



STOCKWELL URBAN II PROGRAMME 2001-2006 BIDDING GUIDANCE

How to Use This Guidance

Step 1: Read the Introduction (Section 1) and General Background about the URBAN II programme (Section 2).

Step 2: Read the sections in the Programme Complement and Action Plan, which describes the funding available in each of the Programme's Priorities and Measures. Identify firstly if your proposed project fits within the aims and objectives of the Programme and if so, secondly identify which Measure is most appropriate to your project. You will also need to address the Cross Cutting Themes which apply to this programme, these are set out in the Programme Complement under the headings of Equal Opportunities, Sustainable Development and Information and Communication Technology (ICT).

Step 3: Can you confirm each of the following?

- *My project is located in the Stockwell Urban II Programme area?*
- *My project qualifies for support under one of the programme's Measures.*
- *My organisation is eligible to apply for a grant under this programme.*
- *If successful, my project will be able to get under way immediately.*

Step 4: If yes and you wish to develop an application for funding, Read Section 4 which explains how the bidding process works. Make contact with the Stockwell Partnership or the URBAN II Programme Co-ordinator (see Annex 2) who will provide you with the Expression of Interest Form.

Step 5: If you are successful, you'll be invited to complete a Project Application. Ensure you make use of this Bidding Guidance and are familiar with both the Programme Complement and Action Plan. Each of these documents will assist you in completing your project application.

CONTENTS

- Section 1 Introduction to the Programme.
- Section 2 General Information about the Stockwell Urban II Programme.
- Section 3 How Much Funding is Available Under Urban II?
- Section 4 How Does the Bidding Process Work?
- Section 5 Making Your Application.
- Section 6 Key Reference Documents and Web Addresses.

ANNEXES

- Annex 1 Stockwell Urban II Delivery Team Contact Details
- Annex 2 URBAN II Area Map
- Annex 3 List of eligible estates in the Stockwell Urban II area
- Annex 4 Eligibility Checklist
- Annex 5 Application Form Guidance Notes
- Annex 6 Business Plan Guidance Notes

SECTION 1:

Introduction to the URBAN II Bidding Guidance - Lorraine Harris, Chair of the Stockwell URBAN II Programme Monitoring Committee

The Stockwell URBAN II Programme is one of the European Commission's Community Initiatives. It is targeted at a small geographic area to ensure that groups who need help and support receive it. The Stockwell URBAN II Programme will involve local residents, businesses and community groups in every stage of the Programme. There has already been extensive consultation and this will continue throughout the Programme. The purpose of the Programme is to help "promote an enterprising community with opportunity for all, creating a healthy and safe neighbourhood which can take ownership of its future". If this is to be achieved then it is the local people and organisations, which have to be the driving force.

This Bidding Guidance is designed to help you, the applicant, negotiate the minefield of jargon involved in European Funding. It is designed to take you logically through all the questions you need to ask yourself when making a funding application under the URBAN II Programme.

The first question you should answer is "is my project eligible for funding?". Once you have answered this question, you should move through the bidding guidance satisfying yourself that you are meeting the criteria. You should answer the questions realistically and honestly. Making an application for funding takes up your time and your best chance for funding is if you are realistic.

If you think you can help change Stockwell and make the URBAN II Programme a success then please read on. I hope you find this guidance useful, and good luck.

Lorraine Harris
European Unit
Government Office for London (GOL)
June 2002

SECTION 2:

GENERAL BACKGROUND INFORMATION ON THE STOCKWELL URBAN II PROGRAMME

What Does the Programme Seek to Achieve?

The overall aims and objectives of the programme are set out in two key documents: The Urban II Community Initiative Programme (CIP) 2000 – 2006 and the Programme Complement (PC). These can be found on the Government Office for London Europe Website (www.go-london.gov.uk/europeanprogramme/index) (see Section 7 of this Guidance for a list of useful web addresses). Both documents are long and detailed – they have to be in order to meet a whole range of requirements set by the European Commission. The sections that are most relevant to you as a prospective bidder are those that deal with programme’s vision, strategy, priorities and measures.

The programme’s vision is:

“To promote an enterprising community with opportunities for all, creating a healthy and safe neighbourhood which can take ownership for the future.”

Would your proposal help us in achieving this vision?

The funding available under the programme is broken into a series of “Priorities” and “Measures”. These are described in Section One of the Complement. Look in particular at each of the Measures: if you intend to bid, make sure that you build your project around the rationale for the Measure. Do not try to bend or distort a pre-conceived project to make it fit a Measure that it doesn’t fully support – you are unlikely to succeed. It is best to apply for funding under one Measure only. Bids that seek funding under a number of Measures tend to lack focus and rarely succeed. If you are sure that your project stands a realistic chance of funding under more than one Measure, break it down into separate applications for each Measure.

What is the available funding?

- European Regional Development Fund (ERDF), which assists infrastructure projects, business support programmes, research and development, technology and electronic communications, and Community Economic Development; and is one of the European Structural Funds.

The common thread linking all Urban II projects is that they deliver a direct, measurable, and positive impact on the economy of the area covered by the programme.

What Areas in London Are Covered?

The London Urban II Area covers two wards of the London Borough of Lambeth:

- Larkhall
- Stockwell

A map of the URBAN II area is attached (see Annex 2). Additionally, a list of the estates situated within the eligible area, as shown in the attached URBAN II map, are detailed in Annex 3.

If you have doubts whether your project is located within the parameters of the eligible area, contact the Stockwell Partnership (see Annex 1).

Can Programme Funds be Targeted Anywhere in the Programme Area?

Yes.

How Is the Programme Administered?

The LB Lambeth has overall responsibility for administering the Programme and is ultimately responsible for its financial viability as the Accountable Body. It does this in partnership with a range of organisations represented on the Programme Monitoring Committee (see Section 1). “Partners” include the European Commission, government departments, and leading organisations based in the Programme area – the London Development Agency, The Stockwell Partnership, the new Small Business Service and the Learning and Skills Councils, the further and higher education sectors, voluntary groups, social partners, environmental interests, and the private sector. Some of this responsibility is then devolved to the Stockwell Urban II Partnership.

Section 4 below explains in more detail how the bidding process is managed.

Who Can Apply?

The applicant organisation must be able to enter into a legally-binding arrangement when it applies for a grant under Urban II. The rules which apply to this programme exclude grant awards to profit making or distributing private sector companies or individuals but include the following:

Local Authorities, other Statutory Sector bodies, Voluntary Sector Organisations and not-for-profit making companies, Charitable Trusts, Further and Higher education institutions, regeneration agencies, and private sector bodies working with public sector agencies. Business Links, not-for-profit making companies, business and training support organisations. Sound experience and a proven track record will be essential.

Over what Period Can the Funding Cover?

The programme covers the period 2001 to 2006. The Programme recognises that projects can run for varying periods and this will be subject to the detail of the project and considered at application stage. For instance, an infrastructure project takes a fixed amount of time to implement (maybe 18 months), whereas a project providing advice to businesses might run for two or three years.

Grant is normally paid on project expenditure *from the date of the grant approval letter*. In very limited circumstances, expenditure before the date of the approval letter may also qualify for grant support providing that:

- a) any ERDF-related expenditure before 13th June 2001 is excluded
- b) Retrospective funding is only available for the first year of the programme

How Much Funding Is Available?

The total amount of funding available for the lifetime of the programme is £6,123,802.45 ERDF. With a 50% matchfunding requirement, therefore the total amount of funding for the overall programme is £12, 247,604.91.

Can the Programme Fund 100% of My Project's Costs?

No. Grants support only a proportion of a project's costs. This is governed by some complex rules, but the principle is that the amount of grant awarded will always be the minimum necessary to enable a project to proceed. The maximum available for ERDF is 50% of eligible costs. The remainder of the funding is called "match funding".

What is Match Funding?

Match funding is simply money used to match an ERDF or ESF grant. You will need to be able to show that this match funding is in place *before* you can qualify for ERDF approval. Match funding can come from a wide range of sources – it may be your own organisation's money (e.g. expenditure on salaries), or you may have secured a grant from a complementary domestic funding programme such as SRB, New Deal for Communities, the lottery, or charitable donations, or private sector finance. Some projects generate an income stream (e.g. payments from small businesses for advice provided). This can also be used as match funding, providing its estimated value is soundly based.

The Department of Trade and Industry have published a useful booklet listing possible sources of match funding for Structural Funds in England. You can find this at www.dti.gov.uk/europe/mf1.htm.

Can “In-Kind” Contributions Be Used As Match Funding?

Yes: in limited circumstances what are known as “in kind” contributions can be used as match funding (e.g. the free provision of land or volunteers’ time). “In kind” contributions are those which are not a direct cash contribution but rather a contribution towards the project involving staff time, accomodation usage, etc and a costing is then allocated to this contribution which can then be used as match funding. Some quite complicated rules apply to in kind contributions, and when putting your bid together we strongly recommend that you first focus on cash sources of match funding. Projects looking to use substantial amounts of in kind contributions will not be approved. Section 6 below offers detailed guidance on this issue.

What Activities Are Eligible For ERDF?

The Programme aims to deliver a positive impact on the local economy of the area, over and above what is being achieved through existing sources of funding. The eligible activities detailed in the Programme Compliment are considered the most appropriate in meeting the objectives of the Programme and respond to the needs of the area. These activities are the most likely to deliver results, long term sustainability and betterment of the area.

If you consider that your project proposal will benefit the local economy and help the local community but do not see it within the eligible activities referred to, please discuss further with the URBAN II Delivery Team.

The following information refers directly to the individual Priority Rationales and Measure’s Eligible Activities as detailed in the Programme Compliment.

- **PRIORITY 1: DEVELOPING SOCIAL CAPITAL**
 - See page 6 of the Programme Compliment

- **Measure 1.1: Developing effective capacity within the community**
 - See pages 7-8 and 10-11 of the Programme Compliment

- **Measure 1.2: Developing community hubs**
 - See pages 8-9 and 10-11 of the Programme Compliment

- **PRIORITY 2: ENHANCING COMMUNITY WELL-BEING**
 - See page 12 of the Programme Compliment
- **Measure 2.1 Developing an inclusive community**
 - See pages 12-13 and 16-17 of the Programme Compliment
- **Measure 2.2 Developing a sustainable and greener neighbourhood**
 - See pages 13-14 and 16-17 of the Programme Compliment
- **PRIORITY 3: SUPPORTING EMPLOYABILITY AND LOCAL ENTERPRISE**
 - See page 18 of the Programme Compliment
- **Measure 3.1 Supporting local enterprise**
 - See pages 18-19 and 22-23 of the Programme Compliment
- **Measure 3.2 Supporting employability**
 - See pages 20 and 22-23 of the Programme Compliment

Guidance on some of the more complicated grant eligibility questions are contained in Section 6 below.

What Are Project Targets?

Targets are the predicted achievements to be created by the activities undertaken on a particular project. Each Measure and each cross Cutting Theme in the programme aims to achieve a variety of these targets in return for which grant support is offered. To maximise your chances of success, you need to show that your project will deliver some of the targets relevant to the Measure you are seeking funding from and all three Cross Cutting Themes, and that what you will achieve is in proportion to the grant requested. These are shown in the Programme Complement, refer to the relevant section for guidance.

In practice, we use a series of standard target definitions produced by a consultancy company called EKOS, and these are referred to in the Programme Complement (see www.go-london.gov.uk/europe/download/progcomp.pdf).

How Are Projects Monitored?

If you succeed in securing grant support under this programme, your offer of funding will be subject to an agreement with you on actual delivery, timescales, methods of payments, management and monitoring requirements. This will be set down in an offer letter, with relevant guidance. In all cases your project will be closely monitored and may be inspected at any time, either by officials from the London Borough of Lambeth,

Government Office for London or by auditors representing the UK Government, the European Commission, or the European Court of Auditors.

Can I Apply for Technical Assistance?

No. The Technical Assistance Priority seeks to promote the effective management and delivery of the programme. The Technical Assistance budget is managed according to a separate Technical Assistance strategy, agreed by the Urban II Programme Monitoring Committee.

SECTION 3: **HOW MUCH URBAN II FUNDING IS AVAILABLE?**

There is £6.1 million ERDF to be distributed across the 6 year programme. Please note carefully that when bidding under the Urban II Community Initiative Programme, you will be required to provide a full and realistic costing for your entire project, including the sources of match funding. You should consider carefully how much your project is going to cost as speculative bids will not be considered. There are currently no ceilings placed upon potential bids, although you should check with the URBAN II Co-ordinator about funding restrictions.

SECTION 4: **HOW DOES THE BIDDING PROCESS WORK?**

This section of the guidance takes you through each step in the bidding process.

The first stage of the process involves you submitting an Expression of Interest to the URBAN II Delivery Team. If you are successful, you'll be invited to complete a full Project Application which will be assessed by teams of expert and independent scorers and then recommended to the Stockwell URBAN II Partnership, Lambeth Council and in some cases GOL, for validation and agreement.

(See Annex 5 for the detailed Guidance Notes for completing the Project Application Form and Annex 6 for the Business Plan Guidance Notes when applicable).

To ensure value for money, this has to be a competitive process: not all bids that reach full application stage will eventually be approved. The decision of the Programme Monitoring Committee is final and there will be no right of appeal.

Stage 1: Expression of Interest

The Urban II Delivery Team, on behalf of the Stockwell URBAN II Partnership, are the key co-ordinators for this first stage. (see Annex 2 for details) Their main role is to interpret the Urban II programme strategy and to ensure the submission of quality

funding applications. Prospective applicants are asked to complete an Expression of Interest.

The Expression of Interests will be assessed by the Urban II Delivery Team on the basis of how it contributes to delivery of the Programme's Aims and objectives and its eligibility, on the basis of these assessments, the Urban II Delivery Team will:

Either - invite you to submit a full Project Application,

Or - inform you that your bid has not been selected to proceed to full application stage, with an offer of written feedback.

Stage 2: Full Applications

If you make it to full application stage, the Urban II Delivery Team will help you to complete the necessary forms.

A lot of information is required at this stage, and especially large bids (e.g. infrastructure projects) will need to undergo a full cost-benefit and risk analysis. The Delivery Team has an on-going role for ensuring that the full applications, as they develop, continue to address the Action Plan and Strategic Objectives of the Programme and that progress is made on the technical standards, ensuring that the project is "ready to go". The Project Application will then go through a Technical Appraisal process with a recommendation to the Stockwell URBAN II Partnership.

Stage 3: Approval of Bids

Lambeth Council is responsible for agreeing grant offer terms for applications approved by the partnership, and where an application project value is for £100,000 ERDF and more approval is given by GOL. If the assessor or the scorers have highlighted matters requiring clarification on your application form, the Delivery Team will liaise with you., London Borough of Lambeth will liaise with you directly, involving the Stockwell Urban II Partnership as necessary.

SECTION 5: **MAKING YOUR APPLICATION**

Before proceeding to complete your Project Application, you should read the following information, which is based on the most common questions arising from the bidding process.

Upon proceeding to complete your application, refer to Annex 5: Project Application Form Guidance Notes and Annex 6: Business Plan Guidance Notes for projects with a total value over £30,000 to guide you.

How do I decide which Priority and Measure my project falls under?

Applications will only be considered under one Measure. You should read through the eligible activities referred to under Section 2 and decide which activities are the closest to your proposal. If you consider that your proposal falls under more than one Measure, you will need to discuss this with the Delivery Team. The application should state clearly why the proposal is being made, for example supported with reference to sources of research, feasibility studies or consultation which have been carried out, what you intend to do, where you intend to do it and the expected outcomes.

What is the Difference between Capital and Revenue Costs?

Capital projects involve investment in property or other fixed assets and provide infrastructure for existing and future industry and commerce.

Revenue projects provide support services to business and incur salaries and other running costs such as promotional activities and research.

The following *capital* costs are normally regarded as eligible for ERDF support, depending on their contribution to delivering the project:

- Land and building acquisition costs (including long-term leases). *Land* purchase may not represent more than 10% of the total eligible expenditure on the project.
- Site investigation, clearance and preparation.
- Site services, e.g. telecommunications, electricity, gas, water, sewerage; also internal “service” infrastructure, e.g. heating, lighting, plumbing, and associated machinery.
- Other *non-mobile* plant and machinery, including fixed IT equipment for R&D/telematics projects. Mobile or portable assets may be considered eligible depending on their relevance to the project.

- Construction works, including new-build and conversion costs.
- Capital fixtures and fittings, where these form an integral part of the project. Items of furniture, decoration, and office equipment should not be treated as capital costs.
- Landscaping, where this forms a subsidiary part of a broader scheme.
- Transport and access schemes *subject to the guidelines below*.
- Community facilities where these make a direct contribution to economic regeneration, e.g. community training facilities including childcare provision, accommodation for community businesses or business start-up advice centres.
- Professional fees and related costs for the design and supervision of capital activity up to 12½% of total eligible works costs.

The following *revenue* costs are normally regarded as eligible for ERDF support, depending on their contribution to delivering the project:

- Equipment with an asset life of less than one year.
- Staff costs: either additional part-time or full-time positions, or to the extent that the work of existing staff is directly related to the project; also staff replacement costs to allow existing members of staff to work full time on the project.
- Short term leases or rentals of premises for the duration of the project only.
- Operating costs and overheads, such as office running costs (postage, telephones, stationery etc); also legal and accounting services strictly related to the implementation of the project.
- Project marketing and promotion.

What Can I Include Under Overheads?

The EC have recently clarified the rules relating to the inclusion of overhead costs in projects receiving European funding support. The relevant guidance reads as follows:

“Overheads are eligible expenditure provided that they are based on real costs which relate to the implementation of the [project] and are allocated pro rata ... according to a duly justified fair and equitable method”

In practice this means that you must relate what you claim for overheads to your organisation's overall expenditure on overhead activities (see below), and indicate what proportion you are attributing to the project seeking grant support. So, for example, if delivering your project constitutes 25% of the total activity conducted by your organisation, 25% of total overheads expenditure (for which supporting evidence is available – invoices etc) can be counted as eligible for grant support. You will need to explain how you have calculated the level of overheads included in your bid, and assessors will look to ensure that your method is fair and equitable. *You cannot claim overheads as a proportion of other expenditure on the project such as salaries.*

The following cost types can be treated as overheads:

- utilities (i.e. gas, electricity, water/sewerage)
- rent and business rates
- insurance (e.g. relating to buildings or equipment)
- salary costs or invoiced expenditure associated with non-delivery staff (i.e. people who are not directly involved in implementing the project but whose work indirectly supports the project – e.g. security, cleaning, reception, switchboard staff, professional services (finance, accounting, legal), personnel and welfare)
- telecoms
- general office equipment with an asset life of less than one year, software and maintenance (equipment purchased specifically to assist in the delivery of a project would be itemised separately)
- printing, stationery, copying and postage

What's the Maximum Rate of Grant for My Project?

The amount awarded is the minimum amount considered necessary for the project to proceed. The programme includes some general guidance on maximum ERDF grant rates which needs to be interpreted carefully according to the nature of project and the organisations involved in delivering the activity. The limits are as follows:

- a maximum of 50% of the total eligible cost, and at least 25% of the eligible public expenditure;
- in the case of investments in infrastructure generating substantial net revenue, 25% of the total eligible cost;
- in the case of investments in firms, 15% of the total eligible cost. This rate may be increased, in the case of investments in small and medium-sized undertakings for forms of finance other than direct assistance, provided that this increase does not exceed 10% of the total eligible cost.

The first two bullets are relatively straightforward. The third applies to projects owned by profit-distributing private companies, e.g. the renovation of a building that is privately owned. Such projects would need to be looked at carefully.

What Are “Beneficiary Costs” and Are these Eligible for ERDF Support?

Beneficiary costs are costs incurred by organisations assisted by projects receiving ERDF support. For example, an ERDF grant might support the Small Business Service to deliver a programme of support targeted at manufacturing businesses. The ERDF can only support the costs of *delivering* the project: i.e. costs incurred *by* the SBS in delivering the business support programme. The businesses that benefit from the programme – the “beneficiaries” – also incur costs (e.g. staff time attending meetings or seminars, travel expenses etc). But because this is expenditure by organisations *not* involved in delivering the project, it does not qualify for ERDF support. You should therefore be careful *not* to include expenditure by beneficiary companies in your match funding package.

Can Income be Used as Match Funding?

Yes (see “What is Match Funding” in Section 2). Income differs from beneficiary costs in that it is money paid by a beneficiary company *to* an organisation delivering an ERDF-assisted project (e.g. a fee paid for advice given). The delivery organisation may choose to invest this income in helping to deliver the project, e.g. by supporting its expenditure on staff salaries. Providing these salaries are recognised as an eligible project cost, the expenditure funded by the income qualifies for ERDF support. It follows that income can be used as match funding only if it is generated during the period that ERDF grant is being claimed. For example, rent received on business premises cannot match ERDF used to build the premises because the income could not be generated until after the activity attracting the grant had been completed.

It’s important that you make a careful assessment of the level of income that will be generated by your project. If you generate income unexpectedly during the life of your project, this will reduce the amount of ERDF that you will be able to claim. Equally, do not over-estimate, or rely unduly on income as a source of match funding. Assessors will look carefully at your income projections and will ask you to guarantee that you will make up any shortfall. The greater your reliance on match funding, the higher the risk of failure: projects that rely on substantial amounts of income are unlikely to be supported.

Can In-kind Contributions Count as Match Funding?

Yes, provided that:

- they consist in the provision of land or real estate, equipment or materials, research or professional activity, or unpaid voluntary work;
- their value can be independently assessed and audited;
- in the case of the provision of land or real estate, the value is certified by an independent qualified valuer or duly authorised official body;
- in the case of unpaid voluntary work, the value of that work is determined taking into account the amount of time spent on, and the normal hourly and daily rate for, the work carried out.

Section 2 stressed that you should not rely on substantial amounts of in kind match funding, and projects are unlikely to be approved if they show more than half of their match funding as in kind.

Can I Deliver My Project in Partnership With Other Organisations?

Yes. Specialist business support and certain community-based projects are sometimes delivered by two or more organisations, one of which assumes formal accountability for the grant and is the named applicant: for example two colleges working collaboratively to develop an innovative production process which will eventually benefit a range of companies. It's important that the applicant organisation has the ability to ensure the compliance of its partners with the ERDF grant conditions, and assessors will look to see that legal agreements will be in place binding all partners together to deliver the project. Where such arrangements are agreed during the bid assessment process, all expenditure by the partners on recognised eligible costs can attract ERDF support (i.e. partners' contributions should not be regarded as in kind support).

SECTION 6: KEY REFERENCE DOCUMENTS AND WEB ADDRESSES

| | |
|---|--|
| Government Office for London Europe Website | www.go-london.gov.uk/europe/europe.htm |
| DTI Booklet on Match Funding for European Structural Funds | www.dti.gov.uk/europe/mf1.htm |
| | |

ANNEX 1

Contact Details for the Urban II Delivery Team:

URBAN II Programme Co-ordinator

Community Renewal

London Borough of Lambeth

Town Hall

Brixton Hill

London

SW2 1RW

George Wright

Director

The Stockwell Partnership

157 South Lambeth Road

London SW8 1XN

020 7735 5051

www.stockwell.org.uk

ANNEX 2

URBAN II Area Map

ANNEX 3

List of Neighbourhoods Eligible under Urban II

- 1. Willard**
- 2. Heath Road**
- 3. Westbury**
- 4. Larkhall**
- 5. Springfield**
- 6. Gauden Estate**
- 7. Clapham Road**
- 8. Fenwick**
- 9. Rusper Court**
- 10. Grantham Road**
- 11. Stockwell Gardens**
- 12. Gaskell Street**
- 13. Studley**
- 14. Mursell**
- 15. Lansdowne Green**
- 16. Hemans**
- 17. Wyvil**
- 18. Mawbey Brough**
- 19 South Lambeth**
- 20 Spurgeon**

CHECKLIST FOR BIDDERS:

All bidders should submit one original set of documents plus one full copy.

The Application must contain some or all of the following:

- The ERDF application form, signed and dated by a person with specific authority to commit the applicant organisation to the project.
- A business plan (if project costs over £30,000)
- A brief position statement confirming any relevant statutory permissions (e.g. planning).
- A position statement on match funding, source and written confirmation of funding via third parties.
- Written endorsement from the relevant Theme Group and Stockwell URBAN II Partnership.
- *For non-public sector applicants:* latest audited accounts
- *For non-public sector applicants:* confirmation of legal status (e.g. articles of association).
- Is the project located within the URBAN II area?
- Is the project eligible to receive ERDF funding?
- Is the project bidding in under the correct priority and measure?
- Will your project deliver clearly defined additional economic benefits to the area?
- Does your project have clearly defined community support and participation?
- Does your project have the necessary required match funding?
- Have you remembered to incorporate the cross-cutting themes of Equal Opportunities, Sustainable Development and Information and Communication Technologies into your application?

- Does your project serve 80% or more of URBAN II residents?
- Do you (the applicant) or the project partner own the building or site to be developed or do you have security of tenure for more than 15 years?
- Do you have all the necessary statutory consents in place, or will they be if the bid proceeds to full application?
- Can you demonstrate that you have the financial competence or the necessary support mechanisms in place to manage the project?
- Can you demonstrate that you have staff with the necessary expertise and competence to deliver the project?
- Have you thought about the possible risks to your project and can you demonstrate how risks might be minimalised, managed and or received?
- Have you included a cost plan in which you identify which ERDF costs the project will use and other costs?
- Has your project secured all the funding it requires to go ahead?
- Where the project is to be delivered by more than one organisation working in partnership, have service level agreements or legal agreements defining roles and responsibilities been agreed between all parties?
- Have you identified a clear need for the project and have you provided evidence of this need through reference to labour market information or government initiatives?

PROJECT APPLICATION FORM GUIDANCE NOTES

Introduction

The Project Application form allows you to demonstrate what your project is, why it is needed, how you it will be delivered and how it contributes to the Programme's strategic objectives and outputs.

The following Guidance Notes are provided to assist you in ensuring you provide relevant information, which will aid your project being successfully appraised.

If your require further information, clarification or assistance contact the URBAN Delivery Team (see Annex 1).

Question 1: Applicant Details

State clearly what organisation is applying for funds and who shall be the point of contact, this should be the person who is responsible for the delivery of the project.

Question 2: Project Background Details

Provide a project title that is unique and helps make clear what the project is. This title will form part of the Project reference for its duration. Ensure all section are complete, refer to Section 2 of the Bidding Guidance.

Question 3: Project Applicant Declaration

Must be completed in full to validate the Project Application. Must be signed by the person who has the authority to commit the organisation to a contractual agreement to deliver the project if successful.

Question 4: Project Justification:

Provide a clear justification of the need for the proposed project, outlining specific problems that you intend to address. The problems you intend to address must relate to the baseline research upon which the URBAN II Programme has been based. Refer to page 4 of the Action Plan for guidance.

Additionally, include reference to any other relevant sources of research, consultation, feasibility studies that have been carried for example, if the project is an employment project has the need been identified in relation to the available local labour market information?

This information will support the justification for your project providing evidence of gaps in provisions. Reference to endorsement and support from the Stockwell Partnership through the Action Plan and Theme Groups should also be made.

Question 5: Location and Population Coverage

Ensure you clearly demonstrate in your answer where the project is to be based, what area it will serve and the number of local residents you intend to support. Your project may target a specific area within the URBAN II boundary or cover the whole area (see Map in Annex 2), either are eligible.

If your project is based outside the Programme area, ensure you explain how you will ensure that a minimum of 80% of the URBAN II local residents and/or business are supported by the project

Question 6: Project Intentions

Ensure your answer demonstrates exactly what the project intends to achieve and how. Relate your answer to how your project will contribute to overcoming the issues raised in your project justification and how it will contribute to achieving the objectives of the URBAN II Programme. This information is detailed in the Programme Compliment and Action Plan and is there to guide and assist you in your answer, ensure you refer specifically to objectives under the relevant Priority and Measure for your project.

Question 7: Intended Beneficiaries

Who is going to benefit from your project and how?
Is the project intending to specifically target anyone?

The beneficiaries to be targeted by the project must relate to the baseline information detailed in the Action Plan (see page 4) which identifies the groups in need. Therefore, relate your answer to the relevant sections of the Stockwell URBAN II Programme Compliment and Action Plan (2001-2006). Your answer should demonstrate how the project will contribute to improving the URBAN II Programme's Base Line Data as detailed in the Action Plan (2001-2006) and meet the programme's intended outputs and objectives. This information can be found within Plan's introduction section, under the relevant measures within the Programme Compliment and within the target outputs section within these documents.

Your answer must also show how the needs of the beneficiaries have been taken into account and include how these need are to be addressed to ensure you reach the intended beneficiaries.

Question 8: Project Outputs

Provide the outputs and the quantity, which your project intends to deliver.

Firstly, relate you answer to the list of Programme's Outcomes detailed on pages 11-12 and 14-15 of the Action Plan (2001-2006) and under the relevant measure within the Programme Compliment.

Secondly, provide information of any additional outputs, not within the Programme's outputs, that you think are applicable and your project will achieve.

If you would like to add more information, add to the section available after the Outputs Table.

Question 9: Links with other Initiatives

For your answer you should consider both local and national initiatives that are relevant to your project, these may include such initiatives as Connecting Stockwell SRB, Action Team for Jobs and Urban Recruitment, Business Link for London, Trees for London, Transport for London, Sure Start as detailed in the Action Plan (see page 5). Also, initiatives such as Borough-wide and sub-regional regeneration strategies e.g. Lambeth Parks & Greenspaces Strategic Plan, Borough's Unitary Development Plan should be included where relevant.

In your answer your answer will need to provide details of the initiatives and demonstrate how your project links with these initiatives

Question 10: Statutory Permissions

For all projects, necessary permissions must be in place before the application is submitted to the URBAN II Programme Co-ordinator and evidence provided with your submission. Projects that do not have and do not provide evidence of the relevant permissions will be deemed 'not ready' and will not be progressed through the Technical Appraisal Process. This approach is to ensure, if your project is successfully approved, it is able to get under way immediately.

Should you require further information about permissions relevant to your project, speak to the URBAN II Programme Co-ordinator before you submit your application.

Question 11: Total Project Costs.

You must ensure in your answer that you clearly demonstrate exactly what the individual elements of the project are, how much of your ERDF is allocated to each and how much matchfunding. For guidance on eligible expenditure, refer to the Programme Compliment under the relevant measure where a list of eligible activities for each is clearly provided.

Question 12: Sources of Matchfunding

The information required is a summary of all the eligible matchfunding to be used as part of your total project costs. Question includes a checklist to ensure evidence is provided – all applicants must provide this evidence when submitting the application.

Refer to Section 2 of the Bidding Guidance for further detail on what matchfunding is and what is required.

Question 13: Value for Money

Every project must demonstrate that what is being provided offers value for money, i.e. it is comparative with other similar initiatives and will provide a high quality result.

Your answer must demonstrate how you have ensured that value for money has been considered and implemented, should also demonstrate how you will continue to ensure value for money is achieved.

To enable this to be demonstrated, use similar projects, initiatives and providers to provide a comparison to support and justify your proposed cost and provide information of any competitive tendering procedure you will be implementing.

With regards to in-kind matchfunding, clearly demonstrate how costs relate to market values i.e. salaries, hourly charge out rates, room hire. Ensure you promote such things as if you are able to reduce project costs due to in-kind contributions.

Question 14: Project Business Plan

(NB: for projects with a total value of over £30,000 only)

Refer to Annex 6: PROJECT BUSINESS PLAN – ERDF GUIDANCE

Question 15: Project Timetable

(NB: for projects with a total value of £30,000 and less only)

Your answer should include full details of the programme of the project's delivery and include the key activities and milestones.

Question 16: Project Risk Assessment

(NB: for projects with a total value of over £30,000 only)

There are always risks associated with any project. You should clearly state what these risks are, highlighting the impact they could have on your project and how you have and will continue to minimise them.

Question 17: Implementation

(NB: for projects with a total value of over £30,000 only)

You must ensure the roles and responsibilities of those involved in the implementation of your project are clearly demonstrated. Provide a list of the various people/partners to be involved in the project, including a structure chart or describe the management structure of the project.

If your project involves more than one organisation you must have a contractual agreement between each of the partners, which clearly demonstrates the roles and responsibilities i.e. Service Level Agreements. This must be attached to your Project application to be deemed a valid application.

For projects involving only one organisation provide the following details:

Main contact, management committee members including chair, treasurer or members of the project steering group/delivery team. Ensure you detail each of their roles and responsibilities for ensuring the successful the implementation of the project.

Question 18: Formal Community Consultation

Provide information regarding what formal consultation has taken place and demonstrate how this supports your project and local community, for example Stockwell Masterplan.

May also refer to other similar projects which have carried out formal consultation which supports your project, for example Wandsworth Road - Road Safety Scheme

Question 19: Community Consultation and Involvement

Describe how and why you will ensure your project continues to consult with the local community and directly involve in the delivery and long term outcome.

Ensure you promote innovative methods of involving local residents and approaches you will take to ensure you achieve your intended community involvement, especially with the Programme's target groups.

Relate your answer to how you will contribute to the Programme achieving its relevant Strategic Objectives (see page 2 of the Programme Compliment for a guide)

Question 20: Experience

Ensure you provide details of relevant experience and knowledge of all those who will be responsible for the project's implementation. Use examples of similar project to provide evidence that supports your promotion of the experience and knowledge your team has.

In cases where you do not have previous experience of running projects funded by European funds, you must say so but also provide information, such as the financial and monitoring systems that will be implemented and the team member's skills and experience, to demonstrate your team and organisation's ability and capacity to successfully manage ERDF funds.

Question 21: Sharing of Best Practice

The URBAN II programme, through supporting innovative pilot and testbed ideas, seeks to ensure knowledge and experience learnt through delivery of its projects is shared and transferred to both other URBAN II projects and other similar programmes and initiatives.

Your answer should provide details on how this transferability is to be achieved and what tools/methods/approaches are to be used; may include such approaches as: Best Practice Guides, workshops, conferences, promotions and through the links with other initiatives. Answer will include how the knowledge/experience will be promoted and potentially used by others.

Question 22: Project and Programme Promotion

Relate your answer to the Communications Strategy on pages 34-36 of the Programme Compliment, demonstrating how your project will contribute to the promotion of the project and to the Programme meetings its objectives. Use the information in the Programme Compliment to provide guidance to your answer.

Section H – Cross Cutting Themes

The programme has three Cross Cutting Themes which are an integral part of its strategic objectives. This is reflected in the 30% proportion of the projects potential total score this section has. This is equally divided between the three themes. Therefore, you must ensure your answer to each theme clearly relates to the relevant section in the Programme Compliment, ensure you clearly demonstrate how the project will contribute to the programme's objectives and targets for each theme and why.

Provide details on the methods and initiatives, which will address the issues, achieve the key outputs and result in a positive impact. Your project should promote innovative methods on how this is to be achieved.

Question 23a & b: Equal Opportunities

The Programme Compliment provides clear information, which will assist you in your answer (see pages 28-29). If you have referred to Equal Opportunities elsewhere in your application, ensure you cross-reference the details.

For 23a ensure you include what you will do, how it will contribute to the Programme's objectives for Equal Opportunities and how you will overcome potential barriers and problems that may arise in addressing this theme.

Within 23b provide a percentage apportionment of the target group to benefit from this project.

Question 24: Sustainable Development

The Programme Compliment provides clear information, which will assist you in your answer (see pages 30-31). Ensure your answer clearly relates to the Programme's Sustainable Development objectives and demonstrates how you will achieve these.

Question 29a & b: Information and Communication Technology

The Programme Compliment provides clear information, which will assist you in your answer (see pages 31-33). Ensure your answer clearly relates to the Programme's Information & Communication Technology and objectives and demonstrates how you will achieve these.

Ensure in both 29a and 29b you address the focus of the question, providing information on how you intend to address each.

Final note:

Ensure your application is complete before submitting by making use of the Checklist detailed in Annex 4.

PROJECT BUSINESS PLAN – ERDF GUIDANCE

Introduction

All projects over £30,000 must provide a detailed business plan. **An application for grant will not be accepted without one.**

This guidance describes what a plan should include. Its length will vary depending on the complexity of the project. We expect the plan to be comprehensive but even for a large project it should not normally exceed 25 sides of A4 plus any additional documents such as building plans, reports or maps that are considered relevant. Smaller projects may have considerably shorter Business Plans.

The Business Plan needs to show clearly:

what the project is intended to achieve;

why it is necessary and not some other form of intervention;

how it will be delivered; and,

at what cost and how it will be funded.

The plan should also make clear what value for money the project offers, what impact on the local economy it will have, and how this will be continued after grant support ends. The plan should provide all this information under the headings set out below.

1. The Project Aim

State clearly and succinctly what the project is intended to achieve and how this will contribute directly to the objectives set out in the Programme Complement for the area.

2. Project Description

Give a full description of the project including:

- i) what the project is;
- ii) where it will be located;
- iii) who will deliver/operate the project and what will be their roles;
- iv) how the project links with any other local initiatives (in particular those receiving EC structural funds);
- v) how the project fits with relevant regional strategies such as the Regional Economic Strategy;
- vi) the extent of private sector involvement;
- vii) how the project will be promoted/marketed.

3. The Market Need for the Project

Give a clear justification for the project. Describe the market failures that have brought about the specific local problems that the project is intended to address and say how the project will tackle them.

Details of any market research or other preliminary work evidencing the need should be provided. If you have carried out market research or a feasibility study you should include the report. Also, if you have written evidence of comments or support from relevant organisations you should include them here.

You should also include in this section an analysis of the alternatives to your project, including the ‘do nothing option’ and consideration of any relevant existing provision. This is to demonstrate why the market need or needs you have identified should be addressed in the way described in your project and not in some other way.

Your analysis should include a realistic assessment of the risks of the project not delivering what you intend and the action you will take to minimise these risks.

4. Project Objectives

We need a clear understanding of what the project will produce and when. You should describe the objectives of the project and give details of how and when they will be delivered. Describe the starting point for each of the objectives giving relevant figures to show the current baseline from which the project is intended to progress. You should explain how these baseline figures have been calculated. It is important that the project objectives are specific, realistic and achievable and that they clearly relate to one or more of the Measures set out in the programme Complement.

The description of objectives must include details of the quantifiable targets the project will produce. You should use the terminology in the Programme Complement to describe these targets in terms of either ‘outputs’ (measures of activity) or ‘results’ (what that activity is expected to produce over the lifetime of the project). Your plan should show clearly when these targets will be achieved.

You must also provide a clear explanation of how the targets for ‘outputs and ‘results’ have been calculated. For example, if you foresee the creation of a certain number of jobs, you will need to identify exactly where and how you expect those jobs to be created. Therefore you should ensure that you provide the appropriate level of detail. If your project is approved you will need to be able to provide evidence that the agreed targets have been achieved. For example where a job is created such evidence will include names, addresses, NI numbers, job descriptions, employment dates etc.

In this section give details of the degree to which the project will contribute to the overall economic development of the region such as the involvement of businesses and creation of jobs. Details should be provided on whether the project provides security for jobs under threat and/or will lead to extra jobs being created in the area.

5. Project Organisation and Management

Describe here fully how the project will be organised including full details of all the bodies involved; what their responsibilities to the project are and how they will relate to one another. Include a full description of how the project will be managed and monitored and give details of who will do this.

The explanation of the management arrangements should give details of the personnel involved including who the project manager will be and/or how you intend to appoint one. You should describe the skills they will need and those that may be required of others in the management team. If there are development needs you should consider how you intend to address them and give an explanation. You should outline the intended remuneration packages for all project staff and explain the reasoning that you have used. You will need to consider the overall costs of project management in relation to the financial value of the rest of your project. You should explain your management costs here bearing in mind that we will be looking for evidence of good value for money.

6. Project Workplan

A project plan should be provided that gives full details of how the project will operate over its planned lifetime. Include details of all the key tasks to be undertaken and when they will be completed, the key milestones by which you intend to measure the progress of the project and the dates when you expect to be able to show progress towards the project's quantified targets.

7. Financial Management.

Give a clear description of how the project finances will be managed and by whom. The systems you use must show how grant has been used and how the amount of eligible expenditure recorded will be verified. The records you keep will be subject to audit carried out by external appointed auditors and to periodic inspection by Government Office staff.

8. Project Funding

A full breakdown of all costs for each of the project activities is required. A description of how the project will be funded should be provided, supported by cash flow forecasts as well as details of any charging policy and assumptions used to forecast project income and any profits. An explanation of what allowance has been made for inflation should be included here too.

If overheads are included a description of what they are and how they are calculated is also required. Where the project is co-funded by contributions from both the public and private sector, details of the distribution of any profits should be explained in detail.

You should consider what criteria you will use to source goods and services. Please also detail whether the project or the organisation operating the project is VAT registered. Please indicate clearly if the costings you have provided are net or include VAT.

You should also detail any contributions in kind that you have included and explain the basis of any monetary value that has been assigned to them.

If you are seeking variable rates for grant for different parts of your project you should display this clearly, and include an explanation. Remember that different parts of your project may need more or less grant support to get off the ground. Please give details of any sources of funding that you have already secured with amounts and timescale.

You should remember that other organisations making contributions to the project may stipulate other conditions on which their funding is dependant, so you should outline details of these where they are known. Please include any confirmation of funding support for the project that you have already obtained and any other documentation relating to these other sources of funds. If you have applied for funds, but have not yet received a commitment, you should outline the contents of your application

and the current situation. You should also explain whether you have considered all other available sources of funding such as a bank loan.

If the body running the project is not in the public sector the latest audited accounts for the organisation must be submitted with this Business Plan.

9. **Exit Strategy.**

This part of the plan should describe how the benefits of the project will continue to be delivered after grant support comes to an end.