European Union
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North Tyneside Council

Newcastle
City Council

North of Tyne
Community Led Local Development

Handbook
for
Applicants
and
Delivery Organisations

Round 2 (May 2018)

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Contact us:

Who?	Can help you with what?
Victoria Powell Communities Officer Tel: 0191 277 35 98 e-mail: victoria.powell@newcastle.gov.uk	Project development Partner search Match funding Your first point of contact!
Tim Cook Programme Support Officer Tel: 0191 277 89 24 e-mail: tim.cook@newcastle.gov.uk	Monitoring (outputs and budgets) Payments
Joanna (*Asia*) Lompart-Chlasciak Programme Officer Tel: 0191 211 56 72 e-mail: joanna.lompart.chlasciak@newcastle.gov.uk	Rules and requirements Terms and Conditions
Our website: **www.northoftyneclld.org.uk**	Application pack Helpful information and guidance documents Information on closing dates and successful projects

This document is available in large print. Please contact us to request your copy.

Contents

Annexes

1. **What is CLLD?**

North of Tyne Community Led Local Development (CLLD) is a locally managed funding programme that targets selected areas in Newcastle upon Tyne and Wallsend to encourage local groups rooted in their communities to suggest, design and deliver projects that contribute to increased employment, develop businesses and improve opportunities to enhance local life.

Our CLLD programme will offer grants of a total value of £2.1m between 2017 and 2022. This funding comes from 2 European sources: European Regional Development Fund (ERDF) and European Social Fund (ESF).

The Local Action Group, consisting of representatives of community, voluntary, private and public sectors, drives and oversees the delivery of our CLLD and Newcastle City Council is the Accountable Body.

2. **Can I apply?**

You can apply if you are a legally constituted body e.g. a voluntary and community organisation, a social enterprise, a private business, a registered charity, a statutory or non-statutory public organisation etc. and have strong links with the local communities in our area (for the purpose of this handbook we will use the word "organisation" to describe all who can apply).

We do not approve projects submitted by informal groups, individuals or sole traders. However, if you are an informal group interested in applying for CLLD funding, we can offer some advice and support to you to help you become a formalised group.

3. **Can I apply in partnership with other organisations?**

Yes. You can submit a joint application with your partners. You will need to identify one lead partner who will submit the application, sign the grant agreement on behalf of all the partners and will be responsible for the whole project (including activities delivered by other partners).

You will need to have a Partnership Agreement in place which will clarify roles and responsibilities of each partner before we issue a grant agreement for your project.

4. **Where does my organisation need to be located to apply?**

There are no formal requirements for where your organisation has to be located. However, it is essential that you have real links with our local communities, you have been closely working with / for them and that you understand their strengths and needs. This implies that you may be located in close proximity to the communities you support.

5.   **What can I apply for?**

You can propose projects that support entrepreneurship, businesses and people on their journey towards jobs, better jobs and self-employment in our local communities.

We welcome new ideas and innovative projects.

Your project will need to contribute to the achievement of at least one of the following Objectives and associated Activities of the North of Tyne Community Led Local Development Strategy:

Objective A – Making community assets, organisations and the social fabric in the CLLD area more entrepreneurial (ERDF)	**Activity 1**: Provision of new, and the promotion and expansion of existing small scale community hub facilities (including neighbourhood hubs that engage with beneficiaries through phone or online chat facilities) to support small and medium enterprises (including social enterprises).
	Activity 2: Promotion of entrepreneurship and self-employment (including small grants to entrepreneurs).
Objective B – Strengthening the business community in the CLLD area (ERDF)	**Activity 3**: Tailored business support activities including: mentoring, coaching, information, advice and guidance (on general business running skills and also on e.g. digital opportunities, insurance, supply chains and communications), small grants to existing and start-up businesses as well as creating and supporting trading and networking opportunities.
Objective C – Supporting first steps towards economic activity within the CLLD area through learning, tackling multiple barriers and integrating support services (ESF)	**Activity 4**: Improving low level skills amongst all beneficiaries including communication, ICT and digital skills (mainly community based learning).
	Activity 5: Reducing employment barriers linked to social and economic isolation, for example by addressing health and transport issues and increasing access to information and sources of advice on issues such as debt and money management.
Objective D – Enabling entry to and progression along the pathway to employment and connecting local employers with communities (ESF)	**Activity 6**: Providing individual (or personalised) pathways to integration, re-entry and progression into employment and better employment, for example through developing collaborative links between individuals, local employers, the social economy, social enterprises and intermediaries able to provide information, advice and guidance on employment and self-employment options.

You can apply under more than one Activity; however we will not consider applications that mix Activities 1-3 with Activities 4-6. This is because Activities 1-3 are funded by ERDF and Activities 4-6 are funded by ESF – these are two different funding sources with separate rules and requirements. If you would like

to deliver activities that are a mixture of Activities 1-3 and Activities 4-6, you will need to submit 2 separate applications.

6.   Who can my project help?

Your project can help people (mainly unemployed and economically inactive), voluntary and community groups as well as small to medium sized enterprises who live / are based in our local communities.

We are especially interested in projects that will support:
- Social enterprises and Voluntary and Community Sector groups looking into setting up a social enterprise,
- Women, especially those who have struggled with any kind of economic activity,
- People from ethnic minorities,
- People with disabilities (including people with mental health issues),
- Carers,
- People who have never worked,
- People who are between 50 and 64.

By "our local communities" we mean areas within the red boundary on the map below. A current list of post codes within this boundary is available on our website (we will notify funded projects every time we update it). **All the people and businesses/organisations that your project will support, must live / be located within this boundary.** It is your responsibility to ensure this is the case.

We put a special emphasis on the areas of most need (two shades of dark blue colour on the map below – if your project is approved, we will provide you with a list of post codes) and your project will need to prioritise people and businesses / organisations from those areas.

7.   Where can my project's activities take place?

Ideally your project's activities should take place within our area (the red boundary on the map in point 6). However, if there are valid reasons (e.g. if your project will facilitate work experience with employers outside the area), activities can be delivered outside this area.

8.   What outputs does my project need to deliver?

As a minimum your project will need to deliver against outputs defined by ERDF and ESF – depending on which Activity/-ties you are applying for. You can find definitions of these outputs in Annex 10. You can also propose your own outputs.

You will need to assess and explain in your application which of these outputs your project will be capable of achieving and what your target numbers are. If your project is successful, they will be included in your grant agreement and you will be monitored against the achievement towards your target numbers. You will be required to collect and retain evidence of achieving these targets – a list of items of evidence for each output is included in Annex 10.

Activities 1, 2 and 3 (funded by European Regional Development Fund):

Activities 4, 5 and 6 (funded by European Social Fund):

9.   Do I need to have any other funding for the project?

Yes. We can offer grants up to 60% of the total project cost for Activities 1-3 and up to 50% for Activities 4-6 (Activities explained in point 5 of this Handbook).

The remaining costs will need to be covered from other sources e.g. other grants, own resources, staff / volunteer time, crowdfunding etc. We call it match funding.

If you are applying for other grants as a match to your CLLD project, you need to tell us in your application if the other grant has been already secured or if you are at the application stage. If it has been secured, you will need to provide details. If you are at the application stage, you will need to tell us who you have applied to, how much you have applied for and when you are expecting the decision. You must have the match funding in place (grant agreement/-s signed) before we can issue a grant agreement for your project.

10.   What is the application process?

We have a two-stage application process:

Stage 1 - Expression of Interest

You can download the Expression of Interest form from our Website.

We recommend that you do the following before you submit your Expression of Interest:
-   Contact Victoria Powell, CLLD Communities Officer to discuss your project idea, get support with your form and advice on funding rules and requirements (contact details on page 2);
-   Read the North of Tyne CLLD Strategy 2017-2022;
-   Read Call for Projects;
-   Read this Handbook and ensure you are clear on rules and requirements;
-   Attend our sessions, workshops, events (programme of sessions available on our website).

You need to fill in the Expression of Interest form and email it to: clldproject@newcastle.gov.uk whenever you are ready but before the deadline set out in the Call for Projects document (also available on our website).

Expressions of Interest will be considered by members of the LAG monthly. They will be used to determine which project ideas could play a part in delivering the North of Tyne CLLD Strategy and could be eligible for funding.

You will receive one of the following responses within 4-6 weeks of submission:
1. You are invited to develop your project into a Full Application (Stage 2);
2. You are provided with feedback on your Expression of Interest and have the opportunity to resubmit it in future;
3. You are informed your project would not be suitable for the North of Tyne CLLD funding.

Invitation to Full Application or to resubmit your Expression of Interest does not mean you will be awarded the grant.

Stage 2 - Full Application

We will send you a Full Application Form together with a Budget Form and Output Form.

We recommend that you do the following before you submit your Full Application:
- Continue to liaise with Victoria Powell, CLLD Communities Officer;
- Ensure you are clear on rules and requirements;
- Check the Top Tips section of our website;
- Attend our 'masterclasses' relating to rules and requirements as well as how to fill in our forms (programme of sessions available on our website).

You need to fill in all 3 forms and email them to: clldproject@newcastle.gov.uk before the deadline set out in the Call for Projects document (also available on our website). Your Full Application will be considered by the Local Action Group following the closure of Round 2.

However, if your organisation has an income of less than £150,000 per annum, you may be invited to submit your Full Application whenever you are ready (but before the Round 2 closure) to be considered on an on-going basis for as long as there are funds remaining. The Local Action Group have allocated £150,000 of the funds available in Round 2 to 'smaller organisations' (income <£150k) and we expect to fund up to 20 projects this way.

11.   **If invited to Full Application, how will my application be assessed?**

The Local Action Group will discuss your application, score it and decide if it should receive the grant.

Before they make their decision, they may have some queries or may need some clarifications. If this is the case, we will contact you and you will need to provide clarifications within a given deadline.

The Local Action Group will consider the following:
"essential considerations":
- Does the project contribute to achieving the North of Tyne CLLD Strategy's aims and objectives?
- Does the project fit into our CLLD Strategy's Activities?
- Will the project support our CLLD target group / groups (including our priority groups)?
- Will the project support beneficiaries from our CLLD area, with a focus on 20% most disadvantaged areas?
"additional considerations":
- Does the project have a clearly defined target group?
- How well does the project understand its target group, its needs, obstacles and barriers?

- How well do the project activities address the needs, obstacles and barriers of its target group?
- Are the project's activities clearly defined?
- How well does the project incorporate equal opportunities and environmental sustainability into its activities?
- What is the level of CLLD outputs and results that the project proposes to achieve? Is it proportionate to the level of funding requested? Are there any other outputs that the project proposes to achieve? Does the project provide value for money? (a special consideration will be given to new or innovative projects)
- Does the applicant ensure there is no duplication of activity with other similar projects?
- What is the added value of the project?
- Does the applicant have the capacity to deliver the proposed project? Is the project proportionate to the applicant's experience of delivering previous EU funded projects (or projects funded by other sources with complex rules and requirements)?
- If a project is submitted by a larger organisation and/or an organisation from outside the CLLD area, how well will the project engage with the relevant smaller / local partners?
- Other relevant criteria.

Newcastle City Council will carry out technical checks on the projects selected by the Local Action Group to ensure they meet funding criteria, rules and requirements.

12.   When will I get a decision on the Full Application?

You will get a decision within 2 months of the Round 2 closure date.

Unless you are an organisation with an income of less than £150k per annum – then you will receive a decision within 4-6 weeks of submitting your Full Application.

13.   What happens if I'm not offered a grant?

If your application is not successful, we will explain the reasons. You cannot appeal the decision. However, if you choose to address the issues and apply again at a later date, you are welcome to do so and Community Officer will offer support. You may also apply in the future for a different project.

14.   What happens if I'm offered a grant?

We will write to you and explain if we need to receive any additional information / documents from you. This may include a confirmation of match funding or a copy of a signed Partnership Agreement (if relevant) etc.

Once we have received all the information and documents from you, we will issue your grant agreement and send it to you to be signed by a person authorised to represent your organisation.

Once you have returned your signed grant agreement to us, a representative of Newcastle City Council will sign it and we will send you back your original. We expect that your project will start soon after signing the grant agreement (in line with the start date that you stated in your application form).

We will arrange to meet with you to discuss all aspects of the delivery of your project and Terms and Conditions of the grant. This will be the opportunity to talk in detail about payments, reporting, monitoring, evidence etc. The main rules and requirements (that will form Terms and Conditions of the grant) are explained in Annexes 1-7.

15. **How will I be paid?**

You will be paid in arrears. This means that you need to pay for project's costs, invoices and receipts first and we will reimburse you in line with the agreed % of the grant (up to 60% or 50% as explained in point 8).

At the moment advance payments are not available.

You can be paid on a monthly or quarterly basis – this will be agreed with you at the point of signing the Grant Agreement.

You will be paid based on the actual costs of the delivery of your project and not on the outputs you achieve. However, if there are signs of significant problems with the delivery of your project (including the delivery of the outputs), we will discuss this with you (please see point 16 for info on 'traffic light system') and we may decide to suspend payments or even terminate the grant agreement.

This is the process we will follow to pay your claims:
- You pay for project's costs: invoices, receipts, staff salaries etc.;
- You e-mail a list of all the transactions (paid for in a given month or quarter) and a grant claim (templates will be provided) to this address: clldproject@newcastle.gov.uk by an agreed deadline;
- You send us certified copies of all financial evidence related to this claim (e.g. staff salary records such as pay slips, employers costs, payroll payments, staff timesheets as well as invoices, receipts, bank statements, check stubs etc.) by an agreed deadline; you can choose if you send:
  - o scanned evidence (pdf files) to clldproject@newcastle.gov.uk; or
  - o hard copies to the address: Tim Cook, Programme Support Officer, Newcastle City Council, Place Directorate, Economic Development Unit, Civic Centre, 9th floor, Newcastle upon Tyne, NE1 8QH;
  either way, all evidence needs to be certified to be a true copy of the original;
- Tim Cook, Programme Support Officer, will check your grant claim and verify evidence for all your transactions – he may visit you to check the original financial documents (invoices, receipts, salary records, bank statements, check stubs etc.);
- Once all the checks are successfully complete, Newcastle City Council will release the payment. We will aim for the payment to reach your bank account within 10 working days of us successfully completing the checks.

16.   How will my project be monitored?

We will monitor all the aspects of the delivery of your project:
- Activities,
- Outputs,
- Budget,
- Compliance with funding requirements (e.g. procurement, state aid, publicity, cross cutting themes – details in Annexes 1-7)

therefore you must collect and keep all the original materials linked with the delivery of your project e.g. client files, event materials (leaflets, posters, signing in sheets etc.), photos, videos, required output forms and templates, quotes etc.

The quarterly monitoring process will be as follows:
- You will e-mail quarterly progress reports and output lists (templates will be provided) to this address: clldproject@newcastle.gov.uk by an agreed deadline.
- Tim Cook, Programme Support Officer, will check your reports and output lists and he will usually visit you to check the original evidence you have kept to back them up;
- We will compare your achievements in a given quarter with your plans described in the Application Form and will use a "traffic light system" to let you know how your project is performing:
  o Green – your project is progressing well,
  o Amber – minor issues or delays that you can resolve next quarter,
  o Red – major issues or delays, you will prepare and agree with us a plan of action to resolve them, we may withhold payments until certain actions have happened;
  o Black – issues not corrected; we may terminate your grant agreement.

As our CLLD is funded by European sources, you may also be monitored by different institutions involved in the management of these funding streams. They may include:
- Ministry of Housing, Communities and Local Government or their auditors,
- Department for Work and Pensions or their auditors,
- European Commission or their auditors,
- European Court of Auditors.

We will always let you know in advance if any such monitoring visits or audits are planned and will support you in your preparations and during those visits.

Our CLLD project will also be a subject of an evaluation and you will be required to provide information requested by the evaluators.

17.   Will I be required to link with other organisations that have received grants from CLLD?

We will encourage you to work together. We will help you connect with other organisations that will have received grants from us. We will organise events and workshops for all organisations. We would like to create an environment where all the organisations feel comfortable working together and do not compete for clients or outputs. We will also listen to your ideas on how best to do this.

Annexes

Annexes explain the main requirements of the European funding. Details are included in guidance papers prepared by Ministry of Housing, Communities and Local Government (MHCLG) and Department for Work and Pensions (DWP). MHCLG and DWP guidance papers are updated from time to time. Links to the most up-to-date versions are provided in the Annexes and we strongly recommend that you read them as well and ensure that you are familiar with the most up-to-date version.

List of Annexes:

1. Eligibility of costs

2. Match funding

3. Publicity

4. Cross cutting themes

5. Procurement

6. State aid

7. Documentation retention

8. Grants to businesses and individuals as part of your ERDF project (relevant to Activities 2 and 3)

9. Capital projects – special considerations and requirements

10. Output definitions and output monitoring

11. Definition of Small or Medium Enterprise (SME)

Annex 1

Eligibility of costs

You **can** include the following costs in your project budget:

a) **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;

b) **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,
   - Projects supporting people in Activities 4-6 can also include some of their costs e.g. costs of travel to courses, childcare costs, allowances
   - Other procured goods/services/works directly related to the delivery of the project and not shared or apportioned;

c) **Shared Costs** which are other costs that would normally be **shared** between different projects in your organisation:
   - Examples include: electricity, gas, water, insurance and other running costs in relation to premises that the project staff shares with non-project staff; course accreditation costs shared between different projects that your organisation runs;
   - You can include these costs only as a flat rate calculation: 15% of eligible Direct Staff Costs (as in a) above);
   - In your project budget you do not need to provide a breakdown of these costs;
   - When you are delivering your project, you will not need to evidence these costs;
   - It is your choice if you would like to include them in your budget or not.

Direct Staff Costs and Direct 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.

You can include VAT in your budget if your organisation cannot claim it back from HMRC.

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.

There are additional considerations for capital projects – please see Annex 9.

Staff working on more than one project in your organisation:

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).

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 HR records and 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.

Eligibility of participants

Activities 1, 2 and 3 (ERDF)

Your project can support:
- people who are legally resident in the UK, able to take paid employment in a European Union member state and live at a post code in our CLLD area (pre-start-up support),
- small and medium enterprises located in our CLLD areas (business support),
- voluntary and community organisations and social enterprises (business support).

Your project cannot support:
- retail businesses exclusively (however, if it is general business growth support not targeted exclusively at retail businesses, they can participate); this also relates to capital projects – capital investment in land, buildings or infrastructure for use and/or occupation by retail business is not eligible;
- banking and insurance companies including insurance brokers.

Activities 4, 5 and 6 (ESF)

Your project can support people who are:
- legally resident in the UK,
- able to take paid employment in a European Union member state,
- live at a post code in our CLLD area.

Your project cannot support asylum seekers (unless they have been given permission to work) but it can support refugees. There are some exceptions to this rule in relation to asylum seekers and they are included in the National Eligibility Rules for ESF guidance document (please see link below).

People in prison can be supported by your project during the last three years of their sentence. If their sentence is shorter, they can access your support at any point during their sentence. People on remand can also receive your support, however, when their status changes, you will need to review their eligibility.

People at risk of redundancy can receive support from your project in a form of retraining, up-skilling, careers advice etc. but not wage subsidies. People in work can be supported to increase their skills.

There are more detailed eligibility rules specific to each of the 2 funds: European Regional Development Fund (Activities 1-3) and European Social Fund (Activities 4-6) and we strongly advise you that you read them as well. You can find them in the following guidance notes:
- National Eligibility Rules for ERDF
- Eligibility Guidance for ERDF
- National Eligibility Rules for ESF

available on the website:
https://www.gov.uk/government/publications/european-structural-and-investment-funds-eligibility-documents

Annex 2
Match Funding

Requirements for Activities 1, 2 and 3 (European Regional Development Fund - ERDF):
- You are required to provide match funding of at least 40% of the overall project cost.
- Match funding must be used for exactly the same purpose as ERDF and spent on ERDF eligible expenditure.
- Match funding must be secured and available at the time of signing the CLLD Grant 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).
- Match funding must come from a non-European source.
- You must keep evidence of the match funding. Auditors will select and test match funds as part of their audit regime; failure to demonstrate evidence of match funding could lead to financial penalties for your project.
- Sources of match funding include:
    o Your (and your delivery partner's) own resources,
    o Funds from other organisations in the public sector,
    o Funds from other organisations in the private sector,
    o Loans from banks, building societies etc.,
- If your project includes grants to businesses (so called SMEs = small and medium enterprises) or new entrepreneurs (individuals) for the purchase of equipment or services, they will be expected to provide their own match funding of at least 40% of the costs; you should include their match funding in your budget forecasts and collect evidence of this match funding; please see more information in Annex 8.
- Contributions "in kind" are ineligible as match funding, except for the donation of land and buildings (subject to conditions).
- Capital expenditure can be used as match for revenue and vice versa if part of integrated single project (and subject to conditions).

Requirements for Activities 4, 5 and 6 (European Social Fund - ESF):
- You are required to provide match funding of at least 50% of the overall project cost.
- Match funding must be used for exactly the same purpose as ESF and spent on ESF eligible expenditure.
- Match funding must be secured and available at the time of signing the CLLD Grant 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).
- Match funding must come from a non-European source.
- You must keep evidence of the match funding. Auditors will select and test match funds as part of their audit regime; failure to demonstrate evidence of match funding could lead to financial penalties for your project.
- Sources of match funding include:
    o Public funds
    o Private funds
    o Volunteer time
- You must have at least 10% cash match funding (which can include paid staff time).

- When using paid staff time as match funding:
  - for staff working full time on your CLLD project: the full value of their salary costs (as explained in the Eligibility section of this Handbook) may be used as match funding;
  - for staff working some of their time on your CLLD project: you will need to calculate an hourly rate for every staff member (as explained in the Eligibility section of this Handbook); the staff will need to keep monthly timesheets to record 100% of their time; the actual value of match funding will be calculated based on: actual no of hours spent on your CLLD project x the hourly rate.
- When using volunteer time as match funding:
  - beneficiaries cannot be treated as volunteers during their time on the project;
  - volunteers must be made aware from the beginning that they are helping the project in their own private time and they are not employed on the project;
  - you will need to keep a description of volunteer activities and tasks and volunteers will need to keep timesheets recording their actual hours spent on your CLLD project;
  - you should always keep complete, accurate and up-to-date records of the volunteer time and activities and you should be able to match this information to annual reports or final reports when the project ends (if you cannot do this, then the relevant report entries will not be classed as eligible);
  - you will be required to submit all evidence in relation to the volunteer time used as match funding with every claim submitted to Newcastle City Council;
  - if any paid employee performs additional duties on a voluntary basis, these costs are not eligible;
  - how to calculate the value of volunteer time:
    - the value of volunteer time is based on the theoretical value of the tasks performed by the volunteer for the project and not the current earnings of an individual in their usual paid employment;
    - you should check the Office for National Statistics website for the notional rates for different job titles and match the tasks that the volunteer performs with one of the jobs listed there;
    - the volunteer role should be matched up to the mean hourly wage rate for the specific role e.g. align pay rate of 'groundsmen and greenkeepers' with volunteer greenkeepers;
    - wage rates for hundreds of roles are listed annually on the Office for National Statistics' website: www.ons.gov.uk; you should search under Annual Survey of Hours and Earnings (you need the 'Occupation 4 digit SOC' tables) or try the following link: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010asheta ble14 ; we will also post the relevant table on our website;
    - if a volunteer does the same or similar duties as paid staff, the rate allowed for the volunteer will be either the notional rate or the salary rate of the paid employee, whichever is lower;

- if a volunteer performs a task which is outside the range of the job titles provided, this activity cannot be claimed as match. DWP will need written evidence to justify technical or specialist rates to be agreed prior to the project making any claims;

You can find more details in the following guidance notes:
- National Eligibility Rules for ERDF
- Eligibility Guidance for ERDF
- National Eligibility Rules for ESF
available on the website:
https://www.gov.uk/government/publications/european-structural-and-investment-funds-eligibility-documents

Annex 3
Publicity

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

You must use the correct logo on **all** project documents e.g. forms, leaflets, brochures, flyers, posters, banners and display panels, exhibition stands, invitations, attendance lists, certificates, e-mail footers and signatures, websites, letters, advertisements, case studies, business cards, promotional items, newsletters (including electronic newsletters), stationery, letterheads and compliment slips, reports and papers, timesheets, materials for project clients, presentation slides, press notices, procurement materials, job descriptions, audio-visual material (e.g. films, video, DVDs, CDs), social media tools (e.g. Facebook, Twitter) etc.

We will provide you with files with the correct logo. These are the types of logo that you will be using:

These are the main rules about using the logo:
- The logo has to be clearly visible and placed in a prominent position;
- As a minimum, the logo should be used at 25mm height (portrait version) and 40mm width (landscape version);
- The logo cannot be changed in any way, rotated, stretched, squashed, broken up or distorted in any way; pixilation or blurring of the logo must be avoided;
- Colour version should be used on websites (always) and all other materials (whenever possible); black-and-white version can only be used in exceptional situations e.g. if the material is printed only in black on a white background (and never on websites);
- Websites: the logo has to be visible when landing on the website, inside the viewing area and without the need to scroll down the page;
- Only one version of the logo should be used in a single piece of publicity material;
- If other logos are also used, the EU logo must be at least the same size (measured in height or width) as the biggest of the other logos;
- If the logo appears on a dark or coloured background, by exception a white-out version can be used (we will provide it, if required) and a white border around the flag should be put (the width of the border needs to be 1/25th of the height of the flag);
- The logo should be left clear around its edges e.g. it should not be placed immediately against a document edge.

You must display at least one **poster** with information about the project (minimum size A3), including the financial support from the European Union and the logo, at a location readily visible to the public (e.g. entrance to the building where the project is delivered from).

If your organisation has a **website**, you must put on the website a short description of your project, including its aims and results and highlighting the financial support from the European Union (as well as the logo – as described above).

If you have developed a **website** specifically for the project, the full colour version of the logo must be placed on the homepage and a short description of your project, including its aims and results and highlighting the financial support from the European Union must be included.

If you are going to issue **press releases**, they must include:
- A text reference to the support from the European Union <u>in the main body of the press release</u>;
- The correct version of the logo;
- 'Notes to Editors' must include the following wording:
  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 Department for 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 .

It is especially important to inform the beneficiaries of your project about the funding from the European Union at the start of their involvement with your project. You can ensure this by including information and the logo in any induction materials, forms, presentation slides, any contracts or other paperwork given to participants etc.

You must keep **evidence** of publicising the support from the European Union for as long as it is explained in the Documentation Retention section of this Handbook. Examples of what you should keep as evidence include:
- Electronic and hard copies of all materials that you have produced;
- copies of electronic materials;
- screen shots of websites;
- photos e.g. of where the poster with the logo is located; of a training room with logos displayed;
- press releases and press cuttings
- videos etc.

Evidence will be checked at monitoring visits and audits. It is an extremely important requirement of the European funding and in the past projects have been given financial penalties for not retaining publicity evidence.

Also, please bear in mind that if you use an external company to produce any publicity materials, you must comply with Public Procurement rules (as explained in the Procurement section of this Handbook).

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 available on the website:
https://www.gov.uk/government/publications/european-structural-and-investment-funds-programme-guidance

Annex 4
Cross Cutting Themes – Sustainable Development and Equality

All projects receiving support from North of Tyne CLLD need to demonstrate what practical steps they are taking to positively contribute to sustainable development principles and ensure and promote equality.

Sustainable Development:
- you have to take environment into account when delivering your project;
- you have to explain in the application form what you are going to do to promote sustainable development and comply with the environmental legislation (if relevant); you will report quarterly (as part of the normal monitoring and reporting process) what your progress is;
- we (and/or other auditors) will check the evidence during monitoring visits and audits;
- if your project is funded by ESF (Activities 4, 5 and 6) you will need to confirm that you dispose of your waste using a registered waste collector and comply with Waste Electrical and Electronic Equipment regulations; you will need to explain what specific actions your project is taking to minimise waste and energy consumption, increase recycling, minimise use of travel and promote use of public or green transport where travel is unavoidable, increase staff, volunteer and client awareness of sustainability; you will be asked to provide very simple baseline so that progress can be measured (e.g. volumes of paper / electricity used, number of toner cartridges used).

Equality
- you have to promote and ensure gender equality and equal opportunities when delivering your project;
- the nine protected characteristics of the Equality Act 2010 are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation;
- you have to explain in the application form what you are going to do to promote equality and comply with the Equality Act 2010; you will report quarterly (as part of the normal monitoring and reporting process) what your progress is; we (and/or other auditors) will check the evidence during monitoring visits and audits;
- examples of activities may include:
  o your staff has received training on the requirements of the Equality Act 2010,
  o your advertising and recruitment of beneficiaries is inclusive and reaches out to the groups with protected characteristics;
  o you will ensure that your clients complete a client registration form with an equalities monitoring section;
  o you provide information in large format;
  o your project's website is compatible with screen readers;
  o you provide your services from accessible local venues.

Annex 5
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.

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?
£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
£2,500 – £24,999	You need to collect 3 written quotes or prices.	No
£25,000 – up to £181,302 for supplies and goods or £4,551,413 for works*	Formal tender in line with Interpretative Communication	Yes, on the Contracts Finder and your website
More than £181,302 for supplies and goods or £4,551,413 for works*	Formal tender in line with Public Contract Regulations (6 procedures are allowed under different, specific circumstances: - Open - Restricted - Competitive with negotiation - Competitive Dialogue - Innovation Partnership - Negotiated without prior publication)	Yes, tender has to be published in the Official Journal of the European Union (OJEU)

*thresholds relevant for the period 1 January 2018 – 31 December 2019. 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

Available on the website:
https://www.gov.uk/government/publications/european-structural-and-investment-funds-procurement-documents

Annex 6
State aid (only relevant for capital projects and projects supporting businesses and organisations that are trading)

State aid is any support (financial and non-financial) provided by public authorities using taxpayer-funded resources to one or more organisations on a selective basis in a way that gives an advantage over others and could potentially distort competition and trade in the European Union.

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. 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.**

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.

For North of Tyne CLLD we are going to use pre-approved EU mechanisms for state aid. We have identified 5 such schemes that are most relevant to the type of projects that North of Tyne CLLD seeks to support. Each mechanism has its own set of rules and requirements.

We will discuss with you which mechanism is most appropriate to your project and therefore you will have to comply with it. We will support you in complying with the requirements, provide with detailed guidance and templates of documents you will need to use, if relevant. However, you need to be aware that you will be responsible for complying with the rules and requirements of the scheme identified for your project. Failure to provide evidence that you have done so may result in financial penalties.

Pre-approved mechanisms for state aid that are most relevant to the North of Tyne CLLD:

Scheme name	Legal basis	The main rules and requirements
Investment aid for local infrastructures	Article 56 General Block Exemption Regulation 2014 (Commission Regulation (EU) No	- 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

Scheme name	Legal basis	The main rules and requirements
	651/2014, OJ L187)	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

Investment aid to SMEs	Article 17 General Block Exemption Regulation 2014 (Commission Regulation (EU) No 651/2014, OJ L187)	- Allows support for the investment in tangible assets (= physical assets e.g. land, vehicles, equipment) and amortizable intangible assets (non-physical assets e.g. patents, trademarks, licenses);
		- Allows support of up to 20% of the eligible costs for small enterprises and up to 10% of the eligible costs for medium enterprises;
		- Eligible costs include:
		  o the cost of investment in tangible and intangible assets
		  o the estimated wage cost of employment directly linked with the investment project (over 2 years);
		- the investment needs to be related to: the setting up of a new establishment, the extension of an existing establishment, diversification of the output of an establishment into new additional products or a fundamental change in the overall production process of an existing establishment;

Aid for consultancy in favour of SMEs	Article 18 General Block Exemption Regulation 2014 (Commission Regulation (EU) No 651/2014, OJ L187)	- allows support for purchasing consultancy services provided by external consultants; - allows support of up to 50% of the eligible costs; - the services cannot be a continuous or periodic activity or relate to the usual operating costs (e.g. routine tax consultancy services, regular legal services or advertising);
Aid for start-ups	Article 22 General Block Exemption	- allows support to new small enterprises (new = up to 5 years following their registration; for

Scheme name	Legal basis	The main rules and requirements
	Regulation 2014 (Commission Regulation (EU) No 651/2014, OJ L187)	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 a single undertaking provided in a rolling 3-year period (the current financial year + the two previous financial years); - undertakings are obliged to keep record of all De Minims support they have received from different sources; - you must obtain a declaration from the undertaking 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 undertaking, you must calculate its value and check if it is not going to bring the undertaking above the €200,000 ceiling; - you must inform the undertaking 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.

Annex 7
Documentation Retention

You will have to collect and keep **all** your project documentation for a number of years after the project finished. It could be as long as 2033. The date can be different for different projects and we will inform you what your date is.

If you are unable to keep all the records for that long, let us know and we will collect your documents and archive them at no cost to you.

We need to keep all the documentation as European auditors may audit projects even years after they have finished. Therefore, it is really important that all the documents are organised in an orderly and easy to follow manner.

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, check 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.

You can find more information in:

- For Activities 1-3: European Regional Development Fund: Guidance on Documentation Retention Including Electronic Data Exchange for 2014-20 ERDF Projects

- For Activities 4-6: European Social Fund: Guidance on Documentation Retention Including Electronic Data Exchange for 2014-20 ESF Projects

available on the website:
https://www.gov.uk/government/publications/european-structural-and-investment-funds-document-retention

Annex 8
Grants to businesses and individuals as part of your ERDF project (relevant only to Activities 2 and 3)

You can offer grants to individuals and/or businesses as part of your project under Activity 2 and 3.

Activity 2 "Promotion of entrepreneurship and self-employment"
- You can offer pre-start-up grants to individuals who are working towards setting up their business;
- You can only offer grants to those individuals who have already received 12 hours (or more) of non-financial support from you and/or another CLLD funded project (this is because the experience of previous ERDF funded projects like Newcastle Enterprise Package tells us that such grants work best for those individuals who have received non-financial support and are ready to start trading - they often need a small amount e.g. to purchase a piece of equipment);
- The individuals will need to apply for the grants – you will need to design an application form, assess the applications and inform the individuals in writing if they have been awarded a grant (we can support you with designing the process and all the forms and materials);
- The maximum value of these grants will be £200;
- Individuals will need to provide their own match funding of a minimum of 40% of the costs e.g. an individual is setting up a clothing alteration business and applies for a grant to purchase a sewing machine worth £300 – they are expected to provide £120 (40% of £300) and the grant value will be £180 (60% of £300);
- The individual will need to check and evidence the prices in line with the Public Procurement rules (as described in the Procurement section of this Handbook), buy the agreed items/services and pay for them and request a reimbursement of the relevant amount from your project;
- You will be able to claim back from us the costs related to the grant only once you have paid the grant to the individual;
- Your grant scheme may be delivered as a separate project or as part of wider entrepreneurship support project (if the latter, you will need to explain it clearly in your application and present it in your budget projections).

Activity 3 "Tailored business support":
- You can offer grants to existing businesses (which are small and/or medium enterprises) irrespective of their age – could be start-ups that are already trading;
- You can only offer grants to those businesses who have already received non-financial support from you and/or another CLLD funded project (the experience of previous ERDF funded projects like Go Digital show us that such grants work best for those businesses who have received the 12 hours of support as they are most committed);
- The businesses will need to apply for the grants – you will need to design an application form, assess the applications and inform the businesses in writing

if they have been awarded a grant (we can support you with designing the process and all the forms and materials);
- The maximum value of these grants will be £500;
- Businesses will need to provide their own match funding of a minimum of 40% of the costs e.g. a small business applies for a grant to have a professional website designed and this service is worth £700 – they are expected to provide £280 (40% of £700) and the grant value will be £420 (60% of £700);
- The business will need to check and evidence the prices in line with the Public Procurement rules (as described in the Procurement section of this Handbook), buy the agreed items/services and pay for them and request a reimbursement of the relevant amount from your project;
- You will be able to claim back form us the costs related to the grant only once you have paid the grant to the business;
- Your grant scheme may be delivered as a separate project or as part of wider business support project (if the latter, you will need to explain it clearly in your application and present it in your budget projections).

For both Activities:

You need to collect and retain evidence of the individuals' / businesses' match funding. They will need to provide you with a certified copy of the invoices / receipts and evidence that they have paid for them (e.g. a bank statement). You need to keep them together with your project's records in line with Documentation Retention requirements described in this Handbook.

Annex 9
Capital projects – special considerations and requirements

The aim of your capital project needs to be to support entrepreneurship and local businesses. Examples of the projects that CLLD may fund are the following:
- a refurbishment of a room that will be used for delivering pre-start up support and / or business support services,
- a refurbishment of a room that will be offered to local businesses as a hot-desk facility,
- alterations to allow wheel chair access to a room where pre-start up support and / or business support services are delivered from.

CLLD capital grants are not intended to directly support individual businesses e.g. to refurbish a kitchen of a catering business.

You will not be able to dispose of the refurbished space (rather than in an agreed way described in your Application Form e.g. to lease it to local businesses or business support organisations) or change its intended use without a prior written agreement from Newcastle City Council for 5 years.

Building Regulations
Most alterations, extensions and new building work need 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. Building Control Service within Newcastle City Council and North Tyneside Council can also offer advice:
Newcastle: building.control@newcastle.gov.uk; 0191 278 7878
North Tyneside: building.control@northtyneside.gov.uk; 0191 643 2200

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 you 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 or if you are making alterations 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 Officer at your respective Council can offer informal advice and guidance:
Newcastle: planning.control@newcastle.gov.uk; 0191 278 7878
North Tyneside: 0191 643 2310

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 fulfill 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:
    o A risk analysis has been undertaken to ensure the proposed contingency budget is reasonable;
    o Contingency is not an actual cost and there will be no reimbursement of costs against the heading 'contingency';
    o 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 (explained in Annex 5). Your project also needs to comply with State Aid rules (explained in Annex 6).

Annex 10
Output Definitions and Output Monitoring

Your grant agreement will show which outputs apply to your project and what your targets are. These outputs should be reported within 10 working days of the end of each quarter using the form provided by us.

Outputs for Activities 1 - 3
We recommend you read the full details of ERDF guidance which can be found at
https://www.gov.uk/government/publications/european-structural-and-investment-funds-outputs-and-results

C1 – Number of enterprises receiving support	
Definition	SME (including a sole trader and a self-employed person) registered at a postcode inside the CLLD area is eligible for support. Retail businesses can only be supported if they access general type of support (not exclusive or typical to retail businesses). Can be reported after 12 hours of active support e.g. consultancy, information, diagnostic advice and guidance (face-to-face, telephone and web-based dialogue, conferences, seminars, meetings, workshops). The 12 hours excludes travelling and preparation time as well as distribution of mail-shots or brochures (electronic or hard-copy). A specific business can only be counted once by your project. However, the same business can access support from different CLLD projects.
Evidence	• SME Registration Form (including state aid section) • SME Support Record Form (with dates, duration of support and wet signatures) • Sign in sheets from seminars, meetings, workshops if relevant

C5 - Number of new enterprises supported (subset of C1 above)	
Definition	A new enterprise is one that has been registered at Companies House or HMRC for less than 12 months BEFORE assistance is provided or a business locating in England for the first time.
Evidence	As per output C1. The age of the business will be evidenced by the information given on the SME Registration Form.

C8 - Employment increase in supported enterprises	
Definition	A new, permanent, paid, full-time equivalent (FTE) job which results in an overall increase in the employment levels in the supported enterprise and is created as a result of activity supported by your project • new – it should not have existed with that employer before the support from your project • permanent - the post must have an intended life of at least 12 months from the date the employee starts work, even if that employee doesn't stay in the post for

	that period. • full time - a 36 hour week (part time jobs should be treated on a pro-rata basis; a seasonal job may be counted where this is normal practice for an industry – must exist for a minimum 4 weeks per annum and is counted on a pro-rata basis) This output relates to any enterprise that has received support from your project. It does NOT require that enterprise to have been reported under output C1. The output is an increase in employment therefore you will need to compare the baseline number of FTE jobs in the enterprise at the entry point and the number of FTE jobs at the exit point. You need to bear in mind that some monitoring in relation to the number of FTE jobs at the exit point may need to be done after you have finished the delivery of your project's activities.
Evidence	• SME registration form – including the baseline number of FTE jobs • SME Support Record form (with dates, duration of support and wet signatures) • Sign in sheets from seminars, meetings, workshops if relevant • Employment Increase Form (including information about the individual recruited: gender, age, disability, ethnicity) signed by a senior member of staff in the supported enterprise

P11 – Number of potential entrepreneurs assisted to be enterprise ready

Definition	Any individual seeking support as a potential entrepreneur must be aged 16 or over and living in the CLLD area and have received 12 hours of support. The pre-start support can be in the form of one-to-one or in groups, face-to-face or telephone or web-based dialogue, through conferences, seminars, meetings, workshops, coaching and mentoring as part of the enterprise journey and depending on the individual's needs e.g. - Workshops to develop understanding of the issues of starting a business, - Coaching and mentoring to nurture behaviours, values and dispositions to support self-employment and new business start-up, - Support to explore appropriate business opportunities e.g. franchise or social enterprise, - Community enterprise coaching – using community-based infrastructures to support people to overcome barriers and actively explore starting a business, - Supporting those in employment to consider business start-ups and ownership as a career opportunity. What cannot be counted towards the 12 hours: - Mail shots either electronic or hard copy - Sign posting activity alone You can only count a person you've supported once (even if they have received more than 12 hours of your support). However, the same person can be counted by different projects within our CLLD programme. You can report an individual supported even if they decide not to start a business. However, we will expect you to monitor how many of your clients have set up a business for evaluation purposes. You need to bear in mind that some of this

	monitoring may need to be done after your project's activities have finished.
Evidence	• Client Registration Form – which will be a self-declaration of information about them (e.g. name, date of birth, address, post code, gender, disability, ethnicity) and their business idea and will include a data protection statement allowing information to be shared within the project and with the programme funders. • Client Support Record form (with dates, duration of support, type of support and wet signatures) • Sign in sheets from seminars and workshops etc. if relevant

A1 – Number of potential entrepreneurs assisted to be enterprise ready with less than 12 hours support

Count criteria	As P11 but less than 12 hours support The reasons for less than 12 hours support may be the following (these are just examples, there may be other reasons): - The individual does need 12 hours of pre-start up support and feels confident to set up a business having received less than 12 hours, - The individual decides they no longer want to pursue entrepreneurship as a career option, - The individual drops out and it is not possible to contact them within the project's duration
Evidence	As P11

P12 - Square metres of public or commercial building built or renovated in targeted areas

Definition	Small scale refurbishment projects e.g. - a refurbishment of a room in a local community centre, - an extension of a local community centre, - improving accessibility of existing premises for people with disabilities. The aim of the refurbishment must be related to supporting entrepreneurship, SMEs, start-ups and social enterprises e.g. to provide support services from the refurbished venue by the owner of the building, to offer space for other business support organisations, to provide accommodation to local businesses (with the exception of retail). This output is not about businesses refurbishing their premises for their own use. The renovated building must be in the CLLD postcode area. The measurement is the area inside the external walls.
Evidence	• The size will be evidenced with "as built" drawings showing the floor space • Photos of the works undertaken

Outputs for Activities 4 - 6

We recommend you read the full details of ESF guidance which can be found at
https://www.gov.uk/government/publications/european-structural-and-investment-funds-outputs-and-results
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/591548/ESF_Data_Evidence_Requirements_v2.pdf

O1 – Number of Participants	
Definition	A person can be a participant of our CLLD project if they meet the following criteria: - 16 years old or more, - Living at a postcode inside the CLLD area, - Legally able to reside and work in the UK. North of Tyne CLLD Strategy has identified the following groups as priority groups for support: - Women, especially those who have struggled with any kind of economic activity, - People from ethnic minorities, - People with disabilities (including people with mental health issues), - Carers, - People who have never worked, - People who are between 50 and 64. There is no minimum or maximum number of hours of support required to count as a participant. You can count the same person only once within your project; however, the same person can access support from more than one project within our CLLD programme.
Evidence	• Participant Registration Form – completed, signed and dated by the participant; it will collect information about the participant (like date of birth, address, and equality info), a self-declaration in relation to which target group they belong to and will include a Data Protection statement allowing information to be shared within the project and with the programme funders. • Evidence that the participant is legally able to reside and work in the UK (only one item is required) e.g. NI evidence (the plastic card or a letter from HMRC); full passport (for EU nationals); full passport with 'indefinite leave to remain' endorsement or with work or residency permits or unexpired visa stamps and all related conditions met (for non-EU nationals); Identity Card issued by the Home Office (for some non-EEA nationals); letter from the UK Immigration and Nationality Directorate granting 'indefinite leave to remain' status; birth / adoption certificate (for citizens of an EU member state); residency permits; marriage / civil partnership certificate (if partner has legal right to live in the UK and this can be evidenced); • Evidence of the address (only one item is required) e.g. letter /

	confirmation in writing from home owner (if home owner different than the participant), full driving licence (EU), recent statement from bank / building society / credit card company / credit union, evidence of registration on electoral roll, benefits / state pension notification letter, recent utility bill or council tax demand / correspondence / tenancy agreement, mortgage statement / correspondence, HMRS correspondence, rent card / statement, solicitors correspondence; • Evidence of age (only one item is required) e.g. birth certificate, full driving licence, full passport, National Identity Card (EU), firearms certificate / shotgun licence, Northern Ireland voters card, employment contract / payslip (if date of birth is quoted), pension statement (if date of birth is quoted), evidence that he participant is in receipt of age-related state benefits, letter / confirmation from educational institution. Information related to participant's current situation should be supported by a recent evidence = issued in last 3 months. We recommend that you try to select an item of evidence that will verify more than one eligibility condition e.g. a passport from an EU national will evidence their right to live and work in the UK and their date of birth. You will be expected to retain a copy of the document obtained from the participant (certified as a true copy of the original).
CO01 – Unemployed (subset of O1)	
Definition	These are people usually without work, available for work and actively seeking work at the date they enter the project. People considered as registered unemployed according to national definitions are always included here even if they do not fulfil all three of these criteria. People with zero hours contracts are considered as employed and should not be reported here. Full-time students are considered as inactive and should not be reported here. People with maternity or paternity- related entitlement are always considered as unemployed. You can count the same person only once within your project; however, the same person can access support from more than one project within our CLLD programme.
Evidence	One of the following: • DWP / Jobcentre Plus benefits decision notification letter – new claims award / decision or change of circumstances decision letter • Written confirmation / referral from DWP / Jobcentre Plus or a referral from National Careers Service or similar • Where an individual is not engaged with DWP/Jobcentre Plus: written confirmation from a relevant third party (independent of the CLLD project) that has been assisting the individual and so has an understanding of their current circumstances (e.g. voluntary

	organisation, charity, social services, other professional providing support and guidance)
CO03 – Inactive (subset of O1)	
Definition	These people are currently not part of the labour force (in the sense that they are not employed or unemployed according to the definitions provided).
	Full-time students are considered as inactive.
	People on full-time parental leave (understood as absences from work to bring up a child of young age for a period which does not fall under the classification of maternity or paternity leave) are considered as inactive, unless already registered as unemployed (in this latter case, they should be counted as unemployed).
	Self-employed (including helping family members) are not considered as inactive.
	You can count the same person only once within your project; however, the same person can access support from more than one project within our CLLD programme.
Evidence	• Written confirmation from a relevant third party (independent of the CLLD project) that has been assisting the individual and so has an understanding of their current circumstances (e.g. voluntary organisation, charity, social services, other professional providing support and guidance) • As an alternative to written confirmation, sight of original case notes and support records are acceptable (photocopies must be suitably redacted to remove sensitive personal data or if photocopies are inappropriate or not permitted, a written agreement that the auditors auditing the CLLD programme can access the original records on request)
O4 – Participants over 50 years of age (subset of O1)	
Definition	This is the age of the participant on the date they enter the project.
	Participants aged 50 are not included.
Evidence	One of the following: birth certificate, full driving licence, full passport, National Identity Card (EU nationals), firearms certificate/shotgun licence, Northern Ireland voters card, employment contract / payslip (if date of birth is quoted), evidence that he participant is in receipt of age-related state benefits, letter / confirmation from educational institution.
O5 – Participants from ethnic minorities (subset of O1)	
Definition	These are people who have declared as being in one of the ethnic minority groups on the Participant Registration Form (all groups except from: White English/Welsh/Scottish/Northern Irish/British, White Irish, Any other White

	background).
Evidence	This is based on a self-declaration (part of Participant Registration Form) and does not require any additional evidence.

CO16 – Participants with disabilities (subset of O1)	
Definition	People who have a physical or mental impairment that has a 'substantial' (more than minor or trivial) and 'long term' (more than 12 months) negative effect on their ability to do normal day to day activities (according to the Equality Act 2010).
Evidence	This is based on a self-declaration (part of Participant Registration Form) and does not require any additional evidence.

A1 – Women (subset of O1)	
Definition	People who identify as female.
Evidence	This is based on a self-declaration (part of Participant Registration Form) and does not require any additional evidence.

A2 – Carer (subset of O1)	
Definition	People who look after or give any unpaid help or support to family members, friends, partners or neighbours, because of a disability, illness, frailty, mental ill health or alcohol and/or drug related problems.
Evidence	This is based on a self-declaration (part of Participant Registration Form) and does not require any additional evidence.

CR02 - Participants in education/training upon leaving the project	
Definition	People who have engaged in education (life-long learning, formal education) or training (off-the-job/in-the-job training, vocational training etc.) within 4 weeks of leaving the project support. This is understood as a change in participants' situation upon leaving the project's support – they were not in education or training when entering the project.
Evidence	One of the following: • Evidence of enrollment /registration at school, college, university or learning provider (documentation), • Letter from educational /training institution, • Signed referral / template from recognised agency / service who can reasonably be considered to have an accurate knowledge of the participants circumstances The evidence should include a start date and details of the type of education / training.

R1 - Unemployed participants into employment (incl. self-employment) upon leaving the	

project	
Definition	People who meet the unemployed definition above (as in output CO01) and who have gained employment or started self-employment within 4 weeks of leaving the project support. In employment including self-employment: Employed persons are persons aged 15 and over who performed work for pay, profit or family gain or were not at work but had a job or business from which they were temporarily absent because of, for instance, illness, holidays, industrial dispute, and education or training. Self-employed persons with a business, farm or professional practice are also considered to be working if one of the following applies: 1) A person works in his/her own business, professional practice or farm for the purpose of earning a profit, even if the enterprise is failing to make a profit. 2) A person spends time on the operation of a business, professional practice or farm even if no sales were made, no professional services were rendered, or nothing was actually produced (for example, a farmer who engages in farm maintenance activities; an architect who spends time waiting for clients in his/her office; a fisherman who repairs his boat or nets for future operations; a person who attends a convention or seminar). 3) A person is in the process of setting up a business, farm or professional practice; this includes the buying or installing of equipment, and ordering of supplies in preparation for opening a new business. An unpaid family worker is said to be working if the work contributes directly to a business, farm or professional practice owned or operated by a related member of the same household. People with a zero –hours contract will be counted as 'employed''.
Evidence	One of the following: Into employment: • Confirmation of employment from employer (a letter, e-mail or a template) • Wage slip • Contract of employment Into self-employment: • Confirmation of self-employment e.g. HMRC letter evidencing registration • Bank statement for business account • Registration with Companies House

R2 - Inactive participants into employment or job search upon leaving the project	
Definition	People who meet the inactive definition above (as in output CO03) who have gained employment, started self-employment or started job-search within 4 weeks of leaving the project support. Employment and self-employment defined as above in R1.

Evidence	One of the following: Into employment: • Confirmation of employment from employer (a letter, e-mail or a template) • Wage slip • Contract of employment Into self-employment: • Confirmation of self-employment e.g. HMRC letter evidencing registration • Bank statement for business account • Registration with Companies House Into job search: • Award letter / notification detailing Jobseekers' Allowance • Copy of individual's bank statement showing benefit payments • Signed referral from DWP • ES40 (Jobseekers card) or My Work Plan demonstrating current status • Signed referral / template from recognised agency / service who can reasonably be considered to have an accurate knowledge of the participants circumstances (e.g. local authority, public body, organization receiving public funding)

Annex 11
Definition of Small or Medium Enterprise (SME)

An enterprise is any entity engaged in an economic activity, irrespective of its legal form.

Type of company	Criterion 1	Criterion 2		
	Number of people employed	Annual turnover*	or	Annual balance sheet**
Micro	less than 10 employees	less than or equal to EUR 2 million	or	less than or equal to EUR 2 million
Small	less than 50 employees	less than or equal to EUR 10 million	or	less than or equal to EUR 10 million
Medium	less than 250 employees	less than or equal to EUR 50 million	or	less than or equal to EUR 43 million

* The annual turnover is determined by calculating the income that the enterprise received during the year in question from its sales and services after any rebates have been paid out. Turnover should not include value added tax (VAT) or other indirect taxes.

** The annual balance sheet total refers to the value of the company's main assets.

To work out the individual data, the company will have to establish whether it is **autonomous** (the most common category), a **partner** or **linked**. To do this, the company must take account of any relationships they have with other companies. Depending on the category in which the enterprise fits they may then need to add some (a partner) or all (linked) of the data from those companies to their own. Only then will the company be able to determine if it meets the various ceilings established in the SME definition.

The basic distinction between autonomous, a partner or linked company:

Autonomous:	The	less than 25%	capital or voting rights
A partner:	company	at least 25% and no more than 50%	in another company
Linked:	holds	more than 50%	and / or vice versa

You can find more information in a booklet: User Guide to the SME Definition (2015) available on the website: http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/