room hire	Room hired for [state purpose and with whom] on [date] at [place]

Catering	Catering charge for [state purpose] on [date] at [place]
Salary	Salary for [state at least one of name/post/payroll number] for period dd/mm/yy to dd/mm/yy
Salaries	Salaries for project management/delivery team for period dd/mm/yy to dd/mm/yy (A complete breakdown of this total identifying the post holders/employees claimed should be attached)
Expenses	Expenses for [name] covering period dd/mm/yy to dd/mm/yy [Include detail of type of expense e.g. mileage, parking, subsistence, claim reference number if applicable]
Plant/Machinery	Purchase of [name/short description of item of plant or machinery] received on dd/mm/yy, as shown in the [funding agreement].
Insurance	Building and contents insurance for [identify premises insured] for period dd/mm/yy to dd/mm/yy
Mobile charges	Mobile phone rental/call charges for [name of person] covering period dd/mm/yy to dd/mm/yy
Rates	Business rates charged for [identify premises charged] to cover period dd/mm/yy to dd/mm/yy

How to complete the Claim Form

The table below provides details on how to populate the 'Eligible Expenditure and Claims Details' section on the Claim Form. This draws on the information you have collated using the Transaction List and any previous claims.

Defrayed expenditure for which grant is now payable	Capital	Revenue
Total Cumulative Eligible expenditure defrayed prior to the claim period (£)	Eligible expenditure from all previous claims submitted to Accountable Body. If there is capital expenditure then this should be spilt out between Capital and Revenue.	
Amount of Eligible Expenditure defrayed within the claim period (£)	Eligible Expenditure from the transaction sheet + X % of indirect staff costs where applicable. *Note*	

	that % of indirect costs may be different for ESF/ERDF projects.
	If there is capital expenditure then this should be spilt out between Capital and Revenue.
Amount of Income Received Under Article 65 (8)) (£). Projects Generating Revenues During Implementation Only.	ERDF ONLY. The transaction sheet cannot record rebates or income. The progress report template sets out the need to capture this information if Article 65 (8) applies.

Forecast Expenditure

A profile of future anticipated expenditure is needed for every claim. You must ensure these forecasts are as accurate as possible. **Flat profiles (simply apportioning future expenditure equally across the remaining claim periods) are not acceptable.**

Variances from the contracted profiled forecast, known as 'slippage', must be explained and justified within the claim.

The Project Expenditure Actual and Forecast tab should be completed to capture this information. Expenditure must be broken down by:

- Capital and Revenue (ERDF only)
- Investment Priority-
  - ERDF projects– Investment Priority 9d1: Undertaking investment in the context of Community Led Local Development strategies
- Category of Region – More Developed

Output Detail

'Output Details' tab form must be completed for each claim. This document should provide the **detailed** information on the outputs achieved within the claim period.

In addition the 'Project Outputs Actual and Forecast' form tab must be completed and submitted with every claim. This is designed to enable you to set out the following key information:

- Overall actual achievement of each contracted output to date
- Forecast of expected achievement for each contracted output for the current year, broken down by quarter.
- A forecast of expected achievement for each contracted output for future years

Procurement

All procurement undertaken must be recorded on the claim form, under the Procurement tab, please complete Annexes 2e and 2f

- **Procured Contracts**
  Complete and update Procurement Annex 2e with any updates or amendments on Procurements which have been awarded prior to the claim.

- **Future Procurements**
  Complete and update Annex 2f with any additional contracts which will not be awarded prior to approval of the claim.

Assets
Report on any assets purchased/disposed of during the claim period completing the 'Asset & Disposal Register' tab.

Problems with processing a Claim
You must get in touch with us if you become aware that you are unable to make a grant claim in accordance with the outlined timescales or within the expenditure profile.

In the event that no expenditure has been defrayed during the instalment period a "nil claim" must still be submitted. The claim should include a progress report providing details of progress towards delivery and achievement of the project objectives/activities, expenditure forecast and outputs forecast.

If you need further guidance then please do not hesitate to get in touch with the CHART programme team.

Scheduling Payments
During the set-up of the project and Grant Funding Agreement, you'll need to complete a payment schedule (Annex P). Your payment schedule is used to map out your project expenditure over the lifetime of the project.

Each quarter, we'll review your actual costs against this forecast. You'll update the schedule throughout and we'll use it to record any adjustments to the grant.

Making Payments
In order to process a payment, we'll need to have received all your claim documents and corresponding evidence. These will need to be reviewed and approved by our Compliance and Monitoring Officer before a payment is made.

Claims are to be submitted in arrears for each instalment period and only eligible expenditure defrayed (incurred and 'paid', i.e. cleared bank account) by the end of that period can be included in the claim for reimbursement. Because of this, you need to be able to cashflow your project for between six (6) to nine (9) months at a time.

A claim will only be processed for payment once our Compliance and Monitoring Officer is satisfied that all information is present, complete and compliant with the terms and conditions of the Funding Agreement and National ESIF Eligibility Rules and passes our finance and audit checks.

Example payment timeline:

Action	By when
Grant recipient claim deadline	15 of month, 2 weeks after the quarter end (15/4 for 1st quarter)
Eligibility and performance compliance and monitoring checks and audit completed within a 4 week period to release grant payment	Grant recipient payment on 15/5
HBC (Accountable Body) then compiles Managing Authority claims (Grant Recipient Q1 defrayals)	For submission to Managing Authority by 15/7 This coincides with grant recipients Q2 claim deadline (15/7)
Accountable Body to receive initial Managing Authority claim up to 5 months after defrayal	(15/11)

Final payment
In line with the conditions on us as Accountable Body for this funding, we will need to withhold 10% of the total grant award as a retention payment. This is to ensure that all of the monitoring information we need to close the grant has been provided as we have this to provide to the Managing Authority to enable us to draw down the final funds. Your retention payment will be taken from your final grant instalment.

Penalties
Any actual underspend variance greater than 15% from the contracted expenditure profiles in your payment schedule may result in de-commitment or withdrawal of CHART funding in line with the programme underperformance policy (Annex F).

Making adjustments
'Adjustments cover a range of eventualities. These can be broadly divided into four categories.

Underspend
This is where the actual costs in one quarter are lower than you forecast in your payment schedule. Where this is the case, we'll reduce the value of your next payment by this amount and will discuss this with you.

Overspend
This is where your actual costs for a period are higher than the related payment from us. In these situations, we'll need to discuss the reasons for this with you so that we can understand whether the overspend was due to simply underestimating your

likely costs or because there is a more significant issue relating to the costs of the project.

Deductions
This is where we discover that some of your costs are ineligible, for example:

- You've not been able to provide evidence of certain costs, such as staff timesheets or receipts covering all items of expenditure
- Your staff recruitment is unsatisfactory because reference hasn't been made to ERDF in your job adverts or the correct logo has not been used expenditure on other forms of publicity, such as websites or written documents, does not conform to our logo requirements
- Other forms of evidence relating to the delivery of the project have not been retained

How we make these deductions will depend on the extent of the issue. In most cases, we'll give you the opportunity to provide any incomplete information before making a deduction. Generally speaking, we'll look to recover the funding spent on ineligible items by reducing the value of your next payment to compensate for this.

Penalties
We reserve the right to hold back a proportion of your next payment as a 'penalty' whilst you get your project back on track. A good example is where the performance against your targets is below expectations for a consistent period.

We may also withhold or temporarily reduce payments if correct documentation is not retained or submitted to us.

Changes to your project
It is possible that a situation may arise that will result in a change to your project. This might include:

- Changes to your primary or legally responsible contact information
- Changes to your partnership or the management structure of the project
- Changes to your target schedule
- Changes to your project outcomes
- Changes to your project budget
- Changes to the delivery of the project.

You will need to complete the "Project change request form" (Annex Q) to tell us about these changes and their impact.

We'll need to agree these changes before you can proceed.

Project Outcomes

Where do the Outcomes come from?

The targets come from the Operational Programme for ERDF in England, as agreed by the Managing Authority and the European Commission. Within this, the exact targets for CHART programme to achieve have been devised within the CHART Local Development Strategy, in accordance with requirements from the South East LEP.

ERDF Outputs

Outputs for ERDF relate to the personal situation of a 'Participant' on the date that they join the project or link to capital/ business investment:

ERDF Outputs	
C1	Number of enterprises receiving support
C5	Number of new enterprises receiving support
C8	Employment increase in supported enterprises
P11	Number of potential entrepreneurs assisted to be enterprise ready
P12	Public or commercial buildings built or renovated

What are the definitions for each ERDF Output?

Full definitions for each output can be found within Annex G. This will give you further guidance on the outputs, stating verification evidence required and expectations for each output. For example the minimum number of hours required for a C1, C5, C8 and P11 output.

Scheduling Outcomes

During the set-up of your grant funding agreement, we'll need you to complete a Project Outcome Schedule, which will form part of your grant funding agreement. (Annex L). Each quarter, we'll review your progress against your forecasts and alongside your payment schedule declared expenditure.

Managing Performance

During the course of our monitoring, we will review your progress towards achieving the project/result outcomes. We will ask you to update your project outcome schedule throughout the delivery of the project. This ensures any outcomes that were not met in one quarter are redistributed throughout the project.

When we compare your forecast and actual figures, we'll make a judgement on how well your project is performing. For any given output, we'll apply the following benchmarks:

Above 120%	**Over-performing**
100 – 120%	**Performing**
90 – 100%	**Satisfactory**
70 – 90%	**Underperforming**
Below 70%	**Unsatisfactory**

Don't wait until you are underperforming or unsatisfactory to attempt to resolve an issue. We would expect you to notify the CHART Project Delivery Animator as soon as you are aware of potential underperformance issues so that we can work with you to get you back on track and avoid penalties.

Underperformance
If underperformance is identified then the CHART programme team will work with you to identify steps to correct the underperformance. You'll need to identify the causes for underperformance and develop an action plan for getting back on track.

There may be occasions where the extent of the under-performance is such that the ability of the project to meet the project outcomes is compromised. Our Project Delivery Animator will do all they can to provide guidance, including sharing learning from other projects to get you back on track. However if the underperformance is consistent and persistent then your grant may be reduced in line with the underperformance methodology in Annex F, in exceptional circumstances the grant will be withdrawn.

Match Funding
You will need to be able to evidence that you have non-European ("clean") public sector Match Funding available for 50% of total programme costs.

Flat Rate Indirect Costs
You can only include indirect costs at a flat rate of 15% of eligible direct staff costs. See Annex E for details.

Avoiding Double Counting
It is important, that during the initial assessment of individuals you establish whether an individual has been/ is being supported by a CHART project. It's also best practice to keep in good dialogue with other CHART delivery organisations to limit the risk of double counting.

Exceptions- ESF/ ERDF
An individual **can** be supported by both ESF and ERDF CHART funded projects.

For example, an unemployed participant could be supported by a pre-employment project (ESF CHART funded) and then transition on to a 'self-employment' training course (ERDF CHART funded).

End Beneficiaries (Enterprises/ Potential Entrepreneurs)

What is an end beneficiary?

An 'end beneficiary' is the term used by ERDF to describe those that benefit from ERDF funding. Within CHART these beneficiaries will either be 'enterprises' within the CHART area or 'potential entrepreneurs' - individuals who are supported by CHART to become 'enterprise ready'.

In order to support an individual or business through CHART they must be eligible for CHART funding.

A 'Potential Entrepreneur' must be:

- A resident of the CHART area (see Annex A LSOA postcodes)
- individuals aged 25 and over currently in employment, unemployed or economically inactive with an interest in exploring alternative career pathways
- legally resident in the UK and able to take paid employment in a European Union member state.

Note: As these are 'potential entrepreneurs' they can't be trading/ registered with Companies House.

An 'Enterprise' must be:
- sole trader, micro business, small and medium-sized enterprise (including social enterprises) that are registered in the CHART area (see Annex A LSOA postcodes)

A 'New Enterprise' is as above but must be:
- registered at Companies House or HMRC for less than 12 months before assistance is provided; or
- A business locating in the England programme area for the first time, to start trading (i.e. registers for VAT, or registers for National Insurance (Class 2) contributions, or the start date of a company's first accounting period, or the date a business receives risk finance investment prior to its first commercial sale).

Initial Assessment

Before enrolling an individual/ enterprise on to your project, it is considered good practice to undertake some form of initial assessment to ensure that they meet the eligibility criteria above and to ensure that CHART funding will offer the right support for that individual / enterprise.

The Pre-Entrepreneur/ Enterprise File

When you have established that the individual/enterprise is eligible for CHART, you'll need to start a file, this will be the main document for evidencing and verifying your outputs.

You **must** use the CHART Pre- Entrepreneur/ Enterprise File templates to ensure that you are audit compliant. These can be found at Annex H and will be sent to you as part of your grant induction.

Note that these files will be reviewed at audit and visits or we may ask for sample files. If a file is found to be incomplete, inaccurate or insufficiently evidenced then that individual/ enterprise could be ineligible, which could affect your claim/ output targets.

You'll need to complete all three (3) sections of the file:
- Eligibility
- Progress
- Exit and Results

Personal Data
Whilst you create each file you will be collecting, retaining as well as reporting on a range of personal information, you must therefore ensure that your follow the Data Protection Act 2018, further information can be found at the Information Commissioners Office Website- https://ico.org.uk/for-organisations/guide-to-data-protection/

A GDPR self-assessment tool is included in Annex O to help you identify whether you have systems in place to correctly process personal data.

Eligibility
You must obtain evidence that the person or enterprise is eligible for CHART funding, before they can start the project:

1. Complete the pre-entrepreneur entry form or business registration form
2. Check evidence that the person or enterprise is eligible (see evidence table below)
3. Take copies of the evidence and retain a photocopy (This must be signed by a project staff member as a true copy and kept in the file)

The following documents can be used as evidence:

Eligibility	Indicative list of supporting documents (not exhaustive) (Only one item from list required)
Individuals aged 25 and over currently in employment, unemployed or economically inactive	• Driving Licence/ or provisional • Full passport (EU Member) • Full passport (not EU Member State): - Passport either endorsed `indefinite leave to remain – proceed (settled status) or includes work or residency

	- permits or visa stamps (unexpired) and all related conditions met - Some non-EEA nationals have an Identity Card issued by the Home Office in place of a visa, confirming the individual's right to stay , work or study in the UK – these cards are acceptable - Letter from the UK Immigration and Nationality Directorate granting indefinite leave to remain (settled status) - Birth / adoption certificate (EU Member State) - Residency permits for foreign nationals (usually in a passport) - Marriage/civil partnership certificate (if partner has legal right to live in the UK and this can be evidenced).
CHART Area Resident (Pre-Entrepreneur)	• Letter / confirmation from home owner (family / lodging) • Full driving licence (EU) • Recent statement from bank / building society / credit card company / credit union • Evidence of registration on electoral roll • Benefits notification letter • Recent utility bill or council tax demand / correspondence Tenancy agreement / documents • Mortgage statement / correspondence • HMRC correspondence • Rent card / statement • Solicitors correspondence
CHART Area registered Business (enterprise)	• the company incorporation statement/registration or letter or standard form to collect the data signed by a senior officer of the business e.g. the owner/chief executive officer (showing address)
Registered sole trader/ SME (new enterprise, letter should state date of business starting)	• the company incorporation statement/registration or letter or standard form to collect the data signed by a senior officer of the business e.g. the owner/chief executive officer.

Progress

Within the file, you'll need to capture the progress of each individual participant/ enterprise. Note that you need to support individuals/ enterprises for a minimum of 12 hours (2 days). Progress should be recorded on the following:

- Attendance of project- records of sessions attended
- Development- recording the individual's/ enterprise's journey/ development through the project activity
- Activity- type of activities/ sessions attended

The individual/ enterprise needs to sign and date each sheet, in order to evidence the output.

Remember: The 12-hour support excludes travelling and preparation time; it is only the actual time delivering the support to the business that can be counted.

Evidence of Progress/ Support Provided

Output	Minimum Evidence required
Supported enterprise (including new enterprise)	• Record of business - Name, address including post code, contact details, company registration number (CRNs) if applicable. Each enterprise should have a unique identifier at operational level during the course of the project. • Support claimed through hours supported – record, electronic or paper, of support over the minimum threshold verified and signed by a senior member of staff in the enterprise assisted, including time period claimed. • Support claimed for direct financial support - copy of a signed loan agreement signed funding agreement or other risk finance investment documentation demonstrating that value over minimum threshold has been provided to the business, with a unique identifier.
Pre-Entrepreneur	Individual: • Name, date of birth, address, postcode. Activity: • Letter or standard form signed and dated by the individual specifying what assistance they received and on what date(s).

Exit and Results

When an individual/ enterprise 'leaves' the project, as in finishes their final activity you'll need to complete the 'Exit and Results' section of the file, this is where you capture where the individual/ enterprise is at the end of the project (what progress has been made) and also the results of the support provided.

Pre-employment
You'll be reporting on whether the individual has gone on to further training/ set up their business.

Enterprise
In terms of result outputs, this is under C8 'Employment increase in supported enterprises', all CHART projects which offer business support to new and existing businesses will need to record job outputs.

Output	Minimum Evidence required
'Employment increase in supported enterprises'	• Written confirmation from senior member of staff in the supported enterprise, confirming the creation of a post within the England programme area as a result of the support provided. This should include details of the job as advertised and started, duration, and the number of hours per week.
Public or commercial buildings built or renovated	• Address of premises including postcode. • As built drawings showing floor space.

Top tip
After a beneficiary leaves the project, it may become more difficult to request information from them. For this reason, make sure you have the evidence to prove progression/ output **before** the beneficiary has finished their final activity/session.

Multiple Counting

There may be an instance when a CHART beneficiary is supported by more than one (1) ERDF CHART delivery organisation, which would affect the programmes overall targets and could also affect your own outputs and results.

A beneficiary can only be counted once by a project. Multiple instances of financial or non-financial support within a project cannot be counted multiple times. Separate projects may count the same business where they provide a different level of support with a different output. For example a beneficiary could be supported as a 'pre-entrepreneur' and then as a 'new enterprise'.

If multiple counting does occur then the output targets will be retained by the 'first delivery organisation'. The 'first delivery organisation' would be the organisation which first enrolled/ supported the beneficiary.

Avoiding Multiple Counting
It is important, that during the initial assessment of individuals/ enterprises you establish whether an individual has been supported by ERDF funding. It's also best

practice to keep in good dialogue with other CHART delivery organisations to limit the risk of multiple counting.

Exceptions- ESF/ ERDF
An individual **can** be supported by both ESF and ERDF CHART funded projects.

For example, an unemployed participant could be supported by a pre-employment project (ESF CHART funded) and then transition on to a 'self-employment' training course (ERDF CHART funded).

Partners

Partnerships
CHART encourages organisations to work in partnership to create projects that are large in scale and impact that make a meaningful and measurable impact within the CHART area.

What is a lead partner?
If you are submitting a joint application with partners, you will need to identify <u>one</u> (1) lead partner. This partner will be responsible for managing the whole project, including:
- Submitting the application
- Signing the grant agreement on behalf of all partners
- Submitting monitoring information and grant claims to the Accountable Body
- Ensuring the delivery of all project activities, including those delivered by other partners
- Receiving ESIF funding from the Accountable Body
- Liability for any repayments, including funding related to the activity of partners
- Distribute funding once grants claims have been paid by the Accountable Body

What is a delivery partner?
A delivery partner is an organisation:
- That delivers part of the project;
- Defrays expenditure linked to delivering project activity that is subsequently included in the project's grant claims;
- Receives ESIF funding via the lead partner (i.e. the applicant) as a contribution to the costs it has incurred.

Delivery partners may provide match funding, e.g. the balance between the amount they spend delivering part of the project and the amount of ESIF funding they receive.

An organisation is not a delivery partner if they:
- Contribute match funding and do not deliver any part of the project
- Are an organisation that is contracted or sub-contracted to deliver any part of the project (ESIF procurement regulations must be followed here)

What is a strategic partner?
A strategic partner is an organisation:
- That does not deliver any part of the project;
- That does not defray expenditure linked to delivering project activity;

Strategic partners may provide match funding, e.g. a loan or award to cashflow the project.

An organisation is not a strategic partner if they:
- Deliver any part of the project
- Are an organisation that is contracted or sub-contracted to deliver any part of the project (ESIF Procurement regulations must be followed here)

What is a sub-contractor?

A sub-contractor is an organisation or individual:

- That is commissioned through the procurement process to deliver any part of the project (ESIF Procurement regulations must be followed here)

Sub-contractors cannot provide match funding. See section on "procurement" for more details.

An organisation is not a sub-contractor if they:

- Do not deliver any part of the project;
- Are a delivery partner as detailed above.

Partnership Agreements

Partnerships will need to have a partnership agreement in place. This should clearly state the roles and responsibilities of each partner, including that of the lead partner as well as the arrangements for how and when the lead partner will distribute funding once grants claims have been paid by the Accountable Body.

Payments to partners

All payments to Lead Partners are made in arrears following the agreed payment schedule, assuming all payment conditions are met.

The Lead Partner is then responsible for distributing funding to partners. This should form part of the partnership agreement. How, when and under what conditions this will take place should form part of the Partnership Agreement.

Cost and Expenditure

Detailed Granular budget

You are expected to provide a granular budget breakdown of the budget within your application for funding so that the costs associated with each item of expenditure are clear.

For example, if you are adding a Salary within the "Direct Costs" category, you are expected to itemise each post providing details on whether or not it is a full or part time post, job title, basic salary, NI costs, pension contributions etc. Any marketing and publicity activities should be broken down into sub-activities including social media, advertisements, events etc.

For example:

Budget Line	Item title	Description of Expenditure
Marketing and publicity	Advertisements	Billboard to be displayed during construction of incubator units. Exact cost based on quotes received 30 April 2018.
Marketing and publicity	Advertisements	5,000 units of 5"x8" flyers adveritising finished incubator spaces and associated support, to be delivered to targeted locations in area. Estimated cost based on similar campaign conducted 20-30 March 2018.
Marketing and publicity	Social media	Social media marketing of incubator spaces including case studies of tenant businesses, meet the team guides etc.

The narrative should also include a statement covering the level of certainty in the costs e.g. the extent that costs are verified by benchmarking, previous experience and or third party review. For salaries, you will need to confirm how you have graded the salaries and/ or arrived at the salary (if applicable relevant market rate benchmarks which have been applied).

Applicants should send their own attachment providing the detailed itemised costs using the template supplied with the CHART Full Application Form (www.hastings.gov.uk/chart/apply/full-app/) . Applicants should ensure that their cost category totals and, quarterly and yearly totals mirror the totals provided in the financial tables and are mindful of any rounding issues which could lead to inconsistencies. All costs should be provided to the nearest pound sterling.

You also need to provide a narrative detailing the key assumptions used in the development of your budget and the research completed to prepare it. You need to

outline how you have arrived at each cost within the budget and provide line by line detail as to what each cost item is and why this cost item is necessary to fulfil the Project.

Remember:
- European Structural Investment Funds operate by calendar years (January-December)
- Be as realistic as possible about when expenditure will occur and be defrayed– European Structural Investment Funds operate on the basis of defrayed expenditure i.e. when a payment leaves the Project's bank account, not when an invoice or cheque has been written/ sent.
- Consider carefully the time required getting the project started – will it be necessary to factor in time for recruitment/procurement/formalising the partnership? Most projects spend very little money in their first couple of quarters.
- European Structural Investment Funds are reimbursed upon submission of a claim. The applicant must ensure there is sufficient cash flow to manage the project.
- Include sufficient resources to administer and manage your project
- Retention (normally 10%) is held back at the end of every CHART Project whilst the final claim and final verifications are carried out.

Eligible costs

Please see Annex I for a list of eligible costs. These costs will be reflected in the categories you are able to select in the Granular Budget Breakdown Template (www.hastings.gov.uk/chart/apply/full-app/).

Additional information on eligible costs can be found in the Eligibility Rules for ERDF 2014- 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/592184/ESIF-GN-1-012_National_ERDF_Eligiblity_Rules_v1_a.pdf

Keeping Timesheets

Staff who are working only some of their time on the project must record the instances and tasks associated with their involvement using a timesheet. This includes members of senior management staff.

The timesheet must show their name and role together with a line-by-line description of:
- each activity or task
- the date it was carried out
- the start and finish time, rounded to the nearest 15 minutes.

The timesheet must be kept as evidence with the payslips and payroll information for these members of staff.

'On-costs' include things like National Insurance and pension contributions and taxable incentives that are linked to pay.

It is suggested, although not required, that you use the timesheet template provided on the CHART website (www.hastings.gov.uk/chart/resources/).

Staff that spend all of their time working on the project do not need to keep timesheets, though the other evidence must still be provided.

Ensure you use the 1720 hourly rate
Use of the 1720 hours is mandatory and set out in the ESIF Regulation. 1720 hours assumes a working week of 33 hours – it therefore overcompensates by between 4 and 9 hours depending on an organisations standard working week to take account of annual leave costs.

There is one calculation used to work out hourly rates:

Hourly staff cost =

$$\frac{\text{Latest documented annual gross employment costs}}{1720}$$

Indirect Costs
Please see Annex I for a list of indirect costs. These costs will be reflected in the categories you are able to select in the Granular Budget Breakdown Template (www.hastings.gov.uk/chart/apply/full-app/).

Additional information on indirect costs can be found in the Eligibility Rules for ERDF 2014- 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/592184/ESIF-GN-1-012_National_ERDF_Eligiblity_Rules_v1_a.pdf

Procurement costs
Procurement costs will usually be considered a Direct Cost (See Annex I).

Management and Control

Record Keeping
You will need to have robust systems in place for record keeping. This includes but is not limited to your financial system, your participant files, your procurement activity and your marketing activity.

If an Audit is requested by the Accountable Body, Managing Authority or European Auditors you will have seven (7) working days to provide the information. If you fail to provide information at Audit, then grant payments may be withheld until a satisfactory audit takes place.

Financial systems and records

All ERDF expenditure should be kept separate from the other functions of your organisation, using a computerised system with separate cost centres and codes. The same applies to your partner organisations.

You will need to keep records of:

- 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) have been calculated
- Verification records for any indirect costs;
- Documentation showing that third party match is eligible and has been received

If you have any questions or concerns about the financial systems you or your partners have in place to collect this data, please contact the CHART Programme Team.

Outputs and results

You will need to keep records evidencing your outputs. Without these, payments cannot be made even when all expenditure has been defrayed.

Which outputs you will be delivering against and when you will do this will have been agreed with you during the application process. Projects that consistently fail to deliver against agreed outputs may be penalised in line with the Underperformance Methodology, so good record keeping is essential to avoid this.

The best way to make sure you have all the necessary information is to use the CHART Pre Entrepreneur/ Enterprise File template in Annex H. You will need to keep originals of these documents and have robust systems in place to guarantee their security.

The Accountable Body, the Managing Authority or European Auditors can and will ask for these documents at any time.

Procurement

You must keep evidence of all Procurement activity that takes place as part of the project. It is important that Procurement is not only compliant, but that you have evidence to show that it was compliant.

You will need to keep records of all quotes, tenders and procurement practices including:

- The rationale for the chosen procurement method
- Proof of advertising and contract notices, quotations or tenders received,
- Proof of the scoring methodology used for selecting the successful candidate
- The notifications sent to successful and unsuccessful bidders.

This will include details of all preparatory work prior to the procurement process and the delivery/use of the procured service and goods.

Because of this, we suggest that East Sussex Procurement Hub is used to procure contracts of £25,000 and above.

If you have any questions or concerns about your procurement systems or record keeping, please contact the CHART Programme Team.

For more information, see section on "Procurement" within this Handbook.

Publicity
You will need to be able to provide evidence of any publicity you produce, including evidence that it met the publicity rules for ERDF including the correct use of the logo and the required text. This will include retaining copies of any pre-releases, posters or marketing activity and evidence that billboards and plaques were in place for eligible capital projects.

The CHART Programme Team will also require evidence that the CHART logo was used correctly on publicity materials and that reference to CHART was made in the text of any press release or other relevant publicity material.

See Annex K "Publicity" for more details on the type of publicity you will be expected to produce as part of your project.

State Aid
State Aid updates should be recorded within your Progress report. You will also be responsible for keeping detailed State Aid records.

If you or your participants/ enterprises are in receipt of State Aid through CHART you will need to be able to evidence that you are compliant with State Aid regulations and you will need to follow the reporting requirements for either De Minimis or GBER:

De Minimis	GBER
• Grant recipients need to report on funding received under the De Minimis exemption • Report on any beneficiaries of their project that are receiving De Minimis aid – and keep records of this. *This information will need to be kept for 10 years, by the accountable body (as a*	• Grant recipients will need to report on funding received and how they have allocated this within their GBER scheme – • Grant recipients will need to report on funding received, how they have allocated across exemptions they are using, the level and the source of funding

*public body) and for **3 years** by the grant recipient.*	*Detailed records will be kept by both the grant recipient and the accountable body as set out by the GBER scheme for **10 years**.* *Any scheme changes will be updated as per the current GBER implementation guidance - currently any changes will need to be notified to the Commission using SANI.*

For more detailed information on State Aid, please see the "State Aid" section of this handbook.

Retaining evidence

You will have to collect and keep **all** your project documentation for a number of years after the project finished. The date can be different for different projects and will be included in your Grant Funding Agreement.

If you are unable to keep all the records for that long, let us know and we will help you to make alternative arrangements.

We need to keep all the documentation as European Auditors may audit projects many years after they have finished. Therefore, it is really important that all the documents are organised in an orderly and easy to follow manner. You will need to demonstrate that your system meets these requirements to the CHART Programme Team.

These are the types of documents you will have to keep (this list is not exhaustive and only provides examples of the most typical documents; not all of them may be relevant to your project):

- 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 beneficiaries 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.

Ideally, you need to keep originals of all documents. If it is not possible, you can keep copies but they need to be certified as a true copy of the original. In order to do so, write the following statement on the copy:

I certify that this is a true copy of the original document.
Signed:
Date:
Name and surname:
Position in the organisation:
Name of the organisation:

Electronic documents are acceptable as evidence. They can be:

- scans of original documents (they will need to be certified as true copies – as explained above) or;
- documents that exist in electronic version only e.g. a spreadsheet with a project budget.

The computer system on which electronic versions are kept has to be secure, reliable and meet national legal requirements. Equipment and software needed to access these documents also has to be kept. Electronic documents have to be kept for as long as the paper documents.

For more information, see European Regional Development Fund: Guidance on Documentation Retention Including Electronic Data Exchange for 2014-20 ERDF Projects
https://www.gov.uk/government/publications/european-structural-and-investment-funds-document-retention

State Aid

State Aid is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the European Union (EU).

The most common forms of State Aid include grants, loans, tax breaks and the use or sale of a state asset for free or at less than market price.

State Aid rules are only relevant to organisations that are involved in commercial activities, known as an "undertaking". They could be businesses, charities, public authorities and even other non-profit making bodies - if they are trading. Support provided to individuals is not State Aid.

During the application process, you will be asked to apply the State Aid test to yourself, partners and beneficiaries of your project so that you know whether State Aid applies. You can do this using the State Aid Checklist in Annex R.

If State Aid does not apply, you will need to be able to clearly explain why this is the case in a clear and justified way.

In principle, State Aid is not allowed in the European Union. However, some State Aid is beneficial to the economy and supports growth and other policy objectives. State aid can be given to support a wide variety of activities including research and development, environmental protection and aid for small to medium-sized businesses. The state aid rules allow for good aid, which is necessary to deliver growth and other important objectives.

The State Aid can be given legally by:
- using one of a set of pre-approved EU mechanisms for state aid,
- by getting approval for the particular scheme from the EU Commission

The pre-approved schemes below are examples only have been selected on the basis that they will be relevant to most projects applying for funding under Work Package 1 and 2. However this is not an exhaustive list and has only a minimal level of detail, therefore the CHART Programme Team would suggest that specialist legal advice is sought in most cases.

Please note that *De Minimis* should be used only as a last resort if the project is below the threshold and no General Block Exemption Regulation (GBER) applies.

Scheme name	Legal basis	The main rules and requirements
Aid for newly created small enterprises in Assisted Areas	Article 14 General Block Exemption Regulation 2014 (Commission Regulation (EU) No 651/2014, OJ L187)	• allows support to new small enterprises (new = up to 5 years following their registration; for enterprises that are not subject to registration the period starts from the moment they start their economic activity or are liable to tax for their economic activity) which have not yet distributed profits and have not been formed through a merger • the support may take the form of grants.
Aid for small enterprises newly created by female entrepreneurs	Article 16 General Block Exemption Regulation 2014 (Commission Regulation (EU) No 651/2014, OJ L187)	• allows support to new small enterprises (new = up to 5 years following their registration; for enterprises that are not subject to registration the period starts from the moment they start their economic activity or are liable to tax for their economic activity) which

		• have not yet distributed profits and have not been formed through a merger • the support may take the form of grants.
Aid for culture and heritage conservation	Article 53/4 General Block Exemption Regulation 2014 (Commission Regulation (EU) No 651/2014, OJ L187)	• allows support for investment costs in intangible and tangible assets; • allows support for construction; acquisition; accessibility preservation and restoration; cultural projects and activities; • allows operating aid for eligible costs
Investment aid for sports and multifunctional infrastructures	Article 55 General Block Exemption Regulation 2014 (Commission Regulation (EU) No 651/2014, OJ L187)	• allows support for investment costs in intangible and tangible assets; • allows operating aid for eligible costs; • must be accessible to all users and not for sole private use
Investment aid for local infrastructures	Article 56 General Block Exemption Regulation 2014 (Commission Regulation (EU) No 651/2014, OJ L187)	• related to capital projects only; • allows support for the construction or upgrade of local infrastructures that contribute at a local level to improving business and consumer environment and modernizing and developing the industrial base; • the constructed/upgraded infrastructure will have to be made available to users on an open, transparent and non-discriminatory basis; the price charged to the users shall be a market price; • the eligible costs are the cost of investment in tangible (= physical) and intangible (= non-physical) assets; • an operating profit will be

		- deducted from the eligible costs either as part of the budget forecasts before the investment starts or through a claw-back mechanism after the investment; - the maximum value of the support = the total eligible costs – the operating profit from the investment
Training Aid	Article 31 General Block Exemption Regulation 2014 (Commission Regulation (EU) No 651/2014, OJ L187)	- allows support to deliver training including; - trainers personnel costs (for time participating in training); - trainer and trainee operating costs (excludes accommodation); - advisory service costs linked to training project; - trainees personnel costs for the time they participate in training
Aid for start ups	Article 22 General Block Exemption Regulation 2014 (Commission Regulation (EU) No 651/2014, OJ L187)	- allows support to new small enterprises (new = up to 5 years following their registration; for enterprises that are not subject to registration the period starts from the moment they start their economic activity or are liable to tax for their economic activity) which have not yet distributed profits and have not been formed through a merger; - the support may take the form of loans, guarantees, grants, equity or quasi equity investment, interest rate and guarantee premium reductions
De Minimis	De Minimis Regulation (Commission Regulation (EU) No 1407/2013, OJ L 352/1)	- allows up to €200,000 of support to small and medium enterprises (SMEs) provided in a

		rolling 3 year period (the current financial year + the two previous financial years);
		• - SMEs are obliged to keep record of all De Minims support they have received from different sources;
		• - you must obtain a declaration from the SME that seeks support from you regarding how much De Minims aid they have received within the current financial year and the two previous years;
		• before you start your support for the given SME, you must calculate its value and check if it is not going to bring the SMEs above the €200,000 ceiling;
		• you must inform the SME on the value of your support;
		• you must document all the stages of this process and keep evidence;
		• De Minimis should be used as a last resort – if no other mechanism is appropriate to your project

You need to be aware that you will be responsible for complying with the rules and requirements of the scheme identified for your project, including registration and declarations and ensuring the appropriate evidence is available to match this. Failure to provide evidence that you have done so may result in financial penalties.

State Aid errors can lead to European Structural Investment Funds expenditure being deemed to be ineligible. It is vital that European Union State Aid Regulations are fully met at all stages of the project. European Structural Investment Funds operates within an audit and verification framework that places particular emphasis on compliance with European Union regulations.

You may wish to refer to the European Commission's "Notion of State Aid" guidance and the Department for Communities and Local Government's European Regional Development Fund guidance on State Aid law available at

https://www.gov.uk/government/publications/european-structural-and-investment-funds-state-aid-documents.

Procurement

You will have to ensure and evidence that everything that you buy for the project (be it goods, services or works) has been purchased in a transparent and fair way and provides value for money.

The tendering procedure can be daunting to those who are not used to them. However, if you follow the guidance set out in this document and Annex J, you will comply with the required procedures. If in any doubt, make use of the contacts identified in the relevant section below.

Procurement is a very complex area and auditors always check procurement records in great detail. Errors will result in financial penalties. Usually the penalties are between 5% and 25% of grant value in relation to the purchases in question, however in some cases they can be up to 100%. It is also vital that tendering procedures are rigorously observed to protect your organisation as following these procedures will minimise the risk of allegations of irregularity being made against the Council and individual officers and members.

CHART recommends that successful applicants use the East Sussex Procurement Hub (ESPH) to ensure that best practice is followed for tenders over £25,000 as it allows for specialist advice and guidance and a standardised, compliant procurement process.

East Sussex Procurement Hub:
http://www.wealden.gov.uk/Wealden/Business/Tenders_and_Procurement/EastSussexProcurementHub/Procurement_ESPH.aspx?RD=True

Contact: esph@wealden.gov.uk

The procurement table found in Annex J will help you to decide which procurement procedure to follow based on the value of your contract.

Robust and transparent procurement is required to ensure that Grant Recipients:
• Consider value for money;
• Maximise efficient use of public money;
• Maintain competitiveness and fairness across the European Union.

You will need to confirm at Full Application whether you intend to use procurement, list all planned contracts and demonstrate that the tenders will meet the requirements of ESIF procurement in line with ESIF National Procurements (ESIF-GN-1-001) (Section 15).

You will need to identify whether you are a "Contracting" or "Non-Contracting Authority" as different procurement regulations apply. If you are part of a partnership bid, the Lead Applicant will be responsible for Procurement as detailed in your Partnership Agreement.

- **Contracting Authorities** (eg: State, regional or local authorities) will need to ensure that they comply with Public Procurement Law requirements (Treaty Principles will be used for contracts below the OJEU thresholds).
- **Non-Contracting Authorities** (Private/ third sector) will need to ensure that they comply with National Rules for procurement.

You should then complete Section 1: Procurement structure, policy and planning of the checklist within the [Procurement Aide Memoire for Applicants and Grant Recipients](), below:

Procurement /Evidence on file?	Y/N	To Note
• Copy of Applicant/Grant Recipient's own Procurement Policy (1)including structure chart /job descriptions of those involved in the procurement policy (delegations of authority)		• ERDF Regulations/ERDF Procurement Law Guidelines should be incorporated into/reflected in Procurement Policy • Refer to Chapter 2 and 5 of the ESIF National Procurement Requirements
• Are you a Contracting Authority?		• Written confirmation on file to outline status – particularly where you feel you are not a Contracting Authority • Either within the definition of a "Contracting Authority" under regulation 2 (1)of the Public Contracts Regulations 2015 (PCR 2015)OR if outside of the scope, consider 'Treaty Principles' • Type of Contracting Authority
• Procurement Plan		• Best practice is to outline each of the Procurements planned for your project, covering each of the key stages outlined in chapters 4 and 5 of the ESIF National Procurement Requirements. • Include timescales for each stage of the process and identifying a person who is responsible for the day to day delivery of the procurement as well as the person who will be responsible for carrying out the gateway checks at the end of each stage of the procurement.

CHART recommends that successful applicants use the East Sussex Procurement Hub to ensure that best practice is followed for tenders over £25,000 as it allows for a standardised and simplified process.

The procurement table found in Annex J will help you to decide which procurement procedure to follow based on the value of your contract.

Robust and transparent procurement is required to ensure that Grant Recipients:
• Consider value for money;
• Maximise efficient use of public money;
• Maintain competitiveness and fairness across the European Union.

Publicity

You must publicise the fact that your project is receiving European funding.

The European Commission has set out specific guidelines relating to publicity that must be followed by every organisation that is involved in the delivery of your project.

The aim of these guidelines is to help promote and publicise the activities we've funded and the impact of this money. It is the responsibility of the lead organisation and their partners to ensure that they are being followed at all times.

The consequences of non-compliance are serious and could lead to repayment of some or even all of the funding paid to your project.

Audit and verification checks of your communication activities will be carried out by us, the Managing Authority and the European Commission. It is absolutely vital that projects not only meet the requirements set out here but also retain verifiable evidence that communication activities and publicity materials are fully compliant.

To help ensure the publicity requirements are being implemented in full, it's a good idea to have a named member of your team who is responsible for managing communications and marketing for the project.

The CHART Programme Team will be able to support with publicity and must approve all publicity before it is published.

See Annex K for a detailed guide to the publicity requirements for your project.

Risk Register

The Risk Register is a tool to determine the likelihood of problems occurring during the lifetime of the project, and to identify solutions to prevent or minimise their impact in order to maximise the success of your project.

All Lead Partners will be required to maintain a Risk Register for the project. A template is provided in the application form.

This will be drawn up from the initial version included with your project application and may be amended during your inception visit. Lead Partners may also choose to set up risk registers with their Project Partners.

A good Risk Register should contain:
- A description of each risk – describe the risk in detail. Risks should be foreseeable and realistic.
- The owner – try to be as specific as possible about who owns the risk.
- Probability – How likely it is to happen (Low; Medium; High)
- Impact – How damaging to your project would it be (Low; Medium; High)
- Mitigation – Steps that have been taken to minimise the likelihood and impact

While you will not be able to identify everything that could go wrong with your project, by completing a Risk Register you will be able to put a plan into place to manage problems before they happen.

The sample below relates to a capital project.

Risks				
Please explain the issues and risks identified for the project and how these will be managed and mitigated.				
Risk Description	**Owner**	**Probability**	**Impact**	**Mitigation**
Planning Planning permission for the development is refused	J. Bloggs, Facilities and Development Manager, Bloggs Business Group	L	H	Pre application advice has been sought from the planning authority, with the recommendation to proceed. Consultation on the development has taken place with neighbours in the area – there are no anticipated objections.
Project overruns The development may take longer than anticipated, resulting in an inability to defray funds within the lifetime of the project.	M. Mann, Project Manager, Bloggs Business Group	L	M	Dedicated and experienced project manager and architect will work with contractors to minimise risk. Ensure adequate lag and lead times are present in the project plan

				allowing for minor delays.

<div style="border: 2px solid orange;">

Top Tip
Update your Risk Register frequently during the life of your project to remain ahead of any potential risk.

You can add the Risk Register to every Steering Group Meeting to update and review.

</div>

Match Funding

What is Match Funding?
CHART will only fund up to 50% of your project. You must provide the remaining 50% of your total project costs from eligible public match funding.

In order to be considered "eligible", the match funding you provide must meet certain conditions:

- Match funding must be secured and available at the time of signing the CHART Grant Funding Agreement (in the application form you will have to explain if it is secured or not, and if not, when you are expecting to secure it).
- The Match Funding you provide must be used for exactly the same purpose as the ERDF funding you are applying for, and spent on ERDF eligible expenditure. Capital expenditure can be used as match for revenue and vice versa if part of integrated single project (and subject to conditions).
- Other European Union funds cannot be used as a source of match funding.
- Contributions "in kind" are ineligible as match funding, except for the donation of land and buildings (this is subject to conditions. Please contact the CHART Programme Team if you think this applies to your project).

How do I know if my funding source is public or private?
- In order to be considered "public sector", 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 match funding can also be provided by private bodies designated or controlled by the State.

Sources of match may include:
- Other public funding
- Lottery distributors
- Voluntary and community sector sources

- Private bodies designated or controlled by the State.

For further guidance on eligible match please contact the CHART programme team.

Using staff time as match funding
Funding for eligible staff costs can be used as match, but only when the employer is either the Lead Partner or a Delivery Partner. Volunteer time may not be used as match for ERDF projects.

This must be calculated using the simplified costs methodology detailed in Annex I.

All staff time used as match must be evidenced by the use of timesheets, except where a staff member spends 100% of their time working on your CHART project. Timesheets must account for all hours worked by that staff member and not only those spent working on your CHART project.

Checks on Match funding
Match funding is a prerequisite for receiving CHART funding and must be identified during the application process.

We will ask you to provide evidence of the match funding identified on your application form. This may be in the form of a letter or contract signed by someone in a position of authority.

If you're using your own funds as match, we are likely to ask you for additional evidence to decide whether your organisation can provide public match funding or not. To do this we may wish to look at your accounts for the previous year and financial forecast for the following year.

Evidencing and reporting Match Funding
You will need to keep all evidence of match funding must be kept on file as match funds can be tested as part of the audit process. If evidence of match is not provided it could lead to financial penalties.

Cross Cutting Themes
The Cross Cutting Themes are "Equality and Diversity" and "Environmental Sustainability", Ensuring that the environment and economy work together and that all members of society are able to contribute to their full potential in the economy are key parts of the CHART programme.

Making the Cross Cutting Themes part of everyday life, by raising awareness of Equality and Diversity and Environmental Sustainability can only have a positive impact on individuals, businesses, the community and wider population.

As a result businesses benefit from improved staff motivation, loyalty and morale, and increased productivity.

Equality and Diversity

CHART funded projects must be fully accessible to all.

This means promoting equal access for all, not only the physical access to buildings and events but also the business and employment opportunities offered through your project and the SMEs it supports.

Supporting businesses and individuals who are under-represented in employment and business, and at the same time preventing discrimination on the grounds of the legally protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, or sexual orientation.

The UK Government has adopted the following principles to further integrate promotion of equality into the preparation, implementation, monitoring and evaluation actions of the programme:

- no exclusion on the grounds of protected characteristics;
- projects are designed to meet the needs of all potential participants;
- services are responsive to the needs of all communities and under-represented groups;
- support is targeted towards under-represented communities where relevant;
- responsiveness to, and inclusiveness of, under-represented groups in delivery and management.

We would expect all Projects to have a Gender Equality and Equal Opportunities Policy and Action Plan.

Your equality policy and plan will undergo **an initial basic assessment** at application stage to ensure that a basic policy and plan exist and that the key elements of the policy and plan have been drafted. **Passing the basic assessment is not, in itself, a full endorsement of the policy / plan.**

The policy and plan are working documents and are expected to be subject to **continuous improvement**. The policy and plan may well need to be amended / updated should your application be approved. This will be discussed in light of contract management and monitoring of your project.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/453888/England_ERDF_operational_programme_FINAL_140815.pdf

Environmental sustainability

Managing the impact on the environment of the European Funding investments is a key underpinning principle of CHART.

From the outset, all projects are required to review the impact they will have, whether positive or negative and to look at options to ensure best practice is used wherever possible from designing new buildings or infrastructure to the highest "green"

standards, or managing the travel and behaviour of staff involved in supporting businesses such that their impact on the environment is minimised.

Many of the buildings built using ERDF Convergence investment receive a BREEAM Excellent rating. **BREEAM** is the world's leading design and assessment method for sustainable buildings.

FAQ

Frequently asked questions can be found on the CHART Microsite at [hyperlink]. These are updated regularly, so please check frequently for changes. If you have a question, contact the CHART Programme Team (CHART@hastings.gov.uk).

Glossary of Terms

"Hastings Borough Council"
Local Authority in the Hastings area and the Accountable Body and Programme Administration for CHART.

"Ministry of Housing, Communities and Local Government"
The Managing Authority for ERDF

"Accountable Body"
Hastings Borough Council, acting as the recipient of ESIF grant for the purposes of CHART CLLD.

"CHART"
Connecting Hastings and Rother Together. A community-led local development programme that accesses European Structural and Investment Funds.

"LSOA"
Lower Super Output Area. A fixed area with a small population.

"IMD"
Indices of Multiple Deprivation.

"Programme area/ CHART area"
CHART LSOA areas as identified in the CHART Local Development Strategy

"Project"
An individual project applying to or securing funds from the CHART CLLD Programme.

"The Council"
Hastings Borough Council.

"Grant Applicant"
The organisation applying for CHART funding.

"Grant Recipient"
The organisation awarded CHART funding.

"ESF"
European Social Fund.

"ERDF"
European Regional Development Fund.

"DWP"
Department of Work and Pensions (Managing Authority for ESF funding)

"MHCLG"
Ministry of Housing, Communities and Local Government (Managing Authority for ERDF funding)

"LAG"
CHART 'Local Action Group' Board.

"EDG"
CHART Executive Delivery Group

"CHART LDS"
The CHART Local Development Strategy

"Work Package"
The individual packages of funding that the CHART programme is divided into.

"Lead Partner"
Applies for and administers CHART funds on behalf of a group of applicants.

"Grant Funding Agreement"
Legal agreement detailing terms and conditions of the CHART grant. This agreement is between Hastings Borough Council and the Grant Receipient.

"GDPR"
General Data Protection Regulation.

"Grant Recipient Induction"
Formal induction process

"Targets"
Deliverables that must be achieved by your Project

"Participant"
An individual or business who is an end beneficiary of the programme.

"Beneficiary"
The individual or business who will ultimately benefit from your Project

"Partnership"
Two or more organisations working together as partners. Partnerships must have a Lead Partner.

"Procurement"
The act of obtaining or buying goods or services.

"Logo"
The ESF, ERDF or ESIF logo.

"Cross-cutting themes"
Equality and Diversity and Sustainable Development

"Indirect Costs"
Costs arising as a result of direct costs, including overheads.

"Flat Rate costs"
Costs which are calculated based on a set percentage.

"Eligible Expenditure"
Expenditure that is eligible under the provisions of the Eligibility Rules for ERDF.

"Defrayed"
Payment of costs or expenses

"Claim"
The Claim documentation submitted to the Accountable Body on a Quarterly basis.

"Major Asset"
An Asset which is not a Fixed Asset but has a value as at the date of this Funding Agreement (or date of acquisition if the acquisition is funded (in whole or in part) by this Grant) of at least £5,000.00 (five thousand pounds).

"Fixed Asset"
An Asset which consists of land and/or buildings, plant, machinery or other thing that is, or is to be, fixed to any land and which is to be acquired, developed, enhanced, constructed and/or installed as part of the Project.

"Match Funding"
The contribution to the Project to meet the balance of Eligible Expenditure not supported by Grant and the Match Funding details are contained in the Project Specific Conditions.

"Enterprise"
A business or undertaking.

"New Enterprise"
A new business or undertaking.

Annexes

This section contains all the Annexes relating to the content within this handbook.

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Annex A: CHART Areas (LSOAs)

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	

Project activity must be based within the CLLD programme area defined in the Connecting Hastings & Rother Together (CHART) Community Led Local Development Strategy (www.hastings.gov.uk/content/chart/docs/local-development-strategy.pdf). Activity that is not aligned with this strategy is ineligible for support and must not be included in grant claims.

Any costs, outputs or results associated with beneficiaries based outside the CLLD area will be ineligible for European Regional Development Fund support and must not be included within grant claims.

However, activity with beneficiaries based outside the areas will still be monitored on a yearly basis and therefore records will need to be kept accordingly.

Annex B: CHART Claim Progress Report

Programme period 2014 - 2020, Community Led Local Development, European Social and European Regional Development Fund

Project Progress Report

CHART PROGRAMME

Grant Recipient	
Project Name	
Project Reference Number	
Claim Number	
Claim Period	

You'll submit this report to us at the end of each quarter. It gives us a detailed picture of how the grant is being spent and how the project is performing.

Please refer to the CHART Grant Recipient Handbook (www.hastings.gov.uk/chart/project/) for further information on completing this report.

Your claim may be returned if any of the information is considered insufficient or incorrect.

Attachments

Tick each box to confirm that you are sending us:

- your CHART Claim Form ☐

- your CHART Transaction list ☐

- your CHART Participant Data Schema- (ESF Only) ☐

1. PROGRESS

Physical Progress - Please report on the actual activities undertaken in the claim instalment period. This should relate back to the scope of activities outlined in your full application and Funding Agreement. If there have been any delays or issues encountered in the period these should be detailed along with measures to address them.

1.1 Financial Performance - Note - this should draw on the information provided within the 'Expenditure Actual and Forecast' section of the claim form.

This section should cover project performance in terms of actual expenditure against the profiled values contained in the Funding Agreement. Consideration should also be given to forecast expenditure and whether the project is still on track and to budget. Any expenditure slippage should be explained and justified with plans outlined on how the slippage will be addressed. Any potential overspend or a request to re-profile expenditure should be flagged up here.

1.2 Outputs - Note - this should draw on the information provided within the 'Output details' and 'Outputs Actual and Forecast' section of the claim form.

Actual achievement of targets and forecast against the profile outlined within the funding agreement. Identify any issues relating to measuring/ evidencing targets or take up of from participants/ businesses.

Variances from the contracted profiles i.e. 'slippage' should be explained and detail provided of remedial measures to bring things back on track.

Any actual or anticipated under performance with a variance greater than 15% from the contracted targets may result in de-commitment or withdrawal of ESIF funding in line with underperformance policy and you should discuss such situations with the CHART Project Delivery Animator in the first instance.

Any request to re-profile project outputs should be outlined here.

1.3 Specific Conditions

Please report progress on specific conditions in the project Funding Agreement.

1.4 Income (ERDF only)

Income generation from any activities of the project should have been set out in your full application and considered during appraisal. Any income received as a result of ERDF funded activity needs to be taken into consideration and will impact on the amount of grant available to you.

If income generation was anticipated within your application, the applicable EC regulation, referred to as Article 61 and 65 (8)), will be included within your funding agreement under Project Specific Conditions. **Therefore if income generation is applicable you will be required to report on the values generated, both on the cover sheet of the ERDF claim and within this section of the progress report.**

For the interim claim process, projects that generate income during implementation of the project (Article 65 (8)) are required to report on the amount of income generated in the claim period. The income reported on the progress reports will be deducted from a future claim when E-Claims is fully operational.

In addition please declare any unexpected income within this section of the progress report.

Income Description	Amount (£)

Total	

1.5 Match Funding

Please report on the match funding received during the claim instalment period as well as the cumulative values received to date.

This should follow the format below and if necessary be split into both capital and revenue funding packages.

Any potential changes to the funding package should also be detailed. Any changes to match funding available may have implications on the amount of CHART funding the Accountable Body is able to authorise.

Match Funder (source of funding detailed in Funding Agreement)	Match Funding Received this Claim Period	Cumulative total to date (£)	Contracted Value (£)
Source A			
Source B			
Total			

1.6 Equal Opportunities & Sustainable Development

Report on how what improvements/updates/amendments have been made to show how Equal Opportunities and Sustainable Development governance, policies and implementation/action plans have progressed in the claim instalment period.

2. Looking Ahead

2.1 Milestones and Planned Activity Please insert the project milestone table from the Full Application and update on progress. Please also report on key activities that are planned for the next claim instalment period including any key dates or events.

2.2 How prepared are you for the next part of your project?

	Everything is on track and you don't expect any problems	A problem may arise but you're confident you can handle it	A problem is likely to arise that could seriously affect your project.

A problem is likely to arise that could seriously affect your project.	☐	☐	☐
Your ability to control project costs	☐	☐	☐
Your ability to get or train staff and other resources you need for this project	☐	☐	☐
Your ability to achieve your targets or outcomes	☐	☐	☐
Your ability to deliver the cross-cutting themes	☐	☐	☐
Your ability to monitor the participants engaged in the project	☐	☐	☐
Your ability to implement the publicity guidelines across the project	☐	☐	☐

Explain what challenges you're facing and how you're planning to manage it. Please tell us if there are ways you think we can help:

3. PROJECT ISSUES AND CHANGES

If not covered previously, please report on any issues or significant changes to the project that will have impact upon the deliverables, programme and budget. If applicable the project change request form should be completed; if you are unsure about this please discuss with the CHART Project Delivery Animator.

4. STATE AID

State Aid measures applicable to the project will have been identified at appraisal and will be detailed in the Funding Agreement. Please complete the following tables where appropriate.

If for any reason any measure not agreed at appraisal has been utilised this should be detailed within this section although this should have been discussed beforehand with the CHART Project Delivery Animator.

Please seek guidance from the CHART Project Delivery Animator if you are unsure how to complete this section.

4.1 De Minimis aid

Amount of State Aid Received as a grant recipient since the last reporting period	
State Aid Measure	Amount of Aid Received (£)

Please report on funding received this quarter and how you have allocated this within your GBER (s) scheme (s):

Organisation providing the assistance/aid	Date of assistance	Value of assistance	Programme Value	Aid Intensity (see below)	Nature of assistance (broken down as required)	Detail of each General Block Exemption applied and threshold reached

Aid Intensity: Particular aid intensity limits are specified for each scheme approved under a block exemption or other framework. These determine the *maximum level of public funding* that can be given under the rules that apply to your project, and are expressed as a percentage of the total costs eligible for support.

Please identify any changes in your project under your GBER regulation, such as

aid intensity, further state aid investment in the project etc.

4.3 Beneficiaries receiving State Aid as part of your project:

In delivering the project aid dispersed to SME beneficiaries since the last reporting period

State Aid Measure	Amount of Aid Dispersed (£)	Beneficiary reference number	Claim quarter/date (document company information recorded)

If there are beneficiaries who have received State Aid as part of this project and are not classed as an output please complete the following table (add more rows if required):

State aid measure	Amount of aid dispersed	Company number	Company name	Date of assistance

Please append any statement of previous aid received under the De Minimis Exemption to this progress report.

5. BRANDING & PUBLICITY

Please report on any publicity activity that has taken place during the claim instalment period. This may include publicity material, leaflets, banners or stationery and any press releases, newspaper articles or publicity events – please submit evidence with claim where available.

6. PROCUREMENT

Please report on any procurement within this claim instalment period and any planned procurement within the next claim period.

7. DECLARATION

You confirm that:

- the information in this report is accurate and true

- the money from the ESF or ERDF has been used exclusively for the project described in the original application, together with any changes you've agreed with us since then

- there haven't been any significant changes to your project or the governance of your organisation or partnership apart from any you've told us about and we've agreed to in writing

- you haven't received any duplicate funding for the activities, services or facilities the ESF or ERDF funding is paying for

- you have sought to achieve value for money for your project by securing goods and services at reasonable prices

- your organisation keeps full and proper accounts and records, including invoices and receipts, which show how the money from ESF/ERDF has been used

- your organisation has implemented its equalities policy and, if working with children, young people or vulnerable adults, a safeguarding policy; these policies are carried out and regularly reviewed to ensure they adhere to current legislation and regulations

- your organisation hasn't disposed of any funded assets without getting permission from us in writing

- your organisation is following all current statutory requirements and other laws and regulations relating to the project and its working including: adherence to employers' liability insurance; procurement regulations; the national minimum wage; the working time directive; health and safety; safeguarding of children,

young people and vulnerable adults; data protection and intellectual property rights legislation.

Name:	Signature:
Job title:	*-Insert electronic signature-*
Organisation:	
Date:	

Annex C: CHART Claim Form

The CHART claim form can be found on the CHART microsite at [link here]. If you cannot access the form online, please email the CHART Programme Team for a copy CHART@hastings.gov.uk.

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Annex D: CHART Transaction List

The CHART transaction list can be found on the CHART microsite at [link here]. If you cannot access the list online, please email the CHART Programme Team for a copy CHART@hastings.gov.uk.

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Annex E: Apportionment methodologies

Apportionment of capital costs (Work Package 1 only)
Follow where the project involves:
- The construction of premises or
- The creation/ purchase of assets

And
- It is deemed that the asset will be used for non ERDF purposes during its economic lifetime.

Then the associated eligible costs will be apportioned on the basis of forecast eligible usage.

This method of apportionment used must be clear, transparent and agreed with the Accountable Body before it is adopted.

The economic lifetime of a Major or Fixed asset is five years from the last payment made by the Accountable Body to your project.

Flat rate indirect costs
The 15% flat rate enables the calculation of **all indirect costs** attributable to a project without the need for complex apportionment or overhead methodologies or checking of evidence/audit trail associated with indirect costs.

You can only include indirect costs at a flat rate of 15% of eligible direct staff costs (Annex I). An indirect cost is a cost which would normally be shared or apportioned e.g. premises and running costs shared with non-project staff and activity, such as office overheads.

Apportionment of direct costs
Direct costs cannot be apportioned. A general rule of thumb is that if a methodology is required to calculate the cost to the project it would be classed as indirect.

Annex F: Underperformance methodology

The methodology below will be used to run scenarios and assess appropriate financial penalty for an operation's underperformance in delivery of outputs.

The methodology is flexible and allows:

1)   Outputs to be varied according to what has been contracted / is most appropriate for specific Priority Axes and individual operations.

2)   Weightings to be varied depending upon the level of underperformance :

a)   Where underperformance is between 16% and 25% a weighting of 5% would normally be applied

b)   Where underperformance is between 26% and 50% a weighting of 10% would normally be applied

c)   Underperformance of over 50% would normally result in a weighting of at least 15%.

NB: Variance of up to15% would normally be dealt with via change request. Although the Project Change Request is usually used to amend targets below 15%, the Managing Authority may choose to use the methodology to assess the value of these changes.

Methodology for calculating penalty for operation underperformance						
		Methodology				
	OUTPUTS TO BE INCLUDED IN THE CALCULATION (Up to 4 outputs to be selected according to Priority Axis and those contracted for this operation)		Output 1	Output 2	Output 3	Output 4
			Output reference / ID	Output reference / ID	Output reference / ID	Output reference / ID
			Output description / Indicator	Output description / Indicator	Output description / Indicator	Output description / Indicator
			NB: will be Performance Framework output where contracted			
Basic facts	Total Project Value (a)	£ value as per schedule 1 of FAL / details as per latest variation				
	Contracted Target (b)		Number contracted as per schedule 3 of FAL	Number contracted as per schedule 3 of FAL	Number contracted as per schedule 3 of FAL	Number contracted as per schedule 3 of FAL

			Number actually achieved at time of calculation	Number actually achieved at time of calculation	Number actually achieved at time of calculation	Number actually achieved at time of calculation
Calculated Variance	Evidenced / actual achievement (c)					
	Variance (number) (d)	(b) - (c)	(b) - (c)	(b) - (c)	(b) - (c)	(b) - (c)
	Variance (%) (e)	(d) / (b) x 100	(d) / (b) x 100	(d) / (b) x 100	(d) / (b) x 100	(d) / (b) x 100
Weighting	Up to 15% below target = normally deal with via project change process 16% and 25% below a weighting of 5% would normally be applied 26% and 50% below a weighting of 10% would normally be applied Over 50% below would normally result in a weighting of at least 15% (f)	(f)	identify weighting as appropriate (see e). B: Where a project has overachieved the variance (e) will appear as a negative figure. The corresponding % as a negative (using the criteria here) should be added as the weighting against the indicator. This allows for the overachievement to be taken into account in the calculation of the penalty.	identify weighting as appropriate (see e). B: Where a project has overachieved the variance (e) will appear as a negative figure. The corresponding % as a negative (using the criteria here) should be added as the weighting against the indicator. This allows for the overachievement to be taken into account in the calculation of the penalty.	identify weighting as appropriate (see e). B: Where a project has overachieved the variance (e) will appear as a negative figure. The corresponding % as a negative (using the criteria here) should be added as the weighting against the indicator. This allows for the overachievement to be taken into account in the calculation of the penalty.	identify weighting as appropriate (see e). B: Where a project has overachieved the variance (e) will appear as a negative figure. The corresponding % as a negative (using the criteria here) should be added as the weighting against the indicator. This allows for the overachievement to be taken into account in the calculation of the penalty.
	Indicator value (£) (g)		(a)*55	(a)*15	(a)*15	(a)*15
Establish the value of the variance for each indicator as a proportion of the value of the operation.						
Penalty	Underperformance value (£) (h)		(g) x (f)	(g) x (f)	(g) x (f)	(g) x (f)
	Potential Reduction Value (£) (i)	sum all (h)s				

Annex G: ERDF Output Definitions for CHART

The following information provides a summary of the definitions for CHART ERDF outputs, further information and guidance on these outputs can be found within the Output Indicator Definitions Guidance for the European Regional Development Fund, v4 March 2017.

(C1) Number of enterprises receiving support	
Unit of measurement	Number of enterprises

Count Criteria:
What can be recorded against this indicator?
	The type of support includes consultancy, information, diagnostic advice and guidance to individual businesses, as well as financial assistance for investment that results in the production of goods and/or services.
	• This output indicator covers all size of business - sole trader, micro business, small and medium-sized enterprise, large business. It includes social enterprises where these engage in economic activity.
	• Specific calls for proposals or specific conditions may require those running projects to work with particular types of businesses. Furthermore, eligibility rules and in particular state aid rules may limit the type of businesses that may be supported.
	• Assistance counted can include initial diagnostic and assessments, as well as any defined subsequent support.
	• The method for delivering assistance can be face-to-face, telephone or web-based dialogue, through conferences, seminars, meetings, and workshops dependent on the needs of individual businesses.
	• Assistance can include one-to-one or in groups.
	• Activities should support the project's objectives and be directed towards ultimately improving the performance of the business.
	• Support can be provided across a range of activity including:
	    o Management/leadership support
	    o Corporate and social responsibility
	    o Access to new supply chains, and markets including new international markets.
	    o Marketing
	    o Innovation and commercialisation of R&D
	    o Process improvement, quality assurance.
	    o Access to Finance Support

	- o Direct loans and financial instruments - o Resource efficiency. - The list of activity above is not exclusive. Any support can be counted if this is consistent with national eligibility rules and the operational programme and addresses a genuine business need established through a diagnostic or other assessment.
Count Threshold : What is the threshold or minimum requirement for recording (one count) of this indicator?	To count one instance of this indictor you must provide evidence to demonstrate the ERDF project has provided the following: For non- financial support: 2 days (12 hours) active consultancy support. Multiple Counting: A specific business can only be counted once by a project. Multiple instances of financial or non-financial support within a project cannot be counted multiple times. Separate projects may count the same business where they provide the level of support meeting the criteria above in separate interventions. Each individual support claimed should have a unique indicator.
Count Exclusion: What activity cannot be counted against this indicator?	- The 12-hour support excludes travelling and preparation time; it is only the actual time delivering the support to the business that can be counted. - Distribution of mail-shots and brochures (electronic or hard copy) are excluded. - Activity already counted toward achieving Indicators for ERDF outlined in this note cannot be double counted. - Any businesses ineligible for ERDF support under national eligibility rules are excluded.
Verification Evidence: What records need to be retained to count this indicator?	**Record of business** - Name, address including post code, contact details, company registration number (CRNs) if applicable. Each enterprise should have a unique identifier at operational level during the course of the project. **Support claimed through hours supported** – record, electronic or paper, of support over the minimum threshold verified and signed by a senior member of staff in the enterprise assisted, including time period claimed. **Support claimed for direct financial support -** copy of a signed loan agreement signed funding agreement or other risk finance investment documentation demonstrating that value over minimum threshold has been provided to the business, with a unique identifier.
Additional Information	Types of additional data which will need to be

Required for Indicator	provided:
	• For enterprises: details of the size of the enterprise, sole trader, small and medium-sized enterprise, large company.
	A small and medium-sized enterprise covers enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million Euro, and/or an annual balance sheet total not exceeding 43 million Euro (in accordance with the definition laid down in EU Regulation No 1303/2013 within the meaning of Commission Recommendation 2003/361/EC4).
Relationship to other Indicators	**Indicator C1 is the primary output for enterprises supported.** **C1 subsets** Indicators C2-C5 are subsets of indicator C1. All instances reported under C1 under priority axis 1 and 3 should also be reported under one or more of the following: • C2 – Enterprises receiving grants • C3 – Enterprises receiving financial support other than grants • C4 - Enterprises receiving non-financial support • C5 - New enterprises supported **Other outputs related to C1** Enterprises reported under C1 and one of the above subsets may also be reported under the following where they meet the relevant definition, criteria and count threshold: • C28 - Enterprise supported to introduce new product to market • C29 - Enterprise supported to introduce new product to firm Multiple counts of these indicators *do not* increase the number of enterprises supported under C1. **Enterprises reported under P13** Indicator P13 for 'Enterprise receiving information, diagnostic and brokerage' may also be reported under C1, but only where they have met the C1 count threshold of 12 hours. The 3 hours of support under P13 can be counted towards the 12 hours needed for an output under C1.
Notes	Business is the term commonly used in the UK; the EU Regulations use enterprise.

(C5) Number of new enterprises receiving support

Unit of measurement	Number of Enterprises
Count Criteria: What can be recorded against this indicator?	• This is a subset of indicator C1 – therefore Count Criteria under C1 must be fulfilled. • Activity must be to support a new business or a business locating in the England programme area for the first time. A new business is one which: • has been registered at Companies House or HMRC for less than 12 months before assistance is provided; or • is a business locating in the England programme area for the first time, to start trading (i.e. registers for VAT, or registers for National Insurance (Class 2) contributions, or the start date of a company's first accounting period, or the date a business receives risk finance investment prior to its first commercial sale). Businesses locating are defined as: • new to the England programme area or branches of businesses which remain established outside the UK.
Count Threshold : What is the threshold or minimum requirement for recording (one count) of this indicator?	This is a subset of indicator C1 - **Count Threshold is as C1.**
Count Exclusion: What activity cannot be counted against this indicator?	This is a subset of indicator C1 - Count Exclusion is as C1. The same business cannot be counted at different phases of its growth, as this would be double counting.
Verification Evidence: What records need to be retained to count this indicator?	In addition to the evidence required for indicator C1: **Evidence of a new business** – the company incorporation statement/registration or letter or standard form to collect the data signed by a senior officer of the business e.g. the owner/chief executive officer.
Additional Information Required for Indicator	
Relationship to other Indicators	Enterprises reported under C1 and its subsets (C2, C3 and C4) may also be reported under C5 where they meet the relevant definition, criteria and count threshold.
Notes	

(C8) Employment increase in supported enterprises	
Unit of measurement	Full-time equivalents
Count Criteria: What can be recorded against this indicator?	- A new, permanent, paid, full-time equivalent (FTE) job created as a result of activity supported by project. - New means it should not have existed with that employer in the England programme area before the intervention. - Permanent means it should have an intended life expectancy of at least 12 months from the point at which it is created. A full-time equivalent (FTE) job created can be counted even if it does not last for 12 months provided there is contractual evidence that the intended life expectancy of the job was 12 months. The indicator applies to all sizes of enterprise, but eligibility rules or project selection criteria may restrict the scope of activity.
Count Threshold : What is the threshold or minimum requirement for recording (one count) of this indictor?	This indicator can be counted when: - A job with an intended life expectancy of 12 months was created. Date of creation is the day the new employee starts work in the enterprise - When the 36 hours per week threshold is reached. Part-time jobs should be treated on a pro-rata basis. - A job which results in an overall increase in the employment levels of the supported enterprise. Seasonal jobs may be counted where this is normal practice for an industry. The job must exist for a minimum of 4 weeks per annum and is counted on a pro-rata basis.
Count Exclusion: What activity cannot be counted against this indicator?	Jobs which are created to directly set up the project's activities, including construction jobs, do not count as an increase in employment in supported enterprises, as these are inputs to rather than outputs of the operation. Jobs which have been created as a result of realignment of posts across the enterprise. **Jobs which have been safeguarded.**
Verification Evidence: What records need to be retained to count this indicator?	Job Created: written confirmation from senior member of staff in the supported enterprise, confirming the creation of a post within the England programme area as a result of the support provided. This should include details of the job as advertised and started, duration, and the number of hours per week.

	A sole trader will need to provide a self-declaration to confirm details of post started, salary, duration and number of hours per week.
	In both of the above instances the written confirmation should include the following text:
	"At the time the project funding agreement was signed the enterprise had X employees. At the time of the final claim the project this has risen to X. The new post(s) has (have) resulted in an increase in employment within the enterprise and is not as a result of a realignment of posts across the organisation nor a post(s) which has been safeguarded."
Additional Information Required for Indicator	Projects need to provide basic information about the individual they support relating to: • Gender: Male/Female/ Prefer not to say • Age: The following age categories should be used: 16-24/25-29/30-34/35-39/40-44/45-49/50-54/55-59/60-64/65+/Prefer not to say • Disability: "Do you consider yourself to have a disability?" Yes/No/Prefer not to say • Ethnicity: White/Mixed / Multiple ethnic groups/Asian / Asian British/Black / African / Caribbean / Black British/Other ethnic group/Prefer not to say
Relationship to other Indicators	• This indicator will result from some form of support to an enterprise. For the avoidance of doubt, providing all other evidentiary requirements associated with this output (C8) are met C8 outputs may be claimed in cases where the support/assistance provided by the project to the enterprise in which the employment is increased does not reach the threshold required to trigger a C1 output. The support can create a multiple of employment outputs.
Notes	**Q. Does the type of business created make a difference to whether we can count a job as well?** **A.** The type of business is not relevant providing it is consistent with the National Eligibility Rules. **Q. Can helping individuals to obtain voluntary work count as employment and meet the criteria for this output?** **A.** No – the indicator is limited to paid employment. **Q. If we train people in construction skills with the aim of them becoming self-employed, can we count them under increase in employment?** **A. No.**

Number of individuals

(P11) Number of potential entrepreneurs assisted to be enterprise ready	
Unit of measurement	**Definition**

Count Criteria: What can be recorded against this indicator?	Assistance must be focussed and reported on the following target groups:
	 • individuals aged 25 and over currently in employment, unemployed or economically inactive with an interest in exploring alternative career pathways
	 • Pre-start support provided to a potential entrepreneur may be recorded as eligible activity. This applies to entrepreneurs who are not trading and have not been registered with Companies House or HMRC before assistance is provided.
	 • The assistance will involve some form of direct interaction with individuals. This may be one-to-one or in groups and take the form of coaching, mentoring, and workshops constituting part of the enterprise journey. It could therefore include:
	     o Workshops and sessions to develop understanding of the issues of starting a business;
	     o Coaching and mentoring to nurture behaviours, values and dispositions to support self-employment and new businesses start up;
	     o Support to explore appropriate business opportunities, for example franchise, social enterprise, building enterprise teams;
	     o Community enterprise coaching – using community-based infrastructures to support people to overcome barriers and actively explore starting a business;
	     o Supporting those in employment to consider business start-ups and ownership as a career opportunity.
	     o The method for delivering assistance can be face-to-face, telephone or web-based dialogue, through conferences, seminars, meetings and workshops dependent on the needs of individual businesses.

Count Threshold : What is the threshold or minimum requirement for recording (one count) of this	To count one instance of this indicator you must provide evidence to demonstrate the ERDF project has: • provided at least 2 days /12 hours of

indicator?	assistance to the individual.
Count Exclusion: What activity cannot be counted against this indicator?	• Individuals who are under 25 cannot be counted. • Multiple counts of the same individual within a project is excluded. • Assistance which is provided in the form of mail shots either electronic or hard copy is excluded. • Signposting activity alone will not count as a form of assistance
Verification Evidence: What records need to be retained to count this indicator?	**Individual:** • Name, date of birth, address, postcode. *Data protection: By completing the monitoring returns, programmes agree to the data they provide the managing authority being used to collate reports on national and regional ERDF activity for publication. In accordance with Data Protection regulations, any data on individuals will not be shared with anyone else without the expressed permission of the project in question.* Activity: • Letter or standard form signed and dated by the individual specifying what assistance they received and on what date(s).
Additional Information Required for Indicator	The unit of measurement is the individual (potential entrepreneur), not whether they actually go on to start a business. However, it is likely that rate of business start-up will need to be tracked as part of project and programme level evaluation. Projects will need to provide basic information about the individual they support relating to: • **Gender:** Male/Female/Prefer not to say • **Age:** The following age categories should be used: 16-24/25-29/30-34/35-39/40-44/45-49/50-54/55-59/60-64/65+/Prefer not to say • **Disability:** "Do you consider yourself to have a disability?" Yes/No/Prefer not to say • **Ethnicity:** White/Mixed / Multiple ethnic groups/Asian / Asian British/Black / African / Caribbean / Black British/Other ethnic group/Prefer not to say
Relationship to other Indicators	
Notes	

(P12) Public or commercial buildings built or renovated

Unit of measurement	Square metres (m2)
Count Criteria: What can be recorded against this indicator?	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.
Count Threshold : What is the threshold or minimum requirement for recording (one count) of this indictor?	• Not applicable
Count Exclusion: What activity cannot be counted against this indicator?	• Areas which have been identified as ineligible in the application and funding agreement are excluded. • Instances where an existing building is purchased but there are no improvements or building work undertaken on it as part of the project are excluded.
Verification Evidence: What records need to be retained to count this indicator?	• Address of premises including postcode. • As built drawings showing floor space
Additional Information Required for Indicator	
Relationship to other Indicators	
Notes	

Annex H: CHART Pre-Entrepreneur/ Business File

The CHART Pre-Entrepreneur/ Business File can be found on the CHART microsite at [link here]. If you cannot access the file online, please email the CHART Programme Team for a copy CHART@hastings.gov.uk.

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Annex I: Eligibility of costs

Eligible Capital Expenditure

All capital expenditure must fit the scope and objectives of Article 3 of the ERDF regulation and the Operational Programme and relates to a specific Call for proposals.

Capital costs for CHART must fit within one of the following expenditure headings:
- Land acquisition
- Building acquisition
- Site investigation
- Site preparation
- Building and construction
- Plant and machinery
- Research equipment
- Associated fees

Capital expenditure is not eligible if it:
- Is not directly related to the delivery of an activity, eg buildings that are not directly linked to the cost and purpose of the operation.
- Is a cost incurred that exceeds market value.
- Is a depreciation cost
- Is a notional amount (all amounts must be actual)

The cost of purchasing land may not exceed 10% of total eligible operational costs, 15% in the case of derelict sites/ former industrial sites with buildings.

Both Fixed and Major capital assets must be utilised for the approved use as described in your application for <u>five years</u> after the anniversary of the final payment made to you by the Accountable Body.

All the types of costs mentioned above must be paid for (= payment to leave your bank account) after the start date of your project and before the end date of your project.

Eligible Revenue Expenditure

Revenue costs for CHART must fit within one of the following expenditure headings:
- Direct staff costs
- Other direct costs
- Indirect costs

Direct Staff Costs

Direct staff costs for staff directly working on the project:
- salaries and on-costs including NI and superannuation and benefits which are part of the contractual conditions (taxable incentives linked to pay and pension contributions),

- includes internal (employed) staff or external staff (employed through agencies and/or by named delivery partners),
- please see below more information on how to calculate direct staff costs for staff members who work on more than one project;

Direct costs
Direct costs which are other costs directly related to the delivery of the project (not shared or apportioned):
- Contractors and consultants who have been procured to work on the project and claim against their invoice value,
- Fees (e.g. of independent consultants / contractors),
- Accounting and audit costs,
- Bank transaction costs,
- Marketing, publicity and evaluation,
- Stationery, consumables,
- Business trips, other travel and subsistence,
- Equipment used exclusively for the project,
- Premises costs and running costs (e.g. rent, gas, electricity, water, insurance) if used exclusively for the delivery of a project,
- Other procured goods/services/works directly related to the delivery of the project and not shared or apportioned;

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

All the types of costs mentioned above (apart from indirect costs) must be paid for (= payment to leave your bank account) after the start date of your project and before the end date of your project.

Ineligible Costs
Types of costs that **cannot** be included in your project budget:
- Notional amounts (e.g. fees charged between departments within the same organisation, staff hours that might have been worked by staff on maternity/paternity/sick leave),
- Second-hand equipment that has previously been purchased with European grants,
- Costs exceeding market value,
- Debt interest,
- Lost opportunity costs,
- Costs paid for (= payment left your bank account) before the start date of your project or after the end date of your project,
- Costs in relation to activity intended to influence or attempt to influence the UK Parliament, Government, political parties or European Union institutions,
- Costs in relation to activity attempting to influence the awarding or renewal of contracts or grants,

- Costs in relation to activity attempting to influence legislative or regulatory action in the UK of the EU.

Staff working part-time on your project
If a staff member shares their time between more than one project, then in your budget you can only include the number of hours they actually spend on this project. To do so:
- you will need to know the exact number of hours the staff member worked on the project each month (at the application stage you need to estimate it);
- they must keep monthly timesheets recording 100% of their time (not just the time spent on the project!);
- timesheets need to be signed by the staff member and their manager and include enough detail;
- you will need to multiply the number of actual hours by their individual hourly rate (please see below info on how to calculate it).
- you will need to supply a letter from HR or a change in contract to reflect hours worked on the project

Costs related to maternity / paternity / sick leave are only allowed in relation to staff who work solely on the project. If other individuals are required to backfill and undertake work on the project as a result of someone's absence then that individuals' hours (if evidenced by timesheets) can be charged to the project.

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.

If your project is longer than 1 year, this calculation will be updated annually. The 'latest documented annual gross employment costs' should be evidenced by a payroll report illustrating previous 12 consecutive months' payments. For new posts or those less than 12 months old, the salary used must be comparable to those in existence for posts on a similar grade (where there is no direct benchmark, a job description, contract of employment and rationale for proposed salary should be provided). Individuals returning from maternity/paternity leave or long term sick leave (where the 12 month reference period may show reduced or no payments) should be treated as a new post.

Annex J: Procurement

You will have to ensure and evidence that everything that you buy for the project (be it goods, services or works) has been purchased in a transparent and fair way and provides value for money.

The tendering procedure can be daunting to those who are not used to them. However, if you follow the guidance set out earlier in this document and in this Annex, you will comply with the required procedures. If in any doubt, make use of the contacts identified in the relevant section below.

Procurement is a very complex area and auditors always check procurement records in great detail. Errors will result in financial penalties. Usually the penalties are between 5% and 25% of grant value in relation to the purchases in question, however in some cases they can be up to 100%.

We recommend that you use the table below to decide what procedure you need to follow:

Value	What to do?	Advertising?
Contact Type A £0 – £2,499	You can buy what you need without competition but you have to be able to evidence that the price is not excessive.	No
Contract Type B £2,500 – £24,999	You need to collect 3 written quotations.	No
Contract Type C £25,000 – up to £164,176 for supplies and goods or £4,104,394 for works*	Formal tender in line with Interpretative Communication	Yes, on the Contracts Finder and your website. It is recommended that you use East Sussex Procurement Hub for contracts of this value.

thresholds relevant for the period 1 January 2016 – 31 December 2017. They are updated every two years.

All these values are net of VAT.

You cannot artificially divide your purchases to lower their individual value. E.g. if you are planning 5 training sessions and would like to find a catering company to provide lunch for participants, you should estimate your catering costs based on 5 sessions and not just 1.

If you are estimating that the value of your purchase may be very close to one of the thresholds listed above, we recommend that you use the more rigorous procedure.

If you are going to carry out a formal tender, we recommend that you contact us for further guidance and support and that the procurement is carried out by staff experienced in this area.

You can find more details in:

- ESIF National Procurement Requirements
- Procurement Aide Memoire for Applicants and Grant Recipients

These are available here:
https://www.gov.uk/government/publications/european-structural-and-investment-funds-procurement-documents

Annex K: Publicity requirements for ERDF programmes

This annex relates to any publicity or promotional materials or campaigns that will form part of your project. Some of these are mandatory e.g. the erecting of a billboard during construction.

We will need to see copies of any publicity before you publish them to make sure that they meet these requirements.

The logo
The principle is that all materials and documents must acknowledge and reference the funding received from the European Structural and Investment Funds. You'll use a specific logo to do this.

If your programme only uses funds from ERDF (Work Packages 1&2), then you must use the ERDF logo only. If your programme uses both ERDF and ESF (Work Packages 1-4), then you must use the European Structural and Investment Funds logo, which covers both programmes.

The logo works best in colour on a white background.

How to use the logo
The logo:
- must be used and applied correctly, prominently and consistently on all websites, publicity materials and project documentation related to the project
- should be placed in a prominent and suitable position
- at a minimum, the logo should be 40mm in width
- must have an appropriate clearance zone around it and the background of the document should be uncluttered and provide enough contrast to ensure clarity

If used alongside other logos, it should be at least equal in size to the largest of the other logos and appropriate to the scale of the material and documents being used.

How not to use the logo
The logo:
- must stay in proportion and be clear to read

- must not be stretched, squashed or broken up
- must not be edited or reproduced in a different colour scheme or typeface
- must not have any other wording or illustration added to it
- must not be blurred, rotated or distorted.

CHART programme specifics on logos

CHART funded projects should also display the CHART logo prominently as above. For ease, we have created a logo file which is available upon request and contains both the CHART logo and the ERDF logo (for ERDF only projects) and the ESIF logo (for projects in receipt of both ERDF and ESF).

Figure 1: Combined CHART and ESIF logos

If using combined CHART and ERDF/ ESIF logo, you may not add any border to it.

Types of publicity

The publicity requirements vary depending on the type of communication activity.

Plaques

Capital projects only (Work Package 1).

No later than three months after completion of an operation, you must put up a permanent plaque or billboard of significant size at a location readily visible to the public for each operation that fulfils the following criteria:

(a) the total public support to the operation exceeds EUR 500,000;
and
(b) the operation consists of the purchase of a physical object or of the financing of infrastructure or of construction operations.

If the project doesn't meet **both** of these, then a poster should be used instead.

The plaque should clearly show:
- The name of the project
- The main aim of the project
- A brief description of the activity
- That it is part funded by ERDF
- That it is part of the CHART programme
- The relevant logos, including the CHART logo

Further information on the criteria for a plaque can be found here:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/634288/ESIF_Branding_and_Publicity_Requirements.pdf

The cost of producing the plaque should be factored into your costings for the project.

Billboards
During implementation of an ERDF operation, you will need to put up, at a location readily visible to the public, a temporary billboard of a significant size for each operation consisting of the financing of infrastructure or construction operations for which the total public support to the operation exceeds EUR 500,000.

The billboard should clearly show:
- The name of the project
- The main aim of the project
- A brief description of the activity
- That it is part funded by ERDF
- That it is part of the CHART programme
- The relevant logos, including the CHART logo

Further information on the criteria for a billboard can be found here:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/634288/ESIF_Branding_and_Publicity_Requirements.pdf

The cost of producing the billboard should be factored into your costings for the project.

We'll look for these when we visit the project and you will need to send us a photograph of the billboard when it is up with details of the location.

Posters
Lead partners and their partners must display **at least** one poster at **each** location where the project is being delivered to participants. You can use identical posters at each location, providing what they say is accurate for all. The logo must be prominent.

Posters must be visible and large enough so that they can be seen by members of the public. We'll look for these when we visit the project and you will need to send us a photograph of the poster when it is up with details of the location.

A link to a poster template can be found at the bottom of this Annex.

Print, items and publications
The logo must be used on **all** printed documents and publications. This includes:
- display banners and posters
- newsletters
- general or job advertisements and notices
- job descriptions

- promotional materials like leaflets, brochures, flyers and invitations
- business cards, stationery, letterheads and compliment slips
- project documentation, including all timesheets, induction materials, reports and papers
- procurement materials.

You will also need to add the logo to any item you buy for the Project, e.g. a laptop or hoodies.

Websites
All organisations involved in the project must have a short description of the project on their website summarising its aims and results with an acknowledgement that the funding has come from ESIF.

- Where a website has been developed specifically for the funded project, the full colour version of the logo must be placed on the homepage.
- Where you are placing details of the project on a website which is not exclusively for the project, the full colour version of the logo must be placed on the main page for the project.
- In both cases, the logo must be immediately visible when the website or main project page loads.

We will need to be sent a screenshot of the website on the date of launch.

Electronic materials
The logo must be used on all electronic materials. This includes but is not restricted to:
- email footers and signatures
- e-newsletters
- presentation slides
- press notices
- audio visual materials, such as films, video, DVDs or CD Roms
- social media tools like Facebook and Twitter.

Media and Public Relations activity
It is good practice to develop press releases for the launch of the project and to publicise key milestones and achievements. All press releases relating to the project must include:
(1) the correct logo
(2) a text reference to CHART and ERDF/ ESIF in the main body of the release
(3) the 'notes to editors' text below:

For ERDF projects:
*The project (**either** has received **or** is receiving up to) £[INSERT AMOUNT] of funding from the England European Regional Development Fund as part of the European Structural and Investment Funds Growth Programme 2014-2020. The Ministry of Housing, Communities and Local Government (and in London the intermediate body Greater London Authority) is the Managing Authority for European*

*Regional Development Fund. ERDF and ESF Branding and Publicity Requirements
ESIF-GN-1-005, Version 7 Date published 31-07-2017*

*Established by the European Union, the European Regional Development Fund
helps local areas stimulate their economic development by investing in projects
which will support innovation, businesses, create jobs and local community
regenerations. For more information visit https://www.gov.uk/european-growth-
funding.*

For ESIF projects:
*The project (**either** has received **or** is receiving up to) £ [INSERT AMOUNT] of
funding from the England European Structural and Investment Funds Growth
Programme 2014-2020. The Ministry of Housing, Communities and Local
Government and the Department for Work and Pensions (and in London the
intermediate body Greater London Authority) are the Managing Authorities for
European Regional Development Fund and European Social Fund funding through
the Growth Programme, funds established by the European Union to help local
areas stimulate their economic development. By investing in projects the funds will
help to support innovation, businesses, skills and employment to improve local
growth and create jobs. For more information visit https://www.gov.uk/european-
growth-funding.*

If an organisation is interviewed by the media with the aim of producing a news story
or advertisement to promote the project, explicit reference should be made to ERDF/
ESIF. You will need to send a copy to us before you publish this, so allow for that in
your timescales.

A link to a press release template can be found at the bottom of this Annex.

Events, conferences, seminars and workshops
All materials and documents produced for an event, including invitations, tickets,
press releases, exhibitions stands and presentation slides must acknowledge and
reference the funding received by displaying the correct logo.

Informing participants/ enterprises
As well as promoting the role of CHART and the ERDF/ ESIF on your written and
electronic materials, you must also make sure that participants are notified that the
money for the project has come from this source.

Lead organisations and their partners must ensure that CHART and ERDF/ ESIF are
acknowledged:
- during induction sessions
- in all support and paperwork provided to beneficiaries
- in internal newsletters and bulletins
- in any leaflets explaining the European investment in the project
- in all communication activities listed.

It's essential that you retain evidence that you have informed beneficiaries in these
ways. The CHART Programme Team, the managing authority or the European

Commission may also ask to speak to beneficiaries engaged on the project to check this.

Evidencing publicity
Failure to provide appropriate evidence of publicity is one of the most common audit failings and is subject to a high degree of attention from England and European Commission verification and audit visits.

It's therefore essential that lead organisations and their partners have robust working practices in place from the very start of the project to ensure the publicity requirements are being met.

If organisations are unable to evidence adherence to the publicity requirements, a financial penalty may be imposed by us, the Managing Authority or the European Commission.

- To help ensure the publicity requirements are being implemented in full, it's a good idea to put a named person in place who is responsible for managing communications and marketing for the project.
- Before you publish anything, we recommend you send us drafts of your publicity materials. This will prevent errors from slipping through that may result in publicity (such as job advertisements) needing to be reissued or being ineligible for payment.
- During the monitoring of your project, we will make regular checks of the publicity and promotional materials organisations are producing. We will ask you send us a sample of these.
- Keep originals of everything. If you reference a communication activity anywhere in your project work then you must have evidence of this to hand. Verification and audit visits will look at publicity as a matter of course and if a particular item is missing or incorrect, this could contribute to a financial penalty being imposed.

Copies of publicity will need to be kept for audit purposes. This includes press releases and promotional items.

You can find more details in "Branding and publicity requirements for the 2014 to 2020 European Regional Development Fund and the European Social Fund" guidance note:
https://www.gov.uk/government/publications/european-structural-and-investment-funds-programme-guidance

Logos and templates for press releases and posters can be found here. You will need to download and access a .zip file to access these. Alternatively you may request copies from the CHART Programme Team:
https://www.gov.uk/government/publications/european-structural-and-investment-funds-useful-resources

Annex L: Sample Grant Funding Agreement

A sample Grant Funding Agreement can be found on the CHART microsite at [link here]. If you cannot access the form online, please email the CHART Programme Team for a copy CHART@hastings.gov.uk.

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Annex M: Capital Projects

The aim of your capital project needs to be to invest in physical assets for employability and community benefit. Examples of the projects that CHART may fund are the following:

- Acquisition and fit out of a building that will be used as incubator space,
- Capital equipment grants
- Collaboration with existing or planned assets (eg, Health and Wellbeing Hubs)

Exclusions
CHART capital grants are not intended to directly support individual businesses e.g. to refurbish a kitchen of a catering business or re-render the shopfront of a retail business.

CHART capital grants cannot be used to develop housing or other residential buildings.

Building Regulations
Most alterations, extensions and new building work needs to comply with Building Regulations. It is the duty of the person undertaking the work and building owner to determine if Building Regulations apply. You can rely on the professional advice of an architect / surveyor or a contractor to assist in determining this.

Development Management Teams for the local authorities the CHART area covers can also offer advice:
Hastings (for all areas except Central Bexhill and Sidley): 01424 451066 (my.hastings.gov.uk)
Rother (for Central Bexhill and Sidley only): 01424 787000 (planning@rother.gov.uk)

You will need to explain in your application if your project is required to comply with Building Regulations. If so, you will need to make a Building Regulations Application to your respective Council. When designing your project, you need to take into account fees and timescales of this procedure. In your application you will need to explain all the arrangements that are putting in place to ensure the works will be carried out in accordance with Building Regulations.

Planning Permission
You need to explain in the application if the works are likely to require Planning Permission. If so, have you obtained it yet? If not, when you are expecting to obtain it? You will also need to explain if any other consents are necessary for your project e.g. if you are carrying out works within a conservation area (e.g., Hastings Town Center) or if you are making alterations to or works which may affect the setting of a listed building. When designing your project, you need to take into account fees and timescales of obtaining the required permissions.

Planning Officers at your respective Council can offer informal advice and guidance:

Hastings (for all areas except Central Bexhill and Sidley): 01424 451066 (my.hastings.gov.uk)
Rother (for Central Bexhill and Sidley only): 01424 787000 (planning@rother.gov.uk)

Health and Safety
The Construction (Design and Management) Regulations 2015 apply to all construction projects. In your application you need to explain what arrangements you are putting in place to ensure compliance with the Regulations. You also need to confirm that there is a current asbestos report available for the building.

Insurance
You will still be obliged to fulfil your ERDF requirements, even if your building is destroyed or damaged e.g. by a fire or flood. You will need to have an appropriate insurance in place to ensure you have sufficient funds to rebuild it / refurbish it.

Attachments to your application
You need to attach plans and drawings to your application. If you are proposing to include equipment and some fit out cost, you need to attach manufacturer's specification.

Budget and eligibility of costs in capital projects
When designing your budget, present it under the following budget headings (chose the ones relevant to your project):
- Building and Construction – this includes costs of external/internal refurbishment and conversion of existing buildings;
- Equipment – You can include equipment costs related to the delivery of your project (e.g. fit out costs). You can also include mobile assets e.g. mobile phones, computers, laptops, tablets if they are used exclusively for the delivery of your project. You will need to put every mobile asset worth £1,000 or more on the project's asset/inventory register and you will need an approval from us if you would like to dispose of it.
- Fees – this includes fees and salaries for design and supervision; professional fees should not exceed 12.5% of the total eligible works costs;
- Contingency – it can be included in your project's budget to allow for cost fluctuations and unforeseen costs, if:
- A risk analysis has been undertaken to ensure the proposed contingency budget is reasonable;
- Contingency is not an actual costs and there will be no reimbursement of costs against the heading 'contingency';
- When delivering your project you will need to identify individual items that you would like to purchase using the contingency budget and agree them with us prior to any purchases. By doing it your contingency budget will reduce and one of the other budget lines (e.g. Building and Construction) will increase.
- Other capital costs – any other capital expenditure not covered by the categories listed above directly related to the delivery of the project.

Your project cannot include the following costs:
- provision of local social welfare facilities (hospitals, nursing homes, fire stations, child-minding facilities, sports facilities, parks, public libraries);

- building and renovation of housing;
- depreciation.

Other considerations
You need to take into account Public Procurement rules and requirements. Your project also needs to comply with State Aid rules and Sustainability.

Annex N: The CHART Programme Team

Name	Can help with
Bridget Pont, **CHART Project Manager** 01424 451392 CHART@hastings.gov.uk bpont@hastings.gov.uk	• General programme enquiries • Assisting projects in identifying suitable public sector match • Partnership creation • ESIF rules and regulations • Project change requests • Overall management of CHART programme team
Mel Jones **CHART Project Development Animator** 01424 451394 CHART@hastings.gov.uk Mel.jones@hastings.gov.uk	• Assisting projects to a stage where they are able to access funding by supporting them to complete Application Forms and supporting documents/annexes • Assisting projects in identifying suitable public sector match • Guiding applicants in the complexities of Procurement, Publicity and cross cutting themes relevant to the CHART programme, signpost where relevant and identify training needs • Support projects with ongoing development needs post award including referrals, completing project change requests and accessing partners or beneficiaries.
Rosie Leech **CHART Project Delivery Animator** 01424 451392 CHART@hastings.gov.uk rleech@Hastings.gov.uk	• Assessing EOI (Stage 1) applications • Assessing project applications in terms of due diligence and financial modelling, and aid the project manager in producing an assessment report and recommendation for the LAG investment panel • Assisting project leads, where required, to develop capacity in respect of the claims process, audit requirements and document retention pertinent to ERDF and ESF funding streams • To assist the Programme Compliance and Support officer in developing claims to the management authorities on a quarterly basis and claims payments to the Grant Recipients. • Project "mini observations". • Secretariat for the Participants

	Forum.
Vicky Fagan **CHART Programme Compliance and Support Officer** 01424 451393 CHART@hastings.gov.uk vfagan@hastings.gov.uk	• CHART/LAG secretariat function • Completing the EOI Receipt Checklist ensuring compliance • Acknowledging receipt of EOI to the beneficiary and requesting further information to enable conformance where necessary • Checking and processing claims and carrying out validation and certification checks before sending claim and documentation • Checking, processing Grant Recipient claims, and collating and carrying out validation and certification checks before sending Accountable body claim and documentation onwards to the Managing Authorities • Maintaining records of all transactions, programme records and project files • Assisting in the collation of statistical information for the evaluation of associated projects in accordance with agreed outputs/targets. • Providing workshop, one on one and evidence gathering support to projects.

Annex O: GDPR Self-Assessment

This template will help you to understand your role in terms of the General Data Protection Regulations and ensure that you are compliant in terms of any personal data you hold.

[Company Name]	
Are you a Data Controller or Processor? [Response]	
Structure and responsibility in the company	**Response**

1   Is there an awareness in the company that data protection is management responsibility, e.g. by?
     • Existence of data protection guidelines
     • Description of the data protection goals
     • Regulation of responsibilities
     • Awareness of data protection risks	

2   Does the company have a Data Protection Officer?
     • If not, why not?
     • If yes, is it clear in which cases he/she will be involved by whom?
     • If yes, has the Supervisory Authority been informed according to Article 37 paragraph 7 GDPR?	

Overview of processing activities	**Response**
3 Do you have records of your processing activities according to Article 30 of GDPR? If not, why not, and is this documented?	
Involvement of third parties	**Response**
4 Do you engage third parties for any Cloud data processing? If yes, have you entered into the necessary agreements containing the minimum content of Article 28 paragraph 3 of GDPR with all your data processors?	
Transparency, information duties and assurance of data subject rights	**Response**

5	Does your privacy policy or statement include: (a) Contact details of the Data Protection Officer (b) Legal basis for processing of personal data (c) If the purpose for processing data on your behalf or on behalf of third parties lies on legitimate interests: specify the legitimate interests (d) If you transfer data to third countries: the appropriate safeguards for the protection of the data applied by you. (e) Retention period, if impossible to provide, specify the determination of the storage period.	
6	Have you established procedures in order to satisfy requests for data portability by the data subject (Article 20 GDPR)?	

Annex P: Payment Schedule

A payment schedule template can be found on the CHART microsite at [link here]. If you cannot access the form online, please email the CHART Programme Team for a copy CHART@hastings.gov.uk.

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Annex Q: Project Change Request Form

This form should be completed by a Lead Partner only.

You can use this form to tell us about any changes you want to make to your Project. These might be:

- Changes to your primary or legally responsible contact information
- Changes to your partnership or management structure of the project
- Changes to your target schedule
- Changes to your project outcomes
- Changes to your project budget
- Changes to the delivery of the project

The CHART Programme Team will need to agree these changes with you before you can proceed, so make sure you submit this form in plenty of time.

Part 1: Your organisation

To be completed by Lead Partner only	
Lead Partner:	
Project name:	
Project ID:	
Date:	
Person completing this form:	
Project outline	

Part 2: Changes to your contact information

Only complete this section if you wish to make changes to your contact information. You only need to fill in boxes where information has changed.

Do these changes relate to:
- Your primary contact ☐
- Your legally responsible contact ☐

Personal details	
Title	
Forenames	
Surname	
Job title or position	
Date of birth (dd/mm/yy)	
Telephone number	
Mobile number	
Email address	
Home address	
Flat number	
Building number	
Building name	
Street	
Town or city	
Postcode	
Number of years at this address	
Correspondence address – If the preferred correspondence address is not the organisation's address.	
Flat number	
Building number	

Building name	
Street	
Town or city	
Postcode	

## Part 3: Changes to your partnership

Only complete this section to let us know if you want to:

- Make changes to the membership of your partnership ☐
- Replace a partner with a new organisation through the procurement process ☐
- Make changes to your Partnership Agreement ☐

You will need to explain what this change will be, why this change is proposed and what the impact will be on your Partnership or Project Management structure. You may write up to 400 words.

Part 4: Changes to your target schedule

Only complete this section if you want to change your target schedule. You will need to explain why you want to make this change and what the impact will be should we agree this change.
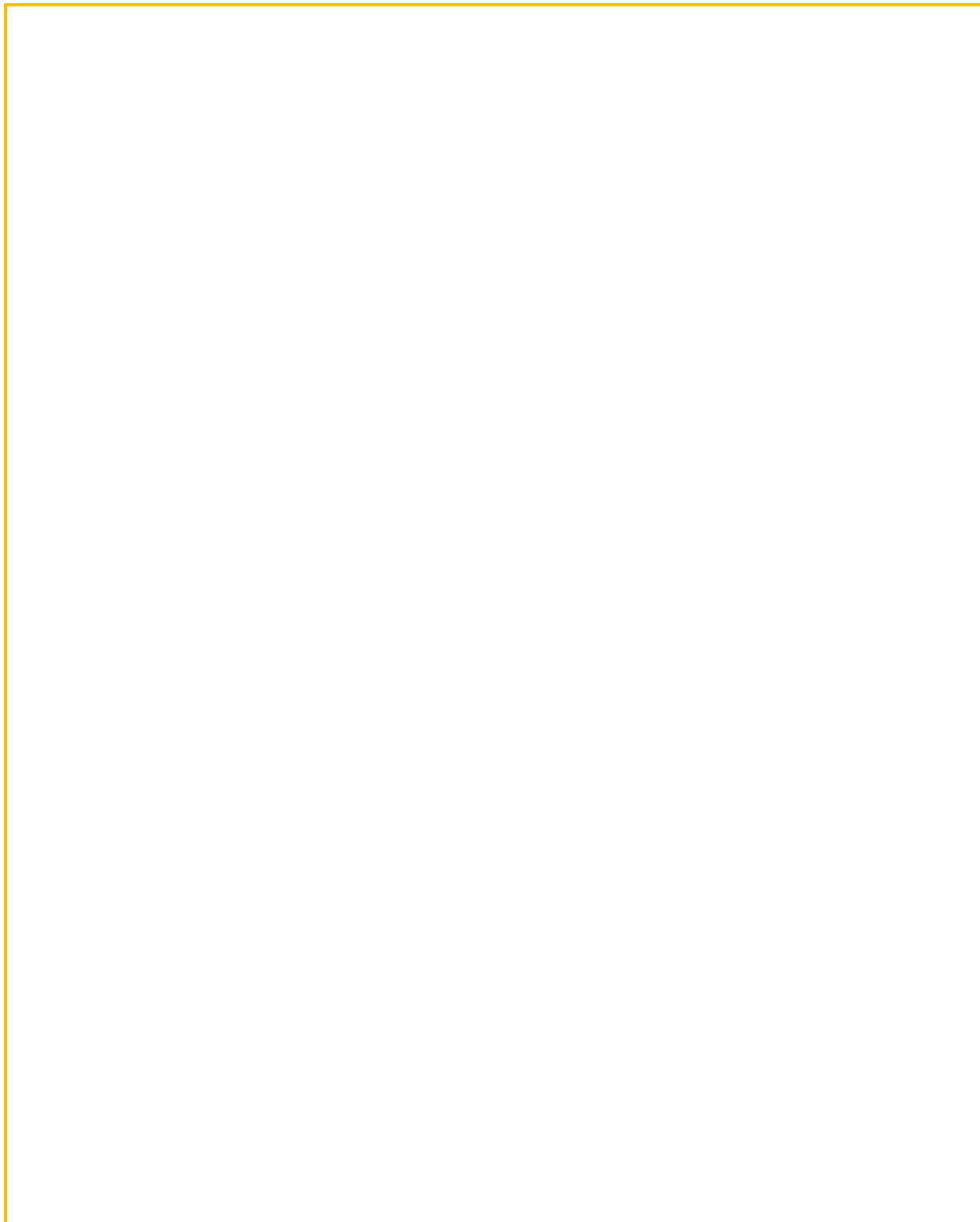
Part 5: Changes to your project Outcomes

Only complete this section to tell us if you want to:
- Re-focus or replace one or more of your project outcomes ☐
- Change the type or number of participants/ extent to which they will benefit ☐
- Change your project activities that you will deliver to achieve your project outcomes ☐
- Revise the indicators that you will use to measure changes resulting from your project's activities ☐

Write up to 400 words to explain why you want to make these changes and what the impact will be on your project.

Part 6: Changes to your budget

Only complete this section to tell us if you want to:
- Vary your expenditure between budget headings by more than 10% from what you forecast in your Full Application ☐
- Add additional lines of expenditure to what you forecast in your Full Application ☐
- Revise your grant instalments by more than 10% of what you forecasted in payment schedule ☐

You must explain why you want to make the change and any impact this will have on your Project. You may write up to 400 words.

Part 7: Changes to your delivery

You will only need to complete this section to tell us if you want to change:
- The objectives, target groups or delivery areas of your project ☐
- The delivery structure and approaches from what you told us about in your stage two application ☐
- The nature of the activities you will be delivering because of new information ☐

You will need to explain why you want to make the change and any impact this will have on your project. You may write up to 400 words.

Part 8: Declaration

You confirm that:

- The information in this form is accurate and true
- The money from the European Structural and Investment Funds is being used exclusively for the project described in your original application, together with any changes you've agreed with us since then
- There haven't been any significant changes to your project or the governance of your organisation or partnership apart from any you've told us about here or we've agreed to in writing
- Your organisation is following all current statutory requirements and other laws and regulations relating to the project and its working including: adherence to employers' liability insurance; procurement regulations; the national minimum wage; the working time directive; health and safety; safeguarding of children, young people and vulnerable adults; data protection and intellectual property rights legislation.

Name	
Job title	
Organisation	
Date	
Signature	

Annex R: State Aid Checklist

Please note this checklist does not constitute and is not intended as a substitute for specialist legal advice. This checklist is intended to be used as a quick reference tool to help you understand whether your project is likely to constitute State Aid and therefore whether you will need to seek additional advice. If you think your project will constitute State Aid, please contact the CHART Programme Team.

Section 1: Is the project an 'undertaking'
The State aid rules will only apply if the grant applicant is an 'undertaking' i.e. any organisation engaged in "economic activity."

"Economic activity" means putting goods or services into a market. It is not necessary to make a profit to be engaged in economic activity: if others in the market offer the same good or service, it is an economic activity.

Therefore it is the activities intended to be carried with grant support that must be considered in order to determine whether the applicant should be treated as an 'undertaking'. It does not matter for example whether the applicant is a not-for-profit organisation, a charity or a public body

Please answer the following question from the information provided in the grant application:

Question	Answer
Does the grant application request support for economic activity?	Yes ☐ No ☐

If the activities being grant aided are economic in nature the grant applicant should be classified as an 'undertaking' and Section 2 below must be completed.

If the answer to this question is 'No' no further Sections need be completed as the aid is not State Aid.

NB. It is possible that a project application may include both economic and non-economic activity. In such cases, the grant applicant will be considered as an undertaking and Sections 2 and 3 below must be considered in respect of the economic activities only

Section 2: Will grant support constitute State aid?

"State aid" is aid which meets 4 conditions established by the EU Treaty. These conditions are set out in the Table below. If <u>any one</u> of these conditions is <u>not</u> satisfied the support will <u>not</u> constitute State aid.

Conditions 1 to 3 will always be satisfied when a grant is awarded to an undertaking under CHART. Please consider Condition 4 carefully in conjunction with the guidance provided on 'local activities' below the checklist and decide whether this condition is satisfied. If you decide Condition 4 is <u>not</u> satisfied please provide adequate reasons for your determination.

No.	Condition	Answer	Notes
1.	Is the aid granted by the State or through State resources?	Y	Under CHART, the answer to this will always be "Yes"
2.	Does the aid provide a 'selective advantage' by favouring certain undertakings or production of certain goods?	Y	Support under CHART is 'selective' as e.g. it is available only to applicants within the CHART area. The grant aid provides an advantage as it offsets costs which would otherwise have to be borne by the undertaking itself. The answer to this question will always be 'Yes'

3.	Does the intervention distort or threaten to distort competition?	Y	This will occur if the aid potentially or actually strengthens the position of the aid recipient in relation to competitors. Almost all selective aid will have potential to distort competition - regardless of the scale of potential distortion or market share of the aid recipient. The distortion of competition does not have to be substantial or significant. The answer to this question will always be 'Yes'
4	Does the intervention affect Trade between member States	Y/N (delete as appropriate)	This includes potential effects. Most products and services are traded between Member States and therefore aid for almost any selected economic activity is capable of affecting trade between Members States even if the undertaking does not directly trade with Member States. The only likely exceptions are single undertakings with a purely local market (see guidance below on "effect on trade")

Conclusion (delete as appropriate):

- Aid is State Aid (award aid in accordance with the options provided under Sections 3 &4 below).

- Aid is not State Aid (Reasons must be given below).

<u>Reasons</u>

Signed:
Date:
Position:

Guidance on Distortion of Competition and Effect on Trade
The guidance below is copied directly from a draft Commission Notice on the "Notion of Aid" and should be considered if you are considering whether operations fall to be treated as engaged only in local activity.

1. General principles

Public support to undertakings is only prohibited under Article 107(1) TFEU if it "distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods" and only insofar as it "affects trade between Member States".

These are two distinct and necessary elements of the notion of aid. In practice, however, these criteria are often treated jointly in the assessment of State aid as they are, as a rule, considered inextricably linked.

2. Distortion of competition

A measure granted by the State is considered to distort or threaten to distort competition when it is liable to improve the competitive position of the recipient compared to other undertakings with which it competes. For all practical purposes, a distortion of competition within the meaning of Article 107 TFEU is thus assumed as soon as the State grants a financial advantage to an undertaking in a liberalised sector where there is, or could be, competition.

The fact that the local authorities assign a public service to an in-house provider (even if they were free to entrust that service to third parties) does not as such exclude a possible distortion of competition. However, a possible distortion of competition is excluded if (i) a given service is subject to a legal monopoly (established in compliance with EU law) and is not in competition with similar

(liberalised) services and (ii) the service provider cannot be active (due to regulatory or statutory constraints) in any other liberalised (geographical or product) market.

Public support is liable to distort competition even if does not help the recipient undertaking to expand and gain market shares. It is enough that the aid allows it to maintain a stronger competitive position than it would have had if the aid had not been provided. In this context, for aid to be presumed to distort competition, it is normally considered sufficient that the aid gives the beneficiary an advantage by relieving it of expenses it would otherwise have had to bear in the course of its day to-day business operations. The definition of State aid does not require that the distortion of competition or effect on trade is significant or material. The fact that the amount of aid is low or the recipient undertaking is small will not in itself rule out a distortion of competition or the threat thereof, provided however that the likelihood of such a distortion is not merely hypothetical.

3. Effect on trade

An advantage granted to an undertaking operating in a market which is open to competition will normally be assumed to distort competition and also be liable to affect trade between Member States. Indeed, "*where State financial aid strengthens the position of an undertaking as compared with other undertakings competing in intra-Community trade, the latter must be regarded as affected by the aid*".

Public support can be considered capable to affect intra-EU trade even if the recipient is not directly involved in cross-border trade. For instance, the subsidy may make it more difficult for operators in other Member States to enter the market by maintaining or increasing local supply.

Even a public subsidy granted to an undertaking which provides only local or regional services and does not provide any services outside its State of origin may nonetheless have an effect on trade between Member States where undertakings from other Member States might provide such services (also through the right of establishment) and this possibility is not merely hypothetical. For example, where a Member State grants a public subsidy to an undertaking for supplying transport services, the supply of these services may, by virtue of the subsidy, be maintained or increased with the result that undertakings established in other Member States have less of a chance of providing their transport services in the market in that Member State. Such an effect may however be less likely where the scope of the economic activity is very small, as may be evidenced by a very low turnover.

In principle, trade can also be affected even if the recipient exports all or most of its production outside the Union, but in such situations the effect is less immediate and cannot be assumed from the mere fact that the market is open to competition.

In establishing a distortion of competition or an effect on trade, it is not necessary to define the market or to investigate in detail the impact of the measure on the competitive position of the beneficiary and its competitors. All that must be shown is that the aid is such as to be liable to affect trade between Member States and to distort competition.

However, the Commission has in several cases considered that, due to their specific circumstances, certain activities had a purely local impact and consequently did not affect trade between Member States. Common features of such decisions are that

(a) the aid does not lead to demand or investments being attracted to the region concerned and does not create obstacles to the establishment of undertakings from other Member States;

(b) the goods or services produced by the beneficiary are purely local or have a geographically limited attraction zone;

(c) there is at most a marginal effect on the markets and on consumers in neighbouring Member States;

Some examples are:

- swimming pools and other leisure facilities intended predominantly for a local catchment area (N 258/2000 *Leisure Pool Dorsten)*;

- museums or other cultural infrastructure unlikely to attract visitors from other Member States (N 630/2003 *Local Museums Sardinia* & SA.34466 *Cyprus – Center for Visual Arts and Research;*

- hospitals and other health care facilities aimed at a local population (N543/2001 *Ireland – Capital allowances for hospitals*,& SA.34576 *Portugal – Jean Piaget North-east Continuing Care Unit*);

- news media and/or cultural products which, for linguistic and geographical reasons, have a locally restricted audience (N 257/2007 *Subsidies for theatre productions in the Basque country;* N 458/2004 *Editorial Andaluza Holding;* SA.33243 *Jornal de Madeira)*;

- a conference centre, where the location and the potential effect of the aid on prices is unlikely to divert users from other centres in other Member States (N 486/2002 *Sweden – Congress hall in Visby)*

- concerning the financing of cable ways (and in particular ski lifts), the Commission practice clarified that the following factors should typically be taken into account to draw a distinction between installations liable to have a local catchment area and others262: a) the location of the installation (e.g. within cities or linking villages); b) operating time; c) predominantly local users (proportion of daily as opposed to weekly passes); c) the total number and capacity of installations relative to the number of resident users; d) other tourism-related facilities in the area. Similar factors could, with the necessary adjustments, also be relevant for other types of facilities.

Annex S: Project Outcome Schedule

This document is pending