



## Draft CLLD Funding Agreement

Title

Address 1

Address 2

Address 3

Address 4

Date: xxx  
Our ref: ESIF/Project number  
Your ref: ESIF/

### This matter is being dealt with by:

xxxx, xxxxxxxxx, Sunderland City Council, Financial Resources, Civic Centre, Sunderland, SR2 7DN.

E-mail [xxxx@sunderland.gov.uk](mailto:xxxx@sunderland.gov.uk). Tel: 0191 561 1158

Dear x

### Sunderland Local Development Strategy - Community Led Local Development European Social Fund (ESF) European Regional Development Fund (ERDF)

Project: xxxxxx

I am pleased to inform you that the **Local Action Group** on xxxxx 2017 approved funding of £xxxx **[ESF / ERDF]** to the **[Name of applicant]** from the **Sunderland Economic Corridor Community Led Local Development** programme in respect of **[Name of project]** as detailed in your ESIF Full Application document. The City Council is responsible for ensuring the proper financial management of the grant, and as such, the grant funding is approved based upon the following spend profile and subject to the detailed conditions set out below:

Funding package	2018	2019	2020	2021
	£	£	£	£
ESF / ERDF				
Match funding				
<b>Total</b>				

ESIF Fund Quarterly Breakdown								
	2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ESF / ERDF								

ESIF Fund Quarterly Breakdown								
	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ESF / ERDF								

The grant is approved subject to the following outputs / results being achieved during the same period, as follows:

ESIF Output code (ESF / ERDF)	Target 2018				Target 2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
X	-	-	-	-	X	-	-	-
X	-	-	-	-	X	-	-	-

ESIF Output code (ESF / ERDF)	Target 2020				Target 2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
X	-	-	-	-	X	-	-	-
X	-	-	-	-	X	-	-	-

Project Milestones and Key Events	Forecast Dates

Funding is also subject to the following approval conditions:

- The project should ensure that, wherever appropriate, publicity generated by the project acknowledges ESIF [ESF or ERDF] support. The appropriate ESIF [ESF or ERDF] logo can be obtained from the Financial Resources Team with further guidance provided in the ESIF Branding and Publicity Guidance, via the following link: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/564432/esif\\_branding\\_and\\_publicity\\_requirements.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/564432/esif_branding_and_publicity_requirements.pdf)

Should further assistance be required, an **Area Coordinator / Area Community Development Lead** will go through the terms and conditions of the grant award and provide guidance on the delivery and monitoring requirements regarding your project, in advance of you agreeing to the content of this letter. If assistance is not required, please ensure you read, and agree to all the terms and conditions before signing and returning one copy to the above office.

This offer of ESIF [ESF / ERDF] grant support remains available for 3 months from the date of this letter. Failure to return a signed copy of this letter by that date will result in the withdrawal of this offer of support.

Should you have any queries regarding this letter or the terms and conditions outlined below, please contact xxxxxxxxxxxxxx on 0191 561 1158.

Yours sincerely

Barry Scarr  
Executive Director of Corporate Services

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# COMMUNITY LED LOCAL DEVELOPMENT [ESF / ERDF] TERMS AND CONDITIONS

## 1.0 PAYMENT OF ESF / ERDF

- 1.1 Should any of the terms and conditions described below not be adhered to, ESF/ERDF funding may be suspended or withdrawn and the project required to repay any funding it has spent to date.
- 1.2 ESF/ERDF is approved as part of the CLLD programme in response to open calls for projects.
- 1.3 ESF/ERDF will not be paid and may not be used for:
- Activities of a political or exclusively religious nature
  - Expenditure supported from other EU sources or where the combined ESF / ERDF grant and other support total more than 100% of the project or the total project costs
  - Payments for redundancy
  - Expenditure incurred before the project was correctly approved
  - Payments made in advance of need
  - Add other ESF/ERDF relevant conditions
- 1.4 Funding will only become available once the offer letter has been signed and returned. The allocated code number for this project will be made available once the signed offer letter has been returned.
- 1.5 The award will not be released as a “lump sum”. Payments are in arrears and can only be paid on receipt of a claim certificate. Claims must be submitted on a quarterly basis, along with a **Quarterly Monitoring Return (QMR)**. A full transaction list, copies of invoices and all necessary paperwork should be sent in with your QMR during the first week of the following months to ensure payment: **January; April; July and October**. In cases where a project wishes the City Council to pay a supplier direct, a letter from the Lead Applicant authorising the City Council to release funding on their behalf will be required. In special circumstances the project may be able to claim monthly, this should be negotiated between Lead Applicant and the ACO.

## 2.0 FINANCIAL MANAGEMENT

- 2.1 Funding can only be used for the purposes outlined in the application form and in accordance with ESF/ERDF rules. It is the project's responsibility to keep the relevant **Area Coordinator / Area Community Development Lead** informed of any changes to the initial proposal that may affect the terms and conditions of the original offer of ESF/ERDF support.
- 2.2 If a project for any reason wishes to use their allocation for purposes other than the ones originally proposed, it is required to return the unused allocation and submit a new proposal (if appropriate) to the Council, or make a formal request to the Council to vary the original allocation.
- 2.3 **Any income arising from the rent, hire, lease or use of any building or equipment as a result of ESIF funding must be used for the benefit of the approved project.**
- 2.4 There is not the facility to overspend on specific allocations. It is the project's responsibility to have estimated the costs correctly, and the Council does not accept

any liability should these estimates prove inaccurate or insufficient. Should the available funding prove inadequate to meet the project's aims, it will be the project's responsibility to seek additional funding. If this is not possible, the Lead Applicant should seek advice from the relevant **Area Coordinator / Area Community Development Lead** regarding the current status of their ESF / ERDF allocation. Any project that exceeds the original allocation will be required to find the overspend from their own resources.

- 2.5 The project must claim ESF / ERDF funding in line with the spend profile submitted in the application form. Any underspend will be automatically returned to the CLLD programme unless prior agreement has been reached.
- 2.6 Organisations must adhere to accounting requirements relevant to their organisation type, in accordance with the Companies Act 1985, the Charities Act 1993, the Charities Statement of Recommended Practice 2005. Management accounts should be submitted to the Charities Commission or Companies House where appropriate. Further guidance can be obtained from the relevant ACO.

### **3.0 PROJECT MANAGEMENT**

- 3.1 Projects must be managed in accordance with all appropriate statutory requirements and employment legislation and must not be conducted in any way as to bring the City Council into disrepute.
- 3.2 Where ESF / ERDF is being used in part or in full to employ staff, details of the recruitment procedure (including any equal opportunities policy) should be provided. Please note that the retention or redundancies of staff are the responsibility of the project and not of the City Council or the CLLD programme.
- 3.3 Projects should take all necessary steps to secure the health, safety and welfare of all persons involved in the project.
- 3.4 Projects should ensure they have relevant insurance provision in place e.g. professional indemnity, public liability, employer liability (dependent on the nature of the project).

### **4.0 PURCHASE OF EQUIPMENT AND OTHER SERVICES**

#### **4.1 Purchasing / Procurement requirements**

The Council has a duty to ensure that, where it awards ESIF grant to external organisations, value for money and probity is demonstrated before grant is expended. Where any such grant is used to procure goods, materials, services or works the following procurement requirements must be applied. Further guidance is provided in the ESIF National Procurement Requirements:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/592852/ESIF-GN-1-001\\_ESIF\\_National\\_Procurement\\_Requirements\\_v5.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/592852/ESIF-GN-1-001_ESIF_National_Procurement_Requirements_v5.pdf)

These national rules are designed to achieve sound financial management of public funds and to open opportunities up to competition.

### **Between £2,500 and £24,999**

All estimated eligible expenditure between £2,501 and £25,000 must be supported by at least three written competitive quotes. All records must be kept to objectively demonstrate that value for money has been achieved and competition has been considered.

All actual expenditure must be evidenced. This will include invoices and evidence of payment and bank statements.

### **Between £25,000 and relevant Public Contracts Regulations threshold**

All estimated eligible expenditure between £25,000 and the relevant Public Contracts Regulations threshold must be supported by a formal tender process in line with the National Procurement Requirements above. This includes appropriate advertising of the tender opportunity in Contracts Finder, on the ESIF grant recipient's website for a reasonable time period (at least 14 days for services and supplies), and via other appropriate advertising routes.

All actual expenditure must be evidenced. This will include invoices and evidence of payment and bank statements.

Guidance should be obtained from the Council if supplies or services purchased are likely to exceed £25,000.

## 4.2 **Retention of Records**

Records of all of the above processes should be retained until advised by the Council, and in line with ESIF Document Retention requirements, and must be available for inspection by representatives of the Council if required.

Failure to comply with any of the above conditions could result in clawback of monies and further claims or awards not being approved.

Please note: Projects will be required to submit all relevant documentation with regard to the appointment of a contractor or supplier with the first Quarterly Monitoring Return (or the most appropriate).

Projects are required to provide accurate and verifiable information for monitoring, evaluation and reporting purposes, and must fill in and return the quarterly monitoring return form that is sent requesting information on projects' progress. Additionally, projects are subject to audit and monitoring throughout their duration by the Council, DCLG, DWP or European Commission. Failure to return monitoring forms or comply with any other financial requests made may result in the remainder of the allocation being withheld or future applications being refused.

It is the project's responsibility to keep the relevant **Area Coordinator / Area Community Development Lead** informed of any changes that may affect its ESF / ERDF allocation. In this respect it should be noted that:

- The normal practice will be to make ESF / ERDF funding available for the period indicated in the funding profile in the application form. If funding is not claimed in accordance with the profile of projected costs, or once the projected completion date has been reached, any unused allocation may be reclaimed, unless the project has indicated a satisfactory reason for the delay and

requested an extension to their funding period.

- ESF / ERDF can only be used for the purposes outlined in the approved application form. If a project for any reason wishes to use their allocation for purposes other than the ones originally proposed, they would need either to return the unused allocation and submit a new proposal to the Accountable Body (in response to an open call) or make a formal request to the Accountable Body (acting on behalf of the Local Action Group) to vary the allocation.

#### 4.3 **Potential Conflicts of Interest**

Any potential conflicts of interest (e.g. the supplier is a friend or relative of the person procuring the service, goods or works) should be declared and those affected should not participate in the procurement process or decision.

#### 4.4 **Capital assets**

Capital assets funded with ESF / ERDF support are limited to purchase of equipment that have a useful life of more than one year and under £2,500 in value. Projects that use ESF / ERDF allocations for capital assets must create and maintain a capital asset register. Entries to the register must be made at the time of purchase and an updated copy of the register must be submitted on completion of the project. The register should show :

- Date of purchase
- Description of asset
- Price paid net of recoverable VAT
- Amount of **SIB ESF / ERDF grant awarded**
- Serial or identification numbers
- Location of the asset

Assets should be shown on the relevant section of your Quarterly Monitoring Form (QMR).

Proposals to dispose of any asset purchased wholly or partly with ESF / ERDF support must receive prior approval from the Council. Any project wishing to do so should seek advice from the Financial Resources Team.

#### 4.5 **Insurance**

All goods should be adequately insured.

### 5.0 **MONITORING AND EVALUATION**

5.1 Officers from the Council reserve the right to monitor all eligible project expenditure, including site visits where deemed necessary, in order to ensure that projects are spending their allocation in accordance with the aims, timescales and funding profile as specified in the application form and that all grant conditions are being observed.

5.2 Projects are required to provide accurate and verifiable accounting records for all eligible project expenditure. This information must be available on request at any time for inspection together with supporting invoices, receipts and other relevant

documents. Records must be retained for a minimum of **xx years** from the date of this letter.

- 5.3 Projects will be required to complete monitoring return forms, asking for details of their progress, on a quarterly basis. Forms are sent out in **January, April, July and October** in each year of the project's operation. Where applicable, projects are required to submit all relevant documentation with regard to the appointment of a contractor or supplier, with the first Quarterly Monitoring Return (or the most appropriate).
- 5.4 Additional information may be required in support of feedback reports to the Local Action Group, DWP or DCLG or for evaluation purposes at key stages in the project's lifetime.
- 5.5 Once projects have used their full ESF / ERDF allocation, they may be required to submit a written evaluation report and attend a future Local Action Group meeting to update LAG members. Lead Applicants will be informed by the relevant **Area Coordinator / Area Community Development Lead** when this report and presentation will be required.
- 5.6 Failure to return monitoring forms promptly, or comply with any other request made as part of the monitoring process, may result in the remainder of the allocation being withheld or applications for future funding being refused.

## **6.0 PUBLICITY**

- 6.1 The project should ensure that, wherever appropriate, publicity generated by the project acknowledges ESF / ERDF support. It is a condition of your ESF / ERDF funding that any press releases be made in conjunction with the **Council's Communications team** (information available from the **xxxx**). Publicity and communications guidance, including appropriate logos, can be obtained from the Financial Resources team.
- 6.2 Your organisations details can be promoted on the Council's on-line directory, accessible via [www.sunderland.gov.uk](http://www.sunderland.gov.uk). No fee is incurred for this service.

## **7.0 COMPLETION OF PROJECT**

- 7.1 A project closure form, indicating the end of ESF / ERDF funding and the project as described in the original submission, will be forwarded to the Lead Applicant at the appropriate time.

## **8.0 WORKING WITH CHILDREN, YOUNG PEOPLE AND VULNERABLE ADULTS**

- 8.1 When funding has been awarded to deliver a project that will encounter or work with children, young people (aged 15+) and vulnerable adults during the lifetime of the funding programme, all staff and volunteers involved must apply and complete an enhanced Disclosure and Barring Service (DBS) Disclosure, copies of which, must then be forwarded onto the **Area Coordinator / Area Community Development Lead** to be retained on file.



8.2 All staff and volunteers working indirectly or directly with children, young people and vulnerable adults, throughout the lifetime of the award, must have relevant qualifications, copies of which should be supplied

8.3 **Lead organisations must have an adopted Safeguarding Children, Young People and Vulnerable Adults Policy.**

8.4 Projects cannot start delivery of the project until all relevant paperwork has been seen and approved by the Council, acting as the Accountable Body on behalf of the Local Action Group.

## **9.0 SUSPENDING OR RE-COUPING FUNDING**

9.1 If at any time during the lifetime of the award it is believed or evidenced that the Lead Applicant or his/her associates, employees, assistants or agents have brought the Council or CLLD funding programme into disrepute either directly or indirectly, Sunderland City Council declare the right to suspend or re-coup the funds.

9.2 Furthermore the Council retains the right to terminate the funding where the organisation does not provide the required information at the time requested, or provides false or inaccurate information. Funding will also be terminated if the organisation is found to be, or suspected of being, involved in any criminal or disreputable activity.

## **10.0 FREEDOM OF INFORMATION**

10.1 The Council is subject to the Freedom of Information Act and the Environmental Information Regulations ("the Acts"). As part of the Council's duties under the Acts, it may be required to disclose information forming part of the project to anyone who makes a reasonable request. The Council has absolute discretion to apply or not to apply any exemptions under the Acts.

10.2 The Project shall assist and cooperate with the Council (at the Project's expense) to enable the Council to comply with the information disclosure requirements under the Acts and in so doing will comply with any timescale notified to it by the Council.

## **11.0 SUNDERLAND VOLUNATRY & COMMUNITY SECTOR AREA NETWORK**

11.1 Your organisation agrees to join and receive regular updates from the Area VCS Area Network. Updates may include, information on local events, activities, funding opportunities and news, with the additional option of attending a Network meeting.

**ACCEPTANCE**

As Lead Applicant for the [insert project title] project, I accept the ESIF (ESF / ERDF) terms and conditions as outlined in this document.

Signed: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Organisation or Group: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

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