**OPERATING RULES and DESK INSTRUCTIONS**

Date: 27 July 2020 Requested By: Various staff across RAD

Change to OP Rules  Desk Instructions

Reason for Change:

Various amendments required across the desk instructions as detailed below

Detail of Change (attach draft wording):

|  |  |  |  |
| --- | --- | --- | --- |
| **Page No** | **Paragraph** | **Clarification/ Easement/ Guidance** | **Topic** |
| 22 | 3.11 | Clarification | Amendments to Annual Spend Forecast Guidance |
| 23 | 3.21 | Clarification | Project Accruals |
| 35 | 6.9  Calls for applications for grant | Clarification | 2nd Applications – Projects with Retentions |
| 39 | Contact Details | Clarification | Change of Enterprise NI details |
| 43 | 7.12 | Clarification | DAERA Business ID Check |
| 65 | 10.8 Letter of Offer | Clarification | Amendments from Chapter 16 to Chapter 10 |
| 65 & 66 | 10.9 Letter of Offer | Clarification | Amendments from Chapter 16 to Chapter 10 |
| 69 | 11.1, 11.2, 11.3. 11.4  Project De-brief and Review Process | Clarification | Project De-brief & Review Process |
| 70 | 11.6. 11.7, 11.8, 11.9, 11.10  As above | Clarification | Project De-brief & Review Process |
| 71 | 11.11, 11,12, 11.13, 11.15  As above | Clarification | Project De-brief & Review Process |
| 77 & 78 | 13.1 & 13.3  Project Inspection | Guidance | Project Inspections |
| 102 & 103 | 16.3, 16.4, 16.5, 16.6, 16.7  Project Non-financial, monitoring and evaluation | Clarification | Amendments to Chapter 16 |
| 103 & 104 | 16.8, 16.9, 16.10, 16.12  As above | Clarification | Amendments to Chapter 16 |
| 105 & 106 | 16.14, 16.18, 16.19 As above | Clarification | Amendments to Chapter 16 |
| 125-127 & 301 | 6 & Appendix 7E(i) | Clarification | Co-operation Application Process & Co-Funding Declaration of Support |
| 162 & 166 | 9.1 & 10.4 Tendering Procedures | Guidance Easement | Easement on Procurement |
| 163 & 164 | 9.9 As above | Guidance Easement | Easement on Procurement |
| 240 | Appendix 7Bi Point 2ii  Applicant Legal Entity | Clarification | Legal Entity of Applicant – Addressing LoO’s |
| 276 | RBIS Scheme Sheet | Clarification | Additional point at aa for Ineligible Costs |
| 315 | Appendix 7H  Promoter Phased Payments | Guidance | Phased Payments to the Promoter |
| 496 & 498 | Appendix 10c 3.10 & 4.10 (j) | Guidance | T&C Booklet – Section 75 Guidance &  Additional information on Pre-payment conditions for the project |
| 506 & 507 | Appendix 10c | Guidance re-added | T&C Booklet – Sections 15 - 18 |
| 509 | 22.3 & 22.4 | Guidance | T&C Booklet – Additional information on Disposal of Assets |
| 511 | 29.1 | Clarification | T&C Booklet – Clarification on Legal Charge on Property or Land |
| 512 & 513 | 29.4 | Guidance | T&C Booklet – Additional Information on Confirmation of Ownership or Leasing Arrangements |
| 526 | Appendix 11A  LAG Review of Decisions | Guidance | LAG ‘Review of Decisions’ Guide |
| 527 | Contents  As above | Guidance | LAG ‘Review of Decisions’ Guide |
| 528-530 | Points 1-6  As above | Guidance | LAG ‘Review of Decisions’ Guide |
| 531-536 | New Application Form  As above | Guidance | LAG ‘Review of Decisions’ Application |
| 537 | Appendix 11B  DAERA Review of Decisions | Guidance | DAERA ‘Review of Decisions’ Guide |
| 538 | Contents  As above | Guidance | DAERA ‘Review of Decisions’ Guide |
| 539-542 | Points 1-10  As above | Guidance | DAERA ‘Review of Decisions’ Guide |
| 543-549 | New Application Form  As above | Guidance | DAERA ‘Review of Decisions’ Application |
| 558-570 | Appendix 13A  Project Admin Stage 1 Check | Guidance | Various Amendments to Project Administrative Check Stage 1 |
| 571-584 | Appendix 13B  Project Admin Stage 2 Check | Guidance | Various Amendments to Project Administrative Check Stage 2 |
| 585-593 | Appendix 13C  Project Admin Stage 3 Check | Guidance | Various Amendments to Project Administrative Check Stage 3 |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

Approved **Yes  No**

Date of Decision: 24th July 2020

Decision By: Gerard O’Neill

Date Change Issued: 27th July 2020

**Rural Development Programme** **2014 – 2020**

Priority 6

Desk Instructions

|  |  |  |
| --- | --- | --- |
| **Contents** |  | **Page No.** |
| **Chapter** | **Section** |  |
| [Chapter 1 - LAG Membership](#Chapter_1) | [LAG Composition](#Para_1_1) | 16 |
| [Filling LAG Board Vacancies](#Para_1_8) | 16 |
| [Rotating Posts on the LAG Board](#Para_1_9) | 17 |
| [Chapter 2 - LAG Operation](#Chapter_2) | [Monthly/Regular Meetings](#Para_2_1) | 18 |
| [Delegated Authority](#Para_2_4) | 18 |
| [Conflict of Interest](#Para_2_5) | 19 |
| [Agenda Items for LAG Board Meetings](#Para_2_6) | 19 |
| [Expenses](#Para_2_8) | 19 |
| [Asset and Information Asset Management](#Para_2_12) | 20 |
|  | Applicable Dates |  |
| [Chapter 3 - Financial Monitoring and Strategy Progress](#Chapter_3) | [Introduction](#Para_3_1) | 21 |
| [Monthly Progress Report for LAG](#Para_3_2) | 21 |
| [Financial Monitoring](#Para_3_8) | 21 |
| [Annual Spend Forecast](#Para_3_9) | 22 |
| [Annual Spend Forecast Review](#Para_3_15) | 22 |
| [Accruals - Project Accruals](#Para_3_21) | 23 |
| [Accruals – Admin Accruals](#Para_3_23) | 23 |
| [Ad Hoc Queries](#Para_3_24) | 23 |
| [General Financial Management Issues](#Para_3_25) | 23 |
| [Chapter 4 – LAG Administration Service Delivery Checks](#Chapter_4) | [Monitoring Inspections](#Monitoring_Inspections) | 25 |
| [Areas for Inspection](#Areas_for_Inspection) | 25 |
| [Risk Assessment](#Risk_Assessment) | 26 |
| [Issue of Reports](#Issue_of_Reports) | 26 |
| [Chapter 5 – LAG Payments and Procedures Administration](#Chapter_5) | [Preparing LAG Administration Claims](#Preparing_LAG_Administration_Claims) | 27 |
| [Petty Cash](#para_5_6) | 28 |
| [Hospitality](#para_5_7) | 28 |
| [Refreshments at Meetings](#Refreshments_at_Meetings) | 28 |
| [Travel and Subsistence](#Travel_and_subistence) | 30 |
| [Claim Evidence](#para_5_20) | 30 |
| [Charging of Fees](#para_5_23) | 31 |
| [Administration Claim Form – Sign off by LAG](#para_5_27) | 31 |
| [Article 48 Administration Check](#para_5_27) | 31 |
| [DAERA Verification Checks on Administration SLA Claims](#DARD_Verification_Checks) | 31 |
| [Chapter 6 Calls for Applications for Grant](#Chapter_6) | [Stage 1 - LAG Pre-application Workshops](#Para_6_4) | 33 |
| [Stage 2 - Request to open database using DOR1 Form](#Para_6_17) | 37 |
| [Chapter 7 - Processing Applications for Grant](#Chapter_7) | [Introduction](#Para_7_1) | 40 |
| [Receiving an Application](#Para_7_2) | 40 |
| [Applicant Eligibility Check](#Para_7_5) | 40 |
| [DAERA Business ID Check](#Para_7_11) | 43 |
| [Previous Funding and Reportable Irregularities Check](#Para_7_12) | 44 |
| [Project Eligibility Check](#Para_7_13) | 45 |
| [Residential Properties](#Para_7_16) | 45 |
| [Procurement – Reasonableness of Cost Check](#Para_7_17) | 45 |
| [Match Funding](#Para_7_21) | 46 |
| [Proof of Funding by Other Departments, NDPB's or Funding Bodies](#Para_7_27) | 48 |
| [Reliability of the Applicant](#Para_7_30) | 48 |
| [Consultation Required With Key Stakeholders](#Para_7_32) | 49 |
| [Advance Payments](#Para_7_29) | 49 |
| [Phased Payments](#Para_7_34) | 49 |
| [Legal Charge Requirements](#Para_7_31) | 49 |
| [Second-hand Equipment](#para_7_50) | 53 |
| [Process Eligible Applications](#para_7_51) | 53 |
| [Process Rejected Applications](#para_7_52) | 53 |
| [Withdrawn Applications](#para_7_54) | 53 |
| [Chapter 8 - Project Appraisal](#Chapter_8) | [Site Visit - General](#para_8_1) | 56 |
| [Site Visit - Business Investment Scheme](#para_8_7) | 56 |
| [Size Of The Business](#para_8_9) | 57 |
| [What is a FTE employee?](#para_8_10) | 58 |
| [Partnership / Linked Businesses](#para_8_11) | 58 |
| [Environmental Assessment](#para_8_14) | 58 |
| [State Aid](#para_8_15) | 59 |
| [Economic Appraisal](#para_8_16) | 59 |
| Programme Appraisal |  |
| Responsibility |  |
| [Management Check - Article 48](#para_8_19) | 60 |
| [Chapter 9 - Assessment of Applications](#Chapter_9) | [Prepare Assessment Panel Papers](#para_9_1) | 61 |
| [Assessment Scores and Panel Minutes](#para_9_6) | 61 |
| [Changes to Proposed Project pre Board Funding Decision](#para_9_7) | 62 |
| [Successful Applications](#para_9_12) | 63 |
| [Successful Applications: Issue of LoO](#para_9_15) | 63 |
| [Unsuccessful Applications: Issue of Rejection Letter](#para_9_16) | 63 |
| [Chapter 10 - Letter of Offer](#Chapter_10) | [Prepare Letter of Offer](#para_10_1) | 64 |
| [Special Conditions](#para_10_8) | 66 |
| [Hand Over Letter of Offer Contract Meeting with Applicant](#para_10_10) | 66 |
| [Acceptance of Letter of Offer](#para_10_11) | 66 |
| [Changes to Approved Projects after Acceptance of Letter of Offer](#para_10_13) | 67 |
| [Chapter 11 – Project Debrief and Review Process](#Chapter_11) | [Introduction](#para_11_1) | 69 |
| [Informal Project Debrief](#para_11_3) | 69 |
| [Stage 1 Review - LAG Review](#para_11_7) | 70 |
| [Stage 2 Review - DAERA Review](#para_11_17) | 71 |
| [Chapter 12 - Project Claims and Payments Procedures](#Chapter_12) | [Separation of Duties](#para_12_2) | 72 |
| [Claim Received and Recorded on Database](#para_12_5) | 72 |
| [Eligible Expenditure/Ineligible Expenditure and Disallowance of Grant](#para_12_9) | 73 |
| [Supporting Documentation](#para_12_10) | 73 |
| [10% Variance Rule](#para_12_12) | 74 |
| [Article 48 Check](#para_12_13) | 74 |
| [Eligible Claim Amount entered on Database and any Relevant Monitoring Information also updated](#para_12_17) | 75 |
| [Eligible Claim Amount Authorised by Admin Manager](#para_12_21) | 75 |
| [Payment Authorisation Form completed and forwarded to CPU](#para_12_22) | 75 |
| [Check for BACS set up](#para_12_23) | 75 |
| [Documentation](#para_12_27) | 76 |
| [Chapter 13 - Project Inspection Article 48, 49 & 52](#Chapter_13) | [Article 48 Administrative Checks](#para_13_1) | 77 |
| [Article 60 DAERA Verification Checks on Promoter Claims](#para_13_5) | 78 |
| [Article 49 On-the-Spot Checks](#para_13_9) | 79 |
| [Article 52 Ex-Post Checks](#para_13_13) | 80 |
| [Chapter 14 - Governance and Audit](#Chapter_14) | [LAG Board](#para_14_1) | 81 |
| [Role of the Admin Unit](#para_14_3) | 81 |
| [Audit (Internal Controls)](#para_14_4) | 81 |
| [Chapter 15 - Irregularities & Debt Recovery](#Chapter_15) | [Irregularities and Debt Recovery](#Chapter_15) | 83 |
| [Application of Article 63 (Reg 809/2014)](#para_15_15) | 86 |
| [Application of Article 35 (Reg 809/2014)](#para_15_20) | 87 |
| [Exceptions to Administrative Penalties](#para_15_33) | 89 |
| [Treatment of Irregularities Discovered Post Payment of Grant](#para_15_36) | 90 |
| [Debt recovery, Clawback and Notification of Losses](#para_15_44) | 91 |
| [Informing the Applicant of the Debt](#para_15_57) | 93 |
| [Annex 1 – RDP Irregularity/Penalty Matrix](#Chapter_15_Annex_1) | 95 |
| [Annex 2 – Examples of Applying Penalties](#Chapter_15_Annex_2) | 96 |
| [Chapter 16 – Project Non-Financial Monitoring & Evaluation](#Chapter_16) | [Background](#Chapter_16_Background) | 102 |
| [Setting Project Objectives, Key Tasks and Target Indicators](#para_16_3) | 102 |
| [Project Monitoring Reports](#Chapter_16_Progress_Reports) | 103 |
| [Validation of Targets Reported as Achieved by the Applicant](#Chapter_16_Validation_of_Targets) | 103 |
| [Post Project Evaluation](#Chapter_16_Post_Project_Evaluation) | 104 |
| [Programme Monitoring Reports](#Chapter_16_Programme_Monitoring_Reports) | 105 |
| [Equality Monitoring](#Chapter_16_Equality_Monitoring) | 105 |
| [Chapter 17 - Information and Publicity](#Chapter_17) | [Introduction](#para_17_1) | 107 |
| [Local Action Group (LAG) Responsibilities](#Appendix_17_Responsibilities_of_LAG) | 107 |
| [Applicant Responsibilities](#Chapter_17_Responsibilities_of_Applicant) | 110 |
|
| [Chapter 18 - Networking & Capacity Building](#Chapter_18) | Facilitate the attendance of LAG members at networking and capacity building events | N/A |
| [Chapter 19 - Cooperation](#Chapter_19) | [Rationale for Cooperation Projects](#Chap_19_para_1) | 116 |
| [Legal Basis](#Chap_19_para_2) | 116 |
| [Types of Support](#Chap_19_para_3) | 118 |
| [Eligibility Conditions - General Principles](#Chap_19_para_4) | 120 |
| [Cooperation Agreement](#Chap_19_para_5) | 124 |
| [Application Process](#Chap_19_para_6) | 125 |
| [Advances](#Chap_19_para_7) | 127 |
| [Evaluation](#Chap_19_para_9) | 127 |
|  | [Annex 1 - Flowchart](#para_19_annex) | 129 |

**List of Appendices**

|  |  |
| --- | --- |
| Appendix 1A | [Information Sheet 1](#Appendix_1A) |
| Appendix 1B | [Information Sheet 2](#Appendix_1B) |
| Appendix 1C | [Information Sheet 3](#Appendix_1C) |
| Appendix 2A | [Conflict of Interest Declaration](#Appendix_2A) |
| Appendix 2B | [Travel and Subsistence Policy](#Appendix_2B) |
| Appendix 2C | [Register of Assets](#Appendix_2C) |
| Appendix 3A | [Implementation Plan Guidance](#Appendix_3A) |
| Appendix 5A | [Applicant Procurement Guidance](#Appendix_5A) |
| Appendix 5B | [Eligible Administration Costs](#Appendix_5B) |
| Appendix 5C | [Administration Claim Form](#Appendix_5C) |
| Appendix 5D | [Petty Cash Policy](#Appendix_5D) |
| Appendix 5E | [Hospitality Form 1](#Appendix_5E) |
| Appendix 5F | [Travel and Subsistence Form](#Appendix_5F) |
| Appendix 6A | [DOR1 Form](#Appendix_6A) |
| Appendix 6B | [Provided separately to Admin Unit](#Appendix_6B) |
| Appendix 6C | [Provided separately to Admin Unit](#Appendix_6C) |
| Appendix 6D | [Provided separately to Admin Unit](#Appendix_6D) |
| Appendix 6E | [Project Business Plan - Basic Services, Village Renewal and Rural Broadband](#Appendix_6E) |
| Appendix 6F | [Project Business Plan Guidance - Basic Services, Village Renewal and Rural Broadband](#Appendix_6F) |
| Appendix 6G | [LEA Contacts](#Appendix_6G) |
| Appendix 6H | [Regional Groupings for LEAs](#Appendix_6H) |
| Appendix 6J | [Template for Rural Basic Services Declaration](#Appendix_6J) |
| Appendix 7A | [Checklist of Project Documentation](#Appendix_7A) |
| Appendix 7Bi | [Legal Entity of Applicant](#Appendix_7Bi)/Addressing LoO’s |
| Appendix 7Bii | [Parent Body Support Form](#Appendix_7Bii) |
| Appendix 7Biii | [GAA Support Form](#APPENDIX_7Biii_gaa_clubs_letter) |
| Appendix 7C | [Determination of Linked Companies Questionnaire](#Appendix_7C) |
| Appendix 7Di | [Application Eligibility Check](#Appendix_7Di) |
| Appendix 7Dii | [Application Eligibility Check for Stand Alone Applications](#Appendix_7Dii) |
| Appendix 7Diii | [Eligibility Flowcharts for Business Investment Scheme - Existing Businesses and New Businesses](#Appendix_7Diii) |
| Appendix 7E | [Scheme Sheets](#Appendix_7E) |
|  | [Rural Business Investment Scheme](#Appendix_7E1_RBIS) |
|  | [Rural Basic Services Scheme](#Appendix_7E2_RBSS) |
|  | [Village Renewal Scheme](#Appendix_7E3_VRS) |
|  | [Rural Broadband Scheme](#Appendix_7E4_BB) |
|  | [LEADER Cooperation Scheme](#Appendix_7E5_COOP) |
| Appendix 7Ei | [Bank Support Declaration](#Appendix_7Ei) |
| Appendix 7Fi | [Contribution in Kind](#Appendix_7Fi) |
| Appendix 7Fii | [List of Annex 1 products](#Appendix_7Fii) |
| Appendix 7Fiii | [Risk Assessment Form](#Appendix_7Fiii) |
| Appendix 7G | [Advance Payments](#Appendix_7G) |
| Appendix 7H | [Phased Payments to the Promoter](#Appendix_7H) |
| Appendix 7K | [Application Rejection Letter Template](#Appendix_7K) |
| Appendix 7L | [Application Withdrawal Letter Template](#Appendix_7L) |
| Appendix 8A | [Site Visit Form](#Appendix_8A) |
| Appendix 8B | [Application for DAERA Business ID](#Appendix_8B) |
| Appendix 8C | [Environmental Assessment](#Appendix_8C) |
| Appendix 8D | [State Aid Guidance](#Appendix_8D) |
| Appendix 8E | [Economic Appraisal Guidance](#Appendix_8E) |
| Appendix 8E, Annex 1 | [Leader Framework summary of principles](#Appendix_8E_annex_1) |
| Appendix 8E, Annex 2 | [Use of Consultants](#Appendix_8E_annex_2) |
| Appendix 8E(i) | [Pro Forma up to £90k - Business Investment Scheme](#Appendix_8Ei_Business_Investment) |
| Appendix 8E(i) | [Pro Forma up to £90k - Basic Services, Village Renewal, Rural Broadband](#Appendix_8Ei_Basic_Services) |
| Appendix 8E(ii) | [Pro-Forma over £90k and under £500k](#Appendix_8Eii) |
| Appendix 8E(iii) | [Pro Forma £500k - £1million](#Appendix_8Eiii) |
| Appendix 9A | [Scoring Matrix - Business Investment Scheme](#Appendix_9A) |
| Appendix 9B | [Scoring Matrix - Basic Services, Village Renewal & Broadband](#Appendix_9B) |
| Appendix 9C | [Assessment Panels Guidance Note](#Appendix_9C) |
| Appendix 9D | [Indicative Scoring](#Appendix_9D) |
| Appendix 9E | [Project Decision Record](#Appendix_9E) |
| Appendix 10A | [Letter of Offer - De Minimis](#Appendix_10A) |
| Appendix 10B | [Letter of Offer - Non De Minimis Aid (Block Exemption)](#Appendix_10B) |
| Appendix 10C | [Terms and Conditions Booklet](#Appendix_10C) |
| Appendix 10Ci | [Template Letter of Variation (and sample)](#Appendix_10Ci) |
| Appendix 10D | [Instruction explaining production of LoO from database](#Appendix_10D) |
| Appendix 10E | [Record of Meeting with Applicant to Review Letter of Offer Contract](#Appendix_10E) |
| Appendix 11A | [LAG Review of Decisions Guide](#Appendix_11A) |
| Appendix 11B | [DAERA Review of Decisions Guide](#Appendix_11B) |
| Appendix 12A | [Financial Arrangements for Applicants](#Appendix_12A) |
| Appendix 12B | [Vouching Claims for Payment](#Appendix_12B) |
| Appendix 13A | [Article 48 Stage 1](#Appendix_13A) |
| Article 13B | [Article 48 Stage 2](#Appendix_13B) |
| Article 13C | [Article 48 Stage 3](#Appendix_13C) |
| Appendix 16A | [LoO Progress Monitoring - RBIS](#Appendix_16A) |
| Appendix 16B | [LoO Progress Monitoring - RBSS](#Appendix_16B) |
| Appendix 16C | [LoO Progress Monitoring - Village Renewal](#Appendix_16C) |
| Appendix 16D | [LoO Progress Monitoring - Co-operation](#Appendix_16D) |
| Appendix 16E | [LoO Progress Monitoring - Broadband](#Appendix_16E) |
| Appendix 16F | [Summary of Monitoring Data](#Appendix_16F) |
| Appendix 16G | [Stage 1 PPE pro forma](#Appendix_16G) |
| Appendix 16H | [RBIS PPE – Stage 2. For projects with total grant funding up to £90,000 (excluding TA)](#Appendix_16H) |
| Appendix 16I | [RDP 2014-2020 PPE Stage 2. For RDP projects (excluding RBIS) with total grant funding up to £500,000](#Appendix_16I) |
| Appendix 16J | [Technical Assistance PPE Stage 2](#Appendix_16J) |
| Appendix 16K | [Record of Job Creation for Basic Services, Village Renewal and Co-operation Schemes](#Appendix_16K) |
| Appendix 19A | [Preparatory Technical Support – Information Template](#Appendix_19A) |
| Appendix 19B | [Preparatory Technical Support – LAG Assessment Template](#Appendix_19b) |
| Appendix 19C | [Co-operation Agreement](#Appendix_19C) |
| Appendix 19D | [Assessment Panel Member Scoring Matrix](#Appendix_19D) |

**CHAPTER 1**

**LAG Membership**

**LAG Composition**

1.1 Membership of the LAG is drawn from the public sector and wider community interests (social partners). The public sector can be a mix of elected councillors and/or representatives of public sector bodies. The wider community interests (social partners) can be a mix of nominated sector representatives (i.e. farming, community, business organisations) or individuals from within the defined LAG area (see Information sheet 1 at [Appendix 1A](#Appendix_1A)). The new Common Provisions Regulation stipulates *‘no one single interest group shall represent more than 49% of the voting rights’*. This means public sector representation must not exceed 49% of the make-up of the LAG Board. The European Network for Rural Development (ENRD) LEADER Toolkit identifies a LAG Board/Executive Committee size of 12-15 persons.

1.2 The Board is elected by the wider LAG membership through an AGM and should be representative and inclusive of the LAG area and include farming, community and business sectors (making up the social partner interests) combined with public sector representatives nominated through local council structures. A preference should be stipulated for these to be rural councillors or councillors representing rural areas (see Information sheet 2 at [Appendix 1B](#Appendix_1B)). Social partner representation can be drawn from nominated sectorial representatives (representative rural stakeholder organisations) and/or the wider LAG Membership (see Information sheet 3 at [Appendix 1C](#Appendix_1C)).

1.3 The Board composition should address equality of opportunity and promotion of good relations. The Board will have defined terms of office that actively seeks, promotes and encourages new membership by rotation. The size of the Board may vary depending on size of LAG area

1.4 The Admin Unit must maintain current lists of the LAG Board and wider LAG membership detailing sector representation, gender, age groups (<25, 25-40 and >40).

**Filling LAG Board Vacancies**

1.5 Vacancies that arise on the Board from time to time should be filled from the existing pool of the wider LAG membership (see information sheets 2 and 3 at [Appendix 1B](#Appendix_1B) and [Appendix 1C](#Appendix_1C) respectively). The Admin Unit should contact the wider LAG membership and request that anyone interested in filling a vacancy must complete an expression of interest form to fill the position. In filling the position the LAG Board should make its decision in accordance with its Articles of Association and having regard to the particular sector that needs representation on the Board. Councils will appoint elected members to the Board should the need arise. Any changes to the LAG Board must be notified to DAERA.

**Rotating Posts on the LAG Board**

1.6 The Chair of the Board should be rotated through a voting mechanism on a biennial basis and rotate reflecting the LAG Board composition (public sector and social partner).

**CHAPTER 2**

**LAG Operation**

**Monthly / Regular Meetings**

2.1 When the LAG holds its regular monthly meetings the Admin Unit must prepare an agenda and progress report to inform the LAG Board’s discussion. This report must clearly detail progress towards Strategy implementation and any other matters arising including project approval. The report must cover the main implementation activities undertaken during the previous month, for example, include as relevant;

* implementation plan – progress with financial and non-financial targets,
* administration budget and expenditure,
* applicant animation,
* calls, applications received, value and progress with application validation, site visits and preparation for LAG assessment panels,
* outcomes of LAG assessment panels and LOO issue/notification of decisions to applicants,
* project monitoring and post project evaluation,
* training,
* co-operation,
* publicity – including number of press releases, LAG newsletters or reports, social media activity and proposals for future events,

**This report will be used to support the Council monthly administration costs and must be submitted along with the relevant admin claim. The report must be authorised by the LAG Chairperson (in his/her absence the LAG vice-chairperson can approve the report).**

2.2 These meetings must be formally recorded and a copy of the minutes should be sent to the DAERA local Contract Management in the LAG area. Any corrective actions agreed by the LAG Board must be recorded in the minutes.

2.3 The LAG may request that a representative from the local DAERA office attends the monthly meeting to discuss progress and to highlight any important issues. Should this happen, the DAERA official will leave the meeting prior to any decision-making process being undertaken by the LAG. Additionally, DAERA may deem it necessary to attend meetings and will inform the LAG Board beforehand.

**Delegated Authority**

2.4 The LAG Board may provide delegated authority to the Chair (or in their absence the vice Chair) to act on its behalf. The delegated authority must be recorded in the minutes of the LAG Board meeting.

**Conflict of Interest**

2.5 The Admin Unit must ensure that LAG Board members complete a Conflict of Interest declaration on an annual basis. At the outset of any meetings the Admin Unit must record any specific ‘Conflicts of Interest’ in accordance with DAERA guidance. Members of the LAG Board, Assessment Panels, Advisory Groups and Admin Unit staff who have an interest in any project being considered for funding must declare their interests at the earliest possible time in the process. In such cases they must absent themselves from the assessment procedure and discussion of the project. DAERA has provided a Conflict of Interest (COI) Declaration ([Appendix 2A](#Appendix_2A)). This must be completed for all those involved in the delivery of the programme and retained for inspection.

**Agenda Items for LAG Board Meetings**

2.6 It is recommended that Conflict of Interest remains as a standing item on the LAG agenda/minutes;

2.7 Other matters that should be included on the meeting agenda are:

* Progress against strategy and implementation plan targets, financial and non- financial;
* Assessment Panel recommendations;
* Publicity activity;
* Applicant requests for advances, phased payments, project extensions etc. – see [Chapter 10, paragraph 10.13](#para_10_13);
* Correspondence;
* LAG members travel and subsistence monthly claims;
* AOB

2.8 The LAG may accept the Assessment Panel recommendation, reject it, or defer its decision pending further clarification.

**Expenses**

2.9 The LAG Chair or Vice-chair must sign off the LAG’s progress report and submit with the relevant Admin Unit monthly claim to DAERA.

2.10 The LAG must adopt a Petty Cash policy which is intended to allow the LAG to make small purchases or reimbursement, in cash, for small items which are necessary expenditure in its operation ([Appendix 5D](#Appendix_5D)).

2.11 A travel and subsistence policy adopted from the policy being applied by the Council must be drawn up and available for inspection. An example can be found at [Appendix 2B](#Appendix_2B). Costs are eligible for reimbursement where:-

* they have been incurred in the implementation of the programme and they are in line with the existing approved travel and subsistence policy,
* they cannot be reimbursed from another source, and
* the claim for expenses is submitted to the LAG within three months of the date the expenditure was incurred. In exceptional circumstances, claims may be admitted outside of this timeframe, but only when considered and endorsed by the LAG and approved by DAERA.
* Advance payment of expenses is not permitted.

**Asset and Information Asset Management**

2.12 The LAG must establish procedures for disposal/transfer of office equipment, computers, software etc. adopted from the policy being applied by the Council ([Appendix 2C](#Appendix_2C)). The local Council should have in place detailed instructions/policies in relation to Data Protection and Information Asset Management. These will be audited as part of the Article 60 Inspections which take place on an annual basis by Programme Compliance Section. Any findings or recommendations will be reported to the LAG Board and the Admin Unit Manager as part of the Article 60 process. The Admin Unit Manager will be responsible for ensuring that the LAG takes corrective action.

2.13 The LAG will ensure that management and staff, at all levels, implement this policy, so far as is reasonably practicable.

2.14 There must be a separation of duties so that those undertaking a work process are not charged with checking the promoter claim and that the claim approver/authoriser has not been engaged in the commissioning of the items or services. The recommended procedure is;

* one officer vouches the claim and completes the relevant Article 48 checks,
* a second officer checks the claim and tests any queries raised on the Article 48 report,
* a third officer (claim authoriser) approves the claim.

The project officer dealing with the project application to Article 48 Stage 1 at LoO issue must not be involved in the claim vouching, checking, approving and completing of the Article 48 Stage 2 and 3 checks.

2.15 Separation and segregation of duties is particularly important for the different stages of claims processing, however where due to staff shortage this is unavoidable the Programme Manager must complete a documented management check over the entire process. A record of this check must be kept on file.

**CHAPTER 3**

**Financial Monitoring and Strategy Progress**

**Introduction**

3.1 The LAG has overall responsibility for programme expenditure via a contract with DAERA. The Admin Unit will provide financial management information to the LAG throughout delivery of the programme by means of a Service Level Agreement with DAERA.

**Monthly Progress Report for LAG**

3.2 On a regular monthly basis, LAGs should closely monitor progress towards achievement of targets projected (financial and non-financial) within the agreed Implementation Plan. It is vital that any monthly under/over achievement is discussed at LAG meetings and an explanation included in the minutes of the meeting.

3.3 DAERA will seek an explanation from the LAG of the circumstances surrounding any monthly under/over achievements.

3.4 On 2 occasions throughout the financial year, DAERA will afford the LAG an opportunity to adjust its financial projections within the Implementation Plan. The LAG must provide a robust rationale for doing so. NB: Any adjustments to financial projections must be considered and reflected in the non-financial targets.

3.5 The LAG should also closely monitor Administration over/under spend on a monthly basis and, where necessary, seek explanations for variations in costs.

3.6 It is vital that both Project and Administration spend projections are adhered to as this is the basis upon which DAERA makes its annual bid for finances from DoF and under/over spends will require detailed explanations to be submitted by DAERA.

3.7 LAGs must formally monitor and evaluate the progress of the Strategy at two points through each year as determined by DAERA and where appropriate, recommend revisions to its Strategy to DAERA.

**Financial Monitoring**

3.8 LAGs must comply with DAERA requests for financial information within set deadlines. This information is required for regular reporting to the following bodies:

* DAERA Departmental Board
* Department of Finance and Personnel (DoF)
* HM Treasury(HMT)
* EU Commission
* DEFRA’s Rural Payments Agency

**Annual Spend Forecast**

3.9 Each February the LAG will be requested to provide an ‘Implementation Plan’ for the next financial year plus each subsequent financial year to the end of the programme. This plan must take account of accruals. Guidance on completing the Implementation plan is included at [Appendix 3A](#Appendix_3A).

3.10 Implementation plan forecasts must be profiled by month on a financial year basis. Figures must be provided for each of the twelve months of the following financial year and then on a quarterly basis to the end of the programme.

3.11 The Implementation Plan must forecast spend at Scheme level and be split between Capital and Resource, on a monthly basis. The plan must cover both Administration and Project spend. LEADER is a capital grant scheme and it is expected that project expenditure, with the exception of bespoke training will be forecast as capital. For example, in the case of capital build projects any associated professional fees, and if relevant, legal costs for setting up a legal charge/lien will be deemed as capital costs.

3.12 Non-financial targets must also be reviewed in line with the targets identified in the approved strategy/implementation plan to monitor progress and identify any necessary corrective actions.

3.13 DAERA local Contract Management staff will liaise with LAGs and agree all aspects of their Implementation Plan.

**Annual Spend Forecast Review**

3.14 In May of each financial year the LAG will be afforded the opportunity to revise their current Implementation Plan.

3.15 All changes (financial and non-financial) to the revised implementation plan must be accompanied by a change control document, approved by the LAG, for each element (i.e. capital and resource) of each Scheme changed. The change control document should be submitted to DAERA’s local Contract Management staff for approval.

3.16 The Department will review monthly spend against implementation plan targets with Admin Unit staff within 10 working days of the end of the previous month.

3.17 The LAG will receive the monthly Statement of Accounts from DAERA before the monthly meeting. This will detail any project underspend against the implementation plan target for the previous month, the matching administration funds and any adjustments to your overall allocation. At the monthly meeting the LAG will have the opportunity to discuss the Statement of Accounts.

3.18 Bi-annually the LAG will receive an addendum to their contract confirming the current funding allocation revised to take account of any adjustments to the allocations as a result of over/underspend notified during the previous six months.

3.19 Overspending against target is permitted and can be offset against future underspend within the financial year.

3.20 The carry forward of budgets from one financial year to the next is not permitted by DoF. Any unspent budget (Capital, Resource or Running Costs) in one financial year will not be rolled forward into the next financial year.

**Accruals - Project Accruals**

3.21 From April 2016, LAG monthly accruals for projects will be based on claims input to the database by close of play on the last working day of the month. Monthly accruals for projects will be based on claims submitted by email to Rural Affairs Division, Central Payments Unit, by close of play on the last working day of the month. This rule also applies for month 9 and year end accounts.

3.22 DAERA local Contract Management staff will monitor the LAG accrual until cleared.

**Accruals - Admin Accruals**

3.23 From April 2016, accruals for admin will be based on:

1. claims submitted to DAERA and not yet processed; and

(ii) estimates provided to DAERA by Admin Units for each month for which a claim has not yet been received by DAERA. These estimates are essential to allow Rural Affairs Division to monitor the % admin spend against project spend, and the estimates should be submitted to DAERA local Contract Management by close of play on the last working day of the month.

**Ad Hoc Queries**

3.24 LAGs must also be prepared to respond to ad hoc financial queries that may arise from time to time. This could be where specific financial information is needed to answer Assembly Questions, DOF queries, AERA Committee queries, media queries etc.

**General Financial Management Issues**

3.25 LAGs must put in place a financial management system that should make provision for, amongst other things, the recording of financial commitments to individual projects and actual payments to projects. Administration, animation and publicity costs should be recorded separatelyand LAGs must provide evidence for all claims at the level of detail required by DAERA.

3.26 LAGs must immediately inform their local Contract Management staff in the event of the identification of any administrative errors in grant claims, acts of fraud and/or any circumstance that has caused or is likely to cause a loss or misuse of funding. More details of responsibilities are set out in [Chapter 15](#Chapter_15) (Irregularities/Fraud and Debt Recovery).

**CHAPTER 4**

**LAG Administration Service Delivery Checks (Article 60)**

4.1 Commission Regulation 809/2014 (Article 60) enables Member States to delegate the carrying out of the administrative checks required under Article 48 to Local Action Groups. However, Member States remain responsible for verifying that those Local Action Groups have the administrative control and capacity to undertake that work.

**Monitoring Inspections**

4.2 DAERA will be responsible for putting in place a system of supervision of the LAGs.

4.3 Following the award of the contract to the LAG, an Article 60 Monitoring Inspection will be carried out at least annually in each of the programme years. However a monitoring inspection may be carried out at any time or frequency by DAERA.

4.4 DAERA will advise the LAG of the date of the inspection and the areas to be inspected. A minimum of 5 working days’ notice will be given.

**Areas for Inspection**

4.5 The following is a list of the areas which could be inspected although it is not exhaustive:

* Policies and procedures, for example:
* Assessment and approval of projects
* Financial systems
* Publicity
* Procurement
* Database Management
* Payments
* Claim Procedures
* Implementation of irregularities, penalties and reductions guidance
* Board / panel membership
* Training
* Conflict of interest/register of interest
* Corporate governance
* Have all audit and Article 48 compliance recommendations been implemented?
* Compliance check on a sample of running cost claims.

**Risk Assessment**

4.6 The Article 60 Monitoring Inspection will also inform an overall risk assessment of the LAG in relation to their capability and capacity to undertake the administration of the RDP, i.e. High, Medium or Low. This risk assessment will define the volume of compliance checks on individual projects undertaken by DAERA i.e. High = 100%, Medium 50% and low 20%.

4.7 The risk assessment will take into consideration the number of payments processed by the LAG, the number of findings following inspections by DAERA staff and NI Audit Office.

4.8 The percentage of Article 48 compliance checks required will be determined on the outcome of the risk assessment undertaken.

**Issue of Reports**

4.9 An Article 60 Monitoring Inspection report, detailing any weaknesses in control identified will be issued to the Chair of the LAG within 15 working days of the inspection. The letter which accompanies the Article 60 report will advise the LAG of the risk rating, the level of compliance checks and the date of the next Article 60 inspection.

4.10 The LAG Chair is responsible for making sure that any findings in the Article 60 report are addressed and any recommendations are implemented as soon as possible.

4.11 The Article 60 report and covering letter should then be presented to the LAG at its next meeting and a response to this report providing details of the corrective action should be agreed. Details of these actions should be formally recorded in the minutes of the LAG meeting.

4.12 The agreed response should then be forwarded to DAERA within 10 working days or within 5 working days following the next LAG meeting.

4.13 In exceptional circumstances where there is a possibility that there will be an undue delay in receiving a response, the Admin Unit Manager should seek advice from DAERA as to how to proceed.

**CHAPTER 5**

**LAG Payments and Procedures Administration**

**Preparing LAG Administration (including Animation) Claims**

5.1 The costs associated with the animation and delivery of this programme will be limited to a maximum amount equivalent to 22% of the final verified project expenditure incurred through the approved Local Development Strategy. If approved administration costs are exceeded, DAERA cannot make a contribution. If strategy/implementation plan targets are not being achieved, DAERA reserves the right to withdraw funding from the respective LAG and reallocate this, along with the associated Administration monies.

5.2 Administration expenditure should be closely monitored and controlled by the LAG and must adhere to the programme procurement procedures at [Appendix 5A](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Appendix_5A). A permitted exception to this guidance is that procurement is not required for one-off running cost purchases made by the Admin Unit for up to £100. Details of eligible administrative costs which can be claimed for the delivery of the programme are attached at [Appendix 5B](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Appendix_5B).

5.3 The claim form [Appendix 5C](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Appendix_5C) must be completed when claiming costs and expenditure for the animation and implementation of the local strategy/implementation plan. The amount detailed on the form should be the total amount of actual expenditure incurred during the period for which the claim relates.

Please note that the rules on Statutory Sick Pay (SSP) have changed and as SSP is no longer refundable by the state, these costs must now be met by the employer. As SSP is no longer a cost recoverable from the state, sick pay (subject to normal Council rules) is now eligible for payment under the new LEADER Programme. The rules of maternity, paternity, bereavement and adoption leave remain unchanged and are not eligible for payment under LEADER.

Full details relating to each item of expenditure must be entered onto the claim form as follows;

**Column 1** Method of payment including details of the cheque number or BACS transaction number.

**Column 2** The date the payment cleared the Council’s bank account.

**Column 3** State the nature of expenditure, e.g. staff time, publicity materials, travel & subsistence etc.

**Column 4** Name of supplier as detailed on the supporting invoice.

**Column 5** Net cost of the expenditure which excludes VAT, all trade or cash discounts.

**Column 6** Amount of VAT charged.

**Column 7** Total cost of the expenditure which includes VAT.

**NOTE:** Columns must not be removed from the claim form.

5.4 The claim form must be accompanied by all the relevant original documentation relating to the expenditure (including procurement documentation), together with all the relevant bank statements and the monthly progress report approved by the LAG Chair. Alternatively, where payment transactions are made by BACS, expenditure may be validated through the Council computerised finance system by the DAERA Verification Officer who will seek the appropriate screen print at the verification visit. Where the council retains the original documentation, and if during a later audit the documentary evidence used to vouch the claim is not available for inspection, the amount will be disallowed.

Note: Electronic emailed invoices are acceptable. The Admin Unit must produce a printed copy for the Admin Claim file for verification and ‘paid’ stamping purposes. There is no requirement to retain the associated email.

5.5 The amounts claimed should be net after taking into account recoverable VAT, all trade or cash discounts and any allowances or rebates whatsoever received or receivable by LAG (or Council). Any discount not availed of by the LAG will not be eligible for reimbursement under this programme.

**Petty Cash**

5.6 Expenditure claimed in respect of petty cash should **not** include items of personal use, hospitality, donations, subsistence or gifts. Petty cash vouchers and receipts must accompany the claim. Guidance on petty cash is attached – [Appendix 5D](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Appendix_5D).

**Hospitality**

5.7 In certain circumstances where it is necessary to provide hospitality as part of the administrative activities of the LAG, the Department will consider the eligibility of such costs. Expenditure on hospitality will only be reimbursed where it is incurred on the implementation of the programme.

5.8 The following paragraphs detail the expenditure that is eligible. Any other proposed expenditure in this area must receive DAERA approval before proceeding. It is imperative that the following guidance is strictly adhered to. In particular, before arranging hospitality, ensure that the proposed expenditure:-

* is able to withstand both internal and external scrutiny;
* is always in the direct interest of and essential to the implementation of the Rural Development Programme; and
* is not excessive.

# Refreshments at Meetings

5.9 Refreshments may be provided for business meetings (e.g. tea, coffee, biscuits, and scones). A Hospitality Form 1, [Appendix 5E](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Appendix_5E), must be completed for each meeting. The purchase of alcohol is not permitted under any circumstances and is deemed ineligible expenditure.

5.10 Where a supply of tea, coffee or biscuits is purchased to cover a number of meetings a Form 1 should be completed and a copy of the receipt attached.

5.11 It is accepted that it is not always possible to accommodate urgent meetings except at lunch time or otherwise outside normal working hours. In these circumstances it may be more cost effective to provide a modest snack type meal for meeting attendees with costs kept to a minimum. (A maximum of £5 per person including soft drinks is acceptable, although this can be increased to £10 per person for ‘signature’ events). If the meeting is proposed by the LAG, the chair of the LAG approves and signs Form 1.

5.12 When submitting a claim for the reimbursement of these costs the completed Hospitality Form, [Appendix 5E](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Appendix_5E), and all relevant supporting evidence of costs, including detailed receipts, should accompany the claim.

5.13 It should be noted that the costs of Christmas lunches/dinners and similar functions are **not** eligible for funding under the Rural Development Programme.

5.14 If there is any doubt as to the eligibility of proposed expenditure under the rules for hospitality then the local DAERA Contract Management staff should be contacted for guidance. Hospitality expenditure must be accompanied by an original invoice and completed approval/claim form [Appendix 5E](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Appendix_5E).

**LAG Event to Celebrate Programme Achievements**

5.15    The costs associated with organising a celebratory event to publicise the achievements in the LAG area as a result of the successful implementation of their local development strategy are eligible, subject to the following conditions:-

* Delivery of the LAG implementation plan must be at an advanced stage, with all LoO’s issued and at least 80% of grant monies committed via LoO paid out to successful applicants prior to organising the event.
* LEADER funding allowed for the event is £20 per head up to a maximum programme expenditure of £8,333.33 (i.e. £10k including VAT) for the whole event.  The £20 per head (maximum) must cover the total cost for the running of the event including hire of facility, hospitality (alcohol not allowed), promotional materials, event publicity, entertainment, awards etc.  All items must be procured in compliance with Appendix 5a to ensure there is evidence of reasonableness of costs and a price comparison displaying value for money.
* The LAG must ensure that the event receives widespread publicity to ensure maximum awareness of the LEADER benefits and achievement in the LAG area.
* The event must be approved by the LAG Board and recorded in the LAG Board minutes. The costs of any celebration event must be paid from the LEADER administration resource allocation to Councils. LAGs should liaise with Council to seek a financial contribution to the costs and reduce the LEADER costs for any celebratory event.
* An invitation requesting the Minister’s attendance should be sent to the Head of the Private Office at Room 438 Dundonald House, Upper Newtownards Road, Ballymiscaw, Belfast BT4 3SB. The invitation should give at least 4 weeks’ notice of the event. Alternatively, the invitation can be e-mailed to [private.office@daera-ni.gov.uk](mailto:private.office@daera-ni.gov.uk)
* The LAG Manager will liaise with local Contract Management staff to clear the press release associated with the celebratory event.

**Travel and Subsistence**

5.16 Travel and subsistence costs are eligible for LAG members, social partners, administration staff and independent panel members ([Appendix 5B](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Appendix_5B)). A travel and subsistence policy adopted from the Council policy must be drawn up and available for inspection.

5.17 The travel and subsistence form ([Appendix 5F](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Appendix_5F)) must be signed by the claimant and authorised by the Admin Unit Manager. If the LAG devises their own proforma, it should, as a minimum, record the general content of Appendix 5F to facilitate eligibility of expenditure and verification checks. The rates to be used shall not exceed the Council rates. Essential car user allowance is not eligible.

5.18 Standard mileage calculations should be adopted for all normal journeys. Admin Unit staff should ensure that the starting point and destination address or postcode for each journey is stated on the [Appendix 5F](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Appendix_5F) form. It is accepted that in some cases the standard mileage calculation may be inappropriate due to the requirement of dealing with additional mileage due to road works, diversions, accidents etc. Where this is the case the reason for the adoption of a non-standard mileage total should be clearly stated on the claim documentation.

5.19 Claims for incidental expenditure not covered by the approved Travel and Subsistence Policy must be supported by receipts.

**Claim Evidence**

5.20The procurement documentation relevant to the claim must be submitted with the claim form.

5.21 Payments by credit card can be accepted and items included in claims for funding provided that the expenditure is supported by:-

* Original itemised invoices, signed/receipted as paid in full by the supplier. Computer generated invoices and receipts for purchases through internet sites are acceptable.
* The original credit card statement showing full amount of the item being funded has been paid. The statement must include the supplier’s name.

5.22 Invoices in Euros or in any other foreign currency should be claimed in sterling. The amount to be claimed and the date of calculation will be the date the Euro transaction and sterling amount clears the Council bank account. Any bank or credit card charges in respect of this foreign exchange transfer are not eligible for reimbursement with the exception of foreign currency transaction charges associated with Co-operation animation activities. In all other cases the appropriate daily European Central Bank exchange rate for the date of purchase, which can be accessed using the link below, must be used to calculate the sterling value.

<http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>.

**Charging of Fees**

5.23 The LAG is prohibited from charging applicants fees for providing advice and processing of applications.

**Administration Claim Form - Sign off by LAG**

5.24 The information submitted on the Administration Claim Form [Appendix 5C](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Appendix_5C) must be scrutinised and checked by two different members of the Admin Unit staff of appropriate grade; signed and dated to certify that the information is correct.

5.25 The completed claim form must then be signed off by a Council official(s), authorised to verify the claims, before submitting to DAERA for reimbursement.

5.26 The Administration Unit should agree a schedule with local DAERA Contract Management staff for the verification of the administration claims in order to comply with the timescales for submission of admin claims as set out in the Operating Rules. (Admin claims must be submitted by middle of 2nd month after the claim period).

**Article 48 Administration Check**

5.27 An Article 48 Administration Check will be undertaken by local Contract Management staff, see [Chapter 13](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Chapter_13).

**DAERA Verification Checks on Administration Claims**

5.28 Additionally, DAERA EU Verification Unit will be responsible for carrying out Article 49 - on the spot checks on 5% of the expenditure claimed by the Admin Unit. These checks will have the same objectives and expenditure targets as the Article 48 checks.

5.29 If any irregularities such as calculation errors, missing documentation, inclusion of ineligible expenditure etc. are found during verification, approval will be deferred while further supporting evidence is obtained from the Admin Unit.

5.30 The Department’s local Contract Management staff should report all irregularities as required. See [Chapter 15](file:///C:\Users\2299413\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JFYU0991\Draft%205%20Revision%20Desk%20Instructions.docx#Chapter_15).

**CHAPTER 6**

**Calls for Applications for Grant**

6.1 The LAG is responsible for the opening of calls for Priority 6 LEADER applications using a two stage process. Stage 1; Pre-application Workshops, must be complete before Stage 2; Database Opening Request, starts.

6.2 To inform its decision to open for a call, the LAG should request an activity report from the Admin Unit Manager and consider carefully the current volume of applications that have not been fully assessed and also the Scheme(s) it wishes to open, the duration of the call and appropriate publicity arrangements. Should it wish to open the Rural Business Investment Scheme, the LAG should consult with the Council to ensure that appropriate arrangements are in place to assist applicants who wish to start a new business with Business Plan completion under the Councils Regional Start Initiative.

6.3 Once the LAG is agreed, it should instruct the Admin Unit to commence Stage 1 by arranging Publicity and Funding Workshops throughout the council area to allow potential applicants sufficient time to make themselves investment ready. You should note that there will not be a requirement to advertise the database opening as this will be a closed call.

**Stage1 - LAG Pre-application workshops**

6.4 Funding workshops must be arranged and have taken place prior to any request to open the database for applications. The funding workshops should be fully documented with information being recorded on the DOR 1 form ([Appendix 6A](#Appendix_6Aii)), including details of events, dates, attendees and potential applicants. The date of the LAG meeting where it was agreed to submit the request to DAERA to open the database should also be noted on the DOR 1 form in the space provided. The minutes of the meeting at which the decision was taken, when agreed, should be forwarded to DAERA local Contract Management staff for retention.

6.5 All workshops must be advertised using local press, media, social media and any business and community networks. Local Enterprise Agencies (contact details at [Appendix 6G](#Appendix_6G)) and other key stakeholders e.g. local banks and financial institutions should also be invited to provide attendees with as much relevant advice as possible. Please ensure all Section 75 groupings on the contact list provided by DAERA are informed of the workshops/process for applying for each call.

6.6 The purpose of the workshop is to provide details around the scheme to be opened, including:

* An introduction to the Scheme;
* Eligibility criteria;
* Application mandatory requirements - planning permission, business plan, required number of full quotations/ tenders, evidence of match funding;
* Registration and application process; and
* Procurement procedures ([Applicant Procurement Guidance](#Appendix_5A)).

**NB Only quotations/tenders that have been obtained by the applicant adhering to programme procurement guidance will be accepted.**

6.7 Potential project applicants should be advised by the LAG to complete an expression of interest form as this is suggested best practice for assessing the eligibility of potential applicants for invitation to apply to a LAG call.

**Rural Business Investment Scheme**

The person attending a pre-application workshop and submitting the EoI should be a person with authority\* to submit the application and to sign the LoO.

\*NOTE: For the purposes of signing applications and letters of offer (funding contracts) under the RBIS, a person with authority is the business owner if a sole trader; one of the partners if operating as a business partnership; or one of the directors if operating as a legal entity registered with Companies House.

Please note ‘**who should attend’** the pre-application workshops for all schemes should be communicated to the general public.

**Rural Basic Services and Broadband Schemes**

It is acceptable for the person attending the pre-application workshop and/or submitting the EoI to be an Office Bearer of the relevant organisation (e.g. the Chair, Secretary, Committee Member of the organisation, Trustee(s) or a person acting on behalf of the organisation provided with the authority to do so). Evidence of the authority can be provided by means of (for Trustees) a Declaration ([Appendix 6J](#Appendix_6J)), minutes of the meeting where the decision was taken and/or a letter signed by the Chairperson, or Memorandum or Articles of Association. The position held within the organisation should be recorded at the Funding Workshop registration.

Where necessary, advice may then be provided on a one to one basis to potential project applicants on specific eligibility and the pre-requisites.

6.8 Assessment of Expressions of Interest for Sports and Leisure related projects

On receipt of Expressions of Interest, Admin Units should conduct a sift and set aside any potential projects which could be considered sports or leisure related i.e. halls, gyms, pitches, walkways etc. These types of projects should be copied to your local DAERA Contract Management.

Admin Units should then review their respective Council’s “Sports and Leisure Facilities Strategy” which are currently being implemented by each Council. and can be provided by DAERA if required. This will in turn provide a significant level of detail on specific area needs broken down into various themes.

The Admin Unit should then consider all the information gathered and provide advice to their respective LAG Boards on eligibility. The LAG Board will then decide if the project is eligible. DAERA Contract Managers will also carry out some checks to ensure that applications are being considered against the respective Sports and Leisure strategies.

6.9 **RBIS – Second or subsequent applications**

Within Priority 6, for second (or subsequent applications from the same business), in relation to Capital Build Projects all project payments have to be made. LoO targets for jobs creation must be achieved (and in place for 13 weeks) and evidenced by project end. In addition LAGs should also consider any other targets i.e. expected increase in sales/turnover, this should be assessed against the Business Plan forecasts prior to the issue of a second (or subsequent) LoO to the same business.  If at the opening of a call for applications, job targets have not been achieved and evidenced and the LAG assessment of other targets is not on course then the business should not be invited to make an application to the closed call.

6.10 For all potential applicants to the **Rural Business Investment Scheme** the Admin Unit must ensure that the applicant fully understands the SME definition of a micro/small business i.e. thresholds on number of existing employees. At application check stage you will be required to validate the size of the business and to record your decision, documenting the evidence that was available for audit purposes. In the case of newly established enterprises whose accounts have not yet been approved, the data to apply is to be derived from a bona fide estimate made in the course of the financial year and the current FTE staff number. For existing businesses, refer to [Chapter 8, paragraph 8.12](#para_8_12).

6.11 Please note that, for the Rural Business Investment Scheme, **only** Business Plans completed using the format provided to DAERA by Enterprise NI (ENI) at [Appendix 6B](#Appendix_6B) will be accepted as part of the application process. For RDP purposes this Business Plan template should be used along with the 3 year projection spreadsheets provided at [Appendix 6C](#Appendix_6C) (VAT) or [Appendix 6D](#Appendix_6D) (non-VAT), as appropriate. Hard copy Business Plan templates should not be made available at information evenings or funding workshops. You may, of course, refer to the main elements to be covered in a Business Plan but you must not hand out hard copy templates.

6.12 Following funding workshop registration and assessment of the EOI, potential eligible applicants who may apply to the Rural Business Investment Scheme must be directed as follows:

(a) New businesses to the Council ‘Go For It’ programme (Regional Start Initiative) to seek advice and assistance on completion of the appropriate Business Plan.

(b) Existing businesses that do not have a Business Plan and existing businesses that have a business plan (though not in the accepted ENI format) may be provided with the business plan template and spreadsheets, subject to the following conditions:

* The template may be emailed directly to an existing business which is deemed eligible (most likely following a funding workshop);
* The template must not be emailed directly to an accountant or consultant. If a request is received from an accountant, consultant or third party, the template should be emailed to the business which can in turn forward to the third party;
* The template must not be made available on either the LAG website or council website;
* The template should not be copied or provided in hard copy at information evenings, workshops or through requests to the office;
* The business plan template is a guide to ensure that all the relevant information is included and that minor amendments can be made to the template by the business applying to the RDP without permission from ENI.

**The template is the intellectual property of ENI and they wish to control its wider use. For this reason, and in accordance with the conditions set out in paragraph 6.12(b) above, Appendix 6B, 6C and 6D are provided separately and should not be made available on either the LAG or council website.**

Existing businesses may if they wish contact Enterprise Agencies for assistance in completing the business plan template; however, they will be charged for this service. An existing business is free to seek its own assistance to complete the business plan template.

6.13 A separateBusiness Plan template for use in all other Schemes is attached at [Appendix 6E](#Appendix_6E). Guidance notes are provided at [Appendix 6F](#Appendix_6F).

6.14 By the end of the workshop potential applicants **must** understand the programme eligibility criteria and mandatory application requirements and inform the LAG if they wish to submit an application when the database is open. Responsibility rests with the Admin Unit to advise potential applicants of the key elements to be considered when assessing project proposals/expressions of interest and especially how the project is likely to score against the scoring criteria at assessment including the guidance on additionality and displacement, and the costs they will incur in meeting the mandatory application requirements. Some potentially eligible applicants may require follow-up action and this should be completed by the Admin Unit prior to allowing those potential applicants to submit an application as listed below.

6.15 Any potential applicant whose proposed project has been deemed eligible should then be invited to complete a database (database 2014) applicant registration online and their details should be recorded for the call at Stage 2.

6.16 Completing this online registration will result in database registration with the issue of an Applicant ID and password. Registration will facilitate access to the online application form once the LAG has opened for applications.

6.17 Registration at funding workshops (which is separate from the Database 2014 registration) will allow council staff to inform ENI of those potential applicants who wish to attend a ‘Go For It’ programme (Regional Start Initiative) where they will receive advice on completion of their business plan.

6.18 Following completion of the funding workshops and assessment of Expressions of Interest forms, each LAG will be aware of the volume and identities of potential eligible applicants before each request to open the database for a closed call. Invitations to submit an application will only be issued to those potential eligible applicants already recorded on the DOR 1 form that was passed to DAERA. It is a matter for the LAG to consider the Scheme and type of call to be opened if targeted at a specific sector and the duration of the call period. However, any call period should be considered by the LAG against key tasks and financial forecasts set out in its implementation plan.

6.19 For those applicants who submitted an Expression of Interest form but are deemed ineligible, the Admin Unit should present to the LAG the recommendation on ineligibility and the accompanying rationale for agreement before advising each applicant of the outcome. Each applicant should be offered the debrief option.

**Stage 2 – Request to open database using DOR 1 Form**

6.20 Following a series of funding workshops, a request for the database to be opened should be submitted to DAERA by the LAG Board with evidence of funding workshops including attendees, potential applicants and the rationale for the opening of the database. LAGs are duty bound to contact various S.75 groups regarding funding workshops and Admin Units should record all publicity actions taken in the ‘Promotion of Workshop Events’ table.

6.21 The DOR 1 should be sent to the Department at least 5 working days before the opening of the call along with a list detailing names and addresses of funding workshop attendees.

6.22 These arrangements should be properly documented in the minutes of the LAG meeting at which the decision to open the database was made. DAERA would recommend that the LAG should only open targeted calls i.e. not open all Schemes at one time.

6.23 DAERA will carry out a number of checks on the DOR 1 form and if content will open the database for the closed call. A closed call means that only those applicants who have attended a funding workshop and are eligible will be invited by the LAG to submit an application to the RDP. The opening of the call will not be advertised.

6.24 DAERA will carry out a reconciliation check once the database has closed to ensure that only those potential applicants on the DOR 1 have applied. All others will be deemed ineligible.

6.25 In common with other NI supported EU funding programmes, all applications for grant **must** be made on-line via EU Database. **Only** applications that have been entered on the database can be processed. The database will automatically record the date of receipt for each application. An auto acknowledgment to the applicant will be issued via the database.

6.26 For the Rural Business Investment Scheme, **only** applicants who have attended a funding workshop and registered to submit an online application will be eligible to apply to a **closed** call. These applicants should be contacted directly and advised to submit an application form.

6.27 If a LAG decides to reopen a call for applications targeting only potential applicants remaining on the DOR 1 Form, they do not need to hold new funding workshops. In this instance, the DOR 1 Form to be submitted to reopen the call will only invite applications from those listed on the original DOR 1 Form who did not submit an application to the earlier call.  If however a LAG wishes to host a new round of funding workshops for a new call, then anyone wishing to apply must attend one of the new funding workshops and meet all other mandatory requirements.

**Signatories**

6.28 **Rural Business Investment Scheme**

The LAG must link the signatory on the LoO to the person who attended the pre-application workshop, submitted the EoI and signed the application on behalf of the organisation. ([Appendix 7Bi](#Appendix_7Bi)). The person attending a pre-application workshop and signing the application should be the person with authority\* to sign the LoO.

\*NOTE:  For the purposes of signing applications and letters of offer (funding contracts) under the RBIS, a person with authority is the business owner if a sole trader; one of the partners if operating as a business partnership; or one of the directors if operating as a legal entity registered with Companies House.

**Rural Basic Services and Broadband Schemes**

The LAG must ensure the application is signed by the person(s) with authority to sign the LoO [(Appendix 7Bi](#Appendix_7Bi)). If the application is not submitted by a person(s) with the authority to sign the LoO, the Admin Unit must arrange for the hard copy application to be signed by the person(s) with the authority to sign the LoO (this may be at any stage up to the site visit).

**CONTACT DETAILS FOR ENI FOR FUNDING WORKSHOPS. ALL REQUESTS MUST GO THROUGH -**

Michael Carlin

**Enterprise Northern Ireland**Aghanloo Industrial Estate, Aghanloo Road, Limavady, BT49 0HE **Tel:** +44 (0) 28 7776 3555 **Fax:** +44 (0) 28 7776 9049  
**Email:** [michael.carlin@enterpriseni.com](mailto:michael.carlin@enterpriseni.com)   **Website:** [http://www.enterpriseni.com](http://www.enterpriseni.com/)

Twitter: [@EnterpriseNi](http://twitter.com/#!/EnterpriseNI)

LEA contacts are attached at [Appendix 6G](#Appendix_6G).

Regional Groupings for LEAs are attached at [Appendix 6H](#Appendix_6H).

**CHAPTER 7**

**Processing Applications for Grant**

**Introduction**

7.1 A flow chart summary of the application process is detailed at [Chapter 7, Annex 1](#Chapter_7_Annex_1).

# Receiving an Application

7.2 Only applications for grant aid that have been entered on Database 2014 will be considered for grant aid. The database will automatically record the date of receipt for each application. DAERA will not provide funds for any project that has not been entered on the EU database.

7.3 A separate file must be maintained in respect of each application received. The project file should contain all of the documentation listed in [Appendix 7A](#Appendix_7A) which should be retained and kept up to date on the inside flap of the project file. Project files must be retained until 31st December 2030.

7.4 For the purposes of funding, the LAG is authorised to operate only in the geographic area delineated in its approved Strategy and Implementation Plan. An individual project is the responsibility of the LAG within which the project address is located. This also applies where the address that the proposed project will be located is in one LAG area, and the registered business address is in another LAG area. Therefore, throughout the process the applicant should be made aware that the proposed project must remain within the area of the funding LAG.

7.5 Where an application is submitted to the wrong LAG, Admin Unit staff should liaise with DAERA local Contract Management staff before responding to the applicant.

**Applicant Eligibility Check**

7.6The LAG must consider the legal status of the applicant to ensure that the terms of any future LoO can be legally enforced and that such enforcement could be made against one legal identity or person. In the event the organisation name changes, the LAG must investigate the reasons for the change and ensure that the contract can be legally enforced with the new entity in line with the guidance ([Appendix 7Bi](#Appendix_7Bi)). All evidence should be retained on file for audit purposes.

**Arrangements for Parent Body Organisations**

7.7 On receipt of applications from organisations linked to a Parent Body, for example, Young Farmers Club, the LAG will require the Parent Body to complete the template attached at ([Appendix 7Bii](#Appendix_7Bii)).

**Applications from GAA**

7.8 When an application is received from a GAA club or associated community group/SEE wishing to use GAA land or facilities, the template attached at ([Appendix 7Biii](#APPENDIX_7Biii_gaa_clubs_letter)) must be sent to Ulster GAA HQ to confirm support for the application. Once confirmation has been received the application can proceed as normal.

Issue of Letter of Offer

1. Where a GAA club is promoting an eligible project under a Priority 6 Measure a Letter of Understanding ([Appendix 7Biii)](#APPENDIX_7Biii_gaa_clubs_letter) must be received by the Council Admin Unit before a Letter of Offer may issue. The letter establishes a single legal identity for the resolution of any dispute which might arise in the implementation of the terms of the Letter of Offer and the proceeding clawback period.
2. On receipt of the Letter of Understanding, the Admin Unit must:

* Check that the letter is in the exact format of the template;
* Check that the letter is signed by the appropriate person;
* Obtain a copy of the Trust Deed and relay same to the Department’s local Contract Manager.

1. The local Contract Manager will acknowledge receipt of the Deed.
2. DAERA will ascertain;

* if the Trustees have the power to accept funding on behalf of the club; and
* that the Deed is in a format which meets DAERA’s requirements in relation to protection of funds.

NB: Where Capital is being funded, receipt of the Letter of Understanding fulfils a different function to the legal charge and receipt of one does not remove the requirement for the other. It does however replace the need to set up a Company Limited by Guarantee.

7.9 The LAG must obtain documentary evidence to confirm that the applicant has the necessary title to the property, land or site, as appropriate to the project. Where title is not held by the Applicant, documentary evidence of the owner’s legal agreement to lease the property, land or site to the Applicant is required as follows:

Where the applicant is operating in the **private sector**:

* For capital build where total grant aid of more than £50,000 is awarded for building, or renovation/refurbishment/development works the period of the lease must cover not less than 25 years from the date of the Letter of Offer;
* For capital build where total grant aid of £50,000 or less is awarded for building or renovation/refurbishment works the period of the lease must cover not less than 10 years from the date of the Letter of Offer;
* For Plant, machinery or equipment, where the business premises is subject to a lease, the lease period must as a minimum cover the period from the date of the Letter of Offer, until 5 years following the date of the final payment to the project. This lease period can be made up of a number of shorter-term consecutive leases where their renewal is closely monitored by the LAG to ensure continuity for the full lease period.

The only instance where the title of the property is not required is where the applicant is operating an HMRC registered business from a residential property. The LAG Admin Unit should obtain evidence of HMRC registration, e.g. a letter from HMRC or an accountant.

**For Community/Voluntary Groups and Social Economy Enterprise Applicants**

* For capital build, where total grant aid of more than £50,000 is awarded for building or renovation/refurbishment works, the period of the lease must cover not less than 25 years from the date of the Letter of Offer,
* For capital build, where total grant aid of more than £10,000 but less than £50,000 is awarded for building or renovation/refurbishment works, the period of the lease must cover not less than 10 years from the date of the Letter of Offer,
* For plant, machinery or equipment, where the premises is subject to a lease, the lease period must as a minimum cover the period from the date of the Letter of Offer, until 5 years following the date of the final payment to the project. This lease period can be made up of a number of shorter-term consecutive leases where their renewal is closely monitored by the LAG to ensure continuity for the full lease period.

**Alternative arrangements for NDPB, Strategic Body or Local Council Applicants;**

A Development Agreement between the landowner or lessee and the applicant may be put in place as an alternative to the lease agreement. As the risk to this type of project not completing is reduced, the Development Agreement, ***regardless of the activity involved***, should cover a period of not less than 7 years from the date of the Letter of Offer.

7.10 When processing applications to the Rural Business Investment Scheme, the Admin Unit must check the applicant’s business links and also the business links of any business partners or co-applicants to determine the size of the business and eligibility. Guidance is provided to assist Admin Unit staff in this regard - see User Guide to the SME definition ([Appendix 7C](#Appendix_7C)). The SME Model Declaration and associated Annexes of this Guide must be issued to all applicants to the Rural Business Investment Scheme. Completed declarations must be returned to the Admin Unit prior to any site visit to the project.

7.11 In advance of the site visit the Admin Unit must then test the business, business partner and business links declared by the applicant in the application form and subsequent SME declaration by accessing Companies House on-line register at <https://beta.companieshouse.gov.uk> and via internet searches. The checks undertaken by the Admin Unit must also look for any business partner or business links not recorded on the application form or SME declaration. Any variances must be discussed with the applicant and clarified at the site visit and recorded on the site visit report which must be authorised by the applicant/person with authority to enter into a contract agreement for any subsequent offer of funding.

**DAERA Business ID Check**

7.12A check should be carried out, as detailed in the following table, to ensure that if the applicant has a DAERA Category 1 or 2 Business ID number that the applicant name or business name (if the application is from the business) exactly matches the details held by DAERA for that Business ID number. This is necessary for payment of claims and any follow up actions. Admin Unit staff may seek DAERA Contract Management assistance with this check.

|  |  |
| --- | --- |
| *Record* | Check Required |
| *DAERA Business ID* | Accuracy of the Business ID number provided |
| *Name of the Business* | This should be;  **private individuals, sole trader or farm family** **proposing a new business or running a non-registered business and non-registered partnerships** - the name and address of the applicant.  **Legal entity registered in for example Companies House, HMRC, DAERA** – the registered name of the business (Enterprise) or community/voluntary group or social economy enterprise or local action group.  **Unincorporated organisations (Constituted Groups) - t**he name and address of the community/voluntary set out in the constitution.  **Organisations with Trustees -** the name and address of the organisation as set out within its legal documents  **Council or other Strategic Body** - Official name of the Council or other Strategic Body.  Note: the name of the DAERA Business ID will be the name on the BACS record and to whom payment notice will issue and grant will be paid into the associated bank account. |
| *Address of the Business* | Address of Applicant or Legal Entity as relevant to the status of the applicant |
| *Member/Members of the DAERA Business ID* | Where the Priority 6 applicant name does not match the DAERA Business ID ‘Business Name’ and the person with responsibility for accepting the LOO if issued is not named as the holder of the DAERA Business ID, claims for payment of grant will not be paid by DAERA |

The above check can be undertaken through DAERA local Contract Management staff. You will need to forward the applicant details as follows:-

* DAERA Business ID to be checked
* Name of the Priority 6 applicant
* Address of the Priority 6 applicant

7.13 If this check establishes that the applicant is not the named Business ID holder, or the application for funding is for a business which is a separate legal entity from the business registered with DAERA (could be the farm business), a Category 2 Business ID number must be obtained in which the applicant is named as the Business ID holder and the business/organisation name registered to the DAERA Business Number complies with the guidance regarding addressing LoO’s ([Appendix 7Bi](#Appendix_7Bi)). **The Admin Unit should not direct the applicant to apply for a DAERA Business ID or request changes to an existing Business ID until the project has been assessed.**

**Previous Funding and Reportable Irregularities Check**

7.14 Admin Unit staff must check the 2007-2013 NIRDP applications database and the EU Successes Website/Government Funders Database to check for previous funding and also the accuracy of information submitted in the application form. A check must also be carried out to establish whether previous applications have resulted in reportable irregularities, and if so, current status.

**Project Eligibility Check**

7.15 A pre-assessment eligibility check must be completed to ensure that all aspects of initial eligibility have been considered. This check should be carried out as soon as possible after an application is received. There is no requirement to wait until the call closes before commencing this activity. Two eligibility templates have been provided at [Appendix 7Di](#Appendix_7Di) and [Appendix 7Dii](#Appendix_7Dii). The template at Appendix 7Dii should only be used for Stand Alone Applications for Technical Support, Bespoke Training and Marketing Support. This template includes information on the Stand Alone process along with a scoring markframe. For all other applications, Appendix 7Di should be completed. DAERA will review a percentage to ensure compliance with the Scheme rules. An eligibility flowchart for applications to the Business Investment Scheme for new businesses and existing businesses has been provided at [Appendix 7Diii](#Appendix_7Diii).

7.16 Admin Units should refer to each specific Scheme Sheet at [Appendix 7E](#Appendix_7E) to determine eligibility of individual items. Please note these lists are not exhaustive.

**Residential Properties**

7.17 Where a project involves the development of a building within the grounds of a residential property, the applicant MUST seek planning permission for the change of use of the building. In addition the Department would require that the area and any building(s) for the purpose of the business has a separate legal title i.e. that if the residential property was sold the business would be kept separately. Under no circumstances will the Department consider any development or re-development of the main residence or any attached domestic buildings.

**Procurement – Reasonableness of Cost check**

7.18 By the close of the call for applications, there must have been a price comparison/reasonableness of cost check completed for every item on which grant assistance is sought. The Admin Unit must be satisfied that the comparisons have been obtained as outlined in the Applicant Procurement Guidance at [Appendix 5A](#Appendix_5A).

7.19 Following the close of the call, the Admin Unit must advise their DAERA local Contract Management staff of any application for which a price comparison/reasonableness of cost check has been received but for which the procurement does not meet the procurement guidance specifications for eligible expenditure. The Admin Unit must outline how the Applicant Procurement Guidance has not been met. DAERA local Contract Management will review the information from the LAG and will confirm whether they agree with the Admin Unit contacting the applicant to correct the project procurement to meet the Applicant Procurement Guidance. The Admin Unit will be required to contact those applicants whose project has been approved for funding by the LAG and outline the corrective action required to meet the procurement guidelines. For LoO purposes, the item cost on the LoO schedule of eligible costs must be the lesser amount from the original quotes/tenders or the quotes/tenders received following the revised procurement.

7.20 The Applicant Procurement Guidance ([Appendix 5A](#Appendix_5A)) must be followed. The Admin Unit must ensure that applicants are informed of this requirement. The applicant will have been advised of the procurement procedures at the pre funding workshop and/or any follow up one to one meetings. The Admin Unit must review the applicant’s proposed tender/quotation process, including the specification, prior to the applicant undertaking the procurement exercise.

7.21 Original procurement documentation, when reviewed by the Admin Unit and accepted as meeting the Guidance, should be returned to the applicant. Prior to return, the Admin Unit should take a copy of the original procurement documentation, and authorise and date it as a true copy. The applicant will be responsible for retaining the original procurement documentation and making it available for site inspections by DAERA, NIAO or EU Auditors, as necessary.

**Match Funding**

7.22 All Applicants are required to contribute to the cost of implementing the project by providing an element of match funding. Match funding is the difference between the total eligible project cost and the EAFRD funding awarded. The Letter of Offer cannot issue until the LAG has sufficient evidence to prove the total funding package will be in place to fund the project. A bank declaration template is provided at [Appendix 7Ei](#Appendix_7Ei) for those applicants that require funding from financial institutions to match fund their project.

The bank guarantee or equivalent must run until at least the end date of the project. Prior to granting an extension to the project the LAG must consider the risk to the DAERA advance of funds if the revised project end date runs beyond the period of bank guarantee or equivalent. Only if the project is nearing completion and there have been no major issues with progress or claims already submitted can an extension be approved without a matching bank guarantee or equivalent. Authorised evidence of the LAGs risk assessment and decision must be retained on the project file.

No element of project funding can be EU funding except for the EAFRD grant aid amount.

|  |  |  |
| --- | --- | --- |
| **Scheme** | **Applicant Type** | **Acceptable Sources of Match Funding** |
| Rural Business Investment | Private Individual  Social Economy Enterprise (SEE) | Private |
| Basic Services, Village Renewal or Community Broadband | Social Economy Enterprise (SEE)/ Community/Voluntary Group | Private  Public (non EU sourced only)  Contribution in Kind  Any above combination of the above |
| Non Departmental Public Body (NDPB) | Public (non EU sourced only)  Cash in Kind Contribution  Combination of both |
| Local Council | Public (non EU sourced only)  Cash in Kind Contribution  Combination of both |
| Co-operation | Local Action Group | Private  Public (non EU sourced only)  Contribution in Kind  Any above combination of the above |

7.23 The amount of match funding will be calculated on the basis of the percentage rate of Grant Aid of the total eligible costs as specified in the Letter of Offer that issues from the LAG. The Scheme sheets set the DAERA RDP agreed maximum grant amounts allowed for each scheme and applicant/project type. However, the LAG strategies will set the agreed maximum grant amount for applicant/project type within individual LAG areas.

7.24 In cases where the eligible total project costs exceed the Scheme grant/match funding percentage proportions the grant provided to any beneficiary will be in line with the Scheme intervention rates and grant maximum levels set by the LAG.

7.25 Council applicants must provide cash match funding to a minimum amount of 5% of the total eligible project costs. Part of their match funding, up to a maximum of 20% of eligible project costs may be a ‘cash in kind contribution’ for Council work undertaken.

7.26 Community/Voluntary Groups, Social Economy Enterprises (non-Business Investment applications) and other non-Council/private sector applicants must provide evidence of match funding from a private source, public source (non EU sourced), loan or contributions in kind. These applicants must provide a minimum own cash (private) contribution of 5% towards the total eligible project costs, and the local Council must contribute at least 5%.For full details on Contribution in Kind, see [Appendix 7F](#Appendix_7F)i.

7.27 Under the Business Investment Scheme, it is a mandatory requirement for all applicants (including Social Economy Enterprises) to provide evidence of all match funding available to the project along with the application.

7.28 Under the Community Schemes, it is recognised that community groups are less likely to have bank loans and match funding will come from Council or other funding bodies. Council and other funding offers are likely to be on the condition that RDP funding is approved. The LAG should look for evidence that the Community has, as a minimum, applied for match funding, and if not agreed, it would be preferable if the other funder could provide some clarification on the likely outcome.

7.29 Community groups with no plan for the source(s) of match funding for their project are not investment ready and should be discouraged from applying at this stage.

**Proof of Funding by other Departments, NDPB’s or Funding Bodies**

7.30 The LAG must liaise with the applicant to confirm the other sources of funding to be used within the delivery of the project; at the initial assessment stage and prior to the issue of a LoO, throughout the implementation of the project including at claim stage and at completion of the project. The onus is on the applicant to provide the necessary detail to the LAG to ensure that no aspect of the project funded through the RDP is double funded through another funding body. Where other sources of funding are included in the eligible project costs, evidence of these should be retained on file for audit purposes. At claim stage, a copy of the vouched invoice(s) relating to the item funded must be obtained by the Admin Unit and retained on the project file ([Appendix 12B](#Appendix_12B)). Where vouched invoices from the Other Funding Bodies are not available, the LEADER funding will be based on the value of the Other Funding Bodies grant LoO.

**Reliability of the Applicant**

7.31A risk assessment form ([Appendix 7Fiii](#Appendix_7Fiii)) must be completed for every application which passes the pre-assessment eligibility check (7.14). Every application must be assigned a high, medium or low risk rating. The application risk rating is used to contribute to the risk rating of each LAG. This is used to determine the number of Article 48 checks carried out by the LAG which are re-performed by DAERA. Each project is assessed as a high, medium or low risk based on the calculated score from [Appendix 7F(iii).](#Appendix_19_Project_Risk_Assessment) The risk assessment must be entered onto the EU database as high, medium or low together with the reason for your decision, and the completed [Appendix 7](#Appendix_19_Project_Risk_Assessment)F(iii) added to the project file.

7.32 The risk assessment of the project will contribute to the risk assessment of each LAG. The risk assessment of the LAG will be calculated following each Article 60 Monitoring Inspection and will determine the percentage of Article 48 administrative checks carried out by the Admin Unit which will be re-performed by DAERA.

* + Low risk - 20%
  + Medium - 50%
  + High - 100%

**Consultation Required with Key Stakeholders**

7.33 The Admin Unit should consider seeking the views of key stakeholders as part of the assessment of the proposed project. Such stakeholders may include Government Departments, Statutory Agencies and other funding bodies e.g. Invest NI, Rural Development Council, Tourism NI, etc. The purpose of this is to confirm whether any of the other stakeholders contacted have or intend to fund the applicant in relation to the proposed project (now or in the future).  Details of any contact made with any of these stakeholders should be recorded in writing and placed on the project file.

**Advance Payments**

7.34 Advance payments may be available for Community, Voluntary and Social Economy Enterprise projects where the applicants would not otherwise be able to access the capital to commence implementation of their project.

The advance payment will be limited to a maximum of 20% of the total grant amount. For further guidance see [Appendix 7G](#Appendix_7G).

**Phased Payments**

7.35 The applicant may request, in writing, to avail of phased payments. The applicant must provide a rationale for the request and the Admin Unit must ensure the phased payments request is considered at the LAG Board meeting and the LAG’s decision recorded in the LAG meeting minutes. For further guidance see [Appendix 7H](#Appendix_7H).

**Legal Charge (Debenture) Requirements**

7.36 HM Treasury Guidance ‘Managing Public Money’ states:

‘Public sector organisations providing funds to others to acquire or develop assets should take steps to make sure that public sector funds are used for the intended purposes for which the grant is made. It is usual to consider setting conditions on such grants, taking into account the value of the grant, the use of the asset to be funded and its future value.

One standard grant condition is a clawback condition. Clawback is secured by setting a condition on the grant that gives the funding body a legal charge over the asset so that, if the recipient proposes to sell or change the use of the asset acquired with the grant, before the expiration of the clawback period (usually 10 years), it must:

* consult the funder;
* return the grant (or a specified portion of the grant) to the funder; or
* yield the proceeds of sale (or a specified proportion) to the funder.

**What is a Debenture?**

7.37 A Debenture (legal charge) is a Deed executed between a lender (funder) and a borrower (applicant), or in the case of the Department, a Deed executed between the Department as grantor and a grant applicant which charges the particular grant aided asset such as land or buildings. The Debenture gives the Department, as Debenture holder, a legal interest in that asset and the grant applicant cannot dispose of it unless the Department agrees to any disposal. Agreement from the Department is usually conditional on repayment of grant.

**LEADER Requirements**

7.38 The Department requires the voluntary and community sector and social economy enterprises (SEE), seeking grants of more than £50,000 for the building, development or refurbishment of any land or property, to put in place a legal charge. Where a voluntary and community sector or SEE applicant is leasing private sector owned property and applying for a grant to develop the property to be used and run as a community facility, a charge will also be required on the asset to be developed.

7.39 Voluntary and community sector and SEE applicants must submit evidence of their title to the property for which grant is being sought at application stage. The applicant must provide a solicitor’s letter detailing the following:-

1. Where the property is registered in Land Registry the applicant must provide an up to date copy of the relevant Land Registry Folio together with an up-to-date Folio map.
2. Where the property has not been registered in Land Registry the applicant must provide copies of all title deeds for the property to include coloured copy maps and if the property is held under a lease a copy of the freehold title held by the landlord should also be provided.
3. Any pre-existing charge(s) on the property/land.
4. The amount secured by any pre-existing charges over the property and the date when these will be eligible for release, together with a copy of any priority agreements in existence which regulate the priorities of the pre-existing charges. Applicants for grant must also confirm if the owners of the pre-existing charges will agree to allow the DAERA Charge to take first priority over the pre-existing charges and to enter into a Deed of Priority to this effect (the Department will generally seek a first priority charge to secure grant funding awarded under a Letter of Offer).
5. Where existing charges are in place, the current valuation for the property/land (i.e. valuation no more than 6 months old).
6. If the applicant holds the property with a leasehold title a copy of the lease must be provided to include coloured copy lease map. The LAG must ensure that the lease covers the required period as detailed in the LoO terms and conditions booklet ([Appendix 10C](#Appendix_10C)i), and that the lease allows for implementation of the project as specified by the project application and associated documents.
7. In any cases where the property is held in the name of Trustees, the latest Deed of appointment of Trustees by which the current Trustees of the organisation were appointed must be provided, together with a copy of the Declaration of Trust under which the Trustees hold the property; and a signed and dated copy of the Constitution of the organisation.

7.40 The Admin Unit will send the copy title documents to DAERA local Contract Management staff who will subsequently forward these to the Departmental Solicitors Office (DSO). This will enable DSO to carry out the necessary checks to confirm that there are no defects in title which would prevent DAERA taking a charge; to select the appropriate form of Charge for that particular applicant; and agree the priority of that charge. It will also assist in ensuring that this does not delay the issuing of the LOO to successful applicants once the project has obtained LAG Board approval.

7.41 The Admin Unit must send the draft LOO to DAERA for checking by the DSO prior to issue. The following special condition must be added in to the LOO at Annex 1 under ‘Special Conditions of Grant Offer and Payment Specific to this Project’:

*The applicant is required, prior to the payment of any part of the grant aid, to execute and register a legal charge in favour of DAERA (in the form of the draft Charge attached to this Letter of Offer without any amendment) over the grant aided property and return to DSO.*

The DSO will then return the draft Letter of Offer to DAERA with the appropriate form of Charge and if applicable, a draft Deed of Priority, attached to it and confirm that title is in order.

7.42 DAERA will issue the draft Letter of Offer with the attached draft Charge to the Admin Unit for issue to the applicant. The Admin Unit should advise the applicant that no amendments should be made to the draft Charge other than inserting the details as required. The applicant’s solicitor will then arrange for execution of the charge by the applicant (either in duplicate or triplicate, depending on whether the property is registered in Land Registry or not).

7.43 A copy of the executed Charge must be forwarded to the DSO for checking (in case the applicant’s solicitor has made any amendments not agreed). The DSO will then write to the applicant’s solicitor and put the solicitor on undertaking to proceed with registration of the Charge.

7.44 If the applicant is a company, the applicant’s solicitor must register the charge in **both** Companies House and in Land Registry (where the title to the land is already registered in Land Registry, or is a newly granted lease in excess of 21 years which is subject to compulsory first registration in Land Registry). Where the property is unregistered and the applicant is a company, the charge must be registered in **both** Companies House and in Registry of Deeds[[1]](#footnote-1). If the applicant is not a company the Charge need only be registered in Registry of Deeds or Land Registry.

**Payments**

7.45 No payments, can be issued until the legal charge has been registered

* firstly in Companies House (if applicable) - evidence of registration in Companies House can be demonstrated by the applicant’s solicitor providing a copy of the Certificate of Registration of a Charge which will be issued by Companies House after registration; and
* secondly in Land Registry or Registry of Deeds. As registration of the Charge in Land Registry can take several months or even years, depending on the nature of the title to be registered, evidence of the *lodgement of the solicitor’s application to register the charge in Land Registry* will be sufficient i.e. an acknowledgement letter or email from Land Registry to the solicitor, confirming receipt of the solicitor’s application for registration of the Charge. If the property is unregistered and a title does not consist of a new lease of more than 21 years, registration of the Charge in Registry of Deeds should not normally take more than 2/3 weeks. The applicant should therefore furnish to DAERA within this time period one original of the executed Charge duly registered in Registry of Deeds.

7.46 No grant can be released to the applicant until evidence of registration has been produced. Where a Charge is to be registered in Land Registry a copy letter of acknowledgement from Land Registry confirming receipt of application for registration, together with an undertaking by the solicitor to furnish original registered Charge and copy updated folio after registration in Land Registry has taken place, will suffice.

7.47 As soon as DSO receives copy Certificate of Registration of Charge (where appropriate) together with either original Charge duly registered in Registry of Deeds or Letter of Acknowledgment of application for registration from Land Registry, DSO will advise DAERA that grant may be released.

**Cost of Legal Services**

7.48 The cost of the applicants legal services, provided they have been procured in line with the rules of LEADER, are eligible expenditure which may be included in the schedule of eligible expenditure within a Letter of Offer.

**Charge Restrictions**

7.49 During the period in which a charge is in force the grant recipient may not raise funds on any part of the funded asset without the written consent of DAERA. The LAG must ensure that each applicant is aware of this condition.

**Second-hand Equipment**

7.50 The purchase of second-hand equipment by micro or small sized enterprises will only be eligible in circumstances where it is identified at time of application [Appendix 7E](#Appendix_7E) – Rural Business Investment Scheme Sheet. In the event that a second hand piece of equipment becomes available at a later stage, please refer to Chapter 10, [para 10.14](#para_10_14).

**Process Eligible Applications**

7.51 If the application is considered **eligible** the applicant should be issued with a letter detailing arrangements for the site visit as set out in Chapter 8. The letter should request any follow up action required prior to the site visit and identify any issues requiring clarification at the site visit.

**Process Rejected Applications**

7.52 Ineligible applications must be scheduled for discussion at the LAG’s next meeting. If the LAG disagrees with the eligibility advice, further discussion can take place between DAERA and Admin Unit staff to seek a resolution.

7.53 If the LAG agrees with the recommendation the applicant should be issued with a rejection letter ([Appendix 7K](#Appendix_7K) )from the database providing details of the reason (s) for the decision, information on the debrief/review process.

**Withdrawn Applications**

7.54 An applicant wishing to withdraw their application for funding should make a request in writing to the Admin Unit stating the reason(s) for withdrawal.

7.55 Upon receipt of the request for withdrawal, Admin Unit staff should update the Database to record the withdrawal along with the reason given and issue the system generated ‘Withdrawal Letter’ to the applicant with a copy retained in the project file for inspection ([Appendix 7L](#Appendix_7L)).

7.56 Details of withdrawn applications should be notified to the LAG Board in the monthly progress report.

**Annex 1**

**APPLICATION PROCESS PRIORITY 6**

4.Application

form

5.RDD

System

6.LAG assess

eligibility

12.GAS

System

7.Reject

letter

11.Full LAG Board

sign off

funding list

13.LOO

10.Prep LOO

& Funding

list

9.Reject

letter

14.Reject

letter

8.LAG Board

Assess project

2.Completed

EOI

1.Funding

workshops

3.Completed

DOR1 for

closed call

**CHAPTER 8**

**Project Appraisal**

**Site Visit - General**

8.1 A Site Visit must be conducted for all applications. Following the issue of the acknowledgement letter, Admin Unit staff should arrange a site visit. A Site Visit Form ([Appendix 8A](#Appendix_8A)) should be **fully** completed. All applicants should be asked to verify and sign a printed hard copy of their application form and the Site Visit Form.

8.2 Confirmation of ID must be evidenced by viewing a government produced document such as a driving license, passport, DRD bus pass etc. The document viewed should be recorded in the comments box on the Site Visit form.

8.3 Confirmation of the applicant’s address should be sought by viewing a minimum of at least 2 sources of evidence. Confirmation of the applicant’s legal status ([Appendix 7Bi](#Appendix_7Bi)) must also be evidenced.

8.4 The site of the proposed project must be inspected to ensure that no expenditure has been incurred that may be part of the project applied for.

8.5 The category that the project fits into must be confirmed at the site visit. A list of categories that can be used are attached to the Site Visit Form at [Appendix 8A, Annex 1](#Appendix_8A_Annex_1).

8.6 At the site visit, Admin Unit staff should clarify if the applicant requires a DAERA Business ID number and ensure that the applicant understands the RD1 application process. LAG Admin staff should ensure that the DAERA Business ID requirements, previously detailed in [Chapter 7, paragraph 7.12](#Para_7_10) are met. Although a DAERA Business ID number is not required prior to project assessment, it must be available to record on a Letter of Offer in advance of issue. The Admin Unit may therefore decide to provide the applicant with an RD1 application form [Appendix 8B](#Appendix_8B) at the site visit.

**Site Visit – Business Investment Scheme**

8.7 It is vitally important that the following are thoroughly checked and evidenced at the site visit:

* status of the business, i.e. new or existing;
* the number of employees (full time and part time plus calculation to determine full time equivalent FTE);
* annual turnover (applicant should provide last two years agreed and signed accounts. Where the last set of accounts are more than 6 months old, these should be accompanied by a statement of affairs.);
* whether the business is a partnership enterprise or linked business.

8.8 The easiest way to check these details is by examination of the annual accounts. It is **NOT** enough to simply confirm these facts. The Admin Unit should download copies of Companies House checks and internet searches undertaken and retain copies of any evidence viewed at the site visit for future reference by Audit.

8.9 As detailed at [Chapter 7, paragraph 7.10](#Para_7_8) an SME Model Declaration ([Appendix 7C](#Appendix_7C)) must be issued to the applicant and returned for checking by the Admin Unit prior to any site visit. Details of the evidence viewed/checked **MUST** be provided on the Site Visit Form. If the business is a partnership enterprise or linked business then the combined number of employees and combined turnover **MUST** be reported.

8.10 In the case of a newly established business whose accounts have not yet been approved, the data to apply is to be derived from a bona fide estimate made in the course of the financial year. Business start-up is defined as any business that has been trading for less than 1 calendar year prior to the date of application.

8.11 Existing business is defined as a business that has been operating continuously for a period of at least 1 year prior to the date of the application verifiable on presentation of annual business accounts.

**Size of the Business**

8.12 Only micro and small sized businesses are eligible to apply for funding under this scheme. You must select which size classification that the applicant business/organisation fits into. This will depend on the number of full time equivalent (FTE) employees of the applicant’s business. The table below sets out how business size is defined for these grants.

|  |  |  |  |
| --- | --- | --- | --- |
| **Company category** | **Number of FTE employees**  **(ANNUAL WORK UNITS; AWU)** |  |  |
| Micro | Less than 10 FTE employees |  |  |
| Small | Less than 50 FTE employees |  |  |

For existing businesses the applicant is asked to record on the application form the total number of existing employees split by full-time and part-time positions. This allows the FTE employee position of the business to be verified for project assessment.

The data to apply to the headcount of staff are those relating to the latest approved accounting period. They are taken into account from the date of closure of the accounts.

Where, at the date of closure of the accounts, an enterprise finds that, on an annual basis it has exceeded or fallen below the headcount ceilings stated in the table above, this will not result in the loss or acquisition of the status of medium-sized, small or micro enterprise unless those ceilings are exceeded over two consecutive accounting periods.

**What is a FTE employee?**

8.13 Anyone who works a minimum of 30 hours per week counts as 1 X FTE. This includes business owners, business partners and directors. A person working 30 hours a week for 6 months of the year would be 0.5 X FTE. Apprentices or employees on maternity leave do not count when calculating FTEs to assess the size classification of the business.

**Partnership / Linked Businesses**

8.14 The EU defines a Partnership Enterprise as one where one Enterprise has a holding or voting rights equal to or greater than 25% in another enterprise, or the other enterprise has a holding or voting rights equal to or greater than 25% in the Enterprise in question, and the Enterprises are not linked. This means, amongst other things, that the Enterprise in question’s voting rights in the other Enterprise(s) (or vice versa) do not exceed 50%.

8.15 The EU defines a linked business as one that is linked to one or more enterprises. The applicant therefore needs to consider the number of FTE employees and financial information of any other businesses to which they are formally connected. Enterprises are linked where any of the following is true:

* One enterprise holds a majority of the shareholders’ or members’ voting rights in another;
* One enterprise is entitled to appoint or remove a majority of the administrative, management or supervisory body of another;
* A contract between the enterprises, or a provision in the memorandum or articles of association of one of the enterprises, enable one to exercise a dominant influence over the other; and
* One enterprise is able, by agreement, to exercise sole control over a majority of shareholders’ or members’ voting rights in another.

For full details see the User Guide to the SME definition at [Appendix 7C](#Appendix_7C).

Applicants need to provide the following information for all linked enterprises:

* Number of employees;

Please note that the number of employees of linked businesses may make an application ineligible.

8.16 The onus is on the applicant to prove that the business meets the definition of a micro or small enterprise (within the SME category) within the definitions set out by the EU Commission.

**Environmental Assessment**

8.17 It is generally accepted that sustainable development must go hand in hand with environmental protection. The European Commission (the Commission) has a responsibility to promote more sustainable activities and to monitor environmental impacts of funding. Development Path Analysis (DPA) is a tool used to assist with integrating the horizontal principle of environmental sustainability into funding programmes. DPA results will sit alongside the Common Monitoring and Evaluation Framework. An Environmental Assessment template must be completed for all projects. The template and guidance for completion is provided at [Appendix 8C](#Appendix_8C).

**State Aid**

8.18 State Aid is a Commission term which refers to forms of assistance from a public body or publicly-funded body given to ‘undertakings’ on a selective basis with the potential to distort competition and affect trade between Member States of the EU. State Aid is prohibited by EU rules unless it has been specifically approved by the Commission and implemented in accordance with that approval or has been paid in accordance with so-called ‘block exemption’ or ‘de minimis’ rules. When processing applications under Rural Basic Services Scheme, Village Renewal Scheme, Rural Broadband Scheme or Rural Tourism Scheme consideration must be given to whether an operation is being managed in compliance with horizontal State Aid rules. Therefore, a State Aid pro-forma must be fully completed, signed, dated and placed on the project file for the purpose of audit and other inspections. The State Aid Assessment guidance provided at [Appendix 8D](#Appendix_8D) sets out the steps that should be followed in order to ensure projects funded under Priority 6 are State Aid compliant.

**Economic Appraisal**

8.19 Managing Public Money Northern Ireland (MPMNI) identifies the need for economic appraisals as an important part of good financial management. To ensure sound decision-making and proper accountability - all public expenditure including European Union Funds - must be subjected to rigorous economic appraisal.

* 1. The EU has rules which set out the boundary of what is allowed within a Leader programme. DAERA undertook a more detailed analysis as to what it would allow which has resulted in tighter requirements than those specified in the EU documentation. To do this, DAERA applied the principles of appraisal in the design of the Leader Programme. See Leader Framework summary of principles in [Appendix 8E, Annex 1](#Appendix_8E_annex_1). To be eligible for funding, projects must fit within the principles outlined in the framework document. The date of completion of the EA must be entered on the database and must match the date entered on the Article 48 Stage 1 (A) check held on the hard copy file.

8.21 The LAG is the custodian of public money on behalf of the Department, therefore, it is required to complete, or commission the completion of economic appraisals for each leader project (see easement for standalone project applications). Guidance and pro forma is set out within [Appendix 8E](#Appendix_8E).

**Management Check – Article 48**

8.22 The Article 48 checklist is a useful tool to ensure that Admin staff fully complete all the various stages of the application process. Therefore an Article 48 checklist should be placed on each project file and all the relevant sections of the Article 48 checklist should be completed and the document signed and dated.

8.23 It is the responsibility of the Admin Unit Manager to ensure that **all** steps in the process have been completed as detailed in the desk instructions and where there are any issues arising these should be queried with staff and corrective action taken. The LAG Manager must check, verify and record on the Article 48 Stage 1 (A) checklist that Stage 1 of the Article 48 check has been completed and evidenced in the Project File – [Appendix 13A](#Appendix_13A). The date of completion of Stage 1 of the Article 48 check must be entered on the database and must match the date entered on the Article 48 Stage 1 (A) check held on the hard copy file.

**CHAPTER 9**

**Assessment of Applications**

**Prepare Assessment Panel Papers**

9.1 The Admin Unit should prepare a pack for each project to be assessed. This should include:-

* Application Form
* Business Plan
* Economic Appraisal
* Site Visit Form
* Indicative Score sheet (where requested by the LAG)
* Project Summary

9.2 Applications should be assessed by the LAG Assessment Panel against the scoring markframe at [Appendix 9A](#Appendix_9A) for the Rural Business Investment Scheme; or [Appendix 9B](#Appendix_9B) for the Rural Basic Services, Village Renewal and Rural Broadband Schemes.

9.3 A simplified scoring matrix for “Stand Alone” applications has been developed – see [Appendix 7Dii](#Appendix_7Dii).

9.4 A scoring threshold of 65 marks has been set.

9.5 A guidance note for Assessment Panel members on the process of selecting projects to be supported under EAFRD funding is provided at [Appendix 9C](#Appendix_9C). The scoring markframe will be used as a minimum to ensure that the broad principles of EAFRD funding are reflected in all of the target areas. The criteria listed should remain constant throughout the competition.

**Assessment Scores and Panel Minutes**

9.6 Assessment panels must comprise of at least 4 members. Each panel must consist of a mix of Social Partners and Councillors. The Social Partners must make up at least 51% of the panel. The Assessment Panel will assess project applications which have passed the eligibility check. The panel must:

1. be broadly based, reflecting as far as possible the Section 75 groupings and have a range of expertise;
2. have been trained to undertake the task i.e. trained in project assessment and equality procedures;
3. have a clear procedure for dealing with conflicts of interest;
4. be in possession of all relevant documentation to carry out an assessment and scoring process;
5. consider the option of using indicative scoring as set out in [Appendix 9D](#Appendix_9D);
6. use the appropriate Scoring Markframe – [Appendix 9A](#Appendix_9A) or [Appendix 9B](#Appendix_9B);
7. assess and score each application, which will determine how successful it is judged to be when compared with competing applications under the same scheme call;
8. complete a composite score sheet for each project using the scoring markframe and have this signed off by each panel member and chairperson, following assessment;
9. ensure that the Panel minutes record the rationale for all scoring decisions and contain sufficient detail on the discussion concerning the score given;
10. present the composite scoring markframe to the LAG Board meeting for approval;
11. fully document all decisions relating to the assessment of applications and retain documentation in accordance with the instructions listed in Section 3 of the Contract between the Department and the LAG. This includes minutes of meetings, scoring markframe forms and applications which have been rejected; and
12. adhere to the requirement to comply with the provisions of the Data Protection Act 1998 when processing personal data in respect of applications.

**Changes to Proposed Project pre Board Funding Decision**

9.7 Material changes to the scope or nature of the project are not permitted, i.e. no changes/additions to the proposed project, items or grant requested after submission of the application.

9.8 In certain circumstances, minor change(s) to the proposed project may be allowed and must be notified to the LAG Board in writing by the applicant as soon as possible, such as changes to contact details, name or address – but mainly these should be additions to the information. The LAG Board must then consider the effects of the proposed change(s) to the overall project, and satisfy itself that the terms of any future contract can be legally enforced. Please refer again to [Appendix 7Bi](#Appendix_7Bi).

**LAG Board Decisions**

9.9 Should the LAG Board deem these changes to be material then the application cannot proceed.

9.10 The Admin Unit should prepare a list of accepted and rejected applications for presentation to the LAG Board. The LAG Board must ensure that the minutes record the rationale for all decisions and contain sufficient detail on the LAG Board discussion.

9.11 The LAG Board then makes a decision to fund or reject the application and completes the Project Decision Record at [Appendix 9E](#Appendix_9E).

9.12 The LAG Board may decide to defer a project for clarification. Should it do so, the Admin Unit should be informed immediately so that it can seek and provide the clarity required by the LAG Board.

9.13 Any changes requested following LAG Board funding decision are not permitted.

**Successful Applications**

9.14 Funding must be allocated to projects in merit order on the basis of the score awarded by the assessment panel (over 65), up to the total budget approved by DAERA for the call.

9.15 Applications which have achieved or exceeded the funding threshold score of 65, but for which there is insufficient funding available in this call to enable an offer of grant aid to be made, may be retained on a reserve list. These applicants should be informed that:

* although their project has achieved or exceeded the funding threshold score of 65, funding is not available under the current call;
* they have been retained on a reserve list should additional funding become available from this particular call;
* their rank on the reserve list;
* their application will be held on the reserve list until pre-application workshops for the next call to the Scheme are organised.

9.16 When funding workshops for the next call for that particular Scheme is being arranged, applicants on any reserve list must be advised of the need to reapply if they still wish to progress their project. Successful applicants and applicants with approved projects that did not receive a LoO because the call was oversubscribed should attend a new pre-application workshop for the next call. This will keep a clear record of potential applicants to a new call and also criteria or guidance could have changed that the applicant would not have been informed of in advance of the call.

**Successful Applications: Issue of LoO**

9.17 Successful applicants will be informed in writing by issue of a Letter of Offer (LoO). The LAG Board should make arrangements with the Admin Unit for the issue of a LoO. The LoO must be signed by the Chair or Deputy Chair of the LAG.

**Unsuccessful Applications: Issue of Rejection Letter**

9.18 Should the LAG Board agree with a rejection recommendation, it should make arrangements with the Admin Unit for the issue of the rejection letter [Appendix 7K](#Appendix_7K) to the applicant providing details of the reason(s) for the decision and, where appropriate, a copy of the scoring mark frame. The rejection letter must be signed by the Chair or Deputy Chair of the LAG. There will be a right of review as detailed in [Chapter 11 - Project Debrief and Review Process](#Chapter_11).

**CHAPTER 10**

**Letter of Offer**

**Prepare Letter of Offer**

10.1The Letter of Offer (LoO) is the contract between the Local Action Group (LAG) and the applicant. It sets out both the amount of grant aid which is available for the project and the terms and conditions which must be met by the Applicant in order to claim that money. Two Letters of Offer have been provided, one for offers classified as De Minimis State Aid ([Appendix 10A](#Appendix_10A)), and the other for Non de minimis Aid (Block Exemption) ([Appendix 10B](#Appendix_10B)).

10.2 The LoO is produced from the database\* and comprises of 2 parts:

a) the Letter of Offer setting out the conditions specific to the project, and

1. the Terms and Conditions booklet **(**[Appendix 10C](#Appendix_10C)) which also forms part of the contract.

\* *De-minimis and non de minimis (Block Exemption) LoO Templates for each of the five LEADER Schemes issued previously on 13 October 2016. Until the database is available these templates must be used for all LoOs to be issued, and the LoO template to use must be relevant to the Scheme the application was made to and whether De Minimis / Non De Minimis (Block Exemption) applies.*

10.3 Before preparing the LoO, the LAG must ensure the terms of the contract can be legally enforced with the contractee and that such enforcement can be made against one legal entity or person and the LoO is addressed accordingly ([Appendix 7Bi](#Appendix_7Bi)). In the event of a request to change the legal entity name and/or address on the LoO, the LAG must investigate the reasons for the change and ensure that the contract can be legally enforced with the new entity in line with the guidance ([Appendix 7Bi](#Appendix_7Bi))

10.4 The Admin Unit must also establish:

* the current VAT status of the applicant.;
* the State Aid status of the application (whether the grant is De Minimis State Aid or Non De Minimis Aid (or Block Exemption);

Where a project has been assessed as in receipt of De Minimis State Aid, the EURO equivalent must be calculated using the Commission exchange rate applicable on the written date of offer of the De Minimis funding. The Commission exchange rate can be accessed by using the following link:

<http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>.

* where quotes have been provided in Euros, the LoO grant amount to be awarded (the GBP £ value) will be based on the official exchange rate pertaining at the date of the LOO issue. After LoO issue the applicant will be responsible for any cost variance due to exchange rate fluctuations.
* whether the applicant has sufficient title for the project to proceed;
* where required, that the legal charge has been drawn-up and submitted by the promoter to DAERA local Contract Management for execution. No advance of funds or grant payment can issue until the legal charge is agreed.  
  1. Where the LAG has approved an advance payment **(**[Appendix 7G](#Appendix_7G)**)** the Admin Unit must ensure details pertaining to the advance are recorded onto the LoO Annex 1.
  2. Where the LAG has approved phased payments, details regarding the phased payments for the project **(**[Appendix 7H](#Appendix_7H)**)** should be recorded on the LoO Annex 1.
  3. When preparing the LoO for issue there are a number of fields on the database which require information to be input ([Appendix 10D](#Appendix_10D)). The LoO issue date will be the Start Date for the project. The LoO must also have a realistic end date for implementation of the project. The expected date for submission of the final claim must also be clearly stated. These timescales must be realistic. Where the LoO provides for more than one activity or item of eligible expenditure, timescales must be set for the completion of each activity or item on the Schedule of Eligible Expenditure (LoO Annex 2). The Schedule requires project spend to be identified as Capital or Resource. Building or capital works which include professional fees (architect fees, design fees, QS fees) will be classified as capital. Spend for websites and software are also to be classed as capital on the schedule.
  4. To ensure projects contribute to the scheme objectives, targets should be detailed and agreed in conjunction with the project promoter for inclusion in the LoO. The target indicators and additional monitoring information required for each scheme is detailed at [Appendix 16F](#Appendix_16F).
  5. In order to manage effective delivery of a LAG’s local development strategy and associated implementation plan targets, it is vital that;

1. the LoO targets are **SMART;**

**S**pecific

**M**easurable

**A**chievable

**R**elevant to the scheme & project

**Time bound**

1. the target Baseline (position before funding) is identified, verified at the site visit and recorded.
2. the applicant understands the targets to be achieved, the records to be maintained, how the performance targets will be validated and his/her obligation to provide project progress reports to the Admin Unit at agreed frequencies.
3. regular contact is maintained with applicants after the LoO is accepted – this ensures early detection of potential problems, for example, project delivery not progressing as agreed, slippage from expected targets, etc.

**Special Conditions**

* 1. The LoO Annex 1 ‘Project Schedule of Key Tasks, Timescales and Special Conditions’, provides the opportunity to include any special conditions unique to a particular project. Any special conditions listed must be met before any payment of funding is made. An example would be where staged payments are agreed in respect of capital build projects (Appendix 7H, point 2 refers).
  2. In the event that the proposed project’s location is not at the business’s registered address, the LoO must be addressed to the registered business and registered address. In addition the LoO must specify the full address where the project is located. The applicant should be made aware, through the inclusion of a special condition, that the proposed project must remain at that address, within the area of the funding LAG, for the period of the LoO T&C, otherwise clawback will be initiated.

10.12 Once the LoO has been created on the database, the Admin Unit Manager must review and authorise it before the LoO can be printed. The LoO must be produced in duplicate and signed by the LAG Chair prior to issue.

**Hand Over Letter of Offer Contract Meeting With Applicant**

10.13 A face to face meeting with the applicant must be arranged to discuss and hand over the LoO and associated Terms and Conditions. The template provided ([Appendix 10E](#Appendix_10E)) lists thepertinent details for discussion. This form must be signed by the applicant and the Admin Unit and retained on file.

**Acceptance of Letter of Offer**

10.14 The applicant must sign the Form of Acceptance and return one full set of LoO papers to the Admin Unit within 28 days. Where a signed Form of Acceptance and LoO is not returned by the applicant within the 28 day deadline, the offer made in the LoO is revoked without the need for further correspondence.

10.15 The database must then be updated with details of the LoO acceptance / withdrawal of offer. The LoO authorised by the LAG Chair and Form of Acceptance authorised by the applicant, must be scanned and uploaded to the application record on the database.

**Changes to Approved Projects after Acceptance of Letter of Offer**

**Second Hand Equipment**

10.16 Where a LoO grant amount is based on the cost of new equipment, but the applicant notifies the Admin Unit that a suitable second hand item is available, this may be considered provided that the applicant:

* identified at application stage that the purchase of a second hand item was under consideration ([Chapter 7, Para 7.39](#Para_7_39) refers);
* seeks prior permission from the LAG to purchase the second hand item by submitting a quotation for the second hand item together with the business reasons/justification for requesting the amendment; and
* the second hand item complies with the criteria set out in the Applicant Procurement Guidance regarding second hand equipment.

If the change is approved by the LAG, a Letter of Variation ([Appendix 10Ci](#Appendix_10Ci)) outlining the change must issue immediately to the applicant to record approval of the second hand item and revise the grant amount. The grant amount saved cannot be used to supplement other project costs or items.

**All Other Changes**

10.17For all changes to be considered by the LAG, the promoter must provide, in writing, a robust rationale for the proposed change, setting out the reasons for the request; detailing how the project will remain viable, continue to represent value for money and still meet the agreed objective and scheme targets as a result of grant award as set out in the LoO.

10.18 The LAG may allow some variations to the original LoO provided:

a) The original objective is being pursued; and

b) Agreement is sought and approval given prior to any variation.

10.19 Examples of variations, which must be notified in writing by the applicant prior to the expiry of the original LoO project end date and approved by the LAG, include:

* 1 change to the end date of the project not exceeding 3 months.   
  **NB:** Where the applicant has received an advance of funds, the LAG must consider the requirements of [Appendix 7G](#Appendix_7G), prior to changing the project end date. **NB:** In addition andonly in Force Majeure ‘unforeseen circumstances’ cases, approved in advance by the LAG and DAERA, may any further extensions be approved.
* changes to the phased payments schedule recorded on the LoO Annex 1, ‘Project Schedule of Key Tasks, Timescales and Special Conditions’;
* a Letter of Variation (processed per [Chapter 7, paragraph 7.34](#Para_7_29) and [Chapter 10, paragraph 10.14](#para_10_14) outlining the change from new to second hand item(s) and the revised grant amount. NB: The variance in the revised grant award must be returned to the RDP.

**NB: The grant amount on the Letter of Offer cannot be increased by the LAG. However, in very exceptional force majeure circumstances, the LAG can request the Managing Authority to accept an increase to the level of grant. Such requests would be deemed to be the exception and will have to be accompanied by a detailed case clearly showing the rationale for the request.**

10.20 If a change to the project is proposed that will result in an increase in the total project costs of more than 10%, even though the grant amount remains unchanged, the LAG must revisit the appraisal / business plan and consider whether the project remains viable, continues to represent value for money and will still meet its objectives within the LoO.

10.21 If the change is the removal of an item from the schedule of eligible expenditure or a revision from new to second hand equipment, the LAG must consider the extent of and implications of the change on the proposed project with the resultant expected outcomes and decide whether the project, as in paragraph 10.17 above, remains viable, continues to represent value for money and will still meet its LoO objective and contributes to the RDP targets and the LAG strategy.

10.22 If the LAG decides that any change to the LoO has only a minor impact on the overall project, it may accept the removal of the item(s) and the associated grant amount must also be removed. A Letter of Variation must issue and be formally accepted by the applicant.

10.23 However, if the LAG decides the removal of any item(s) will have a substantive impact on the delivery of the project, then the LAG must arrange for the project to be reassessed as detailed in [Chapter 9](#Chapter_9) - Assessment of Applications.

10.24 For all variations considered by the LAG, their decision must be retained on the project file for audit purposes. If the variation is accepted, a Letter of Variation must issue, in duplicate, to the applicant. The applicant must formally accept both Letter of Variations, retain one and return the other to the LAG within 28 days.

10.25 For all change requests rejected by the LAG, a letter should be issued to the applicant setting out the reason(s) for the decision.

# Chapter 11

# Project De-brief & Review Process

# Introduction

11.1 The purpose of the De-brief and Review process is to ensure that the decisions taken and procedures followed by the LAG Board are applied fairly and consistently. The process provides an applicant with the opportunity to demonstrate to a Review Panel that **either** the outcome was unreasonable **or** that the proper procedures were not followed. Reviews on any other grounds will not be considered.

11.2 Following the LAG Board decision the applicant should be informed in writing of the reasons for the decision. The applicant should also be offered the following:

* the opportunity for a de-briefing as outlined below which must be requested within 14 days of the decision letter; and
* a copy of the LAG ‘Review of Decisions’ Guide ([Appendix 11A](#Appendix_11A)) or DAERA ‘Review of Decisions Guide ([Appendix 11B](#Appendix_11B)). Appendix 11A and 11B sets out the detail on what constitutes a LAG or a DAERA review.

Please note that depending on the outcome of the LAG Board decision the applicant will be offered either a LAG Review or a DAERA review, but not both.

**Informal Project De-brief**

11.3 An informal de-brief should be offered to an applicant following a LAG Board decision. At the de-briefing session, which can be by telephone or at a face-to-face meeting, the applicant should be afforded the opportunity to discuss the reasons for the LAG Board decision. During this discussion the basis for the decision should again be communicated to the applicant.

11.4 If the applicant is still dissatisfied he/she should then be advised of the formal Review Process applicable to them (i.e. either a LAG review or a DAERA review, depending on the nature of the LAG Board decision) and advised that a decision will be reviewed only under the following grounds:-

* that the outcome was a decision that no reasonable person would have made on the basis of the information provided; and/or
* that there was a failure in adherence to procedures or systems that materially affected or could have materially affected the decision.

11.5 The de-briefing session must be fully documented and this documentation retained in the project file.

11.6 If the applicant wishes to enter into the formal review process he/she must submit an application to either the LAG or DAERA for a formal review within 28 calendar days of the date of the decision letter or 14 calendar days after the de-briefing discussion has been held, whichever is later. The request must clearly demonstrate the grounds upon which a formal review is being requested. Under the LAG Review the applicant may **not** submit any additional information.

11.7 Late applications, ineligible Expressions of Interest and applications which have not met the mandatory application requirements by the close of the call are ineligible and there is no right of review to either the LAG or the Department. Force majeure (i.e. exceptional circumstances) will not be accepted for not meeting the deadline (i.e. close of the call for applications); or the mandatory documentation which forms part of the application.

**LAG Board Review**

11.8The Review Panel will comprise a minimum of 3 people consisting of LAG members that were not part of the original Assessment Panel, one of which will be a LAG member from another area. The chairperson of the Review Panel cannot be the external representative. The Review Panel will receive all the documentation considered by the original LAG Assessment Panel in relation to the decision in question. This may include:

* signed documentation relating to all stages of the assessment process;
* the record of the reasons for the assessment decision;
* a copy of the decision letter;
* minutes of any de-briefing session; and
* a copy of the written request for the review.

11.9The Review Panel will consider the applicant’s explanation for requesting the review. No additional project information from that supplied for the original assessment should be considered during the LAG Review process. The Review Panel will make a recommendation to the LAG Board in writing as to whether the original decision should be upheld or submit a new recommendation for the LAG Board’s consideration.

11.10Having considered the recommendation of the Review Panel, the LAG Board may:

* confirm the original decision;
* amend or alter the original decision in some respect; or
* revoke the original decision in its entirety and substitute a new decision.

11.11Whilst the LAG Board, in reaching a decision following consideration by the Review Panel, shall have regard to the findings and recommendation of the Review Panel, it is not bound to follow this recommendation either in part or in full. However, the LAG Board will normally accept the recommendation of the Review Panel unless there are over-riding legal or other relevant and defensible considerations.

11.12The LAG Board should not substitute an acceptance decision for a rejection decision unless the Review Panel has indicated reasons for doing so. Following its determination of the recommendations made by the Review Panel, the LAG Board must then formally ratify its decision.

11.13 The review must be completed within 8 weeks of the receipt of the request unless it is impractical to do so. The decision of the LAG Board should be conveyed to the applicant in writing within 14 calendar days of the relevant LAG Board Meeting.

11.14 The LAG Board shall ensure that funds are retained for allocation to successful review cases.

**DAERA Review**

11.15 The DAERA Review is a review by LEADER officials within Rural Affairs Division, DAERA. If an applicant submits a DAERA Review application, the Admin Unit must provide the Department with 3 copies of the documentation relating to the decision in question, including the de-briefing information, held on the project file or electronically (this includes any notes of telephone calls or e-mails between the applicant and the Council). The Admin Unit should also provide a report to DAERA setting out the case in chronological order, within 5 working days of notification from the Department of receipt of a review application.

**CHAPTER 12**

**Project Claims and Payments Procedures**

12.1 The Admin Unit is responsible for verifying all claims and ensuring that claimed expenditure is eligible.

**Separation of Duties**

12.2 There must be appropriate segregation and separation of duties within the administrative processes to ensure that those undertaking any part of the claim processing / Article 48 check, are not charged with checking the promoter claim; and that the claim approver/authoriser has not been engaged in the commissioning of the items or services.

The recommended procedure is that:

* One officer vouches the claim and completes the relevant Article 48 checks;
* A second officer checks the claim and tests any queries raised on the Article 48 report;
* A third officer (LAG authoriser) approves the claim.

12.3 The project officer dealing with the project application through to the LoO issue stage must not be involved in the claim vouching, checking, approving or completion of the Article 48 Stage 2 and 3 checks.

12.4 Separation and segregation of duties is particularly important for the different stages of claim processing. However, where this is not possible due to, for example, staff shortage, the Admin Unit Manager must complete a documented management check on the entire process. A record of this check must be kept on file.

**Claim Received and Recorded on Database**

12.5 The claim form template issued to the applicant with the LoO should be used by applicants to submit project claims. Claims received should be acknowledged, date stamped and recorded on Database 2014 by the Admin Unit exactly as received from the applicant.

12.6 The applicant is responsible for the accuracy of the submitted claim, even if the claim form has been completed by an agent.

12.7 The Admin Unit must provide support and assistance to applicants prior to submitting a project claim, and ensure that on receipt of a claim:

* no amendments are made to the claim documentation by the Admin Unit;
* correction fluid must not be used on the claim documentation;
* any changes must be scored through once, initialled and dated by the applicant.

**Eligible Expenditure/Ineligible Expenditure and Disallowance of Grant**

12.8 Admin Unit staff must ensure that claims are processed in accordance with the guidance provided at [Appendix 12A](#Appendix_12A) – Financial Arrangements for Applicants. Project expenditure must comply with the eligible costs as set out in the Scheme Sheets ([Appendix 7E](#Appendix_7E)).

**Supporting Documentation**

12.9 All eligible project expenditure must be supported by original invoices received either by post or electronic means and, where applicable, documents of equal probative value.  For plant, machinery or equipment serial numbers must be recorded on supplier invoices, to facilitate Audit checking and as a fraud prevention measure.  When vouching the claim for payment, the Admin Unit must ensure that the documentation complies with the instructions attached at [Appendix 12B](#Appendix_12B) - Vouching Claims for Payment.

12.10 In some cases a number of invoices may be submitted in support of one item on the schedule of eligible expenditure, for example, refurbishment of a building. In this case the applicant can add an extra line for each supporting invoice.

12.11 The applicant must supply all supporting documentation with the claim such as:

* Procurement documents e.g. specifications, tender documents, quotations etc.
* All original invoices supporting the expenditure;
* All original or electronic bank statements proving payment;
* Wage records if applicable;
* Receipts.

Electronic Bank Statements are only acceptable when:

1. The electronic print-out includes the name of the bank, the applicant’s name and bank account number. The applicant may submit this print out with the claim, however at the pre-payment site visit the on-line bank account must be accessed by the applicant in the presence of the Admin Unit staff for validation of the transactions relevant to the claim. The Admin Unit staff can then record this check on the printed statement provided with the claim. The record of the check should include the date of the check and the name of the Admin Unit staff member.

Or

b) The bank statement is accessed on-line by the applicant in the presence of the Admin Unit staff to validate the transactions relevant to the claimed item(s) and a record of the Admin Unit staff validation is recorded onto the statement. The record of the validation should include the name of the Admin Unit staff member and the date of validation.

For expenditure to be considered as eligible, payments must have been debited from the applicant’s bank account.

**10% Variance Rule**

12.12Where the amount claimed against an item is less than the grant awarded on the schedule then the saving, up to a maximum of 10% of the total grant offered, can be transferred to other item(s). In operating this easement, care must be taken to ensure value for money and prevent maximisation of grant practices occurring. Therefore, there are a number of criteria to be considered prior to any agreement:

* Where there is no expenditure against a particular item, grant cannot be transferred;
* Savings from a later phase payment cannot be anticipated to cover excess eligible costs incurred at an earlier phase;
* Excess costs incurred and not allowed in an earlier phase cannot be re-introduced for payment at a later stage if savings are identified;
* Following a request by an applicant to use a surplus on other items, any change must be authorised by the Administration Manager and summarised to the LAG and recorded in the minutes at the next LAG meeting. All changes MUST be reflected on the database and in the file and any additional outcomes from the change noted.

**Claim Checking Process**

**Article 48 Check**

12.13 All claims for payment must be vouched or checked in accordance with Article 48 of EU Reg 809/2014. The Article 48 Project Administrative Checklist supplied by DAERA at [Appendix 13A](#Appendix_13A) must be used by the Admin Unit when verifying the expenditure claimed. A separate Article 48 checklist must be used for each claim received.

12.14 The Article 48 check is a three-stage process as detailed in [Chapter 13](#Chapter_13). Stage 1 will already have been completed, as per [Chapter 8, paragraph 8.22](#para_8_22). Stage 2 and 3 should be completed as part of the claim checking process. Payments may only be processed after a pre-payment site visit (Article 48 Stage 3) has been completed to verify the existence and operation of the items and services secured with the funding investment.

12.15 Records must be kept on the checks undertaken, the results of the checks and the measures taken in respect of discrepancies detected.

12.16 Along with the Article 48 Stage 2 check, Article 63 of EU Reg 809/2014 requires the sum claimed by the applicant to be compared against the sum determined as eligible for grant assistance and for penalties to be considered if the two sums differ.

**Eligible Claim Amount entered on Database and any Relevant Monitoring Information also Updated**

12.17 The eligible amount payable to the claimant following payment verification must be entered on Database 2014. The relevant monitoring information, including whether the project objective(s) as stated at LoO Annex 1 have been met, must also be recorded.

12.18 All ineligible expenditure identified within a claim must be reported as a pre-payment recordable irregularity.

12.19 As a penalty may be applied to the applicant’s claim it is important that the Admin Unit ensures the claim form is not altered in any way from that received from the applicant.

12.20 Payment of grant aid can only be made on the completion of a project or at an identifiable phase of a project ([Appendix 7H](#Appendix_7H) – phased payments).

**Eligible Claim Amount Authorised by Admin Unit Manager**

12.21 The Admin Unit must ensure that any claims approved for payment are authorised and dated by the LAG’s Administration Manager.

**Payment Authorisation Form Completed and Forwarded to CPU**

12.22 All claims which have been approved for payment by the Admin Unit should be sent to the RAD Central Payments Unit (CPU) using the appropriate CPU template. Claims will be held until any Article 48 or 49 pre-payment checks, to be carried out by DAERA’s Programme Compliance Section or EU Verification Unit have been carried out.

**Check for BACS Set-up**

12.23 Payment will be made directly to the promoter through the Bank Automated Clearance System (BACS) using the Grants and Subsidies payments system in Orchard House to the account the Farm/Business ID relates to.

12.24 In order to avoid delaying the payment of grant, arrangements have been put in place with RAD Central Payments Unit to facilitate Admin Units with checking the G&S system for verification of the Business Name, members listed and set-up of a BACS record for a DAERA Business ID number.

12.25 When the initial claim is due from the promoter or received by the LAG, Admin Unit staff should raise an e-mail to RAD Central Payments Unit [RAD.CPUReturns@daera-ni.gov.uk](mailto:RAD.CPUReturns@daera-ni.gov.uk) requesting a pre-payment check on the Business ID. You will need to provide:

* The Business ID number;
* The LoO/applicant name.

Central Payments Unit will check that:

* The LoO/applicant name matches the Business Name for the specified Business ID Number, or alternatively
* The claimant is Head of the Business ID, and
* A BACS record has been set-up for the Business ID.

12.26 Central Payments Unit will confirm the outcome of their search findings to you via e-mail. Should the applicant details not match the DAERA Business ID details or if the applicant is not head of the Business, the Admin Unit must contact the applicant to resolve any issues.

**Documentation**

12.27 It is the responsibility of the Admin Unit to maintain a project file with all the documentation required to maintain an audit trail of all decisions taken in relation to the project. The project file should include copies of all the original invoices stamped as a true copy of the original, bank statements etc. that are used to support a payment application.

12.28 No original documentation should be returned to the applicant until after the Admin Unit has received confirmation from Rural Development Division that the payment has been made to the applicant.

12.29 Following confirmation that payment has been made to the applicant, any original documentation that needs to be returned to the applicant should be photocopied and stamped as a true copy of the original, signed and dated.

12.30 All invoices which have been approved for payment must be stamped ‘paid’, show the amount of grant paid, the Scheme, signed and dated. The original must be photocopied only after stamping as paid.

12.31 All documentation should be retained until 31st December 2030.

**CHAPTER 13**

**Project Inspection Article 48, 49 & 52 - Management Verification Checks (MVCs)**

**Article 48 Administrative checks**

13.1 The Article 48 administrative project check includes all the compliance controls required by the European Community. The purpose of the Article 48 check is to make sure that all project applications and all payments have been processed in accordance with National and European Community rules and that the required information and relevant evidence to support each stage of the process is held on file. An Article 48 pro-forma to cover each of the Stage 1([Appendix 13A](#Appendix_13A)), Stage 2 ([Appendix 13B](#Appendix_13B)) and Stage 3 ([Appendix 13C](#Appendix_13C)) checks has been provided by DAERA. The Admin Unit must undertake an Article 48 check on each application received, on each claim form received and a site visit prior to approval of the claim. The evidence viewed must be recorded for Audit purposes. The Article 48 will cover the following:

**Stage 1 - Application for Support**

* + - Verification of information in the application form
    - Eligibility
    - Project selection and evaluation
    - State aid
    - Statutory controls, for example, planning permission
    - Double funding
    - Reliability of the applicant for previous funding (Information to be supplied by DAERA)
    - Reasonableness of costs

**Stage 2 - Payment of Claim**

* + - The project phase or completed project compared with the project detailed in the Letter of Offer.
    - The costs incurred, i.e. compliance with procedures including procurement, receipts etc.
    - The payments made, i.e. bank statements
    - Eligibility of claims

**Stage 3 - Site Visit**

* + Physical confirmation of the funded project
  + Confirmation that the equipment/facility funded is operational
  + If construction project with phased payments agreed details/confirmation of the stage works completed to
  + Photographic evidence
  + Progress towards achievement of the project objective and scheme targets via applicant’s project progress monitoring report.
  + Publicity
  + Retention of records

13.2 Where possible, the officer completing the Article 48 report should not vouch the claim. However, if this is unavoidable the Admin Manager must complete a documented management check over the entire process. A record of this check must be kept on file.

13.3 DAERA is responsible for the content and any revisions of the Article 48 project checklist. Stage 3 of the Article 48 check must be carried out prior to the approval of all claims. The Admin Unit must complete and sign off each stage of the Article 48 check before the project is progressed to the next stage.

If an overclaim or project irregularity is discovered the Admin Officer completing the site visit must record; the details of the problem, the assessment of the intent, the assessment of the permanence. This will inform the irregularity report required at Para 15.7 of the Desk Instructions.

13.4 The Article 48 pro-forma must be checked by the Admin Unit Manager before the date of completion is added to the EU Database.

**Article 60 DAERA Verification Checks on Promoter Claims**

13.5 The LAG is responsible for verifying all claims and ensuring that claimed expenditure is eligible.

13.6 The Rural Development Division (RAD) Programme Compliance Section will complete an Article 60 monitoring inspection and undertake compliance checks on a percentage of the Article 48 administrative checks carried out by the Admin Unit until the risk rating of the LAG has been determined.

13.7 The risk rating of the LAG will determine the percentage of Article 48 compliance checks which are re-performed by the RAD Programme Compliance Section as follows:

* Low risk – 20% risk rating – 20% Article 48 checks will be subjected to a compliance check, which may be pre-payment of post-payment.
* Medium risk – 50% risk rating – 50% Article 48 checks will be subjected to a compliance check, which may be pre-payment or post-payment.
* High risk – 100% risk rating – All Article 48 checks will be subjected to a compliance check, which may be pre-payment or post-payment.

13.8 The LAG risk rating will be reviewed following each Article 60 monitoring inspection.

**Article 49 On-the-Spot Checks**

13.9 DAERA EU Verification Unit (EUVU) will be responsible for carrying out on-the-spot checks (OTS Checks) on projects approved by the LAG. Through the on the spot checks, EUVU will endeavour to verify that the project has been implemented within the applicable rules.

13.10 The objectives of the checks, which are carried out pre-payment, are to verify:

1. that the project has been implemented in accordance with the applicable rules and shall cover all the eligibility criteria, commitments and other obligations relating to the conditions for the granting of support, which can be checked at the time of the visit;
2. the accuracy of the data declared by the applicant against underlying documents – this includes a check that the payment claims submitted by the applicant are supported by accounting or other documents, including, where necessary, a check on the accuracy of the date in the payment claim on the basis of the data or commercial documents held by third parties;
3. that the use or intended use of the project is consistent with the use described in the application for support and for which support was granted.

13.11 The checks will be carried out on an appropriate sampling basis and will represent at least 5% of the public expenditure declared to the European Commission over the programming period.

13.12 The checks also necessitate the pre-visit research of project files and other associated documentation held by the LAG. The Admin Unit holding the relevant documentation will receive 24 hours’ notice of such a visit.

**Article 52 Ex-Post Checks**

13.13 DAERA EUVU will be responsible for carrying out ex-post checks on investment projects approved by the LAG.

13.14 The objectives of the ex-post checks conducted on “investment projects”, which is carried out after the final payment of assistance has been made, is to verify that the investment is not, within five years of the final payment to the beneficiary (applicant) affected by any of the following:

(i) a cessation or relocation of a productive activity outside of the programme area;

(ii) a change in ownership of an item or infrastructure which gives to a firm or a public body an undue advantage;

(iii) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objective.

13.15 The checks will be based on an analysis of the risks and financial impact of different operations, groups of operations or schemes and will represent at least 1% of the cumulative eligible expenditure declared by investment projects receiving their final payment in each EAFRD year.

**CHAPTER 14**

**Governance and Audit**

**LAG Board**

14.1 Membership of a LAG Board provides a range of opportunities, challenges and rewards to members. In conducting themselves as Board Members it is imperative that each member does so in the knowledge that they have responsibilities to the wider LAG and the local community, and that all activities must be undertaken in accordance with EU Regulations and NI RDP 2014-2020. In all of their work, Board Members shall assume responsibilities as a Director of the LAG. These responsibilities include both Governance/Compliance and Audit.

14.2 Effective governance in a LAG encourages better decision making and strengthens accountability for the stewardship of the LAG’s resources. Effective governance can also improve management, leading to more effective implementation of the chosen interventions, better service delivery and ultimately, better outcomes; thereby enhancing the wellbeing of stakeholders in each LAG area. As stakeholders may be interested in whether the planned outputs have been delivered and achieved, and whether this has been done in an efficient, economic and equitable manner, then the LAG Board, as the group responsible for overseeing the strategic direction and accountability of the entity, must ensure that effective arrangements are in place to achieve these outcomes. These arrangements include having an effective performance management system in place that enables a LAG Board to deliver its planned strategy.

**Role of the Admin Unit**

14.3 The Admin Unit has a crucial role in supporting and helping the LAG Board deliver good governance. The Admin Unit will support its Board in a number of areas including Finance, General Services, Human Resources etc. Examples of the Services to be provided are detailed in the Contract agreed between the Council and the LAG. With regard to ‘Governance’ the Admin Unit must provide corporate governance and programme compliance assurance to the LAG, along with guidance on conduct to LAG members in relation to their responsibilities as representatives serving on the LAG.

**Audit (Internal Controls)**

14.4 Internal control is a significant and integral part of any performance management system as it supports an entity in achieving its objectives by managing its risks while complying with rules, regulations, organisational policies etc. As with previous Rural Development Programmes, the expenditure of the LAG may, from time to time, be subject to a number of audits by the following bodies:

* DAERA’s Internal Audit
* Northern Ireland Audit Office
* EU Commission Auditors
* European Court of Auditors

14.5 These audits, undertaken by qualified professionals, are an essential element of the LAG’s accountability as they provide a review by an independent, qualified person, and they should be seen by all involved as a tool that assists both LAG Board Members and Admin Unit staff in the discharge of their responsibilities.

14.6 The principal aim of ‘audits’ are to assess the reliability and effectiveness of an organisation’s framework of governance, risk management and control arrangements and, in the case of a LAG Board, the aim would be the same, with control arrangements being assessed against relevant risks using a systematic testing and evaluation methodology in accordance with HM Treasury and Professional best practice guidelines.

14.7 Following any audit, an Audit Report will be produced which may highlight findings. These findings may point to weaknesses in the governance of the programme funds. The Admin Unit will assist the LAG Board in assessing each finding, providing appropriate evidence if it believes any findings/recommendation should be challenged or rejected etc. before finalising a formal response to the Audit. The Admin Unit will have a specified period of time in which to discuss, with its Board, the formal response to the Audit findings.

14.8 Once the LAG has responded to the audit findings an audit implementation plan will be drafted including details of responses, implementation dates and the person responsible for implementing the finding. DAERA will review progress regularly and recommend actions as appropriate.

14.9 In all of the above, the Admin Unit will be able to assist the LAG Board to act in the public interest at all times in its implementation of the RDP by assisting the LAG Board in all Governance and Audit issues.

**CHAPTER 15**

**Irregularities & Debt Recovery**

**Administrative Penalties/Treatment of Irregularities**

15.1 The LAG has entered into a contract with the Department, and the Council has entered into an SLA with the Department for implementation and administration of delivery of the LEADER element of the RDP 2014-2020. The LAG and the Council will be responsible for protecting the financial interests of the Department and the EU.

15.2 The EU regulations and guidance notes require thatthe LAG must identify, record and report all instances of irregularity and suspected fraud relating to the functions of the RDP 2014-2020. All claims checked by the Admin Unit on behalf of the LAG must be accompanied by a statement which confirms that a check for irregularities/fraud has been carried out. This requirement will be dealt with as part of the Article 48 Stage 2 and 3 checks.

15.3 The requirement for reporting irregularities stems from EC Regulation 1848/2006 and concerns the recovery of sums wrongly paid in connection with the financing of the Common Agricultural Policy (CAP). Under the Regulation, Member States are required to report ALL incidences with a value over €10,000 (regardless if payment has actually been made or not), or where fraud is suspected. The Commission’s concern relates to EU monies, therefore the reporting threshold applies **only** to the EU element of the irregularity detected. At present Priority 6 is funded 73% from DAERA and 27% from the EU.

15.4 LAG Admin Units are required to report irregularities discovered, claims disallowances and decisions on applying penalty amounts to their respective RAD Local Contract Management Office at the end of each month, via the Irregularities Master Spreadsheet as provided by DAERA. There will be a right of review for the applicant on LAG Board decisions as detailed in [Chapter 11 - Project Debrief and Review Process](#Chapter_11).

* 1. The Euro rate to be used in determining the value of an irregularity will depend on the month the payment was made. RAD will forward the monthly exchange rate to all LAG Admin Units each month for this purpose.

For irregularities which are identified prior to the claim payment date, refer to the month in which the remainder of the claim was paid. Where the entire claim is ineligible, it will be the month the irregularity was discovered.

**What is an Irregularity?**

15.5 **'Irregularity'** shall mean any infringement of a provision of Community law or National law resulting from an act or omission by an applicant or implementing body, which has, or would have, the effect of prejudicing the general budget of the EU or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the EU, or by an unjustified item of expenditure.

**'Systemic irregularity'** means any irregularity, which may be of a recurring nature, with a high probability of occurrence in similar types of operations, which results from a serious deficiency in the effective functioning of a management and control system, including a failure to establish appropriate procedures in accordance with this Regulation and the Fund-specific rules;

**Irregularities and Penalties – Maintaining an Audit Trail**

15.6 It is essential that a full audit trail of the actions and decisions taken by the LAG in relation to irregularities is retained on file to demonstrate to Auditors that the LAG’s actions and decisions have taken place in accordance with the regulations.

15.7 The Admin Unit must prepare a report for all irregularities identified. This report must be sufficiently detailed to provide information on action taken, reasons for decision made, penalty to be applied etc. so as to advise a ‘review of decision’ which may be requested by the applicant at a later date. Records and reports will be open to scrutiny by DAERA if the review moves to Stage 2 because the applicant is not satisfied with the LAG decision. These records will also be open to scrutiny by auditors including DAERA, NIAO and EU.

15.8 In addition, the Admin Unit is required to submit a quarterly return detailing all irregularities identified during the period. DAERA local Contract Management staff will provide the Admin Unit with this report template.

15.9 It is also essential that, in circumstances where an irregularity has been identified, the applicant receives a formal notification from the LAG (either by e-mail or by letter) of the non-compliance, the penalty imposed and the impact, if any, on future claims or applications and where relevant, the action to be taken to mitigate or avoid further irregularities.

15.10 Administrative penalties may take the following forms:

1. A reduction in the amount of grant to be paid in relation to the payment claim affected by the non-compliance; this shall be without prejudice to the possibility of suspending the support where it can be expected that the non-compliance can be addressed by the applicant within a reasonable time;
2. Payment of an amount calculated on the basis of the quantity and/or the period concerned by the non-compliance;
3. Suspension or withdrawal of an approval, recognition or authorisation;
4. Exclusion from the right to participate in or benefit from the Scheme.

**Administrative Checks – Article 48 (Stages 1, 2 & 3)**

15.11 Administrative checks ([Appendix 13A-Article 48](#Appendix_13A)) must be carried out on all applications, shall cover all elements and be appropriate to identify any non-compliance with the terms and conditions of the LOO. The checks shall require recording of the control work undertaken, the results of the verification and the measures taken in the event of discrepancies ([Chapter 13](#Chapter_13)).

**Double Funding**

15.12 Administrative checks shall also include procedures to avoid irregular double financing with other European Union or National schemes and with the previous programming period. Where financing from other sources exist, those checks shall ensure that the total support received does not breach the maximum permissible amounts or support rates; or duplicate/double fund any grant amount already paid by another funding body.

**Administrative Penalties**

15.13 Under the EU regulations governing Penalties (the reduction and refusals) for the Rural Development Programme there are two main areas that set out the requirements.

**Article 63** of Regulation 809/2014 deals with reduction to payments based on the amount claimed in a claim form and the amount found to be eligible under the scheme rules.

**Article 35** of Regulation 640/2014 deals with penalties to be applied where the applicant has not complied with the eligibility criteria, or the commitments and obligations agreed by acceptance of the LoO. If the applicant fails to meet the eligibility criteria, commitments or obligations their claim is reduced by a set percentage. The application of Article 35 is a new aspect of the control system.

**NB:** All Article 63 checks and reductions must be made first to determine the eligible payment. Any residue is then subject to any penalty to be applied resulting from the application of Article 35.

**Definitions:**

**Eligibility criteria** are the requirements that applicants have to respect, usually at the stage of entering into the process to obtain a grant from the RDP, but for which they are not paid. Examples of eligibility criteria would be “applicant must be 18 years old or over”; “have attended the scheme pre-application workshop”; “submitted evidence of match funding by the close of the application call”; and if relevant, “submitted evidence of full planning permission by close of the application call”.

**Commitments** are actions the applicants undertake to carry out and for which they are paid. An example of a commitment would be “to buy a piece of machinery as per specification” or “build a community hall with a capacity for 100 people”.

**Other obligations** are the requirements applicable to the rural development scheme that applicants need to respect, but for which they are not paid in the context of the RDP. An example would be “to follow applicant procurement guidance” or “comply with State Aid rules, or Publicity Rules” or “provide monitoring progress reports as specified by the LoO Terms & Conditions.”

15.14 The administrative penalties shall be proportionate and graduated according to the severity, extent, duration and re-occurrence of the non-compliance found, and shall respect the following limits:

(a) the amount of the administrative penalty shall not exceed 100% of the eligible amount;

(b) the suspension, withdrawal or exclusion referred to in points (c) and (d) of paragraph 15.10 may be set at a maximum of three consecutive years which may be renewed in the case of any new non-compliance.

**Application of Article 63 (Reg 809/2014) - Partial or full withdrawal of the support**

15.15 Payments shall be calculated on the basis of amounts found to be eligible after completion of the Article 48 administrative checks by the Admin Unit.

15.16 The Admin Unit must examine the claim for payment received from the applicant, and establish the amounts that are eligible for grant. It shall establish:

1. the amount that is payable to the applicant based on the claim for payment of grant compared to the grant decision (LoO);

(b) the amount that is payable to the applicant after an examination of the eligibility of the expenditure in the claim for payment of grant.

15.17 Where the Admin Unit establishes that the amount claimed by the applicant exceeds the amount payable by more than 10%, an administrative penalty should be applied. The amount of the penalty shall be the difference between the amount claimed and the amount deemed eligible, but shall not go beyond full withdrawal of the grant.

15.18 No penalties shall be applied if the applicant can demonstrate to the satisfaction of the LAG that he/she is not at fault for the inclusion of the ineligible amount or if the competent authority (DAERA) is otherwise satisfied that the applicant concerned is not at fault. The LAG should record their decision in this regard in the LAG Board meeting minutes.

15.19 If further ineligible expenditure is identified as a result of a re-performance or on-the-spot check, the penalty to be applied will be based on the cumulative eligible expenditure as detailed in Example Claim 2 at [Annex 2](#Chapter_15_Annex_2).

**Application of Article 35 of 640/2014 - Non-compliance with the eligibility criteria and commitments or other obligations**

15.20 The grant claimed shall be refused or withdrawn in full where the project eligibility criteria are not complied with.

15.21 The grant claimed shall be refused or be withdrawn in full or in part where the following commitments or other obligations are not complied with:

**(a) commitments:-**

* the work has been completed in line with the LoO, Annex 2, ‘schedule of eligible expenditure’;
* the location of the work agrees with the project location address recorded on the LoO;
* the works comply with the works contract;
* the items/equipment funded are in line with the LoO, Annex 2, ‘schedule of eligible expenditure’;
* the items/equipment funded are at the location described in the application and LoO;
* the items/equipment being used for the purpose for which they were funded.

1. **obligations:-**

where relevant, other obligations of the operation established by Union or National law or established in the Rural Development Programme, for example:-

* Priority 6 applicant procurement guidance;
* the project funded meets State Aid rules;
* LEADER publicity rules have been met;
* evidence of arrangements in place for monitoring programme targets/outputs as recorded on the LoO.

15.22 When deciding on the rate of refusal or withdrawal of grant following the non-compliance with the commitments or other obligations referred to in paragraph 15.21, the LAG shall take account of the **severity**, **extent**, **duration** and **reoccurrence** of the non-compliance related to conditions for grant referred to in the paragraphs below. An irregularity penalty matrix is attached at [Annex 1](#Chapter_15_Annex_1) to assist in determining the rate and amount of penalty to be applied. Examples of applying Articles 63 and Article 35 to project claims are attached at [Annex 2](#Chapter_15_Annex_2).

15.23 The **severity** of the non-compliance shall depend, in particular, on the importance of the consequences of the non-compliance, taking into account the objectives of the commitments or obligations that were not met.

15.24 The **extent** of the non-compliance shall depend, in particular, on its effect on the operation as a whole.

15.25 The **duration** shall depend, in particular, on the length of time for which the effect lasts or the possibility of terminating this effect by reasonable means.

15.26 The **reoccurrence** shall depend on whether similar non compliances have been found:

* during the last four years, or
* during the whole programming period 2014-2020 in the case of the same applicant and the same scheme or type of operation, or in the case of the programming period 2007-2013, the similar measure.

**Serious Non-compliance**

15.27 Where the overall assessment of the non-compliance leads to establishing a **serious non-compliance (i.e. high severity/high impact/permanent)**, the grant shall be refused or withdrawn in full. Furthermore, the applicant shall be excluded from the same scheme or type of operation for the calendar year of the finding and for the following calendar year.

**False Evidence**

15.28 Where it is established that the applicant provided **false evidence** for the purpose of receiving the grant or failed to provide the necessary information due to negligence, the grant shall be refused or withdrawn in full. Furthermore, the applicant shall be excluded from the same Scheme or type of operation for the calendar year of the finding and for the following calendar year (see [Annex 3](#Chapter_15_Annex_3) ). The LAG will also need to consider whether fraud is suspected

**Suspected Fraud**

15.29 In cases of suspected fraud,prompt action is essential. The Admin Unit should refer the case immediately to DAERA local Contract Management staff who will arrange for a formal investigation of the case. All relevant documents, evidence and information, including an irregularity report completed by the Admin Unit must be forwarded to the Department. No further action or payments should be made to the relevant project until the case has been investigated by the Department. When the investigation is complete the Department will advise on the next course of action. Prompt action is essential in referring a suspected fraud case. If the applicant contacts the LAG, the Admin Unit should respond as follows:-

*“On examining your claim for funding, specific issues, which require investigation have come to light. As a result, your claim has been referred to DAERA for consideration. I am sorry I cannot provide any further details as this may compromise any investigation.”*

**Circumvention clause**

15.30 Without prejudice to specific provisions, no advantage provided for under sectoral agricultural legislation including EAFRD shall be granted in favour of a natural or legal person in respect of whom it is established that the conditions required for obtaining such advantages were created artificially, contrary to the objectives of that legislation.

**Suspending the Grant**

15.31 The LAG may suspend the grant relating to certain expenditure where a non-compliance resulting in an administrative penalty is detected. The suspension shall be lifted by the LAG as soon as the applicant proves to the satisfaction of the LAG that the situation has been remedied. The maximum period of suspension shall not exceed three months (see [Stage 3 of Article 48](#Appendix_13C)).

15.32 The LAG may only suspend grant where the non-compliance does not prejudice the achievement of the overall purpose of the operation concerned, and if it is expected that the applicant is able to remedy the situation during the maximum period defined.

**Exceptions to Administrative Penalties**

**Obvious Error**

15.33 A penalty will not be applied where there is an obvious error in the claim form. Obvious errors should be corrected before considering a penalty. An obvious error is an error on a claim form which is clearly incorrect to the person reviewing the form. An example of an obvious error would be an incorrect total or transposed numbers or letters.

**Not At Fault**

15.34 A penalty should not be applied where the applicant can demonstrate to the satisfaction of the LAG that they were not at fault for the breach of eligibility criteria, commitments or other obligations. It must be clear that the applicant is not at fault.

**Force Majeure**

15.35 A penalty should not be applied where the breach of eligibility, commitment or other obligation occurs due to a force majeure event that the applicant could not have foresaw and to mitigate the event would cause excessive sacrifice on the part of the applicant. The applicant must notify the LAG in writing, with relevant evidence, of the force majeure event within 15 working days of being in a position to do so. If not notified within 15 days, force majeure will not be considered.

For the purposes of the financing, management and monitoring of the CAP, examples of “force majeure” and “exceptional circumstances” may be recognised in the following cases:

1. the death of the beneficiary;
2. long-term professional incapacity of beneficiary; or
3. a severe natural disaster gravely affecting the project or project location.

**TREATMENT OF IRREGULARITIES DISCOVERED POST PAYMENT OF GRANT**

Irregularities Discovered at Inspection

15.36 If an irregularity is highlighted at an inspection by DAERA, NIAO or the EU, the completion of responses to inspection reports, including the irregularity report, provision of documentation and any follow up investigation with the applicant is the responsibility of the LAG.

**Suspected Fraud**

15.37 In the event of suspected fraud, the Admin Unit should refer to paragraph 15.29.

**Recording Irregularities and Penalties**

15.38The LAG will be responsible for recording all irregularities discovered and penalties applied on the Database. Until a Database is available a manual reporting system has been put in place to gather this information.

**Recovery of Undue Payments**

15.39 If undue payment is made, the applicant shall repay the amount in question plus, where applicable, interest calculated in accordance with paragraph 15.40.

15.40 Interest shall be calculated for the period elapsing between the payment deadline for the applicant indicated in the recovery order, which shall not be set at more than 60 days, and the date of either repayment or deduction. The rate of interest applicable shall be calculated in accordance with national law, but shall not be lower than the interest rate applicable for the recovery of amounts under national provisions.

15.41 The repayment obligation referred to in paragraph 15.39 shall not apply if the payment was made by error of the LAG/DAERA and if the error could not reasonably have been detected by the applicant.

15.42 However, where the error relates to factual elements relevant for the calculation of the payment concerned, paragraph 15.39 shall only apply if the decision to recover was not communicated within 12 months of the payment.

**Time Limits for Recovery and Application of Penalties**

15.43 For any undue payment following the occurrence of irregularity or negligence, the Department shall request recovery from the applicant within 18 months after written notification by the Department of the irregularity to the applicant and, where applicable, receipt by the Department of a control report from the Admin Unit stating that an irregularity has taken place. The corresponding amounts shall be recorded at the time of the recovery request in the debtors' ledger of the Department. In order for the Department to meet this EU requirement the LAG should notify DAERA of an irregularity with a report and recommendation for recovery within 3 months of becoming aware of the irregularity. The 3 months is to provide sufficient time for the Admin Unit investigation and reporting through the LAG Board for a decision and reporting to the Department. Please refer to paragraph 15.7.

**DEBT RECOVERY, CLAWBACK AND NOTIFICATION OF LOSSES**

**Debt Identification**

15.44 All overpayments to applicants which require repayment or clawback must be reported as debts owed and recovered through the following procedure. Any overpayments discovered **must not** be offset against any future payments expected to be made to the promoter but must be formally raised as a debt with DAERA.

15.45 The recovery of overpayments through the debt procedure ensures that there is a complete record of all monies owed to DAERA and the EU Commission through a debtor’s ledger.

15.46 It is anticipated that debts, clawbacks or overpayments will be identified as a result of the following:

* A business which has gone into liquidation or is no longer operating which has been identified through the various monitoring visits or local knowledge;
* Article 48 post payment compliance checks carried out by DAERA;
* Article 52 ex post check carried out by EU Verification Unit (EUVU);
* Internal Audit (IA) or other audit bodies checks.

15.47 Irrespective of how the debt is identified, the responsibility for notifying applicants of the debt and any associated interest charges and reductions is responsibility of DAERA Debt Recovery Officer.

**Debts Identified by the LAG**

15.48 Where the debt is identified as a result of a check conducted by the Admin Unit, they must immediately complete an irregularity report in respect of the debt identified (see Chapter 15.2 and 15.6) and forward within 5 calendar days to DAERA local Contract Management staff.

15.49 As the effective date for raising the debt will be the date of issue of the Debt Notification letter, it is important that there should be no undue delay between identification of the debt and a completed irregularity report from the Admin Unit being forwarded to DAERA local Contract Management.

**Debts Identified through Audit Inspection**

15.50 Where the debt is identified by DAERA following inspection, the LAG will be notified of the debt in the report issued on completion of each audit check. A copy of the finding will be forwarded to the LAG by the DAERA local Contract Manager.

15.51 On receipt of the audit findings detailing the amount to be clawed back, Admin Unit staff should ensure that the irregularity spreadsheet is completed in respect of the debt identified. The irregularity report referred to in paragraph 15.7 should be forwarded to DAERA localContract Management staff for onward transmission to the DAERA Debt Recovery Officer (DRO).

**Debts Identified to be repaid by the LAG**

15.52 If the debt identified relates to the LAG itself the DRO should be advised of the debt by DAERA local Contract Management staff who will arrange for the completion of the irregularity forms. Subsequent referral to the Debt Recovery Section will be in line with the procedures at paragraph 15.48 above.

**Informing the DAERA Debt Recovery Officer**

* 1. A copy of the Irregularity report should be forwarded to the DRO immediately after the LAG identifies or is notified of a debt by DAERA local Contract Management staff.

15.54 An irregularity report will be required for all debts identified regardless of the amounts involved. Irregularity reports should be completed for any claims which are reduced as a result of pre payment vouching.

15.55 The DRO will review all debts including any reduction or penalties to be applied and confirm if the debt is in excess of the de-minimis threshold of €100.00 before issuing a Debt Notificationletter to the applicant. A copy of the debt notification letter will issue to the Admin Unit for retention on the project file.

**DAERA Debt Recovery Officer (DRO) Role**

* 1. The DRO will ensure that the debt is correctly calculated, and the appropriate letter issued, supported by relevant accompanying documentation before submission to DAERA Debt Recovery Section based in Orchard House. All contact with the Debt Recovery Section must be via the DRO in Dundonald House, Belfast. The Admin Unit should not make direct contact with the Debt Recovery Section on any issue and refer all queries to the DRO.

**Informing the Applicant of the Debt**

15.57 The effective date for raising the debt will be the date of issue of the Debt Notification letter.

15.58 The DRO will issue the initial debt recovery letter to the applicant, and will include:

* scheme name, date of claim and amount paid;
* conditions of the Scheme/Letter of Offer requirements/Scheme requirements;
* breach of Condition/Letter of Offer/Scheme requirement identified;
* details of any discrepancy uncovered and the regulatory basis for recovery;
* information in respect of any reduction or exclusions applied and amount to be repaid with calculation if required;
* notification that interest will be applied to the debt and deadline for repayment;
* details as to how the applicant can make written representation regarding the debt which should be received within 14 calendar days by the DRO in Dundonald House;
* advice to the applicant that if payment in respect of any other claim for the project or business ID becomes due, all or part of this payment may be withheld.

The total value of the debt must be broken down to show the irregularity amount separately from any interest and/or penalty amounts applied. The correct calculation of the component parts of the debt is essential to ensure that correct coding entries are recorded in the Grants & Subsidies (G&S) and Account NI databases.

15.59 DAERA should ensure that any debt repayments received from applicants are made payable to the Department of Agriculture, Environment and Rural Affairs, GAS Sterling Bank Account, and on receipt are forwarded to;

DAERA Grants & Subsidies Payments Branch,

Systems Management Section,

Room 9,

Orchard House,

40 Foyle Street,

Derry/Londonderry,

BT48 6A

**Cancellation of an Overpayment / Repayment of Debt**

15.60 In the event that an overpayment has been raised in error or where the debt is repaid or removed for any reason the DAERA DRO should be advised immediately.

15.61 All queries regarding repayment of debts received by the LAG should be referred to DAERA local Contract Management staff.

Updating the EU Database

15.62 The DAERA Debt Recovery Officer will inform the Admin Unit of any debts recovered. The Admin Unit must ensure that details of the debt recovery are added to the EU Database. Until a database is available please notify DAERA local Contract Management

**Rural Development Programme Irregularity/Penalty Matrix Annex 1**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **For first non-compliance use this column to calculate reduction** | **If the non-compliance has been repeated within four years or during the whole programming period 2014 – 2020 in the case of the same beneficiary and the same measure use this side of the matrix to calculate reduction** | | |
| **SEVERITY** | **EXTENT** | **Duration** | **Reduction for first occurrence** | **Reduction for 1st recurrence** | **Reduction for 2nd recurrence** | **Reduction for 3rd recurrence** |
| Low | Low impact | Rectifiable | Warning letter to rectify issue | 5% | 15% | 45% |
| Permanent | 5% | 15% | 45% | 100% |
| Medium impact | Rectifiable | 5% | 15% | 45% | 100% |
| Permanent | 10% | 30% | 90% | 100% |
| High impact | Rectifiable | 10% | 30% | 90% | 100% |
| Permanent | 15% | 45% | 100% | 100% |
| High | Low impact | Rectifiable | 15% | 45% | 100% | 100% |
| Permanent | 25% | 75% | 100% | 100% |
| Medium impact | Rectifiable | 25% | 75% | 100% | 100% |
| Permanent | 50% | 100% | 100% | 100% |
| High impact | Rectifiable | 50% | 100% | 100% | 100% |
| Permanent | 100% | 100% | 100% | 100% |

\* Severity of the non-compliance shall depend in particular on the importance of the consequences of the non-compliance, taking into account the objectives of the commitments or obligations that were not met.

\* Extent of the non-compliance shall depend in particular on its effect (impact) on the operation as a whole.

\* Duration shall depend, in particular on the length of time for which the effect lasts or the possibility of terminating this effect by reasonable means.

\* In the first instance where a non-compliance is considered rectifiable article 36 of Regulation 640/2014 should be invoked. All funding will be withheld and the beneficiary required, in writing, to rectify the issue within 3 months. If not rectified then article 35 should be invoked and the appropriate penalty applied as per the matrix above.

**Annex 2**

**Examples of Applying Penalties**

**Project Schedule of Eligible Expenditure for Example Project**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Item** | **Capital or Resource** | **Completion Date for each item** | **Total cost of item (ex vat)**  **£** | **VAT amount**  **£** | **Total cost of item (inc vat)**  **£** | **Grant rate**  **%** | **Max grant amount payable**  **£** |
| CNC band machine | Capital | 31/09/2016 | 50,000 | 10,000 | 60,000 | 50 | 25,000 |
| Chain saw | capital | 31/09/2016 | 20,000 | 4,000 | 24,000 | 50 | 10,000 |
| Rolling press | Capital | 31/09/2016 | 20,000 | 4,000 | 24,000 | 50 | 10,000 |
| Marketing | Resource | 31/09/2016 | 10,000 | 2,000 | 12,000 | 50 | 5,000 |

**Total Grant Awarded £50,000**

**CLAIM 1**

**Claim 1 Received from applicant for first two items on the schedule for Example Project**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Item Detailed on Schedule** | **Net cost ex VAT**  **£** | **VAT amount**  **£** | **Total Payment**  **£** | **LoO Grant Rate**  **%** | **Grant expenditure claimed**  **£** |
| CNC band machine | 52,000 | 10,400 | 62,400 | 50 | 26,000 |
| Chain saw | 20,000 | 4,000 | 24,000 | 50 | 10,000 |

**Total Grant Claimed £36,000**

**Article 48 Check and findings on Claim 1**

The Article 48 check completed by the Admin Unit demonstrated that the applicant had claimed in excess of the grant awarded for a particular item – the CNC band machine. Grant awarded for this item was £25,000. However the actual cost of the piece of equipment had increased and the applicant claimed 50% of the revised cost. This will be dealt with under Article 63.

Under EU Law and DAERA requirements, applicants are expected to follow procurement rules and guidance, depending on the value of the goods or services to be procured. The applicant received a Letter of Offer to fund several pieces of equipment. The procurement obligation on the applicant for the chain saw in the schedule above is to seek two quotes. The applicant only received one quote for this item and submitted a claim for 50% of the quote received.

The expenditure is deemed eligible under the Article 48 check, the equipment was purchased as required and to the correct specification. No reduction is required under Article 63 as the expenditure is deemed eligible. As the applicant did not follow the correct procurement procedure, a breach of his obligation, consideration has to be given as to whether a penalty should be applied. This will be dealt with under Article 35.

**Penalty Assessment – completed in accordance with Penalty Matrix at Annex 1**

The purpose of the obligation to follow procurement procedures is to ensure value for money, transparency, equality of opportunity etc. (this is an EU regulatory and Departmental requirement). As the procedures have not been followed and given the value of the item involved it is likely that if proper procurement had been followed, better value for money could have been obtained. In this instance the **severity** of the non-compliance (not following procurement procedures) would be judged as high.

Having established that the severity is high, the next step is to consider the **extent** of not following the procedures and what effect (impact) this will have had on the entire project. It can be argued that the impact is medium as there is potential for better value for money to be obtained.

Next to decide is the **duration** of not following the correct procurement procedures i.e. rectifiable or permanent. In this instance as the item has already been purchased it is not possible to go back and follow correct procurement procedures, therefore the non-compliance is permanent. This leads to the application of a 50% penalty for first occurrence.

**Payment of Claim – applying the penalties**

1. **Apply Art 63 first** – claim reduced by £1,000, no penalty due
2. **Then Apply Art 35** – Eligible claim amount of £35,000 to be reduced by 50%, therefore £17,500 will be paid.

**Application of Article 63 and Article 35**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | **Payment 1** |
| **October 2016** | **Payment Claim 1** | Amount applied for | £36,000 |
| **Article 48 check** | **Article 63** | Amount not eligible | £1,000 |
|  |  | Amount eligible | £35,000 |
|  |  | Difference | 2.86% |
|  |  | Reduction after AC | £1,000 |
|  |  | Administrative penalty (c) | £0 |
|  |  | Amount payable | £35,000 |
|  | **Article 35** | % penalty to be applied | 50% |
|  |  | **Payment Due** | **£17,500** |

**CLAIM 2**

**Claim 2 received from applicant for final two items on the schedule for Example Project**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Item Detailed on Schedule** | **Net cost ex VAT**  **£** | **VAT amount**  **£** | **Total Payment**  **£** | **LoO Grant Rate**  **%** | **Grant expenditure claimed**  **£** |
| **Rolling Press** | 20,000 | 4,000 | 24,000 | 50 | 10,000 |
| **Marketing** | 10,000 | 2000 | 12,000 | 50 | 5,000 |

**Total Grant Claimed £15,000**

**Article 48 Check and Findings for Claim 2**

The Article 48 check demonstrated that all expenditure claimed was eligible. No penalties to be applied under Article 63.

The procurement obligation on the applicant for the rolling press detailed in the schedule above is to seek two quotes. The applicant only received one quote for this item and submitted a claim for 50% of the quote received. The expenditure is deemed eligible under the Article 48 check the equipment was purchased as required and to the correct specification. No reduction is required under Article 63 as the expenditure is deemed eligible. As the applicant did not follow the correct procurement procedure, a breach of his obligation, consideration has to be given as to whether a penalty should be applied. This will be dealt with under Article 35.

**Application of Article 35**

**Penalty Assessment – completed in accordance with Penalty Matrix**

The purpose of the obligation to follow procurement procedures is to ensure value for money, transparency, equality of opportunity etc. (this is an EU regulatory and Departmental requirement). As the procedures have not been followed and given the value of the item involved it is likely that if proper procurement had been followed, better value for money could have been obtained. In this instance the **severity** of the non-compliance (not following procurement procedures) would be judged as high.

Having established that the severity is high, the next step is to consider the **extent** of not following the procedures and what effect (impact) this will have had on the entire project. It can be argued that the impact is medium as there is potential for better value for money to be obtained.

Next is to decide is the **duration** of not following the correct procurement procedures i.e. rectifiable or permanent. In this instance as the item has already been purchased it is not possible to go back and follow correct procurement procedures, therefore the non-compliance is permanent. This leads to the application of a 100% penalty for first recurrence.



**Payment of Claim – applying the penalties**

1. **Apply Art 63 first** – no reduction to claim
2. **Then Apply Art 35** – Eligible claim amount of £15,000 to be reduced by 100%, therefore no payment is due.

**Application of Article 63**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | **Payment 1** |
| **November 2016** | **Payment Claim 2** | Amount applied for | £15,000 |
| **Article 48 check** | **Apply Article 63** | Amount not eligible | £0 |
|  |  | Amount eligible | £0 |
|  |  | Difference | 0% |
|  |  | Reduction after AC | 0 |
|  |  | Administrative penalty (c) | £0 |
|  |  | Amount payable | £15,000 |
|  | **Apply Article 35** | % penalty to be applied | 100% |
|  |  | **Payment Due** | £0 |

**CLAIM 2 for Example Project – (as above, with the addition of an On The Spot Check)**

As in the Claim 2 example detailed above, following the Article 48 check, no penalties are due to be applied under Article 63. In this scenario, an OTSC is being carried out, and therefore calculation of payment due should be postponed until the outcome of the OTSC is known. The application of Article 35 following determination of eligibility means that the applicant is due to receive a payment of £nil.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | **Payment 1** | **Payment 2** |
| **October 2016** | **Payment Claim 1** | Amount applied for | £36,000 |  |
| **Article 48 check completed** | **Apply Article 63** | Amount not eligible | £1,000 |  |
|  |  | Amount eligible | £35,000 |  |
|  |  | Difference | 2.86% |  |
|  |  | Reduction after AC | £1,000 |  |
|  |  | Administrative Penalty | £0 |  |
|  |  | **Amount Payable** | **£35,000** |  |
|  |  |  |  |  |
| **November 2016** | **Payment Claim**  **2** | Amount applied for |  | £15,000 |
| **Article 48 check completed** | **Apply Article 63** | Amount not eligible |  | £0 |
|  |  | Amount eligible |  | £15,000 |
|  |  | Difference |  | 0% |
|  |  | Reduction after AC |  | 0 |
|  |  | Administrative penalty (c) | Determination of administrative penalty postponed as operation subject to an OTSC |  |
|  | **\*Apply OTSC** | **Amount not eligible** | £300 | £700 |
|  |  | **Eligible Amount** | £34,700 | £14,300 |
|  |  | **Difference** |  | 4.08% |
|  |  | **Reduction after 2nd AC and OTSC** |  | £2000 |
|  |  | **Administrative Penalty** |  | Nil – less than 10% |
|  | **Apply Article 35** | **% Penalty to be applied** |  | **100%** |
|  |  |  | **Payment Due** | **£0** |

**Annex 3**

**Article 35 (6) of Regulation 640/2014**

False evidence or failed to provide necessary information due to negligence

|  |  |  |
| --- | --- | --- |
|  | **For first non-compliance use this column to calculate reduction** |  |
|  | **Reduction for first non-compliance** | **Exclusion from measure** |
| False evidence | 100% | 2 years (current year plus 1 additional year) |
|
|
|
|
|
| Failed to provide the necessary information due to negligence | 100% | 2 years (current year plus 1 additional year) |

**CHAPTER 16**

**Project Non-Financial Monitoring and Evaluation**

**Background**

* 1. The NI Rural Development Programme 2014-2020 approved by the Commission sets out the objectives for the LEADER funding and the outputs and results to be monitored and reported in the Annual Progress Reports (calendar years).
  2. The Framework for the DAERA LEADER Programme (summarised at [Appendix 8E, Annex 1](#Appendix_8E_annex_1)) sets out the design principles and rules for implementation of the schemes. This includes the performance targets for each of the key themes and how these should be assessed, monitored, evaluated and reported.
  3. Chapter 10 sets out the instructions on ‘Setting Project Objectives, Key Tasks & Target Indicators’.

**Project Monitoring Reports**

* 1. Following LoO acceptance the applicant is required, as a minimum, to submit six monthly Project Monitoring Progress Reports to the Admin Unit with the first report due at six months (from LoO issued date); or prior to the first payment at a pre-payment site visit, whichever comes first. The Admin Unit must ensure that the project and beneficiary details as collected via the Project Monitoring Progress Report are recorded on the database Project Monitoring screens prior to submission of the claim. There is no requirement to complete after all targets have been achieved. Progress report templates pre-printed with the project details, the LoO objective, key tasks for implementation and the targets to be monitored can be downloaded from the SSRS reporting facility . Depending on the nature of the project and level of risk agreed ([Appendix 7Fiii](#Appendix_7Fiii)) the LAG may decide more frequent monitoring and reporting arrangements are required.
  2. Failure to provide Project Monitoring Progress Reports at the agreed frequencies will be viewed as a non-compliance with the LoO obligations and grant payment will be suspended until this irregularity is rectified (Article 35 of Commission regulations 640/2014). This is tested in the Article 48 Stage 2 report required for each claim.
  3. Initially the Project Monitoring Progress Report must detail progress with implementation of the project and key tasks, followed by progress towards the achievement of the overall project objective and scheme targets. The report must also detail any issues or potential slippage to ensure that remedial action, if relevant, can be agreed.
  4. The Admin Unit is responsible for maintaining contact with the applicant to monitor progress and ensure that Project Monitoring Progress Reports are timely thus avoiding delayed awareness of potential problems or slippage in achievements of expected targets set out within the LoO. From LoO issue to completion of the final grant payment contact with the applicant to monitor progress must be on a regular basis as relevant to the project objective, key tasks and scheduled expenditure. Contact emails or file notes of telephone conversations must retained on the project files as evidence of progress monitoring.

**Validation of Targets Reported as Achieved by the Applicant**

* 1. Prior to recording and/or reporting any target(s) as achieved to DAERA, the Admin Unit must undertake a project site visit or obtain confirmation electronically to validate the achievements reported by the applicant. This is essential to ensure that only verifiable achievements are reported to the Minister, the RDP Monitoring & AERA Committees and the Commission.
  2. The database will be the only source of project financial and non-financial information and reporting for use by DAERA. To that end, the Admin Unit is responsible for ensuring the project records are accurate and updated on a timely basis. The Article 60 management check performed by DAERA Programme Compliance Section will consider the Admin Unit’s progress towards retaining accurate and up to date database records.

**Post Project Evaluation**

* 1. The LAG Admin Unit in consultation with the applicant is required to complete aStage 1 post project evaluation six months after the LoO project end date and a Stage 2 post project evaluation (PPE) no more than 2 years after the LoO project end date. The Stage 1 PPE proforma will be downloaded pre-printed from the applications database (example proforma is available at [Appendix 16G](#Appendix_16G)).

The Stage 2 proformae as relevant to the project scheme/type are available at Appendix 16H (RBIS), Appendix 16I (RBSS, Village Renewal, LAG Co-op, Broadband) or Appendix 16J (TA stand-alone Marketing & Bespoke Training). When the appropriate Stage 2 PPE report has been completed by the Admin Unit Authoriser, the database PPE record must be updated by recording Stage 2 ‘date completed’ and ‘completed by’ records and uploading the report to the application record on the database.

\*NOTE: Completion of PPEs by required due date is closely monitored by DAERA Governance and EU Funding Branch. You are advised to start the Stage 2 completion process at least 2 months in advance of the 2 years after the project end date to ensure that the 2 year post project completion timescale is achieved.

For Technical Assistance (i.e. feasibility study) awarded by the LAG under the following schemes: Rural Business Investment Scheme, Basic Services, Co-operation, Village Renewal and Broadband a Stage 1 PPE only is required. You must update database application PPE record by omitting the Stage 2 completion date and mark the Stage 2 ‘Complete By’ field as ‘N/A’.

The LAG Admin Unit must inform the applicant in writing that failure to provide the necessary information as part of the Post Project Evaluation may lead to penalties on the grant awarded and exclusion from future funding opportunities under the Rural Development Programme.

* 1. For projects with total amount of non-promoter funding of more than £1m a standalone PPE is required, as per the Economic Appraisal and PPE arrangements set out within [Appendix 8E](#Appendix_8E). Standalone PPEs must be completed as required by the Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE)
  2. The Admin Unit is responsible for undertaking a project site visit (or obtaining confirmation electronically in the case of a Stage 1 PPE) on receipt of the PPE reports to validate the performance targets and project outcomes reported as achieved. In addition, a site visit must be undertaken to validate certain targets reported by applicants as achieved that require an on-site examination of the business or organisation records, for example, new jobs, export orders, number of people benefitting, number of vacant derelict properties brought back into use. If new jobs are created as a result of a Rural Basic Services, Village Renewal or Co-operation Project please complete [Appendix 16K](#Appendix_16K) and forward to DAERA.
  3. DAERA Financial Policy Branch require quarterly reports on Economic Appraisals and PPEs completed for reporting to Department of Finance. The Admin Unit must ensure that the details of EAs and PPE completed are recorded on ESIF in a timely manner to ensure that Priority 6 Management has accurate and up to date records for onward reporting.

**Programme Monitoring Reports**

* 1. The Northern Ireland Statistics and Research Agency (NISRA) will run six monthly monitoring reports from the EU database.

The information will be used for progress reports for the following;

* EU Commission
* RDP Monitoring Committee
* Mid-term and Ex-post evaluation
* Cross-cutting Departmental strategies
* Assembly questions, and
* AERA Committee questions
  1. DAERA will extract monitoring information from the EU database when needed and the LAG will be asked to verify this information.
  2. The LAG may also be asked to provide DAERA with additional monitoring information when required, to answer ad hoc requests.

**Equality Monitoring**

* 1. Section 75 of the Northern Ireland Act 1998 places statutory equality duties on public authorities.
  2. To assist DAERA in meeting its statutory requirements, applicant equality monitoring will be undertaken at application stage through the EU applications website. This will be in the form of an Equality Monitoring questionnaire at the end of the on-line Priority 6 application form. Applicants should follow the on-line instructions regarding this. If hard copy applications are received the Admin Unit should issue the applicant with an Equality Monitoring questionnaire and return envelope when receipt is being acknowledged to the applicant. The applicant should submit the completed questionnaire directly to NISRA in the envelope provided. The information collected will only be used by NISRA for equality monitoring purposes and in compliance with the Data Protection Act and General Data Protection Regulations 2018. The details on the form will not be linked in any way to details of individual participants.
  3. Equality Monitoring statistics are used to test the outcomes and impacts of current programmes and to inform future funding requirements. It is therefore essential the questionnaires are completed as requested. The LAG is responsible for encouraging applicants to complete the Equality Monitoring questionnaire at application stage.

**CHAPTER 17**

**Information and Publicity**

**Introduction**

* 1. This section sets out the minimum publicity requirements for LAGs and for applicants (beneficiaries) supported by the EAFRD who must publicise the financial support the European Community is making to projects in accordance with the European Commission Implementing Regulation ((EU) No 808/2014) relating to the rules on Information and Publicity. Recording and reporting publicity actions will enable DAERA to monitor the effectiveness of publicity measures undertaken by the LAG and provide an assurance that there is compliance with the Commission Regulation. The guidance is in two parts. Part I sets out the responsibilities of the LAG and Part II sets out the responsibilities of the applicant.

**Part I -** **Responsibilities of the LAG**

**17.2** The LAG shall take all necessary steps to provide information to, and communicate with, the public on projects supported by the LEADER Programme including all opportunities available.

**17.3** The LAG shall ensure that all information and communication actions are implemented in accordance with its communication strategy and that those actions aim for the widest possible media coverage using various forms and methods of communication at the appropriate level within the LAG area.

**17.4** All information and communication actions provided by the LAG shall acknowledge support from the EAFRD and DAERA. An explanatory plaque/poster should be displayed at the premises where the Admin Unit is located.

**Information for Potential Applicants**

**17.5** The LAG shall ensure that potential applicants have access to the relevant information, including updated information where necessary, taking into account the accessibility of electronic or other communication services for certain potential applicants, on at least the following:

* 1. the funding opportunities and the launching of calls under the RDP;
  2. the administrative procedures to be followed in order to qualify for financing under the RDP;
  3. the procedures for examining applications for financing;
  4. the eligibility conditions and/or criteria for selecting and evaluating the projects to be financed;
  5. the names of persons or contacts at local level who can explain the way the RDP works and the criteria for selecting and evaluating the projects; and
  6. the responsibility of applicants to inform the public about the aim of the projects and the support from the EAFRD and DAERA to the operation in accordance with the rules of the scheme.

**Information and Communication Material**

**17.6** Booklets, leaflets and newsletters about LEADER and actions co-financed by the EAFRD shall contain a clear indication on the title page of the Union’s participation. This may be achieved by use of the EU logo (plus slogan) and other logos as set out under paragraph 17.7

**17.7** For the LAG website and publications the LAG must display the logos as follows and as a minimum on the home page:

* + - LAG logo;
    - DAERA logo;
    - RDP logo;
    - standard EU Logo (EU Flag plus slogan); and
    - LEADER logo.

Thefollowing statement must be displayed directly below the European Flag logo: ‘*The European Agricultural Fund for Rural Development: Europe investing in rural areas*’. This wording forms part of the EU logo supplied by the Department. The Department will provide all formatted logos.

**Press Articles**

**17.8** Press articles should include the following text:

*‘[****insert name of the LAG****] is funded under Priority 6 (LEADER) of the Northern Ireland Rural Development Programme 2014-2020 by the Department of Agriculture, Environment and Rural Affairs and the European Union’*.

There is no requirement to include logos in press articles.

**Press Adverts (for Jobs/Procurements etc.)**

**17.9** For press adverts where space may be at a premium and to reduce costs the LAG may use the EU logo (plus slogan) and LEADER logo and replace all other logos with the following text:

*‘[****insert name of the LAG****] is funded under Priority 6 (LEADER) of the Northern Ireland Rural Development Programme 2014-2020 by the Department of Agriculture, Environment and Rural Affairs and the European Union’*.

**Small Publicity Items Publicising the LAG**

**17.10** On small items such as pens, pencils, rulers or USB pens, the LAG must include the LEADER logo along with the words ‘Rural Development Programme 2014-2020’. The LAG may also include its own logo.

**17.11** Where the opportunities to use all logos and wording as set out above are restricted, the Admin Unit should contact the local Rural Affairs contract management office on a case by case basis.

**Plaques/Posters**

**17.12** Plaques/posters provided by the LAG to applicants must include the following logos:

* + - LAG logo;
    - DAERA logo;
    - RDP logo;
    - standard EU Logo (EU Flag plus slogan); and
    - LEADER logo.

The logos must be accompanied by the following wording:

‘*This project was part funded under Priority 6 (LEADER) of the Northern Ireland Rural Development Programme 2014-2020 by the Department of Agriculture, Environment and Rural Affairs and the European Union*’.

**17.13** To facilitate the Department with reporting publicity actions undertaken, the LAG must:

* + - * ensure that the applicant is aware of the requirement to acknowledge support from DAERA and the EU; and
* obtain copies of the press/magazine articles/adverts, booklets, newsletters etc. for each project as evidence of publicity undertaken.

**Monitoring Information**

**17.14** The LAG is required to compile a monthly monitoring return on information and publicity actions. The report could be incorporated as a standing item in the monthly managers’ report for the LAG Board and should detail actions taken within the LAG communication and publicity strategy as detailed within the Local Development Strategy, including:

1. How the LAG raised local awareness of the RDP funding opportunities through animation activities;
2. The actions that were taken to encourage project applications and generally publicise the programme; and
   1. How the public were kept appraised of the benefits to the area as a result of the programme.

**17.15** The following guidelines can be used in the completion of the publicity

actions:

**Activities undertaken during the previous month**: activities such as events, presentations, pre-application events, council events, road shows, newsletters, press articles undertaken during the previous month; copies of supporting material should be attached.

**Activities planned for the next month:** provide detailed information of planned activity over the upcoming month such as events, presentations, pre-application events, council events, road shows, newsletters and press articles.

**17.16** The LAG must ensure that applicants are made aware that for project publicity launches which request DAERA Ministerial attendance, the DAERA Minister must be given priority over other attendees. DAERA will provide its own PR if the Minister is in attendance, however the LAG may carry out its own PR for project launches even if the Minister is in attendance. The LAG is expected to bring any significant publicity events organised by the LAG Board to the attention of the Department.

**Administrative Penalties**

**17.17** Acknowledging the support from DAERA and the EU through all information and communication material is a LEADER programme requirement and an obligation on the LAG as a signatory to the Implementation Contract with the Department. Failure to comply with the programme publicity requirements may result in publicity material being deemed ineligible and an administrative penalty applied on any administration claims submitted which include this publicity material.

**Applicant Responsibilities**

**17.18** Applicants of a LEADER grant must be informed through a clause in a LoO (the Contract) that the Managing Authority (DAERA) is required to publish annually, electronically or otherwise, a list of all applicants receiving support from the NIRDP. This list will include the names and the grant amount allocated to each project. The LoO must also inform the applicant that the action is being financed from a programme part-funded by the EAFRD and state the RDP Priority Scheme.

**Publicity Evidence**

**17.19** Applicants can demonstrate their compliance with EU publicity rules in the following ways:

* Reference to publicity activities can be included in a project business plan, which is required as part of any application to a LAG. This will show that activities are intended even if they have not yet been delivered.
* A publicity budget line in a project business plan – this will demonstrate that applicants are taking their obligations seriously and that information and publicity actions have been considered and budgeted.
* Post receipt of a LoO the results of publicity activities and the evaluation of these activities. This will include press releases issued and press cuttings – copies of publications, invitations, newsletters, photographs of publicity activities and either a poster or commemorative plaque located in a location readily visible to the public. If a web site exists, reference to the funding received from the EAFRD and DAERA.

**PART II -** **Responsibilities of the Applicant**

**17.20** Onacceptance of a LoO, the applicant must meet the publicity obligations set out within the Terms and Conditions Booklet (which form part of the LoO contract). The beneficiary of the grant must acknowledge the investment contribution from the EAFRD and DAERA on all information and communication material produced in connection with the project e.g. booklets, leaflets and newsletters etc, and shall contain a clear indication on the title page of the DAERA and EU support. This may be achieved by use of the logos as set out below:

* + - LAG logo;
    - DAERA logo;
    - RDP logo;
    - Standard EU Logo (EU Flag and slogan); and
    - LEADER logo.

All logos will be provided by the LAG**.**

The logos must be accompanied by the following wording:

‘*This project was part funded under Priority 6 (LEADER) of the Northern Ireland Rural Development Programme 2014-2020 by the Department of Agriculture, Environment and Rural Affairs and the European Union*’.

**Websites**

**17.21** For a website developed or enhanced with the support of an RDP grant, the home page must include the logos as stated above along with the following statement:

‘*This website was developed with support from Priority 6 (LEADER) of the Northern Ireland Rural Development Programme 2014-2020 by the Department of Agriculture, Environment and Rural Affairs and the European Agricultural Fund for Rural Development: Europe investing in rural areas’*.

**Small Publicity Items**

**17.22** On small items funded through the programme such as pens, pencils, rulers, or USB pens, the applicant may use its own business/organisational logo but must, as a minimum, include the LEADER logo along with the words ‘Rural Development Programme 2014-2020’.

**Press Articles**

**17.23** Press articles should include the following text:

‘*This project was part funded under Priority 6 (LEADER) of the Northern Ireland Rural Development Programme 2014-2020 by the Department of Agriculture, Environment and Rural Affairs and the European Union*’.

There is no requirement to include logos in press articles.

**Press Adverts – Post Receipt of a LoO**

**17.24** For press adverts where space may be at a premium and to reduce costs the applicant may use only the EU logo (plus slogan) and LEADER logo and replace all other logos with the following text:

‘*This project was part funded under Priority 6 (LEADER) of the Northern Ireland Rural Development Programme 2014-2020 by the Department of Agriculture, Environment and Rural Affairs and the European Union’*.

**Other Publicity Material (e.g. flags, banners, signage etc.)**

**17.25** All logos are required as set out at 17.20 above, however, where the opportunities to use all the logos and wording are restricted, the applicant must contact the Admin Unit which will liaise with the Department on a case by case basis. Prior written approval must be obtained from the LAG if all logos and wording are not to be used. Failure to comply with the logo requirements or seek prior written approval where these are not to be used may lead to the application of administrative penalties on any claim for funding.

**LEADER Acknowledgement at Project Locations**

**17.26** During project implementation the applicant shall inform the public about the support obtained from the EAFRD as follows:

* 1. Applicants providing on their website, where such a website exists, a short project description, including its aims and results, and highlighting the financial support from the EU and DAERA.
  2. For projects where the total public support exceeds EUR 10,000 and is less than EUR 50,000, and depending on the project, placing at least one poster with information about the project (minimum size A3) highlighting the financial support from the EU and DAERA, at a location readily visible to the public, such as the entrance area of a building.
  3. Where a project results in an investment, the total public support of which exceeds EUR 50,000, the applicant shall place an explanatory plaque with information about the project, highlighting the financial support from the EU and DAERA. If it is not possible to erect a plaque during implementation then a permanent plaque must be erected and visible to the public no later than three months after project completion (for capital works this would be three months from practical completion stage).

Applicants are required to acknowledge the financial support from the EU during the project implementation period. Therefore, if at claim stage the EU & DAERA financial support requirements as detailed at a, b and c above are not in place, the Admin Unit must provide the applicant with an A3 laminated poster acknowledging the financial support available to the project, i.e., as detailed at b above.

* 1. Where the total public support to the project exceeds €500,000 a temporary billboard of a significant size must be erected at a location readily visible to the public, highlighting the financial support from the EU and DAERA.

**17.27** For a project where the total public support to the project exceeds EUR 500,000 the applicant is required to erect a permanent plaque or billboard, visible to the public and no later than three months after project completion (for capital works this would be three months from practical completion stage).

This plaque (or billboard) must carry a description of the project and the logos as set out at paragraph 17.20 and an explanation of the EU and DAERA’s role, by means of the following statement:

’*This project was part funded under Priority 6 (Leader) of the Northern Ireland Rural Development Programme 2014-2020 by the Department of Agriculture, Environment and Rural Affairs and the European Union*’.

This information shall take up at least 25% of the billboard or plaque.

Thefollowing statement must be displayed directly below the European Flag logo:

‘*The European Agricultural Fund for Rural Development: Europe investing in rural areas*’.

This wording forms part of the EU logo supplied by the Department.

**17.28** Applicantsshould inform the LAG about events, launches and significant publicity events/activities. This will provide an opportunity for the LAG to collect publicity activity as well as provide an opportunity for LAG Board members to attend publicity events.

**17.29** Depending on the funding awarded and type of project supported through the LEADER programme the LAG may propose indicative communication activities. The LAG will advise of the LEADER publicity requirements at the pre-LoO site visit. Where necessary a special condition may be added to the LoO to enforce the LEADER programme publicity requirements.

**Administrative Penalties**

**17.30** Acknowledging the support from DAERA and the EU through all information and communication material and displaying a poster/plaque at the premises is a LEADER programme mandatory requirement and an obligation on the applicant as a signatory to a LoO with the LAG. Failure to comply with the programme publicity requirements may result in an administrative penalty on any claims submitted to the LAG.

**CHAPTER 18**

**CHAPTER 19**

**Cooperation Projects**

**A flow chart summary of the Co-operation process is detailed at Chapter 19   Annex 1**

**Cooperation**

1. **Rationale for Cooperation Projects**

A Cooperation project is one which takes place as a joint action between two or more LAGs and which provides mutual benefit for each partner. Cooperation of a LAG area with other geographical areas is a key component of the LEADER local development strategy (LDS). It must fit with the strategies of all LAGs involved, not merely the Lead partner.

During the 2014-2020 period, EAFRD will support transnational and inter-territorial cooperation projects carried out by LAGs as part of the implementation of local development strategies selected under LEADER. Participation in cooperation activity is a mandatory element of LEADER in the Northern Ireland Rural Development Programme (NIRDP).

Within the NIRDP, there is a specific strand focusing on Cooperation between LAGs in Northern Ireland and those in Republic of Ireland. This is known as the **All-Island LEADER Cooperation Scheme**. Each NI LAG is expected to participate in a minimum of two full Cooperation projects delivered under this Scheme. These projects may also involve LAGs from other Member States but as a minimum should involve at least one LAG from NI and one LAG from Republic of Ireland. It is expected that 7% of the LAG’s total budget for projects should be committed against Cooperation activity.

LAGs are also encouraged to participate in Inter-territorial and Transnational full Cooperation projects that do not involve Irish LAGs.

1. **Legal Basis**

From *Regulation (EU) No 1305/2013* on support for rural development by the European Agricultural Fund for Rural Development (EAFRD):

***Article 44 ‘LEADER cooperation activities’***

(1) The support referred to in *Article 35(1) (c) of Regulation (EU) No 1303/2013*, being the preparation and implementation of cooperation activities of the LAG, shall be granted to:

(a) cooperation projects within a Member State (inter-territorial cooperation) or cooperation projects between territories in several Member States or with territories in third countries (transnational cooperation),

(b) preparatory technical support for inter-territorial and transnational cooperation projects, on condition that local action groups are able to demonstrate that they are envisaging the implementation of a concrete project.

(2) Apart from other Local Action Groups, the partners of a Local Action Group under the EAFRD may be:

(a) a group of local public and private partners in a rural territory that is implementing a local development strategy within or outside the Union,

(b) a group of local public and private partners in a non-rural territory that is implementing a local development strategy.

(3) In cases where cooperation projects are not selected by the local action groups, Member States shall establish a system of ongoing application.

They shall make public the national or regional administrative procedures concerning the selection of transnational cooperation projects and a list of eligible costs at the latest two years after the date of the approval of their rural development programmes.

Approval of cooperation projects by the competent authority shall take place no later than four months after the date of submission of the project.

(4) Member States shall communicate to the Commission the approved transnational cooperation projects.

***Article 52* ‘*European network for rural development’***

(3) The tasks of the network shall be to:

(g) support the national networks and transnational cooperation initiatives and the exchange concerning actions and experience in the field of rural development with networks in third countries;

(h) specifically for Local Action Groups:

(ii) cooperate with the networking and technical support bodies for local development set up by the ERDF, the ESF and the EMFF as regards their local development activities and transnational cooperation.

***Article 54 ‘National rural network’***

(3) EAFRD support under Art. 51 (3) shall be used:

(b) for the preparation and implementation of an action plan containing at least the following:

(iii) activities regarding the provision of training and networking for local action groups and in particular technical assistance for inter-territorial and transnational cooperation, facilitation of cooperation among local action groups and the search of partners for the measure referred to in Article 35.

The European Commission has developed guidance for the implementation of LEADER Cooperation activities for the 2014 to 2020 period. This reference document sets out the Commissions framework and key processes associated with the delivery of LEADER Cooperation actions. This guide may be downloaded from:

<http://docs.enrd.eu/newsletter/20141119_LEADER_Cooperation-Guide-2014-20.pdf>

1. **Types of Support**

The support and management of cooperation activities takes substantial time and resources for planning and management. It is therefore important that projects are implemented in conditions that recognise the gradual nature of cooperation. This approach can facilitate the involvement of other publicly-funded / statutory-sector partners (e.g. universities, colleges, tourism and enterprise bodies) and LAGs are encouraged to consider engaging with organisations that may be able to assist in the development and implementation of Cooperation actions. In procedural terms, Cooperation can be considered to take place in three successive phases:

* 1. **Phase One - Networking**

A key element of the animation activity of the LAG is networking. This provides the opportunity to LAGs to identify and develop links with other LAGs and organisations. Networking is considered as the starting point for Cooperation activity. LAGs can complete a Partner Search Request Form (available from the [Rural Support Network website](http://www.ruralnetworkni.org.uk/)) to share their project idea with other LAGs in the UK, Ireland and other Member States.

Costs incurred by LAGs involved in networking activity could include for example, travel and accommodation. These costs are payable from the LAG’s Animation budget.

* 1. **Phase Two - Preparatory technical support[[2]](#footnote-2) (Pre-Development phase)**

These actions precede the full Cooperation project and allow LAGs to investigate the merit and potential to develop concrete actions that could form a full project. A Pre-Development phase project could involve a feasibility study, market analysis and / or elaboration of the common issue towards a series of actions of mutual benefit to all of the LAG areas involved. This type of action by its nature will inform whether or not a joint action should proceed.

A request for Preparatory Technical Support (PTS) for a Pre-development phase (Stage 1) request should be forwarded to DAERA for consideration, when cleared the LAG should submit a formal PTS application which should be assessed and approved prior to issue of a LoO. When the PTS has been completed a report is to be produced which will determine if the LAG is to proceed.

Following Stage 1 if support is subsequently required to develop a specification for a Capital element, the LAG should then develop a PTS (Stage 2) request for the Capital element. This will be considered by DAERA and when cleared a formal PTS (Stage 2) application should be assessed and approved by the LAG and a LoO issued. When PTS (Stage 2) completed the design should be confirmed which will allow the LAG to proceed with Phase 3.

The support for preparatory technical support can **only be granted under the condition that a LAG can demonstrate that it is envisaging the implementation of a concrete project**. This means that it should at least identify the objectives and the character of a planned project. Receiving preparatory technical support does not imply an obligation to later on carry out such a project.

The costs eligible under preparatory technical support can include:

* costs related to exchange of experience (e.g. meetings with potential partners, travel, accommodation, and interpreter's fees);
* project pre-development costs (e.g. project feasibility study, consulting for specific issues, translation costs, additional staff costs).

**Cost incurred by a NI LAG for an approved preparatory technical action may be reimbursed at a rate of up to 100% from EAFRD funds. There is a maximum grant ceiling of £5,000 per preparatory action per LAG.**

**The costs associated with Preparatory Technical Support projects will be paid through the All-Island LEADER Cooperation Scheme.**

There is no restriction on the number of preparatory projects that a LAG may engage in. Preparatory support cannot finance expenditure once a cooperation partnership has been finally established on the basis of an agreement, as it precedes the cooperation project.

Claims for Preparatory Technical Support will only be paid if accompanied by a satisfactory PTS report.

* 1. **Phase Three - the Cooperation project (Implementation of the concrete project)[[3]](#footnote-3)**

This phase involves the implementation of a concrete joint project with clearly defined deliverables producing benefits for all of the participating territories. The project is managed under a co-ordinating / Lead LAG. The practical cooperation may have complementary objectives such as:

* + to identify complementarities; and
  + to achieve the critical mass required for a project to be viable.

In all types of cooperation projects, partners must pre-define/agree the key criteria related to the activities to be selected and carried out. It is also important that the cooperation partners keep each other informed about progress with the project and any changes to its implementation, in order to allow for necessary adjustments that ensure the achievement of mutually agreed project objectives.

**The total cost for NI LAGs implementing a Cooperation project will be funded at 75% maximum aid intensity. There is a maximum grant ceiling of £500,000 per Cooperation project per NI LAG. Funding is available for projects that are principally Capital in nature i.e. Resource expenditure should account for no more than 20% of total costs borne by the NI LAG. Relevant State Aid limitations must also be recognised.**

While the total cost of the operation will not be funded at 100%, it is possible for individual actions within the operation to be funded at varying rates, possibly some at up to 100% e.g. indirect costs such as administrative support, travel, accommodation, salaries. The involvement of other organisations may help to lever in financial support in the form of cash and / or in-kind contributions. **LAG members’ time-spent within a Cooperation action may also be counted as an eligible Voluntary Labour contribution.** Voluntary Labour may represent (i) up to 5% of the total cost for the relevant LAG or (ii) £20,000 equivalent maximum value, whichever is the lesser. The standard rules and rates for Voluntary Labour under Priority Six apply.

**Aid intensities for individual activities within an operation must be agreed with the Managing Authority before the Letter of Offer is issued.**

There is no restriction on the number of Cooperation projects that a LAG may engage in. Each NI LAG is expected to participate in a minimum of two full Cooperation projects involving partner LAGs from Ireland and delivered under the **All-Island LEADER Cooperation Scheme**.

1. **Eligibility Conditions – General Principles**
   1. **Geographical Scope**

As listed in Article 44(2) of the EAFRD Regulation, the *direct partners* of a Local Action Group under the EAFRD may be:

* a group of local public and private partners in a rural territory that is implementing a local development strategy within or outside the Union,
* a group of local public and private partners in a non-rural territory that is implementing a local development strategy.

Only actions led by LAGs selected for support under LEADER for NIRDP will be eligible for funding from EAFRD. LAG-led Cooperation projects may involve *associate partners* who are statutory-sector and / or publicly-funded and operate within the relevant LAG’s territory. The principles on the eligibility of operations depending on location laid down in the Common Provisions Regulation (1303/2013) have to be respected, especially as regards expenditure in countries outside the Union.

**Example of potential relationship between Direct and Associate Partners**

* 1. **Primary Eligibility Criteria**

The qualifying criteria for cooperation projects are:

* + - The cooperation action should involve at least one LAG selected under LEADER of the NI Rural Development Programme;
    - It must be implemented under the responsibility of a coordinating LAG;
    - It must have clearly set out actions and outcomes with clear plans for dissemination of results;
    - It must involve the implementation of a concrete, joint action.

A cooperation project partner of a LEADER LAG which is not another LAG has to be a "group of local public and private partners that is implementing a local development strategy". This means that the scope of action of this group has to be similar to that of a LAG, but does not have to comply with all the features stipulated in Art. 34, Common Provisions Regulation (CPR 1303/2013).

* 1. **Scope of Eligible Actions**

Eligible actions must relate to the approved LDS of the applicant LAG and fit within the scope of Priority Six of the NI Rural Development Programme. Funding from the NIRDP for NI LAGs involved in full (Phase 3) Cooperation projects will be principally Capital in nature however broader Cooperation actions could:

* Help local industry by targeting new markets for their product(s),
* Improve the quality of products manufactured through cooperation on processing techniques,
* Include joint marketing and short supply chain activities,
* Introduce new approaches in areas such as Village Planning or Environmental Management, building on the experience of LAGs in other areas,
* Provide economies of scale or critical mass to enable a project which would not have been possible within a single LAG area.

The operation of a small grants scheme as part of a Cooperation project is not eligible.

* 1. **Eligibility of Common and Local Costs**

Common costs are associated with cooperation coordination and activities incurred and jointly shared among partners. Local costs are incurred by a LAG for activities that directly relate to that LAGs activity on a cooperation project and the cost is not shared with other LAGs.

The table below lists examples of Common and Local Costs that may be eligible as part of Cooperation projects (subject to the specific eligibility conditions applicable to partner LAGs from other regions and Member States).

|  |  |  |
| --- | --- | --- |
| **Cost type** | **Eligible Cost** | **Additional Information** |
| Common Costs | Concepts, planning and certification expenses | * Preparatory activity: expenses relating to conception and development of the project; general expenses relating to the organisation and coordination of planning and pre- development activities |
| Interpretation | * Preparatory and Cooperation activity: partner search |
| Translation | * Preparatory and Cooperation activity: partner search |
| Surveys | * Development, elaboration & implementation |
| Studies | * Feasibility studies, research, specific consultancies and associated activities |
| External consultants, additional staff, coaching | * Best practice exchange, including the recourse (labour contracts) to third parties for research, evaluation and the transfer of experience |
|  | Training | * Training/dissemination among members of participating LAGs * Training module development and introductory/pilot training of beneficiaries |
| Project information  & communication | * Public relations - promotional material (flyer, leaflets, guides, websites), events, other * Investments in equipment for communication |
| Managing the TNC project | * Expenses of the lead partner LAG for coordination activities, monitoring and evaluation of the project, if and as agreed by partners |
| Running a common structure /  network | * Expenses relating to the constitution and running of a common structure |
| Local Costs | Construction costs | * Costs associated with the building / creation of a tangible, fixed asset |
| Overhead costs | * Office rent (hire of premises) * Administration and secretarial activities, utilities / services, other |
| Office equipment | * Purchase of telephone and computer services |
| Travel & accommodation | * International & local travel expenses * Possibility of exception: excursions/meetings of project partners: joint travel activities during the meeting |
| Seminars, Workshops | * Room rental for joint meetings (note: if meetings are related to coordination, these can be considered common costs; cf. above sub-section ‘managing the TNC project’) * Preparatory activity: partner search – study visits and associated activities |
| Organising meetings | * Coordination of partner meetings including travel costs (note: if meetings are related to coordination, these can be considered common costs; cf. above sub-section ‘managing the TNC project’), board and accommodation, local transport, mission allowance, hire of premises and equipment * Possibility of exception: common costs c.f. ‘Managing the TNC project” * Preparatory activity: partner search – including the hire of premises, equipment, catering |
|  |

LAGs sharing common costs may opt to develop an agreement with supplier(s) for costs incurred to be invoiced separately and proportionately to each of the relevant LAGs involved in a funded activity. Alternatively, a single invoice may be forwarded to one LAG who will take responsibility for payment and subsequent invoicing of partner LAGs to recoup their respective contributions.

1. **Cooperation Agreement**
   1. Experience of Cooperation projects shows that for effective project management it is important at the outset, to clarify:

The goals to be achieved;

The roles and responsibilities (for management, coordination, monitoring and evaluation); and

The financial contributions of each partner.

* 1. As a formal Cooperation Agreement reduces the possibility of disputes and provides for clarity of understanding and transparent management, all groups engaging in (full scale) Cooperation projects are required to enter into a legally binding, written Cooperation Agreement with all partners before commencement of the project. A generic template for the Cooperation Agreement is attached at **Appendix 19C**. This includes a technical annex for the detailed description of the project. The Agreement itself contains the general contract terms only and should be adapted by LAGs to reflect their individual needs and the nature of the joint action.
  2. A formal, written Agreement is not required for Pre-Development activities however LAGs may, if they wish, develop a Memorandum of Understanding (or similar) to record the role of involved partners, the common objectives of the Pre-Development activity and how costs will be shared and paid. The creation of such a Memorandum of Understanding is not a mandatory requirement of the NIRDP.
  3. The Cooperation Agreement for full projects must be signed by all the partners and must set out:
* the project goals (inputs, outputs and impacts);
* the actions that will be implemented to attain them;
* the role of each partner in carrying out the project;
* the financial participation of each partner in the project; and
* all components of the whole budget for the joint initiative.
  1. As a minimum the Cooperation Agreement must contain:
     + a written undertaking by the partners with the names and addresses of the Lead Local Action Group and of the direct partner LAGs/local groups and associate partners involved;
     + a detailed description of the Cooperation project indicating:
* how the need / demand for the project was identified;
* the project goals;
* the activities that will be taken to achieve them;
* the role of each partner in organising and implementing the project;
* the arrangements for organising, monitoring and evaluating the project;
* the expected results of the project;
* an overall planned budget and the financial participation of each partner;
* a timetabled project implementation and management plan;
* the applicable law and the competent courts in the event of a dispute between the parties;
* If the partners so wish, a clause permitting new LAGs/groups to be included; and
* a procedure permitting the agreement to be amended.

1. **Application Process**

For LEADER Cooperation projects, the LAG will be the applicant organisation\* and therefore to ensure transparency in assessment and avoid potential conflict of interest, it is important that the signatory to the application is not involved in the internal assessment processes. In this respect a sub-group within the LAG should be specifically set up to identify cooperation opportunities, make applications and carry forward the project. As with all other applications for funding under the NIRDP, an application must be made on-line through the LAGs ESIF database. LAG members must not engage in the assessment of any project for which they are part of the application sub-group.

\*The LAG must be the applicant and will be the beneficiary of the funding, however, as the LAG doesn’t have a bank account or a DAERA Business ID, the Council will be the lead financial actor and LoO recipient.  LAG Co-operation LoO’s should be addressed and issued to the Council with the LAG Co-operation sub-committee Chair as the co-applicant signatory.  The LoO should include a key task or special condition that the Council provides financial services and the LAG Co-operation sub-committee is responsible for project implementation, authorisation of claims, non-financial monitoring and reporting.

* 1. **Phase 2 - Preparatory Technical Support (Pre-Development projects)**

Where a number of LAGs intend to work together on a Pre-Development project, each partner LAG is responsible for submitting an application for their element of the joint project.

If the LAG has completed sufficient networking activity and baseline scoping to merit progression from Phase 1 to Phase 2, the LAG can request Preparatory Technical Support. A key step is the completion of a *Preparatory Technical Support – Information Template* **(Appendix 19A).** This template requires the LAG to clearly set out the rationale for the cooperation Pre-Development project. This template does not represent a formal application for grant support. It is to be used to provide information to the Managing Authority and National Rural Network Support Unit. It can also be used to share information with other LAGs and Network Support Units about potential Cooperation projects.

LAGs are recommended to discuss their proposal with the DAERA Cooperation Coordinator **before** sending a completed Information Template to DAERA for consideration. This way, the overall objective of the Pre-Development activity can be reviewed with DAERA before the LAG develops a formal application.

Following receipt of a completed Information Template from a LAG, the Managing Authority will consider the eligibility of the proposed activity. The Managing Authority will return the Template to the LAG with comments. The Managing Authority may decide to ratify the proposal or recommend that further work is required by the LAG ahead of a formal application. **DAERA will inform the LAG of its decision no later than 15 working days after receipt of an Information Template.**

If the proposal is ratified by the Managing Authority, the LAG can then proceed with a formal application via Database 2014. The application must be assessed by the LAG and the LAG is advised to use the Criteria set out in the *Preparatory Technical Support – LAG Assessment Template* at **Appendix 19B**. There is no requirement to complete an Economic Appraisal at this phase of the Cooperation process.

If the application is approved, the LAG should record the decision in the relevant Information Template and return a copy to the Managing Authority. A Letter of Offer can now be issued. The LAG will wish to ensure that where possible other partner LAGs have been awarded their element of the funding before starting the Preparatory Technical Support project.

* 1. **Phase 3 - Cooperation project (Implementation of the concrete project)**

For Cooperation projects, full application and assessment procedures must be followed in line with the processes established for Priority 6 (LEADER), including completion of an Economic Appraisal. The selection criteria as used for non-business measures of Priority 6 will be used for Phase 3, full Cooperation project applications.

Note that the Economic Appraisal should not be completed by the promoter but should be undertaken independently. The EA can be undertaken either by procurement of a consultant or via the services of an independent officer from within the LAG area or from another NI LAG area. In cases where more than one NI LAG is involved in a Cooperation proposal, a single Economic Appraisal can be commissioned on a shared basis however the EA must appropriately reference the needs, costs, benefits and impacts of each participating NI LAG.

In the case of a transnational application involving a NI LAG, a single Economic Appraisal setting out the case for all of the LAG partners may be acceptable on condition that (i) the appraisal has been undertaken by an organisation independent of the applicant LAGs and (ii) the structure of the appraisal conforms to the Northern Ireland Guide for Expenditure Appraisal and Evaluation (NIGEAE)[[4]](#footnote-4).

In addition, the LAG must prepare and submit a ‘Cooperation Agreement’ (**Appendix 19C)**. The requirement to provide a Cooperation Agreement replaces the Business / Project Plan that is required for all other Priority 6 (LEADER) applications.

The LAG Assessment Panel will meet to discuss the project and will complete the scoring matrix (**Appendix 19D)**, if the LAG is content for the Cooperation project to proceed, the full application including the Cooperation Agreement and Economic Appraisal must be forwarded to the DAERA Cooperation Coordinator. The Cooperation Agreement and EA will be considered by the RDP Principal Officer responsible for the Cooperation measure. The Cooperation project must not commence until the Managing Authority has given formal approval.

Only appropriately authorised Cooperation Agreements will be accepted for consideration.

**DAERA will inform the LAG of its decision as soon as practicable after receipt of both the signed, Cooperation Agreement and Economic Appraisal.**

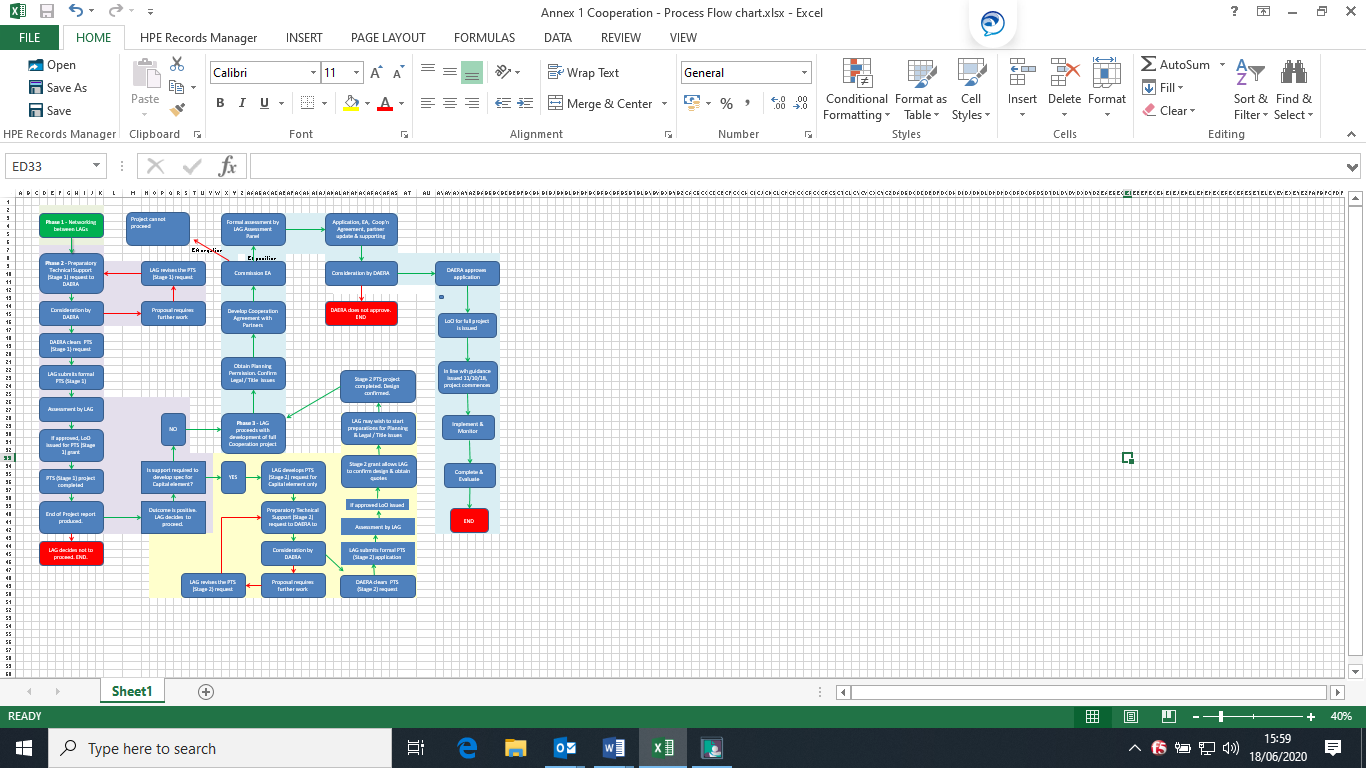
* 1. All DAERA approvals for Pre-Development and Cooperation projects will be made conditional upon the other parties also gaining approval from their Managing Authorities / Funders and will be valid for 9 months.
  2. DAERA will inform the European Commission of all approved transnational Cooperation projects.
  3. The Review Process as established for Priority 6 (LEADER) must be followed, if a request for a formal review is submitted.

1. **Advances**

Advances are not available for Cooperation projects.

1. **Evaluation**

Following the completion of a full Cooperation project, a Post Project Evaluation (PPE) must be completed within a timeframe acceptable to the Managing Authorities of the relevant LAGs. A single PPE evaluating the local and shared impacts of the project within and across the partner LAG areas can be completed. The PPE should be commensurate with the original Economic Appraisal conducted for the project.

**Annex 1**

Appendix 1A

INFORMATION SHEET 1

WHAT ARE LOCAL ACTION GROUPS (LAGS)?

New Local Action Groups (LAGs) have been formed to deliver the LEADER element of the new Rural Development Programme (RDP) 2014-2020.

In order to ensure full representation of local opinion, membership of each LAG has been unlimited and is open to anyone aged 18 or over interested in improving their local area and community. From this membership a LAG Board is drawn which also comprises of a mix of appointed and elected representatives.

The LAG Board is established as a company limited by guarantee and is responsible for the design and implementation of a Local Development Strategy. The LAG Board is the decision making body responsible for agreeing the operations of their associated LAG.

**This Factsheet provides information on becoming a LAG Member.**

**A separate Factsheet is available on becoming a LAG Board Member.**

**WHAT IS THE ROLE OF A LAG MEMBER?**

The primary role of a LAG Member is to take an active and interested role in the development of their local area and community; to contribute to the design of a local development strategy and to establish the social partner representation within the LAG Board.

Social partner representation means that the interests of the local community have a place within the Board; this can be achieved through the participation of nominated organisations that represent specific sectors or interest groups in society, for example, those working with or representing the interests of community groups, farmers, local business, young people, women or those with disabilities. It also includes members of the wider community who may stand for election to the Board as individuals. Social partners represent 51% of the Board.

By becoming a LAG Member you will have an input to the Board composition. The Board is formed through a combination of appointed and elected positions, which are agreed during the LAG formation process.

Those seats to be filled by public representation and specific sector/interest groups are by appointment and the remaining social partner seats are elected by LAG Members. Only those registered as LAG Members can stand for election to the LAG Board. The Board will have defined terms of office that actively seeks, promotes and encourages new membership by rotation.

LAG Members, in addition to standing for election to the Board, can also contribute to the work of the Board by engaging in thematic activities, working groups or panels. Members are also able to participate in a range of training and networking events, and depending on your level of involvement some training may be compulsory.

**HOW MANY MEMBERS WILL IT HAVE?**

The LAG draws its membership from the community within its area and anyone aged 18 or over can become a Member; there is no restriction on membership or on the number of members a LAG can have. Anyone wishing to join their LAG should attend their local public information events and complete a Registration Form that can be supplied by the Admin Unit.

**REPORTING & ACCOUNTABILITY**

The LAG Board is responsible to its members and should report to LAG Members through at least 2 LAG meetings per year, annual reports and newsletters. The LAG Board may also organise specific thematic events, consultations or strategic reviews with its LAG membership. LAG Members may also if required call their own meetings from time to time.

**Appendix 1B**

**INFORMATION SHEET 2**

**WHAT IS THE LOCAL ACTION GROUP (LAG) BOARD?**

The **Local Action Group Board** is a group of appointed and elected members who are responsible for the design and implementation of a Local Development Strategy for their area. It is the decision making body of the partnership and is responsible for agreeing the operations of the LAG such as opening calls for applications, assessing applications and taking decisions on which projects to support. It is also responsible for overseeing staff and monitoring the implementation of the Strategy.

**This factsheet provides information on becoming a LAG Board Member.**

**A separate factsheet is available on becoming a LAG Member.**

**HOW MANY MEMBERS DOES IT HAVE?**

The size of the Board may vary depending on size of LAG area however to be effective it is recommended that the Board should comprise of between 12-18 members.

**HOW IS THIS BOARD MADE UP?**

The LAG Board should be representative of the Strategy area. The Board composition should address equality of opportunity and promotion of good relations.

The operation of LAGs is set out in the EU Common Provisions Regulation. This stipulates among other things that *'no one single interest group shall represent more than 49% of the voting rights'*. This means public sector representatives (considered as a single group) must not exceed 49% of the makeup of the LAG Board. Equally no one single social partner group could occupy more than 49% i.e. farming, community or business.

Social partners that are represented on the Board are those that have been identified as part of the LAG formation process, and are chosen to provide a balanced and representative Board. The exact composition of individual Boards may therefore vary depending on local circumstance.

Those seats to be filled by elected representatives and specific sector/interest groups are by appointment. Remaining seats are filled by election from the LAG Membership *(for information on LAG Membership refer to Information Sheet 1)*.

The Board has defined terms of office that actively seeks, promotes and encourages new membership by rotation.

**WHAT ARE THE CRITERIA FOR BECOMING A LAG BOARD MEMBER?**

The LAG will look for individuals who:

* Are already members of the wider LAG membership;
* Live / work or can demonstrate a contribution to the LAG area;
* Have an understanding of and commitment to addressing the needs of the area;
* Demonstrates an understanding of LEADER and the Local Development Strategy;
* Are able to commit to the required number of meetings, preparation, travel, etc. that are necessary;
* Are willing to make a full contribution to Board meetings and to the workings of the LAG in general;
* Will act as a champion for the LEADER programme and the area.

Skills and experience relevant to the delivery of Local Development Strategies would also be an advantage.

**LAG BOARD COMMITMENTS**

The full LAG Board will meet between 6-9 times per year depending on business. Board members may also be invited to participate in additional thematic working groups or other panels as determined by the Board. Board members may also be asked to contribute to the development of co-operation projects which can enhance the delivery of the Local Development Strategy.

All Board members are responsible for preparing for meetings appropriately by reading any briefing papers, project recommendations or proposals in advance.

Members will be invited to participate in training and networking activities on behalf of the LAG as a member of the Rural Network for Northern Ireland.

Each LAG Board is a Company Limited by Guarantee and each Board member shall assume responsibilities as a Director of the Company.

**HOW DO I BECOME AN ELECTED MEMBER OF THE LAG BOARD?**

You must complete the Nomination Form and have your Nomination supported by 2 members of the LAG membership. You should make sure that you can meet the criteria and time commitments required. Your Nomination Paper shall then be verified by an independent panel before the Election Ballot is drawn up.

The independent panel do not assess applications for Board Membership. This is a bottom up approach and LAG members will determine its Board. The independent panel will verify that the process has been followed, forms are submitted on time and are fully completed.

**Appendix 1C**

**INFORMATION SHEET 3**

The strength of the LAG Board comes from the diversity of interests required to ensure the needs of the LAG area can be addressed.

**This factsheet provides information on the social partner nomination process. A separate factsheet is available on the LAG Board (see information sheet 2).**

**BECOMING A SOCIAL PARTNER DIRECTOR OF THE LAG BOARD**

To be considered as a social partner nominee you must:-

* **Be a registered member of the LAG that you seek to represent.**  You must have completed and returned a LAG Membership form to the Admin Unit. Written confirmation of registration (in the form of a unique reference number) will be issued following receipt of this form.
* **Complete and sign a LAG Board (Social Partner) Nomination Form and return to the Admin Unit in line with the closing date for nominations.** You can request this form from the Admin Unit.
* **Have your nomination supported by 2 registered LAG Members (within the same LAG area to which you are applying).** A list of all registered LAG Members will be available from the Admin Unit.

**HOW IS THE BOARD COMPOSITION DECIDED?**

The operation of LAGs is set out in the EU Common Provisions Regulation. This stipulates among other things that *'no one single interest group shall represent more than 49% of the voting rights'*. This means public sector representatives (considered as a single group) must not exceed 49% of the makeup of the LAG Board. Social partners will therefore make up 51% of the LAG Board with no one single social partner group more than 49% i.e. farming, community or business.

The size of the Board may vary depending on size of LAG area however to be considered effective it is recommended that the Board should not exceed 25 Directors with 12-18 being cited as the best practice. In practical terms this means:-

|  |  |  |
| --- | --- | --- |
| **Total** | **Public Sector** | **Social Partner** |
| **19** | 9 | 10 |
| **20** | 9 | 11 |
| **21** | 10 | 11 |
| **22** | 10 | 12 |
| **23** | 11 | 12 |
| **24** | 11 | 13 |
| **25** | 12 | 13 |

|  |  |  |
| --- | --- | --- |
| **Total** | **Public Sector** | **Social Partner** |
| **12** | 5 | 7 |
| **13** | 6 | 7 |
| **14** | 6 | 8 |
| **15** | 7 | 8 |
| **16** | 7 | 9 |
| **17** | 8 | 9 |
| **18** | 8 | 10 |

The process for appointing public sector representatives (i.e. local authority elected representatives) is the responsibility of the new Super Council.

**HOW IS THE NUMBER OF SOCIAL PARTNERS DECIDED?**

The LAG Membership is responsible for agreeing the number of social partners that the Board requires to ensure it is balanced and representative of the LAG area.

**WHO WILL SELECT THE SOCIAL PARTNERS?**

The LAG Membership is responsible for agreeing the social partner representation on the LAG Board.

**HOW WILL THE SOCIAL PARTNERS BE SELECTED?**

Following the self-nomination process i.e. completion of the LAG (Social Partner) nomination form, LAG Members will decide on an agreed selection process. The process selected will depend on the level of interest/demand for social partner positions and the degree to which nominations are balanced and representative of the LAG area and programme priorities.

In circumstances where there is high interest / demand for an agreed number of places it is recommended that the selection process is by way of election (voting process by LAG Members). Where the interest / demand equates to the agreed number of places it is recommended that the selection process is by consensus (agreed process by LAG Members).

In both circumstances the degree to which nominations are representative and balanced is key. This can be achieved in 2 ways:

1. From the Membership base nomination process;
2. Specific sectors/interest groups by appointment – this is particularly important in ensuring that unrepresented groups and/or agreed sector expertise can be part of the overall composition (see below).

The following criteria will be applied:

* **Geographic representation** - ensuring social partners are representative of the geography/make-up of the area;
* **Priority sectors** – ensuring representation from identified priority sectors/groups across the LAG area and in line with programme priorities of business, community and farm diversification and targeted sectors of women and youth.

The Board will have defined terms of office that actively seeks, promotes and encourages new membership by rotation.

**WHAT IS THE PROCESS SHOULD ELECTION BE REQUIRED?**

For those seats that are to be filled by LAG Member election, the election process is as follows:-

1. Each potential LAG Member that wants to be considered for social partner selection must complete a Board Nomination Form as referred to earlier. Completed Nomination Forms **must** be submitted to the Admin Unit **in line with the closing date for nominations.**
2. Received Nomination Forms will be verified (to ensure process has been followed) and acknowledgement notifications issued within 2 weeks of receipt.
3. The Admin Unit will prepare and issue nomination papers (based on the information provided in the Nomination Form) to all registered LAG Members following their closed Membership meeting when the selection approach is agreed**.** The preferred means of issue will be via post.
4. Nomination papers will include information on how to vote. To ensure adequate opportunity for LAG Members to carry out this process there will be an agreed election timeframe and 2 methods of return. Members can either return their vote (sealed) to a localised drop off point over an agreed period or return by post to the Admin Unit. Details of the process for your area will be included with nomination papers. Please note if posting it is the responsibility of the Member to ensure that it arrives by the closing date. The Admin Unit will be responsible for opening and counting the votes.
5. Each LAG Member will receive a personalised ballot form. Ballots received after the published closing date will not be counted. Photocopied or duplicate ballots will not be counted.
6. Pre-determined quotas and rules (in the event of a tie) will be established at the closed Membership meeting to ensure a representative and balanced composition can be achieved.
7. Opportunity exists to develop a first reserve list which will be held until the date of the first LAG Board AGM.
8. Election results will be confirmed and notification issued to all LAG Members within 4 weeks of the closing date.

**WHAT IS THE PROCESS SHOULD CONSENSUS BE REQUIRED?**

For those seats that are to be filled by LAG Member consensus, the process is as follows:-

1. Each potential LAG Member that wants to be considered for social partner selection must complete a Board Nomination Form as referred to earlier. Completed Nomination Forms **must** be submitted to the Admin Unit in line with the closing date.
2. Received Nomination Forms will be verified (to ensure process has been followed) and acknowledgement notifications issued within 2 weeks of receipt.
3. Following the closed membership meeting and agreement on consensus, the Admin Unit will prepare and issue nomination papers (based on the information provided in the Nomination Form) to any registered LAG Member unable to attend their closed Membership meeting when the selection approach was agreed**.** This will include justification for consensus and demonstrate how each nominee fulfils the criteria for achieving a balanced and representative social partner composition. The preferred means of issue will be via email. In the event of having no email address papers will be posted.
4. In the event that nominations do not fully reflect the criteria LAG Members will be invited to agree a process for ensuring a balanced and representative social partner composition either from the LAG Membership or from priority sector appointees.
5. Results will be confirmed and notification issued to all LAG Members within 4 weeks from the closing date.
6. Opportunity exists to develop a first reserve list which will be held until the date of the first LAG Board AGM.

**HOW WILL REPRESENTATION OF PRIORITY SECTORS BE CARRIED OUT?**

Social partner composition can be achieved in 2 ways ensuring that the composition is balanced both in terms of LAG area and programme priorities: -

1. **From the Membership base nomination process** (election or consensus as outlined above)
2. **Specific sectors/interest groups by appointment** – this is particularly important in ensuring that unrepresented groups and/or agreed sector expertise can be part of the overall composition.

Identified sectors/interest groups would be invited to nominate social partner representatives to the LAG Board. Such sectors/interest groups should be identified as part of the closed Membership meeting process and nominations sought once the nominations from LAG Membership have been agreed thus providing further opportunity to consider social partner balance.

**WHAT HAPPENS IF I AM ELECTED ONTO THE LAG BOARD?**

If selected to represent a social partner on the LAG Board you will be invited to attend a meeting of the new LAG (which will include the agreed public sector representatives). At the first meeting the positions of officers should be agreed and a training needs assessment of LAG Board Members carried out to ensure that adequate support and guidance is available to support the Board in preparing for strategy development and programme delivery. A formal application to become the new LAG should be completed at this meeting.

# CONFLICT OF INTEREST DECLARATION Appendix 2A

## Introduction

Members of the LAG should be aware of the rationale for having a policy on possible conflict of interest. It is essential to ensure that no member of the LAG Board can influence decisions in any way that may be to his or her advantage. Additionally, it is necessary to reassure the public that all decision making is fair and above board. Finally, it acts as a protection to the member against any possible allegation that he or she may have used their position to their own advantage.

## Degree of Interest

It must be recognised that there are various degrees of interest that a member may have in a project. The action to be taken should reflect this.

1. **Close Personal Interest**

Where a member stands to gain financially from an application or is a Director or a Committee member of the organisation putting forward the project, he or she should be considered to have a personal interest. In such circumstances the member should declare their interest and withdraw from the room while discussion on the project is ongoing.

1. **Indirect Personal Interest**

Where a member has an indirect personal interest in a project, for example if a relative (immediate family) is associated with the project, the interest should be declared. The member should then take no further part in any discussion or vote on this issue. In certain circumstances it may be appropriate to withdraw from the room, depending on the nature of the relationship with the project.

1. **Direct Personal Interest**

Where a member has a private or personal interest which is clear and substantial, then he/she must take no further part in the proceedings and withdraw from the meeting whilst the matter is being considered.

If a member does regard his/her private or personal interest as being clear and substantial then one should always disclose the nature of that interest to the Secretary of themeetingwho will record the reason for his/her withdrawal.

A member, or a company or body with which the member is personally connected, may have professional, business or other interests that may be substantial and closely related to the work of the LAG, or sub-committees thereof.

It is not prudent to seek, or accept, membership of any sub-committees if one’s involvement could give rise to a perceived or real conflict of interest.

A member of the LAG may acquire information that has not as yet been made public and/or is confidential. It is a betrayal of trust to breach such confidences. One must not use confidential information for the personal advantage of oneself or anyone known to one or to the disadvantage or discredit of the LAG or anyone else.

LAG members may from time to time be offered hospitality or tokens of goodwill; for example, working lunches may be a proper way of doing business provided that no extravagance is involved. Likewise, it is reasonable for a member to represent the LAG at a social function organised by outside persons or bodies. Members are advised to err on the side of caution in such matters. Members will be personally responsible for all decisions connected with the acceptance or offer of gifts or hospitality and for avoiding the risk of damage to public confidence in the LAG. NB this refers to LAG members and Administration Unit staff.

## Areas of Uncertainty

In circumstances where a member is unsure whether they have what could be perceived as an interest, the degree of their interest, or whether they should withdraw, they should seek the advice of the Chairperson before the meeting begins. The Chairperson shall have the discretion to rule on these issues. Where the Chairperson feels that he or she requires guidance or if the potential conflict affects the Chairperson, then the advice of the Department should be sought.

# DECLARATION

**I have read and fully understood the details contained within the Statement of Conflict of Interest. I agree to comply with the recommendation and condition as detailed in the document and to abide by those principles and procedures as directed by my role as a member of ……….. …………….. (LAG/Administration Unit)**

**Name (in block capitals) …………………………………….**

**Signature …………………………………….**

**Date …………………………………….**

# MEMBERS REGISTER OF INTERESTS DECLARATION

Name of Partnership:

Under the regulations of the NIRDP and in the general terms of good practice we are required to keep a record of all Members interest, so as to demonstrate management of any potential “Conflict of Interest”. Therefore I would be grateful if you would complete the table below and return it as soon as possible.

**NAME OF MEMBER……………………………………....**

| NAME OF ORGANISATION / GROUP ETC | **CAPACITY** | | | |
| --- | --- | --- | --- | --- |
| **PAID** | **DIRECTOR** | **VOLUNTEER** | **OTHER** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**SIGNATURE……………………………………………DATE…………………….**

**Appendix 2B**

**Travel and Subsistence Policy**

The purpose of these allowances is to provide reimbursement to staff and LAG members and any other person who has travelled for purposes related to the programme.

* Staff with regular travel must submit a monthly travel claim. Staff with occasional travel can submit a quarterly travel claim form.
* All travel must be claimed within 3 months of the date the travel occurred otherwise it will be automatically deducted.

**Day Absence Subsistence Allowances**

* These allowances are only payable when staff are absent from their work place and necessarily purchase a meal at a greater cost than if they had been at their work place. Staff must also be further than 5 miles from their work place or home. Rates are not payable concurrently with the 24 hours/night subsistence allowances, or where meals are provided at a conference, or where staff are working from home. Please note receipts are to be provided.

**Night Subsistence Allowances**

* It should be noted that all rates will be checked at the time of processing.
* Night subsistence allowances cover an overnight absence of up to 24 hours and it will only be paid where it is cost effective to the LAG to do so. All overnight stays by staff require the prior approval of their line-manager.
* Subsistence is reimbursed on an actual basis supported by receipts. Bed & Breakfast expenses will be capped in line with relevant programme guidance *(please see Finance for acceptable rates)*. In circumstances where the limits for bed & breakfast are insufficient staff will require the prior approval of the rate claimed by their line-manager (receipted invoice will be required). For other expenses (e.g. lunch, dinner etc.) receipts must also be provided. These will be paid on an actuals basis.
* Overseas expenses will be capped to a maximum rate for the relevant country. These maximum rates are the HMRC Benchmark scale rate expenses payments. Details of these rates can be obtained from Finance. These rates will be checked on an ongoing basis by the Finance Officer.

**For all expenses – information to be submitted**

* For all expenses claimed a receipt must be provided regardless of the method of payment (i.e. cash, debit card, credit card).
* If a debit card was used for payment a copy of the bank statement showing the amount leaving the staff member’s bank account is required in addition to the receipt.
* If a credit card was used for payment a copy of the credit card statement showing the payment being made must be produced in addition to the receipt. Any subsequent credit card statements showing full repayment of the amount to the credit card company must be produced in order to have the expenses refunded *(this is linked to requirements by programme funders).*
* If taking clients out for working lunches etc. it must be clearly listed who was in attendance. The Corporate Gifts/ Gratuities Policy *(Policy no. 27000)* should also be followed in this circumstance.

**Travel Allowances**

* The following section relates to official travelling within Northern Ireland, Republic of Ireland and Great Britain.

1. The cost of travel on official business will be borne by the LAG. Staff will be reimbursed for expenses which they actually and necessarily incur in the course of official travelling.
2. Travel claims will only be processed where the member of staff has completed a declaration in relation to insurance and road worthiness (in order to comply with the requirements of the Health & Safety at work Northern Ireland Order 1978 and the Motor Vehicles (Construction and Use) Regulations (Northern Ireland) 1989). (Appendix1). Depending on the insurance cover in place staff may only be able to claim the Public Transport Rate, as opposed to the Standard Motor Mileage Rates. Details of the Public Transport Rate are available from the Financial Services Officer.

**Mileage Allowances**

**Calculation of Mileage Entitlement**

* Mileage allowances are payable for the mileage between the permanent work place and the place visited by the shortest practicable route, or the actual distance travelled if less.
* The exception to this is when staff have to make an official call in the evening (after 5.00pm) from their home address. In such cases they are entitled to claim the actual travel, providing they have made a home to office return journey that same day. (If a return home to office journey was not made in the same day the actual and notional rule above applies).

**Standard Motor Mileage Allowance Rates**

* Standard motor mileage allowances are payable to those who are driving their own private vehicle. (Private vehicles can include those registered in the name of a staff member’s partner provided that all the insurance and road worthiness requirements are fulfilled and that their insurance policy specifically covers the use of the vehicle by the person for business purposes).

**Mode of Transport**

* The mode of transport should be the most economical (i.e. public transport or own vehicle) taking account of time, costs and subsistence. Any offers available such as day returns should be availed of. Taxis should only be used as a last resort. Taxi fares will only be reimbursed for journeys for which there is no other suitable method of public transport; and a rationale must be provided as to why a taxi has been used.
* Staff who are attending study classes under the Training & Development Programme are entitled to claim the standard motor mileage allowance rates, following the notional and actual rule. Any other expenses will be paid on receipted actuals only.

**Home to Office Journeys**

* Exceptionally, mileage allowances can be paid when staff use their vehicle for an additional attendance outside normal working hours. All such cases must be approved by the line manager.

**Passenger Supplement**

* Staff who use their private vehicle on LAG business and who carry official passengers may be paid a passenger supplement for each passenger. The current rate is 5p per mile for the first passenger, plus 1p for each additional passenger. The passengers names must be detailed on the travel claim.

**Parking Fees**

* Staff may be reimbursed for parking fees incurred in relation to LAG business. A receipt must be submitted with the travel claim.

**Travel Claims and Payments**

* The travel claim form at [Appendix 5F](#Appendix_5F) must be fully completed with details of the journey undertaken, including postcodes.
* Travel claims must not be processed for payment until:
* A signed declaration regarding car insurance has been received. (When staff change car it is their own responsibility to notify the HR Officer in relation to insurance requirements).
* A signed declaration has been signed in relation to bank account details.
* It should be noted that for those who do not complete a monthly form, this can be carried forward for a period of 3 months only. For those who miss the 3 month deadline, claims will not be processed.
* Should you miss the date for submission to Finance Team; staff will be notified that their claim will be processed within the next period.
* For programme year end purposes staff may be requested to submit their travel claims to meet a particular deadline. Each member of staff has an obligation to comply with such requests; failure to do so will result in the LAG being unable to process the travel claim and will be at the employee’s own loss.

**Appendix 2C**

**Register of Assets**

* In order to preserve an audit trail, a Register of Assets must be established and maintained by the LAG for all capital assets⁴ purchased by the LAG during programme implementation. This register should show the date of purchase, description and location of an asset (including the staff name, where appropriate), price paid net of recoverable VAT, the location of the title deeds (if applicable) and serial or identification numbers. Assets must be listed in the register until written off in the books in accordance with standard accounting practice. An auditable record of any decision to remove assets from the register must be retained. Any disposal of assets included in the register must also be recorded showing the date of disposal and the sale proceeds net of VAT. The Register must be available for inspection by DAERA/Audit Office and the EU Commission.
* The asset register should be reviewed and updated as necessary upon the acquisition of any capital items and made available for inspection at administration claim vouching stage, if appropriate. Regular reviews (at least once a year) are essential in order to assist in the recording of annual depreciation.

**4** A capital asset is a tangible or intangible (e.g. software) resource, has a value of more than £250, is separately identifiable and will have a useful life of more than one year.

**Appendix 3A**

**Guidance on Completion of LAG Implementation Plan Reviews**

**Background**

1. The Implementation Plan is an integral part of the LAG Implementation Contract with DAERA. It sets out:
2. the scheme level non-financial targets to be achieved as a result of the funding provided for implementation of the local development strategy;
3. how the budget allocation will be spent in achieving these targets; and
4. the key tasks to be delivered by the Admin Unit and LAG to ensure achievement of both financial and non-financial targets.
5. DAERA will use the information provided on the implementation plan to:
6. inform bids for the budget to cover project and administration spend;
7. monitor progress with delivery of the key tasks;
8. monitor progress with the implementation of the strategy; and
9. monitor progress with achievement of the monthly spend targets.
10. At each month end, DAERA will provide the Admin Unit with updated LAG project and admin spend progress against the LAG implementation plan targets. This monthly financial monitoring progress report must be issued to the LAG as part of the Admin Unit’s monthly implementation progress report.
11. The approved Implementation Plan will form part of the delivery contract between the Department and the LAG. Any future changes to the Implementation Plan for financial or non-financial targets must be subject to the approval of DAERA.

**Completion of the Interim Implementation Plan**

1. Before completing the monthly and annual spend forecasts, careful consideration must be given to the projected:
2. outcomes of calls for applications and project assessment;
3. timescales for project implementation; and
4. timescales for processing project claims for payment of grant.
5. The budget provided by DAERA that is not paid out to projects as forecast will result in an under spend against the agreed implementation plan. This underspend cannot be rolled forward to future financial years.
6. Any under spend amount against the 2016/17 budget request will be removed from the LAG allocation at year end, 31 March 2017. From 2017/18 (1 April 2017) the amount of any under spend against agreed monthly targets will be removed from the LAG allocation on a quarterly basis. DAERA local Contract Management will be able to provide advice in this regard.

***Financial forecasts*** are to be entered as monthly targets for the period to the end of the financial year following the period of the review. The spend projection for each month must be based on the total amount of claims forecast to be submitted to DAERA for payment within that month. RAD local Contract Management will provide advice.

For **Project claims**, the month submitted to DAERA will be ‘project end date’ plus 1 month for claim due date plus up to 2 months claim processing including pre-payment site visit; therefore for project with an October 2016 end date it is likely to be end of January/early February 2017 before the claim will be checked, verified and approved for submission to DAERA Central Payments Unit.

For **Administration**, monthly expenditure forecasts should be recorded as the month the costs incurred by Council will be cleared through the Council bank account.

For **future financial years** from 2017/2018 to end of the programme: quarterly forecasts for period April to June; July to September; October to December, and January to March will be accepted. In the July/August of each year (for DFP October Monitoring Round), DAERA will seek a review of the implementation plans when the LAG will be required to provide monthly forecasts of the following financial year.

***Non-financial targets to be achieved*** are not required to be projected as monthly or annual targets. You are required, where relevant to the plan, to set target values against the full range of output targets which have now been agreed under the Department’s Strategic Framework for LEADER. It is worth noting that the Admin Unit will be required to record on the database direct grant beneficiary targets achieved plus any associated additional monitoring data prior to the submission of claims to DAERA.

***Timeline for Key Tasks*** must be recorded for the period to March 2017 detailing the weekly actions planned to ensure delivery of the implementation plan and strategy. Consideration must be given to the agreed timescale for notifying applicants of funding decisions within 90 working days from the close of a call period when planning key tasks.

**Summary of the requirements for Completion of the Implementation Plan**

* The template contains a worksheet for:

1. financial targets and actuals for each year of the programme; and
2. non-financial targets and achievements.

* The accrual column is for use by DAERA’s Contract Management team. Do not record financial forecasts in these columns.
* The layout of the template must not be altered in any way (i.e. by adding columns or rows or changing formulae).
* The total rows and columns have been formatted with formulae, therefore, do not type numbers in these cells. The forecasting worksheets have been formatted to summarise the overall financial plan. Do not enter figures in these cells.
* Additional information may be included below the main tables or on an additional worksheet at the end of the document.
* Do not use formulae to link the plan document to another document on your desktop or local storage device as these are not always retained when the electronic version of the document is emailed.

**Project and Admin Spend Forecasts**

* Implementation plan spend forecasts must be profiled by month up to the end of the first full financial year of the plan, initially to March 2017, and for follow-up reviews to the end of the financial year following the period of the review period..
* Spend forecasts must be provided for each additional financial year to the end of the programme, these can be entered as quarterly totals.
* The plan must include both Administration and Project forecast spend.
* The Plan must forecast spend at Scheme level and be split between Capital and Resource. Building or capital works which include professional fees (architect fees, design fees, QS fees) will be regarded as Capital and will also be classified as capital in the Schedule to the LoO.
* The Admin spend should take account of the work required between the end of the strategy animation period and calls opening, project monitoring and evaluation and closure tasks after all projects have been completed. Please note the Implementation Plan must take account of the resources (financial and manpower) required under closure to conduct Post Project Evaluations on all successful projects, Scheme Level Evaluation, LAG Strategy Level Evaluation and all other aspects of closure around Database 2014 reconciliation, file storage, secure information management including IT equipment etc.
* Project spend should be recorded in the month the claim is expected to be submitted to DAERA.
* The forecasts must not exceed the scheme allocation and forecasts in the LAG strategy.
* The total value of the plan MUST NOT EXCEED the LAG allocation.
* The value of the Admin forecast MUST NOT EXCEED 22% of the project value.

**Non-financial targets**

* Non-financial targets in the LAG’s initial plan must be in line with the targets detailed in the DAERA approved strategy. Non-financial targets and achievement must be monitored and reviewed along with financial targets. Any bid to move budget between schemes must be reflected in the non-financial targets recorded.

**Key Tasks**

* The tasks and timeline must factor in a correlation with financial forecasts and take account of the timescales for processing applications, project monitoring and processing grant claims.

**Appendix 5A**

**APPLICANT PROCUREMENT GUIDANCE**

Government Departments are required to ensure that grant funding, used for the procurement of goods, services or works by a grant recipient, is spent in accordance with procurement law and policy. In addition European Regulations for rural development schemes require that in advance of any funding assessment a price comparison/reasonableness of costs check is completed for all item(s), service(s) or works to be funded.

It is important that applicants are informed of the procedures to be followed to ensure

1. the goods, non-construction services and construction works required to develop the project are procured in a fair, open and transparent manner and Conflict of Interest is managed within the procurement process,
2. value for money when procuring goods, non-construction services and construction works is achieved,
3. there is a price comparison / reasonableness of costs check for all goods, services and works prior to the assessment of any project application for an offer of funding, and;
4. the application mandatory requirement to submit the required quotations/tenders is met.

**Applicants must be advised that:**

**Failure to provide a minimum of 2 quotations, tenders or price comparisons, for each item that grant funding is being applied for, by close of the application call may render the application submitted ineligible.**

**Failure to fully comply with the procurement procedures as set out in this guidance or to provide the supporting evidence required could result in the applicant being asked to undertake procurement again.**

**Checks will be carried out by the Council Admin Unit on the applicant’s procurement process at a number of different stages throughout the grant process. Non-compliance with the procurement guidance will result in the disallowance of all or part of any funding. These checks will also involve reviewing quotations/tenders/invoices submitted with a number of the suppliers. Fraudulent documentation will deem the application ineligible and applicants may be debarred from future calls.**

1. **Mandatory Requirements**

1.1 A detailed written specification for each procurement.

1.2 The applicant must submit their proposed quotation/tender process, including all specification(s), prior to undertaking the procurement exercise, for review by the Council Admin Unit.

1.3 Evidence of suppliers/businesses asked to quote or tender.

1.4 Evidence of quotations/tenders submitted by suppliers.

1.5 Evidence of random selection process to select contractors if the *Tendering procedure for Goods, Services and Works greater than £30,000* (Section 9) has been used.

1.6 Alternative price or reasonableness of costs check for all goods, services and works.

1.7 Retention of all original procurement documentation as evidence for project claim stage.

1. **Different Types of Procurement Exercise Based on the Value of Items to be Grant Funded**
   1. There are three different types of procurement exercise detailed in this applicant procurement guidance. The different requirements are based on the total value of the item or group of linked items that grant funding is required for. The three different procurement types are a single item or group of linked items, or services, or complete construction works
2. with a total value of up to £5,000;
3. with a total value of £5,000 up to £30,000, or
4. with a total value of £30,000 and over (this includes additional guidance for procurements valued above the EU Procurement Thresholds).
   1. It is therefore important that prior to starting any procurement exercise and asking suppliers for quotations or tenders, that applicants consider
5. exactly what is to be purchased,
6. is the item or service available in Northern Ireland (if not see guidance at Paragraphs 9.6 – 9.8),
7. the specification/specific details for each item, service or work required, and
8. the value of individual items that grant funding is being applied for.

This will help applicants to ensure that the correct procurement exercise in relation to the nature and value of the grant funded items, is undertaken. For example:

*Total Cost of Individual Items, Services or Works*

* Is the applicant business/organisation VAT registered?
* Are any of the items to be purchased VAT exempt?
* Is second hand equipment to be purchased?

*Specific detail to describe the Items, Services or Works to be Grant Funded*

* Identify the machine/piece of equipment together with the relevant size, output capabilities etc. relevant to the items to be purchased, or
* Description of the consultancy/marketing/training services to be commissioned, or
* Detailed drawings, approved technical plans & bill of quantities for the construction works to be delivered.

This will help the applicant to ensure that the specification of requirements to be issued to **all** potential suppliers allows for like for like comparison of eligible costs and for the LAG assessment of the project application and investment proposal.

*Potential Suppliers*

* Identify suppliers to be asked to quote/tender, and
* Check steps to be taken if the potential suppliers include family/extended family members (see Section 6).

The following section provides further detail to be considered when calculating the value of the items to be grant funded.

1. **Calculation of Cost of the Goods, Services and Works to be Procured**
   1. If the applicant is registered for VAT they are required to collect reimbursement of the VAT charges through their normal VAT return procedure. Therefore the cost of the procurement for VAT registered applicants is calculated using the net cost before VAT is added, i.e. the cost of the item(s), service(s) or works excluding VAT.
   2. If the applicant is not registered for VAT the cost of the procurement is the gross cost, i.e. the cost of the goods / services / works after VAT has been added.
   3. The applicant must also ascertain whether or not the goods / services / works to be procured are VAT exempt - for example some services and works on historical buildings are exempted from VAT charges.
   4. A number of procurements may have to be carried out within one project as the project may require the purchase of several item(s), service(s) or works. In this case this procurement guidance should be applied to each item(s), service(s) or works.

An applicant may choose to request quotations/tenders from suppliers for grouped or related item(s), service(s) or works, for example production line and packaging machines. In this case the cost of the procurement is the **total** cost of the item(s), service(s) or works quoted. An example of a single procurement might include the purchase of:

* + - processing line and end bagger;
    - a discrete piece of equipment; or
* construction work.
  1. The cost of procurement for construction works **must be calculated** as the total cost of the construction, i.e. procurement must be undertaken for the complete construction works and not be split into individual phases or trades. This means that construction works must not be broken down into component parts to avoid the procurement threshold requirements.
  2. The total value of the procurement, i.e. the total estimated spend over the contract’s duration, must be taken into account in determining the procurement process to follow. The minimum number of quotations/tenders needed for procurement is shown in [**Annex A**](#Annex_A_Applicant_Procurement_Guidance).

1. **Purchase of Second Hand Equipment**

4.1 Second hand equipment must satisfy the needs of the specification and comply with applicable standards for the equipment.

4.2 Applicants must notify the Council Admin Unit in advance if they intend to seek grant assistance for second hand equipment. At application stage applicants must provide a quote from the seller of the second hand item; and a quote from a bona fide trader (not the seller of the second hand item) of the specific equipment as to the market value of the second hand item, together with a quote for a matching new item.

4.3 The price of the second hand equipment must be less than the cost of similar new equipment.

4.4 The price of the second hand equipment must not be more than the market value which can be calculated as follows:

1. Apply the depreciation factor in the project economic appraisal to the value of the new item and deduct the depreciation for the age of the second hand equipment. If the age of the second hand equipment is more than 7 years this must be changed on the economic appraisal to ensure the cost of the equipment remains positive.

*Example* - where a new piece of equipment cost £70,000 and the expected life of the machine is 7 years, then the annual depreciation would be £10,000. The market value of a 1 year old piece of machinery would be £60,000, a two year old machine £50,000 and so on.

(b) If an applicant disputes this market value they may obtain, at their own cost, an independent valuation from a competent engineer or plant auctioneer.

4.5 If successful in securing an offer of grant assistance towards the purchase of second hand equipment an applicant must obtain from the seller of the equipment a declaration

1. stating the origin of the equipment, and
2. confirming that at no point during the previous seven years was it purchased with the aid of government or European Community grants.
3. **Preparing a Specification**
   1. Applicants **must** prepare a **detailed written** specification for all the goods, services or works to be procured regardless of the value of individual item(s), service(s) or works (including Goods, Services and Works valued less than £5,000). The purpose of the specification is to tell potential suppliers/contractors what is needed. Specifications should be unambiguous and include a clear statement of requirements/needs. This is particularly important in a single stage competition to ensure that only those suppliers capable of delivering the contract, submit tenders.
   2. The specification **must not refer to specific suppliers, manufacturer names, makes, or models of equipment** for Goods, Services or Works procurements and must be sufficiently detailed to allow a fair comparison of like for like costs (***failure to adhere to this will render the procurement ineligible***), unless in the following construction project cases:

* **Non-public organisations - Funding is 50% or less of the total contract value (construction projects only)**

In the case of non-public organisations e.g. private businesses or voluntary/community organisations – if the grant rate to be funded is 50% or less (where DAERA is not the majority funder) of the total contract value then you can allow the inclusion of manufacturer names or makes as long as the wording “or equivalent” is specified; and that the applicant can show VFM.

* **Non-public organisations - Funding is MORE than 50% of the total contract value (construction projects only)**

In the case of non-public organisations e.g. private businesses or voluntary/community organisations - where DAERA is the majority funder, technical specifications must not refer to manufacturer names or makes ***unless justified by the subject matter of the contract or in exceptional circumstances and only at the approval of the Department***. Where such circumstances justify this, as approved by the Department, the reference within the specification must be accompanied by the words ‘or equivalent’.  It’s unlikely that there would be many under this category deemed exceptional.

* **Council led projects (RBSS, VR, Co-operation (construction projects only))**

Technical specifications must not refer to manufacturer names or makes ***unless justified by the subject matter of the contract or in exceptional circumstances and only at the approval of the Department***. Where such circumstances justify this, as approved by the Department, the reference within the specification must be accompanied by the words ‘or equivalent’.  It’s unlikely that there would be many under this category deemed exceptional.

* Failure to seek DAERA approval for the inclusion of manufacturer names or makes within a specification may result in an administrative penalty being applied to a claim for funding.
  1. **Annex B** provides a format to follow when developing a specification. The specification must include all the information needed for the eligible goods, service or works to be procured to complete the project. When drawing up the written specification it is important that the following are considered and detailed:

**Goods/items** – name of the item, number required, size or specification for the item, any attachments necessary for operation etc. (*Trade/manufacturers names, makes or models* ***must not*** *be used (see paragraph 5.2 above)).*

The installers/suppliers of goods/equipment must be able to quality assure such items. Therefore the specification and quotation/tender documentation should include an element to cover the quality of the product/service. The need for accreditation must be considered and if required, a reputable third party certification body must provide this. **Note:** PC sums and contingency amounts are not eligible items and must not be listed on the specification.

**Non-construction Services** – detail for example, the service required, timescales, expected outcomes, or if relevant qualifications required.

**Construction Works** – detail for example, the proposed development; works required; approved plans and bill of quantities; roles and responsibilities including quality assurance, building control and certification of any works or installations; timescale and expected outcome.

* 1. The following are examples of other information which should be included in the specification to help to identify which supplier/contractor may be selected based on value for money:
     + Delivery and installation costs,
     + Guarantees and / or warranty,
     + Delivery date (if it will affect project completion),
     + After sales service,
     + Training or instruction,
     + Dates for work to be started and completed (construction works),
     + Time limit on how long the price quoted lasts for,
     + Timescale/date for return of quotations or tenders. A minimum of 20 working days for construction works and 10 working days for all other procurements, **must** be allowed. The timescale starts from the issue of the invitation to quote or publication of the advert.

**When considering delivery dates and/or work start and end dates applicants must take account of the project application and assessment process to ensure that realistic timescales are provided to potential suppliers. The Council Admin Unit will advise in this regard**.

5.5 The Council Admin Unit should check that a specification exists for all procurements to allow like for like quotes/tenders to be obtained.

5.6 An identical specification(s) **must** be sent to all suppliers asked to quote or tender. All quotes or tenders received must match the specification issued to be deemed eligible for grant.

1. **Conflict of Interest – Quotes from Family/Extended Family Members**
   1. Applicants or a business that an applicant is an owner/partner/director of, are excluded from quoting or tendering for the supply of goods, services or works to a project that an applicant may be offered funding for.
   2. If quotations or tenders are being sought, or provided from any member of an applicant’s family or extended family then the relationship must be advised to the Council Admin Unit prior to any procurement activity and declared in writing on the procurement documentation. In these cases you are required to provide **3 quotes** i.e. two independent quotes in addition to the family member quote to provide sufficient comparison of costs under the reasonableness of costs rules within the programme. Failure to comply with this requirement will deem the procurement process as ineligible. In addition applicants must sign a declaration to the effect that:
2. competitors’ quotations will not be shared with the quoting family member; and
3. that applicants will strictly adhere to the procurement requirements as set out in this Applicant Procurement Guidance document.
4. **Goods, Services and Works valued less than £5,000**
   1. The minimum number of quotations needed for the procurement is shown in [**Annex A**](#Annex_A_Applicant_Procurement_Guidance). For Goods, Services and Works valued less than £5,000 the purchase must be a one-off requirement.
   2. Applicants should retain for future reference and at claim processing stage (if successful), evidence of quotations sought from businesses appropriate to the nature of the item(s), service(s) or works to be funded. Evidence of quotations sought is a mandatory requirement and applicants must be prepared to have their evidence tested.
   3. ***Internet quotations*** may be used for items of up to £5,000 in value. Applicants should complete the on-line ordering screen to the point where payment details are entered. The price quoted at this point should include delivery and for example any discounts. The screen page should be printed along with the specification details of the equipment to prove that each quote is for the same equipment specification.
   4. If applicants are approaching suppliers directly, other evidence of quotations sought is:

* email issued to business email address,
* recorded delivery via post,
* returned email receipt from business email address or
* authorised receipt on company letter head acknowledging receipt and rejecting invitation to quote.
  1. Each supplier asked for a quotation must be provided with the detailed written specification and advised of:

1. the return due date and time for receipt of quotations (refer to Para 5.4 final bullet point);
2. the terms and conditions for return of the quotation, for example,

* on business headed paper with the supplier’s name, address, contact information, Company & VAT registration numbers (if applicable),
* be sufficiently detailed to show how the specification is priced and allow comparison of like for like to assess best value, for example itemised costs, note any variance from the specification,
* detail the period for which the cost will be held,
* returned via email, fax, post or hand delivered,
* e-mailed quotes must be as an attached scanned image on headed paper signed and dated by a company employee,
* fax quotes must be on headed paper, dated and signed by a company employee, or
* post or hand delivered must be on headed paper signed and dated by a company employee.

**NOTE:** the Council Admin Unit will verify 20% of all quotations **per claim** received as evidence of procurement via a phone call to the supplier to confirm the validity of the quote; and

1. how successful quotes will be selected i.e. price only.

The terms and conditions for submitting a quotation may be added to the specification or included in a cover letter or email inviting quotations.

* 1. Quotations should be addressed to the applicant or the business name as the applicant. If an employee or other representative is looking after the application and supporting documentation, quotations must also be addressed to the applicant or the business email address or forwarded on receipt.
  2. Applicants should formally record the quotes received (**Annex C** contains a sample template).

7.8 To ensure that the quotations are assessed fairly and accurately and are like-for-like, applicants should prepare a summary of all of the quotations received which records the:

* price quoted for each item,
* delivery date/timescale for delivery of service,
* delivery charge, and
* VAT.

Applicants also need to check that prices quoted do not include hidden extras such as

* after sales service and/or technical assistance charges outside those included in the specification,
* higher specifications than required, or
* running costs e.g. hosting a website.

7.9 The quotation accepted must be the lowest acceptable price. Applicants should formally record their decision (**Annex D** contains a sample template). If the lowest acceptable quotation is not going to be accepted, the reason(s) for the decision must be communicated in writing by the applicant to the Council Admin Unit, along with the application procurement documentation. If the application is successful at project assessment stage, the offer of funding will be calculated using the value of the lowest quote. The applicant will be responsible for the additional costs.

7.10 In some cases the applicant may choose to advertise publicly regardless of the value of the procurement. The correct number of quotations required as detailed in [**Annex A**](#Annex_A_Applicant_Procurement_Guidance) will still apply regardless of the number of responses to the advertisement.

***Exceptional Circumstances***

7.11 If the applicant is unable to obtain the required number of quotations for example, where there is only one supplier, the applicant must provide evidence, e.g. printouts from Internet searches from at least two Internet search engines / sites showing the number of suppliers for a specific item; or evidence that the applicant has contacted potential suppliers via email (N.B. A note from the intended supplier stating they are the sole supplier is insufficient evidence). This information must be provided in writing to the LAG.

7.12 The Council Admin Unit will test the evidence provided and undertake a reasonableness of costs check on the single quote provided by the applicant. Where there is a significant variance in cost, the applicant must provide a written explanation, following which the LAG may decide to reject the quotations submitted by the applicant on the basis that the quoted price does not represent Value for Money (VfM). If this situation arises then the LAG **must** inform DAERA.

1. **Goods, Services and Works valued £5,000 up to £30,000**

8.1 The minimum number of quotations needed for the procurement is shown in [**Annex A**](#Annex_A_Applicant_Procurement_Guidance) (Please note that if applicants choose to advertise for the procurement even if it is below the £30,000 limit, the correct number of tenders will still be required). Price should be the determining factor but exceptionally a supplier can be selected using both price and quality criteria. Applicants must however first **consult with the Council Admin Unit to obtain advice on whether this is acceptable or indeed necessary**. If found acceptable then the procedures at Section 9 for *Tendering for Goods, Services and Works greater than £30,000 and less than EU Thresholds* should be followed.

* 1. Applicants should retain for future reference and at claim processing stage (if successful), evidence of quotations sought from businesses appropriate to the nature of the item or service to be funded. Evidence of quotations sought is a mandatory requirement and applicants must be prepared to have their evidence tested.

8.3 If applicants are approaching suppliers directly, other evidence of quotations sought is:

* email issued to business email address,
* recorded delivery via post,
* returned email receipt from business email address or
* authorised receipt on company letter head acknowledging receipt and rejecting invitation to quote.

8.4 Each supplier asked for a quotation must be provided with the detailed written specification and advised of:

1. the return due date and time for receipt of quotations, refer to Para 5.4 final bullet point,
2. the terms and conditions for return of the quotation, for example,

* on business headed paper with the supplier’s name, address, contact information, Company & VAT registration numbers (if applicable),
* be sufficiently detailed to show how the specification is priced and allow comparison of like for like to assess best value, for example itemised costs, note any variance from the specification,
* detail the period for which the cost will be held,
* returned via email, fax, post or hand delivered,
* e-mailed quotes must be as an attached scanned image on headed paper signed and dated by a company employee,
* fax quotes must be on headed paper, dated and signed by a company employee,
* post or hand delivered must be on headed paper signed and dated by a company employee.

**NOTE:** the Council Admin Unit will verify 20% of all quotations received as evidence of procurement via a phone call to the supplier to confirm the validity of the quote; and

1. how successful quotes will be selected i.e. price; or price and quality.

The terms and conditions for submitting a quotation may be added to the specification or included in a cover letter or email inviting quotations.

* 1. Quotations should be addressed to the applicant or the business name as the applicant. If an employee or other representative is looking after the application and supporting documentation, quotations must also be addressed to the applicant or the business email address or forwarded on receipt.
  2. Applicants should formally record the quotes received (**Annex C** contains a sample template).

8.7 To ensure that the quotations are assessed fairly and accurately and are like-for-like, applicants should prepare a summary of all of the quotations received which records the:

* price quoted for each item,
* delivery date/timescale for delivery of service,
* delivery charge, and
* VAT.

Applicants also need to check that prices quoted do not include hidden extras such as

* after sales service and/or technical assistance charges outside those included in the specification,
* higher specifications than required, or
* running costs e.g. hosting a website.

8.8 The quotation accepted must be the lowest acceptable price. Applicants should formally record their decision (**Annex D** contains a sample template). If the lowest acceptable quotation is not going to be accepted, the reason(s) for the decision must be communicated in writing by the applicant to the Council Admin Unit, along with the application procurement documentation. If the application is successful at project assessment stage, the offer of funding will be calculated using the value of the lowest quote. The applicant will be responsible for the additional costs.

8.9 In some cases the applicant may choose to advertise publicly regardless of the value of the procurement. The correct number of quotations required as detailed in [**Annex A**](#Annex_A_Applicant_Procurement_Guidance) will still apply regardless of the number of responses to the advertisement.

***Exceptional Circumstances***

8.10 If the applicant is unable to obtain the required number of quotations for example, where there is only one supplier, the applicant must provide evidence, e.g. printouts from Internet searches from at least two Internet search engines / sites showing the number of suppliers for a specific item; or evidence that the applicant has contacted potential suppliers via email (N.B. A note from the intended supplier stating they are the sole supplier is insufficient evidence). This information must be provided in writing to the LAG.

8.11 The Council Admin Unit will test the evidence provided and undertake a reasonableness of costs check on the single quote provided by the applicant. Where there is a significant variance in cost, the applicant must provide a written explanation, following which the LAG may decide to reject the quotations submitted by the applicant on the basis that the quoted price does not represent Value for Money (VfM). If this situation arises then the LAG **must** inform DAERA.

**9. Tendering Procedure for Goods, Services and Works greater than £30,000 and less than EU Thresholds**

**Government Departments, Councils and Non Departmental Public Bodies (NDPBs) should use the Department of Finance’s eTendersNI portal; eSourcingNI is an acceptable alternative.**

9.1 The minimum number of tenders needed for the procurement is shown in [**Annex A**](#Annex_A_Applicant_Procurement_Guidance). Price should be the determining factor but exceptionally a supplier can be selected using both price and quality criteria. The quality weighting should consider no more than 2 criteria and score achievable must equate to no more than 30% (70/30 for price/quality must therefore be used). However, for Council applications only, DAERA will accept a 60/40% price/quality ratio.

It is usual that during the tender evaluation process a threshold is set at which a tender would not be accepted for quality.  For example when scoring from 0 to 5 (where 0 is low and 5 is high) it can be stipulated that only those tenders reaching a score of 3 and over in the quality criteria will proceed to award stage.  This prevents applicants having to accept something which is low quality, just because it has the best price.  If setting a ‘not acceptable’ threshold for the quality assessment you need to

1. ensure that the rationale for the selected method of scoring & evaluating is agreed prior to commencing  the procurement exercise, and
2. that the method for evaluation and scoring of the tenders is declared in the published tender documentation.

9.2 If not using a Government Procurement Portal applicants must advertise the procurement requirement in a regional daily newspaper or a trade journal appropriate to the type of business. A minimum of 20 working days for building/construction works and 10 working days for all other procurements, **must** be allowed. The timescale starts from the issue of the invitation to quote or publication of the advert. The newspaper selected should have a distribution which covers all of Northern Ireland. If only one response is received to an advert every attempt should be made to obtain the correct number of tenders to provide a comparison of costs which is required under programme rules. If the correct number **cannot** be obtained applicants must ask the Council Admin Unit for advice before submitting an application. **Failure to comply will result in rejection of the application.**

9.3 For all Building/Construction Works projects, a 2 stage procurement including a Pre-qualification Questionnaire (PQQ) must be used. This procedure must be outlined in the advertisement seeking interested suppliers/contractors. The PQQ documentation must set out whether price; or price/quality criteria are being used. If price/quality criteria are being used then applicants must include what the criteria are and the allocated marks for each. Criteria must be selected on a clear rationale that ensures that the award is based on the best combination of Price and Quality (PQQ) as set out at Paragraph 9.1. This rationale should be documented on the project file. Any other alternative procurement procedure must have prior agreement from DAERA.

9.4 The advertisement must state the closing date and time for either the expression of interest/PQQ or receipt of the tender (dependant on the method of procurement).

9.5 Applicants are required to provide a price comparison, i.e. at least 2 tenders for each item(s), service(s) or works to be funded. Applicants are therefore recommended to email a copy of the advertisement to a number of potential suppliers advising when the ad will be published and in which regional newspaper(s). Retaining copies of these emails will provide evidence of seeking tenders.

***Exception to Public Advertising***

9.6 If a supplier is not available in Northern Ireland the requirement to publicly advertise will not be enforced. The lack of suppliers within Northern Ireland must be proved by way of written responses from potential suppliers in N.I. that applicants have approached.

9.7 Applicants must still obtain the correct number of tenders/quotations from suppliers outside of Northern Ireland to prove reasonableness of costs/value for money.

9.8 The evidence of non-availability in Northern Ireland must be submitted to the Council Admin Unit at the time of the application along with the tenders received. Failure to comply will result in rejection of the application.

***Invitation to Tender***

9.9 If not using a Government Procurement Portal, applicants must provide each prospective supplier with the following (a sample Invitation to Tender letter can be found at **Annex E**)

1. detailed written specification for the item(s), service(s) or works required (Section 5 refers).
2. the criteria for how the successful tender will be selected. If applicants are using both price and quality, the quality weighting should consider no more than 2 criteria and score achievable must equate to no more than 30%. Price should be the determining factor.
3. a pre-addressed envelope labelled ‘tender’ in the bottom left corner but not identifying the sender/prospective supplier.
4. Applicant’s contact details - name/business name, address, telephone, email.
5. name of person available to provide clarification.
6. the tender return due date and time (see Para 5.4 final bullet point).
7. the terms and conditions for return of the tender, for example:

* completion of a tender document (sample at **Annex F**),
* on business headed paper with the supplier’s name, address, contact information, Company & VAT registration numbers (if applicable),
* be sufficiently detailed to show how the specification is priced to allow comparison of like for like and to assess best value, for example itemised costs, note any variance from the specification etc.,
* manufacturer’s warranty, follow-up service,
* qualifications, experience, previous jobs relevant to the service to be provided,
* detail the period for which the cost will be held,
* returned via post or hand delivered.

1. any terms and conditions to be attached to the award of contract, for example applicants may require the successful tenderer to sign an agreed contract for delivery of the item(s), service(s) or works.

***Receipt of Tenders, Opening and Selection of Successful Tender***

9.10 When each tender envelope is received it should be signed, marked with the date and time of receipt and not opened until the appointed time.

* 1. Any tender received after the closing date should not be opened and should be held with the other tender papers.

9.12 Tenders submitted by telephone, Fax and e-mail **must not** be considered.

* 1. The tender envelopes should be opened at the specified time by two people. Applicants should formally record the tenders received (**Annex C** contains a sample template). The date of opening, company name and amount quoted should be recorded. Any unused portion of the formal record should be ruled through to prevent any additional tenders being added later.
  2. Applicants must not make changes or write comments on tenders or tender correspondence. These are original documents which will be needed in a Court of Law if there is a dispute.
  3. For contracts for the supply of standard goods, non-construction services or construction services and works, the preferred basis of award should be the lowest price or lowest acceptable price. In this context, “standard” means when the goods, services or works can be clearly and simply specified, and are capable of being routinely delivered by a number of suppliers/contractors. The lowest acceptable price is the lowest price after unacceptably low prices have been excluded. There must be no automatic exclusion and the suppliers whose tenders that are considered to be significantly low must be given the opportunity to justify their prices. The Council Admin Unit will advise in this regard.

***Exceptional Circumstances***

9.16 If applicants are unable to obtain the required number of tenders for example, where there is only one supplier, applicants must provide evidence to the Council Admin Unit of this who will consider what further action, if any, is required.

***Award of Contract to the Successful Tenderer***

9.17 All suppliers that submit a tender should be notified in writing as early as possible whether or not they are successful (**Annexes F & G** contains sample letters). No contract should be offered to the successful supplier until such times as funding has been approved and a Letter of Offer signed. Any contract must specify the price, any conditions specific to the contract and be agreed in writing, for example an agreed contract for delivery of the goods or service.

9.18 The tender accepted must be the lowest acceptable price; or the highest score if both price and quality criteria have been used. Applicants should formally record their decision (**Annex D** contains a sample template). For price only criteria, if the lowest acceptable tender is not going to be accepted, the reason(s) for the decision must be communicated in writing by the applicant to the Council Admin Unit, along with the application procurement documentation. If the application is successful at project assessment stage, the offer of funding will be calculated using the value of the lowest tender. The applicant will be responsible for the additional costs.

9.19 The sample templates in **Annexes C-H** are provided as an example of best practice and their use may help if there is a legal challenge to any successful supplier. Applicants are therefore encouraged to use these or similar ones.

***Assessment by Independent Expert***

9.20 Where a project includes construction work and the grant amount awarded is more than £50,000, the Council must, unless it has the expertise itself, obtain an independent assessment of the cost of the work carried out either on receipt of a Practical Completion Certificate (if available) or before the final grant payment is made (not retention). Applicants must ensure that tenders are sufficiently detailed to facilitate this.

9.21 Where there is a significant difference between the tender selected and that assessed by the independent expert the case will be referred to the DAERA Central Investigation Service to investigate.

**10. EU Thresholds for Goods, Services and Works (not applicable to Private or Community/Voluntary Applicants)**

10.1 Procurements by Government Departments, Councils and NDPBs of more than the EU Threshold ([**Annex A**](#Annex_A_Applicant_Procurement_Guidance)) must be advertised in the Official Journal of the European Union (OJEU) (<http://www.ojec.com/Threshholds.aspx>).

10.2 If a supply of goods, non-construction service or construction works is more than the thresholds specified, the applicant should ask the Council Admin Unit for advice **before** tendering. This includes co-operation projects where the Local Action Group is the Project Promoter.

10.3 When the procurement is advertised in OJEU applicants should set a time period between informing the successful supplier and finalising the contract. This allows unsuccessful suppliers an opportunity to challenge the decision legally.

10.4 The minimum number of tenders needed for the procurement is shown in [**Annex A**](#Annex_A_Applicant_Procurement_Guidance). Price should be the determining factor but exceptionally a supplier can be selected using both price and quality criteria. The quality weighting should consider no more than 2 criteria and score achievable must equate to no more than 30%; Price should be the determining factor (70/30 for price/quality must therefore be used). However, for Council applications only, DAERA will accept the 60/40% price/quality ratio.

***Assessment by Independent Expert***

10.5 Where a project includes construction work and the grant amount awarded is more than £50,000, the Council must, unless it has the expertise itself, obtain an independent assessment of the cost of the work carried out either on receipt of a Practical Completion Certificate (if available) or before the final grant payment is made (not retention). Applicants must ensure that tenders are sufficiently detailed to facilitate this.

10.6 Where there is a significant difference between the tender selected and that assessed by the independent expert the case will be referred to the DAERA Central Investigation Service to investigate.

1. **Retention of Procurement / Purchasing Documentation Required for Claim Preparation**

11.1 The Letter of Offer will set out the terms and conditions for submission of the claim for payment and supporting evidence required. In the interim applicants should retain all evidence seeking and receiving quotes/tenders, notification of the successful and unsuccessful contractors, and any contract/follow-up agreement with the successful one. Examples of this information include:

* Copy of the specification,
* Public advertisements,
* Emails/correspondence inviting tenders,
* Tenders received,
* Tender paperwork including tender envelopes and unopened tenders received after the closing time/date,
* Tender receipt record,
* Successful and unsuccessful letters to suppliers / contractors,
* Invoices,
* Proof of payment,
* Explanations or justifications for any variation from the agreed procedures, and
* Copy of the contract issued (if applicable).

**Annex A**

|  |  |  |  |
| --- | --- | --- | --- |
| **Applicant Type** | **Procurement Type** | **Procurement Value** | **Minimum Requirement** |
| **Private, Social Economy Enterprise, Voluntary/ Community, Councils** | **Goods & Non-Construction Services** | **Up to £5,000** | **Price check in writing with at least 2 suppliers; or 2 internet quotations** |
| **£5,000 up to £30,000** | **2 Written Quotes** |
| **Private, Social Economy Enterprise, Voluntary/ Community** |  | **Over £30,000** | **Open Tender** |
| **Councils** |  | **£30,000 to EU Threshold of €209,000** | **Open Tender**  **Councils should use eTendersNI** |
|  |  | **Above EU threshold of €209,000** | **Advertise on eTendersNI**  **Advertise in the Official Journal of the European Union (OJEU)\*** |
| **Private, Social Economy Enterprise, Voluntary/ Community, Councils** | **Construction Works/Services** | **Up to £5,000** | **Price check in writing with at least 2 suppliers; or 2 internet quotations** |
| **£5,000 up to £30,000** | **2 Written Quotes** |
| **Private, Social Economy Enterprise, Voluntary/ Community** |  | **Over £30,000** | **Open Tender** |
| **Councils** |  | **£30,000 to EU Threshold** | **Open Tender**  **Councils should use eTendersNI** |
|  | **Construction Services** | **Above EU threshold of €209,000** | **Advertise on eTendersNI**  **Advertise in the Official Journal of the European Union (OJEU)\*** |
|  | **Construction Works** | **Above EU threshold of €5,225,000** | **Advertise on eTendersNI**  **Advertise in the Official Journal of the European Union (OJEU)\*** |

\* <http://www.ojec.com/Threshholds.aspx>

In certain circumstances, and only where there is documentary evidence in place, local Councils and NDPBs applying for grant assistance may avail of existing contracts for delivery of goods, services or works.

The Council Admin Unit will ensure that the Council or NDPB has all the necessary evidence in place prior to approval to proceed.

In all cases the following will apply without exception:

* The contract must have been procured in accordance with the Priority 6 rules on procurement.
* The contract must be for delivery of goods, services or works directly related to the items the applicant is seeking Priority 6 assistance for.
* The contract award date must not be more than 12 months old at the date of purchase of the goods/services/works relating to the project.
* Where the original contract date is more than 12 months old and includes an option to extend that contract, documentary evidence must be sought to confirm that any extension approved has been offered and accepted.
* No work may commence on the project under the contract until applicants have accepted a Letter of Offer and the acceptance has been recorded on the database.

**Annex B**

**Specification**

**Introduction**

The introduction should briefly explain the requirement and the context of that requirement. Briefly explain your business/organisation, don’t assume all suppliers/contractors will know who or what you are.

**Background**

The information provided here should be of sufficient length and detail to ensure the supplier/contractor has an understanding of why this item/work is being commissioned.

**Scope of the Contract**

This is the description of the requirements. It should briefly detail the organisation’s project expectations and should set out the broad scope of the procurement

* what is included;
* what is excluded;
* anything that is optional;
* geographical coverage if relevant;
* anticipated quantities (although not guaranteed).

**Outline of the requirements**

State the detailed requirements the supplier/contractor is to meet, and

* include the mandatory requirements. These are essential requirements that supplier/contractors must meet. Ensure they really are essential because bids can be rejected for failing to meet them;
* use simple language, avoid using jargon;
* define terms, symbols and acronyms either in a list at beginning or when they are first used;
* do not be more technical than is necessary in order to make the intention clear;
* be as concise as possible but don’t be so economical as to risk lack of clarity;
* plan and analyse your needs;
* arrange the components of the requirement into a logical form. A good way of doing this is to set out a skeleton structure with the main headings and then add in sub-headings as necessary;
* do not embed requirements in background information as suppliers/contractors may miss them. Keep requirements in their own sections;
* list the most important elements of the requirement first and work through to the least important; and
* discuss the requirement with colleagues and other users and procurement staff (if applicable), if necessary. During this process you may also identify other topics you need to include.

Define the task or desired result by focusing on what is to be achieved (output), not by describing the way it is to be achieved (input). This challenges contractors to use their skills and develop smart, creative solutions. There are some cases however where it may be appropriate to specify particular types of equipment, provide drawings or patterns, but this should be avoided as far as possible. Specifying requirements in terms of outputs or functions gives contractors the opportunity to propose innovative solutions or simply be more creative in their proposals and also means the responsibility for ensuring that the solution meets the requirement rests with the contractor rather than the customer.

Consider also

* any training that staff will require;
* security - describe any specific security requirements appropriate to the requirement;
* standards - set out any standards relating to the goods or services being procured, for example health and safety, electrical; and
* consider practical matters e.g. delivery times, how the goods/services are to be provided, what you want to happen if successful supplier can’t provide goods/services on time, how goods/services will be ordered e.g. catalogue.

**Contract Management and Payment Arrangements**

You should define what type of contract information you require, and if regular meetings/update reviews are required, these should be built in here (if applicable). Details of how the supplier should invoice and payments arrangements must be outlined.

**Mobilisation of Contract/Delivery**

You should state any delivery requirements or timescales for delivery including any special requirements.

**Security Clearance**

You must detail what type of security clearance is required to provide the service or if procuring supplies/goods if security clearance applies.

**QUOTATION /TENDER ACTION RECORD Annex C**

**Quotation /Tender for: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Closing Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Quote /Tender No. | Name & Address of Prospective Suppliers sent the specification | Date Specification Issued | Date Quotation /Tender Received | Forms completed by potential supplier | | Signed quotation/pricing documents | **COMMENTS** |
| F.O.T\* | VAT |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

**\*F.O.T** – Form of Tender i.e. please specify how quotation/tender was submitted - by hand, post, fax, email etc.

**This form should be used to record the procurement details from sending the specification to the suppliers through to supplier selection. You should write the details of each quotation / tender received onto the form.**

I/We certify that \_\_\_\_\_\_\_\_\_\_ quotations/tenders were received on or before the due time and were opened by me/us on \_\_\_\_\_\_\_\_\_\_\_\_\_ (Date)

There were \_\_\_\_\_\_\_\_\_\_\_\_ late quotations/tenders.

**Name(s) in CAPITALS:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

**Annex D**

**evaluation of a quotation / tender**

* ***Evaluation criteria***

Price or Price/Quality.

* ***Weighting criteria***

The total weighting of all the evaluation criteria should add up to 100. The weighting value should represent the importance of the requirement within the procurement.

* ***Score for quotation***

The person evaluating the tender must decide how the tender scores against the weighting. For example scoring the speed of a printer against the desired speed of 20 pages per minute and 1 printer can do 20 and the other 30. The one at 30 would receive a higher score.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **EVALUATION CRITERIA**  **(Examples given below)** | **WEIGHTING** | **SCORE FOR QUOTATION /**  **TENDER 1** | **SCORE FOR**  **QUOTATION /**  **TENDER 2** | **SCORE FOR QUOTATION /**  **TENDER 3** | **SCORE FOR QUOTATION /**  **TENDER 4** |
| Price | 70 |  |  |  |  |
| Quality | 30 |  |  |  |  |
| **TOTAL SCORE** | 100 |  |  |  |  |
| **COMMENTS** |  |  |  |  |  |
| Successful quotation / tender | |  |  |  |  |

**Evaluation completed by Name(s): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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

The form should be signed and dated by the scorers.

**Annex E**

**Sample Invitation to Tender Letter**

***<name>***

***<address>***

***<date>***

Dear Sir

[I/We] invite you to tender for the supply (and delivery) of ***<List Goods, Services or Works required / as per attached specification>.***

If you wish to take part in this contract competition, please complete the enclosed tender form and return it, using the pre-addressed envelope provided to arrive at the above address not later than ***<specify a time and date>.***

The contract sum as specified in the tender should be a “fixed price”. The length of time the price is valid should be stated. Failure to quote a fixed price may result in your tender being excluded from the competition. The contract sum as quoted in the tender should include all delivery, installation, commissioning and handling charges.

[I/We] require <detail requirements, i.e. delivery on or before …., immediately, indication of when liability for the goods/service/work transfers to the purchaser, assurance that all Statutory Requirements are being met, etc.>. (*Refer to Paragraph 8.9, Invitation to Tender of the Procurement Procedures which provide advice on the information required from prospective suppliers)*

[I/We] reserve the right to:

1. Accept part of any quotation unless it is clearly stated that the tender may only be considered as a whole and
2. Not necessarily to accept the lowest or any quotation.

Yours faithfully

**Annex F (1)**

**Sample Tender Form**

**PART 1**

**TENDER FOR**

**I/We hereby offer to provide the above mentioned goods/services/works as detailed in the attached invitation to tender for the sum of**

**£ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (exclusive of VAT).**

**Amount in words \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_pounds.**

**I/We have read and understand the Conditions of Contract and the Notes/Instruction to Tenderers and agree:**

***to the terms and conditions set in this Tender; to any additional terms and conditions set out in the invitation to tender; that having completed this form a binding contract shall be constituted by this Tender and our acceptance thereof.***

**I/We agree that this tender together with your written acceptance thereof shall constitute a contract between us in relation to the whole of the Tender or any part as may be specified in your written acceptance.**

**Tenderer’s Signature**

*The Tender must be signed by a person authorised to sign on behalf of the contracting firm.*

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Address\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***

***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***

***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***

***Telephone Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***

***VAT Registration Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***

**Notes / Instructions to Tenderers**

Tender prices must reflect all circumstances affecting, or likely to affect, the provision of the good/services/works.

Tenders should be returned in the pre addressed envelope provided and must reach its destination not later than the time specified in the invitation to tender.

Tenders received after the specified time will not be considered.

We reserve the right to accept a part of any tender unless the tenderer clearly states that the tender may only be considered in it’s entirely.

**Opened By** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **and** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Date** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Annex F (2)**

**PART 2 Schedule of Quantities and Prices**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Item No.** | **Description of Goods** | **Quantity** | **Unit Cost**  **£** | **Total Contract Price (excl. VAT)**  **£** | **VAT Amount**  **£** |
|  |  |  |  |  |  |

**Annex G**

**Successful Tender**

<name of contractor / supplier>

<address>

<date>

Dear Sir

Thank you for your tender dated <*date tender form was dated by tenderer*> for the supply and delivery of <details of *goods / services / works* > at your quotation price of <contract amount in figures>, <amount in words>.

I have pleasure in confirming that you have been successful.

[I/We] require delivery <state requirements>.

Please confirm your agreement to me in writing by return.

Yours faithfully

**Annex H**

**Unsuccessful Tender**

<name of contractor / supplier>

<address>

<date>

Dear Sir

Thank you for your tender dated <*date tender form was dated by tenderer*> for the supply and delivery of <details of *goods / services /works* > at your quotation price of <contract amount in figures>, <amount in words>.

I regret to inform you that on this occasion you have been unsuccessful.

Please contact me if you require any further details.

Yours faithfully

**Appendix 5B**

**Eligible Administration Costs**

1. **Recruitment Costs** – Public advertising costs in the recruitment of staff for the administrative unit.
2. **Redundancy Costs**. Employees may receive a lump sum payment if:

* They are made redundant; and
* They have at least two years continuous service.

For further information on entitlement to redundancy payments please refer to the attached link for Department of Education (DE) guidance:

<http://www.delni.gov.uk/index/publications/pubs-employment-rights/erbooklets/er3.htm>

1. **Administrative Unit Staff Time in the Implementation of the Programme.** Only staff time spent on Priority 6 Rural Development activities (co-financed from the European Agricultural Fund for Rural Development (EAFRD) activities will be eligible for funding. When staff are engaged in EAFRD activities time sheets must be completed (with details of the tasks undertaken) and submitted to DAERA with monthly administration claims. Staff bonus payments or special allowances are not eligible for reimbursement under any circumstances. As detailed in Chapter 5.3, sick pay is now eligible for payment due to the change in rules over Statutory Sick Pay. The rules for maternity, paternity and adoption leave remain unchanged and are not eligible for payment under LEADER.
2. **Attendance at Training Events.** Training on elements of the new programme will be organised by DAERA for members of the LAG and their Administration Unit. Eligible expenditure in relation to attendance will be:

* Travel and subsistence costs, and
* Childcare costs for social partners on the LAG.

Programme funds cannot be used for any additional training.

1. **Travel and Subsistence.** These costs are eligible for LAG member Social partners, Administration Unit staff and independent panel members. Costs are only eligible for reimbursement where:

* They have been incurred through activities necessary for the implementation and administration of the programme,
* They are in line with the existing approved travel and subsistence policy,
* They cannot be reimbursed from another source, and
* The claim for expenses is submitted to the LAG within three months of the date the expenditure was incurred. Only in exceptional circumstances, considered and endorsed by the LAG Board, can claims be admitted outside of this timeframe.

Travel and Subsistence expenditure not eligible for reimbursement under LEADER:

* Advance payment for expenses,
* Council essential car user allowances.

A travel and subsistence claim form template is provided [Appendix 5F](#Appendix_5F). If the LAG devises its own pro-forma, it should as a minimum record the general content of Appendix 5F to facilitate eligibility of expenditure and verification checks. Journey details should include postcodes to enable verification of journey. The rates to be used shall not exceed the Council rates.

1. **Child Care Costs for Social Partners of the LAG.** Childcare costs for dependent children of a LAG social partner who is on official LAG duty i.e. attendance at meetings, assessment panels, training events or conferences are eligible for reimbursement. The upper age limit of children for whom childcare assistance is payable are:

* The first Tuesday in September following the child’s 15th birthday; or
* In the case of a child in respect of Disability Living Allowance or who is registered blind, the first Tuesday following their 16th birthday.

Childcare costs are eligible where the care is provided by a registered child minder or by a relative who is not a registered child minder. A relative is defined by DEL as someone who is over 18 years of age and who is a grandparent, brother, sister, aunt or uncle of the child(ren). In all cases the following evidence must be obtained:

* Names and dates of birth of dependant children, and
* Written confirmation from the registered child minder or relative (as specified above) that the care took place i.e. dates, number of hours of care provided and charge per hour.

Hourly child minding rates for registered child minders should be confirmed by the Administration Unit, with local Social Services on a yearly basis. Registered child minder costs can be authorised up to this rate. Unregistered child minder costs should only be authorised up to 60% of this rate.

Claims for reimbursement of childcare costs (using the T&S claim form) must be submitted to the LAG within three months of the date that the expenditure was incurred. Only in exceptional circumstances, considered and endorsed by the LAG can claims be admitted outside of this timeframe.

1. **Venue Hire.** The cost of hiring rooms to facilitate LAG meetings or animation events is eligible for support provided that prior to the booking of any venue the market has been tested and value for money can be demonstrated.
2. **Running Costs** of the LAG and Administration Unit are eligible, only where these can be attributed directly to the implementation of the programme. DAERA will always seek evidence that value for money has been obtained in both the procurement and the use of the equipment and services. Where a LAG has availed of the Lead Council accommodation to house its administration unit, then an annual VFM exercise should be carried out. This should involve obtaining at least 2 quotes for the cost of letting similar floor space and facilities in the local area. Procurement Guidance at [Appendix 5A](#Appendix_5A) and DAERA Local Contract Management will provide advice in this regard. Any costs incurred must be essential to the implementation of the programme.

**The following items are eligible:-**

* Heating
* Lighting
* Telephone bills
* Rent
* Rates
* Certain protective clothing
* IT equipment (including computers, printers, scanners, fax machines, photocopier and necessary consumables)
* Stationery
* Furniture
* Office cleaning
* Maintenance costs
* Insurance

**The following items are ineligible:**

* Charges for room hire to accommodate verifications or audits
* Hands-free kits for mobile phones
* Water coolers
* Consumables
* Staff uniforms
* TV licence
* Office plants
* Pictures
* Cards and gifts for staff and others
* Donations to charities
* Christmas lunches and decorations

Running costs, which are shared, must be justified, apportioned appropriately, and specifically related to the implementation of the programme.

All costs should be **actual** and **evidenced.** It therefore follows that the apportioning of costs will require a method relevant to each cost, so that the major costs such as heating bills, lighting, etc. are calculated against real bills apportioned to actual room space used for in-house programme time, or possibly on additional programme staff numbers against total staff, or staff hours.

The apportionment methodologies to be used should be agreed with DAERA local Contract Management in advance and a written record of that agreement retained for future inspection.

1. **Professional Fees – LAG.** Legal, banking, accounting and audit services that are directly linked and are necessary to the implementation of the programme, or, in the case of accounting or audit costs, if they relate to the requirements by the Managing Authority, are eligible.
2. **Marketing/Publicity.** Any activity undertaken which promotes the NIRDP 2014-2020 is eligible subject to the Procurement Procedures – [Appendix 5A](#Appendix_5A)
3. **Networking** **(including co-operation networking).** Travel and subsistence costs incurred by members of the LAG at networking events are eligible.
4. **Hospitality.** These are permissible in certain circumstances where it is necessary to provide hospitality as part of the activities of the LAG. Expenditure on hospitality will only be reimbursed where it is incurred in the implementation of the programme.

The following guidelines apply:

* All expenditure on hospitality must be able to withstand both internal and external scrutiny;
* All hospitality financed should always be in the direct interest of the Rural Development Programme;
* The level of hospitality should not be excessive. A maximum of £5 per person is acceptable;
* The purchase of alcohol under any circumstances is **not** eligible expenditure.

If there is a doubt as to the eligibility of proposed expenditure under the rules for hospitality then the local DAERA Contract Management Staff should be contacted for guidance.

1. **Insurance.** DAERA advises that a legal expenses package to cover legal expenses in respect of litigation, settlements/court judgements and also indemnity up to a limited sum is purchased. Costs associated with putting in place such insurance policies as are necessary to cover all possible liabilities to DAERA and to the European Commission arising under the terms and conditions as set out in the contract between the LAG and DAERA are eligible, to the extent that such insurances are reasonably available on the insurance market. This includes Professional Indemnity/Members and Officers/Fidelity Insurance, Buildings and Property Contents Insurance (to include IT equipment) and Public Liability.

A copy of insurance documentation must be made available for inspection, if requested.

1. **Bank Charges.** DAERA expects that bank services will be provided by the Council. All bank charges are ineligible. Bank Interest Charges, Referral Fees and Foreign Currency Transaction Charges are not eligible for funding. Foreign Currency Transaction Charges relating to co-operation animation activities are eligible costs.

**Appendix 5C**

**RURAL DEVELOPMENT (FINANCIAL ASSISTANCE)**

**REGULATIONS (NORTHERN IRELAND) 2015**

**CLAIM FORM FOR PRIORITY 6 SLA ADMINISTRATION SERVICES INCLUDING ANIMATION**

I hereby apply on behalf of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Council for payment towards actual expenditure on Administration Services provided to \_\_\_\_\_\_\_\_\_\_\_ LAG in accordance with the terms and conditions of the Council’s LEADER Priority 6 Service Level Agreement (SLA) with the Department of Agriculture, Environment and Rural Affairs for Northern Ireland.

I hereby declare that actual expenditure totalling £\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, supported by original, itemised receipted invoices and where appropriate, associated quotation/tendering documentation was incurred as actual expenditure on the provision of Administration Services including Animation under the Priority 6 SLA during the period from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| ***Signature: Council*** |  |

|  |  |
| --- | --- |
| ***Position:*** |  |

|  |  |
| --- | --- |
| ***Date:*** |  |

Details of the **ACTUAL** **Administration Services Costs** incurred for the period from

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1** | **2** | **3** | | | **4** | **5** | **6** | **7** |
| Method of payment  Cheque No. or BACS transfer | Date cleared Bank Account | Nature of Expenditure | | | Name of Supplier (where appropriate) | Net Cost (excl. VAT, discounts, etc.)  (£) | VAT  (£) | Total Cost  (£) |
| Type of Expenditure | Item & Period | Animation or Admin spend |
|  |  | Staff Time (F/T) | Name & Month |  |  |  |  |  |
|  |  | Staff Time (P/T) | Name & Month |  |  |  |  |  |
|  |  | Admin T&S | Name & Period of T&S Claim |  |  |  |  |  |
|  |  | LAG T&S | Members Name & Period of T&S Claim |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **TOTAL** |  |  |  |

***For Council use***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Scrutinised by: | signature | print name | Date: |  |
| Checked by: | signature | print name | Date: |  |
|  |  |  |  |  |

***For RAD use only***

|  |  |  |  |
| --- | --- | --- | --- |
| **Irregularity Detected?** | YES / NO\*  *Delete as appropriate* | **Irregularity Recorded?**  YES / NO  *Delete as appropriate* | |
| **Scrutinised by:** |  | Date: |  |
| **Checked by:** |  | Date: |  |

***\*NB All irregularities must be recorded on the TRIM work sheet provided. There is no separate irregularity report form.***

# 

**Appendix 5D**

**PETTY CASH POLICY**

1. Petty Cash is intended to allow the LAG to make small purchases or reimbursement, in cash for small items which are necessary expenditure in its operation such as stamps, office supplies etc. It should be noted that Petty Cash must **not** be used to reimburse or pay for incidental expenditure which is not directly essential expenditure in the operation of the Partnership such as day to day office refreshments, gifts or contributions to gifts or tokens of condolences; subsistence costs such as lunch which should be claimed through travel and subsistence; gratuities; staff bonuses etc.

1. The LAG is required to develop a petty cash policy which permits it to have available £100 in cash and which sets a maximum limit of expenditure of £20 which may be paid with petty cash. Payments for items costing in excess of £20 must be made by cheque rather than reimbursed through petty cash.
2. The petty cash fund must be kept in a locked cash box, in a locked and secure cabinet or preferably a safe if available. It is recommended that only one person, the Petty Cash Officer, is nominated to have access to the petty cash and that person is responsible for the safety and implementation of Petty Cash. If, for operational reasons, it becomes necessary for the Petty Cash Officer to delegate responsibilities to another officer from time to time, he/she will remain personally responsible for the actions undertaken on his/her behalf. It is therefore imperative that the Petty Cash Officer checks to ensure that those acting on his/her behalf remain worthy of confidence and are complying with current instructions. To disburse petty cash funds the LAG must complete petty cash vouchers, see attached, to document each transaction. It will also need to determine who can approve petty cash payments. The approving officer must not be the Petty Cash Officer. Proper control by way of supervisory checks must be in place to ensure that the amount authorised on the payment documentation is actually paid.
3. A policy document should be drawn up, agreed with DAERA’s local Contract Management staff and made available for inspection, when required.

**Implementation**

1. To establish the petty cash fund a cheque for £100 should be drawn down and cashed and placed in th**e locked petty** cash box and locked drawer or preferably a safe if available.
2. To reimburse a small purchase the Petty Cash Officer must obtain proof of purchase i.e. an original itemised receipt or original itemised receipted invoice and a completed petty cash voucher, detailing the nature and reason for the purchase. Once the appropriate person has approved the voucher the expenditure may be reimbursed.
3. A petty cash record i.e. cash book should be kept which records the income and payments and analyses them into the main types of expenses involved. All transactions should be recorded on a daily basis and the account should be balanced at the end of each month. All entries should be made in ink i.e. no pencils, pens of a type that can be erased or green ink should be used. Any entry corrections must be clearly visible and initialled.
4. If the LAG is holding a supply of postage stamps a record of usage should be maintained showing the total postage used on a daily basis. The value of the stamps should be included as part of the petty cash balance and therefore the purchase of the stamps should not be recorded in the cash book as a payment. (Note: if stamps are purchased by cheque the transaction will need to be recorded in the cash book i.e., debit bank column; credit cash column). At the end of each month the postage used should be totalled and the total figure entered in the cash book as a payment. The LAG should monitor postage on a consumption basis to ensure that the usage is appropriate to its needs.
5. When the petty cash fund is substantially depleted the petty cash record, vouchers and receipts and the balance of cash on hand should be checked by the Petty Cash Officer and signed off by the LAG.
6. When the account has been balanced, a cheque may be drawn down for the exact amount of the vouchers/receipts to bring the fund back to its original balance of £100. It is recommended that the account is balanced on at least a monthly basis.
7. It should be noted that the amount of cash held at any one time, together with the evidence of payments (vouchers and receipts) should always total £100.
8. The petty cash vouchers and receipts should be stapled to the summary of expenses and filed away.

**Claim for Drawdown from the Department**

1. When submitting a claim to the Department for the re-imbursement of the cheques drawn down from petty cash, the summary of expenses, petty cash vouchers and receipts must accompany the claim.

**PETTY CASH VOUCHER**

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amount: £ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Amount in words]\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_pounds

For: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Account No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Paid to: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Approved by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Appendix 5E**

## Hospitality Form 1

**APPROVAL FOR HOSPITALITY**

Please indicate the type of event requiring hospitality approval by ticking the box.

Refreshments at business meeting

Working “Snack Type” Meal

# Details of the Event

i. Date of Event \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ii Estimated cost\*(excl VAT) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Estimated cost\*(incl VAT) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

iii Purpose of the Event \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

iv Number of attendees to be catered for:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**A list of names must be attached.**

Comments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Event/Hospitality Approved by**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*\_(*Print Name)

Chair of LAG / Admin Manager**[[5]](#footnote-5)**

# Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Date of Approval: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Exclude Room/Equipment Hire etc. Only the cost of the refreshments (food/soft drinks) should be included. But these costs must be taken into account when choosing a venue.

**Variance in Costs**

Where the actual cost of providing the hospitality is 5% higher than the estimated cost the form must be resubmitted for approval with the reason for the variation to the Chair of the LAG or Admin Manager as appropriate i.e., to the person who originally provided authorisation.

Actual Cost (excl VAT) £\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Actual Cost (incl VAT) £\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Reason for variation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Approved by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Print Name)

# Chair of LAG or Admin Manager as authorised prior to event

# Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Date of Approval**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Priority 6 - TRAVEL & SUBSISTENCE FORM** **Appendix 5f**

Local Action Group : **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

CLAIMANT\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ POSITION \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PERIOD OF CLAIM\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(dd/mm/yyyy to dd/mm/yyyy)*

CLAIMANT HOME ADDRESS (including post code)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

CC of Vehicle\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Depart  (time) | Return  (time) | Details of Journey (**starting point and destination address or postcode must be included**) | | | | Miles | Subsistence | Misc Expenses | | Reason for Journey and Expenses, including how claim relates to programme implementation or administration | | | |
|  |  |  |  | | | |  |  |  | |  | | | |
|  |  |  |  | | | |  |  |  | |  | | | |
|  |  |  |  | | | |  |  |  | |  | | | |
|  |  |  |  | | | |  |  |  | |  | | | |
|  |  |  |  | | | |  |  |  | |  | | | |
|  |  |  |  | | | |  |  |  | |  | | | |
|  |  |  | TOTAL | | | |  |  |  | |  | | | |
| Summary of Claim | | | £ |  |  | | | | |  | | |  |
| \_\_\_\_\_\_\_\_ Miles  @ \_\_\_\_p per mile | | | £ |  | |  | | | |  | | |  |
| Subsistence | | | £ | Claimants Signature | |  | | | | Date | |  | |
| Misc Expenses | | | £ |  | |  | | | |  | | |  |
| Total | | | £ | Approved by | |  | | | | Date | |  | |

**Appendix 6A**

**Priority 6 – Database Opening Request Template DOR 1**

**LAG NAME:**

**Scheme(s) to be opened** (enter budget)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| All SCHEMES | Business Investment | Basic Services | Village Renewal | Broadband | Co-Operation |
| Budget for call | £ | £ | £ | £ | £ |

**Events Held**

|  |  |  |  |
| --- | --- | --- | --- |
| Action | Venue(s) | Date(s) | No of Attendees |
| Information Events  List all | 1  2  3  4  5  6 |  |  |
| Funding Workshops | 1  2  3  4  5  6 |  |  |
| Total Attendees |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Funding Workshop Outputs | Business Investment | Basic Services | Village Renewal | Broadband | Co-Operation |
| Number of attendees |  |  |  |  |  |
| Number of Potential Applicants |  |  |  |  |  |

**Promotion of Workshop Events**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Newspaper/Website | Date | Newspaper/Website | Date | Newspaper/Website | Date |
| Press |  |  |  |  |  |  |
| Social Media |  |  |  |  |  |  |

**Current Workloads**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Received/Not acknowledged |  | | | Acknowledged/Site visits pending | | Under Appraisal | Outstanding over 90 working days | LoO issued/Not yet accepted |
|  |  | | |  | |  |  |  |
|  | | | **Rationale for call** | | | | | |
|  | | |  | | | | | |
|  | | |  | | | | | |
|  | | |  | | | | | |
|  | | |  | | | | | |
|  | | |  | | | | | |
|  | | | Date of closed call Open From: \_\_\_ /\_\_\_ /\_\_\_ To \_\_\_ /\_\_\_ /\_\_\_ | | | | | |
|  | | | Approved by LAG\* on \_\_\_ /\_\_\_ /\_\_\_  \*LAG minutes should be forwarded to DAERA | | | | | |
|  | | |  | | | | | |
| Name of Potential applicant | | Name of Business/Organisation | | | Address | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |
|  | |  | | |  | | | |

LAG Chair: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

LAG Vice-Chair: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Appendix 6B**

**Provided separately**

This template is the intellectual property of ENI and they wish to control its wider use. For this reason, and in accordance with the conditions set out in paragraph 6.10(b), Appendix 6B, 6C and 6D are provided to the Admin Units separately and should not be made available on either the LAG or council website.

**Appendix 6C**

**Provided separately**

This template is the intellectual property of ENI and they wish to control its wider use. For this reason, and in accordance with the conditions set out in paragraph 6.10(b), Appendix 6B, 6C and 6D are provided separately to the Admin Units and should not be made available on either the LAG or council website.

**Appendix 6D**

**Provided separately**

This template is the intellectual property of ENI and they wish to control its wider use. For this reason, and in accordance with the conditions set out in paragraph 6.10(b), Appendix 6B, 6C and 6D are provided separately to the Admin Units and should not be made available on either the LAG or council website.

**Appendix 6E**

**PROJECT BUSINESS PLAN**

**RURAL DEVELOPMENT PROGRAMME 2014-2020**

**PRIORITY 6: SOCIAL INCLUSION, POVERTY REDUCTION AND RURAL DEVELOPMENT**

**SCHEMES**

**BASIC SERVICES, VILLAGE RENEWAL AND RURAL BROADBAND**

|  |  |
| --- | --- |
| **Organisation Name:** |  |
| **Application submitted by:** |  |
| **Project Business Plan completed by:** |  |
| **Date Project Business Plan completed:** |  |

**Please read the Guidance on developing your Business Plan. You must complete the checklist at Annex 1 and if applicable Annex 2.**

**You must complete the financial spreadsheets which accompany this Project Business Plan**

***Please note for projects seeking funding of £90,000 and under, the baseline option and only one ‘do something’ option is required. For projects seeking funding over £90,000 the baseline option and at least two ‘do something’ options are required.***

****

**Project Business Plan Contents**

**SECTION 1: NEED AND DEMAND** (Maximum 2,000 words)

Use this section to describe and quantify the specific need for your project.

* Provide background information on current situation/current level of service provision (this is called the Baseline Option); evidence of deficiencies in current service provision; and opportunities for improvement.

### Provide details of the proposed project, how need/demand for it was established and the justification for the proposed scale (i.e. evidence that it is appropriate to the likely level of demand for the service).

* What are the physical/resource requirements to deliver the project?

***Guidance Note Section 1***

**SECTION 2: OBJECTIVES OF THE PROJECT** (Maximum 500 words)

What are the objectives of the project? These should be Specific, Measurable, Achievable, Relevant and Time-bound. Also please record projected project start and completion dates.

***Guidance Note Section 2***

**SECTION 3: STRATEGIC CONTEXT** (Maximum 500 words)

Please describe how the project will contribute to the key priorities of the LEADER funding Scheme, the LAG strategy, and the Council’s Community Plan.

**SECTION 4: PROJECT OPTIONS CONSIDERED** **AND PREFERRED OPTION**

(Maximum 1,500 words)

You should outline the options that you had considered during the course of developing your project and explain why you selected your preferred option.

***Guidance Note Section 4***

Describe what is **innovative** about the project in terms of addressing needs at a local community level. For example, within the Basic Services Scheme an innovative solution to addressing access to a number of services to the community is a key requirement of the Programme.

***Guidance Note Section 3***

# Describe in detail the baseline and main options which have been identified as the alternative ways of meeting the objectives of the project:

* Baseline or ‘do nothing’ option (i.e. describe what is currently happening, and include details of its location and scale). Provide details of the positive and negative non-monetary factors which should be taken into consideration, for example, the impact of not carrying out the project on the local community, or the environment etc.
* Option 1: Describe how the existing level of production/service provision will be amended to include the new activity or change in activity proposed in this option. List here, or in an attachment, the items or capital works to be purchased in order for the project to proceed, and their cost. Describe the benefits of this option, and give details of any direct jobs created (i.e. number of full-time, part-time, seasonal, skilled, manual etc.). Provide details of the positive and negative non-monetary factors which should be taken into consideration, for example, the impact of the project on the local community, or the environment etc.
* Option 2: Describe how the existing level of production/service provision will be amended to include the new activity or change in activity proposed in this option. List here, or in an attachment, the items or capital works to be purchased in order for the project to proceed, and their cost. Describe the benefits of this option, and give details of any direct jobs created (i.e. number of full-time, part-time, seasonal, skilled, manual etc.). Provide details of the positive and negative non-monetary factors which should be taken into consideration, for example, the impact of the project on the local community, or the environment etc.
* Please explain which Option you have selected as your preferred option and give your rationale for this choice. If the preferred option costs more than the other options considered you must explain why the preferred option represents the best Value for Money option.

**SECTION 5: DISPLACEMENT (**Maximum 500 words)

In order to assess the need for financial investment to your project please provide the following information for **each** ‘do something’ option:

* Describe how each option complements and adds value to similar ongoing or proposed work in the region and beyond.
* What is the competition for your proposed option?
* Would any of the ‘Do Something’ options impact on any existing project or business within the locality/Northern Ireland? If yes, please give details of the expected impact.

***Guidance Note Section 5***

**SECTION 6: ADDITIONALITY** (Maximum 500 words)

In order to assess the need for assistance to your project please provide the following information for **each** ‘do something’ option:

* Details of all financial resources at your disposal;
* Details of efforts you have made to obtain other sources of funding;
* Details of contingency plans in place if the grant application is unsuccessful;
* Details of contingency plans in place should the cost of the project overrun the contract price; and
* In the absence of public funding, would any of the ‘Do Something’ options go ahead? If yes, please give details regarding scale, timing and geographical area.

***Guidance Note Section 6***

**SECTION 7: BUDGET AND FINANCIAL PROJECTIONS**

We need to understand the costs of your project both capital and revenue, and any revenue projections during its lifetime (both during and post funding) and the cash flow requirements which may be needed during its delivery.

Please ensure that you have completed all the spreadsheets that were issued with this Business Plan for the Baseline and all the Do Something Options and submit them with your Plan.

Please ensure that you have also completed the Profit and Loss estimate for the preferred option at **Annex 5**. For the **Preferred Option** you need to provide a summary below of total expenditure and total grant sought.

***Guidance Note Section 7***

|  |  |
| --- | --- |
| 1. **Capital Expenditure** | £ |
| * Buildings |  |
| * Refurbishment |  |
| * Equipment/Machinery |  |
| * Other |  |
|  |  |
| 1. **Other recurrent/revenue costs for which grant aid is requested** (these are likely to refer only to marketing/promotion and training costs). |  |
| 1. **Contribution in Kind** (only included for rural development type projects where there is an eligible expenditure for grant purposes). |  |
|  |  |
| **Total** |  |

|  |  |
| --- | --- |
| **Capital Funding** | **Total** |
| Capital grant requested from DAERA |  |
| Capital grants requested from other funding organisations |  |
| Own resources (i.e. own money used to fund capital items eligible for grant). |  |
| Bank |  |
| Other funds |  |
| **Recurrent/Revenue Cost funding** (i.e. normally for marketing/promotion & training costs). |  |
| Recurrent/Revenue grants requested from DAERA. |  |
| Recurrent/Revenue grants requested from other funding organisations |  |
| Own resources (i.e. own money used to fund non-capital costs for which grant aid is requested). |  |
|  |  |
| **Total** |  |

7a: You should explain the basis of each item of income and expenditure set out within the financial spreadsheets for the Preferred Option and for Year one only.

7b: Which of the grants requested from other funding organisations have already been approved?

|  |  |  |
| --- | --- | --- |
| Organisation | Funding Sought £ | Date of Letter of Offer |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

7c: Capital Works

|  |  |  |
| --- | --- | --- |
| **Requirement** | £ | **Included (Y/N)** |
| Professionals’ Quotes  The budget should be supported with appropriate quotes included for services provided by architects and other professionals e.g. QS. |  |  |

|  |  |
| --- | --- |
| **Cost- Effectiveness** | **% / £** |
| Grant cost per direct FTE additional job created (%) |  |
| Capital grant as a % of total capital project costs (%) |  |
| Construction cost per m2 (£) |  |

**SECTION 8: RISK ANALYSIS (Risks, Uncertainty & Constraints)**

Use this section to set out what might impact on the projects ability to deliver the outputs or achieve its full impact. Also explain how you will manage the risk. Add additional rows to cover all risks identified.

***Guidance Note Section 8***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Risk Description** | **Likely impact of Risk H/M/L** | | | **State how the options compare and identify relevant risk management / mitigation measures** |
|  | **Opt 1** | **Opt 2** | **Opt 3** |  |
| **1.** |  |  |  |  |
| **2.** |  |  |  |  |
| **3.** |  |  |  |  |
| **4.** |  |  |  |  |
| **Overall Risk (H/M/L):** |  |  |  |  |

|  |
| --- |
| **KEY: H = high M = medium L = low N/A = Not Applicable** |

**SECTION 9: PRIORITY 6 - CROSS CUTTING THEMES (**maximum 500 words) 9a - 9c

Please indicate the impact of your project on the cross cutting themes of the Rural Development Programme - neutral or positive - and justify the choice.

***Guidance Note Section 9***

**9a *Sustainable Development:***

* Illustrate how you will promote sustainable development in terms of the integration of environmental, economic and social issues.

**9b. Equality**:

* Show how your project will mainstream the principle of equality.

**9c. Environmental**

* Provide details of the Environmental Impact Assessment and Habitats Regulation Assessment (if these have been carried out as part of any planning application).

**SECTION 10: MANAGEMENT ARRANGEMENTS (Project Delivery, Resourcing & Governance)** (Maximum 1,000 words).

It is critical you have a robust, credible and realistic delivery plan. A template has been provided at **Annex 3**. In addition you need to detail the following below:

* The project management structure and governance arrangements for the delivery of the project.
* If there are project partners for the delivery of this project please state why these partners were chosen.
* Provide evidence that quality management arrangements are in place regarding timelines, organisation, tasks and responsibilities. These must be well defined and realistic.

***Guidance Note Section 10***

**SECTION 11: PROJECT MARKETING PLAN** (Maximum 500 words)

You need to outline how you intend to market your project (if relevant for the type of project proposed). You need to provide a Marketing Plan - a template has been provided at **Annex 4**. Describe the marketing steps required to implement the preferred option. Have the costs of these steps been included in the budget? If not, how are they to be funded?

***Guidance Note Section 11***

**SECTION 12: MONITORING AND EVALUATION** (Maximum 500 words)

You will need to monitor the performance of your project during its lifespan. Please provide details below of the proposed arrangements for monitoring and evaluating – this should be both during and after implementation of the project. Please complete the Benefits Realisation Plan template, Annex 6.

***Guidance Note Section 12***

**Monitoring**

1. What information will be monitored?
2. Who will be responsible for providing the monitoring information?
3. When will monitoring take place?

**Evaluation**

1. What information will be evaluated?
2. Who will be responsible for providing the evaluation information?
3. When will the evaluation take place?

**Section 13: Exit strategy** (Maximum 500 words)

The programme finance available under the RDP is project specific finance and cannot offer long term financial support for initiatives or organisations. It is therefore critical that you have an identified exit strategy and for capital projects that are to go on providing services post project completion, that the services provided are viable and sustainable for the project at the end of the funding award.

* Provide evidence of the durability of the outputs and results of the project – (i.e. the long-lasting effect of the achievements beyond the duration of the project).
* Outline the strategy proposed to secure the long-term impact of the project - (e.g. mainstreaming/sustaining the project/rolling out of results).
* Describe how you will maintain (if appropriate) the project without LEADER funding or manage the expectations of your recipients/participants in the case of scaling back or completing the project.

***Guidance Note Section 13***

**Annex 1: Checklist of Information to be submitted with your Business Plan**

|  |  |  |
| --- | --- | --- |
| **Required Annexes to the Business Plan** | **Description** | **Included (Y/N/Not applicable)** |
| Constitution/Memorandum and Articles of Association/Companies House Registration | Signed Copy of Constitution/Memorandum and Articles of Association  Companies House Registration documentation |  |
| Delivery Plan | Annex 3 |  |
| Marketing Plan | Annex 4 |  |
| Profit and Loss Estimate & Income | Annex 5 |  |
| Benefits Realisation Plan | Annex 6 |  |
| Financial Spreadsheets | Annex 7 (either £90,000 under; or £90,000.01 - £500,000) |  |
| If applicable Draft Partnership agreement | Proposed agreement between partners if there are co-applicants |  |

**Annex 2: Checklist for Capital Projects Applying to the RDP**

In addition to the standard application form and accompanying documentation, the following list outlines the supporting documentation which will be required for proposed Capital Projects.

|  |  |  |
| --- | --- | --- |
| **Requirement** | **Description** | **Included (Y/N)** |
| Description of Proposed Building Works | A detailed description of the capital project is required including the scale of the works proposed. This should link into/form part of the project plan provided in the application form/Project Business Plan. |  |
| Security of Tenure | Evidence of security of tenure is required for the building/land which is to be developed (either freehold or leasehold (25 years) ownership is acceptable). |  |
| Planning Consent | At the time of application full planning approval must be in place. |  |
| Landlord Approval | If the property for which funding has been requested is leasehold, landlord consent must be obtained and proof of an adequate length of lease should be provided (see above). |  |
| Professionals’ Quotes | The budget should be supported with appropriate quotes included for services provided by architects and other professionals. If grant funding is sought for these expenditure items these will need to be publicly procured in line with programme rules. |  |
| Full Budget | A detailed budget should be provided. This may be supported by detailed costing from a Quantity Surveyor. |  |
| Match Funding | Evidence to be provided that funding is secured (attaching evidence) and if unsecured when you expect a decision by the funding body/bank |  |
| Operational Cash Flow | The ongoing operational costs are a major consideration for some capital proposals. Once in place, there are often considerable costs associated with the running, maintenance and upkeep of capital projects. A cash flow (Annex 5b) must be provided to show that you have considered the ongoing project costs and have identified how these costs are to be met. |  |
| Timelines | The proposed start date and completion date should be provided. This may be presented in Annex 3 |  |

**Annex 3: Project Delivery Plan Template**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No. 1** | **Work Plan Title** | | **Start Date** | **End date** | | **Estimated % of total project budget allocated.** | |
|  |  | |  |  | |  | |
| Person(s) (responsible for activity implementation) | |  | | | | | |
| Other partners | |  | | | | | |
| *Describe how this aspect of the project will be managed. Detail on the appropriate phases for preparation, implementation, reporting, monitoring, evaluation, follow-up and dissemination of the project;* | | | | | | | |
| *Enter text description* | | | | | | | |
| **Please describe activities within work plan 1.** | | | | | | | |
| **Activity 1.1** | Activity title | | | | Start month  *(MM.YYYY)* | | End month  *(MM.YYYY)* |
| *Activity description* | | | | | | |
| **Activity 1.2** | Activity title | | | | Start month  *(MM.YYYY)* | | End month  *(MM.YYYY)* |
| *Activity description* | | | | | | |
| **Activity 1.3** | Activity title | | | | Start month  *(MM.YYYY)* | | End month  *(MM.YYYY)* |
| *Activity description* | | | | | | |

**NB: You may develop a work plan for each main activity**

**Annex 4 Project Marketing Plan**Please use the template below as an overview of your communications plan; indicating how you will communicate to particular stakeholders/target groups and how you will evaluate all activities. (Example provided below at 1).

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Target group/ audience/ stakeholder**  **(Complete only where applicable)** | **Why**  (The aim) | **What**  (The product/ results/good practices) | When(When do plan your activity? Is this a one-off activity at launch of project or an ongoing activity? | **How**  Press release News Article Web site Newsletter Face book Twitter | **Who**  (Who is responsible for implementing this part of the plan?) | **Costs** | **Evaluation**  (tell us how you will measure whether or not it has worked) |
| **1. REGIONAL LEVEL** (Local Councils, Local politicians, community groups, regional media, …) | To make people aware of the intermediate project results | collecting /updating different communication activities/ideas | At the launch/completion of the project as well as during key milestones | News Article | Communication officer | Staff costs (£)  Cash costs (£) | e.g. Set target for number of articles to appear in local newspaper? Also the impact – number of users/visitors. |
| **2.Project Launch** |  |  |  |  |  |  |  |
| **3.Project Review Activities** |  |  |  |  |  |  |  |
| **4.Project Final Evaluation** |  |  |  |  |  |  |  |

**Annex 5: Profit and Loss Estimate for the Preferred Option.**

Please provide a profit and loss account for the first three years of the project’s life.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | Default |
| Which option is the preferred option? |  |  | Lifespans |
| Insert average lifespan of buildings to be grant aided |  | years | 25 |
| Insert average lifespan of refurbishment to be grant aided |  | years | 10 |
| Insert average lifespan of equipment/machinery to be grant aided |  | years | 7 |

**Profit and Loss Account**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Project Year** | | |
|  | **1** | **2** | **3** |
|  |  |  |  |
| **Receipts/Income (excluding funding for capital)** |  |  |  |
| Sales income |  |  |  |
| Other trading income |  |  |  |
| - Projected annual fundraising income |  |  |  |
| - |  |  |  |
| - |  |  |  |
| - Value of any existing ongoing revenue grants expected over the period (i.e. ongoing revenue grant approved prior to this application for funding) |  |  |  |
| **(A) Total Receipts/Income** |  |  |  |
|  |  |  |  |
| **Costs (excluding capital expenditure)** |  |  |  |
| Wages / Salaries (not including drawings) |  |  |  |
| Rent/ Rates |  |  |  |
| Purchases (i.e. direct costs- materials/stock) |  |  |  |
| Marketing/Promotion |  |  |  |
| Training Costs |  |  |  |
| Stationery |  |  |  |
| Telephone/Fax |  |  |  |
| Heat, Light & Electricity/ Water |  |  |  |
| Motor expenses |  |  |  |
| Accountancy |  |  |  |
| Repairs/Maintenance Costs |  |  |  |
| Insurance |  |  |  |
| Sundries |  |  |  |
| Haulage & Packaging |  |  |  |
| Other costs – give details……. |  |  |  |
| Interest payments\* |  |  |  |
| Depreciation of existing capital items (applies to existing businesses) |  |  |  |
| Depreciation of new capital items (before capital grant\*\*) |  |  |  |
|  |  |  |  |
| **(B) Total Costs** |  |  |  |
|  |  |  |  |
| **(C) Net Profit / Loss - Before Grants** | 0 | 0 | 0 |
|  |  |  |  |
| Depreciation of new capital items (after capital grant\*\*) | 0 | 0 | 0 |
|  |  |  |  |
| **(D) Net Profit / Loss - After capital grant** | 0 | 0 | 0 |
|  |  |  |  |
| Recurrent/Revenue grant(s) requested\*\*\* | 0 | 0 | 0 |
|  |  |  |  |
| **(E) Net Profit/Loss - After Recurrent/Revenue Grant(s)** | **0** | **0** | **0** |

**Annex 6: Project Benefits Realisation Plan (example included at line 1 for reference only)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **PROJECT LEVEL BENEFITS REALISATION PLAN** | | | | | | |
| **Benefit** | **Owner** | **Target (inc. Baseline)** | **Method & Timing of Measurement** | **Responsibility for Measurement** | **Activities undertaken to Realise Benefits** | **Outcome** |
| *Brief description of the benefit.*  *Jobs*  *Other benefits* | *Person accountable for delivery of this benefit.* | *The current/baseline value, the desired level of benefit, the unit of measurement and the timing.* | *Processes, tools, techniques and resources required to measure achievement of the benefit. Also include timing of measurement i.e. repeated event or a one-off* | *The person/role responsible for measuring achievement of the benefit. Unlikely to be the Owner.* | *The plans/processes that are in place to achieve the benefit.* | *The outcome of the Target/measurement* |
| 1.Total hours access to \_\_\_\_\_\_\_\_ facility for Community Related Projects | Name/position in organisation | **Number of Hours**  Target: +++  Jan- June 2017: Total achieved | Booking system with purpose of usage, gender , and age group on the system. | Person with responsibility (e.g. Centre manager / Project co-ordinator / programme officer) | evidence of any marketing/mail shots carried out to date or promotions. | Achievement of target? |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

**6a Project Evaluation**

|  |  |  |
| --- | --- | --- |
| What information will be evaluated? | Who will be responsible for providing the evaluation information? | When will the evaluation take place? |
| **1.** |  |  |
| **2.** |  |  |
| **3.** |  |  |
| **4.** |  |  |
| **5.** |  |  |
| **6.** |  |  |

**Annex 7: Financial Spreadsheets**

You must complete **one** of the financial spreadsheets below - either the one for projects seeking funding of *£90,000 and under* (the baseline option and only one ‘do something’ option is required); or the one for projects seeking funding *over £90,000* (the baseline option and at least two ‘do something’ options are required).



**Appendix 6F**

**Project Business Plan**

**Guidance**

**RURAL DEVELOPMENT PROGRAMME**

**2014-2020**

**PRIORITY 6: SOCIAL INCLUSION, POVERTY REDUCTION AND RURAL DEVELOPMENT**

**SCHEMES**

**BASIC SERVICES, VILLAGE RENEWAL AND RURAL BROADBAND**

****

**Preparing Your Business Plan**

**Why Do We Need a Business Plan?**

When assessing the merits of a project application the Local Action Group (LAG) needs to undertake an evaluation of:

* the merits of the project proposal against the funding criteria;
* the financial aspects of the proposed project, in relation to the costs of delivering it, the long-term financial requirements and the capacity of the promoter to sustain it;
* how the project promoter proposes to deliver the project;
* whether these proposals represent value for money; and
* whether the promoter has the capacity, skills and experience to manage and deliver the scale and nature of the project proposed.

All projects will be assessed initially for eligibility against the programme rules and how they fit with the Local Development Strategy for your area. However the funding is competitive and the LAG needs to ensure that:

* the project is ‘Investment Ready’ i.e. business plan, full planning permission and match funding are in place;
* the funding offered is the minimum necessary to deliver the project objectives identified;
* the project promoter has the technical skills, organisational capacity, governance arrangements and financial capacity to deliver and sustain the project; and
* there is a robust project plan in place to ensure the project is delivered within the budget and time available.

The Business Plan is the core document that the LAG will use to assess the viability of your project.

To allow for a full assessment of your project you should ensure that your Business Plan comprehensively addresses each of the elements listed below. The LAG will critically and objectively assess the assumptions and arguments you have made within your Business Plan. The LAG therefore needs to see the evidence of how you have come to these, for example, assumptions underpinning need/demand, revenues, costs and employment projections.

**Project Business Plan Contents**

**SECTION 1: Need and Demand** (maximum 2000 words)

Use this section to describe and quantify the specific need for your project.

You need to provide the evidence that your project is actively sought by potential recipients/beneficiaries and that its scale is appropriate to the likely level of demand for its services. This is an essential component to your Business Plan and will establish the core rationale for funding. It will also provide you with the assurance that your project is deliverable and will meet its objectives.

You must consider the following points:

* Provide detailed background information on current situation/current level of service provision (this is called the **Baseline Option**); evidence of deficiencies in current situation/service provision; and opportunities for improvement. For example:
* If the project is for capital works, describe in detail the size of the current building and what it is being used for at present i.e. services that are currently being delivered. If there is no current building then what is being provided in the current area and how is this being done.
* State clearly who is most affected by the current situation/current level of service provision i.e. explain who the potential beneficiaries are and their demographic profile.
* Identify the drivers or underlying causes.
* State the needs/opportunities that the project seeks to address.
* Is the project building upon any previous project(s)?

### Provide details of the proposed project, how need/demand for it was established and the justification for the proposed scale (i.e. evidence that it is appropriate to the likely level of demand for the service). For example:

* Provide a detailed description of your project. If appropriate, include a detailed explanation of the proposed level of service provision. Describe the beneficiaries/potential recipients of the project e.g. if you are proposing certain activities, what are the demographics (age, employment, educational attainment etc.) of potential recipients within the area in which the project will operate.
* How you have consulted with people on need/demand? Please provide evidence or demonstrate this through provision of primary research e.g. questionnaires, intention of use surveys and/or reference to up to date statistics/desk research/consultation. You need to include a detailed summary of your findings and conclusions from your consultations.
* What evidence is there that potential recipients want the type of services/infrastructure you wish to offer?
* How have you determined the scale of your proposed project?

### What are the physical/resource requirements to deliver the project?

### Describe the costs and amounts required.

**SECTION 2: Objectives of the Project** (maximum 500 words)

Use this section to explain what your project aims to achieve. All the objectives of your project should be set out and these should be Specific, Measurable, Achievable, Relevant and Time-bound (ART). The objectives are what the grant will be used to do to put the project in place and get it up and running. For example, to complete construction works by xx/xx/xx, new services to commence by xx/xx/xx, x number of jobs created by xx/xx/xx.

**SECTION 3: STRATEGIC CONTEXT (**maximum 500 words**)**

Describe how the project will contribute to the key priorities of the LEADER funding Scheme, the LAG Strategy and the Council Community Plan.

**SECTION 4: PROJECT OPTIONS CONSIDERED AND PREFERRED OPTION** (maximum 1500 words)

There are many ways in which overall objectives can be delivered. You need to demonstrate that you considered a number of options for the delivery of your project and why they were discounted in favour of the project you have proposed in your application.

You should outline, in brief, the main options that you had considered during the course of developing your project – i.e. a number of different variations on the project. ***Please note for projects £90,000 and under the baseline option and only one ‘do something’ option is required. For projects over £90,000 the baseline option and at least two ‘do something’ options are required.***

Examples of different options include:

* Project scale;
* Varying the timetable for delivery;
* Changing the location or area for delivery;
* Sharing facilities, partnership arrangements, or contracting options with other organisations e.g. engaging the voluntary, community or private sectors;
* Organisational changes and improvements to existing services or facilities;
* Options to rent, build or purchase;
* Refurbishing existing facilities or leasing/ buying new ones;
* Technology change.

You should explain why you selected your preferred option, based on monetary and/or non-monetary factors.

**SECTION 5: DISPLACEMENT** (maximum 500 words)

In order to assess a proposal's net impact on NI, displacement should be considered for all types of financial assistance. A modest degree of displacement may be acceptable but displacement reduces economic efficiency. Displacement may occur in the product, service or factor markets when a grant-assisted business expansion takes business away from competitors in the same market. It also occurs where service development affects customers to similar service provision in an adjacent area. To provide assistance where displacement occurs may not only result in poor value for money but may result in a legal challenge if businesses are threatened. Where displacement is expected to be small, documenting the likely nature and extent will suffice.

Please note that there are almost always some form of competition to new services and facilities. It is important that you consider this issue fully because the LAG will need to form a view on potential displacement which could occur as a result of project funding.

**SECTION 6: ADDITIONALITY** (maximum 500 words)

Additionality is appraised for all projects seeking funding to ensure that the minimum government assistance/intervention is provided to a project in order to make it happen. The net success or impact of such intervention is assessed in terms of its 'additionality' having taken account of what would have happened without such intervention/assistance. Simply put, additionality is the extent to which the intervention/assistance ensured that the project happened where it did, when it did, at the standard it did and the scale to which it happened i.e. size of the project.

A project is fully additional if, without assistance, it would not happen at all and is partially additional if but for the assistance, it would have been carried out elsewhere, at a later stage, on a smaller scale, at a lower standard or a different project would have had to be undertaken. Any excess over the minimum amount of assistance is "deadweight". All public sources of financial assistance to the project are taken into account when assessing additionality.

**SECTION 7: BUDGET AND FINANCIAL PROJECTIONS**

The LAG is obligated to offer the minimum amount of financial assistance necessary to enable a project to proceed and deliver its proposed objectives. We therefore need to understand the costs of your project both capital and revenue, and any revenue projections during its lifetime (both during and post funding) and the cash flow requirements which may be needed during its delivery.

You therefore need to provide completed cash flows, costs assumptions and sensitivities spreadsheets that were issued with this Business Plan for the Baseline and all the Do Something Options and submit them with your Plan. **Please note for projects projecting negative cashflow at the end of Year three, cashflows for Years four and five must be completed**.

**Income**

Please ensure that when you consider income you consider:

* Other grants or donations towards your project. Please identify whether this funding is secured and if unsecured when you expect a decision by the funding body.
* Income generated from charges for goods/services supplied by your project;
* Ensure that the income quoted is gross income (receipts received prior to the deduction of expenses).

**Expenditure**

This section should break down the capital, revenue and overhead costs for delivering your project. Please note that the costs you present will form the basis for the decision on funding award which may be offered by the LAG and therefore these costs should be based, as far as possible, on current market values for the corresponding work. You should also consider the potential for inflation during the lifespan of the project.

For Capital Projects, you should also identify a specified contingency sum (optimism bias allowance) to cover the risk of unforeseen circumstances. This should be applied as a percentage of the total project costs and should reflect the risks identified which may impact on your project. As part of the assessment of your project you will be required to provide written evidence that you have the financial resources to cover this optimism bias figure as part of the match funding of your project.

Please provide:

* Further details of the overall annualised budget for your project (cash flows);
* A cash forecast indicating how you anticipate the funding sought will be drawn down over the lifespan of the project. When considering this forecast you should take into account the amount of time required for procurement.

**NOTE**: It is expected that the budget submitted will not differ significantly from that outlined in the application form.

**The Funding Package**

Details of the funding package should be provided including:

* The level of LEADER financial support required and how this amount is the minimum necessary;
* Co-financing source/type;
* Co-financing in kind by source/type and its link to the project;
* Sources and timing for the introduction of co-financing.

**SECTION 8: RISK ANALYSIS (Risks, Uncertainty & Constraints)**

Use this section to explain what might impact on the project’s ability to deliver the outputs or achieve its full impact.

Please outline the risks associated with each ‘do something’ option and how you will address them. These risks could be:

* technical
* financial
* organisational
* economic
* social
* management
* legal
* timing, or
* environmental.

Explain how you will manage the risks identified.

**SECTION 9: CROSS CUTTING THEMES** (maximum 500 words per theme)

Please indicate in the table the impact of your project on the cross cutting objectives of the programme – neutral or positive - and justify the choice.

***Sustainable Development:***

* Illustrate how you will promote sustainable development in terms of the integration of environmental, economic and social issues.
* Show how the principle of sustainable development has been incorporated into the design of your project and is embedded into the monitoring of the project.
* In the case of any capital/construction projects, have environmental standards been incorporated into the design of the proposed projects? Such standards may include the Building Regulations Code incorporating measures for sustainable design such as: energy/CO2; water; materials; surface water runoff (flooding and flood prevention); waste; pollution; health and well-being; management; ecology.

***Equality***

* Show how your project will mainstream the principle of equality.
* Describe how you will ensure cross-community involvement and promote equality of opportunity and good relations.

**SECTION 10: MANAGEMENT ARRANGEMENTS (Project Delivery, Resourcing & Governance)** (maximum 1,000 words)

It is critical that you have a robust, credible and realistic delivery plan. You should include the following:

**Delivery Plan**

* Details of various actions required to operationalise your project, and the timing of these. (Work Plan Template **Annex 3**).
* For projects involving more than one partner, clearly specify the responsibilities of each partner for different actions or groups of actions.
* Identify key milestones associated with implementation and corresponding dates.
* Detail how activities will be undertaken to ensure the project is delivered as a coherent whole.
* For projects with a large procurement element, detail a procurement plan with responsibilities and time scales.
* You may summarise your delivery plan through use of Gantt chart, or similar tool, outlining your project schedule against the key project elements and activities.

**Governance**

* The project management structure and governance arrangements for the delivery of the project.
* If they are project partners for the delivery of this project please state why the proposed partnership is the best.
* Provide evidence that quality management arrangements are in place regarding timelines, organisation, tasks and responsibilities. These must be well defined and realistic.

**SECTION 11: MARKETING** (maximum 500 words)

You need to outline how you intend to market your project (if relevant for the type of project proposed). The project marketing plan (a template has been provided at **Annex 4**)must detail the costs required in relation to the overall project. The plan should be proportionate with the scale of the project and objectives and scope of the area covered by the project. The plan should include information on:

* WHO? - the target groups to whom you want to convey your messages and the person(s) responsible within the partnership for implementing the information and publicity activity.
* WHY? - the aims of the different project activities and the final results required.
* WHAT? - the strategy and content of the information and publicity activity you intend to undertake.
* HOW? – how you will communicate your messages to the different project stakeholders such as potential participants in the project, those whom the project will impact upon, and the general public.
* WHEN? - an indicative timeframe for the different activities. Being proactive and starting early with your communications plan will be a great help.
* EVALUATION - an indication of how you will evaluate the information and publicity activities and the visibility and awareness you have created of the project and the RDP/EU funding it attracted.
* TIMELINE - an indication of the time needed to implement the communications plan.
* BUDGET – an indication of financial resources needed to implement the communications plan.

**SECTION 12: MONITORING AND EVALUATION** (maximum 500 words)

You will need to monitor the performance of your project during its lifespan. You should provide a Benefits Realisation Plan (a template has been provided at **Annex 6**) which will identify appropriate milestones and delivery targets to assist you in tracking implementation. These targets will form the basis for the grant award and will be linked to the reimbursement of your costs.

* Provide details of the proposed arrangements for monitoring and evaluation – this should be both during and after implementation of the project.
* Indicate factors to be evaluated, when, how and by whom.
* Please note that failure to accurately monitor expected beneficiaries and targets post completion of your project may impact on the level of grant re-imbursement. The Department may impose administrative penalties if targets/commitments, as set out within the Letter of Offer, have not been achieved.

**Section 13: Exit strategy** (maximum 500 words)

The programme finance available under the Rural Development Programme is project specific finance and cannot offer long term financial support for initiatives or organisations. It is therefore critical that you have an identified exit strategy for the project at the end of the funding award. This may take the form of revenue generated from assets created, other sources of finance or the closure of the project and legacy that it leaves behind. It should be noted that all projects develop a degree of expectation and engagement with their beneficiaries and these expectations need to be managed at project completion.

**Appendix 6G**

**LEA Contacts**

|  |  |  |
| --- | --- | --- |
| Causeway Enterprise Agency – Ballymoney  2 Riada Avenue  Garryduff Road  **Ballymoney**  BT53 7LH  Tel: 028 2766 6133  Fax: 028 2766 5019  E-mail: [francisashe@acornbusiness.co.uk](mailto:francisashe@acornbusiness.co.uk) | Antrim Enterprise Agency  58 Greystone Road  **Antrim**  BT41 1JZ  Tel: 028 9446 7774  Fax: 028 9446 7292  E-mail: [admin@antrimenterprise.com](mailto:admin@antrimenterprise.com) | Ards Business Centre Ltd  19 Jubilee Road  **Newtownards**  BT23 4YH  Tel: 028 9181 9787  Fax: 028 9182 0625  E-mail: [nichola@ardsbusiness.com](mailto:nichola@ardsbusiness.com) |
| Armagh Business Centre Ltd  2 Loughgall Road  **Armagh**  BT61 7NJ  Tel: 028 3752 5050  Fax: 028 3752 6717  E-mail: [Eileen@abcarmagh.com](mailto:Eileen@abcarmagh.com) | Ballymena Business Centre Ltd  62 Fenaghy Road  Galgorm Industrial Estate  **Ballymena**  BT42 1FL  Tel: 028 2565 8616  Fax: 028 2563 0830  E-mail: [jenine@ballymenabusinesscentre.co.uk](mailto:jenine@ballymenabusinesscentre.co.uk) | Banbridge District Enterprises Ltd  Banbridge Enterprise Centre  Scarva Road Industrial Estate  Scarva Road  **Banbridge**  BT32 3QD  Tel: 028 4066 2260  Fax: 028 4066 2325  E-mail: [Yvonne@bdelonline.com](mailto:Yvonne@bdelonline.com) |
| Carrickfergus Enterprise  8 Meadowbank Road  **Carrickfergus**  BT38 8YF  Tel: 028 9336 9528  Fax: 028 9336 9979  E-mail: [kelli@ceal.co.uk](mailto:kelli@ceal.co.uk) | Inspire Business Centre  Dundonald Enterprise Park  Enterprise Drive  Carrowreagh Road  **Dundonald**  BT16 0QT  Tel: 028 9055 7557  Fax: 028 6055 7558  E-mail: [Alistair@inspirebusinesscentre.co.uk](mailto:Alistair@inspirebusinesscentre.co.uk) | Causeway Enterprise Agency  Loughanhill Industrial Estate  **Coleraine**  BT52 2NR  Tel: 028 7035 6318  Fax: 028 7035 5464  E-mail: [anna@causeway-enterprise.co.uk](mailto:anna@causeway-enterprise.co.uk) |
| Cookstown Enterprise Centre Ltd  Derryloran Industrial Estate  Sandholes Road  **Cookstown**  BT80 9LU  Tel: 028 8676 3660  Fax: 028 8676 3160  E-mail: [Charlene@cookstownenterprise.com](mailto:Charlene@cookstownenterprise.com) | Craigavon Industrial Development Organisation Ltd (CIDO)  i² CIDO Innovation Centre  Carn  **Craigavon**  BT66 6PW  Tel: 028 3833 3393  Fax: 028 3835 0390  E-mail: [Karen.adamson@cido.co.uk](mailto:Karen.adamson@cido.co.uk) | Down Business Centre Ltd  46 Belfast Road  **Downpatrick**  BT30 9UP  Tel: 028 4461 6416  Fax: 028 4461 6419  E-mail: [joantummon@downbc.co.uk](mailto:joantummon@downbc.co.uk) |
| Dungannon Enterprise Centre  Dungannon Enterprise Park  2 Coalisland Road  **Dungannon**  BT71 6JT  Tel: 028 8772 3489  Fax: 028 8775 2200  E-mail: [alanna@dungannonenterprise.com](mailto:alanna@dungannonenterprise.com) | East Belfast Enterprise Park  308 Albertbridge Road  **Belfast**  BT5 4GX  Tel: 028 9045 5450  Fax: 028 9073 2600  E-mail: [Kenny@eastbelfast.org](mailto:Kenny@eastbelfast.org) | Fermanagh Enterprise Ltd  Enniskillen Business Centre  Lackaghboy Industrial Estate  Tempo Road  **Enniskillen**  BT74 4RL  Tel: 028 6632 7348  Fax: 028 6632 7878  E-mail: [info@fermanaghenterprise.com](mailto:info@fermanaghenterprise.com) |
| Larne Enterprise Development Co Ltd (LEDCOM)  LEDCOM Industrial Estate  Bank Road  **Larne**  BT40 3AW  Tel: 028 2827 0742  Fax: 028 2827 5653  E-mail: [davidgillespie@ledcomwbp.org](mailto:davidgillespie@ledcomwbp.org) | Larne Enterprise Development Co Ltd (LEDCOM)  Willowbank Business Park  Willowbank Road  Millbrook  **Larne**  BT40 2SF  Tel: 028 2826 9973  Fax: 028 2826 8247  E-mail: [davidgillespie@ledcomwbp.org](mailto:davidgillespie@ledcomwbp.org) | Lisburn Enterprise Organisation Ltd  Enterprise Crescent  Ballinderry Road  **Lisburn**  BT28 2BP  Tel: 028 9266 1160  Fax: 028 9260 3084  E-mail: [colleen@lisburn-enterprise.co.uk](mailto:colleen@lisburn-enterprise.co.uk) |
| North Antrim Business Agency  61 Leyland Road  **Ballycastle**  BT54 6EZ  Tel: 028 2076 3737  Fax: 028 2076 9690  E-mail: [linda@causeway-enterprise.co.uk](mailto:linda@causeway-enterprise.co.uk) | Newry & Mourne Enterprise Agency  Enterprise House  WIN Business Park  Canal Quay  **Newry**  BT35 6PH  Tel: 028 3026 7011  Fax: 028 3026 1316  E-mail: [lquinn@nmea.net](mailto:lquinn@nmea.net) | North City Enterprise Centre Ltd  2 Duncairn Gardens  **Belfast**  BT15 2GG  Tel: 028 9074 7470  Fax: 028 3026 1316  E-mail: [kat.maguire@north-city.co.uk](mailto:kat.maguire@north-city.co.uk) |
| North Down Development Org Ltd  Enterprise House  2 – 4 Balloo Avenue  Balloo Industrial Estate  **Bangor**  BT19 7QT  Tel: 028 9127 1515  Fax: 028 9127 0080  E-mail: [emma@nddo.co.uk](mailto:emma@nddo.co.uk) | Enterprise North West  North West Business Complex  Skeoge Industrial Park  Beraghmore Road  **Derry**  BT48 8SE  Tel: 028 7135 2693  Fax: 028 7135 6293  E-mail: [Charles@enterprisenw.com](mailto:Charles@enterprisenw.com) | Omagh Enterprise Company Ltd  Gortrush Industrial Estate  Great Northern Road  **Omagh**  BT78 5LU  Tel: 028 8226 9494  Fax: 028 8224 9451  E-mail: [mary.macrory@oecl.co.uk](mailto:mary.macrory@oecl.co.uk) |
| Ormeau Business Park  8 Cromac Avenue  **Belfast**  BT7 2JA  Tel: 028 9033 9906  Fax: 028 90339937  E-mail: [patricia.mcneill@ormeaubusinesspark.com](mailto:patricia.mcneill@ormeaubusinesspark.com) | Ortus – West Belfast Enterprise Board  Curragh House  Twin Spires Centre  155 Northumberland Street  **Belfast**  BT13 2JF  Tel: 028 9031 1002  Fax: 028 6031 1005  E-mail: [paul@ortus.org](mailto:paul@ortus.org) | Roe Valley Enterprises Ltd  Aghanloo Industrial Estate  Aghanloo Road  **Limavady**  BT49 0HE  Tel: 028 7776 2323  Fax: 028 7776 5707  E-mail: [joanne.miller@roevalleyenterprises.co.uk](mailto:joanne.miller@roevalleyenterprises.co.uk) |
| Strabane Enterprise Agency  Orchard Road Industrial Estate  Orchard Road  **Strabane**  BT82 9FR  Tel: 028 7138 2518  Fax: 028 7188 4531  E-mail: [Christina.mullen@seagency.co.uk](mailto:Christina.mullen@seagency.co.uk) | Work West Enterprise Agency  301 Glen Road  **Belfast**  BT11 8BU  Tel: 028 9061 0826  Fax: 028 9062 2001  E-mail: [majella@workwest.co.uk](mailto:majella@workwest.co.uk) | Workspace Ltd (Draperstown)  The Business Centre  5 – 7 Tobermore Road  **Draperstown**  BT45 7AG  Tel: 028 7962 8113  Fax: 028 7962 8975  E-mail: [enda@workspacegroup.org](mailto:enda@workspacegroup.org) |

**App****endix 6H**

**Regional Groupings for LEA’s**

**Eastern Inner Eastern Outer North East North West Southern Western**

Argyle Ards Acorn (Causeway) Causeway (Coleraine) Armagh Cookstown

East Belfast Castlereagh (Inspire) Antrim Enterprise North West Banbridge Dungannon

North City Lisburn Ballymena Roe Valley CIDO Fermanagh

Ormeau North Down Carrickfergus Workspace Down Omagh

ORTUS Larne Newry & Mourne Strabane

Workwest Causeway (Moyle)

|  |  |
| --- | --- |
| **Antrim & Newtownabbey Borough Council** | **Causeway Coast & Glens District Council** |
| Antrim | Causeway |
|  | Roe Valley |
| **Ards & North Down Borough Council** |  |
| Ards | **Derry City and Strabane District Council** |
| North Down | Enterprise North West |
|  | Strabane |
| **Armagh City, Banbridge & Craigavon Borough Council** |  |
| Armagh | **Fermanagh and Omagh District Council** |
| Banbridge | Fermanagh |
| CIDO | Omagh |
|  |  |
| **Belfast City Council** | **Mid & East Antrim Borough Council** |
| Argyle | Ballymena |
| East Belfast | Carrickfergus |
| North City | LEDCOM |
| Ormeau |  |

**Appendix 6J**

**RURAL BASIC SERVICES DECLARATION (including Technical Assistance) – project name**

[Organisation]

We the undersigned Trustees of [organisation name] have authorised [name of representative who attended funding workshop] to attend, on our behalf, the Rural Basic Services Scheme funding workshop held by (LAG Name).

**Signed**

[Trustee signature]\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

(Print name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

[Trustee signature]\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

(Print name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

[Trustee signature]\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

(Print name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

[Trustee signature]\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

(Print name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

[Trustee signature]\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

(Print name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

[Trustee signature]\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

(Print name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_

**Appendix 7A**

**CHECKLIST OF PROJECT DOCUMENTATION** Tick box

1. **Application Form**
2. **Copy of Application Received Acknowledgement Letter**
3. **Business Plan and Financial Projection Tables**
4. **Application Eligibility Check, including previous funding check**
5. **Copies of any Statutory permissions and Insurance**
6. **Development Path Analysis**
7. **Site Visit proforma**
8. **Evidence of Contact with Key Stakeholders re: Double Funding etc.**
9. **Completed Economic Appraisal checklist**
10. **Scoring markframe**
11. **Assessment Panel minutes**
12. **LAG meeting minutes**
13. **Project Decision Record**

1. **Copy of LoO or Rejection Letter**
2. **Review Process documentation (where applicable)**
3. **All other correspondence relating to the application**

1. **All claims documentation**
2. **Copies of any variation letters agreed**
3. **6-monthly project monitoring report**
4. **Post Project Evaluation documentation**

**Appendix 7Bi**

**Legal Entity of Applicant / Addressing LoO’s**

1. Before entering into a Letter of Offer (i.e. the contract), the LAG must ensure the terms of the LoO can be legally enforced and that such enforcement can be made against one legal entity or person.

2. The Letters of Offer should be addressed to the following:

1. **Private individuals, sole trader or farm family** **proposing a new business or running a non-registered business and non-registered partnerships** - address to the individuals.

1st line: Name of individual

2nd line: blank

3rd line: 221 Any Road, etc.

1. **To businesses (**micro or small enterprises (including SEE’s engaged in an economic activity) **Registered with Companies House** - As the grant recipient is a Company the LOO should be addressed to the Company name and address registered with Companies House.

1st line: Name of business

2nd line: blank

3rd line: 221 Any Road, etc.

Should there be an individual who is acting on behalf of the business, the LoO (addressed to the business or SEE at its registered Company name & address) may also be sent to this individual, at their own address, with a covering letter from the LAG. The LoO should not be addressed to this individual. For this to happen the individual must provide written authorisation signed & dated by all directors to act on behalf of the business or organisation.

1. **Registered Community/Voluntary Organisations (e.g. Company Ltd by Guarantee, Community Interest Company, Limited Liability Partnership)** - As the grant recipient is a Community/Voluntary Organisationthe LOO must always be addressed to the register**e**d name and address of the community/voluntary organisation applying**.**

1st line: Registered Name of Organisation

2nd line: blank

3rd line: 221 Any Road, etc.

An Office Bearer of the organisation (i.e. Chair, Vice Chair, Secretary or Committee Member of the organisation) or a person acting on behalf of the organisation provided with the authority by the organisation to do so, may sign the LoO on the organisation’s behalf. Evidence of the authority can be provided by means of minutes of the meeting where the decision was taken; a letter of declaration; Memorandum; or Articles of Association. The position held by the person within the organisation should be recorded in these documents. The documents must be authorised by the office bearers.

Should there be an individual who is acting on behalf of the organisation, the LoO (addressed to the organisation at its registered address) may be sent to this individual, at their own address, with a covering letter from the LAG, especially if this person is likely to be the person who is authorised to sign the LOO on behalf of the organisation. The LoO should not be addressed to this individual.

1. **To an unincorporated organisation (Constituted Groups) -** If the grant recipient is a Community/Voluntary organisation(formally constituted)the LOO must always be addressed to the name and address of the community/voluntary set out in the constitution.

1st line: Name of Organisation per constitution

2nd line: blank

3rd line: 221 Any Road, etc.

An office bearer of the organisation (e.g. Chair, Vice Chair, Secretary or Committee Member of the organisation) or a person acting on behalf of the organisation provided with the authority by the organisation to do so, may sign the LoO on the organisation’s behalf. Evidence of the authority can be provided by means of minutes of the meeting where the decision was taken; a letter of declaration; or the organisation’s Constitution. The document submitted must be authorised and dated by the office bearers. The position held by the person within the organisation should be recorded.

Should there be an individual who is acting on behalf of the organisation, the LoO (addressed to the organisation at its address) may be sent to this individual, at their own address, with a covering letter from the LAG, especially if this person is likely to be the person who is authorised to sign the LOO on behalf of the organisation. The LoO should not be addressed to this individual.

1. **Organisations with Trustees:** The LOO should be addressed to all the Trustees (name only) of the organisation. The LOO must always be addressed to the name and address of the organisation as set out within its legal documents.

1st line: Name of trustee(s)

2nd line: Name of Organisation

3rd line: 221 Any Road, etc.

The LoO must always contain the names of each Trustee.

One of the Trustees can be authorised by all the Trustees to accept the Letter of Offer. This authorisation will be evidenced through a written declaration from the other Trustees.

Where a Trustee has been provided with the authority by all the Trustees, a covering letter to the Letter of Offer may be addressed to the Trustee at his home address. This individual is required to sign the Letter of Offer, in duplicate, date and return one original to the LAG, within the required 28 day time limit.

An individual other than a Trustee, if authorised by all the Trustees to accept the Letter of Offer on behalf of the organisation (this authorisation will be evidenced through a written declaration from the Trustees), is required to sign the Letter of Offer, in duplicate, date and return one original to the LAG, within the required 28 day time limit. A covering letter to the Letter of Offer may be addressed to this individual at his home address.

1. **Councils - these should state** the name of the Council as specified in Local Government (Boundaries) Order (Northern Ireland) 2012.
2. **NDPB’s or other Strategic bodies** – These must be the address on the DAERA business ID.

**NB:** O**n all Lo**Os, there must be consistency between the name and address:-

* 1. of the applicant (grant recipient) including the name on page 1 of the LoO, on the Form of Acceptance within the LOO and in Annex 1 of the LOO where the name of the body to whom the grant is made is listed.
  2. of the address registered with Companies House (if applicable)

<https://beta.companieshouse.gov.uk>

* 1. of the address registered with HMRC
  2. the name and address held by DAERA  
      for the Business ID
  3. of the owner of the property
  4. of the persons or body providing security
     1. Once a Letter of Offer has issued there should be no changes to the registered business name and address or organisation’s name and address detailed on the Letter of Offer without an investigation into the reasons for the change (for the prevention of possible fraud), which should be submitted to the LAG for approval.
     2. This guidance should be read in conjunction with Desk Instruction, [Chapter 7, paragraph 7.6 - 7.11](#Para_7_6).

**Appendix 7Bii**

Dear Sir/Madam

I confirm that ***(insert name of the organisation)*** is a branch of ***(parent group)*** and that I am authorised to sign this letter on its behalf.

I am aware that ***(insert name of the organisation)*** has submitted an application for funding under the Northern Ireland Rural Development programme. We, ***(parent group)***, support this application and confirm that, to the best of our knowledge, the answers in the application form submitted by ***(insert name of the organisation)*** are true and accurate. We also understand that ***(parent group)*** will be responsible for monitoring this project to ensure that legal and accounting responsibility for the grant awarded are adhered to.

I further confirm that this application is made on the basis that, if successful, in full or in part, both ***(insert name of the organisation)***and ***(parent group)*** will comply with the terms and conditions of the Letter of Offer dated -------in conjunction with the Northern Ireland Rural Development Programme 2014 to 2020. The standard terms and conditions are attached.

The monitoring form will need to be submitted by ***(parent group)*** as the body responsible and accountable for the funding awarded.

Yours sincerely

***signature***

***name***

***role***

Address Parent Organisation

**Appendix 7Biii**

**GAA Clubs – Letter from Parent Body**

Date:

Dear Sir/Madam

I confirm that << *insert name of the Club* >> is a GAA Club affiliated to the Ulster Council GAA and that I am authorised to sign this letter on its behalf.

I am aware that <<*insert name of the Club*>> has submitted an application for funding under the Northern Ireland Rural Development programme. We, Ulster Council GAA support this application and confirm that, to the best of our knowledge, the answers in the application form submitted << *insert name of the Club* >>are true and accurate.

The Ulster Council GAA has delegated a nominee to act as one of five trustees for the Clubs assets. One Trustee also represents the County and the other three are elected by the Club. All property held by the Club is held in trust by the five named Trustees on behalf of the Association and cannot be disposed of, sold or additional borrowings taken against the property unless the Club has approval from the Provincial and Central Councils.

All Club borrowings are subject to approval from the County Committee, Provincial Council (Ulster GAA) and Central Council if required.

As the governing body for Gaelic Games in Ulster, Ulster Council GAA acts a parent organisation of the Club.

I further confirm that this application is made on the basis that, if successful, in full or in part, both <<*insert name of the Club*>> and Ulster Council GAA will comply with the terms and conditions of the Letter of Offer in conjunction with the Northern Ireland Rural Development Programme 2014 to 2020.

The monitoring form will need to be submitted by <<*insert name of the Club*>> as the body responsible and accountable for the funding awarded.

Yours sincerely

***signature***

Provincial Director and Secretary- Ulster GAA

**Appendix 7C**



**The full SME Definition User Guide is available from the LAG Administration Unit**

###### **MODEL DECLARATION FORM**

**Commission communication**

**Model declaration on the information to the qualification of an enterprise as an SME**

(consolidated version)

This Communication aims to promote the application of Commission Recommendation 2003/361/EC (1) on the definition of SMEs, which replaces Recommendation 96/280/EC of 3 April 1996.

There are some 20 million micro, small and medium-sized enterprises in the European Economic Area. They are a major source of jobs and a challenge for competitiveness. Their ability to identify new needs of both end-consumers and industrial operators, their potential for absorbing new technologies, and their contribution to apprenticeship, vocational training and local development, govern future advances in productivity of the entire European Union and its ability to achieve the objectives set at the Lisbon European Council. The responsibility of local, national and Community administrations in devising enterprise policies which take account of the specific needs and skills of these categories of enterprise is thus a question of major importance.

Promoting the development of such policies is the main objective of the new the Commission Recommendation on the definition of SMEs. A more precise definition will ensure greater legal certainty. More suited to the various sub-categories of SME, and taking account of the various types of relations between enterprises, it will promote investment and innovation in SMEs and foster partnerships between enterprises. These advantages should be acquired while preventing enterprises which do not have the economic characteristics or face the problems of genuine SMEs from benefiting unduly from measures targeted at SMEs.

This Recommendation has been the subject of extremely wide-ranging discussions with business organisations, with the Member States and individual business experts within the Enterprise Policy Group (2 ). The preliminary draft was in addition the subject of two open consultations on the Internet. After work lasting for more than one year, there was almost complete consensus despite the diversity of the objectives pursued.

All those who contributed to the revision felt that it is important that the increased legal certainty and improved recognition of the economic reality, should be accompanied by an effort by administrations to simplify and speed up the administrative handling of cases requiring qualification as a micro, small or medium-sized enterprise. To this end, offering enterprises the possibility to complete themselves a concise declaration was considered a modern and convenient method. This declaration could, if necessary, be completed on-line and could also function as a practical "users' manual" for enterprises.

The document attached to this Communication is a model for such a declaration.

(1) JOL 124 of 20.05.2003, p. 36

(2) Commission Decision 2000/690/EC of 8 November 2000 setting up an Enterprise Policy Group, OJ L 285 of 10.11.2000, p. 24

If those Member States using the definition of SMEs wish to speed up the processing of administrative files, it would of course be desirable for this declaration not to increase the overall administrative burden on enterprises, but to replace whenever possible other requests for information previously required. Also it could be preferably incorporated into the files relating to applications to take part in measures for which SME qualification is required.

To this end, the model can be used in the form proposed in the annex. It can also be completed, simplified or adapted to take account of customary national administrative usage. In order to maximise the simplification effect, it would of course be desirable that the same model declaration established by a Member State be used for all administrative purposes in that Member State for which the SME qualification is required.

As the aim of the Recommendation is to provide a common reference framework for the definition of SMEs, it would of course be counter-productive if the use of such a model declaration were to lead to diverging interpretations of that definition. Attention is therefore drawn to the fact that any other model declaration serving the same purpose must take account of all the provisions of the text of the Recommendation in order to determine the qualification of the applicant enterprise as a micro, small or medium-sized enterprise within this Recommendation’s meaning. It is the text of the Recommendation, and not that of the declaration, which sets out the conditions for the SME qualification.

In this regard, it must be stressed that the model declaration proposed refers to the Seventh Council Directive 83/349/EEC concerning consolidated accounts. Enterprises meeting one or other of the conditions set out in Article 1 of that Directive are in fact linked within the meaning of Article 3(3) of the definition of SMEs, having regard to the nature of those conditions. It is therefore convenient for enterprises which are obliged to draw up consolidated accounts, pursuant to that Council Directive, to know automatically that they are also linked within the meaning of the definition of SMEs. In the event of a subsequent amendment to that Directive leading to a divergence between the two definitions, the model declaration would, however, have to be adapted to take account of that.

In view of the timetable for the entry into force of any such possible amendment, that adaptation could probably take place simultaneously

with any possible future amendment to the Recommendation on the definition of SMEs, pursuant to Article 9 of its annex.

**MODEL DECLARATION**

**INFORMATION ON THE SME QUALIFICATION**

**Precise identification of the applicant enterprise**

Name or Business name.................................................................................

Address (of registered office)............................................................................

Registration / VAT number (1 )........................................................................

Names and titles of the principal

director(s) (2)..................................................................................................

**Type of enterprise** (see explanatory note)

Tick to indicate which case(s) applies to the applicant enterprise:

* + Autonomous enterprise
  + Partner enterprise
  + Linked enterprise

In this case the data filled in the box below result from the accounts of the applicant enterprise only. Fill in the declaration only, without annex.

Fill in and attach the annex (and any additional sheets), then complete the declaration by copying the results of the calculations into the box below.

**Data used to determine the category of enterprise**

Calculated according to Article 6 of the Annex to the Commission Recommendation 2003/361/EC on the SME definition.

Reference period (**\***)

|  |
| --- |
| **Headcount (AWU)** |
|  |

(\*) All data must be relating to the last approved accounting period and calculated on an annual basis. In the case of newly-established enterprises whose accounts have not yet been approved, the data to apply shall be derived from a reliable estimate made in the course of the financial year

(\*\*) EUR 1 000.

**Important:**

Compared to the previous accounting period there is a change regarding the data, which could result in a change of category of the applicant enterprise (micro, small, medium-sized or big enterprise)

* **No**
* **Yes** (in this case fill in and attach a declaration regarding the previous accounting period (3 ) ).

**Signature**

Name and position of the signatory, being authorised to represent the enterprise:

...............................................................................................................................

................................................................................................................................

I declare on my honour the accuracy of this declaration and of any annexes thereto.

Done at;..................................................................................................................

Signature; ...............................................................................Date; ..................................................

1. To be determined by the Member State according to its needs
2. Chairman (CEO), Director-General or equivalent.
3. Definition, Article 4 paragraph 2 of the annex to Commission Recommendation 2003/361/EC

**EXPLANATORY NOTE**

**ON THE TYPES OF ENTERPRISES TAKEN INTO ACCOUNT FOR CALCULATING THE HEADCOUNT AND THE FINANCIAL AMOUNTS**

1. **TYPES OF ENTERPRISES**

The definition of an SME (1) distinguishes three types of enterprise, according to their relationship with other enterprises in terms of holdings of capital or voting rights or the right to exercise a dominant influence (2 ).

**Type 1: Autonomous Enterprise**

This is by far the most common type of enterprise. It applies to all enterprises which are not one of the two other types of enterprise (partner or linked).

*An applicant enterprise is autonomous if it:*

* does not have a holding of 25% (3 ) or more in any other enterprise,
* and is not 25% (3) or more owned by any enterprise or public body or jointly by several linked enterprises or public bodies, apart from some exceptions (4 ),
* and does not draw up consolidated accounts and is not included in the accounts of an enterprise which draws up consolidated accounts and is thus not a linked enterprise (5 ).

**Type 2: Partner Enterprise**

This type represents the situation of enterprises which establish major financial partnerships with other enterprises, without the one exercising effective direct or indirect control over the other. Partners are enterprises which are not autonomous but which are not linked to one another.

*The applicant enterprise is a partner of another enterprise if*:

* it has a holding or voting rights equal to or greater than 25% in the other enterprise, or the other enterprise has a holding or voting rights equal to or greater than 25% in the applicant enterprise,
* the enterprises are not linked enterprises within the meaning defined below, which means, among other things, that the voting rights of one in the other do not exceed 50%,

1. Henceforth in the text, the term "Definition" refers to the Annex to Commission Recommendation 2003/361/EC on the definition of SMEs.
2. Definition, Article 3
3. In terms of the share of the capital or voting rights, whichever is higher is applied. To this percentage should be added the holding in that same enterprise of each enterprise, which is linked to the holding company (Definition, Article 3 paragraph 2)
4. An enterprise may continue being considered as autonomous when this 25% threshold is reached or exceeded, if that percentage is held by the following categories of investors (provided that those are not linked with the applicant enterprise):
   1. public investment corporations, venture capital companies, individuals or groups of individuals with a regular venture capital investment activity who invest equity capital in unquoted businesses ("business angels"), provided the total investment of those business angels in the same enterprise is less than EUR 1 250 000,
   2. universities or non-profit research centres,
   3. institutional investors, including regional development funds,
   4. autonomous local authorities with an annual budget of less than EUR 10 million and less than 5000 inhabitants. (Definition, Article 3 paragraph 2, second sub-paragraph)
5. - If the registered office of the enterprise is situated in a Member State which has provided for an exception to the requirement to draw up such accounts pursuant to the Seventh Council Directive 83/349/EEC of 13 June 1983, the enterprise should nevertheless check specifically whether it does not meet one or other of the conditions laid down in Article 3 paragraph 3 of the Definition.

* There are also some very rare cases in which an enterprise may be considered linked to another enterprise through a person or a group of natural persons acting jointly (Definition, Article 3 paragraph 3).
* Conversely, there are very few cases of enterprises drawing up consolidated accounts voluntarily, without being required to do so under the Seventh Directive. In that case, the enterprise is not necessarily linked and can consider itself only a partner.

To determine whether the enterprise is linked or not, in each of the three situations it should be checked whether or not the enterprise meets one or other of the conditions laid down in Article 3 paragraph 3 of the Definition, where applicable through a natural person or group of natural persons acting jointly.

– and the applicant enterprise does not draw up consolidated accounts which include the other enterprise by consolidation, and is not included by consolidation in the accounts of the other enterprise or of an enterprise linked to it (5).

**Type 3: Linked Enterprise**

This type corresponds to the economic situation of enterprises which form a group through the direct or indirect control of the majority of the voting rights (including through agreements or, in certain cases, through natural persons as shareholders), or through the ability to exercise a dominant influence on an enterprise. Such cases are thus less frequent than the two preceding types.

In order to avoid difficulties of interpretation for enterprises, the Commission has defined this type of enterprise by taking over – wherever they are suitable for the purposes of the Definition – the conditions set out in Article 1 of Council Directive 83/349/EEC on consolidated accounts (6 ), which has been applied for many years.

An enterprise thus generally knows immediately that it is linked, since it is already required under that Directive to draw up consolidated accounts or is included by consolidation in the accounts of an enterprise which is required to draw up such consolidated accounts.

The only two cases, which are however not very frequent, in which an enterprise can be considered linked although it is not already required to draw up consolidated accounts, are described in the first two indents of endnote 5 of this explanatory note*.* In those cases, the enterprise should check whether it meets one or other of the conditions set out in Article 3 paragraph 3 of the Definition.

1. **THE HEADCOUNT AND THE ANNUAL WORK UNITS (7)**

The headcount of an enterprise corresponds to the number of annual work units (AWU).

**Who is included in the headcount?**

* The employees of the applicant enterprise,
* persons working for the enterprise being subordinate to it and considered to be employees under national law,
* owner-managers,
* partners engaging in a regular activity in the enterprise and benefiting from financial advantages from the enterprise.
* The employees of a related farming enterprise

Apprentices or students engaged in vocational training with an apprenticeship or vocational training contract are not taken into account in the headcount.

**How is the headcount calculated?**

One AWU corresponds to one person who worked full-time in the enterprise in question or on its behalf during the entire reference year. The headcount is expressed in AWUs.

The work of persons, who did not work the entire year, or who worked part-time - regardless of its duration - and seasonal work is counted as fractions of AWU.

The duration of maternity or parental leaves is not counted.

1. Seventh Council Directive 83/349/EEC of 13 June 1983, based on Article 54(3)(g) of the Treaty and concerning consolidated accounts (OJ L 193 of 18.7.1983, p. 1), as last amended by Directive 2001/65/EC of the European Parliament and of the Council (OJ L 283 of 27.10.2001, p. 28).
2. Definition, Article 5.

**ANNEX TO THE DECLARATION**

**CALCULATION FOR THE PARTNER OR LINKED TYPE OF ENTERPRISE**

**Annexes to be enclosed if necessary**

* Annex A if the applicant enterprise has at least one partner enterprise (and any additional sheets)
* Annex B if the applicant enterprise has at least one linked enterprise (and any additional sheets)

**Calculation for the partner or linked type of enterprise (**1**)** (see explanatory note)

Reference period2 :

|  |  |
| --- | --- |
|  | **Headcount (AWU)** |
| 1. Data (2)of the applicant enterprise or consolidated accounts (copy data from box B(1) in annex B ( 3 )) |  |
| 2. Proportionally aggregated data (2) of all partner enterprises (if any) (copy data from box A in annex A) |  |
| 3. Added up data (2) of all linked enterprises (if any) – if not included by consolidation in line 1 (copy data from box B(2) in annex B) |  |
| **Total** |  |  |  |

(\*) EUR 1 000.

1. Definition, Article 6 paragraphs 2 and 3
2. All data must be relating to the last approved accounting period and calculated on an annual basis. In the case of newly-established enterprises whose accounts have not yet been approved, the data to apply shall be derived from a reliable estimate made in the course of the financial year (Definition, Article 4).
3. The data of the enterprise, including the headcount, are determined on the basis of the accounts and other data of the enterprise or, where they exist, the consolidated accounts of the enterprise, or the consolidated accounts in which the enterprise is included through consolidation.

The data entered in the "Total" row of the above table should be entered in the box “Data used to determine the category of enterprise” in the declaration.

**ANNEX A**

**Partner enterprises**

For each enterprise for which a ‘partnership sheet’ has been completed (one sheet for each partner enterprise of the applicant enterprise and for any partner enterprises of any linked enterprise, of which the data is not yet included in the consolidated accounts of that linked enterprise (4 ) ), the data in the ‘partnership box’ in question should be entered in the summary table below:

**Box A**

|  |  |
| --- | --- |
| **Partner enterprise**  (name / identification) | **Headcount (AWU)** |
| 1. |  |
| 2. |  |
| 3. |  |
| 4. |  |
| 5. |  |
| 6. |  |
| 7. |  |
| **Total** |  |

(\*) EUR 1 000.

(attach sheets or expand the present table, if necessary)

**Reminder:**

This data is the result of a proportional calculation done on the ‘partnership sheet’ for each direct or indirect partner enterprise.

The data entered in the "Total" row of the above table should be entered in line 2 (regarding partner enterprises) of the table in the Annex to the declaration.

**PARTNERSHIP SHEET**

1. **Precise identification of the partner enterprise**

Name or business name.................................................................................

Address (of registered office...............................................................................................................

Registration / VAT number (1 ) ...................................................................................................

Names and titles of the principal director(s) (2) .........................................................................

1. **Raw data regarding that partner enterprise**

Reference period

|  |  |
| --- | --- |
|  | **Headcount (AWU)** |
| **Raw data** |  |

(\*) EUR 1 000.

**Reminder:** These raw data are derived from the accounts and other data of the partner enterprise, consolidated if they exist. To them are added 100% of the data of enterprises which are linked to this partner enterprise, unless the accounts data of those linked enterprises are already included through consolidation in the accounts of the partner enterprise (3 ). If necessary, add “linkage sheets” for the enterprises which are not yet included through consolidation.

1. **Proportional calculation**
2. Indicate precisely the holding (4 ) of the enterprise drawing up the declaration (or of the linked enterprise via which the relation to the partner enterprise is established) in the partner enterprise to which this sheet relates:

...........................................................................................................................................................

...........................................................................................................................................................

Indicate also the holding of the partner enterprise to which this sheet relates in the enterprise drawing up the declaration (or in the linked enterprise):

...........................................................................................................................................................

...........................................................................................................................................................

1. The higher of these two holding percentages should be applied to the raw data entered in the previous box. The results of this proportional calculation should be given in the following table:

**‘Partnership box’**

|  |  |
| --- | --- |
| **Percentage: ….** | **Headcount (AWU)** |
| **Proportional results** |  |

(\*) EUR 1 000.

These data should be entered in *Box A* in Annex A.

1. To be determined by the Member State according to its needs
2. Chairman (CEO), Director-General or equivalent.
3. Definition, Article 6 paragraph 3, first sub-paragraph
4. In terms of the share of the capital or voting rights, whichever is higher. To this holding should be added the holding of each linked enterprise in the same enterprise (Definition, Article 3 paragraph 2 first sub-paragraph).

**ANNEX B**

**Linked enterprises**

* 1. **DETERMINE THE CASE APPLICABLE TO THE APPLICANT ENTERPRISE:**
* **Case 1:** The applicant enterprise draws up consolidated accounts or is included by consolidation in the consolidated accounts of another enterprise. (Box B(1))
* **Case 2:** The applicant enterprise or one or more of the linked enterprises do not establish consolidated accounts or are not included in the consolidated accounts. (Box B(2)).

**Please note:** The data of the enterprises, which are linked to the applicant enterprise, are derived from their accounts and their other data, consolidated if they exist. To them are aggregated proportionally the data of any possible partner enterprise of that linked enterprise, situated immediately upstream or downstream from it, unless it has already been included through consolidation (1).

**In case 1:** The **B. CALCULATION METHODS FOR EACH CASE:**

consolidated accounts serve as the basis for the calculation. Fill in Box B(1) below.

**Box B(1)**

|  |  |
| --- | --- |
|  | **Headcount (AWU) (\*)** |
| **Total** |  |

(\*) Where in the consolidated accounts no headcount data appears, the calculation of it is done by adding the data from the enterprises to which the enterprise in question is linked.

(\*\*) EUR 1 000.

The data entered in the "Total" row of the above table should be entered in line 1 of the table in the Annex to the declaration.

**Identification of the enterprises included through consolidation**

|  |  |  |  |
| --- | --- | --- | --- |
| **Linked enterprise**  (name / identification) | **Address**  **(of registered office)** | **Registration / VAT number (\*)** | **Names and titles of the principal director(s) (\*\*)** |
| A. |  |  |  |
| B. |  |  |  |
| C. |  |  |  |
| D. |  |  |  |
| E. |  |  |  |

(\*) To be determined by the Member State according to its needs (\*\*) Chairman (CEO), Director-General or equivalent.

**Important:** Partner enterprises of such a linked enterprise, which are not yet included through consolidation, are treated like direct partners of the applicant enterprise. Their data and a ‘partnership sheet’ should therefore be added in Annex A.

**In case 2:** For each linked enterprise (including links via other linked enterprises), complete a "linkage sheet" and simply add together the accounts of all the linked enterprises by filling in Box B(2) below.

(1) Definition, Article 6 paragraph 3, second sub-paragraph

**Box B(2)**

|  |  |
| --- | --- |
| **Enterprise** No.: | **Headcount (AWU)** |
| 1.(\*) |  |
| 2.(\*) |  |
| 3.(\*) |  |
| 4.(\*) |  |
| 5.(\*) |  |
| **Total** |  |

(\*) attach one “linkage sheet” per enterprise (\*\*) EUR 1 000.

The data entered in the "Total" row of the above table should be entered in line 3 (regarding linked enterprises) of the table in the Annex to the declaration.

**LINKAGE SHEET**

**(only for linked enterprises not included by consolidation in Box B)**

1. **Precise identification of the enterprise**

Name or business name......................................................................................................

Address (of registered office).....................................................................................................

Registration / VAT number (1 ).............................................................................................

Names and titles of the principal director(s) (2)....................................................................

1. **Data on the enterprise**

Reference period

|  |  |  |
| --- | --- | --- |
|  | **Headcount (AWU)** | **Balance sheet total (\*)** |
| **Total** |  |  |

These data should be entered in Box B(2) in Annex B.

**Important:** The data of the enterprises, which are linked to the applicant enterprise, are derived from their accounts and their other data, consolidated if they exist. To them are aggregated proportionally the data of any possible partner enterprise of that linked enterprise, situated immediately upstream or downstream from it, unless it has already been included through consolidation (3).

Such partner enterprises are treated like direct partner enterprises of the applicant enterprise. Their data and a ‘partnership sheet’ have therefore to be added in Annex A.

1. To be determined by the Member State according to its needs
2. Chairman (CEO), Director-General or equivalent.
3. If the data of an enterprise are included in the consolidated accounts to a lesser proportion than the one determined under Article 6 paragraph 2, the percentage rate according to that article should be applied (Definition, Article 6 paragraph 3, second sub-paragraph).

**Appendix 7Di**

**APPLI****CATION ELIGIBILITY CHECK**

# (To be Completed by the Administration Unit)

|  |  |  |  |
| --- | --- | --- | --- |
| **APPLICANT:** | **PROJECT TITLE :** | | |
| **PROJECT REF NO :** | **SCHEME :** | | |
| **ELIGILITY CRITERIA** | | **Yes / No** | **Comments / Evidence** |
| 1. Has the application form been submitted by the required deadline of the call for applications? | |  |  |
| 2. Is the applicant 18 years old or over? | |  |  |
| 3. Has the application form been sufficiently completed in order to allow an initial assessment of the proposal? | |  |  |
| 4. Is the proposed project located in a rural area as defined in the approved LAG strategy? | |  |  |
| 5. Has the application been submitted by or on behalf of an eligible applicant as set out in the scheme(s) sheet? | |  |  |
| 6. Have the following pre-requisites been met at time of application –   * business plan and financial projections in line with RAD template format? * registration of attendance at a funding workshop? * evidence of full planning permission in place? * written evidence of source of match funding\* provided? * has applicant provided quotations/tenders, in line with the Scheme rules, with the Application Form or to the LAG by the closing date of the call? * Is there a price comparison for each item to be funded? | |  | Name of Attendee  \_\_\_\_\_\_\_\_\_\_\_  Date Attended \_\_\_\_\_\_\_\_\_\_\_ |
| 7. Is the proposal eligible under the Scheme rules and within funding rates applicable? | |  |  |
| 8. Will the project be delivered within the lifetime of the programme? | |  |  |
| 9. Has the applicant indicated previous funding on application form?  If yes, are there any current RAD reportable irregularities? | |  |  |
| **The comments/evidence provided in the following sections must clearly describe the extent to which the project proposal meets the specified criteria.** | | | |
| 10. Describe the extent to which the proposed project is compatible with the aims and objectives of the approved LAG strategy. | | | |
| 11. Describe the extent to which the proposed project will meet a demonstrable and identified need: | | | |
| **In addition to sufficient evidence being provided at sections 10 and 11, the answers to questions 1-8 must be YES in order to proceed to the Assessment Process.** | | | |
| **Signed By : (Project Officer)** | | | **Date :** |
| **Decision By Project Manager :**  **The application should\*/should not \*\* proceed to Full Assessment Stage**  **\* Carry out Site Visit, Economic Appraisal etc**  **\*\* recommendation to LAG re: ineligibility**  **Signed:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date :\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | | | |

\* for clarification on match funding requirements, please refer to [Chapter 7, paragraph 7.22](#Para_7_22).

**Appendix 7Dii**

**Business Investment Scheme, Basic Services, Village Renewal and Broadband**

**Stand Alone Applications for Technical Support and Marketing Support.**

**Key Principles**

Eligible

* Marketing element which would include information leaflets, brochures or a publicity/information website.
* Marketing support (higher level) will be web based and must include provision for e-trading, i.e., someone can purchase and pay for goods online.
* Bespoke training is defined as training commissioned to a particular specification, for example, training that is necessary for the implementation of the funded project. Training that is available generally, either in the market place or through another Govt Dept/Council/Agency (such as a FE college, Invest Northern Ireland, Local Enterprise Agency), is not eligible within Priority 6’.
* Feasibility studies are eligible expenditure even if there is no expenditure on the project proposal as long as the activity was capable of being supported under the Priority 6, LEADER Scheme documents.

Not Eligible

* Feasibility studies for renewable energy.
* Reprinting of marketing materials.
* Any costs associated with new business taking part in ‘Go for It’ Regional Start Initiative, for example, costs associated with production of a Business Plan.
* Technical Support, Bespoke Training and Marketing in relation to projects or activities that are not eligible for support under the Priority 6 Schemes or if the main implementation project would not be eligible under the Scheme applied to.
* Costs associated with the development of a Business Plan.
* Search Engine Optimisation Costs, Internet Pop-up Ads or items for which monthly, quarterly or annual fees are paid. These are viewed as administration/running costs.

**Requirements**

1. Compulsory requirement to attend and register at the LAG pre-application Workshops.
2. Grant Level and Intervention Rates as per Scheme Documents. Grant levels may be amended by the LAG and included in its Local Development Strategy.
3. Applicant must complete an application on-line once LAG has opened a call for applications.
4. Only one application per call per business/organisation will be accepted. For second/further applications a LoO must not issue until targets from the first/previous LoO investment have been achieved
5. For second (or subsequent applications from the same business) under RBIS, LoO targets for jobs creation must be achieved and evidenced. In addition LAGs should also consider any other targets i.e. expected increase in sales/turnover, this should be assessed against the Business Plan forecasts prior to the issue of a second (or subsequent) LoO to the same business. If at the opening of a call for applications, job targets have not been achieved and evidenced and the LAG assessment of other targets is not on course then the business should not be invited to make an application to the closed call.
6. Applicant must provide written evidence of source of match funding at time of application or by the closing date of the call.
7. Applicant must provide 2 quotations (in-line with applicant procurement guidance) at time of application or by the closing date of the call.
8. In order to determine eligibility of applicant (Q5 of Stand Alone Eligibility Check Form) for micro/small business evidence can be the most recent annual accounts provided (1 year) and PAYE records. For businesses that do not have a full set of accounts, evidence of trading is required, i.e., interim accounts or statement of affairs (the data to apply is to be derived from a bone fide estimate made in the course of the financial year), order book or invoices on business stationery, which should be available at the site visit.
9. For an individual seeking technical assistance for a feasibility study or bespoke training prior to establishing the business, the Admin Unit must seek formal ID from the individual including evidence of their address.
10. For applications from community organisations a copy of the Group’s signed Constitution or, if registered with Companies House a copy of their memorandum and articles of association documents, is required
11. An Application Eligibility Checklist must be completed in all cases (Appendix 7Dii). While there is no requirement for a Business Plan or Economic Appraisal, a project report must be prepared by the Admin Unit for submission to the assessment panel to assist in setting a score for the application. The report should;
    1. Include details of the background to the business; purpose of the proposed investment including evidence of need identified; and how the project will contribute to the priorities within the LAG Development Strategy and Priority 6 Scheme documents.
    2. include any further information gathered at the site visit including an assessment of displacement, additionality, risk and management experience.
    3. include the anticipated financial economic benefit from the proposed investment for Marketing/Training investments.

* If approved for funding by LAG Board the Admin Unit will select ‘N’ Economic Appraisal stage (this is a Y/N field on Database 2014) and will enter a score on the database (as this is a mandatory field) in order to create a LoO on the database.

**Please note the only easement for Stand Alone Applications is no requirement for a Business Plan or Economic Appraisal. All other eligibility and project assessment checks set by the desk instructions apply.**

**Annex A**

| Article 5 of Regulation (EU) No 1305/2013 / focus area code | Focus area |
| --- | --- |
| 1A | Fostering innovation, cooperation, and the development of the knowledge base in rural areas |
| 1B | Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance |
| 1C | Fostering lifelong learning and vocational training in the agricultural and forestry sectors |
| 2A | Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification |
| 3A | Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations |
| 4A | Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes |
| 4B | Improving water management, including fertiliser and pesticide management |
| 4C | Preventing soil erosion and improving soil management |
| 5E | Fostering carbon conservation and sequestration in agriculture and forestry |
| 6B | Fostering local development in rural areas |

**Appendix 7Dii**

**STAND ALONE APPLICATIONS FOR TECHNICAL SUPPORT, BESPOKE TRAINING AND MARKETING SUPPORT**

# APPLICATION ELIGIBILITY CHECK

# (To be Completed by the Administration Unit)

|  |  |  |
| --- | --- | --- |
| **APPLICANT:** | **PROJECT TITLE :** | |
| **PROJECT REF NO :** | **SCHEME :** | |
| **ELIGILITY CRITERIA** | **Yes / No** | **Comments / Evidence** |
| 1. Has the application been submitted by the required deadline of the call for applications? |  |  |
| 1. Is the applicant 18 years old or over? |  |  |
| 1. Has the application form been sufficiently completed in order to allow an initial assessment of the proposal? |  |  |
| 1. Is the proposed activity for the benefit of a business/organisation in a rural area as defined in the approved LAG development strategy? |  |  |
| 1. Has the application been submitted by or on behalf of an eligible applicant as set out in the Scheme rules? |  |  |
| 1. Is the proposal eligible under the Scheme rules and within funding rates applicable? |  |  |
| 1. Will the project be delivered within the lifetime of the programme? |  |  |
| 1. Is there evidence that the applicant attended and registered at a LAG funding workshop? |  | Name of Attendee  \_\_\_\_\_\_\_\_\_\_\_  Date attended \_\_\_\_\_\_\_\_\_\_\_ |
| 1. Has applicant provided quotations in line with the Scheme rules, with the Application Form or to the LAG by the closing date of the call? 2. Is there a price comparison for each item to be funded? |  |  |
| 1. Has applicant provided written evidence of the source of match funding with the application or to the LAG by the closing date of the call? |  |  |
| 1. Has the applicant indicated previous funding on application form?   If yes, are there any current RDP reportable irregularities. |  |  |
| **All questions must be answered, and the answer to questions 1-10 must be YES in order to proceed to the LAG Assessment Panel.** | | |
| **Signed By : (Project Officer)** | | **Date :** |
| **Recommendation by Admin Unit Manager:**  **The application \*should/should not proceed to the LAG Assessment Panel**  **Signed:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date :\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **\*delete as appropriate** | | |

|  |
| --- |
| **Scoring Matrix for Stand Alone applications – Assessment Panel** |
| |  |  | | --- | --- | | **1. Focus Area**  **Does the project contribute to a focus areas? (See Annex A)** | **1A to 6B list one only** | | Primary Focus Area to which project contributes |  | |  | | | What secondary Focus Area(s) does the project contribute to?  List as many as apply. (see Annex A) | | |  | | |
| |  |  |  | | --- | --- | --- | | **2. ANALYSIS OF NEED (Q13 (i) and (ii) of application form)**  The needs/demands for the project are clearly identified and the outcome of the funding will have a direct impact on those needs. (For feasibility studies need has been established and the proposed project/outcome would contribute to the priorities identified with the LAG Strategy). | **Score**  **100** | | | **High Score: 76- 100 marks**  Strong evidence of need for the project. The applicant has presented a very clear and detailed description of the project and how it meet the needs identified. The applicant has outlined a clear plan for implementing the project. The project has a very strong fit with the LAG Strategy.  **Medium to Low Score: 65 – 75 marks**  Sufficient evidence of need for the project has been presented. The applicant has presented a good description of the project and how it has been designed to meet identified needs. The project would contribute to priorities identified within the LAG Strategy.  **Low Score: 0 – 64 marks**  Insufficient evidence established for the need for the project and / or it will not contribute to achievement of the priorities of the LAG Strategy. | |  |   **Summary scores**   |  |  |  |  | | --- | --- | --- | --- | | **Criteria reference** | **Funding Criteria** | **Maximum Score** | **Score** | | **2** | **Analysis of Need** | **100** |  |   Note: only projects that score 65 Marks and over will be considered for funding. |

**Date of Assessment Panel Meeting:**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**The Assessment Panel has decided the above project should be \*accepted/rejected/or deferred. (\**delete as appropriate*)**

**The rationale for this decision MUST be recorded in the assessment panel minutes and all Assessment Panel members must sign below.**

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

Chair of Assessment Panel

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

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

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

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

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

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

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

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

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

**Existing businesses** **Appendix 7D(iii)**

**New Businesses**

Is the proposed project delivering new or innovative products or services?

Will the project create new direct employment?

Does the project replace old

equipment, furniture or infrastructure?

Does the project entail using equipment that could be used on farm?

Does the project involve equipment that can be used for the preparation of food or

processing of food?

Does the project involve the processing of an annex 1 product that could be for human or animal consumption?

Does the project involve processing wood for energy production/wood fuelled heating systems?

NO

NO

NO

YES

YES

YES

YES

Proceed to displacement check and interrogation of Business Plan

STOP

YES

YES

STOP

STOP

STOP

STOP

YES

YES

YES

NO

NO

No

Is the proposed project in line with your strategy targets?

NO

STOP

YES

STOP

#### 

#### **Appendix 7E**

**Rural Development Programme 2014-2020**

**Revised Final Version 10/10/2016**

The Rural Business Investment Scheme (£27m) will provide investment support for the creation and development of micro and small enterprises (including farm diversification and private tourism businesses) in rural areas. All businesses applying will require a business plan to support their application at time of applying. The level of funding will be dependent on the businesses’ potential for growth in the short to medium term. The funding will primarily provide capital grants with some resource funds towards bespoke training and marketing. Support is primarily targeted at rural areas i.e. excluding towns with a population of more than 5,000. However where need and benefit is proven in the Interim Local Development Strategy and at the discretion of the LAG this can be extend to include towns with a population of up to 10,000.

### Description of the Operation

Support is provided for capital investments in creation and development of non-agricultural activities in rural areas for all micro and small enterprises. The programme is not designed to sustain jobs, because its primary objective is to create new jobs. This might be either an activity which is new for an existing enterprise[[6]](#footnote-6)1 (or an expansion of an existing activity leading to job creation) or a new business start up. The following is a list of the types of activity which might be supported.

* Rural tourism activities, including some types of rural accommodation, tourism service provision, craft retail unit in front of a production unit, restaurants. This refers to rural tourism activities which could include, among other things, restaurants. But this must be considered within the context of Tourism, i.e., such an investment would have to clearly support the Tourism industry and out of state visitors. This may be associated with a Tourism product or a very unique restaurant experience – on farm produce etc;
* Construction, re-construction or establishment of workshops, factories, plants, premises and facilities for various activities such as repair of machinery; production and/or processing of non-agricultural goods and materials, plastics, sewage and refuse disposal, sanitation and similar activities;
* Processing and marketing of some agricultural products (referred to as Annex 1) where the output is non food, not fit for animal consumption or a processed wood product;
* Social service provision including construction, re-construction and/or modernisation of premises and area for carrying out the activities (childcare, eldercare, healthcare, care for disabled people, educational farms, etc.);
* Development of crafts and handicraft activities;
* Investments in leisure, recreational and sport activities developed by private businesses or social economy enterprise as an economic activity i.e. the business will be funded at the same intervention rate as private business (50%), any projects relating to sport must fit with DCAL’s (now part of Department for Communities) investment strategy on sport;
* IT activities, computer-based and electronic activities, e-commerce, online warehouse, etc;
* Provision of services e.g. Architectural and engineering activities, accounting, book keeping and auditing services, technical services, industrial cleaning, veterinary and animal welfare activities, etc.
* Marketing element which would include website development and information leaflets/ brochures.
* Bespoke training is defined as training commissioned to a particular specification for example training that is necessary for the implementation of the funded project. Training that is available generally, either in the market place or through another Govt Dept/Council/Agency (such as a FE college, Invest Northern Ireland, Local Enterprise Agency), is not eligible within Priority 6’.

### Type of Support

Support will be provided through grant aid. No advance payments will be available. Only one application per business (which includes linked businesses) per call will be accepted.

### Eligible Costs

The following costs are eligible for support;

1. The construction, or improvement of immovable property;
2. The enhancement (**not including additional bed space)** of existing bed and breakfast, self catering accommodation with less than 10 rooms, hostels with less than 10 rooms, guest house accommodation with less than 10 rooms;
3. Construction or development of caravan sites, campsites, pod sites or bunkhouse accommodation. Bunkhouse accommodation must meet Tourism NI criteria for a Bunkhouse and a DAERA requirement that the Bunkhouse accommodation must be suitable for groups of 10 or more visitors;
4. The purchase of new machinery and equipment, up to the market value of the asset;
5. The processing of agricultural products (known as Annex 1 products) that lead to an output that is not for human or animal consumption; (see list of Annex 1 products at [Appendix 7Fii](#Appendix_7Fii)).
6. Manufacturing/processing of items or products from wood/timber (see ineligible items (v) in respect of energy production and wood fuel);
7. General costs linked to the expenditure such as architects, engineers and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies, the acquisition of patent rights and licences, up to a total maximum of 10% of the eligible project grant amount. Feasibility studies are eligible expenditure even if there is no expenditure under points (a) and (b) as long as the activity was capable of being supported;
8. Intangible investments such as acquisition or development of computer software and acquisitions of copyrights, trademarks;
9. Marketing element which would include website development and information leaflets/ brochures, trade show space rental. Any applicant wishing to apply for the higher level of grant aid (up to £10,000) under website development MUST be implementing a fully functional e-commerce site;
10. ‘Bespoke training course fees including enrolment, tuition and accreditation. Bespoke Training is defined as training commissioned to a particular specification for example training that is necessary for the implementation of the funded project. Training that is available generally, either in the market place or through another Govt Dept/Council/Agency (such as a FE college, Invest Northern Ireland, Local Enterprise Agency) is not eligible within Priority 6’.
11. The purchase of second-hand equipment by micro or small sized enterprises will only be eligible in circumstances where:

* It is identified at time of application.
* The equipment has not been grant aided in the previous 7 years.
* The second-hand equipment is fit for the proposed project activity.
* The equipment is in good quality and with enough working life to be able to meet the 5 year asset durability test.
* It represents a sufficient advantage in terms of value for money when compared with new equipment.
* Where a project promoter disputes a market value assessed by the above method, they may obtain, at their own expense, an independent valuation from a competent engineer or plant auctioneer. In such cases the LAG must decide which market valuation should apply.

**Ineligible Costs**

Examples of costs that are **not** eligible for support under LEADER include the following;

1. Costs connected with the leasing contract, such as lessor’s margin, interest refinancing costs, overheads and insurance charges or anything deemed to be a running cost;
2. Investments which are considered by the LAG to have an unacceptable negative effect on the environment (or proposed investment fails to meet environmental regulations);
3. The purchase of buildings and/or land, including through leasing of property as part of a project;
4. Replacement investments i.e. new for old/like for like and maintenance costs for existing buildings, plant or equipment, including kitchens in existing buildings;
5. Investments in new build bed and breakfast, self catering accommodation, hotel accommodation, guest houses or hostels or additional bed space in existing ones;
6. Lease-purchase/hire purchase of new machinery and equipment,
7. Purchase and installation of renewable energy technologies;
8. The purchase of cars, vans, motorcycles, bicycles, light aircraft and any other form of transport 2 (for whatever purpose);
9. The purchase of vehicles[[7]](#footnote-7)3 for transportation (such as lorries, buses, vans, minibuses or any other kind of vehicle used to transport or move goods or people);
10. Tractors and Agricultural machinery;
11. Expenditure incurred or work commenced/goods purchased before the letter of offer project start date or after the letter of offer project end date;
12. Payments for gifts and donations or personal entertainments (including alcohol);
13. Training i.e. any training currently provided by a statutory body such as colleges, Invest Northern Ireland, Local Enterprise Agencies or other council funded scheme;
14. Travel and/or accommodation associated with attendance at bespoke training or trade shows;
15. Reprinting of marketing materials or costs associated with internet ads, pop-up ads or search engine optimisation (SEO);
16. No aspect of an activity being funded should be party political in intention, use or presentation, or likely to be perceived as discriminatory on grounds of religion, colour, race, gender or disability;
17. Statutory fines and penalties, criminal fines and damages;
18. Legal expenses in respect of litigation;
19. Any cost associated with meeting a legislative or statutory requirement for the business;
20. Reclaimable VAT;
21. Improvement/refurbishment/installation of all assets associated with a residential property, including attics, garages, extensions and gardens;
22. Feasibility studies for renewable energy;
23. Costs associated with agricultural products (known as Annex 1 products) where the output is for human or animal consumption, i.e., anything associated with food storage, preparation and processing; or is a wood processed product for energy production or wood fuelled heating systems;
24. Any form of retail business;
25. Standalone equipment e.g. generators, compressors etc. (However, these may be eligible if part of a wider suite of equipment needed for the project to be funded);
26. Livestock Markets.
27. The construction of any build and/or any associated equipment intended for the separation and drying or the recycling of animal bedding for sale.

**Beneficiaries**

Beneficiaries under this support option are:

* Private Individuals (18 years of age or over) in rural areas
* Micro or Small enterprises\* (performing non-agricultural activity)
* Social Economy Enterprises engaged in economic activities in rural areas Eligibility conditions

Supported enterprises should be operational in rural areas (i.e. excluding towns with a population of more than 5,000) and must contribute to the objectives and priorities outlined within the LAG Local Development Strategy. However where (and at the discretion of the LAG) the need and benefit is proven in the Local Development Strategy this can be extended to towns with a population of up to 10,000. Eligible applicants must have a business plan for the proposed operation, and business interest within the focal rural area.

Applicants failing to achieve LOO targets and outputs in previous applications to Priority 6 may be debarred from applying until achieved.

**Only one application per business per call will be accepted**.

### Amounts and Support Rates

* Support (including existing farm diversification businesses) minimum grant level of £5,000 (£500 minimum for technical support, bespoke training and marketing) and a m**a**ximum of £90,000, depending on the [[8]](#footnote-8)4size of the business either a Micro Enterprise or a Small Enterprise.
* Technical assistance support will be available up to 50% at a maximum of £5,000. Marketing will be paid up to £5,000 and website development to encourage e-commerce/on-line trading will be paid up to £10,000. Bespoke training will be paid up to maximum grant of £5,000.
* Please note any application for grant must not exceed the maximum level of funding available (set within the Local Rural Development Strategy by the LAG) which may include any funding towards technical assistance.

**Intervention Rates**

|  |  |  |  |
| --- | --- | --- | --- |
| Activity | Min Grant per project application | Max Grant per project application | Level of support |
| New micro business Capital Grant | £5,000\* | £30,000 | Up to 50% for the private sector  and social economy enterprises |
| Existing micro enterprise Capital Grant | £5,000\* | £50,000 | Up to 50% for the private sector  and social economy enterprises. |
| Existing Small Enterprise Capital Grant | £5,000\* | £90,000 | Up to 50% for the private sector  and social economy enterprises. |
| Technical support and bespoke training | £500\* | £5,000 | Up to 50% for all applicants |
| Marketing support web based | £500\* | £10,000 | Up to 50% for all applicants |
| Marketing support non web based | £500\* | £5,000 | Up to 50% for all applicants |

\* These are minimum grant levels.

An Enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form.

Marketing and bespoke training can be included in an application for full grant aid but will reduce the amount of grant available by the amount of the marketing within the limits above.

**State Aid**

All funding will be paid as de minimis aid in accordance with Regulation (EU) 1407/2013 i.e. no one applicant can receive more than €200,000 in any 3 fiscal year period. A de minimis aid checklist must be completed in respect of each application. be made.

**Payments**

All grant payments will be made retrospectively by claim and no advances will be available.

#### Projects can avail of phased payments with no more than five; these must be linked to tangible outputs on the Letter of Offer schedule of eligible expenditure.

*Where the total project cost is greater than £10K Community/Voluntary groups must be registered as Community Interest Company, Limited Liability Partnership or Company limited by guarantee. Where the total project cost is £10K or less the Community/Voluntary group must have a constitution in place. In all cases a lease must be in place to cover the duration of the project (1 year, 2 years etc).*

**Rural Development Programme 2014-2020**

**Rural Development Programme 2014-2020**

**Revised Final Version 24/06/2016**

Access to Basic Services Scheme (£15M) will support capital investments which will provide access to basic services or improvements in social infrastructure (including activities to reduce isolation and/or poverty) to improve the welfare and access to basic services of those living in rural areas and which are an integral part of and in line with the Council Community Plan and emerging priorities.

**Description of the Operation**

Projects must relate to the main theme of Innovative Service Delivery, such as the creation of health hubs to deliver multiple services or community hubs where the capital infrastructure is put in place to allow a number of services to be delivered to the community. Infrastructure projects will be limited to small-scale capital developments (up to £500,000).

* Developing facilities to provide access to absent or otherwise difficult to access basic services for local rural community (includes kitchens).
* Developing the capital infrastructure for community enterprises to enable them to provide basic services for rural communities where there is a clear demonstrable need e.g. childcare, eldercare, health where part of a larger community hub.
* Capital build to allow demonstration or pilot projects to enhance existing service provision.
* Recreational, cultural and leisure activities which address negative trends in local economic and social development, any projects relating to sport must fit with respective Councils Sport and Leisure Facilities Strategy.
* Feasibility studies as stand-alone projects to determine the potential viability of translating a basic service delivery idea into a sustainable project that would be eligible to receive grant aid under the scheme.
* Bespoke Training is defined as training commissioned to a particular specification, for example training that is necessary for the implementation of the funded project. Training that is available generally, either in the market place or through another Govt Dept/Council/Agency (such as a FE college, Invest Northern Ireland, Local Enterprise Agency), is not eligible within Priority 6’.

### Type of Support

Support will be provided through grant aid and advance payments may be available for Community, Voluntary and Social Economy Enterprise projects who would not otherwise be able to access the capital to commence implementation of their project:

* Advances are subject to a 100% guarantee provided by a bank or other equivalent financial institution established in the Member State;
* Advances will not exceed 20 % of the total amount of the aid to be granted to a beneficiary for a given operation.

### Eligible Costs

The following costs are eligible for support;

1. The construction, acquisition, or improvement of immovable property. Any sport or leisure related project (including community halls) must comply with the respective Sports and Leisure Facilities strategy and must be subject to a review by the Admin Unit before progressing to assessment stage; (for purchase of buildings see note under ‘Eligibility Conditions’ below);
2. The purchase of new machinery and equipment which is an integral part of the finished project, up to the market value of the asset;
3. General costs linked to the expenditure such as architects, engineers and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies, the acquisition of patent rights and licences, up to a total maximum of 10% of the eligible project grant amount. Feasibility studies are eligible expenditure even if there is no expenditure under points (a) and (b) as long as the activity was capable of being supported;
4. Intangible investments such as acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.
5. Marketing support as part of a larger capital project.
6. The LAG may agree to fund some pre development costs by pre arrangement.

**Ineligible Costs**

The following costs are **not** eligible for support under LEADER;

1. Costs connected with the leasing contract, such as lessor’s margin, interest refinancing costs, overheads and insurance charges or anything deemed to be a running cost;
2. Investments which are considered by the LAG to have an unacceptable negative effect on the environment (or proposed investment fails to meet environmental regulations);
3. The purchase of land, including leasing of property as part of a project;
4. Replacement investments i.e. like for like and maintenance costs for existing buildings, plant or equipment;
5. Investments in new build self catering accommodation, hotel accommodation, guest houses or hostels or additional bed space in existing ones;
6. Lease-purchase/hire purchase of new machinery and equipment,
7. Purchase and installation of renewable energy technologies;
8. the purchase of cars, vans, motorcycles, bicycles and any other form of personal transport[[9]](#footnote-9) (for whatever purpose);
9. the purchase of vehicles[[10]](#footnote-10) for transportation (such as lorries, buses, vans, minibuses or any other kind of vehicle used to transport or move goods or people);
10. Tractors and Agricultural machinery
11. Expenditure incurred or work commenced/goods purchased before the letter of offer project start date or after the letter of offer project end date;
12. Payments for gifts and donations or personal entertainments (including alcohol);
13. training i.e. any training currently provided by a statutory body such as colleges, Invest Northern Ireland, Local Enterprise Agencies or other council funded scheme;
14. Reprinting of marketing materials;
15. No aspect of an activity being funded should be party political in intention, use or presentation, or likely to be perceived as discriminatory on grounds of religion, colour, race, gender or disability;
16. Statutory fines and penalties, criminal fines and damages;
17. Legal expenses in respect of litigation;
18. Any cost associated with meeting a legislative or statutory requirement for the business;
19. Reclaimable VAT;
20. Feasibility studies for renewable energy;
21. Projects which are not an integral part of the Local Authority Community Plan and not financially supported by the Local Authority with a minimum 5% financial contribution towards the project costs.

### Beneficiaries

The following beneficiaries are eligible:

* Community Voluntary Sector (inc Social Economy Enterprises engaged in non economic activity)
* Local Council
* Strategic Public Body e.g. Health Authority
* Local Council /Private Partnership (where the Local Council is the grant recipient)
* Local Council / Community Voluntary Sector partnership (where the Local Council is the grant recipient)

### Eligibility Conditions

Actions must be non-profit taking led by organisations operating within the Community & Voluntary / Third sector or Public sector. Proposals must be coherent with and relate directly to local council community plans.

Applicants failing to achieve LOO targets and outputs in previous applications to Priority 6 may be debarred from applying until achieved.

Any project involving capital works where grant of more than £50k has been awarded for building, development or refurbishment of any property, will have to agree the appropriate legal charge/debenture in favour of the department.

Any project involving the purchase of buildings will have the purchase price of the building capped at 10% of the total eligible project costs.

### Amounts and Support Rates

Minimum grant £5,000 up to maximum grant up to £500,000 at 75% level of support available to Local Authorities and Community groups.

**State Aid**

All aid under this Scheme will comply with EU rules on State Aid. State aid falling within the following aid categories will be paid in accordance with block exemption Regulation (EU) 651/2014 as follows:

* Aid for culture and heritage conservation will comply with Article 53.
* Aid for sport for multi-functional recreational infrastructure will comply with Article 55.
* Aid to local infrastructure will comply with Article 56.

Alternatively the measure can utilise de minimis Regulation (EU) 1407/2013.

**Intervention Rates**

|  |  |  |  |
| --- | --- | --- | --- |
| Activity | Min Grant | Max Grant | Level of support |
| Capital Grant | £5,000 | £500,000 \*\* | 75% for Local Authority and Community sector/third sector |
| Technical support and bespoke training | £500 | £5,000 \*\*\* | 75% for Local Authority and Community sector/third sector |

\*\* This is the maximum grant level per project (including technical support)

\*\*\*Stand alone marketing projects including those seeking to develop websites are not eligible under Basic Services.

Promoter must contribute at least 5% own cash to the eligible project costs.

Community/Voluntary Group and Council applicants who receive a Letter of Offer may include project pre-development costs equivalent to up to 10% of the total grant towards match funding as an in-kind contribution.

Council must contribute at least 5% cash.

**Payments**

All grant payments will be made retrospectively by claim and advances will be available.

Projects can avail of phased payments with no more than five; these must be linked to tangible outputs on the Letter of Offer schedule of eligible expenditure.

*Where the total project cost is greater than £10K Community/Voluntary groups must be registered as Community Interest Company, Limited Liability Partnership or Company limited by guarantee. Where the total project cost is £10K or less the Community/Voluntary group must have a constitution in place. In all cases a lease must be in place to cover the duration of the project (1 year, 2 years etc).*

*For those groups which function under the conditions of a parent body and therefore cannot amend their constitution to become a company limited by guarantee and who wish to avail of funding in excess of £7,500 a letter must be submitted to the cluster from the parent body as per* [*Appendix 7Bii*](#Appendix_7Bii) *attached.*

**Rural Development Programme 2014-2020**

**Rural Development Programme 2014-2020**

**Final Version 12/02/16**

The Village Renewal Scheme will provide financial support (£8m) primarily for the drafting of integrated village plans and also for the renewal of rural villages through Village Plans. The village plan is a working document that has the support of the community. It should provide a needs based strategic framework to co-ordinate specific development actions.

Support for Village Renewal must fit with the Council Community Plans and integrate with the Village Renewal plans supported under the 2007-2013 Rural Development Programme. The measure will aim to build on the overarching fabric of a village/town integrating with other funding from other government departments and agencies. The measure will aim to address rural dereliction and prioritise reuse of existing derelict buildings, particularly to provide community infrastructure.

### Description of the Operation

Support will be limited to within the ‘village’ development limits or in simple terms 30 miles per hour zone and may include:

* Development or updating of integrated village plans for Local Government Districts
* Village investments emanating from the integrated village plans such as:
  + derelict and vacant site enhancement,
  + environmental improvements,
  + shop frontage enhancements,
  + conservation and upgrading of rural culture and heritage (natural and built), except monuments and wall murals which will not be considered eligible for funding.
  + Gateway projects

### Type of Support

Support will be provided through grant aid. No advance payments will be available.

### Eligible Costs

Support will be provided through:

1. Technical support to help with the development and implementation of integrated village action plans.
2. Grant aid towards the costs of small-scale capital investment with a lesser amount of resource investment.
3. Identity features that promote the shared community heritage and cultural aspects of the village.
4. Marketing support to assist project promoters to create greater awareness and interest of the concept of the respective project under the village renewal scheme.
5. Bespoke training course fees including enrolment, tuition and accreditation. Bespoke Training is defined as training commissioned to a particular specification, for example training that is necessary for the implementation of the funded project. Training that is available generally, either in the market place or through another Govt Dept/Council/Agency (such as a FE college, Invest Northern Ireland, Local Enterprise Agency), is not eligible within Priority 6.
6. General costs linked to the expenditure such as architects, engineers and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies, the acquisition of patent rights and licences, up to a total maximum of 10% of the eligible project grant amount. Feasibility studies are eligible expenditure even if there is no expenditure under points (a) and (b) as long as the activity was capable of being supported;

**Ineligible Costs**

The following costs are **not** eligible for support under LEADER;

1. Costs connected with the leasing contract, such as lessor’s margin, interest refinancing costs, overheads and insurance charges or anything deemed to be a running cost;
2. Investments which are considered by the LAG to have an unacceptable negative effect on the environment (or proposed investment fails to meet environmental regulations);
3. The purchase of land, including leasing of property as part of a project;
4. Replacement investments i.e. like for like and maintenance costs for existing buildings, plant or equipment;
5. Investments in new build self catering accommodation, hotel accommodation, guest houses or hostels or additional bed space in existing ones;
6. Lease-purchase/hire purchase of new machinery and equipment;
7. Purchase and installation of renewable energy technologies;
8. The purchase of cars, vans, motorcycles, bicycles and any other form of personal transport[[11]](#footnote-11)1 (for whatever purpose);
9. The purchase of vehicles[[12]](#footnote-12)2 for transportation (such as lorries, buses, vans, minibuses or any other kind of vehicle used to transport or move goods or people);
10. Tractors and Agricultural machinery;
11. Expenditure incurred or work commenced/goods purchased before the letter of offer project start date or after the letter of offer project end date;
12. Payments for gifts and donations or personal entertainments (including alcohol);
13. Training i.e. any training currently provided by a statutory body such as colleges, Invest Northern Ireland, Local Enterprise Agencies or other council funded scheme;
14. Reprinting of marketing materials;
15. No aspect of an activity being funded should be party political in intention, use or presentation, or likely to be perceived as discriminatory on grounds of religion, colour, race, gender or disability;
16. Statutory fines and penalties, criminal fines and damages;
17. Legal expenses in respect of litigation;
18. Any cost associated with meeting a legislative or statutory requirement for the business;
19. Reclaimable VAT;
20. Feasibility studies for renewable energy;
21. Projects which are not an integral part of the Local Authority Community Plan and not financially supported by the Local Authority.

### Beneficiaries

The beneficiaries of the Village Renewal Scheme are local authorities and community groups. Local authorities must work in partnership with the rural community to roll out the village plans.

* Local Council
* Local Council / Community Voluntary Sector partnership (where the Local Council is the grant recipient)

### Eligibility Conditions

Villages within the programme definition of rural that don’t already have a village plan. Also villages that have an integrated village plan that was funded under the 2007-2013 Rural Development Programme or from some other source (e.g. Council).

Applicants failing to achieve LOO targets and outputs in previous applications to Priority 6 may be debarred from applying until achieved.

### 

### Amounts and Support Rates

|  |  |  |  |
| --- | --- | --- | --- |
| Activity | Min Grant | Max Grant | Level of support |
| Capital Grant | £5,000 | £500,000 \*\* | 75% for Local Authority and Community sector/third sector |
| Technical support, bespoke training and marketing | £500 | £5,000 | 75% for Local Authority and Community sector/third sector |

Applicants (the Council) must contribute at least 5% own cash to the eligible project costs.

**State Aid**

All aid under this Scheme will comply with EU rules on State aid. State aid falling within the following aid categories will be paid in accordance with block exemption Regulation (EU) 651/2014 as follows:

* Aid for culture and heritage conservation will comply with Article 53.
* Aid for sport for multi-functional recreational infrastructure will comply with Article 55.
* Aid to local infrastructure will comply with Article 56.

Alternatively the measure can utilise de minimis Regulation (EU) 1407/2013.

A State Aid checklist must be completed for each application received under this Scheme.

**Rural Development Programme 2014-2020**

**Rural Development Programme 2014-2020**

**Final Version 12/02/16**

### Description of the Operation

This scheme will provide financial support (£2m) to fill the gap for rural dwellers who cannot avail of broadband and will help address the very rural ‘not spots’ that are not within the scope of any other government initiatives. Funding will be limited to small broadband infrastructure schemes that will involve innovative community led solutions for local access.

### 

### Type of Support

Support will be provided through grant aid. Under the following conditions, advance payments will be available for Community, Voluntary and Social Economy Enterprises who would not otherwise be able to access the capital to commence implementation of their project:

* Advances are subject to a 100% guarantee provided by a bank or other equivalent financial institution established in the Member State;
* Advances will not exceed 20% of the total amount of the aid to be granted to a beneficiary for a given operation.

### 

### Eligible Costs

The following costs are eligible for support;

1. The construction, acquisition, including through leasing, or improvement of immovable property;
2. The purchase or lease-purchase of new machinery and equipment, up to the market value of the asset.
3. General costs linked to the expenditure such as architects, engineers and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies, the acquisition of patent rights and licences, up to a total maximum of 10% of the eligible project grant amount. Feasibility studies are eligible expenditure even if there is no expenditure under points (a) and (b) as long as the activity was capable of being supported;

### Beneficiaries

The following beneficiaries are eligible:

* + - Community Voluntary Sector (inc Social Economy Enterprises)
    - Local Council
    - Local Council /Private Partnership (where the Local Council is the grant recipient)
    - Local Council / Community Voluntary Sector partnership (where the Local Council is the grant recipient)

### 

### Eligibility Conditions

The following eligibility conditions will apply to support for Rural Broadband:

* Creation of, and enabling access to broadband infrastructure including backhaul facilities and ground equipment (e.g. fixed, terrestrial wireless, satellite-based or combination of technologies.
* All projects must achieve a minimum speed of 5mb.
* Any area benefitting from investment will not be eligible for any other government scheme.

### Amounts and Support Rates

Maximum grant up to £100,000 at 75% level of support to local authority, Community, Voluntary and Social Economy Enterprises. Promoter must contribute at least 5% own cash to the project costs.

**State Aid**

State aid for broadband infrastructure will comply with Article 52 of Regulation (EU) 651/2014 or with de minimis Regulation (EU) 1407/2013.

A State Aid checklist must be completed for each application received under this Scheme.

*Where the total project cost is greater than £10K Community/Voluntary groups must be registered as Community Interest Company, Limited Liability Partnership or Company limited by guarantee. Where the total project cost is £10K or less the Community/Voluntary group must have a constitution in place. In all cases a lease must be in place to cover the duration of the project (1 year, 2 years etc).*

*For those groups which function under the conditions of a parent body and therefore cannot amend their constitution to become a company limited by guarantee and who wish to avail of funding in excess of £7,500 a letter must be submitted to the cluster from the parent body as per* [*Appendix 7Bii*](#Appendix_7Bii) *attached.*

# Addendum

# GUIDANCE NOTE FOR IMPLEMENTATION OF BROADBAND UNDER LEADER

The purpose of the Rural Broadband Scheme is to broadband enable not spots in rural areas to allow the community including dwellers and businesses to access broadband where none currently exists nor is likely to over the next 3 years. Any area that implements a solution under the scheme will not be able to avail of any other solution proposed by government for a 3 year period.

The scheme is NOT aimed at individual solutions, this is particularly important as any solution MUST be for the broader community, not just for a business or businesses.

Any solution must follow these stages :-

1. Engage with statutory bodies to assess the gaps and need in the LAG area and determine what implementations are due over the next 2-3 years.
2. Based on the results of (i) above engage, through funding workshops, with the relevant local communities including rural dwellers and businesses to build a critical mass of premises that would be prepared to accept a connection to the broadband solution.
3. Tender for a company to install the required infrastructure to address a broadband solution, on the basis that the resulting infrastructure should be open to all operators on a non-discriminatory basis. It is fundamental that this solution is open.
4. Engage in demand stimulation with the rural community in the area to ensure that they access the broadband solution.

Further details can be found at Annex A. Any request to invite applications for a call (DOR 1 form) will have to show evidence.

**Annex A**

* **Creation of and enabling access to broadband infrastructure including backhaul facilities and ground equipment (e.g. fixed, terrestrial wireless, satellite-based or combination of technologies).**
* This type of operation refers to financial support for creation of an open access broadband infrastructure (Local Access Network) in areas with no access to broadband (green field). Based on a technologically neutral specification of a future proof broadband infrastructure capable to support the required services. This measure may include the financing of technical equipment, all necessary civil work (including buildings, ground stations, ducts and masts); installation of network elements and associated facilities (e.g. local digital switches and routers, points of presence); establishment of a back-haul infrastructure to secure an adequate connection to the backbone network; software systems and technical equipment; and, where necessary to achieve 100% coverage, subsidies for the installation of in-building facilities (e.g. termination buses, routers, modems, and/or satellite dishes and terminals). The resulting infrastructure must be open to all operators on a non-discriminatory basis.
* **Upgrade of existing broadband infrastructure (e.g. increased reliability, speed, capacity, reach, better quality of service, etc.);**
* This type of operation is for areas with telecom infrastructures that are wholly or in part inadequate or insufficient (i.e. of low quality, low capacity, low reliability or insufficient reach) or incapable (e.g. local switches not digitised) of providing a minimum quality of broadband services to the population[[13]](#footnote-13). The measure should provide the means for targeted upgrades of those network elements and associated facilities that enable a future proof infrastructure to deliver broadband services for medium to long term. This may include the financing of all necessary civil work (including buildings, ground stations, ducts and masts); installation of network elements and associated facilities (e.g. local digital switches and routers, points of presence); establishment of a back-haul infrastructure to secure an adequate connection to the backbone network; software systems and technical equipment (e.g. termination buses, routers, modems, and satellite dishes and terminals). The resulting infrastructure should be open to all operators on a non-discriminatory basis.
* **Laying down passive broadband infrastructure (e.g. civil engineering works such as ducts, and other network elements such as dark fibre etc.), also in synergy with other infrastructures (energy, transport, water, sewerage networks, etc.).**
* Civil works represent on average between 70% and 80% of the costs of building broadband infrastructures. In rural, remote and sparsely populated areas these costs can be even higher, making private investments economically unviable for a private investor. The result is that the economic welfare gains of a fully connected local economy are delayed or foregone. Public authorities can stimulate competition and overcome this lack of effective demand by financing the build-out of open, passive telecommunication infrastructures: the cost of which is the most significant barrier to private investment. This measure involves financial support for civil engineering work (such as ducts, sub-ducts, manholes) and other passive network elements (such as antenna towers, masts, ground stations, dark fibre, distribution frames, etc). Where possible such construction should be undertaken in synergy with other civil works. The resulting infrastructure must be open to all operators and based on open access architecture.

**Clarification:**

* These three types of operations are not mutually exclusive. In certain instances projects are likely to involve a degree of all three types of operations. A combination of these three types of investment should be used to achieve 100% coverage at adequate service quality and in a way that opens networks up to competition.

Applicants should liaise with Planning Service and Land Owners if required for the selected solution e.g. for location of terrestrial wireless infrastructure (masts) etc.

**Rural Development Programme 2014 – 2020**

**Final Version 05/12/17**

**Introduction**

Cooperation is seen as a way of solving some local problems or enabling something to be done that the LAG could not do on its own. to encourages and supports LAGs to undertake joint actions with other LAGs, or with a group taking a similar approach in another region, Member State, or even a third country.

During the 2014-2020 period, EAFRD will support projects led by LAGs as part of the implementation of their LEADER Local Development Strategies. Participation in Cooperation activity is a mandatory element of LEADER in the Northern Ireland Rural Development Programme (NIRDP). Actions must fit with the strategies of all LAGs involved, not merely the Lead partner and provide mutual benefit for each partner.

**Description of the Operation**

Cooperation projects can be categorised as:

|  |  |
| --- | --- |
| **Inter-territorial** | Involves Cooperation with LAGs within Northern Ireland or other regions of the United Kingdom. |
| **Transnational** | Involves Cooperation with LAGs from other Member States or Countries outside the United Kingdom, |

Within the NIRDP, there is a specific strand focusing on Cooperation between LAGs in Northern Ireland and those in the Republic of Ireland. This is known as the **All-Island LEADER Cooperation Scheme**. Each NI LAG is expected to participate in a minimum of two full Cooperation projects delivered under this Scheme. These projects may also involve LAGs from other Member States but as a minimum must involve at least one LAG from NI and one LAG from the Republic of Ireland.

LAGs are also encouraged to participate in Inter-territorial and Transnational full Cooperation projects that do not involve Irish LAGs. These will be financed from the LAG’s overall Priority Six allocation and not through the All-Island LEADER Cooperation Scheme.

It is expected that 7% of the LAG’s total budget for projects should be committed against Cooperation activity.

Eligible actions must relate to the approved Local Development Strategy (LDS) of the applicant LAG and fit within the scope of Priority Six of the NIRDP. Cooperation projects could:

* Help local industry by targeting new markets for their product(s),
* Improve the quality of products manufactured through cooperation on processing techniques,
* Include joint marketing and short supply chain activities,
* Introduce new approaches in areas such as Village Planning or Environmental Management, building on the experience of LAGs in other areas,
* Provide economies of scale or critical mass to enable a project which would not have been possible within a single LAG area.

**Types of Support**

In procedural terms, Cooperation can be considered to take place in three successive phases:

1. **Phase One - Networking**

A key element of the animation activity of the LAG is networking. This provides the opportunity for LAGs to identify and develop links with other LAGs and organisations. Networking is considered as the starting point for Cooperation activity.

1. **Phase Two - Preparatory Technical support (Pre-Development phase)**

These actions precede the full Cooperation project and allow LAGs to investigate the merit and potential to develop concrete actions that could form a full project. A Pre-Development project could involve a feasibility study, market analysis and/or elaboration of the common issue towards a series of actions of mutual benefit to all of the LAG areas involved. This type of action by its nature will inform whether or not a joint action should proceed.

The support for preparatory technical support can **only be granted under the condition that a LAG can demonstrate that it is envisaging the implementation of a concrete project**. This means that it should at least identify the objectives and the character of a planned project. Receiving preparatory technical support does not imply an obligation to later on carry out such a project.

1. **Phase Three - the Cooperation project (Implementation of the concrete project)**

This phase involves the implementation of a concrete joint project with clearly defined deliverables producing benefits for all of the participating territories. The project is managed under a co-ordinating / Lead LAG.

In all types of cooperation projects, partners must pre-define and agree the key criteria related to the activities to be carried out. This will be documented in a Cooperation Agreement. It is also important that the cooperation partners keep each other informed about progress with the project and any changes to its implementation, in order to allow for necessary adjustments that ensure the achievement of mutually agreed project objectives.

**Eligible Costs**

Costs incurred by LAGs involved in networking activity (Phase 1) could include for example, travel and accommodation. These costs are payable from the LAG’s Animation budget.

The costs eligible under Preparatory Technical support (Phase 2) can include:

* costs related to exchange of experience (e.g. meetings with potential partners, travel, accommodation, and interpreter's fees);
* project pre-development cost (e.g. project feasibility study, consulting for specific issues, translation costs, additional staff costs).

For Cooperation projects (Phase 3), *Common costs* are associated with cooperation coordination and activities incurred and jointly shared among partners. *Local costs* are incurred by a LAG for activities that directly relate to that LAGs activity on a cooperation project and the cost is not shared with other LAGs. These projects are expected to be principally Capital in nature.

**Ineligible Costs**

In addition to the costs defined as Ineligible for support under other LEADER Schemes, the operation of umbrella / small grant schemes as part of a Cooperation project will not be supported.

**Beneficiaries**

As listed in Article 44(2) of the EAFRD Regulation, the *direct partners* of a Local Action Group under the EAFRD may be:

* a group of local public and private partners in a rural territory that is implementing a local development strategy within or outside the Union,
* a group of local public and private partners in a non-rural territory that is implementing a local development strategy.

Only actions led by LAGs selected for support under LEADER for NIRDP will be eligible for EAFRD funding. The LAG must be the applicant and will be the beneficiary of the funding, however, as the LAG doesn’t have a bank account or a DAERA business ID, the Council will be the lead financial actor and LoO recipient. LAG Co-operation LoO’s should be addressed and issued to the Council with the LAG Co-operation sub-committee Chair as the co-applicant signatory. The LoO should include a key task or special condition that the Council provides financial services and the LAG Co-operation sub-committee is responsible for project implementation, authorisation of claims, non-financial monitoring and reporting.

LAG-led Cooperation projects may involve *associate partners* who are statutory-sector and/or publicly-funded and operate within the relevant LAG’s territory. The principles on the eligibility of operations depending on location laid down in the Common Provisions Regulation (1303/2013) have to be respected, especially as regards expenditure in countries outside the Union.

**Eligibility Criteria**

The qualifying criteria for Cooperation projects are as follows:

* + - The cooperation action must involve at least one LAG selected under LEADER of the NI Rural Development Programme;
    - It must be implemented under the responsibility of a coordinating LAG;
    - It must have clearly set out actions and outcomes with clear plans for dissemination of results;
    - It must involve the implementation of a concrete, joint action.

Actions must be non-profit taking and led by a LAG.

**State Aid**

All State aid under this Scheme will comply with EU rules on State aid.

Many of the actions under this Scheme will not constitute State Aid either because the aid supports non-economic activity or because one of the conditions in Article 107(1) of the Treaty are not satisfied e.g. there is no effect on inter-community trade.

State aid falling within the following aid categories will be paid in accordance with block exemption Regulation (EU) 651/2014 as follows:

* Aid for culture and heritage conservation will comply with Article 53.
* Aid for sport for multi-functional recreational infrastructure will comply with Article 55.
* Aid to local infrastructure will comply with Article 56.

Alternatively the measure can utilise de minimis Regulation (EU) 1407/2013.

**Intervention Rates**

Costs incurred by a NI LAG for an approved Preparatory Technical action (Phase 2) may be reimbursed at a rate of up to 100% from EAFRD funds. There is a maximum grant ceiling of £5,000 per preparatory action per LAG. There is no restriction on the number of preparatory projects that a LAG may engage in.

The total cost for NI LAGs implementing a Cooperation project (Phase 3) will be funded at 75% maximum aid intensity. There is a maximum grant ceiling of £400,000 per Cooperation project per NI LAG. Funding is available for projects that are principally Capital in nature. Relevant State Aid limitations must also be recognised.

The involvement of other organisations may help to lever in financial support in the form of cash and / or in-kind contributions. LAG members’ time-spend within a Cooperation action may also be counted as an eligible Voluntary Labour contribution.Voluntary Labour may represent (i) up to 5% of the total cost for the relevant LAG or (ii) £20,000 equivalent maximum value, whichever is the lesser. The standard rules and rates for Voluntary Labour under Priority Six apply.

There is no restriction on the number of Cooperation projects that a LAG may engage in. Each NI LAG is expected to participate in a minimum of two full Cooperation projects involving partner LAGs from the Republic of Ireland and delivered under the All-Island LEADER Cooperation Scheme.

**Payments**

All grant payments will be made retrospectively by claim. Advances are not available for Cooperation projects. Local Authorities, who are providing the Administration Support for LAGs, are also expected to be the lead financial actor for Cooperation projects on behalf of the LAG.

**Appendix 7Ei**

**Rural Development Programme 2014-2020: Priority 6 LEADER**

**Co-funding Declaration of Support**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Part A- Applicant to Complete**

1. **Applicant Contact Details**

(a)Applicant Name*(business/organisation/individual applying for funding)*

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

First Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Surname: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Business/Organisation Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Position within the

Business/Organisation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Business/organisation/individual applicant address

Line 1: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Line 2: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Line 3: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Line 4: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Post Code: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Contact Details for the business/organisation/individual applicant

Contact Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Landline Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mobile Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Project Funding**

|  |  |  |
| --- | --- | --- |
| Estimated cost of project |  | £ |
| Estimated rural development grant |  | £ |
| Own resources |  | £ |
| Other sources (e.g. loan) |  | £ |

**Purpose of loan \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Part B – To Be Completed By Financial Institution ONLY**

# 2. Financial Institution Details

1. Please indicate which financial institution you are from.

Danske  Ulster  First Trust  Bank of Ireland  Barclays  HSBC

|  |  |  |
| --- | --- | --- |
| If other please provide name: |  |  |
| (b) Contact telephone number: |  |  |
| (c) Email: |  |  |
| (d) Name(s) on the Client Bank Account: |  |  |
| (e) Client Bank Account Number: |  |  |

(f) Business/organisation/individual applicant address:

|  |  |  |  |
| --- | --- | --- | --- |
| Line 1: |  | |  |
| Line 2: |  | |  |
| Line 3: |  | |  |
| Line 4: |  | |  |
| Post Code: | |  |  |

3. **Indicative Terms**

£

(a) Maximum amount of facility which may be provided (this should cover

the entire project cost inclusive of prospective grant aid contribution)

Start End

1. Indicative terms valid (unless amended or withdrawn

D D / M M / Y Y

during this period)\* (Should be no less than 12 months)

**Conditions precedent:**

* Full and satisfactory approval by DAERA of grant aid application (on the basis the facility amount shown at (a) will be reduced or partly repaid by the grant)
* Execution of the facility agreement
* The facility to be used towards project costs under this scheme

**BANK stamp**

1. Applicant name (print) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Applicant signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Bank Representative:\_\_\_\_\_\_\_\_\_\_\_\_­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(print name)

Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

D D / M M / Y Y

Date:

**The above terms are indicative only and do not constitute or imply a commitment to provide funding by the financial institution. If the financial institution does offer the facility to you, the offer letter may contain additional terms and conditions to those set out above. \*The indicative terms are provided solely for the purpose of the application to DAERA under the above scheme and may be amended or withdrawn at any time prior to execution of the facility agreement, including during the period shown at (b) above.**

**Appendix 7Fi**

**Contribution-in-Kind (CIK)**

1. The following sets out the general application of CIK within LEADER. If there are any issues with what constitutes CIK, or how it is calculated as part of project input costs, please contact your local DAERA Contract Management.
2. The LAG may accept CIK as a source of match funding on community-led and council led projects. CIK cannot constitute the full amount of match funding. The promoter must provide a minimum cash contribution of 5% of the total eligible project costs. For projects which are not led by Councils a financial contribution of 5% will also be required from the Council towards project costs. The value assigned to the CIK must be included with the funding application. CIK in the form of works and services (including paid labour donated to the project) i.e. for which no cash payment supported by invoices or documents of equivalent probative value has been made are eligible if:

* the LEADER funding does not exceed the final total eligible project cost, excluding CIK and the cash contribution(s) from the promoter and Council if required;
* the value assigned to the CIK does not exceed the market cost of the works, goods, services in question; and
* the value and the provision of the CIK has been independently assessed and verified. The LAG must obtain and retain documentary evidence to this effect (hyperlink to annexes).

1. **For LAG-led Cooperation projects:**

* LAG members’ time-spend within a full Cooperation action may be counted as an eligible Voluntary Labour contribution. Voluntary Labour may represent (i) up to 5% of the total cost for the relevant LAG or (ii) £20,000 equivalent maximum value, whichever is the lesser. The standard rules and rates for Voluntary Labour under Priority Six apply.
* CIK in the form of works and services may be contributed by non-LAG partners involved in Cooperation projects. The standard rules and rates for Cash-in-Kind contributions under Priority Six apply.

**Voluntary Labour**

1. CIK can be provided in the form of voluntary labour (i.e. unpaid work) which must be based on the verified time spent and the rate of remuneration for equivalent work. The LAG must ensure that the rate applied is properly justified in the application.
2. The monetary value of work will be calculated on the basis of the actual hours worked (subject to the valuation ceiling) at a maximum contribution of:

* An hourly rate of £10.61
* A daily rate of £84.88 (not less than an 8 hour day)
* A weekly rate of £424.60 (not less than a 40 hour week)

1. Project administration and management costs including meetings are not eligible as voluntary labour.

**General requirements**

1. The LAG must ensure that:

* the total to be claimed for voluntary labour or donations is included in the application and must be agreed before it approves the project;
* it examines all such applications and records its analysis and deliberations on the relevant project file – any excess over the amount approved by the LAG for the project shall be deemed ineligible;
* the voluntary labour includes: either inputs by way of actual work carried out, or supervision, etc. by appropriately qualified persons. The application (Annex 2) must detail:-
* the persons contributing the voluntary labour and their relationship to the applicant;
* the nature, time, quantity and cost of the contribution;
* the qualifications that enable them to make that contribution, i.e. their trade or profession (e.g. engineer, architect, electrician, plumber, etc.).
* incidental expenses such as Travel and Subsistence costs are not included in the cost of the voluntary labour;
* timesheets for voluntary labour are completed by the applicant and retained on the project file. These should:
* detail the relevant dates, hours worked, and the activities undertaken by each volunteer; and
* be certified by an appropriately qualified third party e.g. engineer, quantity surveyor or accountant.
* only the voluntary labour and donations approved by the LAG are reckoned for payment purposes.

**Cash in Kind - Project Pre-Development costs**

1. Community/Voluntary and Council led applicants may include at application stage project pre-development costs equivalent to up to 10% of the total grant sought as part of their overall eligible project costs. These applicants will be allowed to count eligible pre-development costs towards their “in kind” contribution (i.e. where the Community/Council led project has carried out procurement exercises in compliance with Priority 6 Scheme rules for the pre-development). To be eligible, procurement exercises must have been carried out after 1 January 2016 and within the previous 12 month period from the date of the submission of an application to the LAG. In essence a successful project applicant receiving a grant of £200,000 could claim up to £20,000 as pre-development costs and count this towards their match funding as in kind contribution.

**Cash in Kind**

1. Cash in Kind is eligible for Council led projects, NDPB led projects and LAG led Co-Operation projects. Cash in Kind can make up a maximum of 20% of the total eligible project cost. For example, this may be work undertaken by Council officials and technical staff not involved with administration of Priority 6 (or third party if the application includes co-applicants to assist work on the implementation/delivery of a project). The time spent must be directly attributable to the implementation of a project.

* LAG Co-Operation at full project implementation stage may include Cash in Kind from associate partners.
* Where paid labour is offered as Cash in Kind match funding, it must be an eligible project cost, supported by both work records and timesheets.

**Making a Claim**

1. All non cash contributions must be assigned a monetary value.
2. In the case of the contribution from paid professional work, a valuation must be provided supported by wage records.
3. Public expenditure co-financed by the EAFRD, contributing to an operation which includes contributions in kind must not exceed the total eligible expenditure, excluding contributions in kind, at the end of the operation.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Example - Community Led Project.** | | |  |  | |  |  | |  | |  | **Annex1** |  |
|  | | |  |  | |  |  | |  | |  |  |  |
| RDP – 5% own cash contribution | | |  |  | |  |  | |  | |  |  |  |
| A | Total Value of Project | | | |  | | | £250,000 | |
| B | Contribution in kind (detailed in project application) | | | | Included in A | | | £30,000 | |
| C | Actual Expenditure, Build Materials, Professional fees etc. (hard cash requirement) | | | | Included in A | | | £220,000 | |
| D | 95% of Actual Expenditure of C | | | |  | | | £209,000 | |
| E | Grant Aid (75% of A above) | | | |  | | | £187,500 | |
| F | Actual Grant Aid Payable | | | | Lesser of D or E | | | £187,500 | |
| G | Council Financial Contribution (minimum of 5% cash) | | | |  | | | £12,500 | |
| H | Community Contribution – minimum of 5% cash | | | |  | | | £12,500 | |
| I | Pre-development allowance – allowed for match funding purposes only (impact of this is that the CIK evidence required a B above will be reduced). | | | |  | | | £18,750 | |
| J | Total of Grant (F) + Council (G) + Community Cash (H) | | | |  | | | £212,500 | |
| K | Balance of hard costs. C – J (to be funded by applicant/other sources) | | | |  | | | £7,500 | |
|  | |  |  |  | |  |  | |
| **Total project costs £250,000 – project has two distinct elements (CIK and hard cash requirement)**  **Hard cost £220,000**  Hard costs will be funded with 75% grant of £187,500, minimum 5% cash contribution from applicant of £12,500 and up to 5% cash contribution from Council of £12,500. Total = £212,500. The balance of cash required for hard costs (£7,500) will have to be provided from applicant/other sources.  **CIK £30,000**  The applicant will have detailed in the application form how the £30,000 CIK is made up and how this will be evidenced for the claim. For the purposes of match funding, evidence of expenditure on pre-development costs of up to 10% of the grant i.e. £18,750 may be used to match fund. The evidence (timesheets etc.) required for the CIK element will therefore be reduced by £18,750 (evidence of pre-development) costs. | | | | | | | | | | |

**CONTRIBUTION IN KIND/CASH IN KIND Annex 2**

**Project Ref**:\_\_\_\_\_\_\_\_\_\_\_\_\_

**PROJECT TITLE:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PROPOSED COMMENCEMENT DATE OF PROJECT:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The details of the contribution in kind (CIK) element that we propose as part of the input costs to our application are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| The Person contributing the CIK | Qualifications/  Trade or Profession (e.g. engineer, architect, electrician, plumber, etc | Nature of CIK | Estimated timing of CIK | Quantity of the CIK (e.g. hours) | Estimated value of contribution (£) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | **TOTAL** | | | |  |

**Appendix 7Fii**

**Annex 1 Products**

**Description of Products**

* Live animals
* Meat and edible meat offal
* Dairy produce; birds' eggs; natural honey
* Guts; bladders and stomachs of animals (other than fish); whole and pieces thereof
* Animal products not elsewhere specified or included; dead animals of fish, crustaceans or molluscs, unfit for human consumption
* Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
* Edible vegetables and certain roots and tubers
* Edible fruit and nuts; peel of melons or citrus fruit
* Coffee, tea and spices, excluding maté
* Cereals
* Products of the milling industry; malt and starches; gluten; inulin
* Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medical plants; straw and fodder
* Pectin
* Lard and other rendered pig fat; rendered poultry fat
* Unrendered fats of bovine cattle, sheep or goats; tallow (including 'premier jus') produced from those fats
* Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
* Fats and oil, of fish and marine mammals, whether or not refined
* Fixed vegetable oils, fluid or solid, crude, refined or purified
* Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared
* Margarine, imitation lard and other prepared edible fats
* Residues resulting from the treatment of fatty substances or animal or vegetable waxes
* Preparation of meat, of fish, of crustaceans or molluscs
* Beet sugar and cane sugar, solid
* Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel
* Molasses, whether or not decolourized
* Flavoured or coloured sugars, syrups and molasses, but not including fruit juices containing added sugar in any proportion
* Cocoa beans, whole or broken, raw or roasted
* Cocoa shells, husks, skins and waste
* Preparations of vegetables, fruit or other parts of plants
* Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol
* Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol
* Other fermented beverages (for example, cider, perry and mead)
* Ethyl alcohol or neutral spirits, whether or not denatured, of any strength, obtained from agricultural products listed in this Annex , excluding liqueurs and other spirituous beverages and compound alcoholic preparations (known as 'concentrated extracts') for the manufacture of beverages
* Vinegar and substitutes for vinegar
* Residues and waste from the food industries; prepared animal fodder
* Unmanufactured tobacco, tobacco refuse
* Natural cork, unworked, crushed, granulated or ground; waste cork
* Flax, raw or processed but not spun; flax two and waste (including pulled or garnetted rags)
* True hemp (Cannabis sativa), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)

**Appendix 7Fiii**

**PROJECT RISK ASSESSMENT**

**Applicant:**

**Applicant Address: ............................................. Project Number: ...............**

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk area assessed** | **Thresholds** | **Risk Band** | **Score** |
| **\*Level of funding: Private sector** | £0 - £30,000  £30,001 - £60,000  £60,001 - £90,000 | 1 – Low Risk  2 – Medium Risk  3 – High Risk |  |
| **\*Level of funding:**  **Social Economy Enterprises / Community Groups / Strategic Body** | £0 - £50,000  £50,001 - £250,000  £250,001 - £500,000 | 1 – Low Risk  2 – Medium Risk  3 – High Risk |  |
| **\*Level of funding: Councils** | £0 - £250,000 | 1 – Low Risk |  |
| **\*\*Percentage of Match Funding: Private Sector**  **% of total project costs** | Match Funding at > 75%  Match Funding at 51 – 75%  Match Funding at 50% | 1 – Low Risk  2 – Medium Risk  3 – High Risk |  |
| **\*\*Percentage of Match Funding:**  **Social Economy Enterprises / Community Groups / Strategic Body**  **% of total project costs** | Match Funding at > 40%  Match Funding at 26 – 40%  Match Funding at 25% | 1 – Low Risk  2 – Medium Risk  3 – High Risk |  |
| **\*\*Percentage of Match Funding:**  **Councils, % of total project costs** | Match Funding at 25% or more | 1 – Low Risk |  |
| **Reliability of the Applicant** | * No irregularities from previous funding * No previous funding * Previous irregularity rating - medium * Previous irregularity rating - high | 1 – Low Risk  2 – Low/Med  3 – Med/High  4 – High Risk |  |
| **If previously RDP funded, did applicant fulfil all LoO conditions, including meeting RDP targets** | * All conditions and targets met * Conditions met but all targets not achieved * No targets achieved | 1 – Low Risk  2 – Med  3 – High |  |
|  |  | **Total Score** |  |

**Maximum Score - 13 \* and \*\* one of each to be scored**

**Band A Low Risk Score 4 to 7**

**Band B Medium Risk Score 8 to 10**

**Band C High Risk Score 11 to 13**

**Project Risk Rating: ....................... Completed by: .............................................................**

**Appendix 7G**

**Advance Payments**

1. Advance payments may be available for Community, Voluntary and Social Economy Enterprise projects who would not otherwise be able to access the capital to commence implementation of their project.
2. The advance payment will be limited to a maximum of 20% of the total grant amount and will be paid into the applicant’s bank account. The applicant must match the advance payment with a 5% cash contribution of the total project cost, evidenced by way of a bank statement; and a bank or equivalent guarantee corresponding to 100% of the amount of the advance.
3. Upon receipt of a request for an advance, applicants should be asked to complete and submit a “REQUEST FOR ADVANCE” form along with:-

* Evidence of project match funding;
* Copy of bank guarantee or equivalent;
* The project cost schedule; and
* The rationale drafted for approval by the LAG.

1. Should the LAG not be satisfied that an advance is appropriate or that the evidence is not satisfactory, it should write to the applicant to reject the request for the advance.
2. Should the advance appear in order, at this stage, the Admin Unit should forward the request for the advance to the DPM in the local RAD office along with their recommendation for approval.
3. Only after DAERA has confirmed all documentation to be in order can the advance request proceed to the LAG for approval.
4. Following LAG approval, details pertaining to the advance should be recorded onto the LoO special conditions.
5. An advance payment should be entered onto the database as described in the Database 2014 User Manual and an e-mail sent to RAD.CPUReturns@daera-ni.gov.uk advising that the request for advance has been entered onto the database.
6. DAERA will issue payment to the applicant’s bank account via the Grants and Subsidies system as per normal claims payments.
7. Applicants must use the advance for expenditure on eligible items contained on the LoO Annex 2 only and submit claims in the normal way in accordance with the phased payment arrangements contained in the LoO.
8. Claims should be processed by Admin Units per Desk Instruction Chapter 12. DAERA will issue payments on these claims to effectively ‘top-up’ the advance amount on an ongoing basis. Admin Units should establish and maintain accurate records of all payments made to these projects and must ensure that any advance payment is fully recovered on a regular basis and not left until final claim to be submitted by the applicant.
9. When the original advance amount is vouched, no further advance payments will be eligible to that project.

**REQUEST FOR ADVANCE FORM**  **Annex 1**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Applicant Name |  |  | Project Title |  |
|  |  |  |  |  |
| Applicant Address |  |  | Project No |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total Grant Amount |  |  |  |  |

|  |  |
| --- | --- |
| **Date** | **Amount of Advance Requested (cannot exceed 20% of total grant amount)** |
|  | £ |

The advance is requested to enable the delivery of this project. I confirm that I have provided \_\_\_\_\_\_\_\_\_\_\_\_\_\_ LAG with:

1. Evidence of project match funding i.e. at least 5% cash equivalent of the total eligible project cost by way of bank statements;   
   and
2. A bank or equivalent guarantee corresponding to 100% of the Advance amount sought above.

I confirm that the advance will only be used for expenditure on eligible items contained on the Letter of Offer.

I understand that the advance is a debt to the Department of Agriculture, Environment and Rural Affairs. I also understand that any bank interest earned on the amount advanced is public money and must be declared by me and returned to the Department of Agriculture, Environment and Rural Affairs on completion of the project.

I understand that this Advance amount will be offset in full against subsequent claims

I will submit in respect of this project and I accept that should my project not complete in full as per the Letter of Offer, I will repay to the Department the full amount of this Advance.

Upon receiving this advance, I will submit claims for actual expenditure incurred as required by my Letter of Offer.

**Project Promoter Project Promoter   
Authorised Signatories: Print name(s) in full:**

(i)………………………….. (i)…………………………..

(ii): …………………………. (ii)…………………………..

Date: …………… Date: ……………

**Rural Development Division**

**Project Advance request – Priority 6**

**REQUEST FOR ADVANCE**

I \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_confirm that:

1. All evidence requested per the Priority 6 Desk Instruction guidance has been provided to the LAG;
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_LAG has considered and endorses the request for a project advance from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(insert applicants name);
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_LAG will maintain an accurate record of this advance and ensure that it is fully recovered from the promoter;
4. I understand that DAERA will seek repayment of any unrecovered balance or bank interest earned directly from this LAG.

**LAG Chairperson LAG Chairperson**

**Signature:.................………………. Print name:………………...........**

**Date: …………………**

**Appendix 7H**

**Phased Payments to the Promoter**

1. **Equipment, plant, machinery**

Normally no more than five phased payments should issue for any project. Phased payments must be linked to the costs and agreed grant amount for each item on the LoO Annex 2, ‘Schedule of Eligible Expenditure’. This applies to equipment, plant, machinery and individually costed items within a Technical Assistance application.

A phased payment can only issue when the following criteria have been met:-

* Completion of the agreed phase of the project; for equipment, plant, machinery this will be a recoverable item,
* Submission of a fully documented and signed claim form by the applicant,
* Site inspection of the project to confirm the item being claimed for has been delivered and is operational. Confirmation of the site visit should be placed on the project file.

1. **Construction works**

For construction works it is sufficient for the LoO schedule to include the construction works costs supported via a spreadsheet retained on the project file. The spreadsheet should set out the payment schedule agreed prior to works commencing. Payments to the project must be recorded onto this spreadsheet. The spreadsheet must be amended to reflect any payment variances from that originally agreed and reasons for the variances.

In the case of construction works each phased payment cannot issue until the following criteria have been met:

* **Capital Works/Construction (contracts managed by an Architect).**

An Architects certificate confirming the value of work completed.

* **Capital Works/Construction (contracts managed directly between the applicant and the builder, i.e. no Architect).**

An invoice from the contractor confirming the works completed and the value of those works.

* Submission of a fully documented and signed claim form by the applicant.
* Site inspection of the project to confirm the works being claimed for have been completed.

1. **Technical Assistance, for example Feasibility Studies, Development of Village Plans, Bespoke Training, Consultancy**

Phased payments must be linked to the costs and agreed grant amount for each item on the LoO Annex 2, ‘Schedule of Eligible Expenditure’. In the case of consultancy contracts phased payments will be in line with the terms of the contract.

A phased payment may not issue until a fully documented and signed claim form is received from the applicant along with an invoice for the item as detailed in the LOO schedule. The final payment should not issue until all work is complete and the Feasibility study, Village Plan or training certificates have been provided by the applicant.

1. **All projects with phased payments**

If the entire project, as assessed by the LAG and approved by the LAG Board is not eventually completed, full clawback of all payments made will be required under the Terms and Conditions of the LoO.

Details of the phased payment arrangements must be included in the Special Conditions section of the LoO (Annex 1) ‘Project Schedule of Key Tasks, Timescales and Special Conditions’ along with the following statement, “The entire project, as assessed, must complete, otherwise full clawback of all payments made to the project will be required”.

**Appendix 7K**

Date

Dear

**NORTHERN IRELAND RURAL DEVELOPMENT PROGRAMME 2014-2020**

Thank you for your application reference number «ApplicationRefNo» in relation to «Scheme».

I regret to inform you that unfortunately your application has not been successful for the following reason(s):

«Reason»

If you are dissatisfied with this decision you can avail of the review process as set out below.

If you request a review you should note that:

<< insert conditions of review>>

If you require any further details please contact «DAContactName» on «DAContactTelNo»..

Yours sincerely

*«Chairperson»*

*<<Programme Manager>>*

**Appendix 7L**

«ContactTitle» «ContactForename» «ContactSurname»

«OrgAddressL1»

«OrgAddressL2»

«OrgAddressL3»

«OrgPostcode»

*«Date»*

Dear «ContactTitle» «ContactSurname»

**NORTHERN IRELAND RURAL DEVELOPMENT PROGRAMME 2014-2020**

Thank you for your application reference number «ApplicationRefNo» in relation to «Scheme».

I confirm your application has been withdrawn at your request.

Yours sincerely

*«Chairperson»*

*Programme Manager*

PROJECT ASSESSMENT SITE VISIT Appendix 8A

LAG ..............…………………………...............................................................………… Scheme.....................................................................

Project Title.................................................................................................................... Reference Number.....................................................

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Site Visit**  **TO BE COMPLETED FOR ALL PROJECTS** | Yes | | No | This column MUST be completedDetail the type of Evidence and assessment of same: accounts, driving licence, passport, photographs, lease agreement etc |
| 1. Did you view photographic ID to confirm identity of applicant as per application provided? |  | |  |  |
| 1. Can you confirm the Name, address and legal status of applicant, business or organisation? |  | |  |  |
| 1. Has the project started? |  | |  |  |
| 1. Were you able to confirm proof of ownership or leasing arrangements, where applicable? |  | |  |  |
| 1. Does the business have a DAERA Business ID number which exactly matches the applicant name or business name (if the application is from the business) and address? |  | |  |  |
| 1. Can you confirm the category that best describes the type of business/project (See [Appendix 8A, Annex 1](#Appendix_8A_Annex_1))? |  | |  |  |
| 1. Have the previous 2 fiscal years accounts and financial records for current year been provided? |  | |  |  |
| 1. Was a printed hard copy of the application form signed by applicant? |  | |  |  |
| **Site Visit**  **ONLY COMPLETE FOR RURAL BUSINESS INVESTMENT SCHEME** | Yes | | No | This comment column MUST be completedNote type of Evidence and assessment of same: accounts, driving license, passport, photographs, lease agreement etc |
| 1. Is this a new business? |  | |  |  |
| 1. Has the applicant completed the SME declaration? |  | |  |  |
| 1. Can you confirm the number of employees? |  | |  | Number Full Time –  Number Part time –  Number Full time equivalent (FTE) –  Source of evidence/Date |
| 1. Can you confirm if the business is a partnership enterprise? |  | |  |  |
| 1. Can you confirm if there are any linked businesses? |  | |  |  |
| 1. What is the size of the Enterprise applying to the RDP\*? 2. If the business size is assessed as ‘small’ have you confirmed this by viewing the previous set of accounts? | Micro | | Small |  |
| 1. Additionality   Informed by the business turnover and cash reserves available record your discussion with the applicant on this issue  Record the evidence the applicant has provided to assist the LAG decision on the need for the funding applied for in terms of the project would;   1. not go ahead, 2. be delayed/delivered at lower level, 3. go ahead anyway |  | |  |  |
| 1. Displacement   Clarify any potential displacement issues identified prior to site visit. |  | |  |  |
|  | | | | |
| **Preparation for the Site Visit**  **Detail issues to be clarified or verified and any supporting documentation to be submitted to assist assessment of the application.** | | **Record discussion on issue raised, clarification or verification provided and if not, reason why documents are not available and arrangement/timescale agreed for provision of documents.** | | |
|  | |  | | |
|  | |  | | |
|  | |  | | |
|  | |  | | |
|  | |  | | |

|  |
| --- |
| **Business Plan issues for clarification/verification:** No additional information or changes may be added to the business plan. |

I confirm that the evidence provided in this form is true and complete. I understand that any Letter of Offer contract will be issued to me for agreement and signature.

Applicant Name (Printed)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_

Applicant Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

#### I confirm that I have completed an initial project assessment site visit and verified the existence of evidence as listed above.

# Name (Printed): …………………………. Signature:……………………………….…….

LAG: …………………………………....... Date of Site Visit:…………................………

\*A micro enterprise is defined as an enterprise which employs fewer than 10 persons .

A small enterprise is defined as an enterprise which employs fewer than 50 persons.

**Data used for the staff headcount and the financial amounts and reference period**

1. The date to apply to the headcount of staff are those relating to the latest approved accounting period and calculated on an annual basis. They are taken into account from the date of closure of the accounts.
2. Where, at the date of closure of the accounts, an enterprise finds that, on an annual basis, it has exceeded or fallen below the headcount stated in Article 2, this will not result in the loss or acquisition of the status of medium-sized, small or microenterprise unless those ceilings are exceeded over two consecutive accounting periods.
3. In the case of newly established enterprises whose accounts have not yet been approved, the data to apply is to be derived from a bona fide estimate made in the course of the financial year.

**Chapter 8, Annex 1**

**Type of Project**

Indicate which category best describes your project (**one** *only to be selected*)

|  |  |  |
| --- | --- | --- |
| Business | Manufacturing |  |
| Business | Craft |  |
| Business | E-commerce/ICT |  |
| Business | Services |  |
| Business | Childcare |  |
| Business | Tourism Activity or Leisure |  |
| Business | Tourism Accommodation |  |
| Business | Tourism Hospitality |  |
| Business | Business Other  Explain |  |
| Basic Services | Services for Elderly |  |
| Basic Services | Services for Children |  |
| Basic Services | Services for Youth |  |
| Basic Services | Services for Women |  |
| Basic Services | Services for Disabled |  |
| Basic Services | Services for Ethnic Minority Groups |  |
| Basic Services | Community Hall |  |
| Basic Services | Community Leisure Facility |  |
| Basic Services | Services Other;  Explain |  |
| Village Renewal | Village Plans |  |
| Village Renewal | Improvement Works |  |
| Village Renewal | Village Renewal Other  Explain: |  |
| Rural Broadband | Rural Broadband |  |
| Co-Operation | Upstream Activities |  |
| Co-Operation | Project Implementation |  |
| Rural Tourism | Activity / Infrastructure |  |
| Rural Tourism | Cultural Heritage |  |
| Rural Tourism | Tourism – Other  Explain: |  |

**Appendix 8B**

**APPLICATION FOR DAERA BUSINESS ID**

An applicant must have a DAERA Category 1 or 2 Business ID number to receive an offer of funding from the RDP. This is necessary for payment of claims and any follow up actions.

If you are the holder of an existing DAERA Business ID (Cat 1) **and** the name and address of your non farming Rural Development business (including the business name if registered with Companies House) is the same as the business name registered with DAERA, no separate application is required.

In all other circumstances, a Category 2 Business ID number must be obtained in which the applicant is named as the Business ID holder and, as relevant, the business/organisation name registered with Companies House is the business name registered with DAERA.

Applying for this non farming DAERA Business ID will further your current RDP application and can be used for any future non farming RDP projects you may apply for. If your RDP application is successful this Business ID will allow you to receive payment in respect of Rural Development project funding only.

The completed form and all relevant documentation should be returned to your local DAERA Office (addresses of local DAERA offices can be found at the back of this form). Community/Voluntary Groups not registered with HMRC must forward their completed RD1 Form and supporting documentation to their LAG Administration Unit in the first instance.

DAERA will issue an acknowledgement within 10 working days of receipt of applications received by post. Where applications are delivered personally to a local DAERA office, an acknowledgement will be issued immediately on request or by post the following day. If you have not received an acknowledgement within 15 working days of posting your form, you should contact your local DAERA office immediately.

**All details on this form must be completed**. If your form is incomplete we will return it to you and this may delay the processing of your application.

Under the European Regulations we are required to identify all payments to a single business. We will assess your application against four main criteria (full explanation of which is contained on Page 5) to determine if your business is separate from other businesses registered with us.

* Legal Status,
* Economic Structure / Organisation,
* Commercial Arrangements, and
* Operational Arrangements

**Note: If we consider your business is associated with another registered business we will not issue you with a DAERA Business ID (Cat 2) but may contact you to request further information. If as a result of this process your application is rejected we will explain the reasons for that rejection in a decision letter.**

**DAERA FRAUD HOTLINE NUMBER: FREEPHONE 0808 100 2716**

****

**You are advised to keep a copy of this form**

Official Use Only

Section 1 – NEW BUSINESS DETAILS

Business Name and Contact Details

|  |  |
| --- | --- |
| **Business Name:**  *(i.e., Applicant Name if individual; Registered Name with Companies House if limited company, registered community/voluntary group or charity; or Name agreed on group or partnership constitution if not registered.* | |
| **Status of Business:**  Individual/Sole Trader  Co-operative  Voluntary/Community Group  Government Department/Agency  Registered Charity  Other Public Sector Body/Agency  Limited Company  Other (description required below)  Business Partnership | |
| **Address:** | |
|  | |
|  | **Post Code:** |
| Please provide or record not registered, as applicable:  **Companies House Registration No** |  |
| Please provide 1 of the following :  a) **Inland Revenue Self Assessment Unique Tax Reference No.**  b) **Corporation Tax Unique Tax Reference No.**  c) **Charity Tax Reference No. or;**  d) copy of your application for a, b or c above  (if available) | Copy attached Yes  No |
| **Vat Registration Number** |  |
| **Telephone Number:**  (Including STD Code) | **Mobile Number:** |
| **E-Mail Address:** | |
| **Nature of Business** (including which RDP scheme you are applying to) | |
| **District / Borough / City Council the project is located within** (i.e. Mid Ulster, Causeway Coast & Glens etc. This will be used to identify which RDP Priority 6 Council is processing your RDP application). | |

# Note: The Business name is the name by which we will refer to the business and all correspondence and payments will be issued in the business name.

Section 2 – PERSONAL DETAILS OF ALL PROPOSED BUSINESS MEMBERS

List details for each member of the proposed new business.

If the proposed new business is a limited company list the directors as the members of the business. You should provide a copy of the Memorandum of Association with this form.

If the business is a partnership or unregistered community/voluntary group you should provide a copy of the partnership agreement or agreed constitution document with this form.

|  |  |  |
| --- | --- | --- |
| **MEMBER 1** |  | |
| **Title** | Mr  Mrs  Miss  Ms  Other \_\_\_\_\_\_\_\_\_\_ | |
| **Forename(s)** in full |  | |
| **Surname** |  | |
| Home Postal address (If different from section 1) |  | |
|  | |
|  | |
| Post Code |  |
| **Telephone Number:**  (including STD Code) | **Mobile Number:** | |
| **Date of Birth**  If under 18 a parent or guardian must complete section 5 | // | |
| **Status in the business**  (For example owner, partner, director, trustee) |  | |

|  |  |  |
| --- | --- | --- |
| **MEMBER 2** |  | |
| **Title** | Mr  Mrs  Miss  Ms  Other \_\_\_\_\_\_\_\_\_\_ | |
| **Forename(s)** in full |  | |
| **Surname** |  | |
| Home Postal address (If different from section 1) |  | |
|  | |
|  | |
| Post Code |  |
| **Telephone Number:**  (including STD Code) | **Mobile Number:** | |
| **Date of Birth**  If under 18 a parent or guardian must complete section 5 | // | |
| **Status in the business**  (For example owner, partner, director, trustee) |  | |

|  |  |  |
| --- | --- | --- |
| **MEMBER 3** |  | |
| **Title** | Mr  Mrs  Miss  Ms  Other \_\_\_\_\_\_\_\_\_\_ | |
| **Forename(s)** in full |  | |
| **Surname** |  | |
| Home Postal address (If different from section 1) |  | |
|  | |
|  | |
| Post Code |  |
| **Telephone Number:**  (including STD Code) | **Mobile Number:** | |
| **Date of Birth**  If under 18 a parent or guardian must complete section 5 | // | |
| **Status in the business**  (For example owner, partner, director, trustee) |  | |

|  |  |  |
| --- | --- | --- |
| **MEMBER 4** |  | |
| **Title** | Mr  Mrs  Miss  Ms  Other \_\_\_\_\_\_\_\_\_\_ | |
| **Forename(s)** in full |  | |
| **Surname** |  | |
| Home Postal address (If different from section 1) |  | |
|  | |
|  | |
| Post Code |  |
| **Telephone Number:**  (including STD Code) | **Mobile Number:** | |
| **Date of Birth**  If under 18 a parent or guardian must complete section 5 | // | |
| **Status in the business**  (For example owner, partner, director, trustee) |  | |

If there are more than 4 members, use a continuation sheet to list details about the other members.

Section 3 – BUSINESS DETAILS & ACCOUNTS

**3.1** Are you a member of, or have you an interest in, any

other DAERA registered business? Yes  No

If yes, please provide the details. Each member must answer.

**Member 1**

|  |  |  |  |
| --- | --- | --- | --- |
| **Business ID** | **Herd/Flock Number** (If applicable) | **What is your trading position in this business (e.g. sole trader, limited or ordinary partnership, limited company, trusts etc)?** | **Who has day-to-day management? Please give names.** |
|  |  |  |  |
|  |  |  |  |

**Member 2**

|  |  |  |  |
| --- | --- | --- | --- |
| **Business ID** | **Herd/Flock Number** (If applicable) | **What is your trading position in this business (e.g. sole trader, limited or ordinary partnership, limited company, trusts etc)?** | **Who has day-to-day management? Please give names.** |
|  |  |  |  |
|  |  |  |  |

**Member 3**

|  |  |  |  |
| --- | --- | --- | --- |
| **Business ID** | **Herd/Flock Number** (If applicable) | **What is your trading position in this business (e.g. sole trader, limited or ordinary partnership, limited company, trusts etc)?** | **Who has day-to-day management? Please give names.** |
|  |  |  |  |
|  |  |  |  |

**Member 4**

|  |  |  |  |
| --- | --- | --- | --- |
| **Business ID** | **Herd/Flock Number** (If applicable) | **What is your trading position in this business (e.g. sole trader, limited or ordinary partnership, limited company, trusts etc)?** | **Who has day-to-day management? Please give names.** |
|  |  |  |  |
|  |  |  |  |

**Please note that if you answer Yes to the above we may contact you to ask for more detail**.

* 1. Who has the authority to make business decisions? Tick all that apply.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Member 1** |  | **Member 2** |  | **Member 3** |  |
| **Member 4** | |  | | | |

**Note:** **Business decisions relate to the type of enterprises the business is involved in, the long-term goals of the business, financial investments in the business.**

* 1. Have you ever had an application for a DAERA Business ID rejected?

Yes  No

If yes, why was your application rejected?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Accounts

**3.4** Does the proposed new business have its own separate bank account?

Yes  No

**Note: Should the bank account relate to an existing DAERA Business ID your DAERA Business ID (Cat 2) for your RDP project will be withdrawn.**

**Commission Regulation 885/2006 requires DAERA to issue all grants or subsidy payments by BACS to a UK bank account from October 2008. From this date BACS will be the only method of payment.** (Should your RDP application proceed to Letter of Offer stage then we will require BACS details at that time).

An Advice Note giving details of the payment made and the account credited will be issued in respect of all BACS transactions.

**3.5** Does / will the proposed new business maintain financial accounts?

Yes  No

**Note: A chartered accountant should audit your accounts and we may request to see your accounts at any time.**

Section 4 – SUPPORTING DOCUMENTS

Please tick if you have included any of the following documents with your application.

Memorandum of Association  Constitution

Partnership Agreement

Copy of Inland Revenue Self Assessment Application form

Other – please specify

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Assessment criteria for Business Separateness**

**1. Legal Status**

If your business is to qualify as separate it must have a separate legal status. Satisfying this requirement is not in itself sufficient to establish separateness, as the other three criteria also need to be considered.

* **Economic Structure/Organisation**

This relates to the economic control of the business. Relevant to this is the shareholding or partnership interest or voting rights of the directors, shareholders, partners or individuals (or legal persons) of those involved in the business; those who benefit from the profits or suffer the losses relating to the businesses; and those who have the ultimate responsibility for making the longer term policy decisions that will affect the profitability of the business.

* **Commercial Arrangements**

This relates to commercial structure and concerns the commercial independence of a business. Information, which is relevant, may include whether the person with day-to-day responsibility for managing the business has discretion to buy and sell, whether there are separate accounts and tax status, whether any transactions are carried out at commercial rates.

* **Operational Arrangements**

This relates to the separateness of premises, machinery, labour, etc.

Section 5 – DECLARATION

I/We declare that the information given by me/us in this application is true and complete to the best of my/our knowledge and belief and I/we have enclosed all relevant documents relating to this application.

I/We declare that I/we have not created this business to benefit from funding contrary to objectives of any rural development grant or subsidy scheme.

I/we accept that the Department of Agriculture, Environment and Rural Affairs will take action against me/us for false declarations and/or not notifying the Department of any material changes to the information given.

I/We as legal guardian accept responsibility for all members of this business who are under the age of 18 years and will accept responsibility for adhering to the scheme rules of all grant or subsidy schemes to which this business applies.

**Member 1**

|  |  |  |  |
| --- | --- | --- | --- |
| Signature |  | Date |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Name  BLOCK LETTERS |  | Status\* |  |

**Member 2**

|  |  |  |  |
| --- | --- | --- | --- |
| Signature |  | Date |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Name  BLOCK LETTERS |  | Status\* |  |

**Member 3**

|  |  |  |  |
| --- | --- | --- | --- |
| Signature |  | Date |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Name  BLOCK LETTERS |  | Status\* |  |

**Member 4**

|  |  |  |  |
| --- | --- | --- | --- |
| Signature |  | Date |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Name  BLOCK LETTERS |  | Status\* |  |

**If the applicant is unable to sign the form personally the signatory must have Power of Attorney. Evidence of Power of Attorney must be submitted with this form.**

**\* Owner, Partner, Director, Legal Guardian of the Minor listed as a member of the business.**

|  |
| --- |
| **Data Protection and Freedom of Information**  The Department takes data protection and freedom of information issues seriously. It takes care to ensure that any personal information supplied to it is dealt with in a way, which complies with the requirements of the Data Protection Act 1998. This means that any personal information you supply will be processed principally for the purpose for which it has been provided. However, the Department may also use it for other legitimate purposes in line with the Data Protection Act 1998 and Freedom of Information legislation. These include:  Administration of the Common Agricultural Policy and other aid schemes;  The production and safety of food;  Management of land and other environmental controls;  Animal health and welfare;  Occupational health and welfare;  Compilation of statistics;  Disclosure to other organisations when required to do so; and  Disclosure under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 where such disclosure is in the public interest.  In accordance with EU Legislation, the Department must also publish the amounts of subsidy paid to beneficiaries on payments made since 16 October 2008 and thereafter.  This is likely to include business name and post code. |
| **Important**  If it is found that your business has been artificially created to benefit from grants or subsidies contrary to objectives of any grant or subsidy scheme now or in the future, we reserve the right to revoke any business number allocated.  Any person who makes a false declaration or fails to notify us of a material change to the information given in this form is liable to prosecution. A false, inaccurate or incomplete statement or failure to notify us of any material change to the information given in this form may result in loss of entitlement and / or recovery of any payments made. |

DAERA Direct Regional Offices

NOTE: All DAERA Direct telephone calls are handled via NI Direct. Please call Tel No 0300 200 7848 and ask for the regional office closest to the Applicant address.

|  |  |
| --- | --- |
| **Location** | **Address** |
| **Armagh\***  A:tek Building  Edenaveys Industrial Estate  Newry Road  Edenaveys  ARMAGH  BT60 1NF  Tel: 0300 200 7848  **\*** Deal with all business cases for County Armagh | **Ballymena\***  Academy House  121a Broughshane Street  Town Parks  BALLYMENA  BT43 6HY  Tel: 0300 200 7848  **\***Deal with all business cases for County Antrim |
| **Coleraine\***  Crown Buildings  Artillery Road  Millburn  COLERAINE  BT52 2AJ  Tel: 0300 200 7848  **\***Deal with all business cases for County L’derry | **Downpatrick\***  Rathkeltair House  Market Street  Demesne of Down Acre  DOWNPATRICK  BT30 6LZ  Tel: 0300 200 7848  \* Deal with all business cases for County Down |
| **Dungannon**  Crown Buildings  Thomas Street  Drumcoo  DUNGANNON  BT70 1HR  Tel: 0300 200 7848 | **Enniskillen\***  Inishkeen House  Killyhevlin Industrial Estate  Killyhevlin  ENNISKILLEN  BT74 4EJ  Tel: 0300 200 7848  \* Deal with all business cases for County Fermanagh |
| **Londonderry**  Crown Buildings  Asylum Road  Edenballymore  LONDONDERRY  BT48 7EA  Tel: 0300 200 7848 | **Magherafelt**  Units 36 - 38  Meadowlane Shopping Centre  Moneymore Road  Townparks of Magherafelt  MAGHERAFELT  BT45 6PR  Tel: 0300 200 7848 |
| **Mallusk**  Castleton House  15 Trench Road  Grange of Mallusk  Mallusk  NEWTOWNABBEY  BT36 4TY  Tel: 0300 200 7848 | **Newry**  Glenree House  Unit 2, Springhill Road  Carnbane Industrial Estate  Carnbane  NEWRY  BT35 6EF  Tel: 0300 200 7848 |
| **Newtownards**  Sketrick House  16 Jubilee Road  Corporation South  NEWTOWNARDS  BT23 4YH  Tel: 0300 200 7848 | **Omagh\***  Sperrin House  Sedan Avenue  Lisnamallard  OMAGH  BT79 7AQ  Tel: 0300 200 7848  \* Deal with all business cases for County Tyrone |
| **Strabane**   1. Urney Road   Strabane  BT82 9BX  Tel: 0300 200 7848 |  |

**Application for DAERA Business ID (Cat 2) - Private Sector**

**Guidance Notes for use by RAD Admin Units to Assist Completion of RD1 Form**

**Background**

1. Under European regulations DAERA is required to identify all payments made to a single ‘business’. While it is recognised that each application submitted to the EU grants website is issued with a unique number this does not satisfy the EU requirement as an applicant may submit more than one application form.
2. The applicant name and address of the business/organisation (including the business/organisation name if registered with Companies House) that the Priority 6 LOO contract will be agreed with **must match** the business name registered with DAERA.
3. A farmer applying for grant for a non agricultural enterprise may already hold a DAERA Category 1 Business ID. If the business applying to Priority 6 is registered with Companies House as a separate legal entity a Category 2 Business Number will be required prior to the issue of any LOO.
4. The RD1 – Application for a DAERA Business ID (Cat 2) Form has been designed in-line with the Category 1 DAERA Business ID application which records details about the farm business, membership, bank and business accounts arrangements, hence the reference to ‘business’ throughout the form. In terms of the Priority 6 element of the Rural Development Programme the ‘business’ could be a;-

* Micro or small business,
* partnership,
* sole trader or individual
* social economy enterprise,
* Non-Departmental Funding Body (NDFB),
* District or Borough Council,
* Community/voluntary group,
* charity,

to name a few examples.

1. A DAERA Business ID (Cat 1) gives the farm or land owner access to a range of agricultural and environmental subsidy schemes and livestock registration systems. It is therefore incumbent on DAERA to assess the legal status; economic structure and organisation; and the commercial and operational arrangements of each ‘business’ applying for a DAERA Business ID. From the Business ID application form DAERA is seeking to ascertain that the applicant ‘business’ operates separately from any other registered DAERA business in order to protect against the misappropriation of public monies or breach of livestock movement regulations.
2. It should be made clear to the Applicant that a DAERA Business ID (Cat 2) will not provide the applicant with access to any agricultural or environmental subsidies, herd numbers or flock numbers.

**Issue of RD1 Form Application for DAERA Business ID (Cat 2) to Applicants**

1. The RD1 Form may be provided to the Applicant at the initial site visit. The Project Officer should explain the purpose to the DAERA Business ID and ensure that the Applicant understands the need for the business, group or individual applying for a new DAERA Business ID to operate on a separate financial and accounting basis from any registered DAERA business. If the separation is not clear a new DAERA Business ID (Cat 2) will not be issued.
2. The agreed criteria for confirming business separateness to allow the issue of a new Category 2 Business ID where membership of the proposed new business for Rural Development purpose is exactly the same as an existing Category 1 Business ID are;
3. separate profit/loss accounts for the diversification business from those of the farm business, or a commitment to produce these,
4. separate bank accounts for each business, and
5. separate Tax reference numbers, or evidence from HMRC that one has been applied for.
6. DAERA Countryside Management Inspectors will visit projects applying for a Cat 2 Business ID where there is an existing Category 1 Business ID to the same name or address to test and confirm business separateness.

10. Where a separate Cat 2 Business ID is awarded the ID number must be used for the purpose of any other Rural Development application. The LAG is responsible for implementing checks in relation to ‘linked companies’ to ensure that Business IDs are not being created so as to maximise grant assistance available thus avoiding de minimis thresholds.

**11. Project applications viewed as suitable for funding must have a DAERA Business ID (Cat 1 or Cat 2) prior to issue of a Priority 6 letter of offer (LoO).**

12. It is important that the Applicant completes the RD1 Form fully and accurately and submits the authorised form to the local DAERA office as detailed at the back of the application without delay. The DAERA office will issue an acknowledgement of receipt within 10 days and may contact the Applicant to clarify the details provided.

1. The relevant RD Admin Unit will be copied any written correspondence issued by the DAERA local office to the Applicant, including the issue of the DAERA Business ID (Cat 2) number – this should be retained on the project file. Given that a DAERA Business ID reference is necessary prior to LoO issue stage it is recommended that you set up a monitoring system to identify Applicants issued with RD1 Forms where the subsequent Business ID has not be notified so that queries can be raised – with the Applicant in the first instance.

**Section 1 – New Business Details**

|  |  |
| --- | --- |
| Business Name and Address | This is for the purpose of the DAERA Business ID and will be the name and address to which any subsequent Priority 6 grant payments issue.   1. Companies House registered businesses, social economy enterprises or community/voluntary groups must use the name recorded on their Companies House registration record. This can be checked through <https://beta.companieshouse.gov.uk/> . 2. Sole traders, non registered businesses partnerships or individuals must use the principle individual’s name and address. 3. Non registered community/voluntary groups must use the group name and address as detailed on their agreed constitution document. 4. The RD Admin Unit must ensure that the ‘business name and address’ used for the DAERA Business ID is also recorded on the Applications Database for the purpose of the LOO. |
| Status of Business | Throughout the form the questions refer to ‘business’. This is a DAERA term in relation to the DAERA Business ID. The applicant should select the status that best describes the nature of their business, group or committee set-up.  Individuals should use the ‘sole trader’ status. |
| Inland Revenue Unique Self Assessment Tax Reference No. | The Applicant must either provide their Unique Tax Reference No or evidence that the Inland Revenue has received an application for registration for Self Assessment Income Tax.  It is recognised that some applicants particularly those proposing to set-up a new business may not be able to do so without Priority 6 funding. As a minimum the applicant should provide a copy of the application to become registered with HMRC. |
| VAT Registration | If registered provide VAT registration number, if not state ‘not registered’ |
| Phone & Email Contact Details | Record as relevant.  The DAERA Office may need to contact the Applicant to resolve queries. |
| Nature of the Business | Record details of the RD project i.e., purchase of equipment for light engineering business – briefly explaining what the business, individual, group does. What the end result will be, i.e., manufacture of, sale of, etc. Sufficient detail should be provided to allow DAERA Grants & Subsidies to assess whether the proposed RD project is ‘farming’ or ‘non-farming’.  Specify scheme applied to i.e., Business Investment |
| Council Area | This will help the DAERA local office to identify the lead Council area applied to. |

**Section 2 – Personal Details of all ‘Business’ Members**

1. This section is self explanatory. Again ‘Business’ refers to the status of the applicant as detailed above. All members (owners or people responsible for the proposed project implementation and management (not the employees)) must be listed and details provided as relevant.

**NOTE:** Companies House registered businesses and community groups including SEEs must provide a copy of their Memorandum of Association document. Partnerships; or groups or committees formed under a constitution must provide a copy of their agreed Constitution document or formal Partnership Agreement.

**Section 3 – Business Details and Accounts**

|  |  |
| --- | --- |
| Q. 3.1  Members linked to another registered DAERA Business | This is to identify any members of the ‘business’ for the RD project proposal who are a member of or are associated with any other DAERA registered business. The details requested must be provided for each member who is already linked to a DAERA Business ID.  Membership of another DAERA Business ID should not present a problem so long as the nature of the business at Section 1 clearly identifies the RD project proposal as non-farming. |
| Q. 3.2  Authority | Self explanatory |
| Q. 3.3  Previous DAERA Business ID Application | Self explanatory |
| Q. 3.4  Bank Account | This question is to ascertain that the Applicant has a bank account for the operation of the proposed RD project and that no other DAERA Business ID is linked to this bank account.  The DAERA Business ID will be linked to the BACS payment proforma that the Applicant will be asked to submit if a Letter of Offer is issued. No more than one DAERA Business ID can be linked to an individual bank account for DAERA Grants & Subsidies payment purposes.  Example: two people share a bank account; one already holds a DAERA Business ID and payments linked to this Business ID are lodged to this shared bank account. The other partner (Applicant to Priority 6) who is not part of the existing DAERA Business may apply for a DAERA Business ID (Cat 2) for the operation of their Rural Development project but cannot use the same Bank Account – as this would not meet the DAERA criteria for a separate business. |
| Q3.5  Financial Accounts | It is expected that all Applicants will answer ‘yes’ to this question.  Applicants registered with Inland Revenue or submitting evidence request for registration will be required to produce accounts for Self Assessment.  RD Admin Units will be requesting copies of financial accounts prior to and post funding to assess increased GVA. |

**Approval for DAERA to use contact details to issue general literature.**

As part of our continued drive to improve customer service we propose to use the contact information you have supplied on this form to tell you of latest developments / issues across a range of Agriculture and Rural Development services.

One example of how we will use this information is to issue a monthly DAERA e-newsletter. Typically this contains information on the following areas:

Current DAERA Schemes

Implications of legislation i.e. Nitrates Directive

Environmental Issues

Veterinary / Animal Health Advice

Renewable Energy

Information Technology (ICT)

Technical Information, for example

* New Innovations
* Estimated Breeding Values (EBVs)
* Marketing Information
* Silage Analysis/Costs

DAERA events

We will **automatically** include you to receive such general information via these contact details and if you agree, no further action is required by yourself.

However, should you **not wish** to receive such information then please tick the box below?

|  |  |
| --- | --- |
|  | Please tick box |
| I **do not agree** that my contact details may be used for the issue of general DAERA information. |  |

If at any time in the future you wish to be removed from our circulation list then please contact your local DAERA office who will arrange this.

**Non-profit-taking Community/Voluntary Groups - Specific requirements to satisfy the DAERA criteria for the award of the Category 2 Business ID**

1. Non-profit-taking groups applying for a Category 2 Business ID should be provided with an RD1 application proforma as available in the Priority 6 Desk Instructions. For the purposes of this aspect of the application process non-profit taking groups will be split into two categories;-

(a) total project costs of over £10k, and

(b) total project costs of £10k or less.

1. It is recognised that non-profit taking Groups **may not to be able to provide** an Inland Revenue, Corporation Tax or Charity Tax Reference No as required by Section 1 of the RD1 application. To resolve this potential issue it has been agreed that alternative evidence as to the community/voluntary group’s legal status will be considered as follows;-
   * total project costs over £10k - the group must be registered with Companies Registry as a Company Limited by Guarantee or Limited Liability Partnership. These types of registration require a ‘Memorandum and Articles of Association’ document which can be submitted to DAERA as evidence.
   * total project costs of £10k or less - the group must set up as an unincorporated association. This requires the members to put in place a ‘constitution’ which can be submitted to DAERA as evidence.

*It should be noted that this requirement provides protection for individual members of a community/voluntary group in receipt of financial assistance if things go wrong and there is a need to recover grant payments. When people come together to carry out a particular activity they often do not think of the legal nature of the group they are forming or realise that in law they may have obligations and responsibilities.*

1. In addition the following detail must be provided in the form of a letter or document confirmed/authorised by the Chairperson or head of the group;-

(a) the current main officer bearers of the group, as in

* + - * 1. the chairperson,
        2. the treasurer, and
        3. the secretary.

*(the main office bearers and their details must also be recorded on the RD 1 application form at Section 2),*

1. a statement or evidence that the group is non-profit-taking,
2. if available, confirmation from HM Revenue & Customs of the Group’s accepted Charity Status, and
3. where the memorandum/articles of association document or constitution does not include details of the objects/purpose of the group and/or the financial/banking arrangements and cheque signatory arrangements these detail should be provided in the letter from the Chair which addresses the information required by point 3(a) and 3(b) above.
4. The LAG must ensure that the applicant community/voluntary group is made aware of the legal structure required to be in place prior to applying for a Category 2 Business ID which must be in place before any offer of financial assistance can be issued. If the Group cannot provide the necessary HMRC Unique Tax Reference No as required at Section 1 of the RD1 the ‘Memorandum and Articles of Association’ or ‘Constitution’ document, as relevant to the project, must be submitted to the DAERA LEADER and Rural Tourism Implementation Branch in Dundonald House along with the RDI application proforma and additional supporting documentation as detailed paragraph 3 above.
5. It is the responsibility of the LAG to ensure that the correct legal status document as relevant to the total project costs is provided by the community/voluntary group in support of the RD1 application. This will be subject to DAERA verification.
6. It is recommended that groups coming forward for funding are referred to the Membership Services aspect of the NICVA website ([www.nicva.org](http://www.nicva.org/) ) for advice on options for legal structures and setting up a voluntary group.
7. Groups forming as a Company Limited by Guarantee or a Limited Liability Partnership will, as part of the process, be required to agree a Memorandum and Articles of Association document. In reviewing this document as part of the RD1 application process DAERA LEADER and Rural Tourism Implementation Branch will require evidence of the following;-
8. Name of the Community Voluntary Group (must match that recorded on the RD1 application).
9. Objective / purpose of the Community/Voluntary Group.
10. Names of the main office bearers (as detailed at Para 3).
11. A statement or evidence that would indicate that the Community/Voluntary Group are non profit taking i.e. all profits are put back into the work of the Group for the good of the Community.
12. Groups forming as an unincorporated association will, as part of the process, be required to agree a Constitution document. In reviewing this document and supporting details as specified at Para 3, as part of the RD1 application process, DAERA LEADER and Rural Tourism Implementation Branch will require evidence of the following;-

***Essential Evidence***

1. Name of the Community Voluntary Group - (must match that recorded on the RD1 application)
2. Objective / purpose of the Community/Voluntary Group.
3. Names of the main office bearers (as detailed at Para 3).
4. A statement or evidence that would indicate that the Community/Voluntary Group are non profit taking i.e. all profits are put back into the work of the Group for the good of the Community,
5. Finance – bank, accounting and Treasurer, authorised signatories’ arrangements

***Group functions/arrangements also likely to be included in the Constitution***

1. Management Committee.
2. Functions of the Committee.
3. Chairing Meetings.
4. Annual General Meetings and rules of procedure for all meetings (minutes, quorums etc).
5. Alterations to the Constitution.
6. Arrangements for dissolution.
7. Indemnity.
8. When the RD1 form is submitted to local CSIB offices DAERA Inspectors will check the Business ID database to;-
   * ensure that the Group name does not already exist,
   * check the list of main office bearers for association with any existing DAERA Business ID.

If necessary DAERA Inspectors will perform a business separateness test where the Group has the same address as an existing Business ID or any members of the group are associated with an existing Business ID.

1. RD1 applications for Category 2 Business ID will be rejected where;-
   * the name of the Group in Memorandum and Articles of Association or Constitution does not fully agree with the stated name on the RD1 application,
   * the names and positions of the main office bearers are not provided,
   * the Group does not declare non-profit-taking status,
   * the Group name already exists on DAERA’s CIS Business ID database
2. DAERA Countryside management Inspectors may contact the applicant directly to;-
   * clarify details provided on the RD1 application,
   * perform a business separateness test as noted at Para 9. above.

The Applicant Group should be made aware of possible direct contract from DAERA Inspectors.

1. It has been agreed that DAERA LEADER and Rural Tourism Implementation Branch, Dundonald House will facilitate this process by;-
   * + - 1. reviewing the RD1 application and supporting documentation to be submitted to the local CSIB office, and
         2. providing a letter of clearance in support of the Group application for a Category 2 Business ID.
2. In summary the documentation/additional information required from a non-profit taking community/voluntary group is;-
   * + - 1. RDI application for DAERA Business ID (Category 2) – fully completed,
         2. a Memorandum and Articles of Association or Constitution document as relevant to the total project costs,
         3. list of the names and positions of the main office bearers (authorised/confirmed by the Chairperson/head of the group),
         4. statement of non-profit taking status of the group (authorised/confirmed by the Chairperson/head of the group), and
         5. any other evidence supporting the legal status of the group which could be a letter from HMRC accepting the Charity status of the Group.
3. The Admin Unit should forward the completed RD1 application and supporting documentation to Derick Jenkins or Shirley Curry in DAERA LEADER and Rural Tourism Implementation Branch, Room 145, Dundonald House, Upper Newtownards Road, Belfast to facilitate a review of the papers submitted and preparation of a letter of clearance to CSIB from the Priority 6 Manager. To assist this process and ensure that documentation submitted is complete please use the checklist proforma provided at Annex A.
4. Prior to submission to Dundonald House the Admin Unit is advised to ensure that the group has;-
   * + - 1. answered all questions on the RD1 application form,
         2. provided a Memorandum and Articles of Association or Constitution document as relevant to the value of total project costs,
         3. provided a list of the main office bearers and their positions (authorised by the Chair of the Group),
         4. a statement declaring non-profit taking status for the Group (authorised by the Chair of the Group), and
         5. where the Memorandum or Constitution does not specifically detail the purpose/objects of the Group or the financial/cheque signatory arrangements arrange for this to be covered in a statement from the chair of the Group.

*Experience of the RD1 application process informs us that CSIB will return incomplete applications or seek further clarification where the required information is not included.*

A list of the common problems arising on RD1 applications from non-profit-taking Groups is provided at Annex B.

1. An application for a Business ID will be rejected if the name of the Group recorded on the Articles of Association or Constitution **does not match** that recorded on the RD1 application.

**Annex A**

**To DAERA** LEADER and Rural Tourism Implementation Branch

**Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Application for Category 2 DAERA Business ID for Non-Profit-Taking Community Group - Request for Clearance by DAERA Axis 3 Central**

|  |  |
| --- | --- |
| **Name of Applicant:** | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Application Ref No:** | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Total Project Costs:** | **£\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |

**Checklist for Documentation to be submitted**

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **1.** | **RD1 Application** |  |
|  | (i) All questions answered | Yes / No |
|  | (ii) Business Name matches name of the applicant; name for LOO issue; name on memorandum & articles of association or constitution | Yes / No |
|  | (iii) names and addresses of main office bearers at Section 2 | Yes / No |
|  | (iv) members association/links with any other DAERA registered business declared at Section 3 | Yes / No |
|  | (v) Accounts: Bank & Financial questions answered | Yes / No |
| **2.** | **Documents as Evidence of Legal Status** |  |
|  | (i) Memorandum & Articles of association (total project costs over £10k) | Yes / No |
|  | (ii) Constitution (total project costs of £10k or less) | Yes / No |
| **3.** | **Letter of Confirmation from Chairperson of Non-Profit-Taking Group** |  |
|  | (i) Names of 3 main office bearers (match members on RD1, Section 3) | Yes / No |
|  | (ii) statement re non-profit-taking status | Yes / No |
|  | (iii) arrangements for bank/cheque signatories | Yes / No |
|  | (iv) letter authorised by Chair of Group | Yes / No |

**Annex B**

**Common Problems arising which add to the timescale for processing**

* + - 1. RD1 application submitted to LEADER and Rural Tourism Implementation Branch, Dundonald House when the group already has a Unique Tax Reference number (UTR) – these should issue directly to the local DAERA Direct office, addressed to DAERA Business ID Section.
      2. TAX question not answered – if the Group is non-profit-taking and not registered with HM revenue & Customs state ‘not for profit group – not registered with HMRC’.
      3. Name of the Group specified on the RD1 form does not match that on the legal status document (Memorandum or Constitution) or in some cases the EU applications database.
      4. Constitution document not authorized/signed by the board members.
      5. Members of the Business ID application listed at Section 2 not matching the names of the main office bearers as provided by the Chair of the Group.
      6. Separate bank account for the Group not indicated at Q3.4.
      7. Objects/purpose of the Group not detailed on the legal status document.
      8. Arrangements for cheque signatories/decisions etc. not detailed on the legal status document.
      9. Members listed on the RD1 not declaring their association with another Community Group Business ID or personal Business ID. In the case of not-for-profit Groups this should not cause rejection unless all members are the same, however queries will be raised if not declared.

**Appendix 8C**

**ENVIRONMENTAL ASSESSMENT**

**Environmental Assessment Requirements**

The approved Rural Development Programme is committed to a number of environmental assessment requirements for all supported projects and schemes.

Under the Environmental Impact Assessment (Agriculture) Regulations (Northern Ireland) 2007, as amended, any person intending to alter the use or management of areas of uncultivated or semi-natural land must obtain prior approval from Department of Agriculture, Environment and Rural Affairs (DAERA). Further guidance can be found at the following link:

[https://www.DAERAni.gov.uk/publications/environmental-impact-assessment-application-forms-and-guidance](https://www.dardni.gov.uk/publications/environmental-impact-assessment-application-forms-and-guidance)

Where applicable, the requirements of environmental impact assessments and energy efficiency obligations must be respected. This is in accordance with Article 45 of Regulation (EU) No 1305/2013 which requires an assessment of the expected environmental impact where the investment is likely to have a negative effect on the environment. The following environmental assessment actions must be carried out.

* An Environmental Impact Assessment (EIA) will be carried out on all investments where this is legally required.
* Capital investment projects will be assessed for possible impacts on Natura 2000 sites and where required a Habitats Regulation Assessment will be carried out by the Competent Authority. <http://ec.europa.eu/environment/nature/natura2000/management/docs/art6/natura_2000_assess_en.pdf>
* Investments will be subject to the necessary planning and other permissions.
* All projects with be subject to a Development Path Analysis (DPA) which assesses both the *direct* and *indirect* environmental impacts that are likely to result from the proposed activity. The DPA scoring is considered during project selection.
* Any investments negatively impacting on e.g. climate change, biodiversity, Water Framework Directive (WFD), Floods Directive or air quality objectives will only be supported if there are appropriate mitigation actions which will be evaluated during project selection.
* Only investments that go beyond the requirement of the Nitrates Action Programme, mandatory elements of the Pesticides National Action Plan and the Water Framework Directive River Basin Management Plans will be funded. <http://www.netregs.org.uk/business_sectors/agriculture.aspx>

**Project Assessment Checklist**

The following needs to be taken into consideration during project selection.

* Does the project have a negative impact on the environment? If yes the project can only proceed if there are appropriate mitigating actions which are considered during project selection.
* Are all the necessary planning and other permissions in place?
* Is an environmental impact assessment legally required? If yes has this been carried out?
* Will the proposed project have an impact on any Natura 2000 sites? If yes has a Habitats Regulation Assessment been carried out if the proposed project?
* Has a Development Path Analysis (DPA), which assesses both the *direct* and *indirect* environmental impacts that are likely to result from the proposed activity, been carried out and considered during project selection?

**Carrying out a Development Path Analysis (DPA)**

The European Commission has a responsibility to make sure that every region in receipt of EU funding has a system in place to monitor any environmental impacts of the funding and to promote more sustainable activities. The Managing Authority and RDP Monitoring Committee have a responsibility to monitor outcomes of the funding, including environmental outcomes. They also have a responsibility to report on these outcomes to the European Commission.

Delivery Bodies and Local Action Groups have a responsibility to assess environmental impact and sustainability for all funded projects as set out above. Delivery Bodies and Local Action Groups will also have a responsibility to apply a Development Path Analysis score to each project that is received under their scheme and to consider DPA results during project selection.

The Northern Ireland Statistics and Research Agency (NISRA) will monitor DPA results across Northern Ireland’s European Strategic Investment Funds (ESI) to get a better overview of sustainable development across the region.

# The Development Paths

DPA is based on an assumption that certain patterns of development, or “development paths,” are more environmentally sustainable than others and that regions have choices about which path to pursue through the selection of projects. The tool recognises four development paths.

Path A: Meeting Environmental Standards.

**Path B:** Re-generation – environmental skill re-generation.

**Path C:** Resource Efficiency – efficient use of resources.

**Path D:** Environmentally sustainable – sustainable economically (creating employment), environmentally (efficient use of inputs, preparing to meet future increasing standards), socially (wealth creating, sense of worth).

The objective of the tool is to help assess the activity that simply meets minimum environmental regulations and, therefore, makes a minimal contribution to environmental sustainability through to activity that is environmentally sustainable.

Each project is allocated into one of the development paths at project assessment stage based on the following guidance.

Path A: Meeting Environmental Regulations

Path A includes projects that do not go beyond current environmental regulations/standards or “business as usual”. Path A projects should however help businesses to better understand and meet environmental regulations/ standards through, for example, advice and or training.

Path A also includes everyday activities, such as delivering training or developing cross‑border networks, even if these activities are not subject to any kind of environmental regulation. These activities should be included under Path A if they do not involve any special effort to minimise or improve the impact of the activities on the environment.

**Path B: Environmental Re-generation**

Energy, transport, agriculture, industrial processes and waste all have the potential to contribute to the degradation of the environments on which animal and plant life depends.

Path B projects cover regeneration activities that directly improve the overall quality of the natural and built environment and indirectly encourage people to take pride in their environment, putting in place infrastructure that allows people to carry on with their everyday activities but with less damage to the environment.

An important question of these projects is not whether the project eliminates environmental damage altogether (although eliminating damage should be the goal ultimately). Rather, the question is whether the project makes an improvement to the baseline situation.

Re-establishment of an environmental skill or meeting new environmental services needs e.g. servicing needs of Environmental Farming Scheme participants could also be considered as Path B. However, projects that have innovative approaches could also be regarded as Path B.

**Path C: Resource Efficiency**

Efficiency in the use of natural resources is essential to minimising or reducing the environmental impact of rural development funded activities. Projects that show how water, energy, air, wood or minerals are used sustainably could be regarded as Path C. Projects in Path C have to meet, as a minimum, all environmental standards.

Path C covers projects that improve the efficiency with which resources are used, but that can also have a positive effect on the environment.

**Path D: Environmentally sustainable**

Path D will encourage projects that aim to influence behavioural change and have a lasting environmental benefit. The key test for supporting new and innovative technologies is that they should make managing a business simpler or better and have a lasting environmental impact.

Sometimes the cost of the initial investment in better technologies or processes can be high, which can deter a business, even if the longer‑term payoff would make the investment financially worthwhile.

Path D can also cover projects that involve environmental research and innovation, since the results from this can support the rationale for new behaviour.

Handling Uncertainty

It may not always be clear which path is the most appropriate. A project may be an activity that both puts in place environmental infrastructure and encourages new forms of behaviour, for instance. Or a project may have various stages or components that could be associated with different paths.

Another complexity is knowing how much to expect from projects. It may not be clear what degree of change in behaviour is needed to enable a project to be categorised as Path D rather than Path A.

The following pointers should help you.

* Decide what “business as usual” is and how much change is reasonable to expect at this stage for your particular sector, area or group.
* Weigh up the different kinds of activities and impacts associated with a project, and use reasonable judgement to arrive at an overall DPA. Consider both direct and indirect impacts. Direct impacts are those that are closely related to the activity in question. Indirect impacts are the consequences of the activity further down the line. An example is a training session, where the manner in which the training is delivered will have a direct impact and where the subject of the training, which will encourage a certain kind of behaviour after the training is completed, will have the indirect impact.
* Consult any sustainable development strategies for your organisation or sector, as well as environmental objectives for your measure as identified in the programme documentation.
* Ensure consistency at least across your own measure/scheme, and record the reason for your decision. (Procedures for recording reasons are described in the next section).
* Focus on the type of the activity rather than the scale.

# When and how to apply DPA

This section of the guide explains how and when DAERA and Delivery Bodies should be applying DPA. It should be read in conjunction with Annex A, which is the project categorisation form that every Delivery Body should be using to record its DPA scores.

During Project Selection

Delivery Bodies must apply DPA to every project that is submitted under their measure/scheme. Projects must be assigned to the development path that most closely matches the type of activity the project represents.

During assignment, consider both the *direct* and *indirect* environmental impacts that are likely to result from the activity. This will help you to arrive at a reasonable judgement about the most appropriate path.

Each project should be given only *one* path, and this path must reflect the balance of activities carried out under the project and their attendant environmental impacts.

The path should be recorded on the project categorisation form for DPA (Annex A) along with a statement of your *rationale* for selecting that particular path. The statement of rationale is an important record, and it needs to be fulsome enough to make sense to anyone that might need to refer to it later.

The DPA assignment should then form part of the information that is considered during project selection. The scoring or weighting will depend on the individual scheme for example a simple scoring mechanism out of a total of 100 points would be.

Path A: Meeting Environmental Standards (Score 0).

**Path B:** Re-generation – environmental skill re-generation **(Score 2).**

**Path C:** Resource Efficiency – efficient use of resources **(Score 4).**

**Path D:** Environmentally sustainable – sustainable economically (creating employment), environmentally (efficient use of inputs, preparing to meet future increasing standards), socially (wealth creating, sense of worth) **(Score 6).**

As a general rule the maximum score i.e. Path D should not exceed 6% of the total marks available.

Once selection decisions have been made, enter the DPA paths promptly into the central monitoring database. The scoring sheet should be filed carefully with the rest of the documentation for that project.  
  
**Summary of steps for applying DPA**

In summary, there are three main steps to applying DPA:

1. When applications are received, assign each project into path A, B, C or D using the project categorisation form. A site visit may assist with making a decision as to the correct path to assign to a project.

1. Consider and score the DPA paths at the time of project selection.
2. Once selections have been made, enter the DPA paths for all projects into the central monitoring database and file the project categorisation forms with the rest of the project documentation.

# Project Categorisation Form Annex A

**Development Path Analysis – Project Categorisation Form**

Project Applicant Name: ………………………………………….

Project Application Number: ………………………………………….

Using the project details supplied during the application process, please assess the likely impact of the project on the environment and assign the project according to the development path to which it most closely corresponds.

**A.** 0 **B.** 2

**C.** 4 **D.** 6

**Reason for decision: (refer to evidence on which you based your decision)**

Completed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Project Officer)

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

***Input to Database by:***

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

|  |
| --- |
| **LEADER AND STATE AID** |

**Appendix 8D**

**1. Introduction**

Article 81 of the Rural Development Regulation (RDR)[[14]](#footnote-14) establishes that the ‘State Aid’ rules apply to grants to LEADER projects under the NIRDP 2014-2020.

Article 59.9 of the RDR also prescribes that **all** public expenditure granted as aid to enterprises funded under LEADER must comply with the aid limits stipulated in the relevant ‘State aid’ rules[[15]](#footnote-15). Therefore public expenditure from other sources such as Councils or the Heritage Lottery Fund must be considered as well as EU/DAERA funding for this purpose.

This document aims to provide the LAG with guidance regarding the ‘State aid’ rules which apply to LEADER and the steps which must be taken to ensure compliance.

**2. What is ‘State Aid’?**

‘State aid’ is a European Commission term which refers to forms of assistance from a public body or publicly-funded body, given to ‘undertakings ‘on a selective basis, with the potential to distort competition and affect trade between Member States of the European Union.

‘State aid’ is prohibited by EU rules unless it has been specifically approved by the Commission and implemented in accordance with that approval or has been paid in compliance with so-called ‘de minimis’ or ‘block exemption’ rules (which are explained later in this Guidance Note).

**3. How do I Identify ‘State Aid’?**

The definition of ‘State Aid’ derives from Article 107(1) of the Treaty on the Functioning of the European Union (TFEU). This Article states that:  
  
*“Save as otherwise provided in this Treaty, any aid granted by a Member State or through State resources in any form whatsoever, which distorts, or threatens to distort competition by favouring certain undertakings or production of certain goods, shall, in so far as it affects trade between Member States, be incompatible with the common market.”*

Not all aid granted under LEADER fits this definition therefore it will be necessary to determine whether ‘State aid’ is present on a case-by-case basis. To do so, five questions derived from Art 107(1) must be considered.  
  
**4. ‘State Aid’ Checklist**

Appendix 1 provides a LEADER ‘State aid’ Checklist (with guidance). This should be completed in all cases in order to ensure that there is compliance with all relevant EU ‘State aid’ rules and that an adequate audit trail is maintained. A copy of the completed Checklist must be retained in project files.   
  
If the answer to any question in sections 1 or 2 of this Checklist s is ‘No’ the aid is not ‘State aid’ and it will not be necessary to consider the options for funding ‘State aid’ explained in paragraph 6 and sections 3-8 of the Checklist.   
  
**5. Circumstances when Question 4 of the Checklist will not be satisfied**

Question 4 in Section 2 of the checklist asks you to consider whether the grant aid affects or has the potential to affect trade between Member States.   
  
Aid granted to an undertaking operating in a market which is open to competition will normally be assumed to distort competition and also be liable to affect trade between Member States. However, the Commission has in certain specific cases ruled that due to the specific facts and circumstances of the aid application the activities grant-funded had a purely local impact and consequently did not affect trade between Member States.

LEADER projects may be able to demonstrate that they have only a local impact and therefore funding these will not constitute ‘State aid’. However, this is a complex area of ‘State aid’ law and careful consideration is required before a determination that this is the case is reached.

In order to determine whether a project’s impact is limited to the local area it is necessary to refer to and apply Commission guidance to the specific circumstances of the case in question.

The European Commission’s draft ‘Notice on the notion of State aid[[16]](#footnote-16)’ provides guidance – see relevant extracts at Appendix 2 of this Guidance;

Common features of such decisions are that:

* 1. the aid does not lead to demand or investments being attracted to the region concerned and does not create obstacles to the establishment of undertakings from other Member States;
  2. the goods or services produced by the beneficiary are purely local or have a geographically limited attraction zone (the project’s application form / business case may indicate that it targets customers from other Member States);
  3. there is at most a marginal effect on the markets and on consumers in neighbouring Member States

LAGs should be extremely cautious when considering whether a project has purely local impact and document their reasons for such a determination. A careful consideration of the guidance at Appendix 2 is essential.  
.

**6. Aid is ‘State Aid’**

If the aid is ‘State aid’ it must be granted in compliance with one of 2 options approved by the Commission in Chapter 13 of the NIRDP (2014-2020) Programme document. These are:

1. *To fund in compliance with ‘de minimis rules’ where the total de minimis aid received by a single undertaking is less than €200,000 over any period of 3 fiscal years);* “  
     
   De minimis aid” is a term used to describe small amounts of State aid that have a negligible impact on trade and competition, and conforms to the rules set out in the EU De Minimis Regulation[[17]](#footnote-17). The total de minimis aid which can be given to a single undertaking is €200,000 over a 3-year fiscal period. It is therefore necessary to check whether the grant applicant has received de minimis aid from any other source during the relevant 3 year period to determine whether this ceiling is respected. This is explained in Section 3 of the Checklist at Appendix 1.
2. *To fund in accordance with the ‘block exemption rules’* ‘  
     
   Block exemption’ is aid which has been registered with the Commission as compliant with the rules set out in the EU Block Exemption Regulation[[18]](#footnote-18). LEADER can use this option if the project being funded falls under any one of the following four categories:   
   1. Aid for broadband infrastructures
   2. Aid for culture and heritage conservation
   3. Aid for sport and multifunctional recreational infrastructures
   4. Aid for local infrastructures.

**7. Deciding which Option to Use?**

The facts and circumstances of a specific project application must be taken into account when deciding which option to choose. It is for the LAG to decide which option is most suitable in any given circumstance. The following sub-paragraphs offer guidance to inform this decision:

1. If the grant is less than €200,000 it is recommended LAGs should first consider option 1 ‘de minimis aid’. This is because the de minimis rules allow 100% of the project costs determined to be eligible to be funded from public expenditure up to the maximum ceiling of €200,000.
2. If de minimis aid received over the three year period would exceed €200,000 and the aid falls into categories (ii) – (iv) listed at paragraph 6(2) above it is recommended LAGs should consider using option 2 ‘block exemption’. If this option is chosen it is important to note that the RDR states the total public expenditure must comply with the ‘State aid’ rules (see paragraph 1).   
     
   **NB:** The block exemption rules limit ‘State Aid’ to culture and heritage conservation’ and to sport and multifunctional recreational infrastructures 80% of the total eligible costs. As DAERA / EU will fund 75% of all eligible costs under these categories, match funding from other public sources (e.g. Councils, Heritage Lottery Fund) must be taken into account. Please seek advice from RAD regarding the rules on cumulating de minimis aid with block exemption aid if public aid would exceed the 80% ceiling (see paragraph 8 below).

Once an option has been chosen the LAG should go on to complete the Checklist at Appendix 1.

**8. Rules on Cumulation**

Both the EU Block Exemption and the De Minimis Regulations stipulate rules regarding the cumulation of block exempted / de minimis aid with other State aid, as follows:  
  
 Aid paid in accordance with Block Exemption Rules:

* may be cumulated with any other State aid, as long as those measures concern different identifiable eligible costs
* may be cumulated with any other State aid, in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not result in exceeding the highest aid intensity stipulated by the Commission (see the Table at Section 3 below)
* must not be cumulated with any de minimis aid in respect of the same eligible costs if such cumulation would result in an aid intensity exceeding the highest aid intensity stipulated by the Commission (see the Table at Section 3 below).

Aid paid in accordance with the De Minimis Rules:

may be cumulated with *de minimis* aid granted in accordance with other *de minimis* regulations up to the €200,000 ceiling. LAGs therefore need to take into account any de minimis aid awarded to the farming sector under ‘agricultural de minimis Regulation (EU) 1408/2013 or to the fisheries and aquaculture sector under Regulation (EU) 717/2014.

* must not be cumulated with State aid in relation to the same eligible costs, if such cumulation would exceed the highest relevant aid intensity or aid amount fixed in the specific circumstances of each case by a block exemption regulation or under a Commission decision.   
    
  De minimisaid which is not granted for or attributable to specific eligible costs may be cumulated with other State aid granted under a block exemption regulation or under a Commission decision.

**9. European Commission Monitoring and Record Keeping**The European Commission can carry out audits on LEADER expenditure and these can include a check on the compliance with State aid rules. The Commission can also check on how block exemption schemes or de minimis are being implemented and have wide-ranging investigative powers.

In order to allow the Commission to monitor block exempted State aid and de minimis aid detailed records must be maintained with the information and supporting documentation necessary to establish that the conditions set out in the Block Exemption / De Minimis Regulation have been adhered to. This documentation must be kept for 10 years from the date of the last aid was awarded under the LEADER measure.  
  
**10. State Aid Annual Report**

The Commission requires each Member State to provide a yearly report on State aid paid out under approved state aid schemes and individually approved state aid.

DAERA will be asked once a year to provide details of State aid paid under the block exemption rules. Consequently LAGs must note the database accordingly.

**11. Roles and Responsibilities**

LAGs and RAD Programme Compliance Section

LAGs must carry out administrative checks on all applications for support and payment claims submitted under LEADER in accordance with Article 48 of Commission Regulation (EU) 809/2014. Article 48(2) specifically states that the checks must ensure the compliance of the operation with State aid rules. These checks should adhere to Commission recommendations on State aid compliance testing (see paragraph 12).  
  
RAD Programme Compliance Service will carry out quality assurance checks on the LAG administrative checks.

DAERA European Services Branch Verification Unit (ESBVU)

ESBVU must carry out on the spot checks on at least 5% of EAFRD expenditure in accordance with Article 49 to 51 of Commission Regulation (EU) 809/2014 and ex post checks in accordance with Article 52. Art 51(1) of Commission Regulation (EU) 809/2014 and Art 71(1) of Commission Regulation (EU) 1303/2013 make it clear these checks should ensure compliance with the State aid rules. As with the administration checks these checks should adhere to Commission recommendations on State aid compliance testing.

**12. Commission Guidance - Checks on State aid compliance**

In its (draft) document on “Control and Penalty rules in Rural Development” the Commission provides the following guidance on the checks required by Member States regarding State aid compliance relevant to LEADER:

“The main compliance tests with State aid rules are recommended to be carried out during the administrative checks on applications for support. In addition, complementary tests could be carried out during the administrative checks on payment claims and during on-the-spot checks.

For instance:

* in respect of the general de minimis rule, it is possible to check the beneficiary's accounts to ensure that the total amount of EUR 200 000 de minimis aid threshold is not exceeded in three fiscal years and to verify the other conditions of the Regulation (e.g. where a farmer is active in the non-agricultural sector and in the primary production sector at the same time, it is ensured that there is a separation of activities or distinction of costs so that the activities in the primary agricultural sector do not benefit from the general de minimis aid)
* in respect of the block exemptions, particular attention should be paid to the definition of the SMEs, to the common provisions applicable to all kind of measures (incentive effect, etc) and the specific provisions for the different categories of aid (maximum amounts, maximum intensity, eligible costs, etc)

Example of most common issue identified by the Commission in the area of State aid:

• lack of verification of de minimis rules.”

**13. Getting it wrong – potential consequences**

The Commission is the body with legal competence to decide whether aid constitutes State aid or not. It can audit schemes to check on compliance with the rules or investigate aid following a complaint from another Member State or from a competitor of an aid beneficiary who feels aid may have been provided unfairly.

A scheme that does not follow the rules could be forced to close even after it has been launched. Giving State aid unlawfully can result in the money having to be clawed back from the aid recipient (with compound interest) with possible serious consequences for that recipient (e.g. it could put an enterprise out of business).

**Appendix 1 - State Aid Checklist for Applications**

This Checklist is intended to be used by LEADER groups considering applications for funding projects under Priority 6 of the NIRDP (2014 – 2020). In order to maintain a sufficient audit trail to demonstrate that adequate EU checks on State aid required by Article 48(2) of Regulation (EU) 809/2014 have been conducted a Checklist should be completed for each eligible project as part of the assessment process and held on file.

**Section 1 – Is the project an ‘undertaking’**

The State aid rules will only apply if the grant applicant is an ‘undertaking’ i.e. any organisation engaged in ‘economic activity.’

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

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

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

|  |  |
| --- | --- |
| ***Question:*** | ***Answer (Y/N):*** |
| ***Does the grant application request support for economic activity?*** |  |

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

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

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

**Section 2 – Will grant support constitute State aid?**

“State aid” is aid which meets 4 conditions established by the EU Treaty. These conditions are set out in the Table below. If **any one** of these conditions is **not** satisfied the support will **not** constitute State aid.

Conditions 1 to 3 will always be satisfied when a grant is awarded to an undertaking under Priority 6 of the NIRDP. Please consider Condition 4 carefully in conjunction with the guidance provided on ‘local activities’ in paragraph 6 and Appendix 2 of this Guidance and decide whether this condition is satisfied. If you decide Condition 4 is **not** satisfied please provide adequate reasons for your determination.

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Condition** | **Answer** | **Notes** |
| 1. | Is the aid granted by the State or through State resources? | Y | Support from the EAFRD and DAERA’s co-financing are both regarded as ‘State Resources’. Under LEADER the answer to this question will always be ‘Yes’. |
| 2. | Does the aid provide a ‘selective advantage’ by favouring certain undertakings or production of certain goods? | Y | Support under LEADER is ‘selective’ as e.g. it is available only to applicants in rural areas. The grant aid provides an advantage as it offsets costs which would otherwise have to be borne by the undertaking itself. The answer to this question will always be ‘Yes’ |
| 3. | Does the intervention distort or threaten to distort competition? | Y | This will occur if the aid potentially or actually strengthens the position of the aid recipient in relation to competitors. Almost all selective aid will have potential to distort competition - regardless of the scale of potential distortion or market share of the aid recipient. The distortion of competition does not have to be substantial or significant. The answer to this question will always be ‘Yes’ |
| 4 | Does the intervention affect Trade between member States | Y/N  (delete as appropriate) | This includes potential effects. Most products and services are traded between Member States and therefore aid for almost any selected economic activity is capable of affecting trade between Members States even if the undertaking does not directly trade with Member States. The only likely exceptions are single undertakings with a purely local market (see guidance at Appendix 2) |
| **Conclusion (delete as appropriate):**   * **Aid is State Aid (award aid in accordance with the options provided under Sections 3 &4 below).** * **Aid is not State Aid (Reasons must be given below) .**   **Reasons**  **Signed:**  **Date:**  **Position:**  **Counter signed by Admin Unit Manager:**  **Date:** | | | |

**Section 3– State Aid Option 1 – De Minimis Aid**

This Section should be completed if you have decided to fund under Option 1 ‘ De Minimis Aid’. It is intended to ensure you award de minimis aid in accordance with Regulation (EU) 1407/2013.

|  |  |  |
| --- | --- | --- |
| Question | Answer | Notes |
| |  | | --- | | Does the application concern activities in any one of the following sectors:   * fishery and aquaculture * primary production of agricultural products * processing & marketing of agricultural products where the amount of aid is fixed upon the basis of the price or quantity of products purchased or put on the market | | Y/N | |  | | --- | |  |   Reg (EU) 1407/2013 does not permit aid to these sectors. |
| Will the aid:   * provide support to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity;  |  | | --- | | * aid contingent upon the use of domestic over imported goods. | | Y/N | Reg (EU) 1407/2013 prohibits such aid. |
| Is the undertaking an ‘undertaking in difficulty’ |  | Under DAERA rules Undertakings in difficulty’ cannot be funded under de minimis. See appendix 4 |
| Does the grant applicant have any links with other enterprises?  This information is necessary to establish whether de minimis aid received by the other enterprises should be counted towards the €200,000 de minimis ceiling which applies to a ‘single undertaking’ (see Notes).. | Y/N | A ‘Single undertaking’ includes all enterprises having at least one of the following relationships with each other:  (a) one enterprise has a majority of the shareholders’ or members’ voting rights in another enterprise;  (b) one enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;  (c) one enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;  (d) one enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders’ or members’ voting rights in that enterprise.  Enterprises having any of the relationships referred to in points (a) to (d) through one or more other enterprises shall also be considered to be a single undertaking. |
| Has a declaration been obtained from the undertaking to confirm the amount of de minimis aid that has been received in current and previous two fiscal years? A standard declaration is provided at Appendix 3.  For applicants with links enterprises you must take into account all de minimis aid granted to the ‘Single Undertaking’ | Y/N  Total de minimis aid received was € | The total de minimis aid awarded to any single undertaking during any period of three fiscal years must not exceed €200,000.  The grant award notices previously received by the single undertaking should provide this information. |
| Please state the award of de minimis aid now being considered and confirm that when added to any de minimis aid already awarded during the relevant three fiscal year period\* will not exceed the €200,000 limit | The total de minimis aid now awarded during the 3 year period is € | You should convert to € using the exchange rate current on the day the Letter of Offer is issued – this can be found at - <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html> |
| * Is there any cumulation of de minims aid with State aid or other de minimis aid? * If so, have the rules on cumulation been respected? | (i)  (ii) | See paragraph 8 of Guidance note |
| Has the undertaking been advised that the grant now awarded is de minimis aid using the standard award notice provided below? | Y/N |  |

* The period of three fiscal years is the fiscal year current at the date of the Letter of Offer and the two previous fiscal years.

**Section 4 – State Aid Option 2 – Block Exemption**

This Section should be completed if you have determined that the grant applicant is an undertaking (Section 1) and that the four State aid Conditions are satisfied (Section 2) and the project should be funded under Option 2 ‘block exemption’.

**NB:** **RAD rules at any point in time may be more restrictive than the block exemption rules as to the costs which can be funded under the categories listed below. Where this is the case RAD rules take precedent.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Category** | **Yes/No** | **If ‘Yes’** | **DAERA/EU Contribution** | **Maximum Grant** | **State Aid**  **Intensity**  **(Maximum)** |
| Aid for broadband infrastructures |  | Complete Section 5 | 75% of eligible costs | £100k | 100% of eligible costs |
| Aid for culture and heritage conservation |  | Complete Section 6 | 75% of eligible costs | £500k | 80% of eligible costs |
| Aid for sport and multifunctional recreational infrastructures |  | Complete Section 7 | 75% of eligible costs | £500k | 80% of eligible costs |
| Investment Aid for local infrastructures |  | Complete Section 8 | 75% of eligible costs | £500k  Note: The aid amount must not exceed the difference between the eligible costs and the operating profit of the investment. The operating profit shall be deducted from the eligible costs *ex ante*, on the basis of reasonable projections, or through a claw-back mechanism | 100% of eligible costs |

**Section 5 Rural Broadband (Article 52 of Regulation (EU) 651/2014)**

|  |  |  |
| --- | --- | --- |
| Question | Answer  Y/N | Notes |
| Is the undertaking subject to an outstanding State aid recovery order from the European Commission? |  | If the answer is ‘Yes’ the project cannot be funded under block exemption – seek advice from RAD |
| Is the undertaking an ‘undertaking in difficulty’ |  | Undertakings in difficulty’ cannot be funded under block exemption. See appendix 4 |
| Has the aid intensity and eligible costs been calculated before any deduction of tax or other charge? |  | The aid intensity and the eligible costs of the operation must be calculated before any deduction of tax or other charge. The eligible costs must be supported by documentary evidence which shall be clear, specific and contemporary. |
| * Is there any cumulation of de minims aid with State aid or other de minimis aid? * If so, have the rules on cumulation been respected? | (i)  (ii) | See paragraph 8 of Guidance note |
| Does the aid intensity exceed €500,000 |  | New Commission rules require Member States to publish on the internet details of all individual awards exceeding €500,000. This requirement comes into force from 1 July 2016. Departmental instructions will be issued at a later date. |
| Are the costs eligible? |  | The eligible costs are limited to:   * 1. Investment costs for the deployment of a passive broadband infrastructure;   2. Investment costs of broadband-related civil engineering works;   3. Investment costs for the deployment of basic broadband networks; and   4. Investment costs for the deployment of next generation access (NGA) networks |
| Is the location eligible as verified through public consultation? |  | The investment must be located in areas where there is no infrastructure of the same category (either basic broadband or NGA network) and where no such infrastructure is likely to be developed on commercial terms within three years from the moment of publication of the planned aid measure, which shall also be verified through an open public consultation. |
| Has there been a competitive selection process? |  | The aid must be allocated on the basis of an open, transparent and non-discriminatory competitive selection process respecting the principle of technology neutrality. |
| Does the Network Operator offer the widest possible active and passive wholesale access? |  | The network operator must offer the widest possible active and passive wholesale access under fair and non-discriminatory conditions, including physical unbundling in the case of NGA networks. Such wholesale access shall be granted for at least seven years and the right of access to ducts or poles shall not be limited in time. In the case of aid for the construction of ducts, the ducts shall be large enough to cater for several cable networks and different network topologies. |
| Is the wholesale access price shall be based on the pricing principles set by the national regulatory authority? |  | The wholesale access price shall be based on the pricing principles set by the national regulatory authority and on benchmarks that prevail in other comparable, more competitive areas of the Member State or the Union taking into account the aid received by the network operator. The national regulatory authority shall be consulted on access conditions, including pricing, and in the event of dispute between access seekers and the subsidised infrastructure operator |

**Section 6– Aid for Culture and Conservation (Article 53 of Regulation (EU) 651/2014)**

DAERA rules on the activities that may be funded under this category are set out within the Scheme Sheets within the EU approved Rural Development Programme. Where these are more restrictive than the block exemption rules, DAERA rules take precedent

|  |  |  |
| --- | --- | --- |
| Question | Answer  Y/N | Notes |
| Is the undertaking subject to an outstanding State aid recovery order from the European Commission? |  | If the answer is ‘Yes’ the project cannot be funded under block exemption – seek advice from RAD |
| Is the undertaking an ‘undertaking in difficulty’ |  | Undertakings in difficulty’ cannot be funded under block exemption see appendix 4 |
| Has the aid intensity and eligible costs been calculated before any deduction of tax or other charge? |  | The aid intensity and the eligible costs of the operation must be calculated before any deduction of tax or other charge. The eligible costs must be supported by documentary evidence which shall be clear, specific and contemporary. |
| * Is there any cumulation of de minims aid with State aid or other de minimis aid? * If so, have the rules on cumulation been respected? | (i)  (ii) | See paragraph 8 of Guidance note |
| Does the aid intensity exceed €500,000 |  | New Commission rules require Member States to publish on the internet details of all individual awards exceeding €500,000. This requirement comes into force from 1 July 2016. Departmental instructions will be issued at a later date. |
| Is the aid being given for an eligible purpose or activity?  . |  | The following cultural purposes and activities are eligible for funding:   1. museums, archives, libraries, artistic and cultural centres or spaces, theatres, opera houses, concert halls, other live performance organisations, film heritage institutions and other similar artistic and cultural infrastructures, organisations and institutions; 2. tangible heritage including all forms of movable or immovable cultural heritage and archaeological sites, monuments, historical sites and buildings; natural heritage linked to cultural heritage or if formally recognized as cultural or natural heritage by the competent public authorities of a Member State; 3. intangible heritage in any form, including folklorist customs and crafts; 4. art or cultural events and performances, festivals, exhibitions and other similar cultural activities; 5. cultural and artistic education activities as well as promotion of the understanding of the importance of protection and promotion of the diversity of cultural expressions through educational and greater public awareness programs, including with the use of new technologies; 6. writing, editing, production, distribution, digitisation and publishing of music and literature, including translations. |
| Are all investment costs eligible? |  | The eligible costs are the investment costs in tangible and intangible assets, including:   * 1. costs for the construction, upgrade, acquisition, conservation or improvement of infrastructure, if at least 80 % of either the time or the space capacity per year is used for cultural purposes;   2. costs for the acquisition, including leasing, transfer of possession or physical relocation of cultural heritage;   3. costs for safeguarding, preservation, restoration and rehabilitation of tangible and intangible cultural heritage, including extra costs for storage under appropriate conditions, special tools, materials and costs for documentation, research, digitalisation and publication;   4. costs for improving the accessibility of cultural heritage to the public, including costs for digitisation and other new technologies, costs to improve accessibility for persons with special needs (in particular, ramps and lifts for disabled persons, Braille indications and hands-on exhibits in museums) and for promoting cultural diversity with respect to presentations, programmes and visitors;   5. costs for cultural projects and activities, cooperation and exchange programmes and grants including costs for selection procedures, costs for promotion and costs incurred directly as a result of the project; |
| Are all operating costs eligible? |  | The eligible costs are limited to:   * 1. the cultural institution's or heritage site's costs linked to continuous or periodic activities including exhibitions, performances and events and similar cultural activities that occur in the ordinary course of business;   2. costs of cultural and artistic education activities as well as promotion of the understanding of the importance of protection and promotion of the diversity of cultural expressions through educational and greater public awareness programs, including with the use of new technologies;   3. costs of the improvement of public access to the cultural institution or heritage sites and activities including costs of digitisation and of use of new technologies as well as costs of improving accessibility for persons with disabilities;   4. operating costs directly relating to the cultural project or activity, such as rent or lease of real estate and cultural venues, travel expenses, materials and supplies directly related to the cultural project or activity, architectural structures for exhibitions and stage sets, loan, lease and depreciation of tools, software and equipment, costs for access rights to copyright works and other related intellectual property rights protected contents, costs for promotion and costs incurred directly as a result of the project or activity; depreciation charges and the costs of financing are only eligible if they have not been covered by investment aid;   5. costs for personnel working for the cultural institution or heritage site or for a project;   6. costs for advisory and support services provided by outside consultants and service providers, incurred directly as a result of the project. |
| For publishing of music and literature (writing, editing, production, distribution, digitisation and publishing of music and literature, including translations) – have the rules regarding aid intensity been respected?  **Note: - Aid to press and magazines** is not eligible for funding (includes publications in print or electronic) under block exemption. |  | The maximum aid amount shall not exceed either the difference between the eligible costs and the project's discounted revenues or 70 % of the eligible costs. The revenues shall be deducted from the eligible costs *ex ante* or through a clawback mechanism. The eligible costs shall be the costs for publishing of music and literature, including the authors' fees (copyright costs), translators' fees, editors' fees, other editorial costs (proofreading, correcting, reviewing), layout and pre-press costs and printing or e-publication costs. |

**Section 7 - Aid for Sport and Multifunctional Recreational Infrastructures (Art 55 of Regulation (EU) 651/2014)**

DAERA rules on the activities that may be funded under this category are set out within the Scheme Sheets within the EU approved Rural Development Programme. Where these are more restrictive than the block exemption rules, DAERA rules take precedent

|  |  |  |
| --- | --- | --- |
| Question | Answer  Y/N | Notes |
| Is the undertaking subject to an outstanding State aid recovery order from the European Commission? |  | If the answer is ‘Yes’ the project cannot be funded under block exemption – seek advice from RAD |
| Is the undertaking an ‘undertaking in difficulty’ |  | Undertakings in difficulty’ cannot be funded under block exemption. see appendix 4 |
| Has the aid intensity and eligible costs been calculated before any deduction of tax or other charge? |  | The aid intensity and the eligible costs of the operation must be calculated before any deduction of tax or other charge. The eligible costs must be supported by documentary evidence which shall be clear, specific and contemporary |
| * Is there any cumulation of de minims aid with State aid or other de minimis aid? * If so, have the rules on cumulation been respected? | (i)  (ii) | See paragraph 8 of Guidance note |
| Does the aid intensity exceed €500,000 |  | New Commission rules require Member States to publish on the internet details of all individual awards exceeding €500,000. This requirement comes into force from 1 July 2016. Departmental instructions will be issued at a later date. |
| Does the project comply with the rules on professional / non-professional sports users? |  | The funded sport infrastructure must not be used exclusively by a single professional sport user. Use of the sport infrastructure by other professional or non-professional sport users must annually account for at least 20 % of time capacity. If the infrastructure is used by several users simultaneously, corresponding fractions of time capacity usage must be calculated.   If sport infrastructure is used by professional sport clubs, Member States shall ensure that the pricing conditions for its use are made publicly available. |
| Does the project have a multi-functional character |  | Multifunctional recreational infrastructure must consist of recreational facilities with a multi-functional character offering, in particular, cultural and recreational services with the exception of leisure parks and hotel facilities. |
| Does the project comply will the rules on access? |  | Access to the sport or multifunctional recreational infrastructures must be open to several users and be granted on a transparent and non-discriminatory basis. Undertakings which have financed at least 30 % of the investment costs of the infrastructure may be granted preferential access under more favourable conditions, provided those conditions are made publicly available. |
| Concessions or entrustments to 3rd parties (if applicable) |  | Any concession or other entrustment to a third party to construct, upgrade and/or operate the sport or multifunctional recreational infrastructure shall be assigned on a open, transparent and non-discriminatory basis, having due regard to the applicable procurement rules. |
| Are all Operating Aid costs eligible? |  | The eligible costs are limited to the operating costs of the provision of services by the infrastructure. Those operating costs include costs such as personnel costs, materials, contracted services, communications, energy, maintenance, rent, administration, etc., but exclude depreciation charges and the costs of financing if these have been covered by investment aid. |
| Are the Aid intensities within limits (Investment Aid and/or Operating Costs)? |  | Aid for (i) Investment Aid and (ii) Operating Costs is capped at 75% |

**Section 8 - Investment Aid for Local Infrastructures (Art 56 Reg (EU) 651/2014)**

DAERA rules on the activities that may be funded under this category are set out within the Scheme Sheets within the EU approved Rural Development Programme. Where these are more restrictive than the block exemption rules, DAERA rules take precedent

|  |  |  |
| --- | --- | --- |
| Question | Answer  Y/N | Notes |
| Is the undertaking subject to an outstanding State aid recovery order from the European Commission? |  | If the answer is ‘Yes’ the project **cannot** be funded under block exemption – seek advice from RAD |
| Is the undertaking an ‘undertaking in difficulty’ |  | Undertakings in difficulty’ **cannot** be funded under block exemption.  see appendix 4 |
| Has the aid intensity and eligible costs been calculated before any deduction of tax or other charge? |  | The aid intensity and the eligible costs of the operation must be calculated before any deduction of tax or other charge. The eligible costs must be supported by documentary evidence which shall be clear, specific and contemporary |
| * Is there any cumulation of de minims aid with State aid or other de minimis aid? * If so, have the rules on cumulation been respected? | (i)  (ii) | See paragraph 8 of Guidance note |
| Does the aid intensity exceed €500,000 |  | New Commission rules require Member States to publish on the internet details of all individual awards exceeding €500,000. This requirement comes into force from 1 July 2016. Departmental instructions will be issued at a later date |
| Does the construction or upgrade of local infrastructures concern infrastructure that contributes at a local level to improving the business and consumer environment and modernising and developing the industrial base? |  | If the answer is ‘No’ block exemption cannot be used. Please consider using de minimis aid. |
| Will the infrastructure be ‘dedicated infrastructure’? |  | “Dedicated infrastructure” cannot be funded under block exemption. |
| Will the infrastructure be open to users in accordance with the rules? |  | The infrastructure must be made available to interested users on an open, transparent and non-discriminatory. The price charged for the use or the sale of the infrastructure shall correspond to market price. |
| Are there any concessions or other entrustments to a third party to operate the infrastructure? If so do they meet the relevant conditions? |  | Any concession or other entrustment to a third party to operate the infrastructure must be assigned on an open, transparent and non-discriminatory basis, having due regard to the applicable procurement rules. |
| Can the costs identifiable be classified as tangible and/or intangible investments? |  | Only tangible and/or intangible investments are eligible under this category of block exemption. |

**Appendix 2 – Draft Commission Notice – Effect on Trade and Competition**

**The guidance below is copied directly from a draft Commission Notice on the “Notion of Aid” and should be considered if LAGs are considering whether operations fall to be treated as engaged only in local activity.**

1. **General principles**

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

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

1. **Distortion of competition**

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

The fact that the local authorities assign a public service to an in-house provider (even if they were free to entrust that service to third parties) does not as such exclude a possible distortion of competition. However, a possible distortion of competition is excluded if (i) a given service is subject to a legal monopoly (established in compliance with EU law) and is not in competition with similar (liberalised) services and (ii) the service provider cannot be active (due to regulatory or statutory constraints) in any other liberalised (geographical or product) market.

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

1. **Effect on trade**

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

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

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

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

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

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

1. the aid does not lead to demand or investments being attracted to the region concerned and does not create obstacles to the establishment of undertakings from other Member States;
2. the goods or services produced by the beneficiary are purely local or have a geographically limited attraction zone;
3. there is at most a marginal effect on the markets and on consumers in neighbouring Member States;

Some examples are:

* swimming pools and other leisure facilities intended predominantly for a local catchment area (N 258/2000 *Leisure Pool Dorsten)*;
* museums or other cultural infrastructure unlikely to attract visitors from other Member States (N 630/2003 *Local Museums Sardinia &* SA.34466 *Cyprus – Center for Visual Arts and Research;*
* hospitals and other health care facilities aimed at a local population ( N543/2001 *Ireland – Capital allowances for hospitals*,& SA.34576 *Portugal – Jean Piaget North-east Continuing Care Unit*);
* news media and/or cultural products which, for linguistic and geographical reasons, have a locally restricted audience (N 257/2007 *Subsidies for theatre productions in the Basque country;*  N 458/2004 *Editorial Andaluza Holding;* SA.33243 *Jornal de Madeira)*;
* a conference centre, where the location and the potential effect of the aid on prices is unlikely to divert users from other centres in other Member States (N 486/2002 *Sweden – Congress hall in Visby)*
* concerning the financing of cable ways (and in particular ski lifts), the Commission practice clarified that the following factors should typically be taken into account to draw a distinction between installations liable to have a local catchment area and others262: a) the location of the installation (e.g. within cities or linking villages); b) operating time; c) predominantly local users (proportion of daily as opposed to weekly passes); c) the total number and capacity of installations relative to the number of resident users; d) other tourism-related facilities in the area. Similar factors could, with the necessary adjustments, also be relevant for other types of facilities.

Appendix 3 **De Minimis Declaration**

To Be Completed by Applicant (variables to be completed by Admin Unit)

**Standard Declaration**

*In order to minimise distortion of competition the European Commission sets limits on how much assistance can be given without its prior approval to organisations operating in a competitive market.*

*This letter sets out what is needed to ensure compliance with those limits. You should note carefully the requirements and the obligations. If you have any queries please discuss them with [the aid administrator].*

*Under EU Regulation 1407/2013 (De Minimis Aid Regulation) as published in the Official Journal of the European Union on 24 December 2013, [OJ L 352 24.12.13, p1 – 8 ] the support provided is a De minimis aid.*

*There is a ceiling of €200,000 for all De minimis aid provided to any single undertaking over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years).*

*Any De minimis aid provided to you under this scheme will count towards the €200,000 ceiling and will be relevant if you wish to apply, or have applied, for any other De minimis aid. The value of the aid under this scheme is €xxxx / £xxxxx .*

*You will need to declare this amount to any other aid awarding body who requests information from you on how much De minimis aid you have received. For the purposes of the De minimis regulation, you must retain this letter for 10years from the date on which the aid is granted and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter longer than 10 years for other purposes)*

***Please advise us now of any other De minimis aid*** *which your enterprise and any enterprises linked to it may have received during your current and previous two fiscal years, as we need to check that our support added to that previously received, will not exceed the threshold of €200,000 over the last 3 fiscal years.   
  
De Minimis Aid includes not only grant but also assistance such as free or subsidised consultancy services, marketing advice etc. If you are in any doubt about whether previous assistance received classes as De minimis assistance please include it. Please sign the attached statement confirming your eligibility for support.*

***Statement of De minimis aid received***

*I confirm that I have (list below) / have not received\* De minimis aid during the previous 3 fiscal years (i.e. current fiscal year and the previous two fiscal years):*

*\*delete as applicable*

|  |  |  |
| --- | --- | --- |
| Body providing the assistance/aid | Value of assistance (calculating the Gross Grant Equivalent) | Date of assistance |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

*Declaration*

I acknowledge that if I fail to meet the Eligibility Requirements, I/we shall become liable to pay the full price that would otherwise be payable in respect of the services received.

|  |  |
| --- | --- |
| *Company* |  |
| *Client Name* |  |
| *Signature* |  |
| *Date* |  |

**Appendix4 – Definitions**

The following definitions are relevant to this Guidance and associated checklist.

**Common Definitions (Relevant to all block exemptions)**

* **‘intangible assets’** means assets that do not have a physical or financial embodiment such as patents, licences, know-how or other intellectual property
* **‘tangible assets’** means assets consisting of land, buildings and plant, machinery and equipment;
* **‘undertaking in difficulty’** - The definition of an ‘undertaking in difficulty’ is set out in Article 2(18) of the Regulation and means:-

“an undertaking in respect of which at least one of the following circumstances occurs:

* In the case of a limited liability company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, ‘limited liability company’ refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU (1) and ‘share capital’ includes, where relevant, any share premium.
* In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, ‘a company where at least some members have unlimited liability for the debt of the company’ refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.
* Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.
* Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan.
* In the case of an undertaking that is not an SME, where, for the past two years:
  + - the undertaking's book debt to equity ratio has been greater than 7.5 and
    - the undertaking's EBITDA interest coverage ratio has been below 1

**Definitions relevant to Broadband Infrastructures**

The following definitions are applicable to aid to broadband infrastructures:

* **‘basic broadband’** and **‘Basic broadband networks’** means networks with basic functionalities which are based on technology platforms such as asymmetric digital subscriber lines (up to ADSL2+ networks), non-enhanced cable (e.g. DOCSIS 2.0), mobile networks of third generation (UMTS) and satellite systems.
* **‘broadband-related civil engineering works’** means the civil engineering works which are necessary for the deployment of a broadband network, such as digging up a road in order to enable the placement of (broadband) ducts.
* **‘ducts’** means underground pipes or conduits used to house (fibre, copper or coax) cables of a broadband network.
* **‘physical unbundling’** grants access to the end-consumer access line and allows competitors' own transmission systems to directly transmit over it.
* **‘passive broadband infrastructure’** means a broadband network without any active component. It typically comprises civil engineering infrastructure, ducts and dark fibre and street cabinets.
* **‘next generation access (NGA) networks’** means advanced networks which have at least the following characteristics:(a) deliver services reliably at a very high speed per subscriber through optical (or equivalent technology) backhaul sufficiently close to user premises to guarantee the actual delivery of the very high speed; (b) support a variety of advanced digital services including converged all-IP services, and (c) have substantially higher upload speeds (compared to basic broadband networks). At the current stage of market and technological development, NGA networks are: (a) fibre-based access networks (FTTx), (b) advanced upgraded cable networks and (c) certain advanced wireless access networks capable of delivering reliable high-speeds per subscriber.
* ‘**wholesale access’** means access which enables an operator to utilise the facilities of another operator. The widest possible access to be provided over the relevant network shall include, on the basis of the current technological developments, at least the following access products. For FTTH/FTTB networks: ducts access, access to dark fibre, unbundled access to the local loop, and bitstream access. For cable networks: duct access and bit-stream access. For FTTC networks: duct access, sub-loop unbundling and bit-stream access. For passive network infrastructure: duct access, access to dark fibre and/or unbundled access to the local loop. For ADSL-based broadband networks: unbundled access to the local loop, bit-stream access. For mobile or wireless networks: bit-stream, sharing of physical masts and access to the backhaul networks. For satellite platforms: bit-stream access.

**Culture and Heritage Conservation (Article 53 of Regulation (EU) 651/2014)**

The following definitions are relevant to Aid for culture and heritage conservation:

* **‘difficult audio-visual works’**: means the works identified as such by Member States on the basis of pre-defined criteria when setting up schemes or granting the aid and may include films whose sole original version is in a language of a Member State with a limited territory, population or language area, short films, films by first-time and second-time directors, documentaries, or low budget or otherwise commercially difficult works.

**Sport and Multifunctional Infrastructures (Article 55 of Regulation (EU) 651/2014)**

The following definitions are relevant to aid to multifunctional infrastructures:

* **‘professional sport’** means the practice of sport in the nature of gainful employment or remunerated service, irrespective of whether or not a formal labour contract has been established between the professional sportsperson and the relevant sport organisation, where the compensation exceeds the cost of participation and constitutes a significant part of the income for the sportsperson. Travel and accommodation expenses to participate to the sport event shall not be considered as compensation for the purposes of this Regulation.

**Investment Aid for Local Infrastructures (Article 56 of regulation (EU) 651/2014**

There is no definition of ‘local infrastructure’ within the block exemption Regulation however the wording of the Article makes it clear that such infrastructure must contribute at a local (rather than national or regional level to improving the business and consumer environment and modernising and developing the industrial base. Infrastructure that is built to benefit only a specific business and which is tailored to its needs is regarded as ‘dedicated infrastructure’ and is ineligible for funding under this block exemption.

**APPENDIX 8E**

**Economic Appraisal Guidance**

**Introduction**

* 1. Managing Public Money Northern Ireland (MPMNI) identifies the need for economic appraisals as an important part of good financial management. To ensure sound decision-making and proper accountability - all public expenditure including European Union Funds - must be subjected to rigorous economic appraisal.

**Programme Appraisal**

* 1. The EU has rules which set out the boundary of what is allowed within a Leader programme. DAERA undertook a more detailed analysis as to what it would allow which has resulted in tighter requirements than those specified in the EU documentation. To do this, DAERA applied the principles of appraisal in the design of the Leader programme. See Leader Framework summary of principles in [Appendix 8E Annex1](#Appendix_8E_annex_1). To be eligible for funding projects must fit within the principles outlined in the framework document.

**Responsibility**

* 1. The LAG is the custodian of public money on behalf of the Department, therefore, it is required to complete, or commission the completion of, economic appraisals for each leader project.
  2. Use of external consultants, while expensive can provide a cost effective means of accessing skills and expertise not available in-house, particularly where a large data-gathering exercise is needed or there is sophisticated modelling required. Where LAGs wish to use consultants these may be commissioned and paid from the Administration budget. The LAG must also adhere to the guidance on the use of external consultants - see [Annex 2](#Appendix_8E_annex_2).
  3. The LAG is required to critically and objectively assess the assumptions and arguments made for the allocation of the funding in any application. In this regard they must seek evidence to substantiate the key assumptions within the economic appraisal, for example, assumptions underpinning demand, revenues, costs, and employment projections. The site visit should be used to further test assumptions and any findings should be documented for the assessment panel. As the custodians of public money, the LAGs are required to ensure that expenditure of public money can be justified and defended as per the Northern Ireland Guide to Expenditure, Appraisal and Evaluation (NIGEAE) and other relevant guidance, e.g. Managing Public Money guidance. To ensure an independent review of an application, the LAG should carry out, or commission, the appraisal. It should not be undertaken by the project promoter.

The ownership of the appraisal lies with the LAG.

**The Basics of Appraising Financial Assistance**

**6.** Appraisals of financial assistance generally address the four key criteria of economic efficiency, viability, additionality and cost-effectiveness. This is consistent with DOF NIGEAE guidance. Very briefly:-

* **Economic Efficiency** – Use economic appraisal to show that the project offers net benefits to Northern Ireland. Broadly this includes assessing project need, objectives, costs, benefits, risks and funding.
* **Viability** – Assistance should only be granted to projects that are sustainable and will not fail prematurely. Generally this means ensuring the project has sound management, finances and business planning.
* **Additionality** – Ensure that projects deliver net additional benefits and receive the minimum financial assistance necessary to bring them about. This involves checking that the applicant has a credible case for needing the assistance sought.
* **Cost-Effectiveness** – Projects should offer value for money (VFM) in terms of ratios of outputs to costs. This means benchmarking to ensure that the project’s unit costs are in line with those for other similar projects.

**7.** Economic appraisal guidance is set out within DOF website:

<https://www.dfpni.gov.uk/topics/finance/northern-ireland-guide-expenditure-appraisal-and-evaluation-nigeae>

**Consideration and Appraisal of Need for Project Proposals under EU Programmes**

1. Projects considered for funding must fit within the principles outlined in the Leader Framework and these are included in Annex 3
   1. An essential part of the appraisal process for any project is to determine that it is

needed. This is the first and most fundamental stage in any economic appraisal.

* 1. The key questions therefore when considering the need for a project under the EAFRD Programme is therefore to understand:

1. what is the problem/opportunity;
2. why there is a problem/opportunity;
3. why there is a need for intervention; and
4. to what extent the project addresses the problem identified, or takes advantage of the opportunity.
   1. The processes and criteria for project selection must be based on the Programme’s aims, objectives, priorities and themes. Therefore EAs must provide sufficient detail to allow a transparent assessment on whether, and to what extent, the project meets the needs that have been identified. It is essential that need for the project is established through an evidence based analysis of the deficiencies in current service provision (if appropriate), and the expected demand for the service to be provided as per the NI Practical Guide. To ensure both effective and appropriate use of public funds, the rationale for the project must be both objective and robust. The LAG in carrying out the appraisal must critically assess the need for the project and in this respect will have to:

* be sure that the correct background reports/ statistics were used to justify the need for the project;
* check that the project is not displacing private activity (see Leader Framework summary of principles). When a project is proposing to introduce an aid scheme, checks should be carried out and documented to show that the scheme is not duplicating what is being carried out by other bodies, or likely to lead to the displacement of private activity;
* where appropriate, get and give appropriate weight to the views of other Government Departments and their agencies/NDPBs on the project. (This is particularly relevant when considering a project which proposed to introduce an aid scheme);
* when considering the introduction of a scheme, take into account any lessons learned from the operation of previous similar schemes;
* take into account any evidence to show that similar projects/schemes have been successful or unsuccessful;

The critical assessment of the uptake and impact assumptions provided in the application will enable the LAG to make a balanced judgement, not only on need, but also on the appropriateness of the proposed intervention, and its potential sustainability and value for money.

**Appraisal Thresholds**

* 1. The principles of economic appraisal are to be applied with ‘proportionate effort’. In general, this requires that all projects, where the non-promoter funding**[[19]](#footnote-19)** (i.e. total public funding) over the life of the project totals up to £1m, a pro-forma may be used. Non-promoter funding includes all UK public expenditure, including central and local government expenditure, EU and IFI funding, lottery funding, etc. over the whole life of the project. This is not the same as the total financial cost of the project, which will normally be greater than the level of non-promoter funding.
  2. All projects involving non-promoter funding (as defined above) of up to £90,000 in total over the life of the project can be appraised by way of a standardised EA pro-forma [Appendix 8E(i) - Business Investment](#Appendix_8Ei_Business_Investment) or [Appendix 8E(i)- Basic Services, Village Renewal, Rural Broadband](#Appendix_8Ei_Basic_Services). The checklist covers the issues that needs to be addressed by the LAG when undertaking independent assessments of applications for financial assistance. There is a separate checklist for the Business Investment Scheme and a checklist for all other schemes.
  3. All projects involving non-promoter funding (as defined above) of between £90,001and £500,000 in total over the life of the project can be appraised by way of a standardised EA pro-forma [Appendix 8E(ii)](#Appendix_8Eii).
  4. All projects involving non-promoter funding (as defined above) of between £500,001 and £1,000,000 in total over the life of the project can be appraised by way of a standardised EA pro-forma [Appendix 8E(iii)](#Appendix_8Eiii).
  5. All projects involving non-promoter funding (as defined above) over £1,000,000 over the life of the project require an economic appraisal developed in accordance with the Northern Ireland Guidance to Expenditure Appraisal and Evaluation (NIGEAE).
  6. The appraisal of projects may be based on the information gathered in the application process and business plan or from supplementary information, for example, annual accounts. LAGs must be able to demonstrate clearly the value for money judgement reached for each project supported. It is not sufficient that appraisal forms are merely completed. There must be evidence that the information in the completed forms has been critically assessed and considered satisfactory by the LAG before deciding to approve funding.

**Cooperation Projects**

* 1. For full Cooperation projects, the Local Action Group Cooperation Sub-Group must complete the standard Application Form and it should undergo the same assessment process as all other applications under the Local Development Strategy. Members involved in the development of the project should not be involved in its assessment.

* 1. As is the case with all economic appraisals, the economic appraisal should not be completed by the promoter, but should be completed independently. Given the nature of Cooperation projects and the role which LAGs have in project approval, it would be appropriate for the LAG to commission a consultant to carry out the independent EA and to charge this to the Administration budget. In cases where more than one NI LAG is involved in a Cooperation proposal, a single EA can be commissioned on a shared basis however the EA must appropriately reference the needs, costs, benefits and impacts of each participating NI LAG. In the case of a transnational application involving a NI LAG, a single EA setting out the case of all the LAG partners may be acceptable on condition that (i) the appraisal has been undertaken by an organization independent of the applicant LAGs and (ii) the structure of the appraisal conforms to the Northern Ireland Guide for Expenditure Appraisal and Evaluation (NIGEAE).

**When is an EA Addendum Required?**

An addendum to an Economic Appraisal is required if there are any substantial changes to a project which occur at any time after approval is granted (i.e. after the LAG has approved funding or Letter of Offer has issued). In this regard, substantial change is defined broadly as a variance of 10% or more from the assumption approved in the Economic Appraisal. An addendum is also required if the preferred option changes to another option. PED can be contacted for Economic Appraisal addendum guidance (first contact the local RAD office). If REB (or DOF) QA’d and signed off on an EA, it should also be contacted again before an addendum is agreed.

**Post Project Evaluation (PPE)**

* 1. A PPE is an ex post activity which compares the outturn of a project, programme or policy with the objectives and other projections set out in the economic appraisal that was carried out before its commencement. This data should be used to highlight any variances between projections and outturns, and to enable the lessons learned to be fed back into the decision-making processes of future projects, programmes or policies, and thereby, ensure that mistakes made previously are avoided. Thorough PPEs help the LAG review both the effectiveness of the local development strategy and its implementation, and assist Government to develop current and future programmes.
  2. Evaluation involves ex post examination of outturns to ensure that lessons are learned and fed back into the decision-making process. LAGs should have arrangements in place to measure outturns, compare them with initial estimates and use the results to consider how to improve the quality of assumptions in future appraisals, including, for example, estimates of costs, benefits and risks. All programmes, including those involving financial assistance, should be evaluated.

**Benefits Management / Realisation**

* 1. Benefits management and realisation are generally important, since delivery of benefits is crucial to the success of any project. Programme managers should actively seek to ensure that financially-assisted projects are implemented and actually deliver the benefits claimed for them.
  2. Each EA should provide a commitment to carry out a Post Project Evaluation (PPE), normally 6-24 months after the project completion date. This section of the EA should outline in detail what is to be evaluated, how it is to be evaluated and when it is to be evaluated. It is important that the PPE is carried out at the time specified in the appraisal, and it should be led by individuals who have not been involved in the management or implementation of the project under consideration, so that they are independent and have an unbiased view of its success. There will be certain data you will need for all projects – re the database14, and EU monitoring stats etc. e.g. jobs created etc., but regarding: other benefits, the LAG may take a sample of small projects for impact analysis/overall evaluation.

**What Scale of PPE is Required?**

* 1. As with EAs, PPEs should also be conducted with effort that is proportionate to the

level of public monies spent. PPEs pro-forma/templates are provided within the Post Project Evaluation guidance.

**EA/PPE Monitoring:**

* 1. The LAG is responsible for ensuring that the appropriate scale of EA and PPE are

completed on all projects. Database 2014 must be updated regularly with details of the EAs/PPEs completed. If required the database will be used by the Department to randomly select EAs/PPEs for quality assessment.

* 1. An up to date database facilitates “test drilling” of EAs/PPEs, provides information

for the “annual review” of EA/PPE arrangements undertaken by Financial Planning

Branch, and, therefore, assists DAERA in meeting the financial requirements (DAO

06/12).

**SUMMARY OF APPRAISAL AND POST PROJECT EVALUATION ARRANGEMENTS FOR PROJECTS FUNDED UNDER THE RURAL DEVELOPMENT PROGRAMME 2014-2020**

**(Priority 6)**

|  |  |  |
| --- | --- | --- |
| **Total Amount of Non-Promoter Funding**  *(i.e. sum of all public monies*  *-see Foot-Note* ***\*****)* | **Level of Appraisal**  **Required** | **PPE**  **Arrangements** |
| £90,000 public monies or less per project | Checklist (Checklist for Business Investment Scheme and Checklist for all other Schemes) | PPE Proforma. |
| Between £90,001 and £500,000 | Economic appraisal pro-forma for projects with total non-promoter funding (i.e. total public funding) of between £90,001 and £500,000 over the whole life of the project) | PPE Proforma |
| Between £500,001 and £1m | Economic appraisal pro-forma for projects with total non-promoter funding (i.e. total public funding) of between £501,000 and £1m over the whole life of the project). | PPE Proforma |
| More than £1m | Economic Appraisal in line with NIGEAE | Standalone PPE |

\*For all projects, whatever the costs, a proportionate appraisal is required. The amount of effort applied in appraising or evaluating a project or scheme should be proportional to the total level of expenditure of public money.

**Quality Assurance:** The following arrangements will apply:

|  |  |  |  |
| --- | --- | --- | --- |
| Non-promoter funding: | RAD will quality assess: | REB will quality assess: | DOF will consider |
| £90,000 or less | First 3 EAs undertaken by each LAG under each call, and 10% per cent thereafter in each call (which may increase or decrease depending on the quality of the appraisals). | After each call for applications REB will be provided with a list of projects to be appraised which are broken down by LAG and project grant levels and REB will make a selection of appraisal it will quality assess.  REB will also consider RAD referrals where they have concerns about an appraisal, including all that are deemed to be novel or contentious.  REB may also select projects for test drilling. | Projects which are novel or contentious. DOF may select projects for test drilling |
| £90,001 to £500,000 | First EA undertaken by each LAG under each call and 15% thereafter (ensuring proportionate coverage of each project call – given budget allocation).  (which may increase or decrease depending on the quality of the appraisals). | After each call for applications REB will be provided with a list of projects to be appraised which are broken down by LAG and project grant levels and REB will make a selection of appraisal it will quality assess.  REB will also consider RAD referrals where they have concerns about an appraisal, including all that are deemed to be novel or contentious.  REB may also select projects for test drilling.**.**. | Projects which are Novel or Contentious. DOF may select projects for test drilling |
| £500,001 to £1m | All EAs undertaken by each LAG under each call | After each call for applications REB will be provided with a list of projects to be appraised which are broken down by LAG and project grant levels and REB will make a selection of appraisal it will quality assess.  REB will also consider RAD referrals where they have concerns about an appraisal, including all that are deemed to be novel or contentious.  REB may also select projects for test drilling. | Projects which are Novel or Contentious. DOF may select projects for test drilling |
| >£1m | All EAs undertaken by each LAG under each call | REB will consider all projects where non-promoter funding is greater than £1million | DOF approval is required for all projects where central government including EU funding is greater than £1mmillion |

**Role of Resource Economics Branch (REB) of Policy & Economics Division (PED) within DAERA in terms of Quality Assuring Appraisal Pro-Forma /NIGEAE Appraisals prepared by the LAG and by Consultants on its behalf.**

**Arrangements for Quality Assessment of projects falling below DOF Agreed Delegated Limits:**

* 1. For projects below DOF’s delegated limits, PED will select a sample of the appraisals completed by each LAG after each call for applications. The comments should be widely disseminated amongst staff in the council admin unit and must be taken into account in all future EAs and PPEs completed. Before forwarding on these economic appraisals to PED, RAD will check these documents for completeness, and contact the LAG if changes/additional information is required. In forwarding on the ‘complete’ document to PED, RAD will confirm in writing to PED if it is content with the arguments presented in the document, and with the conclusions reached. It will also highlight to PED any areas of concern regarding the project which they have not been resolved with the LAG before submitting the documentation to PED. The same arrangements will apply to Post Project Evaluations.
  2. RAD/LAGs can request REB input into the quality assessment of any project below delegated limits where they require assistance. Turnaround times for the comments can be agreed between REB and Divisions and will depend on PED’s workloads.

**Arrangements for Quality Assessment of projects falling above DOF Agreed Delegated Limits or which meet a requirement of DAO 06/12 which necessitate DOF Approval:**

* 1. All Economic Appraisals and corresponding Post Project Evaluations for projects/schemes above the Department of Finance and Personnel (DOF) delegated limits for DAERA (£1m) (or where the project/scheme meets one of the requirements for DOF approval as listed in DAO 06/12) are:
  2. To be sent to Policy and Economics Division (PED), DAERA, for scrutiny. All documentation should in the first instance be submitted to the local Rural Development Division office. Before forwarding on the economic appraisal to PED, RAD will check these documents for completeness, and contact the LAG if changes/additional information is required. In forwarding on the ‘complete’ document to PED, RAD will confirm in writing to PED if it is content with the arguments presented in the document, and with the conclusions reached. It will also highlight to PED any areas of concern regarding the project which they have not been able to resolve with the LAG before submitting the documentation to PED. The same arrangements will apply to Post Project Evaluations.
  3. Once signed off by PED, the local DAERA contract manager will send the final EAs/PPEs to Financial Policy Branch. DAERA along with the DOF pro-forma which must accompany appraisals, a draft covering letter from DAERA to DOF Supply, and a copy of PED’s sign-off minute. Financial Policy Branch will check regularity and propriety, and pass the documentation onto Financial Planning Branch. Once satisfied with the documentation, Financial Planning Branch will forward the Appraisal/Post Project Evaluation to DOF for scrutiny as outlined in NIGEAE.

**DOF Approval of Economic Appraisals**

* 1. There are a number of circumstances in which an economic appraisal must be approved by DOF before a project can be further progressed. Most commonly, projects that exceed Departmental delegated limits need to be sent to DOF. In determining whether a project exceeds “Departmental delegated limits”, it should be noted that delegated limits refer to the total Central Government Funding (which includes all national P.E. and EU funds)over the life of the policy, programme or project. For the Northern Ireland Rural Development Programme 2014-2020, the delegation threshold is £1m. Appraisals, and subsequently, the post project evaluations (PPE) of projects which receive this amount of financial assistance, or more, will be subject to scrutiny by Economists in Policy and Economics Division, DAERA. If, and when, the EA/PPE is signed off by PED as meeting the NIGEAE standard, the Local DAERA contract manager will be required to forward the EA/PPE and the appropriate accompanying documentation[[20]](#footnote-20) to Financial Policy Branch, DAERA, for onward submission to DOF for formal approval. Letters of Offer should not be issued until formal DOF approval is received.

**Appendix 8E, Annex 1**

**Key Themes (and design principles/rules) for the LEADER 2014-20 Programme.**

* 1. The key themes:
* Job creation;
* Village enhancement;
* Access to services;
* Rural broadband

Each of these themes are discussed in the following sections

### Theme one –Job Creation

* 1. The stimulation of rural employment opportunities is the main focus for improving rural household incomes. Entrepreneurship is widely recognised as a driver for job creation, competitiveness and growth, with the potential to also contribute to social cohesion, act as a vehicle for personal development, and help to resolve social issues. Key policy goals, both explicit and implicit, forming part of economic and social development strategies across Europe, UK and NI, include encouraging more people to become entrepreneurs; and gearing existing entrepreneurs for growth. This theme is in keeping with a number of Government strategies.
  2. LEADER’s primary focus is on the creation of jobs (which is also in keeping with the EU emphasis for the LEADER programme).
  3. LEADER will fund rural small and micro enterprises involved in manufacturing and tradeable service businesses. For complementarity to the Invest NI programme, a principle applied to applications to the Rural Business Investment Scheme element of LEADER will be that, to be eligible, a project must have a realistic potential of exporting its products/services at some stage in the future (although not necessarily within a 3 year timescale).

* 1. There will also be safeguards put in place to avoid double funding of projects, namely through projects being asked at the appraisal stage if they are Invest NI clients, and if so, notification made of the project by the LAGs to Invest NI with confirmation sought that the project has not been funded already (and also allowing Invest NI to ensure that there is no duplication).

**Emphasis on Job creation**

* 1. LEADER needs to have a strong emphasis on a scheme to promote the creation of jobs that are accessible to the rural population – referred to as Rural Business Investment Scheme;
  2. DAERA will encourage LAGs to give this element an important weighting within their strategy (as their strategies need to tie into the job creation emphasis of the new EU programme, and DAERA’s commitments to the EU in light of that). All LAG’s are aware of the Programme target of 700 jobs and must indicate their contribution to this.

**Measuring Job Creation**

* 1. This scheme needs to have its primary focus on job creation, (and not be focused on jobs safeguarded/sustained – though this may also be a side effect), and be designed to try to have more of an emphasis on securing new sustainable jobs at minimum grant costs;
  2. The methodology for measuring new FTE jobs created is carried out by an examination of the documentation from the project promoter. To count as a full time equivalent (FTE) the post holder must work more than 30 hours per week. To count as a part time employee the hours worked must be greater than 16 but less than 30. No times worked below 16 hours will be counted nor can a number of posts at this level be aggregated. When counting new jobs the project promoter can only be counted once for a new micro business.

**Efficiency of Job Creation**

Projects with a grant cost per new FTE job created greater than £35,000 will not score under this criteria (which will be clear to applicants at the outset). The £35,000 ceiling was adopted because analysis of the previous programme showed an average job creation cost of £30,000. The increase to £35,000 is to allow for the increase in quality of job and increase in wages going forward. As the programme is targeting business more likely to export it is more likely that the quality of the jobs created will increase and correspondingly the cost per job.

The scoring criteria will take account of the grant cost per job created;

**Quality of jobs created:**

In promoting rural employment opportunities, a mix of employment in rural areas is required, avoiding lowly qualified/paid industries and sectors that are vulnerable to recessionary falls in demand. This would indicate that innovative goods and technological advanced services that meet the increasing sophisticated needs of consumers/markets could be targeted as a priority. The scoring matrix is designed to take account of the quality of jobs created as this will help increase income in rural areas.

**Additionality / Deadweight / Displacement:**

The European Court of Auditors recommended that Member States clarify and enforce requirements to reduce the risk of deadweight, have more rigorous selection processes.

Additionality of projects should be challenged on the basis of access to funding, levels of gearing, etc and ability to secure more bank or other external finance.

* 1. Fundamental to the avoidance of displacement is the fact that this measure should primarily target support only to those businesses that can grow, create wealth and employment and generate a net gain for the NI economy. This can be achieved most easily through targeting manufacturing or tradable service projects that have a realistic potential of exporting their products/services at some stage in the future (although not necessarily within a 3 year timescale). The market opportunities outside Northern Ireland are greater than those available locally. The risks of economic distortion and displacement are considerably less and the likelihood of delivering net economic gain to the NI economy as a result of Government intervention are maximised.
  2. However, it must be recognised that economic growth can also be generated by projects operating within a regional economy. More care must be taken if Government funding is to be allocated to such projects, particularly when operating within a very limited economy such as NI, as there is a high risk of economic distortion, displacement and limited net economic gain. Detailed scrutiny of business plans particularly where projects are focused on the local (i.e. NI) market will be fundamental going forward. Projects targeting mature, static or restricted market sectors must be avoided, as there is a very high likelihood of displacement and minimal net economic gain. Examples of this might be book keeping services, local retail projects or hoof trimming services.
  3. In order to be potentially eligible for support, projects targeting the NI market must be delivering innovative products/services – i.e. very clearly in the growth phase of the product life cycle and, therefore in keeping with the core principle, capable of creating wealth, employment and net gain for the NI economy. It is important that, given the very limited scale of the NI market, the assessment of what constitutes innovative products/services in their growth phase should be made in a NI context and not in a very localised context (i.e. a product or service that is simply new to the LAG area is not acceptable as the risk of distortion, displacement and limited net benefit is still unacceptably high), unless there is very significant evidence to support the project within the business plan. It should be recognised that LEADER is designed to support small rural businesses, and it has to be acknowledged that they are often local in their initial marketing reach in the short to medium term.
  4. The very limited scale of the NI market is always a constraint, even for innovative products and services, and projects with clear scope to exploit export opportunities will not face this ultimate limit to their growth potential. In that regard, therefore, in scoring projects, a higher weighting will be accorded to projects which demonstrate realistic export prospects, as they offer the best potential return from Government intervention and in terms of generating a net gain to the NI economy.

**Principles for tourism projects to the business investment scheme:**

Private tourism projects are generally eligible under the business investment scheme.

The business investment scheme will not include funding of accommodation projects given current bed space under-occupancy in various types of accommodation. The exception is existing self-catering accommodation, where there is a need for improvement in this area, specifically for additional en-suite provision for existing bed spaces in self-catering establishments. However the ability of a project to create jobs must be considered through the assessment process and it will only be improvement projects leading to job direct creation that will be successful.

Privately promoted tourism project must:

- have the potential and marketing clout to attract more visitors to NI; or

- be ‘innovative’ defined as being ‘new’ in a NI context;

This is to ensure that projects supported are not likely to have significant displacement implications.

**Business Plans**

The business plans submitted must be challenged by the LAGs. For all business plans, the projected job creation figures (and the associated wages bill) must be checked for reasonableness, and consideration given to whether the business is likely to be able to create and sustain those job numbers. Where assumptions are not found to be coherent, or reasonable, the applicant will be given the opportunity to clarify at a site visit providing additional evidence if available.

### Theme two – Village Renewal

* 1. Alongside policies to promote economic growth, there is a rationale for policies that aim to make rural areas attractive residential locations. In deciding where to live, people tend to consider a range of issues – the availability of employment is one, but also the area’s attractiveness and access to amenities, distance from key infrastructure, such as a secondary school, and accessibility to the main transport corridors also has an impact on decision making. As an increase in population can also positively affect the level of employment in an area, there is a rationale for rural development policies to make places desirable places to live.
  2. For settlements below 5000 pop, the LEADER programme can play a role in enhancing the attractiveness/and user friendliness of the urban environment and green-spaces within villages/towns. Projects are likely to include those that:
* Addressing building dereliction/run down streetscapes;
* Environmental improvement;
* Signage/safety issues associated with the above;
* Conservation and upgrading of the rural heritage.

**Dereliction**

* 1. In addressing dereliction, the use to which it is to be put to retain the building in good condition must be a) needed, with the proposed scale reflecting the level of need evidenced; b) not cause displacement of activity; c) be viable and sustainable.

### Theme three – Innovative solutions to accessing key services

* 1. Certain cohorts of the population in rural areas experience challenges in accessing key services, particularly, the elderly, people with disabilities, young people not in employment or training, and single parents. Adequate provision of “health care services”, “education and training”, and “transport, networking, and information services” were reported as being the highest priorities in rural NI. That said, reducing budgets for such mean that services are being consolidated, often into larger population centres. The LEADER Programme cannot reverse these trends in a sustainable way, but it should focus on helping rural residents find innovative solutions to the issues of social isolation and access to services within rural areas. In other words, the Programme will not seek to replicate services which have permanently moved away from the countryside (such as banks, post offices etc.), or duplicate/displace private service provision, rather it will help communities identify innovative solutions for service access. LEADER will challenge rural communities to develop innovative service access projects; as well as existing service providers who might be able to tailor their delivery to meet the needs of rural communities. Essentially, LEADER will aim to help rural communities to adapt to change where this is possible within the terms of the measure. Solutions need to be sustainable.

The business plans submitted must be challenged by the LAGs. For projects that claim new jobs will be created, LAGs will be responsible for checking the accompanying business plan to ascertain if the projected job creation figures (and the associated wages bill) are robust and likely to be achievable.Where assumptions are not found to be coherent, or reasonable, applications will be rejected. Promoters can reapply with an updated application form/business plan once they have reassessed their proposal.

### Theme four – Rural Broadband scheme

* 1. “Access to broadband internet has become an essential quality-of-life amenity for many. It has become a basic utility for homes and businesses in the same way as electricity or water. In addition to social interactions, it provides access to work and job opportunities, health care, personal finances and interactions with government agencies. Those most in need of remote access may be least likely to adopt technology even when it is made accessible by infrastructure investment. Therefore, policy could potentially address a mismatch by providing technology centres/training for those in more vulnerable groups and even for rural businesses”.
  2. The problem with current broadband provision to rural communities is that there is not consistency of service with “Not Spots” arising in rural areas, depending on the distance to the telecom’s exchange box and resulting in insufficient or unreliable broadband coverage
  3. LEADER will support community-led projects where the community (as opposed to individuals/individual businesses) have identified gaps in provision.
  4. Rural broadband projects must be coherent with and relate directly to Local Authority Community Plans.
  5. LEADER will support the capital cost of rural broadband community focused solutions:
  6. There are no revenue grants under this theme.

**Business Investment Scheme**

* 1. DAERA would consider that the key benefits under the Business Investment Scheme would be an increase in employment within the rural community and a reduction in poverty.
  2. Key outturns to be measured include job creation at a gross and FTE basis, number of new micro and small businesses created, number of existing micro and small businesses that have expanded.
  3. DAERA has notionally allocated £27m with a programme target for the creation of circa 700 new FTE jobs. Although the LAG strategies indicate an investment of £24m to achieve the same target.

**Village Renewal**

* 1. DAERA would consider that the key benefits under the Village Renewal Scheme would be the positive impact on the community, encouraging rural dwelling and an increase in social inclusion.
  2. Key outturns to be measured include the number of village scheme projects, and the number of beneficiaries, this will be defined as the number of people in the community benefitting from the grant intervention and will be monitored using specific guidance given to the applicant.
  3. In the new programme, the most suitable measure of benefit is the number of villages and the population benefiting from the investment. £8 million has been notionally allocated and the average grant cost per project is likely to be £80,000.

**Basic Services**

* 1. DAERA would consider that the key benefits under the Basic Services Scheme would be to increase access of rural dwellers to basic services and an increase in social inclusion.
  2. Key outturns to be measured include the number of projects funded and the number of beneficiaries. This will be recorded for any community or council project through guidance (that has been developed for these types of projects) that shows how these applicants should monitor multiple beneficiaries.
  3. In the new programme, £15 million has been notionally allocated. The most suitable measure of benefit is the number of people benefitting from improved services/infrastructure, and the average grant cost per project is likely to be £500,000. At this stage, DAERA estimates that if a spend of £15m is allocated to this theme (which can only be determined after the LAGS Strategies are approved), it should lead to 100 projects being supported.

**Rural Broadband**

* 1. DAERA would consider that the key benefits under the Rural Broadband Scheme would be economic and social accessibility.
  2. Key outturns to be measured include number of rural broadband projects, number of beneficiaries. This will be recorded for any community or council project through guidance (that has been developed for these types of projects) that shows how these applicants should monitor multiple beneficiaries.
  3. In the new programme, the most suitable measure of benefit is the number of users of the community schemes, both households and businesses, and the grant cost per project is likely to be £100,000 per project. At this stage, DAERA estimates that if a spend of £2m is allocated to this theme (which can only be determined after the LAGs Strategies are approved), it should lead to 20 projects being supported.

**Appendix 8E, Annex 2**

**Use of Consultants**

1. **DOF does not recommend extensive use of external consultants to complete business cases for financial assistance cases**. In-house appraisal should be sufficient for most cases, using suitable brief pro forma or checklist-style documents. Departments should seek to reduce reliance on external consultants by this means.
2. However, DOF recognises that there may be cases where it is necessary to employ external consultants, for instance some large or complex projects. This should only be considered when it offers VFM and following the approval of an external consultancy business case in accordance with: in the case of relatively large scale, complex or innovative assignments. DOF web link. <https://www.dfpni.gov.uk/publications/use-external-consultants>
3. The use of external consultants does not guarantee good quality business cases. It can result in many exchanges between funding bodies and other stakeholders before projects are accepted and approved. This may raise questions such as whether consultants are being given adequate terms of reference, whether they are being managed effectively, and in some instances whether they are capable of delivering satisfactory business cases. Departments should consider the scope to improve processes by providing better terms of reference, by managing consultancy assignments more effectively and by not re-employing consultants who have performed badly.
4. Critical to success is ensuring that consultants are given effective terms of reference (ToR). The ToR should be specific and detailed. For example, it is not generally sufficient to ask consultants to 'conduct a NIGEAE appraisal' for a proposal. This is too broad, allowing consultants too much scope for interpretation and excessive effort. The specific requirements for each key element of the business case should be spelt out in detail to suit the case in hand and minimise effort and cost. Departmental economists can assist with the design of suitable ToR.

Appendix 8E(i)

ECONOMIC APPRAISALCHECKLIST FOR APPLICATIONS UNDER THE

BUSINESS INVESTMENT SCHEME

**For projects with total non-promoter funding[[21]](#footnote-21) (i.e. total public funding)**

**of £90,000 or less over the whole life of the project**

The aim of the checklist is to provide an adequate record of the economic and financial factors that are considered in deciding whether or not an investment is worthwhile. For this reason, the questions should be answered as comprehensively as possible, however, the principle of proportionate effort applies which means that the greater the amount of public funding to be allocated to the project, the more detail that should be provided (text boxes are expandable). Where the answer to a specific question is already held on file, an abbreviated response referring to the location of the information is adequate. However, the additional information must accompany those pro-formae forwarded to Resource Economics Branch (REB) of CAP Policy, Economics and Statistics Division for scrutiny. All pro-formae and relevant additional information must be retained for auditing purposes. A checklist is included at Appendix B to ensure that the pro-forma has been completed to a satisfactory standard and supports the case to award public funding to the activity.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| i) Name of DAERA Division, Agency, Intermediary Funding Body allocating funding | |  | | |
|  | |  | | |
| ii) Address of DAERA Division, Agency, Intermediary Funding Body allocating funding | |  | | |
|  | |  | | |
|  | |  | | |
| iii) Contact Name: | |  | | |
|  | |  | | |
| iv) Contact Telephone: | |  | | |
|  | |  | | |
| v) Name of project promoter/applicant (if project is not a self-implementation project): | |  | | |
|  | |  | | |
| vi) Programme/Scheme through which  project is to be funded: | |  | | |
|  | |  | | |
| vii) Proforma completed by: |  | | Date: |  |
| viii) Approved by (Admin Manager or above): |  | | Date: |  |

1. LOCAL DEVELOPMENT STRATEGY

The Appraiser has considered that the project contributes to achieving the objectives of the Local Development Strategy?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

Specify the strategic objectives to which the project will contribute:

|  |
| --- |
|  |

2. **APPRAISAL NEED AND DISPLACEMENT**

The needs /demands should be clearly identified and displacement should be considered, The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
| Evidence | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a)Recent comprehensive consultation/market research including any statistics. |  |  |
| (b)Letters of support from potential beneficiaries/clients |  |  |
| (c)The project as described meets or is congruent with market research/need identified |  |  |
| (d)i.Sufficient information is provided on competitors in the local area.  ii.Sufficient information is provided on competitors elsewhere in Northern Ireland.  The appraiser should also consider an internet search etc to check the robustness of data provided and record any additional information here.  iii. Does displacement occur? If so is it at an acceptable level? |  |  |
| (e) If the applicant has identified that the target market is local then evidence needs to be provided that the product/tradeable service is innovative in a Northern Ireland context i.e. clearly in the growth phase of the products lifecycle. |  |  |
| (f) There is evidence that the product/service has a realistic potential of exporting? |  |  |

In conclusion, has the need/demand been clearly evidenced?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

In conclusion, is the project likely to generate a net gain to the Northern Ireland Economy?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

3. **OBJECTIVES**

Projects should have clear and measureable objectives which are SMART (Specific, Measurable, Achievable, Realistic and Time Bound). The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) The objectives are specific measurable and time dependent. Target dates should be included for the purchase of capital, date when trading is due to commence and when jobs will be created. |  |  |
| (b) The objectives are realistic / achievable given the evidence of need/demand provided earlier. |  |  |

In conclusion, is the appraiser content that the objectives are SMART?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

4. **OPTION DETAIL, VIABILITY AND FUNDING**

The proposed project should be described in detail including justification of all costs. The project’s viability and sustainability needs to be considered and details need to be provided on how the project will be funded. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a)Has all the capital investment required to implement the project been outlined? |  |  |
| (b)Have the level of sales been justified (output x price)? |  |  |
| (c)Has employment growth been justified? The number of employees should not include the promoter (unless the business is a new start up or micro business) |  |  |
| (d) Have revenue costs been justified (including checking that wage increases are congruent with employment growth assumptions)? |  |  |
| (e) The profit and loss and cashflows take account of any interest and loan repayments associated with the project. |  |  |

In conclusion, is the appraiser content that the project is viable and sustainable?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) Consider the impact of sensitivity analysis and record conclusions. (Annex A). |  |  |

In conclusion, is the appraiser content after consideration of the sensitivity analysis that the project is likely to remain viable and sustainable?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) The full funding package for all cost (capital, marketing, training, feasibility study etc) are in place and provide evidence if match funding. |  |  |

In conclusion, is the appraiser content after that the full funding package is in place?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

5. **JOB CREATION**

The appraiser should present the following information on job creation post challenge for the assessment panel:

|  |  |  |  |
| --- | --- | --- | --- |
| Post Challenge of assumptions | No before project(baseline) | After project (year 2) | Increase |
| (a) Gross Jobs |  |  |  |
| (b) FTE Jobs |  |  |  |
| (c) Total capital grant |  |  |  |
| (d) Total revenue grant |  |  |  |
| (e) Capital cost per FTE created = c/b. |  |  |  |
| (f) Total grant cost per FTE created  (include capital grants and revenue grants for marketing/training/feasibility studies) = (c+d)/b |  |  |  |

The appraiser should present the following information on job quality post challenge for the assessment panel: To count as a full time equivalent (FTE) the post holder must work more than 30 hours per week. To count as a part time employee the hours worked must be greater than 16 but less than 30. No times worked below 16 hours will be counted nor can a number of posts at this level be aggregated.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Before Project**  **Baseline** | | **After Project** | |
| **Job category** | **Gross** | **FTE** | **Gross** | **FTE** |
| Professional Occupations  Managers, Directors and Senior Officials |  |  |  |  |
| Associate Professional and Technical Occupations  Skilled Trades Occupations |  |  |  |  |
| Process, Plant and Machine Operatives, Administrative and Secretarial Occupations, Sales and Customer Service Occupations, Elementary Occupations, Caring, Leisure and Other Service Occupations |  |  |  |  |

6. **MANAGEMENT**

The project promoter needs to have the skills to deliver the project. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) Does the promoter have the necessary management experience/skills to implement the project? |  |  |
| (b) Is the cost of any training identified and included in revenue costs (and any grant requested should also be included)? Does the project remain viable when training costs are included? |  |  |
| (c) The project promoter should have no reportable irregularities from previous RDP funding programmes. |  |  |

In conclusion, does the promoter have sufficient management competencies?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

7. **MARKETING AND PROMOTION**

Marketing and promotion are important for the project to succeed. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) There is evidence that the marketing and promotion activities are appropriate to the scale of the project. |  |  |
| (b) The costs of marketing have been included in revenue costs and when these are included the project remains viable. |  |  |

In conclusion, are the marketing and promotion arrangements appropriate for the scale of the project?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

8. **RISKS**

The main risks of the project and the actions proposed to minimise risks should be outlined. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) There is evidence all the risks associated with the project have been identified and described? |  |  |
| (b) There is evidence that all actions to manage and mitigate the risks have been identified? |  |  |

In conclusion, are the actions proposed to minimise the risk acceptable?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

9.  **ADDITIONALITY**

Applying the principle of additionality ensures that the minimum level of assistance is provided to bring about the benefits of a project. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) Will the provision of grant assistance:  - speed up the progress of the project.  or  -improve the scale of the project.  or  affect the location of the project. |  |  |
| (b) Document how you have challenged the applicant on this issue. |  |  |

In conclusion, is the appraiser content that the minimum amount of assistance has been identified to bring about the benefits of the project?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

10. **MONITORING AND EVALUATION**

Details should be provided of the proposed monitoring and the proposed arrangements for the Post Project Evaluation. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) Is there evidence of what information will be monitored, who will be responsible for providing the monitoring information and when will monitoring takes place? |  |  |
| (b) Is there evidence of what information will be evaluated, who will be responsible for providing the evaluation information and when will the evaluation take place? |  |  |

In conclusion, are the proposed monitoring and post project arrangement acceptable?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Annex A**  **Business investment Scheme Project Checklist: Projects with non-promoter funding**  **of less than £90k**  **Viability sensitivity analysis**  For the preferred option only - what is the effect on net cash flow (including grant) after repayment of the loan and/or overdraft of a percentage increase in costs and/or percentage decrease income.  DAERA recommends 5% and/or 10% sensitivities for low risk projects; 10% and/or 15% for medium risk projects and 15 and/or 30% for high risk projects.   |  |  |  |  | | --- | --- | --- | --- | |  | Year 1 | Year 2 | Year 3 | | a) X% increase in costs\* |  |  |  | | b) X% increase in costs\* |  |  |  | | c) X% reduction in receipts/income\*\* |  |  |  | | d) X% reduction in receipts/income\*\* |  |  |  |   \*does not apply to an increase in capital costs or interest payments  \*\* does not apply to a reduction to existing or requested recurrent/revenue grant income |  |  |  |  |  |  |  |

The sensitivity tested needs to be appropriate to the type of project. If the LAG was considering funding a business with a fairly standard product in a well defined market, with good preliminary indications of orders, the LAG might be happy to consider if it would remain viable at 5 or 10% variances, and not so concerned about it becoming marginal or failing slightly at a 30% variance as it would be an unlikely scenario given the promoter’s work in lining up firm orders/listings, and the promoter had a robust risk management plan to stop that scenario happening, and in the unlikely event that it did, the promoter also had a robust contingency plan to get things back on track as soon as possible. However, if the LAG was considering funding somebody with a very innovative, but completely novel project, with limited market research, nothing convincing in terms of likely demand, it may well be deemed to be high risk, and if the business had a limited back-up/risk management plan, then the LAG might be reluctant to fund it if it appeared marginal at 30%.  Sensitivities need to be relevant to the type of project.

The choice of suggested sensitivities for each low/med/high risk project is a reminder that within each of these categories, there is a scale of risk that is project dependant. Therefore, a flexible, case by case approach is recommended when selecting one or more sensitivity rates.

Appendix 8E(i)

ECONOMIC APPRAISAL CHECKLIST FOR APPLICATIONS UNDER Basic Services, VILLAGE RENEWAL, RURAL BROADBAND

**For projects with total non-promoter funding[[22]](#footnote-22) (i.e. total public funding)**

**of £90,000 or less over the whole life of the project**

The aim of the checklist is to provide an adequate record of the economic and financial factors that are considered in deciding whether or not an investment is worthwhile. For this reason, the questions should be answered as comprehensively as possible, however, the principle of proportionate effort applies which means that the greater the amount of public funding to be allocated to the project, the more detail that should be provided (text boxes are expandable). Where the answer to a specific question is already held on file, an abbreviated response referring to the location of the information is adequate. However, the additional information must accompany those pro-formae forwarded to Resource Economics Branch (REB) of Policy and Economics Division (PED) for scrutiny. All pro-formae and relevant additional information must be retained for auditing purposes. A checklist is included to ensure that the pro-forma has been completed to a satisfactory standard and supports the case to award public funding to the activity.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| i) Name of DAERA Division, Agency, Intermediary Funding Body allocating funding | |  | | |
|  | |  | | |
| ii) Address of DAERA Division, Agency, Intermediary Funding Body allocating funding | |  | | |
|  | |  | | |
|  | |  | | |
| iii) Contact Name: | |  | | |
|  | |  | | |
| iv) Contact Telephone: | |  | | |
|  | |  | | |
| v) Name of project promoter/applicant (if project is not a self-implementation project): | |  | | |
|  | |  | | |
| vi) Programme/Scheme through  which project is to be funded: | |  | | |
|  | |  | | |
| vii) Proforma completed by: |  | | Date: |  |
| viii) Approved by (Admin Manager or above): |  | | Date: |  |

* 1. LOCAL DEVELOPMENT STRATEGY

The Appraiser has considered that the project contributes to achieving the objectives of the Local Development Strategy?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

Specify the strategic objectives to which this project will contribute:

|  |
| --- |
|  |

2. APPRAISAL NEED

The needs /demands should be clearly identified. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
| Evidence | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) The current service provision is clearly described, and any deficiencies are clearly evidenced. |  |  |
| (b) In clearly identifying the need/demand for the project, there is evidence of recent comprehensive consultation and engagement with the local community/ local authority and statutory sector informants (where appropriate background statistics have been provided). |  |  |
| (c) There is evidence that the projects fits within local/regional strategies. |  |  |
| (d) Letters of support from potential beneficiaries and/or key informants. |  |  |
| (e)The project as described meets or is congruent with the need identified. |  |  |
| (f) There is evidence that the applicant has demonstrated innovative solutions to address needs at a local community level. |  |  |
| (g) The applicant has demonstrated cross community involvement and the project will encourage good relations. |  |  |

In conclusion, has the need/demand been clearly evidenced?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

3. OBJECTIVES

Projects should have clear and measureable objectives which are SMART (Specific, Measurable, Achievable, Realistic and Time Bound). The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) The objectives are specific measurable and time dependent. |  |  |
| (b) The objectives are realistic / achievable given the evidence of need/demand provided earlier. |  |  |

In conclusion, is the appraiser content that the objectives are SMART?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

4. OPTION DETAIL/SCALE, VIABILITY AND FUNDING

The proposed project should be described in detail including justification of its scale and costs. The project’s viability and sustainability also needs to be considered and details need to be provided on how the project will be funded. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) Does the documentation adequately describe that another scale option was considered and record why it was dismissed? |  |  |
| (b)For the project proposed, is there sufficient evidence that the scale is proportionate to the level of need? i.e. Is the scale justified? |  |  |
| (c)Have all the capital costs required to implement the project been outlined and are they based on up to date quotes/tenders? |  |  |
| (d) Have revenue costs been justified and are the assumptions underpinning them robust? |  |  |
| (e) Has the income been justified and are the assumptions underpinning the income projections robust? |  |  |
| (f) There is evidence of demand from local/ regional statistics and the projects fits with local/regional strategies. |  |  |
| (g) The full funding package for all costs (capital, marketing, training etc) is in place and evidence is provided of match funding. |  |  |

In conclusion, is the appraiser content that the scale of the project is proportionate with the need identified?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

In conclusion, is the appraiser content that the project is viable and sustainable? i.e. Either that the project income is sufficient and/or that there is sufficient ongoing revenue funding in place to cover ongoing costs (including any interest/loan repayment obligations).

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

In conclusion, is the appraiser content that the full funding package is in place?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

5. BENEFITS/BENEFICIARIES

It is important that the beneficiaries of the project are identified. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) Does the evidence adequately describe the direct and indirect benefits of the project? |  |  |
| (b) Are details provided of the number of potential beneficiaries? |  |  |
| (c) Does the Benefits Realisation Plan provide sufficient details for monitoring outputs, method and timing and responsibility? |  |  |

In conclusion, are all the potential benefits and beneficiaries identified?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

The appraiser should present the following information post challenge for the assessment panel:

|  |  |
| --- | --- |
|  | Value |
| (a) Capital grants request from DAERA  (b) Capital Grant Requested from other Funding Organisations  (c) Total Capital Cost  (d )Total Capital Grant as a % of Cost  (e) Total Capital Grant/Beneficiary | £  £  £  %  £ |

6. MANAGEMENT

The project promoter needs to have the skills to deliver the project. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) Does the promoter have the necessary management experience/skills to implement the project? |  |  |
| (b) Is the cost of any training identified and included in revenue costs (and any grant requested should also be included)? |  |  |
| (c) A project management plan is in place which outlines the timelines for the project, the tasks that need to be undertaken and who will be responsible for completion of the tasks. |  |  |
| (d) The project promoter should have no reportable irregularities from previous RDP funding programmes. |  |  |

In conclusion, does the promoter have sufficient management competencies?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

7. MARKETING AND PROMOTION

Marketing and promotion are important for the project to succeed. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) There is evidence that the marketing and promotion activities are appropriate to the scale of the project. |  |  |
| (b) There is evidence that a marketing plan is in place and resources have been identified to implement the plan. |  |  |

In conclusion, are the marketing and promotion arrangements appropriate for the scale of the project?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

8. RISKS

The main risks of the project and the actions proposed to minimise risks should be outlined. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) There is evidence all the risks associated with the project have been identified and described? |  |  |
| (b) There is evidence that all actions to manage and mitigate the risks have been identified? |  |  |

In conclusion, are the actions proposed to minimise the risk acceptable?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

9. ADDITIONALITY

Applying the principle of additionality requires that the minimum level of assistance is provided to bring about the benefits of a project. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) Will the provision of grant assistance:  - speed up the progress of the project  or  -improve the scale of the project  or  affect the location of the project |  |  |
| (b) Document how you have challenged the applicant on this issue. |  |  |

In conclusion, is the appraiser content that the minimum amount of assistance has been identified to bring about the benefits of the project?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

10. DISPLACEMENT

Displacement needs to be considered. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) Sufficient information is provided on any existing similar projects which address the need identified?  (b) The appraiser should also consider an internet search etc to check the robustness of data provided and record any additional information here. |  |  |

In conclusion, is the level of displacement acceptable?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

11. MONITORING AND EVALUATION

Details should be provided of the proposed monitoring and the proposed arrangements for the Post Project Evaluation. The appraiser should consider the following issues based on their consideration of the evidence presented and comment on each issue:

|  |  |  |
| --- | --- | --- |
|  | Evidence is acceptable and explain the reason why | Evidence is not acceptable and explain the reason why |
| (a) Is there evidence of what information will be monitored, who will be responsible for providing the monitoring information and when will monitoring take place? |  |  |
| (b) Is there evidence of what information will be evaluated, who will be responsible for providing the evaluation information and when will the evaluation take place? |  |  |

In conclusion, are the proposed monitoring and post project arrangement acceptable?

|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | |  |   Yes | |  | | --- | |  |   No |

Appendix 8E(ii)

ECONOMIC APPRAISAL PRO-FORMA

**For Projects with Total Non-Promoter Funding[[23]](#footnote-23) (i.e. total public funding) of between £90,000.01 and £500,000 over the whole life of the Project**

The aim of the pro-forma is to provide an adequate record of the economic and financial factors that are considered in deciding whether or not an investment is worthwhile. For this reason, the questions should be answered as comprehensively as possible, however, the principle of proportionate effort applies which means that the greater the amount of public funding to be allocated to the project, the more detail that should be provided (text boxes are expandable). Where the answer to a specific question is already held on file, an abbreviated response referring to the location of the information is adequate. However, the additional information must accompany those proformae forwarded to Resource Economics Branch (REB) of Policy and Economics Division (PED) for scrutiny. All proformae and relevant additional information must be retained for auditing purposes. A checklist is included at **Annex A** to ensure that the pro-forma has been completed to a satisfactory standard and supports the case to award public funding to the activity.

**General Information**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| i) Name of DAERA Division, Agency, Intermediary Funding Body allocating funding | |  | | |
|  | |  | | |
| ii) Address of DAERA Division, Agency, Intermediary Funding Body allocating funding | |  | | |
|  | |  | | |
|  | |  | | |
|  | |  | | |
| iii) Contact Name: | |  | | |
|  | |  | | |
| iv) Contact Telephone: | |  | | |
|  | |  | | |
| v) Name of project promoter/applicant | |  | | |
|  | |  | | |
| vi) Programme/Scheme through  which project is to be funded: | |  | | |
|  | |  | | |
| vii) Proforma completed by: |  | | Date: |  |
| viii Checked by: |  | | Date: |  |

# NEED AND DEMAND

# Describe the current type and level of activity. Explain the need for the project and how this need was established (e.g. market research; specific investment identified in an agreed strategic investment plan).

|  |
| --- |
| **Background information on current situation/current level of service provision**:  **Evidence of deficiencies in current service provision/ opportunities for improvement**: Proposed level of service provision, and how demand for it was established: **Physical/Resource Needs for proposed level of service provision**: |

1. **OBJECTIVES OF THE PROJECT**

What are the objectives of the project? These must be Specific, Measurable, Achievable, Relevant and Time-bound. Also please record projected project start and completion dates.

|  |
| --- |
|  |

# Strategic context

# Which measure/theme of the funding programme will the project be funded through?

|  |
| --- |
|  |

# If the project is to be funded through the Basic Services Scheme describe what is innovative about the project in terms of delivering needs at a local level?

|  |
| --- |
|  |

# Explain how the project contributes to achieving the objectives of the funding programme, the LAG Strategy and the Council’s Community Plan.

|  |
| --- |
|  |

1. **Options**

The single largest source of confusion in appraisal is the baseline from which costs and benefits are measured. For a commercial appraisal, the baseline or ‘Do nothing’ option is what the business is currently doing and is projected to do without grant.

For a non-commercial project, i.e. one justified by the social benefits it brings, grant levels are often high, hence the appraisal should include more than one "do something" option. In these cases, the ‘do-nothing’ option is the current level of activity. If this cannot be costed then it is especially important that the baseline activity or service is described in detail.

# Describe in detail the baseline and main options which have been identified as the alternative ways of meeting the objectives of the project:

1. **Baseline or ‘do nothing’ option** (i.e. describe what is currently happening, and include details of its location and scale).

|  |
| --- |
|  |

1. **Option 1**: Describe how the existing level of production/service provision will be amended to include the new activity or change in activity proposed in this option. List here, or in an attachment, the items to be purchased in order for the project to proceed, and their cost. Indicate which of these items are deemed eligible for grant-aid. Describe the benefits of this option, and give details of any direct jobs created (i.e. number of full-time, part-time, seasonal, skilled, manual etc.).

|  |
| --- |
|  |

1. **Option 2**: Describe how the existing level of production/service provision will be amended to include the new activity or change in activity proposed in this option. List here, or in an attachment, the items to be purchased in order for the project to proceed, and their cost. Indicate which of these items are deemed eligible for grant-aid. Describe the benefits of this option, and give details of any direct jobs created (i.e. number of full-time, part-time, seasonal, skilled, manual etc.).

|  |
| --- |
|  |

1. If only one ‘Do Something’ option is identified please indicate which of the following reasons is relevant:

Please tick:

1. [ ] Commercial investment
2. [ ] No realistic variations in scale exist
3. [ ] No components of the project could be carried out separately
4. [ ] No phasing options are available
5. [ ] Legal constraints (e.g. health and safety legislation)
6. [ ] Financial constraints
7. [ ] Other
8. Please elaborate on the reasons for ticking boxes i to vii in question 4(d):

|  |
| --- |
|  |

1. MONETARY COSTS AND BENEFITS

Provide a summary of the economic costs and benefits of each option excluding grants and interest costs. (These figures should be taken from the electronic spreadsheets accompanying this pro-forma).

|  |  |  |  |
| --- | --- | --- | --- |
|  | Baseline | Option 1 | Option 2 |
| (a) What are the total monetary costs for each of the options?  (i.e. Total costs in years 1-5, unless the life of the project is less than 5 years - see total of row A of cash flows in financial spreadsheets) |  |  |  |
| (b) What are the monetary benefits of each option?  (Receipts/income before grants and interest payments for years 1-5, unless the life of the project is less than 5 years – see total of row B of cash flows in financial spreadsheets) |  |  |  |
| (c) Net Benefit[[24]](#footnote-24)  (i.e. Net cash flow before grants and interest payments – see total of row C of cash flows in financial spreadsheets)[[25]](#footnote-25) |  |  |  |

1. NON MONETARY COSTS AND BENEFITS

For each option, describe how the proposal promotes equality of opportunity and good relations[[26]](#footnote-26).

(a) **Baseline or ‘do nothing’ option**

|  |
| --- |
|  |

(b) **Option 1**

|  |
| --- |
|  |

(c) **Option 2**

|  |
| --- |
|  |

For each option, provide details of other positive and negative non-monetary factors which should be taken into consideration, for example, the impact of the project on the local community, the environment, how it promotes the principles underpinning the Lifetime Opportunities Strategy[[27]](#footnote-27) etc. (e.g. The impact of the various options on the specific domains of deprivation targeted by the project should be considered).

(a) **Baseline or ‘do nothing’ option**

|  |
| --- |
|  |

(b**) Option 1**

|  |
| --- |
|  |

(c) **Option 2**

|  |
| --- |
|  |

**7. DISPLACEMENT AND ADDITIONALITY**:

1. Displacement - Would any of the ‘Do Something’ options impact on any existing project or business in Northern Ireland? If yes, please give details of the expected impact.

(i) **Option 1**

|  |
| --- |
|  |

(ii) **Option 2**

|  |
| --- |
|  |

1. Additionality[[28]](#footnote-28) - In the absence of grant aid, would any of the ‘Do Something’ options go ahead? If yes, please give details regarding scale, timing and geographical area.

(i) **Option 1**

|  |
| --- |
|  |

(ii) **Option 2**

|  |
| --- |
|  |

8. PREFERRED OPTION

Please state the preferred option, taking into consideration the information provided in Sections 4 to 7 above:

|  |  |
| --- | --- |
| Option: |  |

Please give rationale for choice of preferred option:

|  |
| --- |
|  |

**9. AFFORDABILITY AND FUNDING ARRANGEMENTS**

For the preferred option, what is the total project cost (i.e. provide the total cost of the capital items to be acquired for the project)? In addition, give details of any other components of the project for which grant aid is requested, e.g. marketing or training costs.)

|  |  |
| --- | --- |
| a) **Capital Expenditure** |  |
| - Buildings |  |
| - Refurbishment |  |
| - Equipment/Machinery |  |
| - Other…….. | |  |  | | --- | --- | | |  | | --- | |  | | |  | |
| b) **Other recurrent/revenue costs for which grant aid is requested** (These are likely to refer only to marketing/promotion and training costs) |  |
| - |  |
| - |  |
| c) **Contribution in kind**[[29]](#footnote-29) - (only included for rural development type projects where this is an eligible expenditure for grant purposes) | \_ |
|  |  |
| Total |  |

Indicate the sources of funding for the project (i.e. explain how the items listed in the table above will be funded).

|  |  |  |
| --- | --- | --- |
| a) **Capital Funding** |  | Total |
| Capital grant requested from DAERA |  |  |
| Capital grants requested from other funding organisations |  |  |
| Own resources (i.e. own money used to fund capital items eligible for grant) |  |  |
| Bank |  |  |
| Other funds |  |  |
|  |  |  |
| b) **Recurrent/Revenue cost funding** (i.e. normally for marketing/promotion & training costs) |  |  |
| Recurrent/Revenue grants requested from DAERA |  |  |
| Recurrent/Revenue grants requested from other funding organisations |  |  |
| Own resources (i.e. own money used to fund non-capital costs for which grant aid is requested) |  |  |
|  |  |  |
| c) **Contribution in kind**7 (only included for rural development type projects where this is an eligible expenditure for grant purposes) |  |  |
|  |  |  |
| **Total** |  |  |

Which of the grants requested from other funding organisations have already been approved? If appropriate, what does the ‘contribution in kind’ relate to?

|  |
| --- |
|  |

**Job Creation (if applicable)**

What is the public grant cost per direct full-time equivalent job created[[30]](#footnote-30)?

|  |
| --- |
|  |

(a) Convert part-time and seasonal direct jobs created to full-time equivalents by multiplying the number created by 0.5 and 0.25 respectively, and add to the number of full-time direct jobs created.

Number of direct full-time equivalent jobs created as a result of the project \_\_\_\_\_\_\_\_\_

(b) Total amount of public grants (i.e. sum of all public grants towards the capital and revenue costs of the project over its lifetime) £ \_\_\_\_\_\_\_\_\_\_\_

(c) Divide the total amount of public grants (as per (b) above) by the number of direct full-time equivalent jobs created (as per (a) above) £\_\_\_\_\_\_\_\_\_\_\_

**Risks**

Please identify the main risks associated with the project, and actions proposed to minimise these risks:

|  |
| --- |
|  |

**10. MANAGERIAL EXPERIENCE and Management Structure**

Describe the management experience, structure and skills that are necessary to implement the preferred option. Does the promoter have these skills? If not, what budget has been allowed for training and when will it be completed?

|  |
| --- |
|  |

11. Marketing

Describe the marketing steps required to implement the preferred option. Have the costs of these steps been included in the budget? If not, how are they to be funded?

|  |
| --- |
|  |

### 12. Monitoring AND EVALUATION

Please give details of the proposed arrangements for the monitoring of the project, if it is approved.

(a) What information will be monitored?

|  |
| --- |
|  |

(b) Who will be responsible for providing the monitoring information?

|  |
| --- |
|  |

(c) When will monitoring take place?

|  |
| --- |
|  |

**Post Project Evaluation**

Please give details of the proposed arrangements for the Post Project Evaluation (PPE) of the project, if it is approved.

(a) What information will be evaluated?

|  |
| --- |
|  |

(b) Who will be responsible for providing the evaluation information?

|  |
| --- |
|  |

(c) When will the evaluation take place?

|  |
| --- |
|  |

**13. ADDITIONAL INFORMATION**

If you feel that you have further relevant information that strengthens the case for providing grant assistance, but which has not been covered above, then please include it in the section below.

|  |
| --- |
|  |

**14. Commercial/Trading projects**

The following sections should only be completed for projects involving commercial/trading activity. NB: Commercial/Trading projects should only be funded if they are likely to be viable[[31]](#footnote-31), and sustainable[[32]](#footnote-32) without further Government funding beyond what is justified in this proforma**.**

For existing businesses, profit and loss accounts and balance sheets for the previous 2 years should be provided. (It should be borne in mind that grant assistance should not be provided to an organisation/company that is likely to fail prematurely. Therefore, this information is useful in assessing the financial position of the organisation/company and it also provides valuable context for the assumptions underpinning the new project.)

For the preferred option, what are the net cash flows in the first 5 years of the project life, before and after grants? (Rows E, G and H in cash flows in financial spreadsheets)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Before grants  requested  Row (E) | After grants requested  & after other funds - Row (G) | After grants & after other funds & repayments of loans / overdrafts - Row (H) |
| Year 1 |  |  |  |
| Year 2 |  |  |  |
| Year 3 |  |  |  |
| Year 4 |  |  |  |
| Year 5 |  |  |  |

Is the project viable (i.e. is the project generating a stable net cash flow or an increase in the net cash flow contribution from year 3 onwards)? See Row H of the preferred option in the financial spreadsheets). Consider the impact of the sensitivity analysis (from the financial spreadsheets) and record conclusions.

|  |
| --- |
|  |

Why is grant assistance being considered for this project?

|  |
| --- |
|  |

**Viability Sensitivity Analysis**

NB: These calculations are carried out automatically when the Spreadsheet accompanying this pro-forma is used to record the financial data.

For the preferred option only - what is the effect on net cash flow (including grant) after repayment of the loan and/or overdraft of a:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Year 1 | Year 2 | Year 3 |
| a) 5% increase in costs\* |  |  |  |
| b) 10% increase in costs\* |  |  |  |
| c) 30% increase in costs\* |  |  |  |
| d) 5% reduction in receipts/income\*\* |  |  |  |
| e)10 % reduction in receipts/income\*\* |  |  |  |
| F) 30% reduction in receipts/income\*\* |  |  |  |

\*does not apply to an increase in capital costs or interest payments

\*\* does not apply to a reduction to existing or requested recurrent/revenue grant income

**Annex A: Cash Flows**

This checklist is provided to ensure that the proforma has been completed to a satisfactory standard and supports the case to award grant assistance to the project. The answer “Yes”, “No” or “Not applicable” must be given for each of the following questions:

(i) Is the need for the project clearly demonstrated? (Q1)

(ii) Are the current (baseline) and proposed options described in sufficient detail? (Q1, Q5)

(iii) Does the preferred option generate the highest net monetary benefit or for projects with a single option is a net benefit generated? (Q6)

(N.B. If the applicants are promoting an option which does not have the highest net monetary benefit (or lowest monetary cost in the scenario where an option has a net cost), it should only be proceeded with if there are additional non-monetary impacts associated with the option, which justify it being the “preferred” option.)

1. Does the project provide an opportunity to better promote equality of opportunity and good relations? (Q7)
2. Do the non-monetary benefits help to justify the need for the proposed project? (Q8)

(vi) If displacement occurs, is it at an acceptable level? (Q9a)

(vii) Will the provision of grant assistance

- speed up the progress of the project

or

- improve the scale of the project

or

- affect the location of the project? (Q9b)

(viii) Is the rate of grant to be provided at the standard rate for this type of project? (If not, why not?) (Q12, Q13)

1. Can an award of grant assistance be justified for this project? (Q3, 20, 25)
2. Are the projected cash flows based on sound information? (Q21)
3. Is the project viable? (Q24)
4. Will the project remain viable if there is a 10% increase in costs or a 10% decrease in receipts/income? (Is such a scenario likely? If yes, should the project parameters be reassessed or is close monitoring adequate?) (Q26)
5. Will the project remain viable if costs are increased by 30% and/or receipts/income decreased by 30%? (Is such a scenario likely? If yes, should the project parameters be reassessed or is close monitoring adequate?) (Q26)
6. Are the actions proposed to minimise risk acceptable? (Q15)
7. Are the monitoring and post-project evaluation arrangements satisfactory? (Q18, Q19)

**As a general rule, grant assistance should only be provided to projects which provide the best value for money (best option), satisfy the additionality criterion and are viable. If the answer “Yes” or “Not appropriate” is given to each of the 15 questions above then the award of grant assistance can be justified.**

**Annex B**

Statutory Equality Duties

Under Section 75 of the Northern Ireland Act, the Department is required to have due regard to the need to promote equality of opportunity between:

* Persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
* Men and women generally;
* Persons with a disability and persons without; and
* Persons with dependants and persons without.

In addition and without prejudice to these obligations, the Department is also required to have regard to the desirability of promoting good relations between persons of different religious beliefs, political opinion or racial group.

All policies therefore must, in the first instance, be subject to a screening exercise to determine if and to what extent there is potential to affect people in terms of equality of opportunity and to determine whether a full Equality Impact Assessment is required.

**Appendix 8E(iii)**

**BUSINESS CASE PRO FORMA**

**for expenditures of public funds from £500,001 to £1 million**



This pro forma is designed to facilitate documentation of an expenditure appraisal for expenditures from £500,000 to a maximum of £1 million, with appropriate and proportionate effort. It identifies the main elements of a business case to be covered, followed by spaces or tables for inserting the relevant information. ***The spaces and tables should be enlarged or modified as required to accommodate all the necessary information.***

Note that this is a general template covering basic requirements; it can be adapted and tailored to suit particular spending areas as desired. There are no precise rules about the length of the business case document for these expenditure decisions, but, as a broad rule of thumb, it might be anything from a few pages in the simplest cases to 20 pages or more in comparatively complex cases.

For detailed guidance on business cases and expenditure appraisal, consult the Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE) at <http://www.dfpni.gov.uk/eag> or seek advice from a Departmental economist.



**PROJECT TITLE:**

Programme/Scheme through which

project is to be funded:

**OFFICER:**

**SIGNED: DATE:**



**APPROVING OFFICER:**

**SIGNED: DATE:**



**Section 1: Project Background and Strategic Context (NB: This section should be <2 pages)**

* ***Briefly*** *explain the background to the proposal*
* ***Briefly*** *explain the strategic relevance of the project taking account of relevant Departmental, local, national and EU considerations. Where relevant, demonstrate how and to what extent, the proposal contributes to the key priorities and outcomes that the NI Executive intends to deliver.*

|  |
| --- |
|  |

**Section 2: Need**

* *Describe the current type or level of activity. Address the needs or demands that are to be addressed, and detail any deficiencies in existing service provision.*
* *Include suitable quantification of needs/demands/deficiencies where possible.*

|  |
| --- |
| **Background information on the current situation/current level of service provision:**  **Evidence of deficiencies in current service provision/opportunities for improvement:**  **Proposed level of service provision, and how demand for it was established:**  **Summary of Physical/Resource Needs for proposed level of service provision:** |

**Section 3: State Objectives and Constraints**

* *Explain and list the project objectives in specific, measurable, achievable, relevant, and time-bound terms i.e. SMART. Also include a projected start and completion date.*
* *Include quantifiable targets where possible.*
* *Identify any likely constraints to the project e.g. technical, financial, timing issues, legal requirements, professional standards, planning constraints and so on.*

|  |  |
| --- | --- |
| **Project Objectives** | **Measurable Targets** |
| 1. | 1.1  1.2 |
| 2. | 2.1  2.2 |
| 3. | 3.1  3.2 |
| 4. | 4.1  4.2 |
| **Constraints** | **Measures to address constraints** |
| 1. |  |
| 2. |  |
| 3. |  |

**Section 4: Identify and Shortlist the Options**

* *Consider alternative ways to meet the objectives e.g. variations in scale, quality, technique, location, timing etc. Provide an adequate description of all options identified.*
* *Prepare an initial ‘long list’ of options, and sift them to provide a shortlist. Record the reasons for rejecting those options not shortlisted.*
* *The shortlist of options should include a baseline ‘Status Quo’ or ‘Do Minimum’ option, and a suitable number of alternative ‘Do Something’ options (usually, at least two).*

|  |  |  |
| --- | --- | --- |
| **Option Number/ Description** | **Shortlisted (S) or Rejected (R)** | **Reason for Rejection** |
| **1) Status Quo** | S |  |
| **2)** |  |  |
| **3)** |  |  |
| **4)** |  |  |
| **5)** |  |  |
| **6)** |  |  |

**Section 5: Displacement**

* *Would any of the ‘Do Something’ options impact on any existing project or business within Northern Ireland? If yes, please give details of the expected impact.*

|  |
| --- |
|  |

**Section 6: Additionality**

* *In the absence of public funding, would any of the ‘Do Something’ options go ahead? If yes, please give details regarding scale, timing and geographical area.*
* *If a project would go ahead to the same scale, timescale and location in the absence of public funding, then it would appear that there would be no additional impact, therefore, the project should not be funded.*

|  |
| --- |
|  |

**Section 7: Monetary Costs and Benefits of Options**

1. *Appraisals should include all the costs and benefits to Northern Ireland arising from the project, not just those to a particular organisation or sector e.g. all costs and benefits to the public, private and third sectors should be included.*
2. *Costs and benefits should be valued in economic cost terms, which are generally reflected by using current market prices.*
3. *All the assets and other resources employed by each option should be costed, even if they have already been purchased. This is because they have an opportunity cost value i.e. if not used in this project they could be put to an alternative use. Therefore, the author should consider whether the inclusion of opportunity costs and residual values for assets which will be tied up by the project is appropriate on a case by case basis.*
4. *Calculate the Net Present Cost (NPC) for each short-listed option using the* [*NPC spreadsheet*](http://www.dfpni.gov.uk/index/finance/eag/eag_resources/eag-npc-calculator.htm) *at the NIGEAE website and append the NPC calculation for each option to the pro forma. Complete the summary table below and rank the options considered.*
5. *Append an “Assumptions Explanation” document to the NPC spreadsheet to explain the rationale for the figures used in the NPC calculations.*
6. *In the NPC spreadsheet, treat the current financial year as Year 0.*
7. *In the NPC spreadsheet, set out the expected capital costs and annual revenue costs for each option.*
8. *In the NPC spreadsheet, express the figures in real terms i.e. held constant at today’s prices.*
9. *The* [*checklist of typical costs*](http://www.dfpni.gov.uk/index/finance/eag/eag-step-by-step/eag-step-5/eag_checklist_of_costs_and_benefits.htm) *at the NIGEAE website should help identify relevant costs.*
10. *Financial savings arising from an option will be reflected in its lower costs compared to the Status Quo. i.e. Do not double count by also including them separately as benefits.*
11. *Other monetised benefits may be taken into account where relevant, but are likely to be difficult to quantify in some small expenditure projects. Most benefits will be covered in the non-monetary section (see Section 8 below).*
12. *The author should use sensitivity analysis to illustrate how NPCs and option rankings are affected by varying key cost and benefit assumptions.*
13. *For more in-depth guidance, see* [*Step 5*](http://www.dfpni.gov.uk/index/finance/eag/eag-step-by-step/eag-step-5.htm) *and* [*Step 8*](http://www.dfpni.gov.uk/index/finance/eag/eag-step-by-step/eag-step-8.htm) *of NIGEAE.*

**Original NPCs - Summary Table**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Total Cost (£)** | **NPC (£)** | **Rank Order** |
| **Option 1** |  |  |  |
| **Option 2** |  |  |  |
| **Option 3** |  |  |  |

**Sensitivity Analysis Impact 1**

**Sensitivity Scenario \_\_: which assumed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Sensitised total Cost (£)** | **Revised NPC (£)** | **Revised Rank Order** |
| **Option 1** |  |  |  |
| **Option 2** |  |  |  |
| **Option 3** |  |  |  |

**Sensitivity Analysis Impact 2**

**Sensitivity Scenario \_\_: which assumed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Sensitised total Cost (£)** | **Revised NPC (£)** | **Revised Rank Order** |
| **Option 1** |  |  |  |
| **Option 2** |  |  |  |
| **Option 3** |  |  |  |

**Section 8: Non-Monetary Costs and Benefits**

* *A) List and describe the relevant non-monetary criteria in table 1 below, allocate a weighting out of 100 which reflects its relative importance to the decision at hand, and provide the rationale for the weighting applied.*

Table 1

|  |  |  |
| --- | --- | --- |
| **Description of Non-Monetary Criterion** | **Weighting applied to each criterion (NB: Should sum to 100)** | **Rationale for weighting for each criterion** |
| **1.** |  |  |
| **2.** |  |  |
| **3.** |  |  |
| **4.** |  |  |
| **Total** | **100** |  |

*B) Score how each option meets each of the non-monetary criteria. i.e. On a Scale of 0 to 10 (where 0 means the option does not address the non-monetary criterion at all, and 10 means that the option fully addresses the non-monetary criterion), apply a score for how the option under consideration meets each of the non-monetary criteria. Then calculate the weighted score for each option by multiplying its score against each criterion by the weight allocated to reflect the importance of the criteria earlier.*

Table 2 –Option 1 Non-monetary Factor Scores, and Calculation of Weighted Scores

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Criterion**  **(a)** | **Score (to show how option meets the criterion)**  **(min in each cell=zero; max in each cell =10)**  **(b)** | **Rationale for score awarded**  **(c)** | **Criterion Weight**  **(from table 1 above)**  **(d)** | **Weighted score**  **(e)=(b)\*(d)** |
| **1.** |  |  |  |  |
| **2.** |  |  |  |  |
| **3.** |  |  |  |  |
| **4.** |  |  |  |  |
| **Total** |  |  | **100** |  |

Table 3 –Option 2 Non-monetary Factor Scores, and Calculation of Weighted Scores

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Criterion**  **(a)** | **Score (to show how option meets the criterion)**  **(min in each cell=zero; max in each cell =10)**  **(b)** | **Rationale for score awarded**  **(c)** | **Criterion Weight**  **(from table 1 above)**  **(d)** | **Weighted score**  **(e)=(b)\*(d)** |
| **1.** |  |  |  |  |
| **2.** |  |  |  |  |
| **3.** |  |  |  |  |
| **4.** |  |  |  |  |
| **Total** |  |  | **100** |  |

Table 4 –Option 3 Non-monetary Factor Scores, and Calculation of Weighted Scores

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Criterion**  **(a)** | **Score (to show how option meets the criterion)**  **(min in each cell=zero; max in each cell =10)**  **(b)** | **Rationale for score awarded**  **(c)** | **Criterion Weight**  **(from table 1 above)**  **(d)** | **Weighted score**  **(e)=(b)\*(d)** |
| **1.** |  |  |  |  |
| **2.** |  |  |  |  |
| **3.** |  |  |  |  |
| **4.** |  |  |  |  |
| **Total** |  |  | **100** |  |

Table 5 - Summarise the weighted costs of all options considered and rank in recommended order

|  |  |  |
| --- | --- | --- |
|  | Weighted Score | Ranking of Options |
| Option 1 |  |  |
| Option 2 |  |  |
| Option 3 |  |  |

**Section 9: Assess Risks and Adjust for Optimism Bias**

* *Identify and describe the risks that the project may face.*
* *Explain how these compare under the various options using the table below.*
* *Identify measures to ensure that each risk is appropriately managed and mitigated.*
* *Explain any contingency allowances included for risks in the option costings.*
* *More sophisticated optimism bias adjustments should not generally be required but may be relevant in some cases e.g. ICT projects or cases with significant capital costs. Where they are applicable, and are likely to affect the choice of option, adjust costs, benefits and timing assumptions for optimism bias. The* [*Optimism Bias calculators*](http://www.dfpni.gov.uk/index/finance/eag/eag_resources/eag-optimism-bias-calculator.htm) *at the NIGEAE website may be helpful, but Departments should consider relevant past experience of similar projects to inform optimism bias adjustments in the first instance.*
* *For further guidance see* [*Step 6*](http://www.dfpni.gov.uk/index/finance/eag/eag-step-by-step/eag-step-6.htm) *of NIGEAE.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Risk Description** | **Likely impact of Risk H/M/L** | | | **State how the options compare and identify relevant risk management / mitigation measures** |
|  | **Opt 1** | **Opt 2** | **Opt 3** |  |
| **1.** |  |  |  |  |
| **2.** |  |  |  |  |
| **3.** |  |  |  |  |
| **4.** |  |  |  |  |
| **Overall Risk (H/M/L):** |  |  |  |  |

|  |
| --- |
| **KEY: H = high M = medium L = low N/A = Not Applicable** |

**Section 10: Summarise the Option Comparisons and Identify a Preferred Option**

* *Summarise the main differences between the options e.g. in terms of key assumptions, NPCs, non-monetary impacts, risks and other factors.*
* *Identify which option is preferred and explain why.*

|  |
| --- |
|  |

**Section 11: Assess Affordability and Funding Arrangements**

* *Identify expected sources of funding and the degree to which each funder is committed.*

***FOR PROJECTS EXTERNAL TO A GOVERNMENT DEPARTMENT/NDPB (e.g. Department is allocating an EU grant to a non-government promoter):***

* For the preferred option, what is the total project cost? (i.e. provide total cost for capital items to be acquired for the project. In addition, give details of any other components of the project for which grant aid is requested e.g. marketing or training costs.)

|  |  |
| --- | --- |
| a) **Capital Expenditure** |  |
| - Buildings |  |
| - Refurbishment |  |
| - Equipment/Machinery |  |
| - Other…….. | |  |  | | --- | --- | | |  | | --- | |  | | |  | |
| b) **Other recurrent/revenue costs for which grant aid is requested** (These are likely to refer only to marketing/promotion and training costs) |  |
| - |  |
| - |  |
| c) **Contribution in kind**[[33]](#footnote-33) - (only included for rural development type projects where this is an eligible expenditure for grant purposes) | \_ |
|  |  |
| Total |  |

* Indicate the sources of funding for the project. (i.e. explain how the items listed in the table above will be funded).

|  |  |  |
| --- | --- | --- |
| a) **Capital Funding** |  | Total |
| Capital grant requested from DAERA |  |  |
| Capital grants requested from other funding organisations |  |  |
| Own resources (i.e. own money used to fund capital items eligible for grant) |  |  |
| Bank |  |  |
| Other funds |  |  |
|  |  |  |
| b) **Recurrent/Revenue cost funding** (i.e. normally for marketing/promotion & training costs) |  |  |
| Recurrent/Revenue grants requested from DAERA |  |  |
| Recurrent/Revenue grants requested from other funding organisations |  |  |
| Own resources (i.e. own money used to fund non-capital costs for which grant aid is requested) |  |  |
|  |  |  |
| c) **Contribution in kind**7 (only included for rural development type projects where this is an eligible expenditure for grant purposes) |  |  |
|  |  |  |
| **Total** |  |  |

* Which of the grants requested from other funding organisations have already been approved? If appropriate, what does the ‘contribution in kind’ relate to?

|  |
| --- |
|  |

* What is the public grant cost per direct full-time equivalent job created?

(a) Convert part-time and seasonal direct jobs created to full-time equivalents by multiplying the number created by 0.5 and 0.25 respectively, and add to the number of full-time direct jobs created.

Number of direct full-time equivalent jobs created as a result of the project \_\_\_\_

(b) Total amount of public grants (i.e. sum of all public grants towards the capital and revenue costs of the project over its lifetime) £ \_\_\_\_\_\_\_\_\_\_\_

(c) Divide the total amount of public grants (as per (b) above) by the number of direct full-time equivalent jobs created (as per (a) above) £\_\_\_\_\_\_\_\_\_\_\_

**The remainder of section 11 should only be completed for projects involving commercial/trading activity.**

**NB: Commercial/Trading projects should only be funded if they are likely to be viable[[34]](#footnote-34), and sustainable[[35]](#footnote-35) without further Government funding beyond what is justified in this proforma:**

For existing businesses, profit and loss accounts and balance sheets for the previous 2 years should be provided. (It should be borne in mind that grant assistance should not be provided to an organisation/company that is likely to fail prematurely. Therefore, this information is useful in assessing the financial position of the organisation/company and it also provides valuable context for the assumptions underpinning the new project.)

For the preferred option, what are the net cash flows in the first 5 years of the project life, before and after grants? (Rows E, G and H in Appendix A cash flows)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Before grants  requested  Row (E) | After grants requested  & after other funds - Row (G) | After grants & after other funds & repayments of loans / overdrafts - Row (H) |
| Year 1 |  |  |  |
| Year 2 |  |  |  |
| Year 3 |  |  |  |
| Year 4 |  |  |  |
| Year 5 |  |  |  |

|  |  |
| --- | --- |
| Is the project viable?  (I.e. is the project generating a stable net cash flow or an increase in the net cash flow contribution from year 3 onwards? See Row H of the preferred option in appendix A) |  |

Why is grant assistance being considered for this project?

|  |
| --- |
|  |

**Viability sensitivity analysis**

**NB: These calculations are carried out automatically when the Spreadsheet at Appendix A of this pro-forma is used to record the financial data.**

For the preferred option only - what is the effect on net cash flow (including grant) after repayment of the loan and/or overdraft of a percentage increase in costs and/or percentage decrease income.

PED suggest 5 and 10% sensitivities for low risk projects; 10 and 15% for medium risk projects and 15 and 30% for high risk projects

|  |  |  |  |
| --- | --- | --- | --- |
|  | Year 1 | Year 2 | Year 3 |
| a) X% increase in costs\* |  |  |  |
| b) X% increase in costs\* |  |  |  |
| c) X% reduction in receipts/income\*\* |  |  |  |
| d) X% reduction in receipts/income\*\* |  |  |  |

\*does not apply to an increase in capital costs or interest payments

\*\* does not apply to a reduction to existing or requested recurrent/revenue grant income



**Section 12: Project Management**

* *Explain the proposed project management structure (e.g. use of PRINCE2), key management personnel and project timetable.*
* *Where relevant, indicate the proposed approach to procurement.*
* *Consider provision for benefits management and realisation, including e.g. documentation of Benefit Profiles using the* [*templates*](http://www.dfpni.gov.uk/index/procurement-2/successful-delivery/content_-_successful_delivery-templates.htm) *at the Successful Delivery NI website.*
* *Identify any significant management issues e.g. legal, contractual, accommodation, staff issues.*
* *Is any external consultancy support required? If so, it must be supported by a separate business case as per* [*FD(DOF)07/12*](http://www.dfpni.gov.uk/index/finance/afmd/afmd-corporate-governance/afmd-use_of_consultants/fddfp0712.pdf) *and section 5 of the accompanying* [*guidance note*](http://www.dfpni.gov.uk/index/finance/afmd/afmd-corporate-governance/afmd-use_of_consultants/fddfp0712att.pdf)*.*

|  |
| --- |
|  |



**Section 13: Monitoring Arrangements**

* *Indicate arrangements for regular monitoring of the project’s progress. What information will be monitored and who is responsible for this task.*
* *For further guidance see para 2.9.15 at* [*Step 9*](http://www.dfpni.gov.uk/index/finance/eag/eag-step-by-step/eag-step-9.htm) *of NIGEAE.*

|  |
| --- |
|  |



**Section 14: Post Project Evaluation Arrangements**

* *State proposed evaluation arrangements e.g. when it will happen, who will do it, what factors will be evaluated?*
* *For further guidance see para 2.9.15 at* [*Step 9*](http://www.dfpni.gov.uk/index/finance/eag/eag-step-by-step/eag-step-9.htm) *of NIGEAE.*

|  |
| --- |
|  |

***Finally, remember that this is a general template and that the boxes and tables above may be enlarged or modified to suit the particulars of the case in hand. When necessary, refer to the*** [***NIGEAE website***](http://www.dfpni.gov.uk/eag) ***or seek help from a Departmental economist.***

**Appendix A: Cash Flows**

For each option, please complete the cash flow for the first 5 years of the project’s life.



**Appendix 9A**

**Priority 6 –Social Inclusion, Poverty Reduction and Economic Development in Rural Areas**

**ASSESSMENT PANEL MEMBER SCORING MATRIX**

|  |
| --- |
| **Rural Business Investment Scheme** |
| **PROJECT PROMOTER NAME:** |
| **PROJECT TITLE:** |
| **EU DATABASE REFERENCE NUMBER:** |

Please score each section. Comments MUST be recorded in the minutes of the assessment panel showing clear rationale for score awarded. Based on the evidence available you must award only one of the scores provided against the criteria within each section. A score between the range of scores available must not be awarded.

Projects must contribute to one of the Focus Areas of Priority 6 of the Commission Priorities for Rural Development and may also contribute to a secondary Focus area(s). A project will not be presented to the Assessment Panel unless it contributes to at least one Focus Area.

|  |  |
| --- | --- |
| **1. Focus Area**  **Does the project contribute to a focus area? (See Annex A)** | **1A to 6B list one only** |
| Primary Focus Area to which project contributes |  |
|  | |
| What secondary Focus Area(s) does the project contribute to?  List as many as apply. (see Annex A) | |
|  | |

|  |
| --- |
| **2. LOCAL DEVELOPMENT STRATEGY** |
| Assessment Panel members have considered that the project contributes to the Local Development Strategy, which will have identified objective need and deprivation.  Yes 🞎 No 🞎 (If no, project cannot proceed)  Specify the Strategy objective to which this application will contribute:  ......................................................................................................................................  ......................................................................................................................................  ...................................................................................................................................... |

|  |  |
| --- | --- |
| **3. IRREGULARITIES -** Reportable irregularities from previous RDP funding programmes. | **Y/N** |
| **If yes – provide details:**  ......................................................................................................................................  ......................................................................................................................................  ......................................................................................................................................  ......................................................................................................................................  Depending on the nature and financial cost of the irregularity the LAG must consider whether to score the project. |  |

|  |
| --- |
| **4. ESSENTIAL FUNDING CRITERIA** |
| **Displacement**   1. Assessment Panel members have considered the evidence presented to them in relation to displacement and are content that where displacement occurs that it is at an acceptable level.     Yes 🞎 No 🞎 (If no, project cannot proceed)  **The rationale for this decision MUST be recorded in the assessment panel minutes**  **Additionality**   1. Assessment Panel members have considered the need for funding to this project and are of the opinion that the funding is necessary to implement the project on the basis of the information provided.   Yes 🞎 No 🞎 (If No project cannot proceed)  **The rationale for this decision MUST be recorded in the assessment panel minutes**  **Please Note:** In circumstances where Assessment Panel Members have recorded ‘NO’ to either of the above criteria in Section 4 then the project cannot progress further. |

|  |  |
| --- | --- |
| **5. DEVELOPMENT PATH ANALYSIS – PROJECT CATEGORISATION** | **Score**  **6** |
| A. 🞎 **(score 0)** B. 🞎 **(score 2)**  C. 🞎 **(score 4)** D. 🞎 **(score 6)**  **Investments which are likely to have an unacceptable negative effect on the environment are not eligible for support under the RDP 2014-2020.**  Assessment Panel members have considered the evidence and scored the Environmental Assessment.  **The rationale for this decision MUST be recorded in the assessment panel minutes.** |  |
| **6. FINANCIAL VIABILITY** | **Score**  **16** |
| **Examine the financial projections and evidence provided by the promoter to support the application for grant aid from the Rural Business Investment Scheme.**  Does the appraisal demonstrate that the project will be viable by year three or earlier?  **Yes**  🞎 **No**  🞎 (If No project cannot proceed)    **The rationale for this decision MUST be recorded in the assessment panel minutes.**  **Score 16** The financial projections indicate that the project will be financially  viable at year 3 and is resistant to all standard sensitivities\* (increase  in running costs or a decrease in income) in years 1, 2 and 3.  **Score 14** The financial projections indicate that the project will be financially  viable at year 3 and is resistant to all standard sensitivities\* (increase  in running costs or a decrease in income) in year 2 and 3.  **Score 12** The financial projections indicate that the project will be financially  viable at year 3 and is at least resistant to all standard sensitivities\*  (increase in running costs or a decrease in income) in year 3.  **Score 8** The financial projections indicate that the project will be financially  viable at year 3 but is not resistant to all standard sensitivities\*  (increase in running costs or a decrease in income) in year 3. |  |

\* 5% and/or 10% sensitivities check for low risk projects; 10% and/or 15% for medium risk projects and 15% and/or 30% for high risk projects.

The sensitivity tested needs to be appropriate to the type of project. If the LAG was considering funding a business with a fairly standard product in a well defined market, with good preliminary indications of orders, the LAG might be happy to consider if it would remain viable at 5 or 10% variances, and not so concerned about it becoming marginal or failing slightly at a 30% variance as it would be an unlikely scenario given the promoter’s work in lining up firm orders/listings, and the promoter had a robust risk management plan to stop that scenario happening, and in the unlikely event that it did, the promoter also had a robust contingency plan to get things back on track as soon as possible.  However, if the LAG was considering funding somebody with a very innovative, but completely novel project, with limited market research, nothing convincing in terms of likely demand, it may well be deemed to be high risk, and if the business had a limited back-up/risk management plan, then the LAG might be reluctant to fund it if it appeared marginal at 30%.  Sensitivities need to be relevant to the type of project.

The choice of suggested sensitivities for each low/med/high risk project is a reminder that within each of these categories, there is a scale of risk that is project dependant. Therefore, a flexible, case by case approach is recommended when selecting one or more sensitivity rates.

|  |  |
| --- | --- |
| **7. MARKET FOR THE PRODUCT/SERVICE**  **a) Is there evidence that there is a growing market for the product/service and the assessment supports the evidence provided?** | **Score**  **5** |
| **Score 5** Evidence through market research/analysis of a market gap/growth  potential.  **Score 3** Evidence through market research/analysis of a steady market.    **Score 0** Evidence through market research/analysis of declining/shrinking  market. |  |
| **b) Is there evidence of the potential to export out of Northern Ireland?** | **Score**  **10** |
| **Score 10** The business has a realistic prospect of exporting outside of  Northern Ireland in the short/ medium timeframe.  **Score 6** The business has a realistic prospect of exporting outside of  Northern Ireland in the longer timeframe.  **Score 0** The business has no potential for export. |  |
| **c) Will the project lead to the introduction of a new product/service to the marketplace?** | **Score 8** |
| **Score 8** The product/service is brand new to the marketplace.  **Score 6**  The product/service is a significant variation to an existing  product/service with limited availability in the marketplace.  **Score 4**  The product/service is a partial variation to an existing product/service  with wider availability in the marketplace.  **Score 0**  The product/service presents no variance to an existing product/service. |  |

|  |  |
| --- | --- |
| **8. EMPLOYMENT** | **Score**  **25** |
| **What is the quality and quantum of the additional job(s) to be created?**   |  |  |  | | --- | --- | --- | | **Job category** | **Additional**  **Number of FTE\* posts** | **Score** | | Professional Occupations  Managers, Directors and Senior Officials | 0.5 | 9 | | 1 | 18 | | 1.5 | 20 | | 2 | 22 | | More than 2 | 25 | | Associate Professional and Technical Occupations  Skilled Trades Occupations | 0.5 | 8 | | 1 | 16 | | 1.5 | 18 | | 2 | 20 | | 2.5 | 23 | | 3 or more | 25 | | Process, Plant and Machine Operatives, Administrative and Secretarial Occupations, Sales and Customer Service Occupations, Elementary Occupations, Caring, Leisure and Other Service Occupations | 0.5 | 6 | | 1 | 12 | | 1.5 | 13 | | 2 | 15 | | 2.5 | 17 | | 3 | 20 | | 3.5 | 22 | | 4 or more | 25 |   NB: Only job(s) projected to be created by the end of year 2 will be scored.  Where a project forecasts new FTE post(s) in two or more categories the maximum score that can be awarded is 25  \*(FTE=Full Time equivalent) 30 hours or more = 1 FTE, +16 -less than 30 hours = 0.5 FTE and less than 16 hours = 0 FTE. |  |

|  |  |
| --- | --- |
| **9. COST PER JOB** | **Score 20** |
| Total capital grant requested (A)  Total number of additional FTE (B) (B)  Divide (A) above by (B) = (C)    **Score 20 -** If the figure in box (C) is less than or equal to £25,000  **Score 15** - If the figure in box (C) is less than or equal to £35,000 but greater than  £25,000.  **Score 0**  - If the figure in box (C) is greater than £35k. |  |

|  |  |
| --- | --- |
| 1. **MANAGEMENT SKILLS / RESOURCES** | **Score**  **5** |
| **Does the Project Promoter have the capacity to deliver this project?**  **Score 5** The project promoter has been in the project business environment  for a number of years and has demonstrated through positive trading  returns that he/she has the management skills and experience  necessary to implement the project.  **Score 4** The promoter has experience of the sector (but not directly involved  in the proposed project activity) and has demonstrated through positive  trading returns that he/she has the management skills necessary to  implement the project. The staff is not yet employed but promoter has  considered the resources required to implement the project.    **Score 3** The project promoter has not worked in the sector but there is evidence  of management skills (relevant qualifications) that would suggest that the project will be successfully implemented.  **Score 0**  There is no evidence that the project promoter has the necessary  management skills to deliver the project. |  |

|  |  |
| --- | --- |
| 1. **MARKETING AND PROMOTION** | **Score 5** |
| **Score 5** **–** Supporting Information provides detail on marketing and  promotion activities to the scale of the project.  **Score 2** **–** The promoter has provided some evidence on how the  product /service will be marketed and promoted  **Score 0** **–** There is no evidence provided on how the promoter will market  and promote the product/service. |  |

|  |  |
| --- | --- |
|  | **Score** |
| **Total Score Awarded (Maximum 100)** |  |

**Summary Scores**

|  |  |  |  |
| --- | --- | --- | --- |
| **Criteria reference** | **Funding Criteria** | **Maximum Score** | **Score** |
| **5** | **Development Path Analysis – project categorisation** | **6** |  |
| **6** | **Financial Viability** | **16** |  |
| **7a** | **Is there evidence that there is a market for the product/service?** | **5** |  |
| **7b** | **Is there evidence that there is potential for export?** | **10** |  |
| **7c** | **Will the project lead to the introduction of new innovative products/services to the marketplace?** | **8** |  |
| **8** | **Employment** | **25** |  |
| **9** | **Cost per Job** | **20** |  |
| **10** | **Management Skills/Resources** | **5** |  |
| **11** | **Marketing and Promotion** | **5** |  |
|  | **Maximum Score** | **100** |  |

Date of Assessment Panel Meeting\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Note: only projects that score 65 Marks and over will be considered for funding.

The Assessment Panel has decided the above project should be \*accepted/rejected/or deferred. \*delete as appropriate

**The rationale for this decision MUST be recorded in the assessment panel minutes.**

**NB: All Assessment Panel members must sign below for composite scoring.**

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

Chair of Assessment Panel

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

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

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

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

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

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

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

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

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

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

**Annex A**

| Article 5 of Regulation (EU) No 1305/2013 / focus area code | Focus area |
| --- | --- |
| 1A | Fostering innovation, cooperation, and the development of the knowledge base in rural areas |
| 1B | Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance |
| 1C | Fostering lifelong learning and vocational training in the agricultural and forestry sectors |
| 2A | Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification |
| 3A | Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations |
| 4A | Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes |
| 4B | Improving water management, including fertiliser and pesticide management |
| 4C | Preventing soil erosion and improving soil management |
| 5E | Fostering carbon conservation and sequestration in agriculture and forestry |
| 6B | Fostering local development in rural areas |

**Appendix 9B**

**Priority 6 –Social Inclusion, Poverty Reduction and Economic Development in Rural Areas**

**ASSESSMENT PANEL MEMBER SCORING MATRIX**

|  |
| --- |
| **BASIC SERVICES, VILLAGE RENEWAL and BROADBAND** |

**NON-PROFIT TAKING APPLICANTS**

|  |
| --- |
| **PROJECT PROMOTER NAME:** |
| **PROJECT TITLE:** |
| **EU DATABASE REFERENCE NUMBER:** |

Please score each section. Comments MUST be recorded in the minutes of the assessment panel showing clear rationale for score awarded. Based on the evidence available you must award only one of the scores provided against the criteria within each section. A score between the range of scores available must not be awarded.

Projects must contribute to one of the Focus Areas of Priority 6 of the Commission Priorities for Rural Development and may also contribute to a secondary Focus area(s). A project will not be presented to the Assessment Panel unless it contributes to at least one Focus Area.

|  |  |
| --- | --- |
| **1. Focus Area**  **Does the project contribute to a focus areas? (See Annex A)** | **1A to 6B list one only** |
| Primary Focus Area to which project contributes |  |
|  | |
| What secondary Focus Area(s) does the project contribute to?  List as many as apply. (see Annex A) | |
|  | |
| **2. LOCAL DEVELOPMENT STRATEGY** | |
| Assessment Panel members have considered that the project contributes to the priorities of the LAG Development Strategy, which will have identified objective need and deprivation.  **Yes**  🞎 **No**  🞎 (if no, the project cannot proceed)  Specify the Strategy priority(ies) to which this application will contribute:  ........  .............................................................................................................................................  ............................................................................................................................................. | |

|  |  |
| --- | --- |
| **3.** **IRREGULARITIES -** Reportable irregularities from previous RDP funding programmes. | Y/N |
| **If yes – provide details:**    ....................................................................................................................................  ....................................................................................................................................  Depending on the nature and financial cost of the irregularity the LAG must consider whether to score the project. |  |

|  |
| --- |
| **4. ESSENTIAL FUNDING CRITERIA** |
| **Displacement**   1. Assessment Panel members have considered the evidence presented to them in relation to displacement and are content that where displacements occurs that it is at an acceptable level.     **Yes**  🞎 **No**  🞎 (If no, project cannot proceed)  **The rationale for this decision MUST be recorded in the assessment panel minutes.**  **Additionality**   1. Assessment Panel members have considered the need for funding to this project and are of the opinion that the funding is necessary to implement the project on the basis of the information provided.   **Yes**  🞎 **No**  🞎 (If No project cannot proceed)  **The rationale for this decision MUST be recorded in the assessment panel minutes.**  **Please Note:** In circumstances where Assessment Panel Members have recorded ‘NO’ to either of the above criteria in Section 4 then the project cannot progress further. |

|  |  |
| --- | --- |
| **5. DEVELOPMENT PATH ANALYSIS – PROJECT CATEGORISATION** | **Score**  **6** |
| A. 🞎 **(score 0)** B. 🞎 **(score 2)**  C. 🞎 **(score 4)** D. 🞎 **(score 6)**  **Investments which are likely to have an unacceptable negative effect on the environment are not eligible for support under the RDP 2014-2020.**  Assessment Panel members have considered the evidence and scored the Environmental Assessment.  **The rationale for this decision MUST be recorded in the assessment panel minutes.** |  |

|  |  |
| --- | --- |
| **6. The extent to which need/demand is identified and addressed. The extent to which the project CONTRIBUTES TO THE PRIORITIES OF THE lag development strategy.** | **Score**  **17** |
| **Needs/demands are clearly identified and significant, and the project has been designed to have a direct impact on the needs identified. Assumptions made have been assessed within the appraisal process.**  **Score 17**  The applicant has presented a clear description of the project and how it has been designed to meet the needs identified through consultation. The applicant has outlined a clear plan for implementing the project in order to meet identified need. The applicant has demonstrated innovative solutions to address access to a number of services at a local community level. The applicant has demonstrated a cross community involvement and will encourage good relations. The project will have a significant contribution to the priorities of the LAG Development Strategy and emerging priorities of the Community Plan within council.  **Score 13**  Applicant has presented a range of information around deficiencies in current provision to justify the need for the project. The applicant has presented a description of the project and how it will be implemented and evidenced input from potential beneficiaries in project design. The applicant has demonstrated a cross community involvement and will encourage good relations. The project will contribute to the priorities of the LAG Development Strategy and emerging priorities of the Community Plan within council, however, the number of services delivered is more limited.  **Score 10**  Some evidence of consultation and engagement, however limited in scope and localised, and some attempt has been made to demonstrate deficiencies in current provision to justify the project. The extent to which the project will contribute to priorities of the LAG Development Strategy and emerging priorities of the Community Plan within council is limited. The service provision is limited in nature.  **Score 0**  Evidence of consultation and engagement is not sufficiently detailed and no attempt has been made to demonstrate deficiencies in current provision to justify the project. The project does not contribute to the priorities of the LAG Development Strategy and emerging priorities of the Community Plan within council. |  |

|  |  |
| --- | --- |
| **7. OBJECTIVES,TARGETS AND PERFORMANCE INDICATORS**  **Specific, Measurable, Achievable, Realistic and Time-bound**  **(SMART)** | **Score**  **10** |
| **Project has clear and measurable objectives, targets and indicators which are directly aligned to the Local Development Strategy, Rural Development Programme and Scheme specific output indicators.**  **Score 10** – All objectives identified are SMART. Targets are considered to  be realistic and achievable.  **Score 6** – Only part satisfies SMART criteria – i.e. some objectives are not measurable or time-bound.  **Score 0** – Stated objectives do not satisfy SMART criteria. |  |

|  |  |
| --- | --- |
| **8. PROJECT PROMOTER HAS MONITORING AND EVALUATION SYSTEMS IN PLACE TO MEASURE PROGRESS AGAINST OBJECTIVES** | **Score**  **10** |
| **Score 10** – Full realistic monitoring plan completed to capture progress  relevant to identified objectives and outcomes. Benefits  Realisation Plan (BRP) inPlace and is detailed.  **Score 6** – Monitoring plan provided but limited detail in the BRP provided on how  progress will be monitored.  **Score 0** – No monitoring plan/BRP provided by applicant. |  |
|  |  |
| **9. EMPLOYMENT** | **Score**  **8** |
| **Will the project create new jobs or maintain existing jobs in the rural economy?**  **Score 8 –** The project will create new employment opportunities and  create direct jobs sustainable beyond the implementation of the project i.e. after funding.    **Score 5 –** The project will maintain existing jobs in the rural economy.  **Score 0 –** No job creation or job sustainability evident. |  |
|  |  |
| **10. MANAGEMENT SKILLS / RESOURCE** | **Score**  **12** |
| **Does the Project Promoter have the capacity to deliver this project?**  **Score 12**– The project promoter can demonstrate significant project management experience in the completion of similar projects. The project management skills demonstrated within the organisation /committee/staff are relevant and deemed satisfactory for successful implementation of the project. Promoter has provided detail of the project management structure and governance arrangements for  delivery of the project. No reported irregularities from previous RDP  funding.  **Score 8 –** The project promoter has limited project management experience in the delivery of similar projects but the project management skills demonstrated within the organisation/committee are relevant for successful implementation of the project. Although there is detail of the management structure and governance arrangements there  are gaps. No reported irregularities from previous RDP funding.  **Score 6** – There is no evidence that the project promoter has the necessary management skills to deliver the project. However, the promoter has demonstrated that outside resources/skills are available to provide the necessary management skills to deliver the project. No reported irregularities from previous RDP funding.  **Score 0** – There is no evidence that the project promoter has the necessary  management structure and governance arrangements for the delivery  of the project. |  |

|  |  |
| --- | --- |
| **11. FINANCIAL PLANNING - Related to the delivery of the Project** | **Score**  **12** |
| **Does the project promoter demonstrate realistic financial planning?**  **Score 12** –Supporting information provided itemises all costs, capital and resource, (including direct costs and running costs) associated with project delivery. Quotations/tenders have been provided in line with the required rules of the scheme as back up to all stated costs. Applicant has provided evidence of engaging with a relevant professional in determining the costs associated with delivery. A robust, credible and realistic delivery plan has been provided. Detailed Work Plan template(s) have been provided.  **Score 7** - Applicant has provided limited detail as to how project costs were arrived at. Only some or no indicative quotes provided against the items for which funding has been applied for. There are some weaknesses in the delivery and Work Plan template(s) provided.  **Score 0 -** Applicant has provided no supporting information (i.e. required number of quotes/tenders) to substantiate key costs associated with project delivery. |  |

|  |  |
| --- | --- |
| **12. FINANCIAL VIABILITY/SUSTAINABILITY – Related to the project post implementation** | **Score**  **12** |
| **Examine the financial projections as provided by the promoter (which may include those included in a Business Plan) which have been economically appraised. For projects which do not generate revenue consider maintenance costs.**    **Score 12 -** The project will generate a level of income adequate to cover any annual overheads/recurrent costs. Income and expenditure projections are based on sound assumptions. Written confirmation provided as to how recurrent/maintenance costs will be met. For non-revenue generating projects financial details have been provided as to how the project will be maintained.  **Score 8 -** The project will generate a level of income adequate to cover annual overheads/recurrent cost but income and expenditure projections are not based on clearly defined assumptions.  **Score 0 -** The project does not generate a level of income adequate to  cover annual overheads/recurrent or is dependent on further  funding for continuation after the initial funding period. For non-revenue generating projects there are no details or provision for upkeep/future maintenance. |  |

|  |  |
| --- | --- |
| **13. COMMUNICATIONS AND MARKETING/PUBLICITY** | **Score**  **5** |
| **Score 5** – Supporting Information provides detail on communication and marketing and promotion activities appropriate to the scale of the project. The project promoter has a clear communication/marketing plan and identified resources (which may include a budget) to promote the project. Detailed project Marketing plan has been provided.  **Score 3** – Some information provided although limited on how the project will be communicated and marketed and promoted to beneficiaries. The project has limited resources to carry out these activities, which restricts this impact of this activity. The detail in the project Marketing Plan is limited  **Score 0** – There is no evidence provided on how the project promoter will communicate to the community/stakeholders and market the project. The communication plan is weak or not submitted. The Project Marketing Plan is insufficiently completed to demonstrate how the project will be communicated to the local/wider community. |  |

|  |  |
| --- | --- |
| **14. EQUAL OPPORTUNITIES/GOOD RELATIONS/CROSS COMMUNITYCONSIDERATIONS** | **Score 8** |
| **Score 8 –** The applicant has provided strong evidence to demonstrate how the project will promote equal opportunities for all potential beneficiaries. The project will encourage good relations/cross community involvement. Promoter has provided evidence of meaningful consultation with key target groups in drawing together the project.  **Score 5 –** The applicant has provided some evidence to demonstrate how the project will promote equal opportunities for all potential beneficiaries. There is some evidence that the project will encourage good relations/cross community involvement. Promoter has provided some evidence of consultation with key target groups in drawing together the project.  **Score 0 –** The evidence provided does not demonstrate that the project will contribute to or encourage good relations/cross community involvement. No evidence of any meaningful consultation with key target groups in drawing together the project. |  |

**Summary of scores**

|  |  |  |  |
| --- | --- | --- | --- |
| **Criteria reference** | **Funding Criteria** | **Maximum Score** | **Score** |
| **5.** | **Development Path Analysis - Project Categorisation** | **6** |  |
| **6.** | **The extent to which need/demand is identified and addressed. The extent to which the project contributes to the priorities of the LAG Development Strategy.** | **17** |  |
| **7.** | **OBJECTIVES, TARGETS AND PERFORMANCE INDICATORS**  **Specific, Measurable, Achievable, Realistic and Time-bound (SMART)** | **10** |  |
| **8.** | **Project Promoter has monitoring and evaluation systems in place to measure progress against objectives** | **10** |  |
| **9.** | **Employment** | **8** |  |
| **10.** | **Management Skills/Resources** | **12** |  |
| **11.** | **Financial Planning – Related to the delivery of the project** | **12** |  |
| **12.** | **Financial Viability/Sustainability–Related to the project post implementation** | **12** |  |
| **13.** | **Communication and Marketing/Publicity** | **5** |  |
| **14.** | **Equal Opportunities/Good Relations/Cross Community Considerations** | **8** |  |
|  | **Maximum score** | **100** |  |

Date of Assessment Panel Meeting\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(only projects that score 65 Marks and over will be considered for funding).

The Assessment Panel has decided the above project should be \*accepted/rejected/or deferred. (\*delete as appropriate)

**The rationale for this decision MUST be recorded in the assessment panel minutes.**

**NB: All Assessment Panel members must sign below for composite scoring.**

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

Chair of Assessment Panel

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

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

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

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

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

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

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

Additional names if required:

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

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

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

**Annex A**

| Article 5 of Regulation (EU) No 1305/2013 / focus area code | Focus area |
| --- | --- |
| 1A | Fostering innovation, cooperation, and the development of the knowledge base in rural areas |
| 1B | Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance |
| 1C | Fostering lifelong learning and vocational training in the agricultural and forestry sectors |
| 2A | Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification |
| 3A | Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations |
| 4A | Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes |
| 4B | Improving water management, including fertiliser and pesticide management |
| 4C | Preventing soil erosion and improving soil management |
| 5E | Fostering carbon conservation and sequestration in agriculture and forestry |
| 6B | Fostering local development in rural areas |

**ASSESSMENT PANELS GUIDANCE NOTE** **APPENDIX 9C**

# Introduction

1. This guidance note should be read in conjunction with Chapter 9 of the LAG Operating Rules and Desk Instructions, and should help the Assessment Panel to operate smoothly. The LAG must document and put in place an open and transparent system for seeking and assessing applications and for reviewing decisions in the event of a complaint.

# Preparatory Work

1. Each application should be checked by the Admin Unit for completeness ensuring all questions are answered. The application must be signed and relevant attachments and continuation sheets included. Only valid applications should be presented to the Assessment Panel for consideration.
2. All applications should have been entered on the EU database before the respective closing date.

**Eligibility Check**

1. An eligibility check (Chapter 7 of the LAG Operating Rules and Desk Instructions), should be undertaken by the LAG Admin staff on the application.
2. If the project does not satisfy the eligibility criteria, a recommendation should be submitted to the LAG Board recommending rejection.
3. If the project satisfies the eligibility criteria, an acknowledgement letter should be issued and a site visit and associated Economic Appraisal etc. should be completed. The expert views of other appropriate statutory bodies should also be sought, as appropriate.

**Assessment Panel Meeting**

1. The Assessment Panel should, as far as possible, be representative of Section 75 grouping, have an agreed quorum and no single sector grouping can equate to more than 49% on the panel at all meetings.
2. The Assessment Panel should consist of at least four members with appropriate experience, training and knowledge to undertake the task i.e. trained in equality and selection procedures.
3. The Assessment Panel should have procedures in place for dealing with Conflicts Of Interest as detailed in [Chapter 2](#Chapter_2) of the LAG Operating rules.
4. At the beginning of each Assessment Panel meeting, members should elect a Chairperson, and should agree in advance the time and duration of the meeting. Members must commit themselves to attending the full session. It is important that when scheduling Assessment Panel meetings, ample time is allocated to ensure that all projects receive an appropriate amount of consideration.
5. Detailed minutes should be retained of all Assessment Panel Meetings.
6. Key sources of information when assessing projects are:
   * Application Form
   * Eligibility Check (Desk Instructions Section 7)
   * Site Visit Report (Desk Instructions Section 8)
   * Information from Key Informants
   * Economic Appraisal / Business Plan
   * Environmental Assessment ( [Appendix 8C](#Appendix_8C)).
   * Factual Local Knowledge
   * Financial Records available e.g. Accounts, Business Plan
   * Any Statutory Approvals
7. The Admin Unit should provide the Assessment Panel with all relevant information.
8. Using the relevant scoring mark frame – see [Chapter 9, paragraph 9.2](#Para_9_2), the Assessment Panel allocate a score to the project. Only projects which achieve an overall score of at least 65 should be offered funding.
9. A completed scoring mark frame must be retained on each project file. Records on the operation of EU Programmes should be retained until 31st December 2030.
10. The Assessment Panel makes its recommendation to the LAG using the Project Decision Record form at [Appendix 9E](#Appendix_9E).

**Appendix 9D**

**Indicative scoring**

1. The LAG Board may authorise indicative scoring of projects at the written request of the Admin Unit staff and provision of this service should be incorporated into the service delivery agreement between the two parties.
2. For the purposes of good governance and separation of responsibilities, the indicative process must not include any individual who has completed either the site visit or the Economic Appraisal for a project being scored.
3. The following process must then be followed:

* The indicative scoring panel must be comprised of no less than 2 members with appropriate training in equality and selection procedures, who will each independently score projects prior to agreeing joint scores. Scored projects must be fully discussed and agreed with a LAG Board member at the indicative scoring panel and an individual scoring mark frame completed for each project and signed as agreed by the LAG Board member;
* LAGs should produce a suitably amended version of the scoring mark frame for this exercise, ensuring that it provides sufficient detail to differentiate it from the scoring markframes at [Appendix 9A](#Appendix_9A) and [Appendix 9B](#Appendix_9B), which are designed for use by the LAG Assessment Panel. The Admin Unit Manager must complete a composite scoring mark frame which must be signed by all members of the panel;
* All documentation must be retained within the project file for inspection purposes.

**Appendix 9E**

|  |  |
| --- | --- |
| **PROJECT DECISION RECORD** |  |
|  |  |
| **Partnership** |  |
|  |  |
| **Application Number** |  |
|  |  |
| **Applicant Name** |  |
|  |  |
| **Project Title** |  |
|  |  |
| **Scheme** |  |
|  |  |
| **Application Eligible** | **YES/NO\*** |
|  |  |
| **Assessment Panel % Score**  (if applicable) |  |
|  |  |
| **Assessment Panel Recommendation** (if applicable) | **APPROVE/REJECT\*** |
|  |  |
| **Amount of Funding Awarded** |  |
|  |  |
| **% of Total Eligible Cost to be awarded** |  |
|  |  |
| **LAG Panel Recommendation** | **APPROVE/REJECT\*** |
|  |  |
| **Chair Authorisation Signature** |  |
|  |  |
| **Print Name** |  |
|  |  |
| **Date** |  |
|  |  |
|  |  |
|  |  |
|  |  |
| **LAG BOARD RATIFICATION** | **YES/NO\*** |
|  |  |
| **Chair Authorisation Signature** |  |
|  |  |
| **Print Name** |  |
|  |  |
| **Date** |  |
|  |  |

**\* delete as appropriate**

**Appendix 10A**

***De Minimis LoO Template***

|  |
| --- |
| *De-minimis LoO Templates for each of the five LEADER Schemes issued previously on 13 October. These templates must be used for all LOOs to be issued, and the LoO template to use must be relevant to the Scheme the application was made to.* |
|  |
|  |

**Appendix 10B**

***Non De Minimis Aid (Block Exemption) LoO Templates***



*Non De Minimis (Block Exemption) LoO Templates for each of the five LEADER Schemes issued previously on 13 October. These templates must be used for all LOOs to be issued, and the LoO template to use must be relevant to the Scheme the application was made to.*

Appendix 10C



##### **Terms and Conditions of Grant Aid provided under**

##### **Priority 6;**

##### **Promoting Social Inclusion, Poverty Reduction and Economic Development in Rural Areas**

##### **Northern Ireland Rural Development Programme 2014 - 2020**

**The Letter of Offer together with the ‘Terms and Conditions of Grant Aid’ form a legally binding contract**

**TABLE OF CONTENTS**

|  |  |
| --- | --- |
| **No.** |  |
| **1.** | Purpose of the Letter of Offer and Terms and Conditions of Grant Aid |
| **2.** | Definitions and Abbreviations |
| **3.** | General Conditions  3.9 Suspension of Payments by the European Commission |
| **4.** | The Project  4.1 Offer of Grant Aid  4.4 Changes to the Project  4.6 Level of Assistance  4.7 Prepayment Conditions for the Project  4.11 Targets to be achieved through implementation of the Project |
| **5.** | Eligible Expenditure |
| **6.** | Match Funding |
| **7.** | Financial Management |
| **8.** | Bank Account |
| **9.** | Claims for Grant Aid and Payments |
| **10.** | Reductions and Exclusions |
| **11.** | Provision of Information |
| **12.** | Retention of Documentation |
| **13.** | Project Inspections |
| **14.** | Publicity |
| **15.** | Legal & Statutory Requirements |
| **16.** | Disclaimer |
| **17.** | Insurance and Liability |
| **18.** | Value Added Tax (VAT) |
| **19.** | Withdrawal of Grant Aid on Default |
| **20.** | Termination or Suspension |
| **21.** | Repayment of Grant Aid |
| **22.** | Disposal of Assets |
| **23.** | Interest Charges on Repayments of Grant Aid |
| **24.** | Environmental Impact |
| **25.** | Sharing of Information, Data Protection and Freedom of Information |
| **26.** | Conflict of Interest |
| **27.** | Law and Jurisdiction |
| **28.** | Fraud |
| **29.** | **Projects involving the Building of Property and / or the refurbishment of Property or Land.**  29.1 Legal Charge on Property or Land  29.4 Confirmation of Ownership or Leasing Arrangements |
| **30.** | Planning Permission and other Legal Provisions |
| **31.** | De Minimis Aid |
| **32.** | Networking and Promotion |
| **33.** | Withdrawal of Application |

1. **Purpose of The Letter of Offer and Terms and Conditions of Grant Aid**
   1. The Letter of Offer and Terms and Conditions of Grant Aid form a contract between the Local Action Group (LAG) and the Applicant. These documents state:

* the amount of Grant Aid which is available for the Applicant to claim;
* the conditions which must be met by the Applicant in order to claim this Grant Aid; and
* the period of the Letter of Offer during which the terms and conditions must be complied with.

The Letter of Offer provides the LAG and the Department of Agriculture, Environment and Rural Affairs (DAERA) the right to recover Grant Aid from the Applicant if the conditions of the Letter of Offer are breached during the period within which the Letter of Offer conditions must be adhered to.

* 1. The Letter of Offer together with the ‘Terms and Conditions of Grant Aid’ form a legally binding contract and you should read both carefully before accepting the offer of Grant Aid. If you are in doubt regarding the terms of the offer, you should discuss the matter with your legal representative. The offer and subsequent Grant Aid draw down is subject to strict adherence to the allocation for specific items and activities as detailed in the table at Annex 2 to the Letter of Offer; Schedule of Eligible Expenditure, and all conditions detailed in this ‘Terms and Conditions of Grant Aid’ booklet.
  2. By accepting the Letter of Offer you are also accepting the Terms and Conditions set out in this ‘Terms and Conditions of Grant Aid’ booklet. Failure to adhere to the Terms and Conditions of the offer may result in the full grant aid given under the Letter of Offer being deemed invalid and require any assistance already provided to be repaid.
  3. In submitting claims for reimbursement of expenditure there is a need to adhere to the procurement requirements provided to you by the Local Action Group and outlined to you at the pre-application workshop. It is a strict requirement to have competitive tenders or quotations for project expenditure. Expenditure in breach of this requirement will be deemed ineligible and no Grant Aid will be payable.

1. **Definitions and Abbreviations**

|  |  |
| --- | --- |
| **Application**  **Form** | the application form submitted by you to obtain Grant Aid for the project to be funded as detailed in the Letter of Offer. |
| **the Applicant** | refers to the legal entity or person that signed and submitted the application form; accepted the offer and terms and conditions; and is responsible for ensuring compliance with obligations of the offer throughout the period of the Letter of Offer. |
| **Asset** | any asset of the Applicant / Beneficiary for which any payment of Grant Aid has been made under the Letter of Offer to which this booklet refers. |
| **Audit Trail** | record of financial transactions supported by; original documentation for procurement, invoices, receipts and bank statements to support the implementation and operation of the project. |
| **“beneficiary”** | (i) a person who has applied for and been granted approval for a project  (ii) in relation to any time after a Rural Development payment has been made in connection with the project, the person to whom the payment was made; or  (iii) any person who has undertaken to assume the conditions of an approval in place of a previous beneficiary; |
| **Claw back Period** | the period of the Letter of Offer during which, if irregularities are discovered, the project or business fails, the business is sold or relocates outside the Local Action Group area, repayment of all or part of the assistance already provided will be requested. |
| **Commitments &**  **Other Obligations** | Actions the beneficiaries undertake to carry out or are requirements that the beneficiaries need to respect. |
| **the Commission or EC** | the European Commission. |
| **‘DAERA’ or ‘the Department’** | the Department of Agriculture, Environment and Rural Affairs. |
| **De Minimis Aid** | assistance from a public source for a trading activity which is below the threshold of aid requiring prior notification and approval from the Commission. Commission Regulation (EU) 1407/2013. |
| **EAFRD** | European Agricultural Fund for Rural Development. |
| **Eligible Expenditure** | means works or services or equipment as set out under, Annex 1 of the Letter of Offer, and procured in line with the rules by the Applicant in carrying out the project and admitted by DAERA, and others as Administrators, at its absolute discretion for the purpose of payment of Grant Aid. |
| **EU** | the European Union. |
| **EU assistance** | means assistance payable pursuant to the Rural Development Regulation 1305/2013 from the European Agricultural Fund for Rural Development (EAFRD) in accordance with the European Regulations. |
| **Grant Aid** | the EAFRD funding specified in the Letter of Offer to which this terms and conditions booklet refers or any part or parts thereof as the case may be. |
| **Grant Rate** | the percentage of the cost of individual items or services that will be used to calculate the amount of Grant Aid payable up to the maximum amount set by the Schedule of Eligible Expenditure to the Letter of Offer. |
| **Horizontal Implementing Regulation** | means Commission Implementing Regulation (EU) No. 809/2014 laying down rules for the application of Regulation (EU) No. 1306/2013 of the European Parliament and of the Council with regard to the integrated administration and control system, rural development measures and cross compliance. |
| **Irregularity** | any departure from the operation of the agreement of the Letter of Offer Contract between the Applicant and the Local Action Group. |
| **Local Action Group (LAG)** | the LAG appointed to implement the local development strategy. |
| **Rural Development Strategy** | the approved LAG Development Strategy (The Strategy is available from your Local Action Group). |
| **Managing Authority** | Department of Agriculture, Environment and Rural Affairs (DAERA). |
| **Networking** | sharing of experience and good practice between Regions and Local Action Groups. |
| **NIRDP** | the Northern Ireland Rural Development Programme 2014-2020. |
| **NIRDP Monitoring Committee** | Committee established as required by EU Regulation 1306/2013 to oversee the implementation of the Northern Ireland Rural Development Programme 2014-2020. |
| **Rural Network** | The Rural Network for Northern Ireland, which will provide a range of services and support for those involved in the delivery of the NIRDP. |
| **Objective** | means the project objective as set out in Annex 1 to the Letter of Offer. |
| **Operation** | an investment, plan, commitment, project or action which is the subject of an application. |
| **Project**  **Start Date** | the start date for the project is the date of the Letter of Offer, provided the Local Action Group has received the completed Form of Acceptance from the applicant within 28 days from the date of the Letter of Offer. |
| **Project**  **End Date** | the date the Applicant agreed with the Local Action Group for completion and payment of all the items and activities as listed at Annex 2 ‘Schedule of Eligible Expenditure’ |
| **Project Targets** | the scheme targets to be achieved as a result of the grant provided to carry out the project. |
| Project De-brief & Review Process | An independent process through which an applicant will have the opportunity to demonstrate to a Review Panel that the decision not to award funding was unreasonable **or** that the proper procedures were not followed. |
| **the Paying Authority** | DAERA. |
| **the Rural Development Programme 2014-2020** | Priority 6; Promoting Social Inclusion, Poverty Reduction and Economic Development in Rural Areas of the Northern Ireland Rural Development Programme 2014 – 2020 submitted by the United Kingdom to the European Commission in accordance with the Rural Development Regulation 1305 / 2013, as approved by Commission Decision 808/2014. |
| **the Rural Development Regulation** | means Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development. |
| **the Letter of Offer Contract** | means the letter to which this Booklet is attached, setting out the project for which all grant aid received by ‘the Applicant’ from DAERA will be expended. |
| **the Project** | the project as initially described in the Applicant application form, and assessed and approved by way of the Letter of Offer contract from the Local Action Group. |
| **the Property** | all the buildings, equipment, furniture, fixtures, fittings and other assets owned or used by the Applicant in connection with the project, situated as specified on the Application and on the Letter of Offer. |
| **Schedule of Eligible Expenditure** | means the list of eligible items and services as annexed to the Letter of Offer at Annex 2. |

1. **General Conditions** 
   1. The Applicant must not seek or make an application for any financial assistance from any other Government Department, public body or agency in respect of expenditure for which the Grant Aid is or may become payable under the terms of this Letter of Offer without written notification to the Local Action Group.
   2. The Applicant must not without the prior written consent of the Local Action Group transfer or assign any of its rights or obligations under the Letter of Offer.
   3. Grant Aid provided under the Letter of Offer does not imply any further commitment to the project when the terms of the Letter of Offer are completed.
   4. The Applicant will be sufficiently served by any letter, notice or demand by the Local Action Group or DAERA if it is delivered by hand, left at the Applicant’s last known address, sent by post addressed to the Applicant at that last known address or delivered to an e-mail address which the applicant has previously availed of to communicate with either the Local Action Group or DAERA.
   5. In the case of any dispute arising on the interpretation of the conditions contained within the Letter of Offer and Terms and Conditions of Grant Aid booklet the decision of the Local Action Group and DAERA shall be final and binding.
   6. The Applicant must maintain in good condition all property, equipment, machinery, furniture, fixtures, fittings, and assets owned or used by the Applicant in connection with the project.
   7. The Applicant, by accepting the Letter of Offer, indemnifies the Local Action Group and DAERA against all claims, proceedings, actions, damages, legal costs, expenses and any other liabilities in respect of death, personal injury, disease transmission, loss of or damage to property arising out of or in any way connected with the performance or non-performance by the Applicant of all or any activities associated with the project and without prejudice to the generality of the foregoing the use, misuse, malfunction or failure of any plant, machinery or equipment approved for Grant Aid under this Letter of Offer. Neither DAERA nor the Local Action Group shall be liable for any injury, damage or loss (of any kind) howsoever caused relating to the project.
   8. No aspect of the activity being funded should be party political in intention, use or presentation; or likely to be perceived as discriminatory on grounds of religion, colour, race, gender or disability. Any activities, such as campaigning, by the Applicant must be in furtherance of, and ancillary to, its main purposes. The Local Action Group and DAERA shall judge as to whether or not any activity of the Applicant offends against this clause.
   9. The applicant acknowledges the obligations of the Department under Section 75 of the Northern Ireland Act 1998. In light of this, the Applicant agrees that, in applying the grant aid provided by the Department and in its use of the property, it shall have due regard to the need to promote equality of opportunity between persons of different religions belief, political opinion, racial groups, age, marital status or sexual orientation between men and women generally, and between persons with a disability or a dependent and persons without. To this end, the Applicant shall have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial groups.

**Suspension of Payments by the European Commission**

* 1. All payments under the Letter of Offer from the Local Action Group are subject to DAERA’s receipt of funding from the European Commission. Should such receipts, from the European Commission be suspended, reduced or terminated; the Department may suspend, reduce or terminate payments of funding in respect of the Applicant’s Letter of Offer from the Local Action Group. In that case neither the Local Action Group nor DAERA shall be liable for any consequential losses.

1. **The Project**

**Offer of Grant Aid**

* 1. The Grant Aid to be provided is offered in respect of the project described in the initial application, and as specified on the Letter of Offer, including any amendments submitted in writing by the Applicant, approved by the Local Action Group and accepted by the applicant. Annex 2 to the Letter of Offer specifies the items and/or activities agreed as eligible for Grant Aid together with the indicative breakdown of costs. Annex 3 details the project and RDP targets to be achieved through the implementation of the project.
  2. No Grant Aid will be payable on any:
* work started or completed;
* invoices or receipts dated; or
* expenditure incurred or paid,

prior to the Project Start Date (provided the Applicant accepted the Letter of Offer in writing by signing the Form of Acceptance and returning same to the Local Action Group within the 28 day period), or after the agreed end date for the project as specified in the Letter of Offer.

* 1. Any equipment, materials or buildings funded under the Letter of Offer may only be used for the purposes of the approved project.

**Changes to the Project**

* 1. The Grant Aid shall be used only for the purposes of the project as defined in the Applicant’s application and set out in Annex 1 of the Letter of Offer. Any intended changes to the project or the project timescales must be notified in writing in advance to the Local Action Group. The written notification must explain how the revised project achieves the objective and scheme targets as specified in the application form and business plan and agreed for the LoO, and must demonstrate how the project continues to offer added value. Continuation of Grant Aid will be subject to:

1. where required, re-assessment of the revised project by the Local Action Group;
2. written approval of the Local Action Group and formal amendment to the Letter of Offer by issue of a Letter of Variation to the Applicant; and
3. acceptance of the Letter of Variation by the Applicant.

Only one extension to the project end date is allowed.

* 1. Claims submitted that differ materially from the approved application without prior notification and approval will automatically incur penalties, and may result in the full assistance provided under the Letter of Offer being deemed invalid and require Grant Aid already paid to be repaid by you either partially or in full.

**Level of Assistance**

* 1. The amount of Grant Aid payable will be strictly as specified in the Schedule of Eligible Expenditure. Therefore, before signing this contract, the Applicant must ensure that the Grant Aid set out at Annex 2 of the Letter of Offer ‘Schedule of Eligible Expenditure’ agrees with their understanding of the amount of assistance available. Any cost overruns will be borne by the Applicant.

**Pre-Payment Conditions for the Project**

* 1. The project must remain within the area of the funding LAG. The Project or agreed phase of the project must be completed as specified on the agreed Project Schedule of Key Tasks, Timescales and Special Conditions (Annex 1) and Schedule of Eligible Expenditure (Annex 2).
  2. The bank account arrangements for the project must have been confirmed by return of a completed Bankers Automated Clearing System (BACS) form to DAERA Grants & Subsidies Branch, Orchard House. The Local Action Group will explain this to you.
  3. Receipt of a completed claim as provided for at Annex 4 by the date specified in Annex 1: Timescales for the Project.
  4. The Local Action Group shall not approve payment of Grant Aid under the Letter of Offer until the Applicant has provided:
     1. documentary evidence satisfactory to the Local Action Group that the project has been completed within the agreed start and end dates;
     2. documentary evidence satisfactory to the Local Action Group that the agreed eligible expenditure for delivery of the project has been incurred by the Applicant;
     3. written confirmation of VAT status (on the Declaration Section of the Claim Form) ; If the VAT status of the project items or work, the supplier or the applicant changes, the Local Action Group must be informed immediately.
     4. documentary evidence satisfactory to the Local Action Group of compliance with the procurement procedures provided by the Local Action Group and as specified in the Applicant Procurement Guidance document and as outlined at the LAG pre-application workshop you attended.
     5. written evidence satisfactory to the Local Action Group of confirmation of the amount and source of any other Grant Aid or funding towards the total project costs;
     6. written evidence, by way of the signed Form of Acceptance attached to the Letter of Offer that the information provided in the application form is true and correct, and that all previous public funding received over the 3 fiscal years (the current business/organisation accounting year and the previous 2 accounting years) period has been declared;
     7. documentary evidence satisfactory to the Local Action Group that the necessary insurance cover has been obtained;

*and where applicable*,

* + 1. evidence of compliance with any specific special conditions agreed for your project as detailed by the Local Action Group on the Letter of Offer at Annex 1;
    2. written evidence satisfactory to the Local Action Group that all necessary statutory approvals for carrying out of the project have been obtained; and
    3. where title to the property, land or site (as appropriate to the project) is not held by the Applicant, documentary evidence of the owner’s legal agreement to lease the property, land or site to the Applicant is required as detailed below, unless otherwise specified in the special conditions specific to your project at Annex 1 as follows ;-

Where the applicant is a **private applicant**;

* For capital build where total grant aid of more than £50,000 is awarded for building, or renovation/refurbishment/development works the period of the lease must cover not less than 25 years from the date of the Letter of Offer,
* For capital build where total grant aid of £50,000 or less is awarded for building or renovation/refurbishment works the period of the lease must cover not less than 10 years from the date of the final payment to the project,
* For Plant, machinery or equipment, where the business premises is subject to a lease, the lease period must be as a minimum cover the period from the date of the Letter of Offer, until 5 years following the date of the final payment to the project. This lease period can be made up of a number of shorter-term consecutive leases where their renewal is closely monitored by the LAG to ensure continuity for the full lease period.

**For Community/Voluntary Groups and Social Economy Enterprise Applicants**

* For capital build where total grant aid of more than £50,000 is awarded for building or renovation/refurbishment works the period of the lease must cover not less than 25 years from the date of the Letter of Offer,
* For capital build where total grant aid of more than £10,000 but less than £50,000 is awarded for building or renovation/refurbishment works the period of the lease must cover not less than 10 years from the date of the final payment to the project,
* For Plant, machinery or equipment, where the business premises is subject to a lease, the lease period must be as a minimum cover the period from the date of the Letter of Offer, until 5 years following the date of the final payment to the project. This lease period can be made up of a number of shorter-term consecutive leases where their renewal is closely monitored by the LAG to ensure continuity for the full lease period.

**Alternative arrangements for NDPB, Strategic Body or a local council;**

A Development Agreement between the landowner or lessee and the applicant may be put in place as an alternative to the lease agreement. As the risk to this type of project not completing is reduced, the Development Agreement, ***regardless of the activity involved***, should cover a period of not less than 7 years from the date of the Letter of Offer.

***\* Please Note.*** *No other funding used to develop or deliver the project may be sourced from European Union monies. Throughout the lifetime of the project the Local Action Group must be informed in advance of any changes to source(s) of funding.*

**Targets to Be Achieved Through Implementation of the Project**

* 1. The RDP Scheme targets to be achieved through implementation of the project are listed at Letter of Offer, Annex 3. These are the targets (for example new business created, number of new jobs created); that you agreed would be achieved if Grant Aid was provided to help you carry out your project. Progress towards achievement of these targets will be monitored as described at Section 11.2 Provision of Information and may include a project visit as outlined in Section 13 Project Inspections.

1. **Eligible Expenditure**
   1. All expenditure incurred for which Grant Aid will be claimed must be eligible in terms of the Rural Development Programme 2014-2020 and in accordance with the requirements of the European Community and in particular EU Regulations.
   2. The Applicant must comply with these Terms and Conditions of Grant Aid.
   3. The Applicant must seek written clarification from the Local Action Group where there is any doubt as to the interpretation of these Terms and Conditions of Grant Aid.
   4. It is the responsibility of the Applicant to take the above actions as necessary to ensure that expenditure is eligible and that each claim is mathematically correct.
   5. All goods, services and works agreed for the implementation of the project must be sourced in accordance with the Applicant Procurement Guidance provided by the Local Action Group and as outlined at the pre-application workshop you attended. At all times due consideration must be given to ensure best value for money and open, fair and transparent competition.
   6. Where a variance to a procurement contract is required the Applicant should seek **prior written approval** from the Local Action Group and ensure that the required contract variation procedures are followed as set out in this guidance.
   7. If the Applicant claims normal procurement procedures cannot be carried out, then **full written** justification must be provided to the Local Action Group **in advance** of any purchase being made and **written** approval granted by the Local Action Group. Failure to notify the Local Action Group will deem the purchase ineligible to receive Grant Aid.
   8. Consumable items or project running costs are not eligible and must not be included on any claims for payment of Grant Aid. It should be noted that only those activities and items listed under the Schedule of Eligible Expenditure (Annex 2) are eligible for claiming payment of Grant Aid.
2. **Match Funding**
   1. All Applicants are required to contribute to the cost of implementing the project by providing an element of matched funding. The Letter of Offer cannot issue until the Local Action Group has sufficient evidence to prove the total funding package will be in place to fund the project.
   2. The amount of match funding required will be the difference between the total project cost and the total amount of grant awarded.
   3. Private sector applicants, including Social Economy Enterprises, offered funding under the Rural Business Investment Scheme must provide evidence of match funding from a private source e.g. own savings, bank loan etc. Match funding contributions from public monies are not eligible to support claims for payment of Grant Aid from the private sector.
   4. In the case of non-private sector projects, easement is afforded in that the level of match funding may be reduced to 25%.
3. **Financial Management** 
   1. The financial management system for the project must demonstrate effective controls and must present clear audit trails at all times.
   2. The Applicant’s accounting records or system must clearly identify all monies received and expended under this project and this Grant Aid.
   3. The Applicant must have written procedures, appropriate to the size and nature of the business, for expenditure and financial control including bank account details, cheque signatories, and expenditure authorisation levels.
   4. The Applicant must immediately inform the Local Action Group in the event of the identification of any errors in Grant Aid claims, acts of fraud and/or any circumstance that has caused or is likely to cause a loss or misuse of Grant Aid. Subsequently the Applicant must submit a full and detailed report in writing to the Local Action Group. Upon receipt of this information, the Local Action Group will determine next steps.
   5. Documentary evidence of financial transactions must be retained for the period as specified under Retention of Documentation (Section 12) to show that the goods or services supported were received and paid for by the Applicant.
4. **Bank Account**
   1. All match funding must be available from or lodged in the same bank account to which the EAFRD Grant Aid will be paid. All expenditure incurred by the applicant for implementation of the project must also be made from this bank account.
   2. Non private sector Applicants that wish to retain a cost centre account system for the purposes of managing the EAFRD funded project will be required to demonstrate to the Local Action Group’s satisfaction that its system guarantees a clear audit trail with regard to all aspects of the project’s finances.
   3. Applicants wishing to adopt this arrangement must obtain **prior written approval** from the Local Action Group. Should subsequent systems checks by the Local Action Group, agents of the Department or the Commission reveal shortcomings, then this will be considered an irregularity and a penalty may be imposed.
   4. Any change of bank account must be agreed with the Local Action Group and notified in advance to DAERA Grants and Subsidies Branch by way of a new BACS form.
   5. All EU Grant Aid payments will be made electronically by BACS to a UK bank account. DAERA may use these bank account details for other legitimate purposes in line with the Data Protection Act 1998 and Freedom of Information legislation.
5. **Claims For Grant Aid and Payments**
   1. Grant Aid shall be paid in arrears on receipt of a properly completed official claim form as provided with the Letter of Offer. No other types of claim form will be accepted. Final Claim forms must be submitted to the Local Action Group within 28 days from the agreed end date for the project unless otherwise stated on Annex 1, Special Conditions specific to the Project.
   2. Claim forms at Annex 4 must be accompanied by evidence to support the eligible expenditure incurred. This means that the Applicant must, as far as possible, provide original documentation for all expenditure included on the claim for payment of Grant Aid as follows:

* the specification used to seek quotations/tenders for the grant aided items;
* the required number of dated, itemised, authorised quotation/tendering documents, relevant to the value of the items or services procured;
* invoices or receipts, as applicable, marked with the date of payment and cheque number or if relevant details of alternative payment method. A copy of each cheque issued must also be provided;
* bank statements; Electronic Bank Statements are acceptable when:-

a) The electronic print-out should include the name of the bank, the applicant’s name and bank account number. The applicant may submit this print out with the claim, however at the pre-payment site visit the on-line bank account must be accessed by the applicant in the presence of the admin unit staff for validation of the transactions relevant to the claim. The Admin Unit staff can then record this check on the printed statement provided with the claim.

or

b) The bank statement is accessed on-line by the applicant in the presence of the Admin Unit staff to validate the transactions pertaining to the claimed item(s) and a record of the Admin Unit staff validation is recorded onto the statement.

For expenditure to be considered as eligible, payments must have been debited from the Applicant’s bank account.

* 1. Where an applicant purchases goods or services from outside the United Kingdom;
* Invoices in Euros should be claimed in sterling and the date of calculation will be the date the currency transaction clears the applicant’s bank account. If payment is arranged through the Council’s bank account the exchange rate applied by the bank may be used, however any charges in respect of this foreign exchange transfer are **not eligible** for reimbursement. In all other cases the European Central Bank website link below must be used for this calculation.
* Invoices in any other currency should also be claimed in sterling. If payment is arranged through the Council’s bank account the exchange rate applied by the bank may be used, however any charges in respect of this foreign exchange transfer are not eligible for reimbursement. In all other cases applicants should use the European Central Bank website below to firstly calculate the amount in Euros and then convert this to sterling. The date of calculation will be the date the currency transaction clears the applicant’s bank account.

<http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>

* 1. Where a relative of the Applicant has provided any of the goods, or services for which Grant Aid is claimed the Local Action Group will seek to confirm that the agreement on conflict of interest as detailed under Section 26 has not been breached.
  2. Where a project includes capital/construction work, theLocal Action Group must receive:
* the approved building plans/drawings; and
* building control approval of the completed building/construction works

for the site or building where the project is located. A Quantity Surveyor's report indicating concurrence with expenditure in terms of necessity, accuracy and value must also be submitted where the grant amount awarded for the capital/construction work is more than £50,000.

* 1. A representative of the Local Action Group will complete a pre-payment site visit to the project. Items to be verified will include:
* validity of procurement and expenditure documentation;
* receipt of the supported items and services;
* completion of the project as specified in the Project Schedule at Annex 1;
* that the project funded is operational as described in the application form and LOO,
* acknowledgement of support from the EAFRD and the Northern Ireland Rural Development Programme as detailed under Publicity (Section 14).
  1. The Local Action Group will also require a six monthly written declaration from the applicant on progress towards or achievement of the agreed Scheme targets to be achieved through implementation of the project.
  2. DAERA EU Verification Branch will also complete a pre-payment site visit on 5% of the projects where Applicant claims for Grant Aid have been submitted by the Local Action Group to DAERA for payment.
  3. Phased payments can only be claimed in line with the terms as detailed by the Local Action Group in the Special Conditions specific to your project at Annex 1.
  4. No Grant Aid will be payable on any expenditure incurred prior to the Project Start date or after the agreed end date as specified at Annex 1, Project Timescales. There shall be no obligation on the Local Action Group or DAERA to make payment in respect of claims which are received after the agreed date for submission of the Claim Form.
  5. Payments made by DAERA are subject to receipt of Grant Aid from the European Commission and the availability of National funding. Should such receipts be suspended or terminated DAERA may accordingly suspend or terminate payments to Applicants.
  6. It is the responsibility of the Applicant to ensure that all claims are accurate and that they relate to activities and items in accordance with the Schedule of Eligible Expenditure (Annex 2). Irregular activities and transactions are not eligible for Grant Aid and may incur financial penalties as detailed under Reductions and Exclusions (Section 10) of this booklet. The Local Action Group and DAERA accept no liability in respect of any loss attributable to any delay in the payment of claims or to any suspension, reduction or cancellation of Grant Aid.
  7. Payments of Grant Aid will be made by DAERA on receipt of authorised requests to make payments from the Local Action Group and will be subject to the Local Action Group having checked all expenditure, activity and beneficiaries as eligible, in terms of the programme rules and verified project completion through a site visit.
  8. All payments made under the Rural Development Programme 2014-2020 will only be paid by DAERA electronically by BACS.
  9. Applicants should note that where an overpayment of Priority 6 Grant Aid has occurred or claw back is deemed necessary, then DAERA may intercept a claim from any other source within the EAFRD or from EAGF.

1. **Reductions and Exclusions**

**10.1** Article 63 of EU Reg 809/2014 requires the sum claimed by the claimant to be compared against the sum determined as eligible for grant assistance and for penalties to be considered if the two sums differ.

**10.2** Should a claim contain ineligible items of expenditure the sum payable will be reduced. The Admin Unit will calculate if the identified ineligible grant payable to the claimant is more than 10% of the grant amount claimed for the purpose of determining whether a reduction should be imposed.

**10.3** Where the sum of the ineligible expenditure exceeds 10% of the total claimed, EAFRD Regulations require the reduction will be double that amount unless it can be demonstrated that the Applicant was not at fault for the inclusion of the ineligible expenditure.

* 1. Commitments & Other Obligations are actions the applicant undertakes to carry out or are requirements that the applicant need to respect. Examples of these include:
* Failure to implement the EC’s requirements on publicity or procurement;
* State aid and other obligatory procedures.

**10.5** Article 35 (3) of EU Reg 809/2014 requires consideration of the severity of the non-compliance with these commitments & other obligations and depends on the importance of the consequences of the non-compliance, taking into account the objectives that were not met or the effect on the project as a whole.

1. **Provision of Information**
   1. The Applicant shall comply promptly with any requests by or on behalf of the Local Action Group, DAERA or the European Commission for information concerning the implementation, administration, monitoring and evaluation of the project.

**11.2** Approved projects will be subject to monitoring and evaluation at regular intervals in the implementation of the project. The specific Scheme targets to be achieved as a result of grant award are detailed at Annex 3 to the Letter of Offer. In order to assess and record progress with achievement of these targets, you will be contacted every 6 months by the LAG. All scheme targets declared by you in relation to this project will be verified by the LAG. In addition to this, the LAG will send you a Post Project Evaluation form which you must complete and submit to the LAG no later than 2 years following your project end date.

**11.3** To assist DAERA with an evaluation of the Northern Ireland Rural Development Programme you are also required to provide the LAG with detail of the gender and age grouping details for the beneficiaries of the grant aid.

* 1. The Applicant must make available records and documents as evidence of employee numbers for the period prior to the Letter of Offer and the period up to Post Project Evaluation so that Government Departments or their agents (as detailed at Section 13) can assess and confirm the number and type of new jobs created.
  2. The Applicant must make available annual business accounts, as prepared by a certified professional. These must detail business income and expenditure for the period prior to the Letter of Offer and the period up to Post Project Evaluation so that Government Departments or their agents (as detailed at Section 13) can evaluate the effectiveness of the Grant Aid provided.

1. **Retention of Documentation**
   1. The Applicant is required to retain all original documents relating to the implementation of the project and it’s financing until 31 December 2030. In no circumstance should any documentation be destroyed or otherwise disposed of without the consent of the Local Action Group. The applicant should inform the Local Action Group if the original documents are to be retained at a different address from that specified at the address of the project.
2. **Project Inspections**

**13.1** The Applicant shall ensure that any party acting in accordance with the offer of Grant Aid and the attached terms and conditions shall have the right to visit the operations relating to the project at the premises notified as the location for the project. It shall be the duty of the Applicant to ensure that such staff and agents are enabled to exercise such rights.

**13.2** In compliance with paragraph 13.1 the following Pubic Bodies and their agents or representatives shall have the right to inspect the project at any time, and to require such further information to be supplied as they think fit and to be provided with such documents or items as they shall require:

* the Local Action Group;
* DAERA;
* Department of Finance;
* the Northern Ireland Audit Office;
* the European Commission; and
* the European Court of Auditors.

**13.3** Without prejudice to the foregoing generality, Applicants must keep and make available on request, financial and monitoring records. Computer print-outs can be accepted as proof of payment for the purpose of European Commission audit inspections.

**13.4** The Applicant shall explain any unresolved issues arising from financial and/or monitoring returns received or from inspections to the satisfaction of the Local Action Group before approval for a subsequent payment is given.

1. **Publicity**

**14.1** For projects which consider it appropriate to issue a Ministerial invitation to mark the completion of the project, the DAERA Minister must be given priority over other attendees.

**14.2** The Local Action Group, DAERA and the European Commission shall be entitled to publish details of the project and Grant Aid offered including payments made at such times and in such a manner as it may decide.

**14.3** The applicant must utilise all reasonable opportunities to acknowledge the Grant Aid contribution from the EAFRD and DAERA through the Rural Development Programme in line with the European Commission’s publicity requirements as laid down in Commission Implementing Regulation 808/2014. This requires the applicant to acknowledge support from the EAFRD. Project promoters must advise the LAG about events, launches and major publicity/activities. The LAG will bring important events to the attention of DAERA.

**14.4** The Local Action Group will provide details of the specific requirements under any Special Conditions specific to your project (Annex 1).

**14.5** For a project with total eligible project costs of over €500,000, the applicant must erect a bill board at sites of infrastructure.

**14.6** As part of the publicity for the EAFRD and DAERA Grant Aid, the applicant must also acknowledge the Grant Aid contribution from the EAFRD and DAERA, using the logos in the order set out below on all publicity material produced in connection with the project:

* LAG
* the DAERA logo,
  + - the RDP logo,
    - the standard EU Logo (EU Flag), and
    - the LEADER logo.

These logos can be obtained from the Local Action Group.

When using the European flag or for any publicity article which does not include logos, the following statement must be used

‘The European Agricultural Fund for Rural Development: Europe investing in rural areas’.

The following text should be used on all plaques provided by the Admin Unit:

“This project was part-funded under Priority 6 (LEADER) of the Northern Ireland Rural Development Programme 2014-2020 by the Department of Agriculture, Environment and Rural Affairs, and the European Union.

**Press Adverts – Post Receipt of a LoO**

**14.7** For press adverts where space may be at a premium and to reduce costs the applicant may use only the EU logo (plus slogan) and LEADER logo and replace all other logos with the following text:

‘*This project was part funded under Priority 6 (LEADER) of the Northern Ireland Rural Development Programme 2014-2020 by the Department of Agriculture, Environment and Rural Affairs and the European Union’*.

**Other Publicity Material (e.g. flags, banners, signage etc.)**

**14.8** All logos are required as set out at 14.3 above, however where the opportunities to use all the logos and wording are restricted, the applicant must contact the Admin Unit, which will liaise with the Department on a case by case basis. Prior written approval must be obtained from the LAG if all logos and wording are not to be used.

**14.9** Failure to comply with the logo requirements set out at 14.3 or seek prior written approval from the LAG where these are not to be used, may lead to the application of administrative penalties on any claim for funding.

**LEADER acknowledgement at Project Locations**

**14.10** The LAG will provide details of the specific requirements under any Special Conditions within the LoO (**Annex 1**).

**Legal & Statutory Requirements**

**15.1** The Applicant must ensure that all actions undertaken in relation to this project comply with the relevant statutory legislation in existence during the lifetime of the project.

* 1. The Applicant must observe and comply with all:
* Northern Ireland law;
* EC Directives and Legislation;
* Health & Safety Legislation;
* Fair Employment and Treatment (NI) Act 1998;
* Equality of Opportunity Legislation;
* Environmental Legislation; and

any other legislation relevant to the project which is in force in Northern Ireland during the period of the project. It is the responsibility of the Applicant to identify all legislation and statutory requirements relevant to the project.

**16 Disclaimer**

**16.1** The Local Action Group, DAERA of the European Commission have no responsibility for the stability of any structure or the soundness of any materials used or the adequacy for its purpose of any buildings, equipment of plant purchased or developed or any facility Grant Aided by the Local Action Group in connection with this project.

**17 Insurance and Liability**

**17.1** The Applicant shall maintain such insurance policies in the applicant’s own name from the date of the Letter of Offer, until 5 years (10 years for projects for which a legal charge has been executed) following the date of the final payment to the project as are necessary to cover all possible liabilities to the Local Action Group, DAERA and the European Commission arising under the Letter of Offer and the Terms and Conditions of Grant Aid, to the extent that such insurances are reasonably available on the insurance market. The need for insurance cover should be fully justified and fully recorded. A copy of all insurance policies relating to the project should be made available to the Local Action Group, DAERA, on request.

**17.2** Without prejudice to the Applicant’s liability to indemnify the Local Action Group and DAERA, the Applicant shall either maintain or procure, such public and employer’s liability insurances as are necessary to cover the liability of the Local Action Group or (as the case may be) its staff, DAERA, its staff and agents, and the European Commission, its staff and agents in respect of:

personal injury or death arising out of, or in the course of, or caused by the carrying out of the project not due to any act or neglect of the Local Action Group, DAERA or the Commission or any person for whom they are responsible; and

injury or damage to property, real or personal, arising out of, or in the course of or caused by the carrying out of the project and caused by the negligence, omission or default of the Applicant.

**18 VALUE ADDED TAX (VAT)**

**18.1** It is the responsibility of the Applicant to provide a declaration as to the VAT status of the Applicant or business supported. The VAT amount(s) recorded on the Schedule of Eligible Expenditure are individual schedule items. If the VAT status of the applicant, the project items or activities, or of the supplier of the items **changes** from that communicated at any time prior to the submission of the claim for payment of Grant Aid then the **onus** is on the Applicant to inform the Local Action Group on a timely basis.

**18.2** Where the Applicant or the business supported is VAT registered with HM Revenue and Customs, any VAT amounts paid on eligible expenditure must be recovered through the normal VAT return process. The amount of VAT that may be recovered by the Applicant from HM Revenue and Customs must be excluded from the eligible cost of the project when calculating Grant Aid and completing the claim form for said aid.

**18.3** For non-VAT registered Applicants or businesses supported, the VAT amounts paid on eligible expenditure may be included on claims for payment of Grant Aid.

**19 Withdrawal of Grant Aid on Default**

**19.1** The Local Action Group reserves the right to withhold any or all of the Grant Aid and/or require part or all the Grant Aid already paid to be repaid, and this may include the interest thereon, to DAERA if:

1. the applicant is in breach of any of their commitments and obligations under the Letter of Offer and Terms and Conditions of Grant Aid and has failed to remedy such breach within 28 days of a written request from the Local Action Group or DAERA to remedy the breach;
2. there is unsatisfactory progress towards completing the project;
3. the applicant fails to pay or repay to DAERA any sum due by them whether under these terms and conditions or otherwise;
4. the applicant is for any reason no longer able to implement the project;
5. an order is made, or an effective resolution is passed, for the winding-up of the applicant or a receiver is appointed in respect of any of the Applicant(s)’ assets;
6. the applicant is unable to pay their debts within the meaning of Article 103 of the Insolvency (NI) Order 1989;
7. the applicant ceases to carry on the project for the purposes for which it was established;
8. there is unsatisfactory progress towards meeting the expected activities and timescales as detailed in Annex 1 and the project and scheme outputs and results as detailed in Annex 3 in the Letter of Offer;
9. a conflict of interest is identified as detailed under Conflict of Interest, Section 26 of this booklet;
10. any information given to the Local Action Group or DAERA by or on behalf of the applicant in relation to the project is found to be false or misleading or there has been a failure to disclose any material fact which would have had a bearing on the Local Action Group’s consideration of the application;
11. fraud or financial irregularity is discovered.

**19.2** In such cases as listed above, the applicant will initially be offered the opportunity to provide written explanation of the circumstances and the opportunity to offer a resolution in writing (or by e-mail). The applicant’s written explanation must be submitted to the Local Action Group within the timescale set by the LAG.

**19.3** Having considered the applicant’s reply, the Local Action Group is required to give the applicant notice in writing of its proposed decision with a statement of its reasons. The applicant should be afforded the opportunity to attend a de-brief to discuss the reasons for the LAG decision. During this de-brief discussion the basis for the decision should be communicated to the applicant. This de-brief discussion must be fully documented and this documentation retained in the project file.

**19.4** At this stage, applicants who feel that the correct decision was not made have access to a two stage formal Review Process procedure. This procedure is an opportunity for applicants to explain and demonstrate how the LAG’s decision should be changed.

**19.5** The applicant should be informed of the formal Review Process and advised that a decision will be reviewed only under the following criteria:-

* that the outcome was a decision that no reasonable person would have made on the basis of the information provided; and/or
* that there was a failure in adherence to procedures or systems that materially affected or could have materially affected the decision.

**19.6** The applicant must submit a request for a formal review in writing within 28 days of the date of the decision letter or 14 days after the discussion has been held, whichever is the later. The request must clearly demonstrate the grounds in line with those stipulated above, upon which a formal review is being requested.

**19.7** Where the Local Action Group determines that a suspected fraud or financial irregularity has, in their opinion, occurred, criminal proceedings may be instigated against the applicant as the Local Action Group may in its sole discretion so determine. The Local Action Group will refer the matter to DAERA, the Managing Authority, at this stage.

**20 Termination or Suspension**

**20.1** The Local Action Group may terminate or suspend the project and seek repayment where any other event occurs in relation to the Applicant which, in the opinion of the Local Action Group and DAERA, might reasonably be expected to materially and adversely affect its liability to comply with its obligations under the Letter of Offer and Terms and Conditions of Grant Aid.

**21 Repayment of Grant Aid**

**21.1** The amount to be repaid by the Applicant will be set by the Local Action Group following consideration of the circumstances of the irregularity.

**21.2** For cases involving fraud, financial irregularity or provision of false information, recovery of the full amount paid will be sought.

**21.3** In all other cases, the repayment amount will be proportionate to the unexpired clawback period of the Letter of Offer.

**22 Disposal of Assets**

**22.1** Regulation (EU) 1303/2013 – Article 71 ‘Durability of operation’ states that where, within 5 years of the final payment, the funded project ceases or relocates, changes in ownership, or substantially changes in nature the amount of Grant Aid paid in respect of the project must be repaid.

**22.2** With approval from the Local Action Group the amount of Grant Aid to be repaid will be calculated on the following basis:-

* Disposal during 1st year following last payment of Grant Aid 100%.
* Disposal during 2nd year following last payment of Grant Aid 80%
* Disposal during 3rd year following last payment of Grant Aid 60%
* Disposal during 4th year following last payment of Grant Aid 40%
* Disposal during 5th year following last payment of Grant Aid 20%

**22.3 For projects where a Debenture is executed in favour of the Department the payback period is extended to 10 years in order to comply with the control period of 10 years set out in the Debenture. The amount of Grant Aid to be repaid in any of the years 6 to 10 will remain at 20%.**

**22.4** Where the funded project changes from the purpose intended within the periods set out in paragraphs 22.3 and 22.3 above, without the prior written agreement of the Local Action Group, the full amount of Grant Aid must be repaid.

**23 Interest Charges on Repayments of Grant Aid**

**23.1** In the event that the Department had made a written demand for repayment of Grant Aid, the Department shall be entitled to interest on the amount due in accordance with the Rural Development Programme Regulations (Northern Ireland) 2015 (SR No. 326 of 2015).

**24 Environmental Impact**

**24.1** In accepting the Letter of Offer, the Applicant undertakes to implement the project in a manner which has the most positive impact on the environment, including, where possible, procuring material and equipment from sustainable sources.

**25 Sharing of Information, Data Protection and Freedom of Information**

**25.1** In order to meet the requirements specified in Article 86 of EU Regulation 1305 of 2013, information provided by the Applicant on the Application Form, Claim Form or other sources will be held on computer. This information will be used for the administration of applications and for monitoring and evaluation purposes. The Department has the right to share information with other Departments, Agencies, and implementing bodies to enable them to prevent fraudulent applications or for detecting crime and to co-ordinate processing of complementary applications.

*The Department takes data protection, freedom of information and environmental information issues seriously. It takes care to ensure that any personal information received from you is dealt with in a way which complies with the requirements of the General Data Protection Regulation (2016). This means that any personal information you supply will be processed principally for the purpose for which it has been provided. However, the Department is under a duty to protect the public funds it administers, and to this end may use the information you have provided for this purpose.*

*A full copy of the DAERA Privacy Statement can be found here:-* [*https://www.daera-ni.gov.uk/daera-privacy-statement*](https://www.daera-ni.gov.uk/daera-privacy-statement)*:*

**25.2** Some or all of the information provided by the Applicant may be disclosable under the Freedom of Information Act 2000 or the Department may also use it for other legitimate purposes in line with the Data Protection Act 1998 and Freedom of Information legislation.

**26 Conflict Of Interest**

**26.1** In accepting the Letter of Offer, the Applicant confirms that should any conflict of interest, however arising, occur, between the Applicant and any other member of the Company/Board, employee of the Applicant, person or other entity corporate or otherwise associated with the Applicant, then, the Applicant, shall not, without the approval of the Local Action Group, engage such person or persons in connection with the project for the provision of facilities or services or enter into any contract of employment, supply or service contract with such person or persons. Any conflict of interest identified at a later stage in the implementation of the project may lead to the withdrawal of the Letter of Offer and the recovery of any monies paid.

**27 Law and Jurisdiction**

**27.1** The Letter of Offer is governed by and shall be construed in accordance with the laws of Northern Ireland and the Applicant hereby agrees that the Courts of Northern Ireland shall have exclusive jurisdiction to hear and determine any disputes arising out of or in connection with this Contract.

**28 Fraud**

**28.1** The Applicant must inform the Local Action Groupimmediately if fraud or attempted fraud is suspected.

**28.2** Applicants delivering projects outside of the private sector are required to draw up a policy document that places effective controls for the deterrence and prompt detection of fraud should it occur.

**28.3** All incidents of fraud or attempted fraud either reported to the Local Action Group or DAERA or discovered by their staff or agents through the monitoring and verification process will be reported to DAERA Central Investigation Service for full investigation and possible legal action.

(i) The organisation (and/or its representatives) may be prosecuted if it fails, without reasonable excuse, to comply with any condition subject to which financial assistance has been given to the organisation requiring it to inform the Department of any event whereby the financial assistance becomes repayable.

1. The Department may by notice require the organisation to furnish to the Department such information, or to produce for examination on behalf of the Department such books, records or other documents, as may be specified in the notice for the purpose of enabling the Department to determine whether any condition subject to which the financial assistance is given is satisfied or is being complied with or whether the financial assistance has become repayable in whole or in part in accordance with any such condition.

(iii) The organisation (and/or its representatives) may be prosecuted if in purported compliance with a notice issued under paragraph (ii) it knowingly or recklessly makes any statement or produces any document which is false in a material particular.

(iv) The organisation (and/or its representatives) may be prosecuted, if without reasonable excuse, it fails to comply with a notice under paragraph (ii).

(v) It will be the responsibility of the Organisation to take whatever action is necessary to minimise the risk of fraud and to notify the Department immediately of any instances of attempted, suspected or proven fraud. Following a Departmental investigation, all instances of suspected fraud will be reported to the Police and criminal proceedings may be instigated if deemed appropriate.

**29 Projects involving the Building of Property and / or the refurbishment of Property or Land.**

**Legal Charge on Property or Land (not required for RBIS projects or where Council is the applicant)**

**29.1** An important payment pre-condition occurs where grant aid of more than £50,000 is awarded to projects for the building, development or refurbishment of any land or property.

**29.2** When submitting their application, the applicant must provide a solicitor’s letter detailing the following

1. Where the property is registered in Land Registry the applicant must provide an up to date copy of the relevant Land Registry Folio together with an up-to-date Folio map.
2. Where the property has not been registered in Land Registry the applicant must provide copies of all title deeds for the property to include coloured copy maps and if the property is held under a lease a copy of the freehold title held by the landlord should also be provided.
3. Any pre-existing charge(s) on the property/land.
4. The amount secured by any pre-existing charges over the property and the date when these will be eligible for release, together with a copy of any priority agreements in existence which regulate the priorities of the pre-existing charges. Applicants for grant must also confirm if the owners of the pre-existing charges will agree to allow the DAERA Charge to take first priority over the pre-existing charges and to enter into a Deed of Priority to this effect (the Department will generally seek a first priority charge to secure grant funding awarded under a Letter of Offer).
5. Where existing charges are in place, the current valuation for the property/land (i.e. valuation no more than 6 months old).
6. If the applicant holds the property with a leasehold title a copy of the lease must be provided to include coloured copy lease map. The lease allows for implementation of the project as specified by the project application and associated documents.
7. In any cases where the property is held in the name of Trustees, the latest Deed of appointment of Trustees by which the current Trustees of the organisation were appointed must be provided, together with a copy of the Declaration of Trust under which the Trustees hold the property; and a signed and dated copy of the Constitution of the organisation.

**29.3** The applicant is required, prior to any payment of grant aid, to execute and register a legal charge in favour of the DAERA, over the land or property, with Companies House and Land Registry or Registry of Deeds.

No grant can be released to the applicant until evidence of registration has been produced to the satisfaction of DAERA. Where a Charge is to be registered in Land Registry a copy letter of acknowledgement from Land Registry confirming receipt of application for registration, together with an undertaking by the solicitor to furnish original registered Charge and copy updated folio after registration in Land Registry has taken place, will suffice.

**Confirmation of Ownership or Leasing Arrangements**

**29.4** Where a project involves property, land or site development, the Local Action Group must receive:

(i) written confirmation from the Applicant's solicitors that the Applicant owns and holds the Title Deeds for the property, land or site where the project will be located; or

1. a copy of the legally signed Long Term Lease/Title Deeds for the property, land or site where the project will be located showing the Applicant as the legal lessee/owner.
2. The only instance where title of the property is not required is where the applicant is operating a HMRC registered business from a residential property. The LAG Admin Unit should obtain evidence of HMRC registration, e.g. a letter from HMRC or an accountant.

Lease agreements in respect of projects offered Grant Aid must be in-line with that agreed to meet their requirements at paragraph 4.10(j) of this booklet.

**30 Planning Permission and other Legal Provisions**

**30.1** All planning permission, building by law approvals and building regulations must be complied with. Certification of this compliance must be submitted to the Local Action Group. A qualified engineer/architect or other such person who is suitably qualified to issue such certification must undertake such certification.

**30.2** All works shall be carried out in accordance with the provisions of all relevant statutes, regulationsand byelaws. The onus of obtaining all consents, permissions and compliance, etc, including consent to enter on, or interfere with land, other property or right of any person or persons, rests with the Applicant.

**31** **De Minimis Aid**

**31.1** The Letter of Offer is funded under the European Agricultural Fund for Rural Development regulations. These regulations require that offers of Grant Aid comply with State aid rules.

**31.2** If your Offer of Grant Aid is classified as De Minimis State Aid, the Local Action Group will have recorded this on the first page of your Letter of Offer.

**31.3** Any aid granted under a De Minimis Letter of Offer constitutes ‘de minimis aid’ and must comply with Commission Regulation (EU) 1407/2013. In accordance with this Regulation a single undertaking cannot receive more than €200,000 in de minimis aid over any period of three fiscal years. The Letter of Offer must be retained until 31 December 2030, and made available, on request, by any UK public authority or agency or the European Commission asking for information on ‘de minimis’ aid.

**32 Networking and Promotion**

**32.1** The Applicant is required to provide access to the project for the purpose of facilitating ‘good practice visits’ from the NIRDP Monitoring Committee, the Northern Ireland Rural Network and the European Commission or other bodies as organised by the Local Action Group or DAERA.

**33** **Withdrawal of Application**

**33.1** The applicant can withdraw the application for Grant Aid partially or in total at any time unless paragraph 33.2 below applies. The notice of withdrawal must be made in writing to the LAG. A withdrawal shall put the claimant into the position he was in before he submitted the Grant Aid application or part of the Grant Aid application in question. Consequently, repayment of Grant Aid can be required.

**33.2** However, where the applicant;

1. has already been informed of an irregularity;

or

1. has been given notice of the intention to carry out an on the spot check

within the meaning of EC Regulation 809/2014 and the subsequent check reveals an irregularity(ies),

withdrawals shall not be authorised in respect of the parts of the aid application affected by the irregularities.

**Appendix 10Ci**

# Letter of Variation

**SAMPLE LETTER**

**Address as per LoO**

**DAERA Business No: Application Reference No.**

**Date:**

**(address as per LoO)**

**Variation No 1 to Project Ref No 009999**

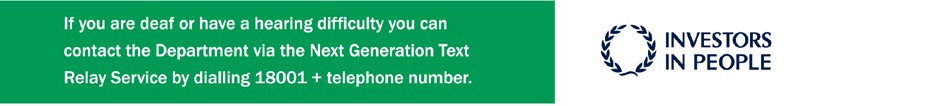
The purpose of this letter is to agree the requested variations to the Letter of Offer dated ++/++/++++ and issued to (as per LoO) for the project (project title) offered grant aid up to a maximum amount of £\_\_\_\_\_\_\_\_\_\_ under the LEADER Schemes of Priority 6.

Accordingly upon your acceptance of this letter as hereinafter provided the said project Letter of Offer record shall be amended as follows:-

**These are examples of changes which may need recorded**

1. for LOO wording ‘end date of 31/12/2016’ there was substituted the new wording ‘end date of 31/03/2017’





(ii) **within Annex 1** the Project Objective of ‘To implement a website by 31/12/2016’ **is substituted to** ‘To implement an E-Commerce website’.

(iii) **within Annex 1** Key Task number 3 of ‘Have website fully operational by 30th November 2016’ **is substituted to** ‘Have website fully operational by 28th February 2017’

(iv) **within Annex 1** Key Task number 4 of ‘Design and distribute leaflets by 31st December 2016’ **is substituted to** ‘ Design and distribute leaflets by 31st March 2017’.

(v) **within Annex 1** Timescales of the project, the project end date of 31/12/2016 **is substituted to** 31/03/2017

vi) **within Annex 1** Date for Submission of Final Claim for Payment of Grant Aid 28/01/2017 **is substituted to** 28/04/2017

# Acceptance

This letter is issued in duplicate and accordingly if you are prepared to accept the variance to the original Letter of Offer please return one complete copy of this letter duly signed and dated within 28 days from the date of this letter. Failure to return the acceptance within this period shall result in the offer being deemed as withdrawn.

**Yours sincerely**

**­­­­­­­­­­­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Chairperson LAG**

# ACCEPTANCE OF LETTER OF VARIATION

|  |  |
| --- | --- |
| **Project Reference No** | 009999 |
| **Project Applicant** | Per LoO |
| **Project Title** | E-Commerce website selling bespoke products |
| **Amount of Grant** | £+++++.00 |

I am the person legally empowered to sign this letter of variation to the original Letter of Offer contract dated ( ) and agree to deliver the project, including the variations, identified therein.

|  |  |  |  |
| --- | --- | --- | --- |
| **Signed as Accepted by Applicant:** |  | **Date :** |  |
| **Name of Applicant** |  | **Position held:** |  |
| **Name of co- Applicant**  *(if applicable):* |  | **Position held:** |  |
| **Name of co- Applicant**  *(if applicable):* |  | **Position held:** |  |
| Name of co- Applicant  (if applicable): |  | Position held: |  |
| Name of co- Applicant  (if applicable): |  | Position held: |  |
| Name of co- Applicant  (if applicable): |  | Position held: |  |

**(For Official Use Only)**

**This form of acceptance, duly signed by the Applicant, has been reviewed on behalf of (name of Local Action Group).**

**Signature:........................................................... Date:...................................**

# Letter of Variation Template

**LAG ADDRESS**

**Address as per LoO**

**DAERA Business No: Application Reference No.**

**Date:**

**Variation No to Project Ref No**

The purpose of this letter is to agree the requested variations to the Letter of Offer dated and issued to for the

project offered grant aid up to a maximum amount of £ under the LEADER Schemes of Priority 6.

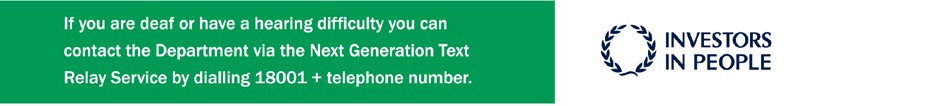
Accordingly upon your acceptance of this letter as hereinafter provided the said project Letter of Offer record shall be amended as follows:-

1. for LOO wording

there was substituted the new wording

1. for LOO wording





there was substituted the new wording

1. within Annex is substituted to
2. within Annex is substituted to
3. within Annex **is added \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
4. within Annex i**s removed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

# Acceptance

This letter is issued in duplicate and accordingly if you are prepared to accept the variance to the original Letter of Offer please return one complete copy of this letter duly signed and dated within 28 days from the date of this letter. Failure to return the acceptance within this period shall result in the offer being deemed as withdrawn.

# Yours sincerely

**LAG Chairperson**

**ACCEPTANCE OF LETTER OF VARIATION**

|  |  |
| --- | --- |
| **Project Reference No** |  |
| **Project Applicant** |  |
| **Project Title** |  |
| **Amount of Grant** |  |

I am the person legally empowered to sign this letter of variation to the original Letter of Offer contract dated and agree to deliver the project, including the variations, identified therein.

|  |  |  |  |
| --- | --- | --- | --- |
| **Signed as Accepted by Applicant:** |  | **Date :** |  |
| **Name of Applicant** |  | **Position held:** |  |
| **Name of co- Applicant** *(if applicable):* |  | **Position held:** |  |
| **Name of co- Applicant** *(if applicable):* |  | **Position held:** |  |
| **Name of co- Applicant** *(if applicable):* |  | **Position held:** |  |
| **Position held:** |
| **Name of co- Applicant** *(if applicable):* |  |  |

**(For Official Use Only)**

**This form of acceptance, duly signed by the Applicant, has been reviewed on behalf of**

**Signature:........................................................... Date:...................................**

**Appendix 10D**

**INSTRUCTION EXPLAINING PRODUCTION OF LETTER OF OFFER FROM DATABASE**

**Definitions and Abbreviations**

|  |  |
| --- | --- |
| **Letter of Offer Type** | Letter Of Offer (De Minimis State Aid)  Or  Letter Of Offer (Non  De Minimis Aid or Block Exemption) |
| **Letter of Offer Addressee** | Legal entity – must match with DAERA business ID and with Company name as registered with Companies House |
| **DAERA Business ID** | LoO addressee must be named as Head of Business on DAERA Business ID |
| **Date LoO issues / Project Start Date** | Will be date letter of offer is issued. |
| **Project Title** | The title of the project as detailed in the application form and on the database |
| **Letter of variation** | Letter issued to the Applicant advising of changes approved to the LoO which have been approved by the LAG and which the Applicant must formally accept (\*by signing a declaration at the bottom of the LoO) |
| **Project Location** | The location of the project as detailed in the application form |
| **Grant amount offered** | Grant amount approved by LAG Board |
| **Project End Date** | This date must be the date all items / activities listed on the schedule of eligible expenditure have been completed and paid for by the applicant. |
| **Final Claim Date** | This will be 28 days after the project end date |
| **Objective of the Project** | The key objective related to the final agreed business plan (this objective must be quantifiable and timebound). The applicant must be able to provide evidence of achieving the objective. NB: The objective should not duplicate the scheme targets or phases in the schedule. |
| **Project Key Tasks** | The key tasks related to the project objective. These are the specific list (maximum five) of tasks needed to accomplish the goals of the project |
| **Special Conditions** | Any condition(s) that must be achieved before payment of grant. |
| **Schedule of Eligible Expenditure** | Itemised list of eligible items and services required for the project. |
| **Scheme Targets** | The scheme targets that have been agreed will be achieved through implementation of the project (for specific guidance on monitoring targets refer to Chapter 16). |

**INSTRUCTION IRO PRODUCTION OF LETTER OF OFFER FROM DATABASE TO BE INSERTED WHEN AVAILABLE**

**Appendix 10E**

**Record of Meeting with Applicant to Review Letter of Offer Contract**

**Applicant Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project Ref: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Staff Member Present:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date of Meeting: \_\_\_\_\_\_\_\_\_\_\_\_\_\_**

The Applicant has been taken through their Letter of Offer (LoO) Contract, including the terms and conditions booklet, and has been made aware of the responsibilities they will be accepting by signing the LoO Contract. In particular, their attention has been drawn to:

**The Project Letter of Offer (LoO) Contract, including the:**

* agreed timescales for implementation of the project and the period attached to the LoO and Terms and Conditions;
* project objective;
* key tasks;
* special conditions pertaining to the project\*;
* implications for breaches of the terms and conditions of the LoO;
* requirement to accommodate site visits and access to the project;
* requirement to comply with the relevant De Minimis State Aid Regulations;
* need for a Legal Charge\*;
* publicity and acknowledgement of EU funding requirements.

\*delete if none required

**Implications for non-compliance with LoO Commitments and Obligations**

Article 63 of Regulation 809/2014 deals with reduction to payments based on the amount claimed in a claim form and the amount found to be eligible under the scheme rules.

Article 35 of Regulation 640/2014 deals with penalties to be applied where the applicant has not complied with the eligibility criteria, or the commitments and obligations agreed by acceptance of the LoO.

If the applicant fails to meet the eligibility criteria, commitments or obligations their claim is reduced by a set percentage.

**Claims Process, including:**

* applicant’s responsibility to advise the LAG of any VAT status changes which may affect the eligible grant amount. NB: If the VAT status of the project items or work, the supplier or the applicant changes, the Local Action Group must be informed immediately;
* procurement procedures;
* eligible expenditure, including evidence required by the LAG for verification of payments;
* the claims procedure including potential to incur penalties if errors or irregularities are discovered;
* the need to have the necessary insurances in place prior to payment and for lifetime of project;

**Project Monitoring, including:**

* applicant’s agreement, by acceptance of this Contract, to provide 6 monthly monitoring and progress reports toward achieving the project objective and associated key tasks;
* the evidence necessary to validate achievement of Scheme targets;
* applicant’s requirement to complete a two stage Post Project Evaluation (PPE) Report. PPE Stage 1, six months after the project end date and PPE Stage 2, two years after the project end date.
* the requirement to retain documentation pertaining to the project until 31 December 2030.

*NB: The above list is not exhaustive.*

**DECLARATION**

A meeting to review my Letter of Offer (LoO) Contract was held on \_\_\_\_\_\_\_\_\_\_\_\_\_\_ at which the following were explained.

LoO Contract (including special conditions\*)

The project objective / key tasks (Annex 1)

The Terms and Conditions of the funding

Administrative Penalties for non compliance of

Commitments and Obligations within the LoO

The Claims Process & Evidence to be submitted

Project Monitoring

**All contract conditions and requirements were explained and understood.**

|  |
| --- |
| Record any comments/queries from applicant: |

**Applicant Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Signed (LAG Representative): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

\*Delete if not required

**Appendix 11A**

**LAG ‘Review of Decisions’ Guide**

**Priority 6**

**Rural Development Programme**

**2014-2020**

Contents

|  |  |  |
| --- | --- | --- |
| 1. | Introduction |  |
| 2. | Your Right To Have a Decision Reviewed |  |
| 3. | Decisions that can be covered by the LAG |  |
| 4. | Decisions not reviewed by the LAG |  |
| 5. | LAG Board Review Application |  |
| 6. | Outcome of the LAG Board Review |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

# Introduction

This document is a guide to the Department of Agriculture, Enviromnent & Rural Affairs (DAERA) ‘Review of Decisions’ Procedure for Priority 6 LEADER of the Rural Development Programme 2014-2020.

The guide is intended to provide applicants with a fair, impartial and transparent assessment of the Local Action Group Board (LAG) Board decision against the framework of EU and National Regulations and Programme Rules. The aim of the guide is to ensure that the decisions made By the LAG Board are correct and in line with the EU and National Regulations and Scheme Rules. The LAG Board has no scope to make decisions that do not comply with the rules of the LEADER Schemes.

The review process is an opportunity for you to explain and demonstrate how you have met the requirement of the relevant scheme and why the decision of the LAG Board should be changed.

The LAG Board review is conducted by a Panel of LAG Members who were not involved in the making the decision in question.

# Your Right To Have A Decision Reviewed

A LAG Board decision letter has confirmed that you have the right to have a decision reviewed by the LAG.

# Decisions That Can Be Reviewed by the LAG

Examples of the types of decisions that may be reviewed include:

* + Ineligibility of projects.
  + Ineligibility of individual items within a project, at application or at claim stage.
  + Projects that do not meet the threshold score of 65.
  + Projects the LAG Board has deemed ineligible on the grounds of displacement or
  + additionality.

# Decisions Not Reviewed by the LAG

Examples of the types of decisions that will not be reviewed by the LAG Board include:

* + Admissibility of your application (i.e. late applications; Expressions of Interest deemed ineligible; or failure to provide the pre-requisite documents required as part of the application process).
  + Decisions where the LAG Board has applied a penalty.
  + Decisions where the LAG Board has decided to withhold all or part of the Grant.
  + Recoveries, in whole or part, of any payments already made
  + Decisions on any exchange rates used to calculate your payment.
  + Decisions surrounding the content of the Scheme Documents.
  + Policy decisions relating to the Scheme in question.
  + The standard of service you receive from the LAG or Council.

# LAG Board Review Application

# To request a LAG Board Review you must complete a ‘LAG Review of A Decision Application’ form (attached to this guide), setting out the decision(s) you wish to have reviewed.

# Your application must be received by the LAG no later than 28 calendar days from the date of the decision letter; or 14 calendar days after the de-briefing discussion has been held, whichever is the later.

# If your application is received after the deadline it will not be accepted. The LAG Board cannot be held responsible for forms being lost or delayed in the post.

# You will receive an acknowledgement of your review application from the LAG Board. If you have not received an acknowledgement letter within 10 calendar days of having posted it, you should contact the LAG Admin Unit.

The application must clearly demonstrate the grounds upon which a formal LAG Board Review is being requested i.e.

* that the outcome was a decision that no reasonable person

would have made on the basis of the information provided; and/or

* that there was a failure in adherence to procedures or systems that materially affected or could have materially affected the decision.

When you are completing the LAG Board Review Application you must:

Clearly state **how and why**, in your opinion, the decision is incorrect. It is not enough for you to state that the LAG’s decision is incorrect.

Refer to the relevant EU or National Regulations and Scheme Rules, where applicable.

The LAG Board Review Panel will consider all information available to it in connection with your case. **Please note that you must not submit any additional information in support of your review application.** The LAG Board Review Panel will review the decision against the framework of EU and National Regulations and Scheme Rules.

# Outcome of the LAG Board Review

When the review is complete, the Review Panel will make a recommendation to the LAG Board. The outcome of the LAG Board Review will either be that the decision has been changed in full or in part (i.e. your case is upheld); or the decision is not changed (i.e. your case is not upheld). You will be notified of the LAG Board’s decision within 14 calendar days of the relevant Board Meeting.

This is the end of the LAG Board Review process. The LAG Board decision is final.

.

**LAG REVIEW OF A DECISION APPLICATION**

**Priority 6 of Rural Development Programme 2014-2020**

**This form when completed must be returned to the LAG by:**

**You are advised to keep a copy of this form.**

## For official use only

Date Received



## Notes

1. Please read the LAG ‘Review of Decisions Guide’ before completing this application.
2. It is important that you ensure that your application has been received by the deadline as the LAG will not accept your application after the date specified. You may submit your application by post. The LAG will not be responsible if your application is delayed or lost in the post.

## The LAG will acknowledge receipt of your application. If you do not receive an acknowledgement within 10 calendar days of posting your application you should contact the LAG Admin Unit. Proof of postage is not proof of receipt.

1. At Section 1, please provide your details; these should be the same as on the LAG Board decision letter. It is important that you include your Project Reference Number which would also have been included on the LAG Board decision letter.
2. At Section 2 you must insert the Scheme you applied for funding from; and the date of the decision letter the LAG sent to you. You must also clearly state which decision you wish to have reviewed.
3. At section 3 you must show how and why, in your opinion, the LAG Board decision is incorrect. **It is not enough to state that you disagree with the decision or that you would like the decision reviewed**. The review will be carried out using the information and evidence already held by the LAG. No further evidence can be submitted with the Review Application.
4. All information will be treated in confidence. The LAG takes data protection and

Freedom of Information issues seriously. It takes care to ensure that any personal information supplied is dealt with in a way which complies with the requirements of the General Data Protection Regulation (GDPR). This means that any personal information you supply will be processed principally for the purpose for which it has been provided. However, the LAG may also use it for other legitimate purposes in line with the GDPR and Freedom of Information legislation.

**Section 1: DETAILS OF THE APPLICANT SUBMITTING THIS APPLICATION**

Contact Surname:

Contact Forename(s):

Title: Mr/Mrs/Miss/etc:

Project Reference No:

Applicant Business/

Organisation Name &

Address:

Post code:

Telephone No:

Mobile No:

E-mail address:

**Section 2: DECISION TO BE REVIEWED**

Please provide details of the decision you wish to have reviewed.

Scheme:

Date of LAG Decision Letter:

Decision:

**Section 3: GROUNDS FOR REVIEW**

There are two grounds for a review. Please select those that apply:

1. **That the outcome was a decision that no reasonable person would have made on the basis of the information provided.**

Please give details of how and why, in your opinion, the LAG’s decision was incorrect on the basis of the ground selected above. You should continue on separate sheet if necessary.

Is a continuation sheet enclosed? Yes No If Yes how many sheets have been enclosed?

1. **That there was a failure in adherence to procedures or systems that materially affected or could have materially affected the decision.**

Please give details of how and why, in your opinion, the LAG’s decision was incorrect on the basis of the ground selected above. You should continue on separate sheet if necessary.

Is a continuation sheet enclosed? Yes No If Yes how many sheets have been enclosed?

Signed:

**Section 4: SIGNATURE**

Date

**Section 5: RETURN ADDRESS**

***You should return this completed application to:***

**Insert Local Action Group address and contact details**

**Appendix 11B**

**Department of Agriculture, Environment and Rural Affairs**

**‘Review of Decisions’ Guide**

**Priority 6**

**Rural Development Programme**

**2014-2020**

**Contents**

1. Introduction
2. Your Right To Have a Decision Reviewed
3. Decisions That Can Be Reviewed By DAERA
4. Decisions Not Reviewed By DAERA
5. DAERA Review Application
6. Prior To The Date Of The Review Panel
7. How the DAERA Review Operates
8. What Happens After The DAERA Review Panel Makes Its Recommendations
9. Outcome Of The DAERA Review Panel
10. Office of the Northern Ireland Public Services Ombudsman
11. **Introduction**

This document is a guide to the Department of Agriculture, Environment and Rural Affairs’ (DAERA) Review of Decisions Procedure for Priority 6 LEADER of the Rural Development Programme 2014-2020.

The guide is intended to provide you with a fair, impartial and transparent assessment of the Local Action Group (LAG) Board decision against the framework of EU and National Regulations and Programme Rules. The aim of the guide is to ensure that the decisions made by a LAG Board are correct and in line with the EU and National Regulations and Scheme Rules. The LAG Board has no scope to make decisions that do not comply with the rules of the LEADER Schemes.

The review process is an opportunity for you to explain and demonstrate how you have met the requirements of the relevant scheme and why the decision of the LAG Board should be changed.

The DAERA review is conducted by LEADER officials within Rural Affairs Division. The final decision on your review application will be made by the Department’s Director of Rural Affairs.

1. **Your Right To Have A Decision Reviewed**

A LAG Board decision letter has confirmed that you have the right to have a decision reviewed by the Department.

1. **Decisions That Can be Reviewed by DAERA**

Examples of the types of decisions that may be reviewed include:

* + where the LAG Board has applied a penalty to a claim.
  + where the LAG Board has decided to withhold all or part of the Grant.
  + recoveries, in whole or part, of any payments already made.

1. **Decisions Not Reviewed by DAERA**

Examples of the type of decisions that will not be reviewed by DAERA include:

* + Admissibility of an application (i.e. late applications, EOIs deemed ineligible or failure to provide the pre-requisite documents required as part of the application process).
  + Ineligibility of projects.
  + Ineligibility of individual items within a project.
  + Projects that do not meet the threshold score of 65.
  + Projects the LAG Board has deemed ineligible on the grounds of displacement or additionality.
  + Decisions on any exchange rates used to calculate your payment.
  + Decisions surrounding the content of Scheme Documents.
  + Policy decisions relating to the Scheme in question.
  + The standard of service you receive from the Local Council.
  + Interest being charged on outstanding debts.

If your request for a review centres around a decision made by the LAG where penalties are applied that result in a reduction or non-payment; or a recovery (in whole or part) of any payments already made; then you will be able to provide additional information to support your request for a DAERA review.

1. **DAERA Review Application**

To request a DAERA review you must complete a ‘DAERA Review of A Decision Application’ form (attached to this guide), setting out the decision(s) you wish to have reviewed.

Your application must be received by DAERA **no later than** **28 calendar days** from the date of the LAG Board decision letter; or 14 calendar days after the de-briefing discussion has been held, whichever is the later.

**If your application is received after the deadline it will not be accepted. The Department is not responsible for forms being lost or delayed in the post.**

You will receive an acknowledgement of your review application from LEADER and Rural Tourism Implementation Branch. If you have not received an acknowledgement within 10 calendar days of posting you should contact the Department (see Section 6 of the Review application (attached) for contact details).

Within the application for a DAERA review you will have the following options:

1. **Written review -** If you choose this option you will not be able to attend the hearing and the review will be based on the original documentation and that provided by you prior to the Panel hearing. This option costs £50.
2. **Oral review –** If you choose this option, you can be present at the hearing to answer any questions the Panel may have or to add to the information you have already provided. The oral part of the hearing usually lasts 30 minutes. You may bring a representative with you or nominate a representative to act on your behalf. This option costs £100.

The application must clearly demonstrate the grounds upon which a formal DAERA Review is being requested, i.e.

* that the outcome was a decision that no reasonable person would have made on the basis of the information provided; and/or
* that there was a failure in adherence to procedures or systems that materially

affected or could have materially affected the decision.

When you are completing your DAERA Review application you must:

1. Clearly state **how and why**, in your opinion, the decision is incorrect. It is not enough for you to state that the LAG’s decision is incorrect.
2. Provide any documentation (as appropriate) as evidence in support of your case.
3. Refer to the relevant EU Regulations and Scheme Rules, where applicable.

*It is important that you provide as much information and evidence as possible with your application. Failure to provide clear evidence will delay the processing of your application and may result in it being rejected.*

**General Information**

Please note that while your review is ongoing, penalties resulting from LAG inspection or administration checks by the Department, will continue to be applied. Debt recovery will not be suspended in cases of claw back of grant paid. Interest will continue to accrue on outstanding debts in cases of recovery of grant already paid. If you are successful at review then any re-imbursements or adjustments to your claims(s) for grant will be made following the outcome of the review.

1. **Prior to the date of the Review Panel**

The DAERA review is a review by LEADER officials within Rural Affairs Division of the Department who will provide a written report to the DAERA Review Panel. The written report sets out the LAG’s position on your case.

If you have asked for an oral hearing the Department will notify you 3 weeks in advance of the date and time of this. You may bring someone to accompany you to the hearing. You will have two weeks from the notification of the date of the Panel hearing to provide any additional evidence or information to support your review and this will be confirmed in your invitation letter. Additional information or evidence will **not** be accepted at or after the hearing.

1. **How the DAERA ‘Review Panel’ Operates**

The Review Panel is made up of two senior Departmental officials.

The Panel’s role is to consider the representations made by you, however they are bound by the EU and National Regulations and Scheme Rules. The Panel has no discretion to operate outside the rules of the programme. The Panel cannot make recommendations on policy or regulatory interpretation. The Panel does not have authority to make recommendations in respect of legal matters, for example, ownership of land, rights/access to land, planning matters, accountancy matters, or insolvency matters or disputes between people/groups or business. Only a Court can make such decisions.

1. **What Happens After the Review Panel Makes Its Recommendation**

The Panel’s recommendation will be submitted to the Director of Rural Affairs Division. The Director must act within the EU and National Regulations and Scheme rules and has no discretion to do otherwise. The Director’s role is to ensure that all options within the EU and National Regulations and Scheme rules have been considered by the LAG Board and the DAERA Review Panel, however the Director is not obliged to accept the Panel’s recommendation but will take this into account before making the final decision.

When the final decision has been made, a letter setting out the decision will be sent to you by post.

This decision is final and concludes the Department’s formal review procedures. There are no other review procedures available within the Department.

1. **Outcome Of The DAERA Review**

The outcome of the DAERA review will either be:

* that the decision is changed in full or in part (i.e. your case is upheld); or
* the decision is not changed (i.e. your case is not upheld).

1. **Office of the Northern Ireland Public Services Ombudsman**

If you consider DAERA has not followed procedures correctly, you can take a complaint to the Northern Ireland Public Services Ombudsman (NIPSO). Complaints must be with the Ombudsman’s office within 6 months of receiving our final decision. Where there is recourse to a review procedure, the Ombudsman’s role is to be satisfied that the individual has had access to the review procedure and they were treated fairly and consistently within that system.

You can contact the Office of the Northern Ireland Public Services Ombudsman as

follows:

In Writing: Northern Ireland Public Services Ombudsman

Progressive House

33 Wellington Place

Belfast

BT1 6HN

Freepost: Freepost NIPSO

Telephone: 028 9023 3821

Freephone 0800 343424

By e-mail: [nipso@nipso.org.uk](mailto:nipso@nipso.org.uk)

**DAERA REVIEW OF A DECISION APPLICATION**

**Priority 6 of Rural Development Programme 2014-2020**

**This form when completed must be returned to the Department by:**

**If your application is received after this Date, it will not be accepted.If your application is received after this date, it will not be accepted.**

You are advised to keep a copy of this form.

***For official use only***

Date Received



***Notes***

1. Please read the DAERA ‘Review of Decisions Guide’ before completing this application.
2. It is important that you ensure that your application has been received by the deadline as the Department will not accept your application after the date specified. You may submit your application by post. The Department will not be responsible if your application is delayed or lost in the post.
3. *The Department will acknowledge receipt of your application. If you do not receive an acknowledgement within 10 calendar days of posting your application you should contact LEADER and Rural Tourism Implementation Branch on Tel: 028 9052 0828. Proof of postage is not proof of receipt.*
4. At Section 1 please provide your details; these should be the same as on the LAG Board decision letter. It is important that you include your Project Reference Number which would also have been included on the LAG Board decision letter.
5. At Section 2 you must insert the Scheme you applied for funding from and the date of the decision letter the LAG sent to you. You must also clearly state which decision you wish to have reviewed.
6. At Section 3 you must tell us if you wish to have a written review or an oral review. If you choose a written review you will not be able to attend the Panel hearing.
7. At section 4 you must show how and why, in your opinion, the LAG Board decision is incorrect. **It is not enough to state that you disagree with the decision or that you would like the decision reviewed**. The review will be carried out using the information and evidence already held by the LAG and the information supplied with your Review Application.
8. All information will be treated in confidence. The Department takes data protection and freedom of information issues seriously. It takes care to ensure that any personal information supplied is dealt with in a way which complies with the requirements of the General Data Protection Regulations (GDPR). This means that any personal information you supply will be processed principally for the purpose for which it has been provided. However, the Department may also use it for other legitimate purposes in line with the GDPR and Freedom of Information legislation.
9. The DAERA decision is final.

**Section 1: DETAILS OF THE APPLICANT SUBMITTING THIS APPLICATION**

Contact Surname:

Contact Forename(s):

Title: Mr/Mrs/Miss/etc.:

Project Reference No:

Applicant Business/

Organisation

Name & Address:

Post code:

Telephone No:

Mobile No:

E-mail address:

**Section 2: DECISION TO BE REVIEWED**

Please provide details of the decision you wish to have reviewed.

Scheme:

Date of LAG Decision Letter:

Decision:

**Section 3: FEES AND TYPE OF REVIEW**

Please tick the relevant box to indicate how you would like your review to be considered. A written review costs £50 and an oral review costs £100.

I wish to have a written review of my case (£50)

I wish to have an oral review of my case (£100)

I have enclosed a cheque for the relevant fee

(Please tick this box to confirm that you have

Enclosed the cheque with this application).

Your cheque should be made payable to the Department of Agriculture, Environment and Rural Affairs Corporate Account and crossed A/C Payee Only.

If you have indicated that you wish to have an oral review do you intend to bring someone else with you?

Yes No

If you ticked “Yes”, who do you intend will accompany you?

What is the status of this person?

E.g. Agent, solicitor

Do you or anyone who may attend with you have any special requirements-................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................

**Section 4: GROUNDS FOR REVIEW**

There are two grounds for a review. Please select those that apply:

1. **That the outcome was a decision that no reasonable person would have made on the basis of the information provided.**

Please give details of how and why, in your opinion, the LAG’s decision was incorrect on the basis of the ground selected above. You should continue on separate sheet if necessary.

Is a continuation sheet enclosed? Yes No If Yes how many sheets have been enclosed?

1. **That there was a failure in adherence to procedures or systems that materially affected or could have materially affected the decision.**

Please give details of how and why, in your opinion, the LAG’s decision was incorrect on the basis of the ground selected above. You should continue on separate sheet if necessary.

Is a continuation sheet enclosed? Yes No If Yes how many sheets have been enclosed?

Are you enclosing any documents in support of your case? Yes No

If you ticked “Yes” please list your documents:

**Section 5: SIGNATURE**

Signed:

Date:

**Section 6: RETURN ADDRESS**

***You should return this completed application to:***

**LEADER & Rural Tourism Implementation Branch**

**Room 139**

**Dundonald House**

**Upper Newtownards Road**

**Ballymiscaw**

**Belfast**

**BT4 3SB**

**Tel number:** *028 9052 0828*

**Appendix 12A**

**Financial Arrangements for Applicants**

**Ceiling on Grant Aid**

1. A maximum grant rate of public funding in accordance with the Scheme Sheets will apply to all Priority 6 projects. However, in accordance with the ‘de minimis’ rule (Commission Regulation (EC) No. 1407/2014), the overall limit of ‘de minimis’ aid from all such sources to a beneficiary shall not exceed €200,000 over any 3 year fiscal period, subject to State Aid rules – for more detail refer to Chapter 8.

**Phased Payments to the Applicant**

1. Applicants can avail of up to five phased payments if required. For full details see [Appendix 7H](#Appendix_7H).

**Applicant Insurance**

1. The applicant shall maintain such insurance policies, in the applicant’s own name, as are necessary to cover all possible liabilities to the LAG, the Department and to the European Commission arising under the terms and conditions in the Letter of Offer, to the extent that such insurances are reasonably available on the insurance market. These include, where appropriate, Employers’ Liability Insurance, Buildings and Property Contents Insurance (to include IT equipment) and Public Liability.
2. The Admin Unit must be satisfied that these policies are in place prior to any claim being authorised for payment.

**Value Added Tax** **(VAT)**

1. It is the responsibility of the Applicant to provide a declaration as to the VAT status of the Applicant or business supported. The VAT amount(s) recorded on the Schedule of Eligible Expenditure are individual schedule items. If the VAT status of the applicant, the project items or activities, or of the supplier of the items changes from that communicated at any time prior to the submission of the claim for payment of Grant Aid then the onus is on the Applicant to inform the Admin Unit with immediate effect.
   1. Where the Applicant or the business supported is VAT registered with HM Revenue and Customs, any VAT amounts paid on eligible expenditure must be recovered through the normal VAT return process. The amount of VAT that may be recovered by the Applicant from HM Revenue and Customs must be excluded from the eligible cost of the project when calculating Grant Aid and completing the claim form for said aid.
   2. For non-VAT registered Applicants or businesses supported, the VAT amounts paid on eligible expenditure may be included on claims for payment of Grant Aid.
2. An increase in the rate of VAT may occur and in such circumstances, where the applicant is not registered for VAT, the applicant should be paid the extra VAT amount provided:-

* The revised amount to be claimed does not breach the limit for that scheme and promoter type.
* As this is effectively an increase in the amount of grant funding being offered, an addendum to the LoO should be drawn up and accepted by the applicant.
* The LoO on the database will need to be amended before the claim can be processed as the database will limit payment to the original amount.

**Credit Cards**

1. Payment by credit card can be accepted and items included in claims for funding provided that the expenditure is supported by:-

* Original, itemised invoices, signed/receipted as paid in full by the supplier. Computer generated invoices and receipts for purchases through internet sites are acceptable.
* The original credit card statement showing full amount of the item being funded has been paid. The statement must include the supplier’s name.

1. Where the amount is paid over several months, all card statements together with details of cheques issued, and supporting bank statements as evidence that the cheques have been cashed or satisfactory evidence of payment by other methods must be submitted with the claim. The Department will not pay any interest accrued through use of credit cards.
2. Charges for foreign currency exchange are deemed ineligible expenditure when incurred by applicants. Purchases made from outside of the £ sterling area will incur a charge for foreign currency transactions. The details of this charge will be printed under ‘Charges for Services’ on the credit card statement. This charge is ineligible expenditure and must be deducted from the total amount paid in £ sterling for any item(s) purchased in this way.
3. The exception to the above rule is where the LAG or applicant is involved with a co-operation project with a LAG from another state. In these cases, where purchases made from outside or the £ sterling area incur a charge for foreign currency transactions, these charges are eligible expenditure.

**Appendix 12B**

**Vouching Claim(s) for Payment**

**Evidence of Project Expenditure**

1. All eligible project expenditure must be supported by original invoices. These must be checked to ensure that:

* all invoices are dated after the project start date;
* all payments have been made by the project promoter before the project end date;
* all payments have cleared the promoter’s bank account prior to payment of the claim.

1. The invoices must then be approved and recorded to show the total volume of investment for that project. The approved costs and funding for each project should be agreed and inserted into the Schedule of Eligible Expenditure attached to each Letter of Offer.

**Invoices**

1. The invoices must be original and not photocopies and marked with the *applicant’s date of payment and cheque number or method of payment.*
2. The invoices must show the supplier’s name, address and telephone number and, where applicable, the VAT registration number.
3. The invoices should be addressed to the applicant of the business/project named in the Letter of Offer.
4. The invoices should show details of the goods and services provided including quantities and unit costs, delivery costs and any discount. Serial numbers for plant, machinery or equipment must also be noted on the invoice.

Council admin Units are required to implement as follows:

* Claims not yet submitted – notify applicants to ask suppliers to ensure that the serial number(s) for each item is included in the invoice detail.  For eligible claims the serial number must be recorded on the invoice or notified via email from the suppliers email address.  If at claim processing stage the serial number is missing or there is no evidence that the serial number was provided by the supplier, i.e., no email submitted or the serial number was added after the invoice was produced by the supplier Point 2 applies.
* Claims on Admin Unit Desks or submitted without the required evidence that the serial number was provided by the supplier – The Admin Unit should in the first instance seek email confirmation from the supplier. The Admin Unit may contact the supplier to verify the serial number for the machine or equipment on the applicant’s claim.

LAG admin staff must confirm on Appendix 10E that the applicant has been informed of the evidence required for verification of payments.

1. Invoices for labour should show the dates the work was carried out, the number of hours worked and the cost per hour.
2. The invoices should show the amount of VAT charged as a separate item.
3. Invoices in Euros should be claimed in sterling and the date of calculation will be the date the euro transaction clears the applicant’s bank account. Contact DAERA local Contract Management Staff for details of the web-link.

**Proof of Funding by other Departments, NDPB’s or Funding Bodies**

10. For any element of the Priority 6 project for which funding/grant has been paid from other sources of funding within the delivery of the project; at the initial assessment and prior to the LoO; throughout the implementation of the project including at claim stage and at completion of the project, a copy of the vouched invoice(s) relating to the item funded must be obtained by the Admin Unit and retained on the project file. This will provide evidence of the double funding check on file for audit purposes.

**Proof of Payment to the Supplier**

1. The following documentation is required to show proof of payment to the supplier of the invoice;

* The original invoice and the original / electronic bank statements showing the cheque number or direct debit and the amount clearing the bank. In respect of each claim received, the LAG is required to contact at least one supplier to confirm the payment for supply of the goods or services to the applicant. The invoice should be endorsed with details of the telephone call made to the supplier.
* The original credit card statement showing that the full amount of the item being funded has been paid and supporting bank statement as evidence that the statement has been paid.
* If the amount shown on the bank statement differs from the amount on the invoice or credit card statement the applicant must provide a written explanation.

**Procurement**

1. The documentation required to show that Value for Money was obtained through the procurement of goods and services is detailed at [Appendix 5A](#Appendix_5A).
2. In the case where an applicant was unable to follow the procurement guidelines, expenditure can only be considered as eligible if prior approval was requested from the LAG before the goods or services were procured.

**Discount on Invoices**

1. Discount not availed of by the applicant, can only be considered eligible for grant aid where the applicant has been unable to meet the criteria for receiving the discount due to cash flow problems. In such cases, the applicant must submit his explanation in writing to the LAG for consideration.

For full guidance on discounts, see Annex 1 - Guidance on Discounts.

**Salaries and Staff Time**

1. Where salaries are being funded the following documentation should be submitted with the claim;

* Original pay advice of the employee,
* Original time sheets completed by the individual and authorised by an appropriate person within the organisation,
* Details of any Service Level Agreement (SLA) or documentation showing the agreed number of hours, rate of pay and any apportionment with other funding partners.

**Training Events**

1. Records of attendees for training events should be submitted showing names, dates and signatures of individuals to provide proof of attendance.

**Annex 1**

**Guidance on Discounts**

**Example No 1**

* The applicant **IS NOT VAT Registered (therefore VAT is eligible project cost).**
* All 3 items on the invoice are eligible for funding under the Letter of Offer at 50%.

|  |  |  |  |
| --- | --- | --- | --- |
| **Invoice No 123** | Net | VAT @ 20% | Gross |
| Item No 1 | £10.00 | £2.00 | £12.00 |
| Item No 2 | £20.00 | £4.00 | £24.00 |
| Item No 3 | £30.00 | £6.00 | £36.00 |
| Total | £60.00 | £12.00 | £72.00 |

* Total amount on invoice was £72.00 (inc vat).
* The applicant was given a discount of £2.00 off the total invoice amount.
* Total amount paid by the applicant was £70.00

Total Amount Paid £70.00 @ 50% = **£35.00-Total Eligible for funding**

**Example No 2**

* The applicant **IS VAT Registered (therefore VAT is ineligible project cost).**
* All 3 items on the invoice are eligible for funding under the Letter of Offer at 50%.

|  |  |  |  |
| --- | --- | --- | --- |
| **Invoice No 1234** | Net | VAT @ 20% | Gross |
| Item No 1 | £10.00 | £2.00 | £12.00 |
| Item No 2 | £20.00 | £4.00 | £24.00 |
| Item No 3 | £30.00 | £6.00 | £36.00 |
| Total | £60.00 | £12.00 | £72.00 |

* Total amount on invoice was £72.00 (inc vat).
* The applicant was given a discount of £2.00 off the total invoice amount.
* Total amount paid by the applicant was £70.00

Therefore you need to determine how much of the £70 paid related to “items.”

To do this, use the following calculation –

£70.00 /120 X 100 therefore “items” = £58.33, and the balance, £11.67, = VAT.

Total Amount Paid £70.00 Less VAT at 20% £11.67

Total Net Amount = £58.33 @ 50% = **£29.17-Total Eligible for funding**

**Example No 3**

* The applicant **IS NOT VAT Registered (therefore VAT is eligible project cost).**
* Only 3\* of the 5 items listed on the invoice are eligible for funding under the Letter of Offer at 50%.

|  |  |  |  |
| --- | --- | --- | --- |
| **Invoice No 12345** | Net | VAT @ 20% | Gross |
| Item No 1 | £10.00 | £2.00 | £12.00 |
| Item No 2 | £20.00 | £4.00 | £24.00 |
| Item No 3 \* | £30.00 | £6.00 | £36.00 |
| Item No 4 \* | £40.00 | £8.00 | £48.00 |
| Item No 5 \* | £50.00 | £10.00 | £60.00 |
| Total | £150.00 | £30.00 | £180.00 |

* Total amount on invoice was £180 (inc vat).
* The applicant was given a discount of £6.25 off the total invoice amount.
* Total amount paid by the applicant was £173.75.

Here the discount of £6.25 is apportioned across the 5 items and the appropriate amount deducted from the items being funded\*.

Item No 1 - £6.25 ÷ £180.00 x £12.00 (gross) = 0.42p

£12.00 – 0.42p = £11.58 **Ineligible item**

Item No 2 - £6.25 ÷ £180.00 x £24.00 (gross) = 0.83p

£24.00 – 0.83p = £23.17 **Ineligible item**

Item No 3 - £6.25 ÷ £180.00 x £36.00 (gross) = £1.25

£36.00 – £1.25 = £34.75 @ 50% = **£17.38-Total Eligible for funding.**

Item No 4 - £6.25 ÷ £180.00 x £48.00 (gross) = £1.67

£48.00 – £1.67 = £46.33 @ 50% = **£23.17- Total Eligible for funding.**

Item No 5 - £6.25 ÷ £180.00 x £60.00 (gross) = £2.08

£60.00 – £2.08 = £57.92 @ 50% = **£28.96- Total Eligible for funding.**

**Total Eligible Amount on Invoice - £69.51**

**Example No 4**

* The applicant **IS VAT Registered (therefore VAT is ineligible project cost).**
* Only 3\* of the 5 items listed on the invoice are eligible for funding under the Letter of Offer at 50%.

|  |  |  |  |
| --- | --- | --- | --- |
| **Invoice No 12345** | Net | VAT @ 20% | Gross |
| Item No 1 | £10.00 | £2.00 | £12.00 |
| Item No 2 | £20.00 | £4.00 | £24.00 |
| Item No 3 \* | £30.00 | £6.00 | £36.00 |
| Item No 4 \* | £40.00 | £8.00 | £48.00 |
| Item No 5 \* | £50.00 | £10.00 | £60.00 |
| Total Net Amount | £150.00 | £30.00 | £180.00 |

* Total amount on invoice was £180.00 (inc vat).
* The applicant was given a discount of £6.25 off the total invoice amount.
* Total amount paid by the applicant was £173.75

Once again the discount of £6.25 is apportioned across the 5 items and the appropriate amount deducted from the items being funded\*.

Item No 1 - £6.25 ÷ £180.00 x £10.00 (net amount) = 0.35p

£10.00 – 0.35p = £9.65 **Ineligible item**

Item No 2 - £6.25 ÷ £180.00 x £20.00 (net amount) = 0.69p

£20.00 – 0.69p = £19.31 **Ineligible item**

Item No 3 - £6.25 ÷ £180.00 x £30.00 (net amount) = £1.04

£30.00 – £1.04 = £28.96 @ 50% = **£14.48- Total Eligible for funding**

Item No 4 - £6.25 ÷ £180.00 x £40.00 (net amount) = £1.39

£40.00 – £1.39 = £38.61 @ 50% = **£19.31- Total Eligible for funding.**

Item No 5 - £6.25 ÷ £180.00 x £50.00 (net amount) = £1.74

£50.00 – £1.74 = £48.26 @ 50% = **£24.13- Total Eligible for funding.**

**Total Eligible Amount on Invoice - £57.92**

**Appendix 13A**

**Project Administrative Check Stage 1 - Article 48 EU Regulation 809/2014**

**Article 48 paragraph (1) requires an administrative check to be carried out on all applications for support or payment claims for the European Agricultural Fund for Rural Development (EAFRD).**

NB: The Admin Unit are required to copy the evidence to verify each answer and retain with this form or identify where the information is retained on the project file.

**Project Details**

|  |  |
| --- | --- |
| Priority | **6** |
| Scheme |  |
| LAG Administration Unit: |  |
| Project Reference Number: |  |
| Business ID Number: |  |
| Applicant Name |  |
| Project Title: (from Letter of Offer) |  |
| Name of Contact:  Phone Number: |  |
| Period of Grant Aid:  (\*Letter of Offer issue date to project end date) |  |
| Project Risk Rating (high/medium/low) |  |

**Stage 1 – Application Processing**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Application** | **YES** | **No** | **N/A** | **Comments** | **Action Required** |
| A1 | 1. Date application submitted   Does the file contain;   1. A full copy of the grant application form? 2. Was the application fully completed, with all relevant questions answered at submission? 3. Was the application submitted on-line? (yes/no)   If the application was not submitted on-line;   1. Is it signed and dated by the applicant? 2. Was receipt of the application and Section 75 questionnaire issued to the applicant? 3. Has the application been added to the EU database? (DI 7.2 / 7.3) 4. Does the file contain a completed Documentation Checklist (Appendix 7A) 5. Where/how are application details being recorded and monitored? |  |  |  | Date :  Date : |  |
| A2 | Have the following application pre-requisites been met by the closing time/date for the call?   1. Applicant 18 years of over, 2. Business plan & 3 year financial projections submitted, 3. Required quotations/tenders on headed paper as per procurement guidance, 4. Applicant attended pre-application workshop, 5. Evidence of match funding, (DI 7.19) 6. Evidence of planning permission (if relevant)  (DI 6.6) |  |  |  | ID Type Checked? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date of Workshop; \_\_\_\_\_\_\_\_\_\_\_  Verified on Attendee List Yes/No  Type? Promoter resources/Bank Loan/ Other? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| A3 | Has an eligibility check been completed to confirm the legal status of the grant applicant? (what evidence is available) (DI 7.6)  Is there proof of ownership on file of the property/land/site or a lease (in accordance with Desk Instructions) to the applicant?  If applicable, is there confirmation whether a legal charge is required? Is the process started?  (DI 7.7) |  |  |  |  |  |
| A4 | 1. Has the applicant applied for funding previously? (If no, move to A5) 2. If yes, did the applicant receive funding? 3. Where any irregularities detected? 4. Was funding disallowance reportable? 5. Is the Reliability of the Applicant declaration (appendix 7F(iii) on file? (DI 7.30) 6. Is the applicant eligible to receive a grant offer? (DI 7.10) |  |  |  | Date(s) /Programme  Issue/Amount/Date of Disallowance |  |
| A5 | Has the LAG approved the Admin Unit determination that the project or applicant is not eligible?  Is the ineligible decision recorded in the minutes of the LAG meeting? (DI 7.37) |  |  |  | Date of LAG approval : |  |
| A6 | Has a rejection letter been issued to the applicant with details of the reason for the decision and information of the review process?  (DI 7.29)  If the applicant subsequently requested a review, has this been conducted in accordance with the Desk Instructions? (DI Chapter 11) |  |  |  | Date: |  |
| A7 | If eligible has an acknowledgement letter for ‘eligible applications’ been issued to the applicant? |  |  |  | Date : |  |
| A8 | Was evidence of the procurement exercise(s) undertaken to provide price comparisons to test the reasonableness of the project costs submitted by the close of the call?   1. What type of procurement was undertaken?  * Public/Open Procurement * Written Quotations * Written/Internet Price Check   **Public/Open Procurement**   1. Was procurement through e-tendering or advertisement? 2. If advertised in newspapers, were any pre-conditions for selection of contractors set via the ad? 3. Were the conditions adhered to? 4. Can you confirm a written specification (plans and bill of quantities if relevant) and instructions to tenderer’s document were prepared and issued to all suppliers invited to tender? 5. Was the specification sufficiently detailed to allow fair comparison, without reference to specific manufacturer? 6. Was an advance notice of the forthcoming procurement advertisement issued to suppliers? If yes, confirm that no other information issued in advance? 7. Is there a list of tenders received by the closing date and time? How many? 8. Were any tenders submitted after the closing date/time? How many? Are they unopened? 9. Is the Tender evaluation report/summary on file? (If not, the Admin Unit needs to obtain a copy.) 10. Has a supplier been selected on the lowest acceptable price or on the basis of an award on the best combination of Price and Quality? 11. Was an Admin Unit independent check to test the reasonableness of the project costs and grant requested undertaken? Yes/No 12. Does the procurement exercise comply with the Applicant Procurement Guidance to allow eligible project expenditure? 13. If the applicant has not provided an alternative price of each item, what evidence has the Admin Unit retained demonstrating how an alternative price was obtained?   **Written Quotations**   1. Was a written specification prepared and issued to all suppliers invited to quote? 2. Was the specification sufficiently detailed to allow fair comparison, without reference to specific manufacturers? 3. Is there a list of quotations submitted by the closing date and time? How many? 4. Were any quotations submitted after the closing date/time? How many? Are they unopened? 5. Were quotations sought or provided from any family member or extended family? Was the relationship advised to the LAG prior to any procurement activity? Was the relationship declared in writing on the procurement documentation? 6. Did the Admin Unit verify 20% of all quotations received?   (DI, Appendix 5A, Para 7.5 & 8.4b)   1. If the applicant has not provided an alternative price of each item, what evidence has the Admin Unit retained demonstrating how an alternative price was retained? 2. Was an Admin Unit independent check to test the reasonableness of the project costs and grant requested undertaken? Yes/ No 3. If applicable, have the reasons for the decision not to accept the lowest quote been communicated to the LAG. 4. Does the procurement exercise comply with the Applicant Procurement Guidance to allow eligible project expenditure?   (DI 5.5 & Appendix 5A) |  |  |  | Evidence provided:  Date submitted:  Date Call closed:  Evidence retained:  Evidence retained:  Evidence retained: |  |
| A9 | For electronic applications has the applicant verified and signed a printed hard copy of the application? (DI 8.1) |  |  |  |  |  |
| A10 | Was a QA of the business plan undertaken prior to the site visit?  At this stage evidence should be provided of how the Admin Unit has prepared for the site visit, i.e. what points were recorded onto the site visit form for clarification whilst at site visit. (The full QA of the Business Plan may not be possible until after these elements are clarified at the site visit)  (DI 8.1 – 8.11) |  |  |  |  |  |
| A11 | Has a Project Assessment site visit been carried out and an Appendix 8A completed?  Did the site visit clarify the points identified on the Appendix 8A in preparation for the project site visit? Has a record of the action or decision taken been recorded onto the site visit form?  Has the Appendix 8A been signed & dated by both the applicant and project officer?  (DI 8.2 - 8.11) |  |  |  | Date of visit: |  |
| A12 | For the RBIS, is there information to confirm the size of the Enterprise applying to the RDP\*?  \*small or microenterprise. (D I 8.12) |  |  |  |  |  |
| A13 | Has the applicant completed the SME declaration?  What Enterprise type has the applicant declared on the SME declaration?  (D I 8.14 – 8.16) |  |  |  |  |  |
| A14 | Is there confirmation whether the business is a partnership enterprise? (D I 8.14 – 8.16) |  |  |  |  |  |
| A15 | Is there confirmation whether the business is a linked business? (D I 8.14 – 8.16) |  |  |  |  |  |
| A16 | Has an environmental assessment been carried out on the proposed project? (DI 8.17) |  |  |  | DPA Category: |  |
| A17 | Has a check been carried out to ensure that the proposed project is compliant with de minimis and state aid rules?  (DI 8.18 & Appendix 8D) |  |  |  |  |  |
| A18 | Has an economic appraisal been completed in line with the guidance?   (DI 8.21 & Appendix 8E) |  |  |  | Date Completed:  Date Checked: |  |
| A19 | Has consultation been carried out with any statutory agencies or bodies relevant to the grant application to determine that the project has not already been funded? Have the details of the consultations been added to the project file?  (DI 7.20 & 7.30) |  |  |  |  |  |
| A20 | Has the project been assessed and scored by the assessment panel? Is Appendix 9A (Project Assessment Form) on file?  Is Appendix 9A signed by all members of the assessment panel?  Did the make-up of the assessment panel meet the mandatory requirement that the panel must consist of Social Partners (at least 51%) and Councillors? Added April 21 - DJ  (DI 9.6) |  |  |  | Date of Assessment: |  |
| A21 | Has the assessment panel score been discussed and approved by the LAG?  Has the LAG ratified the project decision record (Appendix 9E)?  Is the decision recorded in the LAG Board minutes?  (DI 9.10 & 9.11) |  |  |  | Date of LAG minutes: |  |
| A22 | If the application is unsuccessful has a rejection letter and a copy of the scoring assessment (Appendix 9A) been sent to the applicant?  (DI 9.16) |  |  |  | Date : |  |
| A23 | Does the project file contain a signed and dated Appendix 10E confirming Project Promoter’s understanding of the main conditions in the LoO, the Terms & Condition Booklet, the Claims Process and Project Monitoring? (DI 10.11) |  |  |  | Date o  f Meeting: |  |
| A24 | Does the file contain an original Letter of Offer signed and dated by the promoter?  Has this LoO been signed as accepted within 28 days of issue? (DI 10.12)  Has the database been updated with the LoO acceptance? Does the date LoO accepted match the date recorded on the database?  (DI 10.13) |  |  |  | Date of Acceptance: |  |
| A25 | If an advance or phased payments been agreed for this project, are the details in the LoO at Annex 1? (DI 10.5 & 10.6) |  |  |  |  |  |
| A26 | Are special conditions recorded for the project? (yes/no – if yes Stage 3 S2 applies)  (DI 10.8) |  |  |  |  |  |
| A27 | LoV not relevant at Stage 1 |  |  |  |  |  |
| A28 | Have the baseline targets (existing jobs, business in existence, current customers, current visitors, people benefitting etc) been evidenced and recorded at the site visit?  (DI 8.20 & Appendix 8E, para 11)  Have the project targets and values to be achieved been agreed?  (DI 10.11 & Appendix 10E) |  |  |  |  |  |
| A29 | Have details of the Stage 1 (Administrative Check) been recorded on the database? (DI 8.20) |  |  |  |  |  |

**Administration Unit Verification**

**Completed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Printed) Checked by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , Manager (Printed)**

**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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

**Appendix 13B**

**Project Administrative Check Stage 2 - Article 48 EU Regulation 809/2014**

**Article 48 paragraph (1) requires an administrative check to be carried out on all applications for support or payment claims for the European Agricultural Fund for Rural Development (EAFRD).**

**Article 63 of EU Regulation 809/2014 deals with the accuracy of expenditure claimed. The grant payment shall be calculated on the basic amount found to be eligible during the administrative check.**

NB: The Admin Unit are required to copy the evidence to verify each answer and retain with this form or identify where the information is retained on the project file.

**Project Details**

|  |  |
| --- | --- |
| **Priority 6, Scheme:** |  |
| **LAG Administration Unit:** |  |
| **Application Reference Number:** |  |
| **Business ID Number:** |  |
| **Applicant Name** |  |
| **Project Title: (from Letter of Offer)** |  |
| **Name of Contact:**  **Phone Number:** |  |
| **Date of LoO Acceptance** |  |
| **Date for Receipt of Final Claim** |  |
| **Period of Grant Aid: (\*Letter of Offer issue date to project end date)** |  |
| **Project Risk Rating (high/medium/low)** |  |

**Stage 2 – Payment Claim Checklist (Form C1)**

**Note:** The following section must be completed for each project claim and attached to the Article 48 checklist.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Ref.** | **Payment** | **Yes** | **No** | **N/A** | **Comments** | **Action Required** |
| P1 | Has the claim form been stamped on receipt?  (DI12.5) |  |  |  |  |  |
| P2 | Has the claim been received before the final claim date detailed in the letter of offer at Annex 1? (DI Appendix 12B)  Has an advance been paid? \*Yes / No (delete as appropriate)  If yes; has the advance been vouched? If not, detail the arrangements to recover the remainder  (DI 10.5 & Appendix 7G.11)  Have phased payments been approved? \*Yes / No (delete as appropriate)  If yes, are these dealt with as set out in the Desk Instructions? (DI 10.6 & Appendix 7H)  For Capital projects, have staged payments been implemented? \*Yes / No (delete as appropriate)  If yes, are these recorded as set out in the Desk Instructions? (DI 10.6 & Appendix 7H) |  |  |  |  |  |
| P3 | Has the claim been entered onto the EU Database\* exactly as it has been received from the promoter? |  |  |  |  |  |
| P4 | Has the promoter confirmed their VAT status on the claim form? (DI Appendix 12A.5)  If VAT registered has only the ‘Net’ amount on the invoice(s) been claimed?  (DI 12.8 & Appendix 12A.5) |  |  |  |  |  |
| P5 | **Article 63** check - Is the claim form fully completed by the Project Promoter? After comparing the amount claimed on claim form and the amount eligible under the scheme rules, are there any reductions to payments?  (DI 12.6 - 12.7 and 15.15 -15.19) |  |  |  |  |  |
| P6 | Has the claim been vouched and checked by two different people, other than the officer who assessed the project, and neither of which is the manager? \*Yes / No (delete as appropriate)  (DI12.2 – 12.3)  Where this is not possible due to, for example, staff shortage, has LAG Admin Unit Manager completed a documented management check on the entire process. (DI 12.4) |  |  |  |  |  |
| P7 | Are the items claimed eligible in accordance with the Letter of Offer and EU eligibility regulations and as detailed on the LoO ‘Schedule of Eligible Items’? (DI 12.8, Appendixes 7E and 12A) |  |  |  |  |  |
| P8 | Are all invoices dated after the project start date?  Have all payments been made by the project promoter before the project end date?  Have all payments cleared the bank account prior to authorisation of the claim?  (DI 12.9 DI 12.10, Appendix 12B) |  |  |  |  |  |
| P9 | Are the invoices   * Original, * Itemised, and * Marked with the promoter’s date of payment,   and where applicable, the cheque number? (\*For method of payments other than by cheque, the original bank/credit card statement showing the full amount of the funded item being paid for and, in respect of credit card payments, the supporting bank statement as evidence that the statement has been paid).  (DI 12.9 & Appendix 12B) |  |  |  |  |  |
| P10 | If original invoices have been returned to the project promoter is the copy   1. Photocopied / scanned after stamped as ‘paid’? 2. Marked ‘this is a true copy of the original’ 3. Record the amount of grant paid and Priority 6 Scheme 4. Signed and dated?   (DI 12.29 & DI 12.30) |  |  |  |  |  |
| P11 | Is there evidence of payment by the promoter for the items claimed, for example:   * Receipt(s) * Copy cheque, if paid by cheque * Original bank statement, or, online / electronic bank statement verified at site visit * Original Credit Card statement, with supporting bank statement, * Certification of internet online payments with supporting bank statement   **NB:** If amount shown on Bank Statement differs from the amount shown on invoice, has the Promoter provided an explanation?  (DI 12.11 & Appendix 12B.11) |  |  |  |  |  |
| P12 | Has at least one supplier been contacted by telephone to confirm payment of goods or services to the promoter? Have details of the telephone call been recorded on the invoice?  (DI 12.9 & Appendix 12B.11**)** |  |  |  |  |  |
| P13 | For any element of the Priority 6 project for which funding/grant has been paid from other sources of funding has a copy of the vouched invoice(s) relating to the item funded and marked with the amount paid, dated, stamped identifying the other programme name, been retained on the project file. (DI Appendix 12B.10) |  |  |  |  |  |
| P14 | Have foreign exchange invoices been converted using correct exchange rate i.e. on the date transaction clears promoter’s bank account?  Does the file contain a copy of the website printout showing exchange rate for that day?  (DI Appendix 12B.9) |  |  |  |  |  |
| P15 | Were applicable, have discounts been apportioned across all the items on the invoice(s)? (DI Appendix 12B.14) |  |  |  |  |  |
| P16 | If second hand equipment has been purchased, was the item identified at application stage?  Was prior permission sought from the LAG to purchase the second hand item? (DI 7.50 and 10.14)  Does the second hand item purchased comply with the criteria set out in the Procurement Guidance regarding second hand equipment  (Appendix 5A; Point 7) |  |  |  |  |  |
| P17 | Is there evidence that the LoO objective, as outlined in the LoO at Annex 1, has been achieved or is being progressed? (DI 10.15) |  |  |  |  |  |
| P18 | Have any Special Conditions set in the LoO been met?  (DI 10.8 & DI 10.9) |  |  |  |  |  |
| P19 | For the issue of any Letter of Variation to the Letter of Offer   1. Is there a written request from the promoter for the amendment(s)? (DI 10.14) 2. Was the request from the applicant received prior to expiry of the original LoO? (DI 10.16) 3. Is there LAG Board approval for the amendment(s)? (DI 10.21) 4. Is there a signed Letter of Variation acceptance from the promoter? (DI 10.21) |  |  |  |  |  |
| P20 | **Procurement**  Stage 1 check of procurement is sufficient unless a further procurement exercise was undertaken after the LoO issued. Where a further procurement has been completed, check as outlined below;   1. What type of procurement was undertaken? 2. Public/Open Procurement 3. Written Quotations 4. Written/Internet Price Check   **Public/Open Procurement**   1. Was procurement through e-tendering or advertisement? 2. If advertised in newspapers, were any pre-conditions for selection of contractors set via the ad? 3. Were the conditions adhered to? 4. Confirm a written specification (plans and bill of quantities if relevant) and instructions to tenderer’s document were prepared and issued to all suppliers invited to tender? 5. Was the specification sufficiently detailed to allow fair comparison, without reference to specific manufacturer? 6. Was an advance notice of the forthcoming procurement advertisement issued to suppliers? If yes, confirm that no other information issued in advance? 7. Is there a list of tenders received by the closing date and time? How many? 8. Were any tenders submitted after the closing date/time? How many? Are they unopened? 9. Is the Tender evaluation report/summary on file? (If not, the Admin Unit needs to obtain a copy.) 10. has a supplier been selected on the lowest acceptable price or on the basis of an award on the best combination of Price and Quality? 11. Does the procurement exercise comply with the Procurement Guidance to allow eligible project expenditure?   **Written Quotations**   1. Was a written specification prepared and issued to all suppliers invited to quote? 2. Was the specification sufficiently detailed to allow fair comparison, without reference to specific manufacturers? 3. Is there a list of quotations submitted by the closing date and time? How many? 4. Were any quotations submitted after the closing date/time? How many? Are they unopened? 5. Were quotations sought or provided from any family member or extended family? Was the relationship advised to the LAG prior to any procurement activity? Was the relationship declared in writing on the procurement documentation? 6. Did the Admin Unit verify 20% of all quotations received?   (DI, Appendix 5A, Para 7.5 & 8.4b)   1. If the promoter has not provided an alternative price for each item, what evidence has the Admin Unit retained demonstrating how an alternative price was retained? 2. Does the procurement exercise comply with the Procurement Guidance to allow eligible project expenditure?   (DI 5.5 & Appendix 5A) |  |  |  |  |  |
| P21 | Have any irregularities been identified? \*Yes / No (delete as appropriate)  Is the irregularity reportable? If yes, has DAERA been informed?  Is fraud suspected? If yes, has DAERA been informed? (DI [Chapter 15)](#Chapter_10_Guidance_for_the_Reporting) |  |  |  |  |  |
| P22 | **Article 35** check  For projects where the Council Admin has considered the applicant has not complied with the eligibility criteria or that a non-compliance of the obligations and commitments has occurred, has a penalty Assessment being completed in accordance with Penalty Matrix? (Desk Instruction Chapter 15; 15.20 – 15.28 and Annex 1) |  |  |  |  |  |
| P23 | In regard to the non-compliance, has the Council Admin adhered to Terms and Conditions by offering the promoter the opportunity to provide a written explanation?  Has the promoter’s written explanation been submitted to the LAG Board?  Has the LAG Board notified the promoter in writing with proposed decision and statement of reasons?  If required, has the promoter been afforded the opportunity to attend a de-brief?  (DI Appendix 10C.19) |  |  |  |  |  |
| P24 | Has the manager authorised and dated the claim for payment? (DA 12.21) |  |  |  |  |  |
| P25 | Confirm the database has been fully updated following payment verification with all the finalised claim information? (DI 12.17 – DI 12.20) |  |  |  |  |  |
| P26 | Has an Article 48 Stage 3 been completed confirming the existence and operation of the products / services funded? (DI 12.14) |  |  |  |  |  |
| P27 | Have details of this Stage 2 (Administrative Check) been recorded on the database? (DI 13.4) |  |  |  |  |  |

**Project Funding**

|  |  |  |  |
| --- | --- | --- | --- |
| **Claim No.** | **Total Grant Claimed £** | **Ineligible Amount £** | **Amount Verified £** |
|  |  |  |  |
| **FINAL CLAIM? YES / NO** | | | |

**Administration Unit Claim Verification**

**Completed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Printed) Checked by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , Manager (Printed)**

**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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

**Appendix 13C**

**Project Administrative Check Stage 3**

**Article 48 EU Regulation 809/2014**

Article 48 paragraph (1) requires an administrative check to be carried out on all applications for support or payment claims for the European Agricultural Fund for Rural Development (EAFRD).

**Article 35 of Regulation 640/2014**

The application of Article 35 is a new aspect of the control system. Article 35 deals with penalties to be applied where the applicant has not complied with the eligibility criteria, or the commitments and obligations agreed by acceptance of the LoO. If the applicant fails to meet the eligibility criteria, commitments or obligations their claim is reduced by a set percentage.

NB: The Admin Unit are required to copy the evidence to verify each answer and retain with this form or identify where the information is retained on the project file.

**Project Details**

|  |  |
| --- | --- |
| **Priority 6, Scheme:** |  |
| **LAG Administration Unit:** |  |
| **Application Reference Number:** |  |
| **Business ID Number:** |  |
| **Applicant Name** |  |
| **Project Title: (from Letter of Offer)** |  |
| **Name of Contact:**  **Phone Number:** |  |
| **Date of LoO Acceptance** |  |
| **Date for Receipt of Final Claim** |  |
| **Period of Grant Aid: (\*Letter of Offer issue date to project end date)** |  |
| **Project Risk Rating (high/medium/low)** |  |

**Article 48 EU Regulation 809/2014 Stage 3 - Pre-Payment Site Visit**

**LAG:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Application Ref:**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Project Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Organisation Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Applicant Name or Representative Present at the site Visit: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Address of Site Visit: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Date of Site Visit:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S** | **SITE VISIT** | **YES/NO** | **N/A** | **Breach** |
|  | **Commitments (Article 35)** |  |  |  |
|  | **Claims for Capital Build** |  |  |  |
| S1 | The work has been completed in line with the LoO, Annex 2, ‘schedule of eligible expenditure’; |  |  |  |
| S2 | The works comply with the works contract;  Confirm the stage of works completed as viewed at the site visit; |  |  |  |
| S3 | The location of the work agrees with the project location address recorded on the LoO;  Is there evidence (e.g. photographs) to confirm the visit to the project (at the location stated in the Letter of Offer); |  |  |  |
| S4 | The items/equipment funded are in line with the LoO, Annex 2, ‘schedule of eligible expenditure’; |  |  |  |
|  | **Claims for Purchase of Equipment and/or other Services** |  |  |  |
| S5 | The items/equipment funded are at the location described in the application and LoO;  Is there evidence (e.g. photographs of the item(s) funded including close up of the serial number and distance photographs to show the location of the plate/serial number) to confirm the items/equipment funded at the location stated in the Letter of Offer; |  |  |  |
| S6 | The items/equipment being used for the purpose for which they were funded; |  |  |  |
|  | **Obligations (Article 35)** |  |  |  |
| S7 | Priority 6 Procurement guidance has been followed and in order; |  |  |  |
| S8 | The project funded meets State Aid rules; |  |  |  |
| S9 | LEADER publicity rules have been met; |  |  |  |
| S10 | There is Evidence of arrangements in place for monitoring programme targets as recorded on the LoO at Annex 3.  Project progress monitoring report completed by the applicant and available at the pre-payment site visit,  Project and beneficiary monitoring information collected via the progress monitoring report recorded on the database. |  |  |  |
| S11 | Is the Building Control Completion Certificate available? Retain copy for the project file |  |  |  |
| S12 | Is the Project promoter aware of his obligation to retain all documentation until 31st December 2030?  How & where will the documents be retained/stored? |  |  |  |
| S13 | Is there evidence that the project is fully insured with regard to:-   1. Employer’s liability? 2. Public liability? 3. Buildings and Contents Insurance?   (Ensure that the insurance document is in the name of the legal entity recorded on the LoO). |  |  |  |
| S14 | Is the equipment/items purchased from the grant award on the asset register of the legal entity to which the LoO was addressed? |  |  |  |

|  |
| --- |
| **Commitments and Obligations** |
| **Is there an over claim/non-compliance? YES / NO**  This should be answered ‘Yes’ if the amount claimed for any item(s) is more than the amount approved for the LOO Schedule; the costs are not justified (no evidence or documentation); the item is not fit for purpose; items have been claimed that are not present at site visit.  **Record the Over Claim/Non-compliance(s) identified** |
| **For an OVERCLAIM non-compliance record:**  **Details of the problem(s) identified and a brief description of the promoter responses to the non-compliance identified above and detail any remedial action to be taken:**  *Record details of the problem.*  *Assess the intent – the majority of non-compliances are negligent.*  *Assess the permanence – if the problem is considered to be rectifiable the project must be marked for re-visit and the applicant told of the remedial action to be undertaken and timescale for completion.*  **Revisit Required: YES / NO** |

|  |
| --- |
| **Is there a non-compliance of grant commitments and obligations? YES/NO**  This should be answered ‘Yes’ if there is a **non-compliance** of the scheme rules e.g. was the correct procurement process followed? Refer to Chapter 15 of Desk Instructions for Administrative Penalties |
| **For a non-compliance of grant conditions record:**  A brief description of any non-compliance of grant commitments and obligations including detail of any remedial action to be taken/evidence to be submitted including date/timescale agreed for resolution of the problems identified: |

|  |
| --- |
| **Applicant/Representative Comments:** |

**Council Admin Project Officer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Applicant/Representative (print name)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Applicant/Representative signature\* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

***\*By signing this form I confirm that I have had the opportunity to read the comments in the boxes above and was offered the opportunity to add my own comment.***

**FOR ADMIN OFFICE USE ONLY – FOR SIGN OFF OF CLAIM VERIFICATION AND ASSESSMENT OF IRREGULARITY ANE PENALTY IF APPLICABLE**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Commitments and Obligations– Letter of Offer**  **Is there an over claim/non-compliance? YES / NO**  This should be answered yes if the amount claimed for any item(s) is more than the amount approved for the LOO Schedule; the costs are not justified (no evidence or documentation); the item is not fit for purpose; items have been claimed that are not present at site visit. | | | | | | | |
| **For an OVERCLAIM non-compliance record:**  **A brief description of the non-compliance identified and, if relevant detail any remedial action taken or not taken as evidenced at the revisit:**  Record details of the problem.  Assess the intent – the majority of non-compliances are negligent.  Assess the permanence – if the problem is considered to be rectifiable the project must be marked for re-visit and the applicant told of the remedial action to be undertaken and timescale for completion. | | | | | | | |
| **Intent** | | Tick One | **Permanence** | | | Tick One | |
| Intentional | |  | Permanent | | |  | |
| Negligence | |  | Rectifiable | | |  | |
| **If the breached item is rectifiable indicate if payment is to be suspended** | | | Yes | | |  | |
| No | | |  | |
|  |  |  |  |  |  | |  |
|  |  |  |  |  | |  |

|  |
| --- |
| **Comments on Compliance** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Is there a non-compliance of grant commitments and obligations? YES/NO**  This should be answered yes if there is a **non-compliance** of the scheme rules e.g. was the correct procurement process followed? Refer to Chapter 15 of Desk Instructions for Administrative Penalties | | | | | | | |
| **For a non-compliance of grant conditions record:**  A brief description of any non-compliance of grant commitments and obligations including details of any remedial action to be taken: | | | | | | | |
| **Intent** | | **Extent** | | **Severity** | | **Permanence** | |
| Intentional |  | Partially complete |  | Low |  | Permanent |  |
| Negligence |  | Not undertaken |  | High |  | Rectifiable |  |

|  |
| --- |
| **Council Project Officers Comments: (Detail inspection findings, if grant is being reduced/ withheld a summary must be outlined below and a full report should be attached to this pro-forma).**  **Decision**: Release payment: Yes / No  Recover Previous Payments: Yes / No |

**Administration Unit Verification – Article 48 Stage 3 – Site Visit**

**Completed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Printed)**

**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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

**Checked by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , Manager (Printed)**

**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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

|  |  |  |
| --- | --- | --- |
| S9 | Have details of the Stage 3 Administrative Check been recorded on the database? \* | **Yes No** |

**For Administration Purposes**

**\* Until a database is available the check will be held manually. Once the database is available all checks must be entered on the system.**

**Appendix 16A**

Project LoO Monitoring Progress Report

Review No. \_\_\_\_\_\_\_\_\_\_\_\_ Review Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Applicant/LoO Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project Application Reference: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Project Start Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project End date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Scheme: Rural Business Investment Scheme**

|  |  |  |
| --- | --- | --- |
| **LoO Monitoring** | **Progress Update by Applicant** | **Validation/comments by LAG Admin Unit** |
| **Project Objective**  enter from LoO |  |  |
|  |  |  |
| **Key Task 1**  enter from LoO |  |  |
| **Key Task 2**  enter from LoO |  |  |
| **Key Task 3**  enter from LoO |  |  |
| **Key Task 4**  enter from LoO |  |  |
| **Key Task 5**  enter from LoO |  |  |
|  |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Project End Date**  enter agreed end date from LoO, or (Letter of Variation) |  |  |
| **Grant Awarded Amount**  enter from LoO  **Paid to Date**  enter from Grant paid |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Business Details** | | | | |
| **Category** | **Description** | **Recorded at Assessment Stage** | **Confirmed by Applicant** | **Verified by Admin Unit** |
| Type | New Private |  |  |  |
| Existing Private |  |  |  |
| New Social Economy Enterprise |  |  |  |
| Existing Social Economy Enterprise |  |  |  |
| Size | Micro |  |  |  |
| Small |  |  |  |
| Theme | Manufacturing |  |  |  |
| Services |  |  |  |
| Craft |  |  |  |
| Childcare |  |  |  |
| Tourism / Leisure |  |  |  |
| Tourism / Accommodation |  |  |  |
| Tourism / Hospitality |  |  |  |
| E-Commerce / ICT |  |  |  |
| Other:  Free text facility to add description |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Scheme Indicators** | **LoO Scheme Target** | **Target Achieved** | **Progress Update by Applicant** | | **LAG Admin Unit – Evidence Checked** |
| **Job Occupancy Detail** | **Number Achieved** |
| Number of New Jobs to be Created (FTE) | enter from LoO |  | Full-time Male<25 yrs |  |  |
| Full-time Male 25-40 yrs |  |  |
| Full-time Male >40 yrs |  |  |
| Full-time Female <25 yrs |  |  |
| Full-time Female 25-40 yrs |  |  |
| Full-time Female >40yrs |  |  |
| Part-time Male<25 yrs |  |  |
| Part-time Male 25-40 yrs |  |  |
| Part-time Male >40 yrs |  |  |
| Part-time Female <25 yrs |  |  |
| Part-time Female 25-40 yrs |  |  |
| Part-time Female >40yrs |  |  |
| Number of Businesses Supported | enter from LoO |  | On Farm |  |  |
| Off farm |  |  |
| Number of People supported to develop their business (Private) | enter from LoO |  | Male<25 yrs |  |  |
| Male 25-40 yrs |  |  |
| Male >40 yrs |  |  |
| Female <25 yrs |  |  |
| Female 25-40 yrs |  |  |
| Female >40yrs |  |  |
| Number of People benefiting from improved services (SEE only) | enter from LoO |  | Children/Young People |  |  |
| Women |  |  |
| Older people |  |  |
| Whole community |  |  |
| Actual Count or  Population of area  (select one) |  |  |
| Number of people completing bespoke training (necessary/directly linked to the development supported) | enter from LoO |  | Male<25 yrs |  |  |
| Male 25-40 yrs |  |  |
| Male >40 yrs |  |  |
| Female <25 yrs |  |  |
| Female 25-40 yrs |  |  |
| Female >40yrs |  |  |
| Number of businesses supported to introduce/expand E-business | enter from LoO |  |  |  |  |
| Number of businesses who have started to export as result of grant | enter from LoO |  |  |  |  |
| Number of New Jobs created still in existence 2 years later | enter from LoO |  |  |  |  |
| Number of new Businesses created still in existence 2 years later | enter from LoO |  |  |  |  |

Publicity - planned or undertaken

|  |
| --- |
|  |

Completed By; \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Position in Business/Organisation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Validated By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ LAG Admin Unit Role: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Entered on System 2014 by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Upload information to Database and File on Project File

Appendix 16B

Project LoO Monitoring Progress Report

Review No. \_\_\_\_\_\_\_\_\_\_\_\_ Review Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Applicant/LoO Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project Application Reference: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Project Start Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project End date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Scheme: Rural Basic Services Scheme**

|  |  |  |
| --- | --- | --- |
| **LoO Monitoring** | **Progress Update by Applicant** | **Validation/comments by LAG Admin Unit** |
| **Project Objective**  enter from LoO |  |  |
|  |  |  |
| **Key Task 1**  enter from LoO |  |  |
| **Key Task 2**  enter from LoO |  |  |
| **Key Task 3**  enter from LoO |  |  |
| **Key Task 4**  enter from LoO |  |  |
| **Key Task 5**  enter from LoO |  |  |
|  |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Project End Date**  enter agreed end date from LoO, or (Letter of Variation) |  |  |
| **Grant Awarded Amount**  enter from LoO  **Paid to Date**  enter from Grant paid |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Applicant and Application Details** | | | | |
| **Category** | **Description** | **Recorded at Assessment Stage** | **Confirmed by Applicant** | **Verified by Admin Unit** |
| Type | Community/Voluntary Group |  |  |  |
| Social Economy Enterprise |  |  |  |
| Local Council |  |  |  |
| Other  Add description |  |  |  |
| Theme | Services for Elderly |  |  |  |
| Services for Children |  |  |  |
| Services for Youth |  |  |  |
| Services for Women |  |  |  |
| Services for Disabled |  |  |  |
| Services for Ethnic Minority Groups |  |  |  |
| Community Hall |  |  |  |
| Community Leisure Facility |  |  |  |
| Services Other;  Add description |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Scheme Indicators** | **LoO Target** | **Target Achieved** | **Progress Update by Applicant** | | **LAG Admin Unit – Evidence Checked** |
| **Type of Service** | **Number Achieved** |
| Number of people benefiting from improved services / infrastructure | enter from LoO |  | Services for Elderly |  |  |
| Services for Children |  |  |
| Services for Youth |  |  |
| Services for Women |  |  |
| Services for Disabled |  |  |
| Services for Ethnic Minority Groups |  |  |
| Community Hall |  |  |
| Community Leisure Facility |  |  |
| Services Other;  Add description |  |  |
| Actual Count or  Population of area  (select one) |  |  |
| Number of participants in bespoke training | enter from LoO |  | Male<25 years |  |  |
| Male 25-40 years |  |
| Male >40 years |  |
| Female<25 years |  |
| Female 25-40 years |  |
| Female>40 years |  |
| Number of projects supported for investments in local basic services for the rural population | enter from LoO |  |  |  |  |

Publicity - planned or undertaken

|  |
| --- |
|  |

Completed By; \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Position in Business/Organisation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Validated By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ LAG Admin Unit Role: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Entered on System 2014 by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Upload information to Database and File on Project File

Appendix 16C

Project LoO Monitoring Progress Report

Review No. \_\_\_\_\_\_\_\_\_\_\_\_ Review Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Applicant/LoO Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project Application Reference: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Project Start Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project End date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Scheme: Village Renewal Scheme**

|  |  |  |
| --- | --- | --- |
| **LoO Monitoring** | **Progress Update by Applicant** | **Validation/comments by LAG Admin Unit** |
| **Project Objective**  enter from LoO |  |  |
|  |  |  |
| **Key Task 1**  enter from LoO |  |  |
| **Key Task 2**  enter from LoO |  |  |
| **Key Task 3**  enter from LoO |  |  |
| **Key Task 4**  enter from LoO |  |  |
| **Key Task 5**  enter from LoO |  |  |
|  |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Project End Date**  enter agreed end date from LoO, or (Letter of Variation) |  |  |
| **Grant Awarded Amount**  enter from LoO  **Paid to Date**  enter from Grant paid |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Applicant Details** | | | | |
| **Category** | **Description** | **Recorded at Assessment Stage** | **Confirmed by Applicant** | **Verified by Admin Unit** |
| Type | Community/Voluntary Group |  |  |  |
| Social Economy Enterprise |  |  |  |
| Local Council |  |  |  |
| Other  Add description |  |  |  |
| Theme | Village Plans |  |  |  |
| Village Improvement Works |  |  |  |
| Village Other;  Add description |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Scheme Indicators** | **LOO Target** | **Target Achieved** | **Progress Update by Applicant** | | **LAG Admin Unit – Evidence Checked** |
|  | **Number Achieved** |
| Number of Villages supported to draw up or enhance village development plans | enter from LoO |  | Number of village plans |  |  |
| Number of villages developed |  |  |
| Number of other  Add description |  |  |
| Number of projects supported for investments in village development | enter from LoO |  |  |  |  |
| Number of derelict/vacant properties brought back into use | enter from LoO |  |  |  |  |
| Number of people benefiting from village renewal projects | enter from LoO |  | Numbers counted |  |  |
| Population benefitting the area |  |  |

Publicity - planned or undertaken

|  |
| --- |
|  |

Completed By; \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Position in Business/Organisation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Validated By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ LAG Admin Unit Role: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Entered on System 2014 by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Upload information to Database and File on Project File

Appendix 16D

Project LoO Monitoring Progress Report

Review No. \_\_\_\_\_\_\_\_\_\_\_\_ Review Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Applicant/LoO Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project Application Reference: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Project Start Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project End date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Scheme: LAG Co-operation Scheme**

|  |  |  |
| --- | --- | --- |
| **LoO Monitoring** | **Progress Update by Applicant** | **Validation/comments by LAG Admin Unit** |
| **Project Objective**  enter from LoO |  |  |
|  |  |  |
| **Key Task 1**  enter from LoO |  |  |
| **Key Task 2**  enter from LoO |  |  |
| **Key Task 3**  enter from LoO |  |  |
| **Key Task 4**  enter from LoO |  |  |
| **Key Task 5**  enter from LoO |  |  |
|  |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Special Condition 1**  enter from LoO |  |  |
| **Project End Date**  enter agreed end date from LoO, or (Letter of Variation) |  |  |
| **Grant Awarded Amount**  enter from LoO  **Paid to Date**  enter from Grant paid |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Application Details** | | | | |
| **Category** | **Description** | **Recorded at Assessment Stage** | **Confirmed by Applicant** | **Verified by Admin Unit** |
| Type | Upstream Activities (Preparatory Support) |  |  |  |
| Project Implementation |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Scheme Indicators** | **LoO Scheme Target** | **Target Achieved** | **Progress Update by Applicant** | | **LAG Admin Unit – Evidence Checked** |
| **Type of Service** | **Number Achieved** |
| Number of co-operation operations supported  (only Lead LAG should report) | enter from LoO |  | Preparatory Support |  |  |
| Inter-territorial |  |  |
| Transnational (including Cross-border) |  |  |
| Transnational (excluding Cross-border) |  |  |
| Number of participants in bespoke training | enter from LoO |  | Male<25 years |  |  |
| Male 25-40 years |  |
| Male >40 years |  |
| Female<25 years |  |
| Female 25-40 years |  |
| Female>40 years |  |
| Number of people benefiting from improved services / infrastructure | enter from LoO |  | Rural Business |  |  |
| Rural Basic Services to the Community |  |
| Rural Village Renewal Activities |  |
| Rural Community Broadband |  |
| Rural Tourism |  |
| Actual Count or  Population of area  (select one) |  |
| Unique Number of LAGs involved in co-operation projects (only Lead LAG should report) | enter from LoO |  | Number of LAGs involved with project delivery (include Name)  1.  2.  3.  4.  5.  6.  Add as necessary |  |  |
| Number of Other Operators involved with co-operation project delivery | enter from LoO |  | Number of Other Operators involved with project delivery (include Name)  1.  2.  3.  4.  Add as necessary |  |  |
| Number of LAG members involved with co-operation networking Activity | enter from LoO |  |  |  |  |

Publicity - planned or undertaken

|  |
| --- |
|  |

Completed By; \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Position in Business/Organisation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Validated By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ LAG Admin Unit Role: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Entered on System 2014 by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Upload information to Database and File on Project File

Appendix 16E

Project LOO Monitoring Progress Report

Review No. \_\_\_\_\_\_\_\_\_\_\_\_ Review Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Applicant/LoO Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project Application Reference: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Project Start Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project End date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Scheme: Rural Broadband Scheme**

|  |  |  |
| --- | --- | --- |
| **LOO Monitoring** | **Progress Update by Applicant** | **Validation/comments by LAG Admin Unit** |
| **Project Objective**  enter from LOO |  |  |
|  |  |  |
| **Key Task 1**  enter from LOO |  |  |
| **Key Task 2**  enter from LOO |  |  |
| **Key Task 3**  enter from LOO |  |  |
| **Key Task 4**  enter from LOO |  |  |
| **Key Task 5**  enter from LOO |  |  |
|  |  |  |
| **Special Condition 1**  enter from LOO |  |  |
| **Special Condition 1**  enter from LOO |  |  |
| **Special Condition 1**  enter from LOO |  |  |
| **Project End Date**  enter agreed end date from LoO, or (Letter of Variation) |  |  |
| **Grant Awarded Awarded**  enter from LOO  **Paid to Date**  enter from Grant paid |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Application Details** | | | | |
| **Category** | **Description** | **Recorded at Assessment Stage** | **Confirmed by Applicant** | **Verified by Admin Unit** |
| Type | Community/Voluntary Group |  |  |  |
| Social Economy Enterprise |  |  |  |
| Other  Add description |  |  |  |
| Theme | Broadband |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Scheme Indicators** | **LOO Target** | **Target Achieved** | **Progress Update by Applicant** | | **LAG Admin Unit – Evidence Checked** |
|  | **Number Achieved** |
| Number of operations for investments in broadband infrastructure and access to broadband, including e-government services | enter from LOO |  |  |  |  |
| Number of people benefiting from new or improved IT infrastructures (e.g. broadband internet) | enter from LOO |  | Actual Count or  Population of area  (select one) |  |  |

Publicity - planned or undertaken

|  |
| --- |
|  |

Completed By; \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Position in Business/Organisation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Validated By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ LAG Admin Unit Role: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Entered on System2014 by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Upload form to Database and File on Project File

Appendix 16F

**Summary of Monitoring Data to be Collected & Recorded for Scheme Target Indicators**

|  |  |  |
| --- | --- | --- |
| **Rural Business Investment Scheme** | | |
| **Name of Scheme Indicator & Target Value** | **Baseline** | **Definition / Evidence Required / Data to be Monitored & Recorded** |
| **Number of New Jobs to be Created (FTE)**  **Target – 700**  **For clarification ESIF and LoOs have been set up to record:**  **Number of new Full Time Jobs created, and**  **Number of new Part Time Jobs created** | Baseline to be checked & recorded at assessment site visit | **Definition of Eligible New Jobs**  New job created as a direct result of the grant awarded.  New job created after project development.  Permanent contracted hours of 16 hours or more per week.  Each eligible part-time job (0.5 FTE) will equal 16 hours up to under 30 hours.  Each eligible full-time job (1 FTE) will equal 30 hours or more.  New job must be additional to the business.  Business owner job can only be counted if project is a new business created and there is evidence of salary drawn.  **Evidence Required and Additional Data to be Collected and Recorded on Database**  Evidence of a new job created after project development, for example recruitment, employee records, wages records and business HMRC record (if relevant),  Job must be in place for 13 weeks before counting and if the employee leaves, the new post must be refilled within a reasonable period.  If validating a business owner job in a new business must obtain evidence of salary drawings from the business accounts.  When validating new jobs reported as created, the Admin Unit must re-check the employment records at LoO issue stage to ensure that new recruits are not replacing employees retired, left or terminated since the initial baseline was checked at assessment site visit.  Jobs will be recorded as F/T (30hrs or more) or P/T (16 to under 30 hrs) – the FTE will be calculated by DAERA or NISRA for reporting purposes from these 2 variations, i.e, only the actual number of full time and/or number of part time jobs will be recorded on the ESIF database,  Additional data on gender and age group of each new employee must be collected. The specific age groupings for each gender are detailed on the LOO project monitoring proforma at Appendix 16A to 16E, depending on the scheme applied to.  Job type to be collected for the Stage 2 PPE.  The Admin Unit must ensure that only validated new jobs and associated additional data are reported and recorded on the database. New jobs created must not be reported or recorded without the required additional data.  The Admin Unit must check the position with new jobs reported at created as a result of the investment at 2 years after the project end date to cover sustainability in the Stage 2 PPE.  **Not Eligible**  New job created with less than 16 contracted hours.  Combination of new jobs with less than 16 contracted hours totalled to 16 hours or more.  Combination of new jobs with less than 16 contracted hours totalled to 30 hours or more.  New jobs created prior to the LoO issue date.  New job created under zero hours contract.  Indirect jobs created by businesses using space or equipment in the funded business for a fee or hire charge.  Temporary jobs created through the implementation stage of the project, for example builders working on site, manager or project worker to oversee implementation. Jobs that will not exist after the project is completed.  Jobs created by a new production line but not additional as jobs were lost due to ceasing an area of work within the business.  New management, supervisor or skilled worker jobs created where an existing staff member is appointed to the new post but their job is not replaced. |
| **Number of businesses supported**  **Target - 300** | Baseline, i.e. status of business and set up as standalone enterprise to be checked at assessment site visit | Business Type – new or existing / Private or Social Economy,  Business Location – on-farm or off-farm  Business Size – Micro or Small, and  Business Sector, will be recorded on the application form and tested at pre-payment site visit,  Business type, location, size and sector will be checked and recorded on the database as achieved on payment of the 1st grant instalment. This is important for Annual Implementation Reports to the Commission.  LoO will define capital or resource grant allocation,  PPE will assess & report the success / sustainability of the business as a result of the funding. |
| **Number of People supported to develop their business (Private)**  **Target – 500 in total for Private + SEE** | Baseline not required | Private applications – count number of people (business owner, members of partnership / directors of limited company with legal authority to take business decisions) benefiting from the grant to develop their business and any subsequent increased income will be counted. Additional data on gender & age group or each business owner if sole trader, member of partnership or director must be recorded.  Number of people benefitting must be recorded on ESIF when the 1st grant payment is made. This is important for Annual Implementation Reports to the Commission.  LoO will define capital or resource grant allocation and the PPE will assess & report how and to what extent the project objectives were met. |
| **Number of People benefiting from improved services (SEE only)** | Social Economy Enterprise – count number of people in the community benefitting from the new or improved service or facility. Additional data will be recorded on the type of beneficiary - C&YP, Women, Older People or Whole Community. |
| **Number of people completing bespoke training (necessary/directly linked to the development supported)**  **Target - 30** |  | Support for bespoke training will be applied for on the application form.  Only specialist training relevant to implementation of the project is eligible.  Standard training available from education / training establishments is not eligible.  The LoO will set data to be collected and monitoring will be completed and recorded on the database following evidence (grant claimed) that the training is complete.  Applicant will need to ensure that participant gender and age grouping data is collected at the training event. This is required for recording Additional Monitoring Data on ESIF and subsequent reporting as part of the Annual Implementation Report to the Commission.  PPE will assess & report the success /value of the training undertaken. |
| **Number of businesses supported to introduce/expand E-business**  **Target - 20** | Baseline to be checked & recorded at assessment site visit | Only new businesses or businesses not already e-trading or businesses with limited on-line sales facility will count towards this target,  Evidence of e-trading or improved/new e-trading facility will count as target achieved. |
| **Number of businesses who have started to export as result of grant**  **Target - 20** | Baseline to be checked & recorded at assessment site visit | Only new businesses or businesses **not already exporting** will count towards this target,  Evidence of sales to ROI, other EU regions or world-wide will count as target achieved. |
| **Number of New Jobs created still in existence 2 years later** | Baseline will be the jobs reported as created | PPE will assess & report the success / sustainability of the new jobs created as a result of the funding and the actual grant cost per FTE v projected.  No additional monitoring data required |
| **Number of New Businesses created still in existence 2 years later** | Baseline will be 1 – the new business supported | PPE will assess & report the success / sustainability of the new business created as a result of the funding |

|  |  |  |
| --- | --- | --- |
| **Rural Village Renewal Scheme** | | |
| **Name of Scheme Indicator & Target Value** | **Baseline** | **Definition / Evidence Required / Data to be Monitored & Recorded** |
| **Number of Villages supported to draw up or enhance village development plans**  **Target - 100** | Baseline to be checked & recorded at assessment site visit | Database target ‘number of actions supported’ will facilitate recording;   * + Number of village plans   + Number of villages developed   + Number of other actions   The purpose of this target is to record the number of villages supported under the scheme. Selection of the relevant ‘support type’ from the options available will allow DAERA to report the type of support by number of individual villages. |
| **Number of projects supported for investments in village development**  **Target - 50** |  | Number of projects provided with capital grant for development of village infrastructure  The purpose of the target is to report the number of village renewal construction projects. |
| **Number of derelict/vacant properties brought back into use**  **Target - 50** | Baseline to be checked & recorded at assessment site visit | Target achieved can only be recorded when the property is being used by the owner as trading or community facility or is rented/gifted under lease agreement for minimum of 1 year. |
| **Number of people benefiting from village renewal projects**  **Target 50** | Baseline to be checked & recorded at assessment site visit. Check Project Benefits Realisation Plan | Dependant of the nature of the development to be funded the number of beneficiaries will be defined from;   1. the number of people using the facility or service (for example village hall, play park etc), or 2. the population of the village and surrounding area (as defined by NINIS) of appearance, signage, seated areas) .   The type of beneficiaries, how beneficiaries will be identified/counted and recording / monitoring requirements must be identified & agreed at assessment/LoO hand over stage.  The monitoring report must identify whether the reported number of beneficiaries is based on actual numbers of individuals, usage counted and the period of the count or population numbers.  PPE will assess & report how and to what extent the project objectives were met. Before and after surveys of the Survey of the population of the village and surrounding area will be required to inform the PPE. |

|  |  |  |
| --- | --- | --- |
| **Rural Basic Services Scheme** | | |
| **Name of Scheme Indicator & Target Value** | **Baseline** | **Definition / Evidence Required / Data to be Monitored & Recorded** |
| Number of people benefiting from improved services / infrastructure  Target – 10,000 | Baseline to be checked & recorded at assessment site visit. Check Project Benefits Realisation Plan | Dependant on the nature of the service or infrastructure to be funded the numbers of beneficiaries will defined from;   1. the number of people using service (for example social care, patients registered to the new GP facility), or 2. the population of the wider catchment area (as defined by NINIS) with access to the new or improved facilities (community hall with multiple uses and users).   The type of beneficiaries, how beneficiaries will be identified/counted and recording / monitoring requirements must be agreed at assessment/LoO hand over stage.  The monitoring report must identify whether the reported number of beneficiaries is based on actual numbers of individual, usage counted and the period of the count or population numbers.  To inform the PPE a survey of the users is required to assess the difference the new facility / service has made. |
| Number of participants in bespoke training  Target - 200 |  | Support for bespoke training will be applied for on the application form.  Only bespoke training relevant to implementation of the service is eligible.  Standard training available from education / training establishments is not eligible.  The LoO will set data to be collected and monitoring will be completed and recorded on the database following evidence (grant claimed) that the training is complete.  Applicant will need to ensure that participant gender and age grouping data is collected at the training event.  PPE will assess & report the success /value of the training undertaken. |
| Number of projects supported for investments in local basic services for the rural population  Target - 100 |  | Database target ‘number of actions supported’ will facilitate recording project supported by;   * + type of beneficiary to the new or improved service (Elderly, Children, Youth, Women, Disabled, Ethnic Minority),   + Community Hall,   + Community Leisure facility,   + Services other. |

|  |  |  |  |
| --- | --- | --- | --- |
| **Rural Community Broadband** | | | |
| **Name of Scheme Indicator & Target Value** | **Baseline** | | **Definition / Evidence Required / Data to be Monitored & Recorded** |
| **Number of operations for investments in broadband infrastructure and access to broadband, including e-government services**  **Target - 20** |  | | Number of individual actions supported which will provide access to broadband or improved broadband for the rural dwellers and businesses in the area |
| **Number of people benefiting from new or improved IT infrastructures (e.g. broadband internet)**  **Target – 1,200** | Baseline to be checked & recorded at assessment site visit, for example need to establish if there is poor broadband in the area or a not spot. Check Project Benefits Realisation Plan | | Number of people taking up the improved service (new connections)  Population in the area with access to broadband through the funded service if required (NIMIS population figures for the catchment area of the facility – requires technical input to establish the actual area).  The type of beneficiaries, how beneficiaries will be identified/counted and recording / monitoring requirements must be agreed at assessment/LoO handover.  To inform the PPE a survey of the users is required to assess the difference the new facility / service has made. |
| **LAG Co-operation Scheme** | | | |
| **Name of Scheme Indicator & Target Value** | | **Baseline** | **Definition / Evidence Required / Data to be Monitored & Recorded** |
| **Number of cooperation operations supported**  **Target - 10** | |  | Number of co-operation actions supported - **Lead LAG only for the co-operation agreement will record non-financial monitoring data**, to ensure only the unique number of co-operation projects is reported |
| **Number of participants in bespoke training** | |  | Support for bespoke training will be applied for on the application form.  Only bespoke training relevant to implementation of the co-operation project is eligible.  Number of people completing bespoke training sessions to be reported. LAGs will need to ensure that participant gender and age grouping data is collected at the training event.  If running a combined training event the lead LAG only should count/report participants. If running local sessions individual LAGs co-operating should count/report participants from local area.  Standard training available from education / training establishments is not eligible.  The LoO will set data to be collected and monitoring will be completed and recorded on the database following evidence (grant claimed) that the training is complete.  PPE will assess & report the success /value of the training undertaken. |
| **Number of people benefitting from improved services / infrastructure** | |  | Dependant on the nature of the co-operation project to be funded the numbers of beneficiaries will defined from;   1. the number of people using service, 2. the number of people using the infrastructure developed, or 3. the population of the wider catchment area (as defined by NINIS) with access to the new or improved facilities (community hall with multiple uses and users).   The type of beneficiaries, how beneficiaries will be identified/counted and recording / monitoring requirements must be agreed at assessment/LoO hand over stage. To inform the PPE a survey of the users is required to assess the difference the new facility / service has made.  Numbers benefitting reported by individual LAGs for local area.  The monitoring report must identify whether the reported number of beneficiaries is based on actual numbers of individual, usage counted and the period of the count or population numbers. |
| **Unique number of LAG involved in cooperation project delivery** | |  | Number of LAGs involved in co-operation project delivery - additional data will record the LAGs involved and as with the Number of co-operation operations supported **only the lead** **LAG should record monitoring data**.  Number of other groups involved in project delivery.  The Lead LAG must provide the names of the other LAGs and Other Groups involved in co-operation project delivery |
| **Number of LAG members involved in co-operation networking activity** | |  | Number of LAG members involved with co-operation networking Activity counted/recorded by individual LAGs. |
| **NOTE:** It is important that only the Lead Co-operation LAG reports numbers of LAGs and Other Groups involved with co-operation project delivery. If the co-operation project Lead LAG is from outside Northern Ireland (NI) the NI LAGs co-operating should agree which LAG will take the Lead LAG reporting responsibilities. If each LAG reports the number of LAGs and other groups co-operating the actual number becomes multiplied at reporting stage. The local contract management team will assist with monitoring guidance and queries. | | | |

Appendix 16G

**Stage 1 Post Project Evaluation Details**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Project Details** | | | | | | | | | |
| **Programme:** | | | | **Scheme:** | | | | | |
| **Application Ref No:** | | | | **Date Submitted:** | | | | | |
| **Applicant Name:** | | | | | | | | | |
| **LAG:** | | | | | | | | | |
| **Project Start Date:** | | | | **Project End Date:** | | | | | |
| **Stage 1 PPE Due Date (6 months after project end date):** | | | | | | | | | |
| **Current Application Status:** | | | | **Risk: Evaluation** | | | | | |
| **No of LOO Amendments:** | | | |  | | | | | |
| **Project Title:** | | | | | | | | | |
|  | | | | | | | | | |
| **Project Funding & Actual Expenditure** | | | | | | | | | |
| **Currency:** STG | | | | | | | | | |
| **Funding Type** | **Source of Funding** | | | | | **Funding Amount as per LOO** | | **Actual Expenditure** | **Variance** |
|  |  | | | | |  | |  |  |
|  |  | | | | |  | |  |  |
|  |  | | | | |  | |  |  |
| **Totals** |  | | | | |  | |  |  |
|  |  | | | | |  | |  |  |
| **Reason for Expenditure Variance** | | | | | | | | | |
|  | | | | | | | | | |
|  | | | | | | | | | |
| **Project Target & Actual Scheme Indicators** | | | | | | | | | |
| **Name of Indicator** | | | **Unit** | | | **Target** | | **Actual** | **Variance** |
|  | | |  | | |  | |  |  |
|  | | |  | | |  | |  |  |
|  | | |  | | |  | |  |  |
|  | | |  | | |  | |  |  |
|  | | |  | | |  | |  |  |
|  | | |  | | |  | |  |  |
|  | | |  | | |  | |  | % |
|  | | | | | | | | | |
| **Reason for Target Variance** | | | | | | | | | |
|  | | | | | | | | | |
| **Completion Details** | | | | | | | | | |
| **Expected Completion Date (from Original LOO)** | | **Actual Completion Date** | | | | | **Variance (Days)** | | |
|  | |  | | | | |  | | |
| **Reason for Project Completion Variance** | | | | | | | | | |
|  | | | | | | | | | |
| **Future Lessons** | | | | | | | | | |
|  | | | | | | | | | |
| **PPE (Stage 1) Completion Date** | | | | | **PPE Completed by:** | | | | |
|  | | | | |  | | | | |
| **PPE (Stage 2) Completion Date** | | | | | **PPE Completed by:** | | | | |
|  | | | | |  | | | | |

# Appendix 16H

# RBIS Post Project Evaluation – Stage 2

**For RBIS projects with total grant funding up to £90,000 (Excludes Technical Assistance)**

**General Information**

|  |  |
| --- | --- |
| **LAG** |  |
| **Applicant name** |  |
| **Project reference number** |  |
| **Project location** |  |
| **Total project costs** |  |
| **RDP 2014 – 2020 Funding Amount** |  |
| **Date Letter of Offer Issued** |  |
| **Date of site visit** |  |
| **Business representatives met and position held within the business** |  |

1. **Introduction**

Include a brief outline of the business, its aims and structure and the reasons for the required grant. Has the structure and/or nature of the business changed since the LoO? Is the business name/trading name still the same as per the LoO, or have any other changes occurred e.g. has a sole trader become a Limited Company. Confirm if the business is still operating at the same location?

|  |
| --- |
|  |

1. **Achievement of objectives and key tasks**

**2.1. Key conclusions**

Record the specific objective and key tasks set for the project, including appropriate quantification, where applied. Record any changes to the objective and key tasks and the reasons for the changes. Analyse the extent to which the project has achieved the objective and targets set for it (achieved versus expected).

Supporting evidence such as P11’s, financial reports including accounts, photographs (including serial numbers of equipment/plant/machinery), etc. should be attached to indicate the extent to which the objective, tasks and targets have been met.

|  |  |  |
| --- | --- | --- |
| **Objective from LoO**  **(including quantification, where applied)** | **Changes to the objective and reasons for changes (per LoV if appropriate)** | **Extent to which the objective has been met** |
|  |  |  |

|  |
| --- |
| **Comment on reasons for why the objective has not been met.** |

|  |  |  |
| --- | --- | --- |
| **Key tasks from LoO** | **Changes to key tasks and reasons for changes (per LoV if appropriate)** | **Extent to which key tasks have been met** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

|  |
| --- |
| **Comment on reasons for any key tasks which have not been met.** |

**2.2 Scheme Indicators as per LoO Annex 3**

Please attach the PPE Stage 1 print from the ESIF and comment on any variances.

|  |
| --- |
|  |

1. **Detailed findings**

**3.1. Financial projections as per the Business Plan**

The business accounts should be reviewed from the date of the Letter of Offer in terms of turnover and sales.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Baseline | Year 1 Projected | Year 1 Actual | Year 2 Projected | Year 2 Actual |
| Turnover |  |  |  |  |  |
| Sales |  |  |  |  |  |

|  |
| --- |
| **Include comment on whether the financial projections were achieved and reasons for any failure to achieve the projected turnover/sales. Estimate increased sales which can be attributed to the RDP investment, E.g. piece of equipment purchased with the grant. If Year 2 Actual figures are not available please comment on progress to date.** |

**3.2. Unforeseen benefits**

Any benefits which have emerged from the RDP investment which were not predicted in the business plan should be outlined. For example, a new product range, new markets achieved, additional jobs, now exporting, etc.

|  |
| --- |
|  |

1. **Risk Management**

Outline any risks identified in the business plan and how these were managed/mitigated. Did any issues arise during project delivery which had not been identified as a risk in the Business Plan?

|  |
| --- |
|  |

1. **Cost Effectiveness**

**5.1. Jobs - Cost effectiveness – Refer to Assessment Panel Scoring Matrix**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Cost per job bands | Number of FT jobs projected as per LoO | Number of PT jobs projected as per LoO | Actual FT jobs achieved | Actual PT jobs achieved | Cost per job Projected in EA & Scoring Matrix | Actual cost per job |
| < or = £25,000 |  |  |  |  |  |  |
| < or = £35,000 |  |  |  |  |  |  |
| > £35,000 |  |  |  |  |  |  |
| **Totals** |  |  |  |  |  |  |

|  |
| --- |
| **Comment on any variances in the number of jobs achieved and cost per job and how these would have affected the scoring of this project.** |

**5.2. Viability – New business**

As per the Business Plan did the business achieve viability – as projected \*/earlier\*/later\* (\*delete as appropriate)

If earlier or later than projected state the difference (+/-)……………months

|  |
| --- |
| Comment on viability referring to the business accounts. Do the net assets cover the liabilities? |

* The accounts should be held with this PPE for the purpose of an overall scheme evaluation at LAG level at programme closure.

**5.3. Viability – Existing business**

As per the Business Plan did the business increase turnover and profitability as projected \*/earlier\*/later\* (\*delete asappropriate)

If earlier or later than projected state the difference (+/-)……………months

|  |
| --- |
| Comment on turnover and profitability referring the business accounts. Do the net assets cover the liabilities? |

* The accounts should be held with this PPE for the purpose of an overall scheme evaluation at LAG level at programme closure.

1. Conclusions

* Summarise the results of the above analysis
* Comment on the value for money of the overall project in terms of contribution to the objectives of the Rural Business Investment Scheme.
* Were there any lessons learned identified by the business on the back of the RDP investment and the conclusions to be drawn from them.

This information should be obtained either by telephone call, electronically or site visit and signed records of any actions should be held on file.

|  |
| --- |
|  |

1. Recommendations

The conclusions and lessons learned from the PPE should point to recommendations for the future.

Recommendations should be collated to contribute to an overall RBIS LAG evaluation at the end of the programme period.

Please insert these as bullet points.

|  |
| --- |
|  |

**Reviewing officer declaration**

I am content / not content that the project aims, objectives and targets have been achieved as per the LoO.

|  |  |
| --- | --- |
| **Signed** |  |

|  |  |
| --- | --- |
| **Print name** |  |

|  |  |
| --- | --- |
| **Position** |  |

|  |  |
| --- | --- |
| **LAG** |  |

|  |  |
| --- | --- |
| **Date** |  |

**Authorising officer declaration**

I am content / not content with the quality and robustness of this Evaluation.

|  |
| --- |
| Please add any comments you wish to make on the contents of the evaluation: |

|  |  |
| --- | --- |
| **Signed** |  |

|  |  |
| --- | --- |
| **Print name** |  |

|  |  |
| --- | --- |
| **Position** |  |

|  |  |
| --- | --- |
| **LAG** |  |

|  |  |
| --- | --- |
| **Date** |  |

**The completed PPE2 should be emailed to the applicant for comment within 10 working days before being uploaded to the ESIF database.**

# Appendix 16I

# RDP 2014-2020 Post Project Evaluation Stage 2

**For RDP projects (excluding RBIS) with total grant funding of up to £500,000**

**General Information**

|  |  |
| --- | --- |
| **LAG** |  |
| **Applicant/Organisation name** |  |
| **Project title** |  |
| **Project reference number** |  |
| **Funding programme e.g. RBS, VR, etc.** | RDP 2014-2020 |
| **Project location** |  |
| **Total project costs** |  |
| **RDP Funding Amount** |  |
| **Date Letter of Offer Issued** |  |
| **Date of site visit** |  |
| **Project representatives met and position held within the organisation** |  |

1. **Introduction**

Include a brief outline of the organisation, its aims and structure and the reasons for the required grant. Has the structure and/or nature of the organisation changed since the LoO, e.g. has there been any change in the name, constitution, memorandum or articles of association from those that formed part of the application process?

|  |
| --- |
|  |

1. **Achievement of objective and key tasks**

**2.1. Key conclusions**

Record the specific objective and key tasks set for the project, including appropriate quantification, where applied. Record any changes to the objective and key tasks and the reasons for the changes. Analyse the extent to which the project has achieved the objective and targets set for it (achieved versus expected).

Supporting evidence such as P11’s for jobs created, financial reports, photographs etc. should be attached to indicate the extent to which the objective, tasks and targets have been met.

|  |  |  |
| --- | --- | --- |
| **Objective from LoO Annex 1**  **(including quantification, where applied)** | **Changes to the objective and reasons for changes (per LoV if appropriate)** | **Extent to which the objective has been met** |
|  |  |  |

|  |
| --- |
| **Comment on reasons why the objective has not been met.** |

|  |  |  |
| --- | --- | --- |
| **Key tasks from LoO Annex 1** | **Changes to key tasks and reasons for changes (per LoV if appropriate)** | **Extent to which key tasks have been met** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

|  |
| --- |
| **Comment on reasons for any key tasks which have not been met. Please also refer to the up to date benefits realisation plan.** |

**2.2. Scheme Indicators as per Annex 3 in LoO**

Please attach the PPE Stage 1 print from the ESIF and comment on any variances.

|  |
| --- |
|  |

1. **Financial Projections, Profitability and Viability for revenue generating projects as per project Business Plan**

**3.1. Financial projections**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Baseline | Year 1 Projected | Year 1 Actual | Year 2 Projected | Year 2 Actual |
| Net profit before grant |  |  |  |  |  |
| Net Cash Flow |  |  |  |  |  |

|  |
| --- |
| **Include comment on whether the financial projections were achieved and reasons for any failure to achieve the projected profit/cash flow.** |

**3.2. Viability of new project**

As per the Business Plan and Economic Appraisal did the project achieve viability – as projected \*/earlier\*/later\* (\*delete as

appropriate)

If earlier or later than projected state the difference (+/-)……………months

|  |
| --- |
| Comment on viability referring to the business accounts. Do the net assets cover the liabilities? |

* The accounts should be held with this PPE for the purpose of an overall scheme evaluation at LAG level at programme closure.

**3.3. Viability – Existing project**

As per the Business Plan and Economic Appraisal did the project increase turnover and profitability as projected \*/earlier\*/later\*

(\*delete as appropriate)

If earlier or later than projected state the difference (+/-)……………months

|  |
| --- |
| Comment on turnover and profitability referring to the business accounts. Do the net assets cover the liabilities? |

* The accounts should be held with this PPE for the purpose of an overall scheme evaluation at LAG level at programme closure.

1. **Financial Projections for non-revenue generating projects**

Through the site visit, comment if the project is operational and well-presented/in a good condition.

|  |
| --- |
| For example has a project promoter demonstrated that maintenance work has been carried out post LoO and evidence of same, e.g. new/additional community facility, a MUGA or walkway under Village Renewal? |

1. **Non-monetary costs and benefits**

Each of the benefits projected in the project business plan and benefits realisation plan should be examined to determine how fully they have been achieved, with reasons given for any variance.

|  |
| --- |
|  |

1. **Unforeseen benefits**

Any benefits which have emerged from the RDP investment which were not predicted in the project business plan and benefits realisation plan should be outlined.

|  |
| --- |
|  |

1. **Risk Management**

Outline any risks identified in the project business plan and the Economic Appraisal and how were they managed/mitigated? Did any issues arise during project delivery which had not been identified as a risk in the Business Plan?

|  |
| --- |
|  |

1. **Cost Effectiveness**

**Illustrate if the organisation effectively leveraged non-public sourced monies**

|  |  |  |  |
| --- | --- | --- | --- |
| **Source** | **Projected as per the database** | **Actual Outturn** | **Variance (+/- %)** |
| Total assistance from all non-public sources and % of total project costs |  |  |  |
| Rural Development Programme grant assistance as a % of total project costs |  |  |  |

1. Conclusions

* Summarise the results of the above analysis
* Comment on the value for money of the overall project in terms of contribution to the objectives of the Rural Basic Services, Village Renewal, Broadband or Cooperation Scheme.
* Were there any lessons learned identified by the organisation on the back of the RDP investment and the conclusions to be drawn from them.

This information should be obtained either by telephone call, electronically or site visit and signed records of any actions held on file.

|  |
| --- |
|  |

1. Recommendations

The conclusions and lessons learned from the PPE should point to recommendations for the future.

Recommendations should be collated to contribute to an overall Rural Basic Services, Village Renewal, Broadband or Cooperation Scheme LAG evaluation at the end of the programme period.

Please insert these as bullet points.

|  |
| --- |
|  |

**Reviewing officer declaration**

I am content / not content that the project aims and objectives have been achieved

|  |  |
| --- | --- |
| **Signed** |  |

|  |  |
| --- | --- |
| **Print name** |  |

|  |  |
| --- | --- |
| **Position** |  |

|  |  |
| --- | --- |
| **LAG** |  |

|  |  |
| --- | --- |
| **Date** |  |

**Authorising officer declaration**

I am content / not content that the project aims and objectives have been achieved

|  |
| --- |
| Please add any comments you wish to make on the contents of the evaluation: |

|  |  |
| --- | --- |
| **Signed** |  |

|  |  |
| --- | --- |
| **Print name** |  |

|  |  |
| --- | --- |
| **Position** |  |

|  |  |
| --- | --- |
| **LAG** |  |

|  |  |
| --- | --- |
| **Date** |  |

**The completed PPE2 should be emailed to the applicant for comment within 10 working days before being uploaded to the ESIF database.**

**Appendix 16J**

**Technical Assistance Post Project Evaluation Stage 2**

**Applicable to TA projects which included website development, e-commerce, marketing, and training**

**(Not applicable to Co-operation TA projects and TA feasibility studies under RBIS, RBSS, VRS & Broadband)**

1. **General Information**

|  |  |
| --- | --- |
| **LAG** |  |
| **Applicant name** |  |
| **Project reference number** |  |
| **Funding programme(name of RDP scheme e.g. RBIS, RBS, VR)** | RDP 2014-2020 |
| **Project location** |  |
| **Total project costs** |  |
| **RDP 2014 – 2020 Funding Amount** |  |
| **Date Letter of Offer Issued** |  |
| **Date of site visit (if applicable)** | **If no site visit carried out please provide a rationale:** |
| **Business/applicant representatives met and position held** |  |

* 1. **Key conclusions**

Record the specific objective and key tasks set for the project, including appropriate quantification, where applied. Record any changes to the objective and key tasks and the reasons for the changes. Analyse the extent to which the project has achieved the objective and targets set for it (achieved versus expected).

Supporting evidence such as financial reports including accounts, etc. should be attached to indicate the extent to which the objective, tasks and targets have been met.

|  |  |  |
| --- | --- | --- |
| **Objective listed in Annex 1 of LoO**  **(including quantification, where applied)** | **Changes to objective (per LoV if applicable)** | **Extent to which objective have been met** |
|  |  |  |

|  |
| --- |
| Comment on reason(s) why the objective has not been met and reasons for any changes made to the objective.  **(For RBIS projects which funded website development, e-commerce, marketing, and/or training please include detail on the impact of the RDP investment in terms of increased sales/turnover using the most recent set of accounts to compare with the set of accounts used pre-funding for baseline purposes if an existing business)** |

|  |  |  |
| --- | --- | --- |
| **Key tasks listed in Annex 1 of LoO** | **Changes to key tasks (per LoV if applicable)** | **Extent to which key tasks have been met** |
|  |  |  |
|  |  |  |

|  |
| --- |
| Comment on reasons for any key tasks which have not been met and reasons for any changes made to key tasks. |

* 1. **Scheme Indicators as recorded in Annex 3 in LoO**

Please attach the PPE Stage 1 print from the ESIF and comment on any variances.

|  |
| --- |
|  |

1. Conclusions

* Summarise the results of the above analysis.
* Comment on the value for money of the overall project in terms of contribution to the objectives of the Scheme.
* Were there any lessons learned identified by the applicant on the back of the RDP investment and the conclusions to be drawn from them.

This information should be obtained either by telephone call, electronically or site visit and signed records of any actions should be held on file.

|  |
| --- |
|  |

1. Recommendations

The conclusions and lessons learned from the PPE should point to recommendations for the future.

Recommendations should be collated to contribute to an overall RDP LAG evaluation by scheme, at the end of the programme period.

Please insert these as bullet points.

|  |
| --- |
|  |

**Reviewing officer declaration**

I am content / not content that the project aims and objectives have been achieved

|  |  |
| --- | --- |
| **Signed** |  |

|  |  |
| --- | --- |
| **Print name** |  |

|  |  |
| --- | --- |
| **Position** |  |

|  |  |
| --- | --- |
| **LAG** |  |

|  |  |
| --- | --- |
| **Date** |  |

**Authorising officer declaration**

I am content / not content that the project aims and objectives have been achieved

|  |  |
| --- | --- |
| **Signed** |  |

|  |  |
| --- | --- |
| **Print name** |  |

|  |  |
| --- | --- |
| **Position** |  |

|  |  |
| --- | --- |
| **LAG** |  |

|  |  |
| --- | --- |
| **Date** |  |

Please add any comments you wish to make on the contents of the evaluation:

|  |
| --- |
|  |

**The completed PPE2 should be emailed to the applicant for comment within 10 working days before being uploaded to the ESIF database**

Form for completion to record job creation **Appendix 16K**

**Basic Services, Village Renewal and Co-Operation Schemes**

**(Not RBIS – this will still be recorded on the ESIF Database)**

**Please complete one form for each project where a job(s) created**

|  |  |
| --- | --- |
| **LAG Area** |  |
| Scheme |  |
| Applicant |  |
| Project Name |  |
| ESIF Reference |  |
| Person Submitting |  |

|  |  |  |
| --- | --- | --- |
| **Age/Gender** | **Number of New Jobs Created** | **LAG Admin Unit – Evidence Checked** |
| **Full-time Male<25 yrs** |  |  |
| **Full-time Male 25-40 yrs** |  |  |
| **Full-time Male >40 yrs** |  |  |
| **Full-time Female <25 yrs** |  |  |
| **Full-time Female 25-40 yrs** |  |  |
| **Full-time Female >40yrs** |  |  |
| **Part-time Male<25 yrs** |  |  |
| **Part-time Male 25-40 yrs** |  |  |
| **Part-time Male >40 yrs** |  |  |
| **Part-time Female <25 yrs** |  |  |
| **Part-time Female 25-40 yrs** |  |  |
| **Part-time Female >40yrs** |  |  |
| **Total Number of New Jobs Created** |  |  |
| **Total New Jobs Created (FTE) F/T = 1 and P/T = 0.5** |  |  |

**Signed (Project Officer): ------------------------------------------------------**

**Date: ------------------------------------------------------**

**Upon completion please Email to** [**RDDLeader@daera-ni.gov.uk**](mailto:RDDLeader@daera-ni.gov.uk)

**Definition of Eligible New Jobs**

New job created as a direct result of the grant awarded and not paid for through employment grants or funding from other sources that may also be reporting job creation.

New job created after project implementation.

Permanent contracted hours of 16 hours or more per week.

Eligible part-time job (0.5 FTE) will equal 16 hours up to under 30 hours.

Eligible full-time job (1 FTE) will equal 30 hours or more.

**Evidence Required and Additional Data to be Collected**

Evidence of a new job created after project implementation, for example recruitment, employee records, wages records and business HMRC record (if relevant),

Job must be in place for 13 weeks before counting and if the employee leaves, the new post must be refilled within a reasonable period (within 3 months).

When validating new jobs reported as created, the Council Admin Unit must check the employment records to ensure that new recruits are not replacing employees retired, left or terminated.

**Appendix 19A**

**PREPARATORY TECHNICAL SUPPORT - INFORMATION TEMPLATE[[36]](#footnote-36)**

**N.B.** This template is **not a formal application for grant support**, it is to be used to provide information to the Managing Authorities and National Rural Network Support Units of the applicant LAG and LAGs in other regions about potential Cooperation projects.

|  |
| --- |
| **Working Title of proposed project** |
|  |

|  |  |
| --- | --- |
| **Contact Details for Local Action Group submitting this template** | |
| Name of Local Action Group (LAG): |  |
| Name of Chairperson: |  |
| Name of main contact for this form: |  |
| E-mail address: |  |
| Telephone number: |  |
| Postal address: |  |

|  |
| --- |
| **Description of the Preparatory Technical Support project** |
| 1. **Brief description of the potential project for which Preparatory Technical Support is being sought.** (around 250 words). This should include how the project links in with the priorities in your LDS and other relevant priorities and a timetable for the work. |
|  |
| 1. **Who has been identified as potential partner(s)\* and what value do they add to the potential project?** (\*please identify by region/country) |
|  |
| 1. **What networking activity has already taken place with this/these potential partner(s) in association with this potential project?** Attach evidence (e.g. copies of e-mails or minutes of meetings). Please summarise the outcomes and progress to date. |
|  |
| 1. **(i) What do you expect preparatory support to achieve and (ii) what are the desired outcomes for the Local Action Group area from the potential Co-operation project?** |
|  |
| 1. **Explain why the proposed project is likely to be achievable if undertaken as a joint Cooperation action as opposed to a regular project?** |
|  |

|  |  |  |
| --- | --- | --- |
| **Partners** | | |
| **Does the LAG see the opportunity to involve other partners?** | YES | NO |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Proposed Budget for Preparatory Technical Support project** | | | | |
| **Anticipated Activities** | **Brief Description** | **Cost** (indicate either £ or €) | | |
| **Applicant LAG** | **Partner LAG(s)** | **Overall** |
| Studies / Consultancy |  |  |  |  |
| Product Development |  |  |  |  |
| Travel / Subsistence |  |  |  |  |
| Meetings / Hospitality |  |  |  |  |
| Other  *(please detail)* |  |  |  |  |
| **Total Costs** | |  |  |  |

\*\*\*FOR DAERA VERSION\*\*\*

**1.**

|  |
| --- |
| **Noted / Ratified by Managing Authority** |
| **Comments:** |
| **Name:** |
| **Signature:** |
| **Date:** |

Comments made by the Managing Authority should be recorded in Table 1 and a signed copy of this form returned to the LAG.

If the proposal is ratified by the Managing Authority, the LAG can then proceed with a formal Application and subsequent assessment by the LAG Assessment Panel.

**2.**

|  |  |  |
| --- | --- | --- |
| **Local Action Group Decision** | | |
| **Recommended to proceed:** | **YES** | **NO** |
| **Comments:** | | |
| **Name:**  **(LAG Chair of Assessment Panel)** | | |
| **Signature:** | | |
| **Date:** | | |

The Assessment Panel decision should be recorded in Table 2 and a copy of this form returned to the Managing Authority.

**Appendix 19B**

**LEADER COOPERATION - PREPARATORY TECHNICAL SUPPORT – LAG ASSESSMENT TEMPLATE[[37]](#footnote-37)**

This template is designed for use by the LAG Assessment Panel when considering applications to fund LEADER Cooperation Preparatory Technical support (Phase 2) projects. The maximum grant available per project per LAG is £5,000.

|  |  |
| --- | --- |
| **Application Reference No.** | **Working Title of proposed project** |
|  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **CRITERION** | | **Yes / No** | **Comments** |
| 1 | Does the proposed activity fit with the LAG’s Cooperation priorities as per the LAG’s Strategy? |  |  |
| 2 | Has sufficient Networking activity and / or baseline scoping of the proposed activity taken place to merit its progression to a Pre-Development project? |  |  |
| 3 | At this stage, does the proposed activity offer potential to deliver positive outcomes for the LAG area? |  |  |
| 4 | Are the potential outcomes from the proposed activity unlikely to be delivered without a joint Cooperation action? |  |  |
| 5 | Do the proposed actions and associated costs appear reasonable and represent value for money? |  |  |
| 6 | Is it evident that the LAG envisages the implementation of a concrete project? |  |  |
| 7 | Has the proposed action been formally ratified by the Managing Authority? |  |  |

**All questions must be answered and in order for the application to be approved for funding, the answer to each question must be YES. Comments should be recorded alongside each Criterion to justify the decision.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Date of Assessment Panel meeting:** |  | **Application Reference No.** |  |

**The (*LAG name here)*** **LAG Assessment Panel has considered this Application and decided that it should be: Accepted / Rejected / Referred\***

**\*(delete as appropriate)**

**The rational for this decision must be recorded in the Assessment Panel minutes and all Assessment Panel members must sign below.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Signature** | **Date** | **Signature** | **Date** |
| ***Chair of Assessment Panel*** |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Appendix 19C**

**CO-OPERATION AGREEMENT**

Article 1

Objective of the Project

The organisations detailed below have expressed the common commitment to implement \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ based on the schedule presented in this agreement.

The main object for the project is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Outcomes:

Article 2

Working Language

As agreed by the Co-operation Partners (usually English or another main language of the EU)

Article 3

Project duration and location of implementation

Duration of the project shall be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Duration time of this agreement shall be until the finalisation of all activities in the project by all members according to their own local schedule but latest shall be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The locations where project activities will be implemented shall be in accordance with the schedule of activities in the Annex.

Article 4

Obligations, responsibilities and liability

All project partners shall verify and approve the information contained in this agreement.

Lead Partner

* The obligations and responsibilities of the lead partner shall include co-ordination of joint actions within the project, monitoring and follow up activities, continuous communication and liaising with project partners and reporting to the EU Commission.
* Nationally reporting is carried out by each partner in their own country and area.

Co-operating Partners

* Using the commonly agreed project activity schedule and objectives in their respective project applications to their relevant LAG/Managing Authority.
* Ensuring the funding for their share of the common costs of the project and respective joint and local actions.
* Reporting to the project partners and lead partner.
* Communicating and liaising with project partners and the lead partner.
* Co-operation partners have limited liability in the case of force majeure. Partners have limited liability due to any damages and costs resulting from the non-compliance of any of the co-operation partners.

Article 5

Changes in the partnership

* Changes in the partnership can be facilitated by written amendment, agreed and signed by all of the co-operation partners.
* Two main scenarios exist – a new partner joins the co-operation partnership or one or more existing partner leaves the co-operation partnership.
* Modification of the budget is done if necessary – especially relating to common costs and its division among partners – part of the modification both in the case of extending the partnership and in case of any partners leaving the partnership.
* Obligations of each partner to notify relevant authorities of the changes.

Article 6

Project Management

* The Project Management Committee will consist of at least two nominated representatives from each participating country.
* Secretariat of the Project Management Committee will be provided by the lead/co-ordinating partner.
* At least \_\_\_\_\_ number of meetings will be held within the duration of the project based on the written invitation by the lead/co-ordinating partner.

Article 7

Dispute resolution, applicable law

* First and preferred means of dispute resolution is by amicable settlement.
* In case of failure of amicable agreement, the applicable jurisdiction is the region of the lead partner.
* For purposes of dispute resolution at court, English (or other main language of the EU) version of the text of this agreement and its annexes is applicable.

Article 8

Amendment of the agreement

* All amendments to the agreement shall be in writing and signed by all of the co-operation partners.
* Any amendments to the agreement shall be communicated to the relevant authorities in due course.

This agreement has been finalised in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signatories \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Name of the partner
2. LAG code in list of LAG
3. Registration Code
4. Name of representative (project contact). Language spoken/understood
5. Name of the official representative (signature)
6. Position
7. Place (address, including country)
8. Telephone
9. E-mail

ANNEX: Description of project activities

*1.1 Description of the general and specific objectives of the project*

*1.2 Description of target groups*

*1.3 Description of actions (including joint actions)*

*1.4 Schedule of activities*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| *No.* | *Activity* | | *Target group / location* | *Responsible/participating project partner(s)* | *Schedule (duration)* | *Key output* |
| Joint action | Local action |
| *1* |  |  |  |  |  |  |
| *2* |  |  |  |  |  |  |
| *…* |  |  |  |  |  |  |

*1.5 Breakdown of project budget by activity*

|  |  |  |  |
| --- | --- | --- | --- |
| *No.* | *Activity* | *Planned maximum budget* | *Responsible project partner(s)* |
| *1* |  |  |  |
| *…* |  |  |  |

*1.6 Breakdown of project budget by cooperation partner*

|  |  |  |  |
| --- | --- | --- | --- |
| *No.* | *Name of cooperation partner* | *Planned maximum budget* | *Share of common costs (contribution to joint actions budget)[[38]](#footnote-38)* |
| *1* |  |  |  |
| *…* |  |  |  |

*1.7 Breakdown of the project budget by cooperation partner and source of funding*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | *Project cost in EUR* | | | | | |
|  |  | *Total cost for the lifetime of the co-operation project\** | *Out of which* | | | *If other funds have been raised,*  *please indicate\** | |
| *No.* | *Partner* |  | *EAFRD\** | *other public contribution\** | *private contribution\** | *Fund name* | *Fund Contribution* |
| *1.* |  |  |  |  |  |  |  |
| *…* |  |  |  |  |  |  |  |

**Appendix 19D**

**Priority 6 –Social Inclusion, Poverty Reduction and Economic Development in Rural Areas**

**ASSESSMENT PANEL MEMBER SCORING MATRIX**

|  |
| --- |
| **BASIC SERVICES, VILLAGE RENEWAL, BROADBAND & COOPERATION** |

**NON-PROFIT TAKING APPLICANTS**

|  |
| --- |
| **PROJECT PROMOTER NAME:** |
| **PROJECT TITLE:** |
| **EU DATABASE REFERENCE NUMBER:** |

Please score each section. Comments MUST be recorded in the minutes of the assessment panel showing clear rationale for score awarded. Based on the evidence available you must award only one of the scores provided against the criteria within each section. A score between the range of scores available must not be awarded.

Projects must contribute to one of the Focus Areas of Priority 6 of the Commission Priorities for Rural Development and may also contribute to a secondary Focus area(s). A project will not be presented to the Assessment Panel unless it contributes to at least one Focus Area.

|  |  |
| --- | --- |
| **1. Focus Area**  **Does the project contribute to a focus areas? (See Annex A)** | **1A to 6B list one only** |
| Primary Focus Area to which project contributes |  |
|  | |
| What secondary Focus Area(s) does the project contribute to?  List as many as apply. (see Annex A) | |
|  | |
| **2. LOCAL DEVELOPMENT STRATEGY** | |
| Assessment Panel members have considered that the project contributes to the priorities of the LAG Development Strategy, which will have identified objective need and deprivation.  **Yes**  🞎 **No**  🞎 (if no, the project cannot proceed)  Specify the Strategy priority(ies) to which this application will contribute:  ........  .............................................................................................................................................  ............................................................................................................................................. | |

|  |  |
| --- | --- |
| **3.** **IRREGULARITIES -** Reportable irregularities from previous RDP funding programmes. | Y/N |
| **If yes – provide details:**    ....................................................................................................................................  ....................................................................................................................................  Depending on the nature and financial cost of the irregularity the LAG must consider whether to score the project. |  |

|  |
| --- |
| **4. ESSENTIAL FUNDING CRITERIA** |
| **Displacement**   1. Assessment Panel members have considered the evidence presented to them in relation to displacement and are content that where displacements occurs that it is at an acceptable level.     **Yes**  🞎 **No**  🞎 (If no, project cannot proceed)  **The rationale for this decision MUST be recorded in the assessment panel minutes.**  **Additionality**   1. Assessment Panel members have considered the need for funding to this project and are of the opinion that the funding is necessary to implement the project on the basis of the information provided.   **Yes**  🞎 **No**  🞎 (If No project cannot proceed)  **The rationale for this decision MUST be recorded in the assessment panel minutes.**  **Please Note:** In circumstances where Assessment Panel Members have recorded ‘NO’ to either of the above criteria in Section 4 then the project cannot progress further. |

|  |  |
| --- | --- |
| **5. DEVELOPMENT PATH ANALYSIS – PROJECT CATEGORISATION** | **Score**  **6** |
| A. 🞎 **(score 0)** B. 🞎 **(score 2)**  C. 🞎 **(score 4)** D. 🞎 **(score 6)**  **Investments which are likely to have an unacceptable negative effect on the environment are not eligible for support under the RDP 2014-2020.**  Assessment Panel members have considered the evidence and scored the Environmental Assessment.  **The rationale for this decision MUST be recorded in the assessment panel minutes.** |  |

|  |  |
| --- | --- |
| **6. The extent to which need/demand is identified and addressed. The extent to which the project CONTRIBUTES TO THE PRIORITIES OF THE lag development strategy.** | **Score**  **17** |
| **Needs/demands are clearly identified and significant, and the project has been designed to have a direct impact on the needs identified. Assumptions made have been assessed within the appraisal process.**  **Score 17**  The applicant has presented a clear description of the project and how it has been designed to meet the needs identified through consultation. The applicant has outlined a clear plan for implementing the project in order to meet identified need. The applicant has demonstrated innovative solutions to address access to a number of services at a local community level. The applicant has demonstrated a cross community involvement and will encourage good relations. The project will have a significant contribution to the priorities of the LAG Development Strategy and emerging priorities of the Community Plan within council.  **Score 13**  Applicant has presented a range of information around deficiencies in current provision to justify the need for the project. The applicant has presented a description of the project and how it will be implemented and evidenced input from potential beneficiaries in project design. The applicant has demonstrated a cross community involvement and will encourage good relations. The project will contribute to the priorities of the LAG Development Strategy and emerging priorities of the Community Plan within council, however, the number of services delivered is more limited.  **Score 10**  Some evidence of consultation and engagement, however limited in scope and localised, and some attempt has been made to demonstrate deficiencies in current provision to justify the project. The extent to which the project will contribute to priorities of the LAG Development Strategy and emerging priorities of the Community Plan within council is limited. The service provision is limited in nature.  **Score 0**  Evidence of consultation and engagement is not sufficiently detailed and no attempt has been made to demonstrate deficiencies in current provision to justify the project. The project does not contribute to the priorities of the LAG Development Strategy and emerging priorities of the Community Plan within council. |  |

|  |  |
| --- | --- |
| **7. OBJECTIVES,TARGETS AND PERFORMANCE INDICATORS**  **Specific, Measurable, Achievable, Realistic and Time-bound**  **(SMART)** | **Score**  **10** |
| **Project has clear and measurable objectives, targets and indicators which are directly aligned to the Local Development Strategy, Rural Development Programme and Scheme specific output indicators.**  **Score 10** – All objectives identified are SMART. Targets are considered to  be realistic and achievable.  **Score 6** – Only part satisfies SMART criteria – i.e. some objectives are not measurable or time-bound.  **Score 0** – Stated objectives do not satisfy SMART criteria. |  |

|  |  |
| --- | --- |
| **8. PROJECT PROMOTER HAS MONITORING AND EVALUATION SYSTEMS IN PLACE TO MEASURE PROGRESS AGAINST OBJECTIVES** | **Score**  **10** |
| **Score 10** – Full realistic monitoring plan completed to capture progress  relevant to identified objectives and outcomes. Benefits  Realisation Plan (BRP) inPlace and is detailed.  **Score 6** – Monitoring plan provided but limited detail in the BRP provided on how  progress will be monitored.  **Score 0** – No monitoring plan/BRP provided by applicant. |  |
|  |  |
| **9. EMPLOYMENT** | **Score**  **8** |
| **Will the project create new jobs or maintain existing jobs in the rural economy?**  **Score 8 –** The project will create new employment opportunities and  create direct jobs sustainable beyond the implementation of the project i.e. after funding.    **Score 5 –** The project will maintain existing jobs in the rural economy.  **Score 0 –** No job creation or job sustainability evident. |  |
|  |  |
| **10. MANAGEMENT SKILLS / RESOURCE** | **Score**  **12** |
| **Does the Project Promoter have the capacity to deliver this project?**  **Score 12**– The project promoter can demonstrate significant project management experience in the completion of similar projects. The project management skills demonstrated within the organisation /committee/staff are relevant and deemed satisfactory for successful implementation of the project. Promoter has provided detail of the project management structure and governance arrangements for  delivery of the project. No reported irregularities from previous RDP  funding.  **Score 8 –** The project promoter has limited project management experience in the delivery of similar projects but the project management skills demonstrated within the organisation/committee are relevant for successful implementation of the project. Although there is detail of the management structure and governance arrangements there  are gaps. No reported irregularities from previous RDP funding.  **Score 6** – There is no evidence that the project promoter has the necessary management skills to deliver the project. However, the promoter has demonstrated that outside resources/skills are available to provide the necessary management skills to deliver the project. No reported irregularities from previous RDP funding.  **Score 0** – There is no evidence that the project promoter has the necessary  management structure and governance arrangements for the delivery  of the project. |  |

|  |  |
| --- | --- |
| **11. FINANCIAL PLANNING - Related to the delivery of the Project** | **Score**  **12** |
| **Does the project promoter demonstrate realistic financial planning?**  **Score 12** –Supporting information provided itemises all costs, capital and resource, (including direct costs and running costs) associated with project delivery. Quotations/tenders have been provided in line with the required rules of the scheme as back up to all stated costs. Applicant has provided evidence of engaging with a relevant professional in determining the costs associated with delivery. A robust, credible and realistic delivery plan has been provided. Detailed Work Plan template(s) have been provided.  **Score 7** - Applicant has provided limited detail as to how project costs were arrived at. Only some or no indicative quotes provided against the items for which funding has been applied for. There are some weaknesses in the delivery and Work Plan template(s) provided.  **Score 0 -** Applicant has provided no supporting information (i.e. required number of quotes/tenders) to substantiate key costs associated with project delivery. |  |

|  |  |
| --- | --- |
| **12. FINANCIAL VIABILITY/SUSTAINABILITY – Related to the project post implementation** | **Score**  **12** |
| **Examine the financial projections as provided by the promoter (which may include those included in a Business Plan) which have been economically appraised. For projects which do not generate revenue consider maintenance costs.**    **Score 12 -** The project will generate a level of income adequate to cover any annual overheads/recurrent costs. Income and expenditure projections are based on sound assumptions. Written confirmation provided as to how recurrent/maintenance costs will be met. For non-revenue generating projects financial details have been provided as to how the project will be maintained.  **Score 8 -** The project will generate a level of income adequate to cover annual overheads/recurrent cost but income and expenditure projections are not based on clearly defined assumptions.  **Score 0 -** The project does not generate a level of income adequate to  cover annual overheads/recurrent or is dependent on further  funding for continuation after the initial funding period. For non-revenue generating projects there are no details or provision for upkeep/future maintenance. |  |

|  |  |
| --- | --- |
| **13. COMMUNICATIONS AND MARKETING/PUBLICITY** | **Score**  **5** |
| **Score 5** – Supporting Information provides detail on communication and marketing and promotion activities appropriate to the scale of the project. The project promoter has a clear communication/marketing plan and identified resources (which may include a budget) to promote the project. Detailed project Marketing plan has been provided.  **Score 3** – Some information provided although limited on how the project will be communicated and marketed and promoted to beneficiaries. The project has limited resources to carry out these activities, which restricts this impact of this activity. The detail in the project Marketing Plan is limited  **Score 0** – There is no evidence provided on how the project promoter will communicate to the community/stakeholders and market the project. The communication plan is weak or not submitted. The Project Marketing Plan is insufficiently completed to demonstrate how the project will be communicated to the local/wider community. |  |

|  |  |
| --- | --- |
| **14. EQUAL OPPORTUNITIES/GOOD RELATIONS/CROSS COMMUNITY CONSIDERATIONS** | **Score 8** |
| **Score 8 –** The applicant has provided strong evidence to demonstrate how the project will promote equal opportunities for all potential beneficiaries. The project will encourage good relations/cross community involvement. Promoter has provided evidence of meaningful consultation with key target groups in drawing together the project.  **Score 5 –** The applicant has provided some evidence to demonstrate how the project will promote equal opportunities for all potential beneficiaries. There is some evidence that the project will encourage good relations/cross community involvement. Promoter has provided some evidence of consultation with key target groups in drawing together the project.  **Score 0 –** The evidence provided does not demonstrate that the project will contribute to or encourage good relations/cross community involvement. No evidence of any meaningful consultation with key target groups in drawing together the project. |  |

**Summary of scores**

|  |  |  |  |
| --- | --- | --- | --- |
| **Criteria reference** | **Funding Criteria** | **Maximum Score** | **Score** |
| **5.** | **Development Path Analysis - Project Categorisation** | **6** |  |
| **6.** | **The extent to which need/demand is identified and addressed. The extent to which the project contributes to the priorities of the LAG Development Strategy.** | **17** |  |
| **7.** | **OBJECTIVES, TARGETS AND PERFORMANCE INDICATORS**  **Specific, Measurable, Achievable, Realistic and Time-bound (SMART)** | **10** |  |
| **8.** | **Project Promoter has monitoring and evaluation systems in place to measure progress against objectives** | **10** |  |
| **9.** | **Employment** | **8** |  |
| **10.** | **Management Skills/Resources** | **12** |  |
| **11.** | **Financial Planning – Related to the delivery of the project** | **12** |  |
| **12.** | **Financial Viability/Sustainability–Related to the project post implementation** | **12** |  |
| **13.** | **Communication and Marketing/Publicity** | **5** |  |
| **14.** | **Equal Opportunities/Good Relations/Cross Community Considerations** | **8** |  |
|  | **Maximum score** | **100** |  |

Date of Assessment Panel Meeting\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(only projects that score 65 Marks and over will be considered for funding).

The Assessment Panel has decided the above project should be \*accepted/rejected/or deferred. (\*delete as appropriate)

**The rationale for this decision MUST be recorded in the assessment panel minutes.**

**NB: All Assessment Panel members must sign below for composite scoring.**

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

Chair of Assessment Panel

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

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

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

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

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

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

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

Additional names if required:

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

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

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

**Annex A**

| Article 5 of Regulation (EU) No 1305/2013 / focus area code | Focus area |
| --- | --- |
| 1A | Fostering innovation, cooperation, and the development of the knowledge base in rural areas |
| 1B | Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance |
| 1C | Fostering lifelong learning and vocational training in the agricultural and forestry sectors |
| 2A | Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification |
| 3A | Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations |
| 4A | Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes |
| 4B | Improving water management, including fertiliser and pesticide management |
| 4C | Preventing soil erosion and improving soil management |
| 5E | Fostering carbon conservation and sequestration in agriculture and forestry |
| 6B | Fostering local development in rural areas |

1. Registry of Deeds keeps information about land that is not registered in Land Registry [↑](#footnote-ref-1)
2. Art. 44 (1) (b) EAFRD Reg. [↑](#footnote-ref-2)
3. Art. 44 (1) (a) EAFRD Reg. [↑](#footnote-ref-3)
4. http://www.dfpni.gov.uk/eag [↑](#footnote-ref-4)
5. Refreshments at business meetings require the approval of the Admin Manager. Working “Snack Type” Meal requires the approval of the Chair of the LAG**.** [↑](#footnote-ref-5)
6. 1**An existing business operating continuously for a period of at least 1 Year prior to the date of** **application verifiable on presentation of annual business accounts.** [↑](#footnote-ref-6)
7. **2 Used to transport people for any reason.**

   **3 Vehicle is something used as an instrument of conveyance. It can include any conveyance used for transporting passengers or things by land, water, or air.** [↑](#footnote-ref-7)
8. 4 **Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons.**

   **A micro enterprise is defined as an enterprise which employs fewer than 10 persons**

   **\*Linked Businesses**

   **The business will be treated as one legal entity if it is linked with one or more other businesses. The applicant therefore needs to take into consideration the FTE employees of any other businesses to which they are formally connected.**

   **Further guidance on what is deemed as a formal connection is provided within the guidance ‘The new SME definition – user guide and model declaration’ at**

   **http://ec.europa.eu/DocsRoom/documents/10109/attachments/1/translations/en/renditions/native .**  [↑](#footnote-ref-8)
9. **Used to transport people for any reason** [↑](#footnote-ref-9)
10. **Vehicle is something used as an instrument of conveyance. It can include any conveyance used for transporting passengers or things by land, water, or air.** [↑](#footnote-ref-10)
11. 1 **Used to transport people for any reason** [↑](#footnote-ref-11)
12. 2 **Vehicle is something used as an instrument of conveyance. It can include any conveyance used for transporting passengers or things by land, water, or air.** [↑](#footnote-ref-12)
13. . For the moment such details would be reviewed under general state aid case examination. [↑](#footnote-ref-13)
14. Regulation (EU) 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural fund for Rural Development (EAFRD) and repealing Council Regulation (EC) 1698/2005 [↑](#footnote-ref-14)
15. ‘Public expenditure’ isdefined as “ any public contribution to the financing of operations the source of which is the budget of national, regional or local public authorities, the budget of the Union related to the ESI Funds, the budget of public law bodies or the budget of associations of public authorities or of public law bodies ..” (Art 2(15) of Regulation (EU) 1303/2013 refers). [↑](#footnote-ref-15)
16. <http://ec.europa.eu/competition/consultations/2014_state_aid_notion/draft_guidance_en.pdf> [↑](#footnote-ref-16)
17. Commission Regulation (EU) 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid [↑](#footnote-ref-17)
18. Commission Regulation (EU) 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty [↑](#footnote-ref-18)
19. The term “non-promoter funding” means non-private sector funding, i.e. it is the sum of public funding from all sources (and therefore includes EU, Central Government, Local Government, IFI, and Lottery funding etc.). It is the level of non-promoter funding which determines the level of effort that should be put into appraising projects.

    The decision as to whether a business case/economic appraisal should be forwarded to DOF for approval, or not, needs to be taken after reading the guidance in DAO 06/12. Projects that exceed Departmental delegated limits need to be sent to DOF via Financial Planning Branch, DAERA. In determining whether a project exceeds “Departmental delegated limits”, it should be noted that delegated limits refer to only Central Government Funding (which includes any EU funds). [↑](#footnote-ref-19)
20. Financial Policy Branch should be furnished with: the final EA along with any relevant appendices and annexes; the sign-off minute from the PED Economists; a completed DOF proforma; and a draft letter to the DOF Supply Officer, for finalisation and issue by Financial Planning Branch. The draft letter should incorporate comments in respect of regularity and propriety, vfm and budgetary cover. [↑](#footnote-ref-20)
21. The term “non-promoter funding” means non-private sector funding, i.e. it is the sum of public funding from all sources (and therefore includes EU, Central Government, Local Government, IFI, and Lottery funding, etc.). It is the level of non-promoter funding which determines the level of effort that should be put into appraising projects.

    The decision as to whether a business case/economic appraisal should be forwarded to DOF for approval, or not, needs to be taken after reading the guidance in DAO 06/12. Projects that exceed Departmental delegated limits need to be sent to DOF via Financial Planning Branch, DAERA. In determining whether a project exceeds “Departmental delegated limits”, it should be noted that delegated limits refer to only Central Government Funding (which includes any EU funds). [↑](#footnote-ref-21)
22. The term “non-promoter funding” means non-private sector funding, i.e. it is the sum of public funding from all sources (and therefore includes EU, Central Government, Local Government, IFI, and Lottery funding, etc.). It is the level of non-promoter funding which determines the level of effort that should be put into appraising projects.

    The decision as to whether a business case/economic appraisal should be forwarded to DOF for approval, or not, needs to be taken after reading the guidance in DAO 06/12. Projects that exceed Departmental delegated limits need to be sent to DOF via Financial Planning Branch, DAERA. In determining whether a project exceeds “Departmental delegated limits”, it should be noted that delegated limits refer to only Central Government Funding (which includes any EU funds).

    [↑](#footnote-ref-22)
23. The term “non-promoter funding” means non-private sector funding, i.e. it is the sum of public funding from all sources (and therefore includes EU, Central Government, Local Government, IFI, and Lottery funding, etc.). It is the level of non-promoter funding which determines the level of effort that should be put into appraising projects.

    The decision as to whether a business case/economic appraisal should be forwarded to DoF for approval, or not, needs to be taken after reading the guidance in DAO 06/05. Projects that exceed Departmental delegated limits need to be sent to DoF via Financial Planning Branch, DAERA. In determining whether a project exceeds “Departmental delegated limits”, it should be noted that delegated limits refer to only Central Government Funding (which includes any EU funds). [↑](#footnote-ref-23)
24. If benefits cannot be quantified, the preferred option may have a net cost. The project should only be proceeded with if the non-monetary impacts are sufficient to justify this cost. [↑](#footnote-ref-24)
25. If the applicants are promoting an option which does not have the highest net monetary benefit (or lowest monetary cost in the scenario where an option has a net cost) when compared with the other options considered, it should only be proceeded with if there are additional non-monetary impacts associated with this option when compared with the others considered, which justify it being the “preferred” option. [↑](#footnote-ref-25)
26. For a summary of equality obligations, see Annex B. [↑](#footnote-ref-26)
27. For information, see the Government’s Anti-Poverty and Social Inclusion Strategy for Northern Ireland, entitled “Lifetime Opportunities”. [↑](#footnote-ref-27)
28. If an applicant confirms that a project would go ahead to the same scale, timescale and location in absence of grant-aid, then it would appear that there would be no additional impact as a result of allocating grant-aid, and therefore, the project should not be funded. [↑](#footnote-ref-28)
29. Please note that the value of the contribution in kind, as an eligible expenditure for grant purposes, has to be independently assessed and audited and is only allowed for specific types of project**. It should normally be assumed that contributions in kind are not allowable.** Contributions in kind are not carried forward into the financial cash flows. [↑](#footnote-ref-29)
30. Once this calculation has been completed, consideration should be given to whether the project is cost-effective in creating jobs, (if that is a strategic goal), compared to other projects being considered for funding. [↑](#footnote-ref-30)
31. For the purposes of this economic appraisal proforma, a project is deemed to be viable if its net cash flow after the repayment of loan and/or overdraft is improving year on year from year 3 onwards. [↑](#footnote-ref-31)
32. For the purposes of this economic appraisal proforma, a project is deemed to be sustainable if viability continues to be achieved without further government grant-aid/funding, beyond what is justified in this proforma. [↑](#footnote-ref-32)
33. Please note that the value of the contribution in kind, as an eligible expenditure for grant purposes, has to be independently assessed and audited and is only allowed for specific types of project**. It should normally be assumed that contributions in kind are not allowable.** Contributions in kind are not carried forward into the financial cashflows. [↑](#footnote-ref-33)
34. For the purposes of this economic appraisal proforma, a project is deemed to be viable if its net cash flow after the repayment of loan and/or overdraft is improving year on year from year 3 onwards. [↑](#footnote-ref-34)
35. For the purposes of this economic appraisal proforma, a project is deemed to be sustainable if viability continues to be achieved without further government grant-aid/funding, beyond what is justified in this proforma. [↑](#footnote-ref-35)
36. [↑](#footnote-ref-36)
37. [↑](#footnote-ref-37)
38. Forms part of the *planned maximum budget* allocated tothe cooperation partner. Note: the difference between the *planned maximum budget* and the *share of common costs* equals the maximum budget for local actions available to the respective cooperation partner. [↑](#footnote-ref-38)